Atria Annual Report 2014

ATRIA PLC

Good food - better mood.

ATRIA GROUP'S KEY INDICATORS

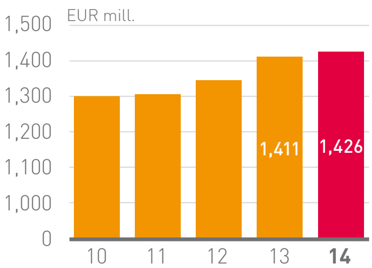
	2014	2013
Net sales, EUR million	1,426.1	1,411.0
EBIT, EUR million	40.6	19.7
EBIT, %	2.8	1.4
Non-recurring items* EUR million	1.0	-17.3
Balance sheet total, %	923.5	978.1
Return on equity, %	6.6	-1.0
Equity ratio, %	44.0	42.2
Net gearing, %	61.8	74.3

*Non-recurring items are included in the reported figures.

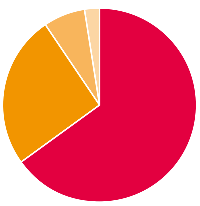
NET SALES

+15.1 EUR mill.

Consolidated net sales increased by EUR 15.1 million to EUR 1,426.1 million, or by 1.1 per cent. Atria Finland's net sales increased by EUR 58.7 million. Atria Scandinavia's net sales decreased by EUR 23.1 million, and Atria Russia's net sales by 22.7 million. Atria Baltic's net sales increased by EUR 1.6 million.



NET SALES BY BUSINESS AREA

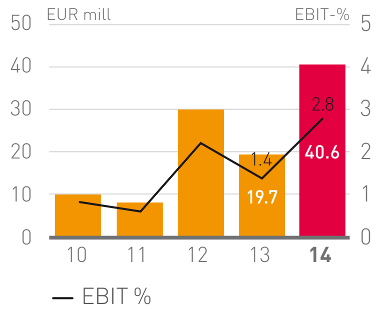


- Atria Finland EUR 945.5 million
- Atria Scandinavia EUR 371.9 million
- Atria Russia EUR 98.8 million
- Atria Baltic EUR 34.5 million

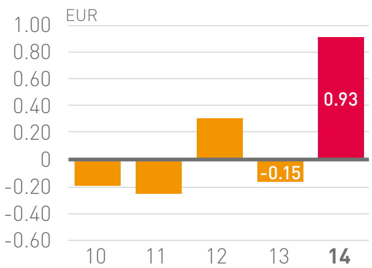
EBIT

40.6 EUR mill.

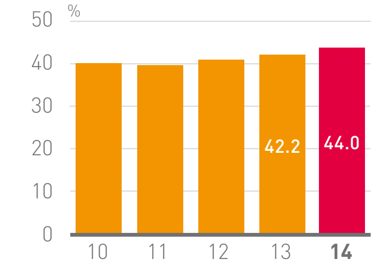
Consolidated EBIT increased by EUR 20.9 million to EUR 40.6 million, or by 106.1 per cent. Without non-recurring items, EBIT amounted to EUR 39.6 million (EUR 37.0 million for the reference period). EBIT was increased by the positive performance in Finland and Scandinavia: Atria Finland's EBIT was EUR 33.6 million, and Atria Scandinavia's EBIT EUR 14.9 million. Atria Russia's operating loss amounted to EUR 5.7 million, and Atria Baltic's operating loss to EUR 0.0 million.



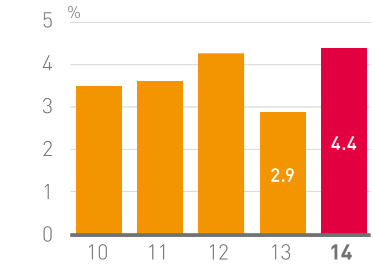
EARNINGS PER SHARE



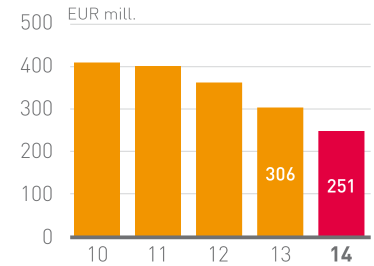
EQUITY RATIO



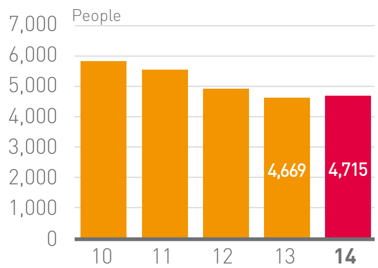
GROSS INVESTMENTS, % OF NET SALES



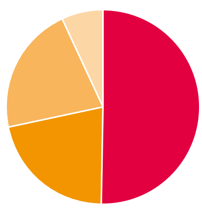
NET LIABILITIES



AVERAGE NUMBER OF PERSONNEL



PERSONNEL BY BUSINESS AREA



- Atria Finland 2,376
- Atria Scandinavia 1,014
- Atria Russia 1,004
- Atria Baltic 321

ATRIA PLC

Atria Plc is a growing Finnish food company that is expanding its international presence. The company's success is built on three pillars: people, food and heritage.

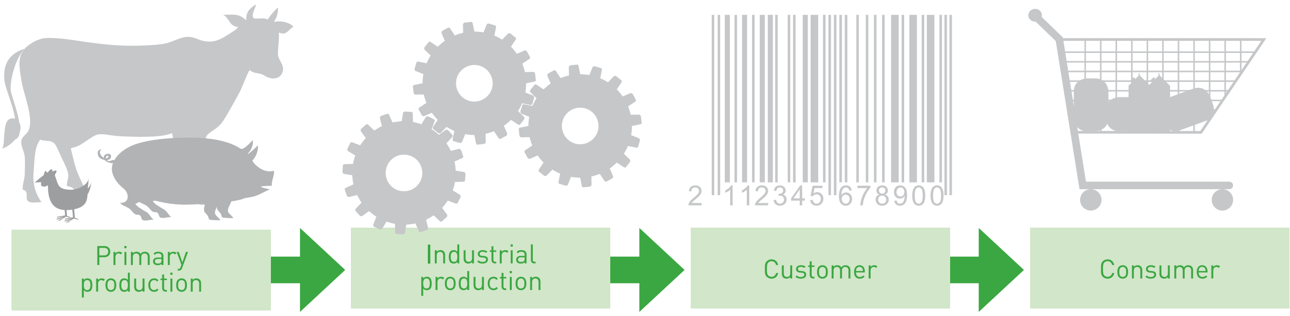
Atria Group is one of the leading food companies in the Nordic countries, Russia and the Baltic region. Its net sales in 2014 were EUR 1,426 million and it employed an average of 4,715 people. The Group is divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

Atria's customer groups are consumer goods retailers, Food Service customers and the food industry. In addition, it has a Fast Food concept based on its own brands.

Atria's roots go back to 1903, when its oldest shareholding cooperative was founded. Atria Plc's shares are quoted on the NASDAQ OMX Helsinki Ltd stock exchange.

GOOD FOOD CHAIN

Atria's good food chain consists of four main stages: primary production, industrial production, customer and consumer focus.



CONTENT

"Efficiency is traditionally part of daily work at Atria – it provides a good basis"

Atria's 2014 was a roller coaster. The first part of the year was characterised by negative moods, while the second part saw the company increase its EBIT forecast. CEO Juha Gröhn, the changes in the business environment were strong and quick, weren't they?

Yes, Atria's business environment continued to be challenging in 2014. The desired improvement in demand and people's trust in a stronger economy did not occur, and the turnaround towards better times continued to be delayed.

The most difficult situation was in Russia. The initial optimism for being able to achieve a positive performance was shuttered already in January, when Russia imposed an import ban on pork. As a consequence, the price of meat increased by dozens of per cent in the blink of an eye. In August, Russia's import ban was extended to all European meat, and raw material prices increased again. In December, the value of the rouble collapsed.

In Finland, the development of consumer demand was weaker than expected. Even our customers' strong commercial work could not get enough consumers on the move to keep the overall market strong. The worst was avoided, but growth was nowhere to be seen.

The Scandinavian market had the same characteristics as in Finland: trading was scarce, and the overall markets for cold cuts and sausages were even slightly negative.

It seems that people's interest in the origin of food and of its raw materials is growing. The reason is partly the increasing importance of food safety and sustainable production, but also the construction of the national economy's future through everyday purchase decisions.

"Saarioinen's meat operations were integrated into Atria rapidly and systematically."

The driver of the Group's growth was Atria Finland, whose net sales were increased, above all, by the operations acquired from Saarioinen and the new poultry feed plant. Did the investments meet expectations also with regard to the near future?

You could say so. The year's most important investment was the acquisition of Saarioinen's meat operations in February. The operations were integrated into Atria rapidly and systematically. The merging brought significant cost savings, which we were able to fully leverage towards the end of the year.

Another major opening was the commissioning of the poultry feed plant. The development of volumes was as expected. >

"In financially harder times, customers and consumers turn more to the classics, which we have in all markets."

The lower purchasing power of consumers and changes in consumption made competition tougher in all business areas. In this situation, how could Atria achieve commercial excellence, one of the cornerstones of its strategy?

Despite the pressures of the business environment, we persistently continued our marketing work and supported the development of Atria's strong brands. We invested more in our own brands than in the previous year. We actively brought new products to the market: at Group level, we launched about 300 new products and product improvements.

In financially harder times, it is more difficult to launch new products. Both customers and consumers turn more to the classics, which we have in all markets.

Atria managed to improve its EBIT in difficult market conditions. How much of this improvement do you attribute to efficiency, Atria's second strategic cornerstone?

Operational efficiency has traditionally been part of daily work at Atria – it provides a good basis. We are always on the lookout for means to improve productivity. The most important measures in 2014 included Atria Russia's productivity operations at the Gorelovo and Sinyavino plants in St Petersburg. The results of productivity development have been so good that the same improvement will be unlikely to occur again.

In Sweden, we have made long-term investments in automation and packaging technology. This could be seen as a favourable cost development both last year and the year before. The performance of Estonia's industrial processes had the highest relative increase compared to the other business areas. In Finland, the most important productivity project was the integration of the operations acquired from Saarioinen into Atria.

At the turn of 2015, Atria announced an investment of about EUR 36 million in the Nurmo pig cutting plant. How would you describe the investment from the point of view of Atria Finland's productivity and competitiveness?

In 2014, we prepared an investment plan for the renovation of the Nurmo pig cutting plant. We made the decision to go ahead in January 2015. The cutting plant investment is part of a series of strategic investments for keeping the basic elements of our industry healthy and competitive.

Previous investments within the aforementioned series are the logistics investments made in 2000 and 2007, the renovation of the poultry unit in 2002, the renovation of the pig slaughterhouse in 2006 and the renovation of the Kauhajoki bovine slaughterhouse in 2012.

Upon completion in 2017, the pig cutting plant will be among the absolute best in the world in terms of technology and productivity. It will also enable the use of continuously evolving technologies. A modern plant is able to transform itself.

"Our operational ability and skills are the most important investments in the future."

Atria has blown new life into its organisation and operations by renewing its procedures and values as well as its management practices. How important do you consider the personnel's role from the point of view of Atria's competitiveness and value?

Our approach to work and values form the basis for today's activities, but also for the implementation of more demanding actions and strategies in the future. Our operational ability and skills are the most important investment in the future. Ultimately, the people – our personnel – make us Atria. With our work, we make good food and better mood for both customers and consumers – for the people in all of our countries of operation. When we succeed in this, our shareholders are also satisfied.

****

Even though Atria's road in 2014 was a bit bumpy, we continued our journey towards our goal – Atria's way to number 1. I would like to thank each and every Atria employee for this journey. I would also like to thank all our partners for their fine work for the benefit of our customers, consumers, our shareholders and the company.

Seinäjoki, March 2015

Juha Gröhn
CEO, Atria Plc

RESOURCES

PERSONNEL
- 4,715 employees on average
- 19 locations in five different countries

RAW MATERIALS
- Meat: beef, pork, poultry
- Other raw materials

MATERIALS
- Packages
- Other materials

PROCESS INPUT
- Energy
- Water

FINANCING
- Equity
- Liabilities

SERVICES
- Producers of goods and other services

OPERATIONS

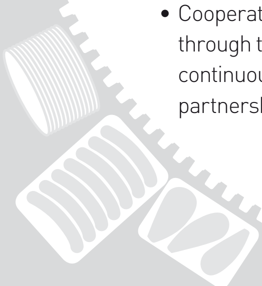
STRATEGY

RISK MANAGEMENT

PERSONNEL
- Developing the competence and well-being of our personnel is a key feature of Atria's social responsibility.

PRODUCTS
- Atria produces food for customers and consumers responsibly and ethically.
- Atria's food is safe, healthy and nutritious.

SERVICES
- Logistics and maintenance services.
- Cooperation is implemented through the principle of continuous development and partnership.



CODE OF CONDUCT

MISSION & VISION

INVESTMENTS

- Atria realises its production and maintenance investments in a financially sound and responsible way.
- Gross investments **EUR 62.7 million**
- Research and development costs **EUR 13.9 million**

ENVIRONMENT

- Atria takes environmental responsibility into account at all operational levels and strives to reduce the direct environmental impact of practical operations.

CORPORATE GOVERNANCE

ATRIA WAY OF WORK

BREAKDOWN OF ADDED VALUE

PERSONNEL

- Salaries and fees **EUR 189.7 million**

CUSTOMERS

- Consumer goods retail trade
- Food Service customers
- Food industry
- Export customers

Net sales and other operating income tot. **EUR 1,432.7 million**

PARTNERS

- Producers
- Subcontractors and other partners
- Purchases and other expenditures **EUR 1,150.5 million**

SOCIETY

- Taxes and social contributions **EUR 59.1 million**

SHAREHOLDERS & FINANCIERS

- Financial expenses **EUR 12.7 million**
- Dividends **EUR 6.2 million**

SUPPORT FOR THE PUBLIC GOOD

- Support for public and private organisations and associations

ATRIA'S WAY TO NUMBER 1

Atria's strategic goal is to be the market leader or a strong number two in the Group's core operations. In locally strong operations Atria's goal is to be the market leader. Atria implements its strategy by promoting the following three operational dimensions:

COMMERCIAL EXCELLENCE
Commercial success maintains and boosts Atria's growth.

EFFICIENT OPERATIONS
Enhanced efficiency improves Atria's profitability.

SHARED PRACTICES
Shared practices and values ensure Atria's profitable growth in the long term.

► Atria's strategy is presented in the Group's www pages at www.atriagroup.com/en/AtriaGroup/Strategy
► and at the Annual Report on page 32

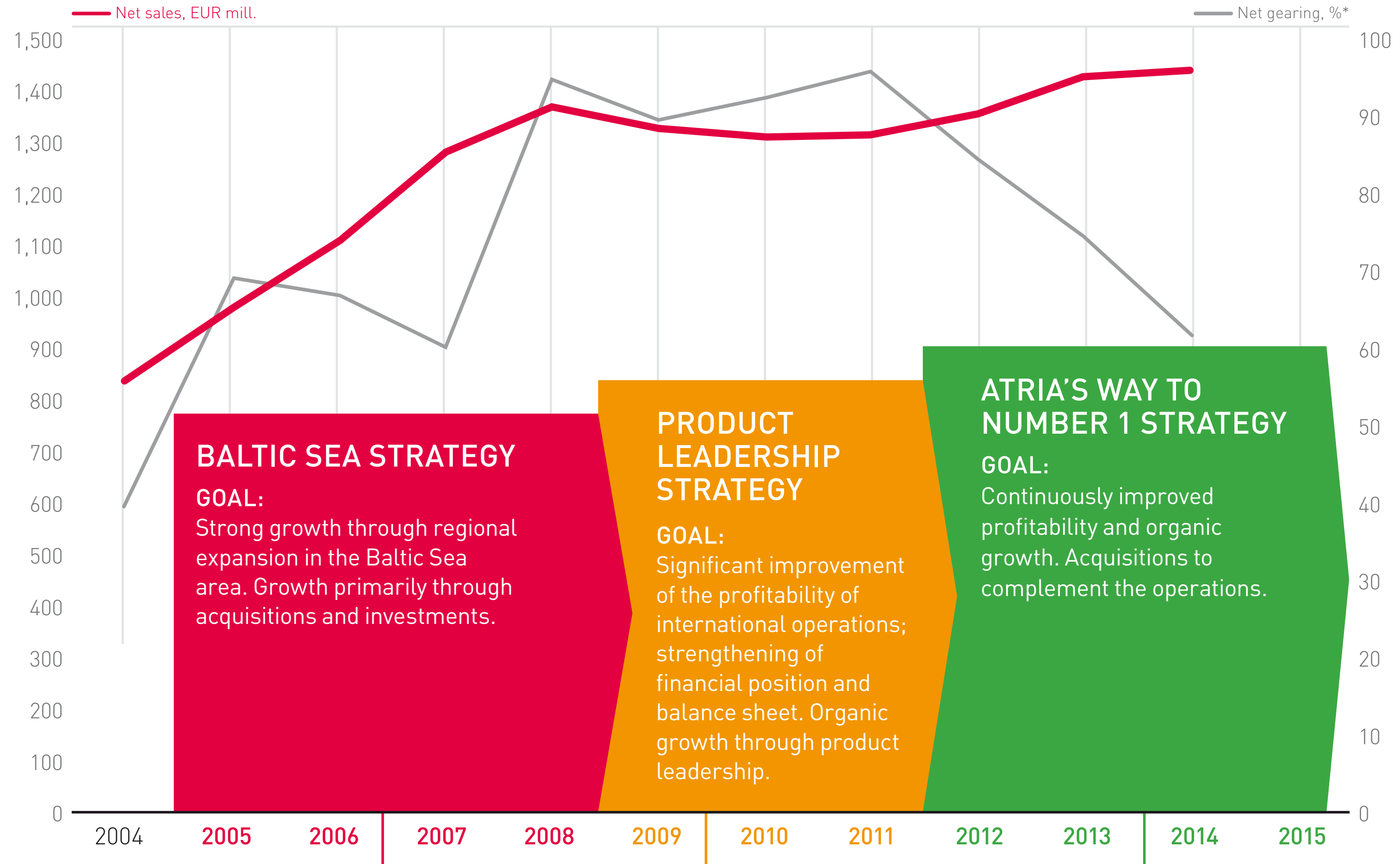
STRATEGIC PROJECTS IN 2014

COMMERCIAL EXCELLENCE
- Leading position in the use of consumer information in all business areas.
- Domestic origin and traceability of meat as a competitive edge (Finland as focus area).
- Growth and regional expansion of the Sibylla concept (Russia as focus area).

EFFICIENCY
- Integration of Jyväskylä and Sahalahti operations into Atria and full leveraging of synergy benefits.
- Increase of productivity and capacity at the Malmö, Borås and Horsens plants.

WAY OF WORK
- Cascading the Atria Way of Work to all employees across the Group.
- Defining the Atria Way of Leading principles.

ATRIA'S STRATEGIC ROADMAP



MAIN MEASURES IN SUPPORT OF THE GOAL:

Acquisitions in all business areas:

- Acquisition of Pit-Product (Russia, 2005)
- Acquisition of Valga Lihatööstus (Estonia, 2005)
- Acquisition of Sardus (Sweden, Denmark, 2007)
- Acquisition of Liha-Pouttu (Finland, 2007)
- Acquisition of Ridderheims Delikatesser (Sweden, 2008)
- Acquisition of Campomos (Russia, 2008)
- Acquisition of Wõro Kommerts and Vastse-Kuuste Lihatööstus (Estonia, 2008)

Investments:

- Pig slaughterhouse in Nurmo 2005
- Logistic centre (II stage) to Nurmo 2007

MAIN MEASURES IN SUPPORT OF THE GOAL:

Major efficiency improvement programmes in all business areas:

- Centralisation of operations, shutdown of several plants and sale of operations in Sweden and shutdown of one plant in Denmark
- Centralisation of production at the Gorelovo plant in Russia
- Centralisation of operations at two plants instead of three in Estonia
- Strengthening of market position in all countries of operation and organic growth through product leadership, as well as major investments in Atria's own brands.
- Centralisation of bovine slaughtering in Kauhajoki and Nurmo's investments.

MAIN MEASURES IN SUPPORT OF THE GOAL:

Promotion of commercial excellence, improvement of profitability and promotion of shared practices in all business areas:

- Significant investments in Atria's own brands, consumer information and research, marketing and sales
- More efficient operations (see "Programmes" on the next page for examples).
- Cascading of the Atria Way of Work

*The calculation is on page 47.

MAJOR PROFITABILITY IMPROVEMENT PROGRAMMES 2012–2014

	Measures	Estimated annual savings
Atria Finland	Centralisation of bovine slaughtering house in Kauhajoki	EUR 6 mill.
	Nurmo efficiency improvement programme	EUR 4 mill.
	Centralisation of convenience food production at the Nurmo plant	EUR 1 mill.
	Jyväskylä plant's productivity and profitability development programme	EUR 5 mill.
Atria Scandinavia	Centralisation of production of ham products and slicing of cold cuts at the Malmö plant	EUR 1.5 mill.
Atria Russia	Centralisation of production of meat products mainly at the Gorelovo plant in St Petersburg	EUR 7.5 mill.
	Efficiency improvement programme at the Sinyavino and Gorelovo plants	EUR 2 mill.
	Discontinuation of primary pork production and closure of the Moscow plant and logistics centre	EUR 6 mill.
Atria Baltic	No programmes, single improvement projects	

ATRIA'S FINANCIAL TARGETS

	Target	Achieved in 2014
EBIT	5%	2.8%
Equity ratio	40%	44.0%
Return on equity (ROE)	8%	6.6%
Dividend distribution of profit from period	50%	43%*

* The Board of Directors's proposal

ATRIA'S RISKS

The risk map shows examples of risks to Atria's operations.
Their overview is available in the Report by the Board of Directors, p. 36.
Financial risk management is described in the Notes to the Consolidated Financial Statements, p. 78.

BUSINESS RISKS

- Raw material price risk
- Business environment risks; competitor risk and reputational risks
- Investment risks

RISKS OF DAMAGE, LOSS OR INJURY

- Political risks
- Animal disease risk
- Property damage and interruption risks

FINANCIAL RISKS

- Currency risks
- Interest rate risk
- Liquidity and refinancing risk
- Credit risk

OPERATIONAL RISKS

- Product safety risk
- Contract risk
- Occupational safety risks

ATRIA

Atria Finland

develops, manufactures and markets fresh food and related services in Finland.
In 2014, the company posted net sales of EUR 945.5 million and employed on average 2,376 people.

Customers	Core product groups	Business environment*
• Consumer goods retail trade • Food Service customers • Food industry • Export customers • Concept customers (Sibylla)	• Cold cuts • Meat products, including sausages • Fresh meat and consumer-packed meat • Poultry products • Convenience food	• Value of the meat and meat product market approx. EUR 2.6 billion • Annual volume growth of 1–2% in meat products in the consumer goods retail trade • Consumer food prices began to decrease in 2014 • Highly consolidated consumer goods retail market: S Group's market share approx. 46%, K Group's approx. 34%, Lidl's approx. 8% and Suomen Lähikauppa's approx. 7% • Share of domestically produced meat 81%: beef 79%, pork 82%, chicken 85%, turkey 62% • The largest players are Atria Finland Ltd and HKScan Finland Oy; Atria is the market leader in the slaughter industry.

*Sources: TNS Gallup Oy, the Finnish Grocery Trade Association (FGTA) and Atria, 2015

BRANDS

Atria Finland's leading brand is Atria, one of the best-known and most valuable food brands in Finland. Atria is the market leader in many of its product groups in Finland. According to Atria's own estimate, its supplier share in the consumer goods retail trade was about 27% in 2014.

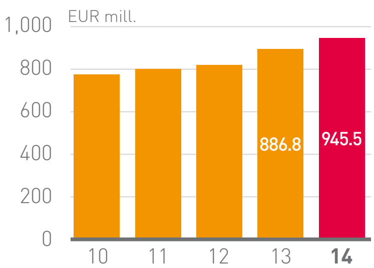
Atria Forssan Atria Kulinaari Atria Bravuuri Atria Wilhelm Sibylla

► Atria was once again number one in the summer 2014 barbecue season.

GROWTH AND PROFITABILITY 2014

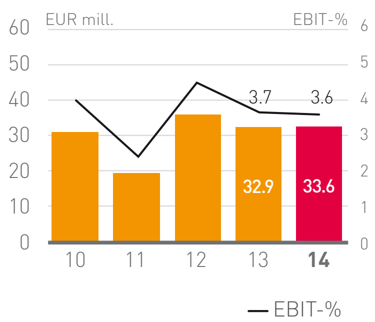
NET SALES INCREASED
+6.6%
to EUR 945.5 million

Atria Finland increased its net sales by EUR 58.7 million year-on-year, to EUR 945.5 million. Growth picked up substantially in the last quarter: net sales grew by 7.8% from the comparative period. This increase was due to the operations acquired from Saarioinen and the sale of poultry feed launched at the beginning of the year. Sales to the retail sector fell slightly, whereas sales to Food Service customers were up.



EBIT GREW
+2.1%
to EUR 33.6 million

EBIT grew by EUR 0.7 million from the previous year, amounting to EUR 33.6 million. In the last quarter EBIT rose by EUR 6.5 million to EUR 15.6 million and EBIT percentage was 6.4%. Atria Finland's full-year profitability was improved by better productivity and higher average sales prices.



CONSUMER MARKET 2014

CONSUMER PURCHASING POWER

-0.6%

Finnish consumers' purchasing power declined by 0.6%, for the second year in a row. The reasons for this reduction include higher unemployment, slower earnings growth and tax increases. Purchasing power is not expected to recover in 2015. 1)

FOOD PRICES

+0.2%

A downward trend was seen in all food prices (food and non-alcoholic drinks) in the consumer goods retail trade: prices remained practically unchanged (+0.2%), whereas in the previous year prices rose by an average of 5.0%. In December 2014, prices declined by 1% compared to the previous year's December. 2)

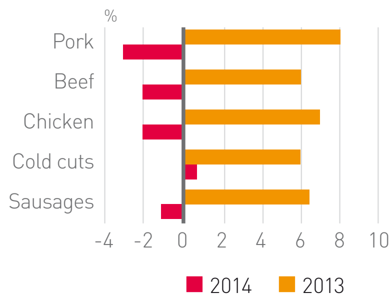
MEAT PRODUCT PRICES

-2%

The consumer prices of meat and meat products fell by an average of 2%, whereas in the previous year they grew by an average of 7% 2)

1) Source: Ministry of Finance, 2015
2) Source: TNS Gallup Oy, 2015

AVERAGE CONSUMER PRICES OF MEAT PRODUCTS*



* At the beginning of 2013, the general VAT rate increased from 23% to 24% and the rate for food and feed from 13% to 14%.

MEAT MARKET 2014

MEAT PRODUCTION AND CONSUMPTION IN FINLAND

TOTAL MEAT, million kg	2014	2013	Change, %	2015**
Production	**383.2**	386.9	-0.9 ▼	-0.3 ▼
Consumption	**407.1**	404.5	-0.6 ▼	+0.8 ▲
Exports*	**50.5**	57.3	-11.8 ▼	
Imports*	**77.9**	76.5	+1.8 ▲	
Domestic share of consumption, %	**80.9**	81.1	-0.2 ▼	
PORK, million kg				
Production	**186.1**	194.3	-4.2 ▼	-2.2 ▼
Consumption	**188.4**	193.9	-2.8 ▼	-0.5 ▲
Exports*	**29.7**	33.5	-11.3 ▼	
Imports*	**33.7**	32.1	+5.0 ▲	
Domestic share of consumption, %	**82.1**	83.5	-1.6 ▼	
BEEF, million kg				
Production	**82.3**	80.3	+2.5 ▲	+1.4 ▲
Consumption	**101.4**	98.2	+3.3 ▲	+0.8 ▲
Exports*	**2.1**	1.5	+40.0 ▲	
Imports*	**21.3**	22.4	-4.9 ▼	
Domestic share of consumption, %	**79.0**	77.2	+2.7 ▲	
POULTRY, million kg				
Production	**113.4**	110.9	+2.3 ▲	+1.9 ▲
Consumption	**111.1**	105.7	+5.2 ▲	+2.9 ▲
Exports*	**18.6**	22.2	-16.2 ▼	
Imports*	**18.1**	16.7	+8.4 ▲	
Domestic share of consumption, %	**83.7**	84.2	-0.6 ▼	

*) The import and export figures for December are estimates.
**) The figures for 2015 are estimates.

IN 2014

Meat production in Finland decreased by 1% to 383 million kilos. This reduction was mainly caused by pork, whose production fell particularly in the early part of the year. Beef and poultry slaughter volumes grew by 2%.

Meat consumption increased slightly, by 0.4%, to 407 million kilos. The highest growth, 5%, was seen in chicken sales. Owing to successful campaigns, beef sales also improved by 2%. Pork consumption decreased by almost 3%.

IN 2015

Meat production is expected to remain roughly the same as in 2014.

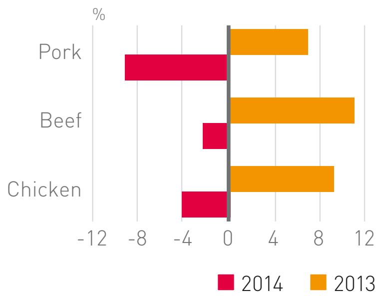
The slight increase in meat consumption is predicted to continue (+0.8%). The largest increase, around 3%, is projected for chicken consumption. Pork and beef sales are estimated to remain at the level of 2014.

PRODUCER PRICES

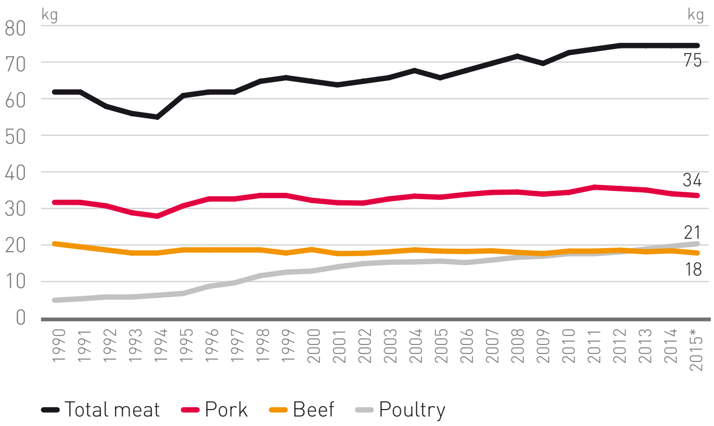
-5%

Producer prices decreased by an average of 5%, whereas in the previous year they rose by an average of 9%. [1]

1) Source: TNS Gallup Oy, 2015



MEAT CONSUMPTION PER CAPITA IN FINLAND 1990–2015*



Source: TNS Gallup Oy, 2015
* The figures for 2015 are estimates.

MEAT CONSUMPTION PER CAPITA, EXAMPLES

- Finland ....75 kg
- Sweden ....85 kg
- Denmark ....86 kg
- Russia ....75 kg
- Estonia.............................69 kg
- Great Britain ....80 kg
- France .... 101 kg
- Australia .... 110 kg
- USA .... 125 kg

Source: FAO, 2014

1 COMMERCIAL EXCELLENCE

ATRIA THE TOP-OF-MIND BRAND

Awareness of the Atria brand is high among Finns. In the year under review, awareness increased by two percentage points, meaning that Atria is number one among the food brands studied. Successful investments in product development, marketing and sales contributed to this positive trend. The key marketing message for customers and consumers was the Atria brand's 100% commitment to traceable, sustainably produced, high-quality meat raw material of Finnish origin.

RETAIL TRADE MARKET SHARE
27
percent

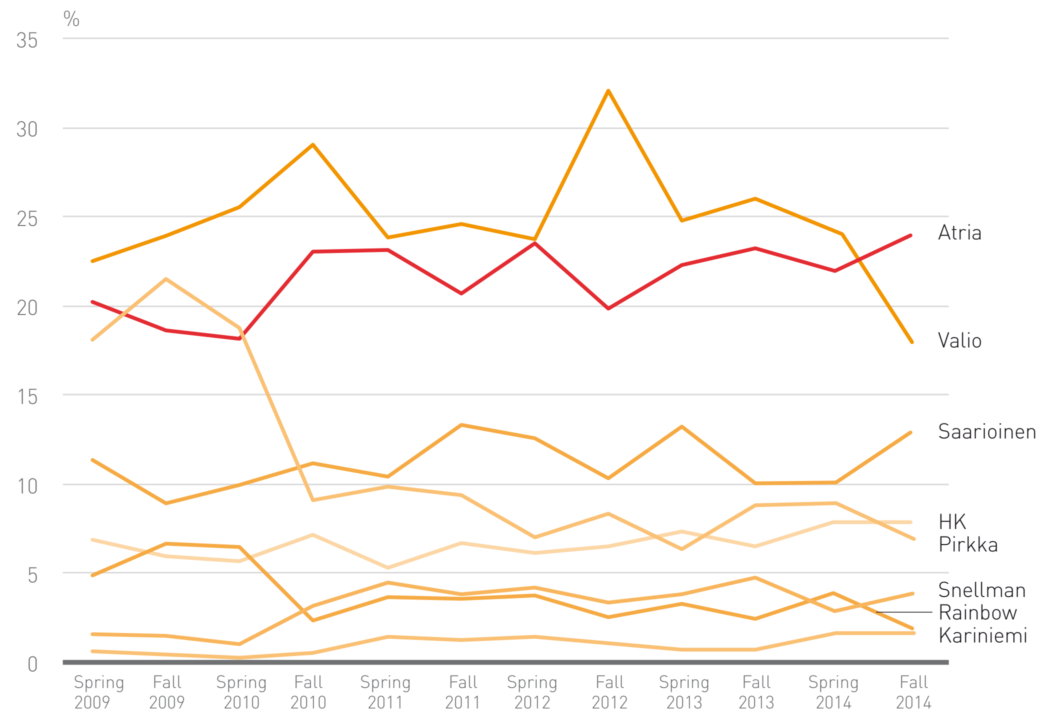
Atria Finland's total market share in the retail trade was around 27%. Atria's position in the Food Service sector strengthened. [1]

MARKET DECLINED BY
-3.2
percents

In terms of value, the consumer goods retail trade in the product groups represented by Atria declined by an average of 3.2%. Product group volumes fell by approximately 2%. The value of the Food Service market in Atria's product groups decreased by 4.4%. [2]

1) Source: Atria, 2015
2) Source: Atria, 2015
Figures for January–September.

TOP OF MIND FOOD BRANDS IN FINLAND [3]



3) In the survey, consumers answer the following open-ended question: "Which food-related brand or manufacturer comes to your mind first?"

Source: TNS, Food Brand Survey, autumn 2014.

1 COMMERCIAL EXCELLENCE

ATRIA – NUMBER ONE IN BARBECUE

ATRIA'S POSITION IN BARBECUE PRODUCTS IN SUMMER 2014

Product group	Market position	Market share, %	Products
All barbecue products	1	31.7	All barbeque products
Consumer-packed meat	1	27.2	Beef and pork: cutlets and steaks, whole fillets and steaks, ribs, variety packs, skewers, raw minced meat products
Poultry	1	31.1	Chicken and turkey: fillets, cutlets, drumsticks, wings, skewers, variety packs
Cooking	1	40.5	Barbecue sausages, frankfurters, cooked products (ribs, neck)
Convenience food	1	26.7	Salads and other accompaniments, hamburgers and hot dogs, minced meat sticks and steaks

IN SUMMER 2014, THE VALUE OF THE BARBECUE PRODUCT MARKET WAS APPROX. EUR
170 million

89%
OF FINNS BARBECUE IN THE SUMMER

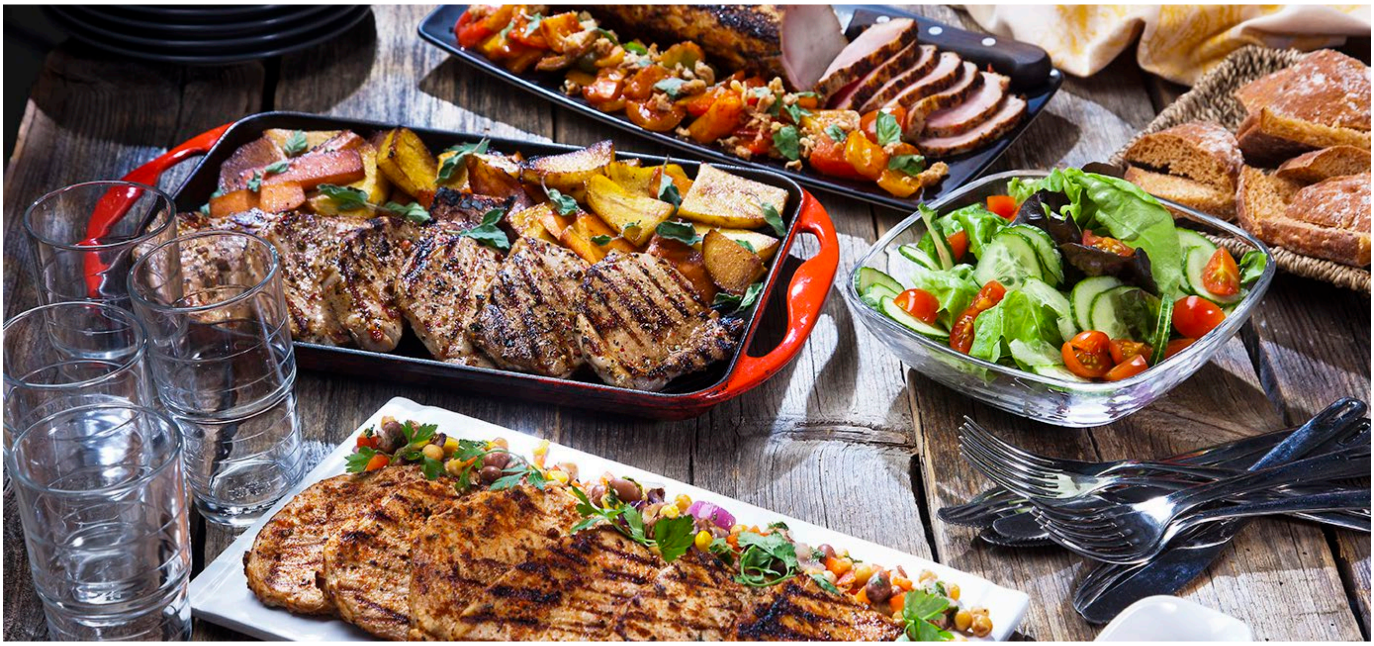
75%
OF HOUSEHOLDS BOUGHT ATRIA'S BARBEQUE PRODUCTS

FINNS PURCHASED AROUND
31 million
KILOS OF BARBECUE PRODUCTS

36%
OF BARBECUE PRODUCTS ARE BARBECUE SAUSAGES

ATRIA WAS FINLAND'S
 # 1
MANUFACTURER AND BRAND IN BARBECUE PRODUCTS

* The figures only include Atria-branded products; private label products made by Atria are not included.
Source: Nielsen Homescan, Sales values, period 1 June–10 August 2014



1 EFFICIENCY

MAJOR INVESTMENT IN COMPETITIVENESS

Atria is continuing its investments to improve its competitiveness: it invests approximately EUR 36 million in the pig cutting plant in Nurmo, Finland. New production facilities will be built at the plant, and the existing production facilities will be renovated and automated. The new production facilities will measure around 4,500 square metres.

This major investment will substantially improve the pig cutting plant's productivity and, thereby, Atria's profitability. The investment is estimated to generate annual cost savings of some EUR 8 million in the plant's operations. The savings will be the result of automation and the reorganisation of production. The use of new technology will also improve the quality of production as well as product and occupational safety.

The investment is set to be completed in 2017. Production at the pig cutting plant will continue uninterrupted throughout construction.

ANNUAL SAVINGS IN JYVÄSKYLÄ

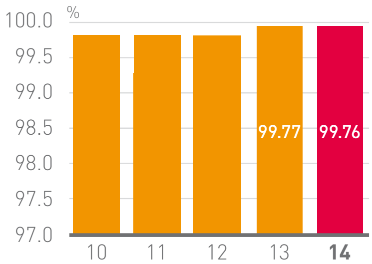
EUR 5 mill.

Atria increased the efficiency of beef and pork procurement and processing at the Jyväskylä plant. Meanwhile, overlapping functions in meat procurement and administration, which resulted from the deal concluded with Saarioinen, were eliminated. The restructuring and efficiency improvements will generate annual cost savings of approximately EUR 5 million from the beginning of 2015.

DELIVERY RELIABILITY

99.76 %

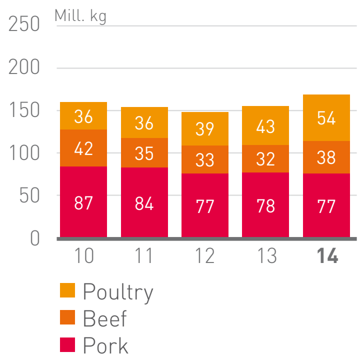
Atria's delivery reliability remained excellent, exceeding 99.5%. Delivery reliability is a key competitive advantage for Atria, particularly during high season.



MEAT PROCESSING VOLUMES

+14.2 mill. kg

Atria's meat processing volumes grew by 14.2 million kilos to 169.2 million kilos. Pork procurement remained at the same level and beef procurement was up by 15.2%. Chicken processing volumes grew by as much as 22.7% as a result of the deal with Saarioinen. Atria is Finland's leading processor of pork and beef.



GROWTH AND PROFITABILITY 2015

“Industrial efficiency and productivity secure Atria’s competitiveness.”

Mika Ala-Fossi
Executive Vice President,
Atria Finland business area

In 2014, Atria Finland’s growth was primarily based on the additional sales brought by the operations acquired from Saarioinen and the new poultry feed plant. The market development of food products was sluggish throughout the year. Mika Ala-Fossi, what do you think about the opportunities for growth in Atria’s main product groups in 2015?

We believe that we will do well in all product groups we represent. We see clear growth potential especially for the poultry product group and that is where we focus systematically. The poultry feed plant was not used at full capacity in 2014. Therefore, we also see good opportunities for growth in poultry feed sales. We have done well in the feed market, and we now play a major role in the sector in Finland.

“We now play a major role in the feed sector in Finland.”

We see Finland’s food market as generally challenging. The purchasing power of consumers is not expected to improve significantly. Therefore, the opportunities for growth in the retail and Food Service markets are weak. Competition within the retail trade sector is tough, and the importance of price in consumers’ purchase decisions continues to increase.

Food traceability and transparency of the entire meat chain are strong competitive edges for Atria, and are being strengthened all the time. We are convinced that consumers will continue to value the Finnish origin of the raw materials of Atria products in the future as well.

In 2014, Atria Finland was able to improve its profit level in the rather tough business and competition environment. What key measures and tools does Atria use to secure its profitability?

In such a market situation, the preservation of the profit level is secured by very traditional factors. Industrial efficiency and productivity are essential for competitiveness. This is our starting point and something we develop every day. Our products must of course be sufficiently strong in all product groups, and we must price them correctly. Raw material prices also have a major impact on profitability.

“Traceability and transparency of the entire meat chain are strong competitive edges for Atria.”

New products that interest consumers are fundamental from the point of view of Atria’s profitability as well as growth. We make significant investments in R&D operations and especially in marketing. The 100% commitment of the Atria brand to Finnish meat is a strong advantage also in situations of intense competition.

Atria Scandinavia

produces and markets meat products, meals and delicatessen products mostly in the Swedish and Danish markets. In 2014, the company posted net sales of EUR 371.9 million and employed on average 1,014 people.

Customers	Core product groups	Business environment
• Consumer goods retail trade • Food Service customers • Deli customers (delicacies) [1] • Concept customers (Sibylla)	• Cold cuts • Meat products, including sausages • Convenience food • Delicacies, such as snacks and marinated fresh products	• Cold cuts and meal sausage product groups declined in volume in the consumer goods retail trade. The share of private label is significant and has been increasing for several years. • Highly consolidated consumer goods retail trade; the largest players are ICA (market share in Sweden approx. 50%) Axfood and Coop; Denmark's largest players are Coop and Danske Supermarked [2]. • The largest players are Atria Scandinavia and HKScan Sweden AB; approx. 25% of the Swedish market is held by small businesses whose net sales are below EUR 5 million. In Denmark, the largest player is Danish Crown.

1) From the beginning of 2015, Atria Retail and Deli were merged into one business unit, Atria Food & Deli.
2) Sources: the companies' websites, 2014/2015

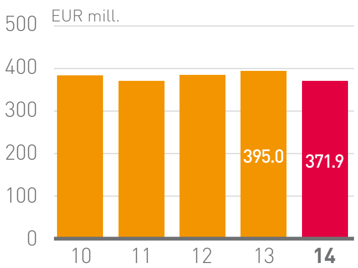
BRANDS

Atria Scandinavia's best-known brand in Sweden is Sibylla, which is also Atria's most international brand. In Denmark, the best-known brand is 3-Stjernet. Atria Scandinavia holds the second position in the cold cuts and sausages product groups in Sweden and is the market leader in cold cuts in Denmark.

GROWTH AND PROFITABILITY 2014

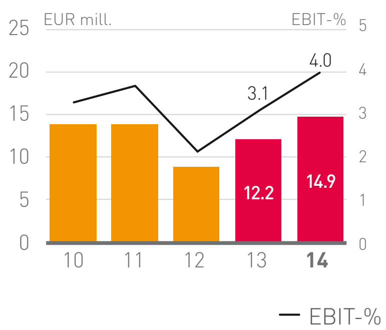
NET SALES DECREASED BY -5.8% to EUR 371.9 million

Atria Scandinavia's net sales declined by EUR 23.1 million to EUR 371.9 million. In comparable currencies, net sales fell by 1.9 per cent. This decline was mainly due to lower overall demand for the product groups represented by Atria and the increase in the market share of private labels in the Swedish consumer goods retail trade.



EBIT INCREASED BY +22.1% to EUR 14.9 million

EBIT grew by EUR 2.7 million to EUR 14.9 million. This accounted for 4.0% of net sales, compared to the previous year's 3.1%. This positive performance was driven by improved cost-efficiency in the entire supply chain and stable raw material prices.



CONSUMER MARKET 2014

TOTAL CONSUMPTION OF RED MEAT PRODUCTS

-2%

The total consumption of red meat decreased in Sweden by approximately 2%, whereas in the previous year it was up by 1%. Over the last five years, consumption in terms of volume has remained flat. [1]

PRIVATE LABEL PRODUCTS

+13.8%

Private label continued to grow strongly in Sweden. Sausages grew by 15.9% and cold cuts by 12.4%. In sausages, private label accounted for 24% of the total market and in cold cuts, their share was 30%. In the Danish cold cuts market, the increase in private label flattened out; their share was around 40%. [2]

1) Source: Jordbruksverket, 2014
2) Source: ACNielsen, value 2014

1 COMMERCIAL EXCELLENCE

EXPORT LICENCE TO CHINA FOR 3-STJERNET

3-Stjernet A/S has been granted a licence to export heat-treated meat products to China. *

Food export to China has traditionally been carefully restricted. The first ever export licences for heat-treated meat products globally were granted to three Danish food industry plants, among them Atria's 3-Stjernet production plant in Horsens.

* Atria had not been granted a product-specific export and import licence by the time this Annual Report was released.

NUMBER ONE POSITION STRENGTHENED

+0.5

percentage points

Atria consolidated its market leadership in the Danish cold cuts market with the 3-Stjernet brand. Its market share increased by 0.5 percentage points to 15.2%. [1]

1) Source: ACNielsen, 2014

NUMBER OF SIBYLLA SALES OUTLETS

+14.7

percent

The number of Sibylla shops-in-shops increased by almost 15% to around 4,410 (October 2013–October 2014). New markets included Kazakhstan, Belarus and Hungary.

ATRIA'S MARKET SHARES

	Sweden		Denmark	
Product group	Market share, %*	Market size	Market share, %*	Market size
Cold cuts	12.7%	EUR 502 million	17.1%	EUR 371 million
Sausages	15.5%	EUR 422 million	-	EUR 422 million

* The market share figures also include Atria's share of manufacturing private label products. Source: ACNielsen, October 2014

1 EFFICIENCY

INCREASED PRODUCTIVITY, HIGHER QUALITY AND BETTER ENVIRONMENTAL SUSTAINABILITY

In Sköllersta	In Borås	In Malmö	In Horsens
• Investment in new smoke chambers reduces waste, lowers energy costs and ensures product quality. • Increased production capacity for hamburgers by 30% • Improved efficiency of packaging process in the sausage production	• The production of Ridderheims beer sausage was transferred from a subcontractor to the Borås plant leading to higher cost savings and better quality control	• Automation of packing in boxes generating increased productivity and lower costs	• Investment in a new slicing line: increases capacity by 65%, and leads to higher quality and less waste.

FALBYGDENS CHEESE BUSINESS TO ARLA

Atria is focusing on its core business in Sweden and concluded an agreement for the sale of the Falbygdens cheese business to Arla Foods Ab in the autumn. After the sale, Atria Scandinavia will focus on meat products, cold cuts, delicatessen products and the Concept business.

The sale includes the transfer of the following to Arla: the Falbygdens cheese business and its employees, the production plant in Falköping and the Falbygdens brand. Around 100 employees will be transferred to Arla Foods on their existing terms of employment.

The transaction will reduce Atria's annual net sales by approximately EUR 52 million and EBIT by some EUR 3 million.

GROWTH AND PROFITABILITY 2015

"We develop and automate our processes with a view to becoming the most efficient player in the market."

Tomas Back
Executive Vice President,
Atria Scandinavia business area

Atria Scandinavia did not grow in 2014, and its net sales fell by just under 2% at comparable exchange rates. Tomas Back, why did this happen and how are you going to turn this situation around in 2015?

The total consumption of red meat declined in Sweden in 2014. The negative development of the market and the increase in the market share of private label affected our sales.

There was a debate about the consumption of red meat in Sweden, particularly regarding its health effects. Animal welfare and environmental aspects were also on the agenda. This is the first time in many years that we are seeing imports decrease and the popularity of Swedish meat grow. Both in Sweden and Denmark, the domestic origin of meat has a greater importance: Swedes prefer Swedish meat and Danes prefer Danish meat. Due to the above in 2014 we started to replace foreign meat raw material with domestic meat in some of the products we manufacture.

"Both in Sweden and Denmark, the domestic origin of meat has a greater importance."

We will make great efforts to trigger growth in 2015. We focus on innovation in our strategic product groups, and we are working on several growth projects. For example, we are going to develop our vegetarian product group, which already includes an interesting and popular soy based product called Tzay. We continue to invest in international expansion using, for example, the successful Sibylla shop-in-shop concept.

The market position of private label products is becoming stronger. What is Atria Scandinavia's response?

Customers' private label products are conquering the market in two of our main product groups: sausages and cold cuts. In sausages, the share of private label products in Sweden is currently 24% and in cold cuts 30%. We see this trend as an opportunity. We aim to leverage our strong customer relationships, develop the product groups together with our customers and provide added value through innovation. Private label is now part of our strategy. That is why we established the Atria Private Label & Export business unit in 2014, the main task of which is to increase our production of private label products.

"Private label is now part of our strategy."

Profitability was good in 2014. How are you going to maintain it?

In recent years, we have worked consistently on increasing our efficiency and also succeeded in this. We will continue to automate and develop our processes with a view to becoming the most efficient player in the market. We also intend to create an efficient organisation with excellent operating conditions. For example, we have recently merged two of our largest business units into a new Atria Food & Deli unit. This allows us to put our employees' skills into optimal use, deepen cooperation and improve the organisation's cost efficiency.

Our strategic priorities are strengthening our brands, customer relationships and developing new products that bring added value to consumers. We must have a clear understanding of what is happening around us, what drives consumers and what needs our products meet. In this way, we can create added value and get better prices for our products. We will continue on this path in 2015.

Atria Russia

markets its products mainly in the St Petersburg and Moscow regions. Production is concentrated in St Petersburg. In 2014, the company posted net sales of EUR 98.8 million and employed on average 1,004 people.

Customers	Core product groups	Business environment
• Consumer goods retail trade • Food Service customers • Concept customers (Sibylla)	• Sausages • Cold cuts • Convenience food, such as pizza • Fast Food	• Europe's largest consumer goods retail market: the market for meat and meat products in Moscow is worth around EUR 1.5 billion and the market in St Petersburg over EUR 0.5 billion. • Modern retail trade is growing and chains are gaining ground; nevertheless, the share of traditional market halls and marketplaces is around 30–40%. • A significant net importer of meat, despite major investments in domestic primary production • The meat market was seriously disturbed by the import bans on EU meat and the high volatility of the rouble in 2014. • Consolidation of the meat processing industry is in its early days; Atria is the largest international player in the sector.

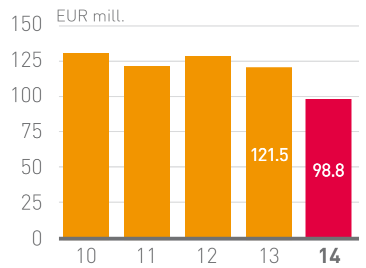
BRANDS

Atria Russia's own brands are Pit-Product and CampoMos. With a market share of almost 20%, Pit-Product is the market leader in its product groups in St Petersburg's consumer goods retail trade. CampoMos has a small market share in Moscow and St Petersburg. The Sibylla concept's growth in Russia has been significant.

GROWTH AND PROFITABILITY 2014

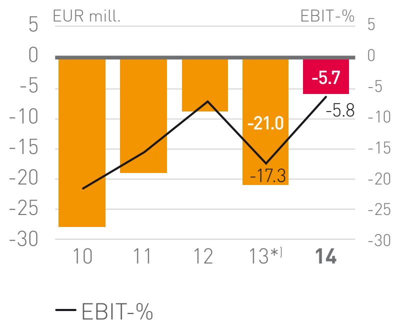
NET SALES IN EUROS DECREASED -18.7% to EUR 98.8 million

Atria Russia's net sales fell by EUR 22.7 million to EUR 98.8 million. In local currency, net sales remained stable year-on-year. The decrease in net sales was due to the discontinuation of primary production in late 2013. The elimination of unprofitable product groups also reduced sales volumes.



EBIT WAS EUR -5.7 million

EBIT including non-recurring items was EUR -5.7 million. EBIT without non-recurring items was EUR -6.2 million, down from EUR -3.5 million in the previous year. The reasons for this drop include a dramatic increase in meat raw material prices and the weakening of consumer purchasing power. Production cost-efficiency improved.



*) EBIT in 2013 includes EUR 17.4 million non-recurring items.

FOOD ACCOUNTS FOR AROUND 40% OF EXPENDITURE

Food accounts for around 40% of total consumer expenditure in all of Russia. In the Moscow and St Petersburg regions, the share is smaller. Consumer purchasing power trends are of primary importance to the Russian consumer goods retail market and, hence, to Atria Russia.

In Finland, Sweden and Denmark, some 10% of total consumer expenditure is on food. In Estonia, the share of food is approximately 20%.

CONSUMER MARKET 2014

EXCHANGE RATE OF THE ROUBLE

-59.6%

The exchange rate of the Russian rouble fell by 59.6% against the euro in 2014. The drop against the dollar was 81.3%.[1] After the turn of the year, this declining trend continued.[1] The weakening of the rouble had a major impact on Atria Russia's profitability.

GDP GROWTH

+0.6%

Russia's GDP growth slowed significantly, to 0.6%, compared to the previous year's 1.3%. Growth was held back mainly by waning industrial growth and investments, not by declining consumption. The GDP growth forecast is negative. [2]

MEAT RAW MATERIAL PRICES

+50%

The import ban on EU pork, import restrictions on European food and high volatility of the rouble raised the international price of meat raw material in Russia by about 50%. [3] Atria Russia acquires the bulk of its meat raw material from international markets. Procurement of Russian meat was increased.

FOOD PRICES

+15%

Food prices at the end of the year were 15% higher than the year before. Prices rose substantially particularly towards the end of the year. Full-year inflation (all goods and services) came to 11.4%.

1) Source: ECB
2) Sources: Russian statistical organisation Rosstat, Bank of Finland, 2015
3) Source: Emeat, 2014

1 COMMERCIAL EXCELLENCE

MARKET SHARE IN ST PETERSBURG NEARLY 20 percent

The market share of Atria Russia's product groups in St Petersburg's consumer goods retail chains is nearly 20%. The Pit-Product brand has been an established market leader in sausage product groups for more than 10 years. Atria launched several new sausage and cold cuts products, also in more affordable price groups.

MARKET SHARE IN MOSCOW APPROX. 2 percent

Atria's main brand in Moscow is CampoMos. The brand's strongest product groups are convenience foods, such as pizzas and frankfurters. Although Atria has discontinued production in Moscow, it will continue to systematically develop the CampoMos brand. Moscow and its suburbs have a population of almost 15 million people, which is three times as large as that of St Petersburg.

SIBYLLA SALES OUTLETS +50 percent

Atria Russia continued to make substantial investments in expanding the Sibylla shop-in-shop concept. The number of sales outlets increased by nearly 50% from the 2013 level, to a total of 1,600 shops in Russia and other CIS countries. Most of the Sibylla shops are located in petrol stations.

CONTRACT MANUFACTURER FOR SPANISH SAUSAGES

Atria Russia signed an agreement with Spanish company Casademont for contract manufacturing of sausages. Atria manufactures air-dried sausages at its Sinyavino plant in St Petersburg and is the exclusive distributor of these products in Russia. The Casademont brand has an established position in the market in its segment. The products were imported directly from Spain until 2012.

► See also: Measures to improve Atria Russia's profitability

GROWTH AND PROFITABILITY 2015

"Russia is an interesting market for Atria, also after the recession."

Jarmo Lindholm
Executive Vice President, Atria Russia business area

Atria Russia managed to retain its position in 2014, despite the difficult market conditions: net sales at comparable exchange rates remained roughly the same as in the previous year. Russia's economy is in a deep recession, which has resulted in a steep decline in consumer demand. Jarmo Lindholm, do you see any growth opportunities for Atria in the current situation?

The outlook for 2015 in Russia is challenging. The macroeconomic situation looks rather bleak, and the downturn has not yet reached the bottom.

In 2014, we experienced three external shocks that significantly reduced Atria's growth and performance prospects. In January, Russia banned the import of pork from Europe due to African swine fever. In the summer, import sanctions were imposed on European food. The end of the year saw the value of the rouble plummet. As a result of these shocks, our raw material costs rose by more than 50% year-on-year. It is difficult to estimate what 2015 will be like.

"We have responded to the change in consumer demand by revising our product selection."

Rising inflation poses a serious challenge to all consumer goods markets in Russia. If inflation increases as projected, consumer purchasing power will fall substantially. In January 2015, inflation was already 15% higher than in the previous year. The decline in purchasing power has a direct impact on our product groups. Price influences consumer behaviour, and this creates pressure to be represented in the most inexpensive products. We have responded to this change in consumer demand by revising our product selection.

Now that external factors have weakened the company's performance prospects, what measures will Atria take to try to secure its profitability in 2015?

Last year, we implemented major strategic structural changes with a view to securing our profitability.

"We have improved our production efficiency. We are in good shape."

Our industrial production is now concentrated in the two plants in St Petersburg. We sold our plant in Moscow. In future, we will have a sales and marketing office in Moscow, along with a logistics partner in charge of distribution. We also completed the expansion of the Gorelovo plant, and our new pizza production line was opened there in early 2015. We have constantly improved our production efficiency at these two plants. We are in good shape for the future.

The Sibylla business developed as expected, and we achieved our sales targets. We have expanded the Sibylla concept from Russia to Kazakhstan and Belarus. As history shows, the consumption of fast food does not usually drop even during a recession. We will continue to invest heavily in Sibylla, and we have positive expectations.

2015 will surely be challenging financially, but we must remember the basic facts: Russia is Europe's largest and the world's fifth largest retail trade market. It is an interesting market for Atria, also after the recession. We are already present in this market, and we have built a solid foundation for future operations over the last few years.

Atria Baltic

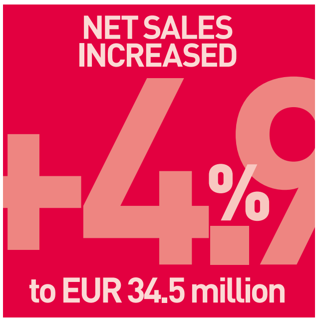
produces and markets its products mainly in Estonia. In 2014, the company posted net sales of EUR 34.5 million and employed on average 321 people. Atria has its own primary production in Estonia and is the country's second largest pork producer.

Customers	Core product groups	Business environment
• Consumer goods retail trade • Food Service customers • Export and industrial customers • Concept customers (Sibylla)	• Meat products, particularly sausages • Cold cuts • Fresh meat • Five pig farms in Estonia, annual production approx. 75,000 slaughter pigs	• Annual volume growth of 1–2% in meat and meat products • More than 90% of the meat consumed is domestic • The consumer goods retail market is becoming more concentrated. Eesti Tarbijate Kooperatiiv (ETK) and Lithuanian Maxima are major players. • Most of the meat processing companies are small and local. Atria Baltic is the second largest player after Rakvere, owned by HKScan Corporation.

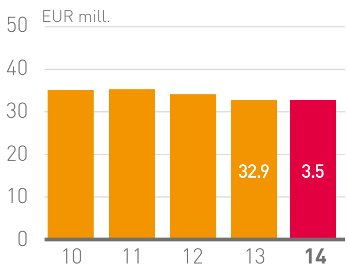
BRANDS

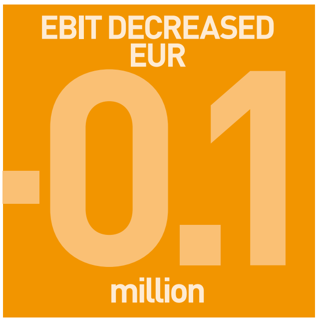
Atria Baltic's own brands in Estonia are Maks & Moorits, VK and Wõro. Atria's market share in cold cuts and sausages is around 15% and 20% respectively. Also Sibylla products are available in the Baltic countries. The sales of Sibylla products is operated by Atria Scandinavia.

GROWTH AND PROFITABILITY 2014

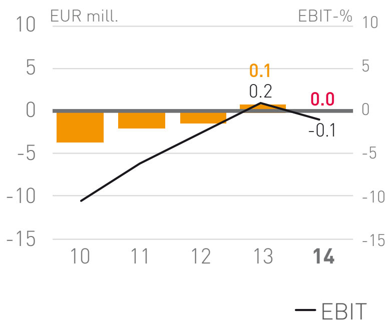


Atria Baltic's net sales grew by EUR 1.6 million to EUR 34.5 million. Atria managed to raise its sales volumes particularly in consumer-packed meat and sausages.





Atria Baltic posted zero profit, whereas in the previous year EBIT was EUR 0.1 million. EBIT without non-recurring items amounted to EUR 0.3 million. Oversupply of European pork weighed down pork prices, affecting the ability of primary production to make a profit.



MARKETS AND MARKET SHARES 2014

ZERO GROWTH – MARKET DISTURBED

The sales volumes of meat and meat products remained unchanged, although consumer purchasing power recovered slightly and the prices of some products came down. The market for fresh meat was disturbed due to the oversupply of pork and falling prices. [1)]

Atria is the second largest company in the Estonian meat industry. Its market share in Estonia's consumer goods retail trade was 12.6% in terms of volumes and 11.0% in terms of value. [2)] The company's main brand, Maks & Moorits, strengthened its market position.

ATRIA'S MARKET SHARES [2)]

Product group	2014, %	2013, %	Change, percentage
Cold cuts	15.0	14.6	+0.4
Sausages	20.6	14.9	+5.8
Consumer-packed meat (fresh)	8.3	3.9	+4.4
Consumer-packed meat (marinated)	13.8	12.1	+1.7

1) Sources: Statistics Estonia, Atria, 2014
2) Source: ACNielsen, (October–November 2013 and 2014)

GROWTH AND PROFITABILITY 2015

"Atria has managed to strengthen its position in the most important product segment"

Olle Horm
Executive Vice President, Atria Baltic business area

In 2014, Atria Baltic was able to increase its net sales by almost five per cent, despite the challenging market conditions. Growth was mainly driven by sales to the consumer goods retail market. Olle Horm, what do you think about the growth prospects for 2015?

Consumer behaviour is expected to change very little, although consumers have more money to spend on food due to increased earnings. Consumption is projected to remain steady, and growth is foreseen in more expensive product groups, such as hams and consumer-packed meat, owing to their lower prices. Unfortunately, Atria's strong segments, such as sausages, are expected to decline. The affordability of fresh meat in stores, particularly during various campaigns, has led to a shift in consumption from meat products to fresh meat.

"The company's slaughter and cutting volumes have constantly increased."

Estonia's economic outlook is rather blurred: growth is close to zero and prices are going down, while salaries are rising substantially. Although consumers have more money to spend, the consumption of meat products has hardly changed. The affordability of fresh meat in stores, particularly during campaigns, has led to a shift in consumption from meat products to fresh meat. Due to remarkably low import prices, the price level in this segment has been exceptionally low and profitability in decline.

Despite the tough competitive environment, Atria has managed to strengthen its market position in its most important segment, the consumer goods retail trade.

Volumes grew, yet Atria Baltic's profitability excluding non-recurring items remained roughly the same as in the previous year. What are Atria's chances of improving its profitability in Estonia's fiercely competitive market?

The economic situation of primary pork production and its prospects in Estonia are weak, just like in the rest of Europe. Oversupply continues, and there are pressures to cut producer prices. In addition, grain and feed prices have begun to rise,

" Oversupply continues, there are pressures to cut producer prices, and grain and feed prices have begun to rise."

reducing profitability even more. Since Atria is Estonia's second largest pork producer, economic development has a major impact on the company.

The company's slaughter and cutting volumes have constantly increased, improving the efficiency of internal operations. In late 2014, we initiated the relocation of the Valga plant's cutting operations, which we believe will give a boost to productivity.

Naturally, we also intend to improve our profitability through volumes. The growth of the Maks & Moorits brand last year was particularly encouraging, and we believe in a positive performance in 2015 as well.

1 COMMERCIAL EXCELLENCE

PRODUCT DEVELOPMENT AND MARKETING HAND IN HAND

Product development and marketing constitute an integrated function at Atria on both strategic and operational level. The company's research and development operations focus on studying consumer behaviour and market data, which serves as a basis for developing various products, concepts and services.

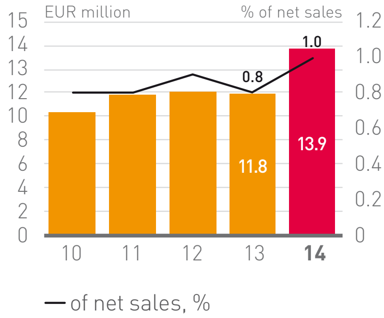
Atria increased its efforts in R&D activities by EUR 2.1 million to EUR 13.9 million, in order to strengthen its pioneering position and competitiveness in all markets.

NUMBER OF NEW PRODUCTS

235

Atria launched 235 new products [1]. The number of new products decreased by 153 compared with the previous year. Percentage-wise, the number of new products increased the most at Atria Scandinavia.

Atria is engaged in a project to develop its product range management, R&D and marketing processes. The project is expected to produce successful results within two to three years.



	2014		2013	
Product group	**Qty**	**% of net sales**	**Qty**	**% of net sales**
Atria Finland	120	7	160	10
Atria Scandinavia	65	2.1	118	1.6
Atria Russia	10	2.8	44	2.4
Atria Baltic	40	10	66	9.8

1) The figure includes new packaging and new product support innovations.

STARRING: MEAT FARMERS

Atria Finland ran an extensive advertising and communications campaign in digital and printed media that strengthened Atria's image as a truly domestic meat producer. The campaign focused on Finnish meat farmers and the importance of the origin of meat.

SUCCESS IS BASED ON CORPORATE RESPONSIBILITY

Atria's good food chain consists of primary production, industrial production, customers and consumers. Stakeholders are strongly present in the food chain, from raw material procurement to the finished products and their use. Listening to stakeholders and their wishes is one of the main pillars of corporate responsibility for Atria.

Atria sees the satisfaction and trust of consumers and customers as the key precondition for its business and success. Other preconditions for sustainable business are the profitability and competitiveness of operations, responsible management, the competence and commitment of personnel as well as continuous improvement of operations in all areas. Atria integrates corporate responsibility into all levels of operations: targets, values, business strategies, management and everyday work.

In autumn 2014, the company revised the Atria Code of Conduct, which guides the daily activities of Atria employees and partners, in order to align it with the Atria Way of Work values defined by personnel. By honouring these values and complying with the joint Code of Conduct, Atria steers its practical operations towards sustainable development and success.

HANDPRINT BRINGS TOGETHER RESPONSIBLE CHOICES

Since 2010, the principles, practices and results of Atria's responsible operations have been brought together in the Atria's Handprint programme. Providing employees and external stakeholders with information on responsibility is also part of the Handprint programme. Under the programme, corporate responsibility is developed and measured in seven areas, which are as follows:

- Finance
- The environment
- Product safety
- Personnel
- Nutrition
- Animal welfare
- Communications

"Only responsible companies can succeed."

CORPORATE RESPONSIBILITY REPORTING

Atria reports on its corporate responsibility issues in the Corporate Responsibility Report every year. The 2014 report describes the impact Atria has on its operating environment and, through its numerous important stakeholders, on society as a whole. The report gives an account of the key events, results and effects in 2014 from the perspective of corporate responsibility, and illustrates how Atria takes corporate responsibility into account in its current and future operations.

As the basis for its reporting, Atria uses the international Global Reporting Initiative (GRI) guidelines, in which corporate responsibility is viewed from the perspective of economic, social and environmental responsibility. To read the report and learn more about other corporate responsibility matters at Atria, go to www.atriagroup.com/en/corporateresponsibility.

ATRIA'S CORPORATE RESPONSIBILITY PROJECTS 2014*

Economic responsibility	• Improving the efficiency and harmonisation of purchasing • Improving the efficiency of production
Environmental responsibility	• Managing direct environmental impacts • Identifying environmental impacts throughout the production chain and promoting eco-efficiency
Employee well-being	• Cascading the Atria Way of Work values and activities • Cascading the Atria Way of Leading programme
Safe food	• ISO 22000 or equivalent certification for production plants • No product withdrawals
Healthy and nutritious food	• Reducing salt in products • Developing nutrition communication in Finland
Healthy and well-kept animals	• Laatuvastuu – increasing transparency in the primary production of pork in Finland • Including animal care issues in all contracts in Scandinavia
Communication	• Developing corporate responsibility reporting and related communications • Blogs by Atria specialists at www.atriablogi.fi in Finland

*The table provides examples of Atria's corporate responsibility projects. More information on these and other corporate responsibility projects can be found in Atria's Corporate Responsibility Report 2014.

FINANCIAL STATEMENTS AND ANNUAL REPORT

ANNUAL GENERAL MEETING ON 28 APRIL 2015

Atria Plc invites its shareholders to the Annual General Meeting to be held on Tuesday, 28 April 2015 in Helsinki at the Finlandia Hall.

The agenda includes matters that are to be discussed by the Annual General Meeting in accordance with Article 14 of the Articles of Association.

A notice of the Annual General Meeting was published in national newspapers on 20 March 2015. The AGM documents are available on the company website at www.atriagroup.com.

In 2015, Atria Plc will publish financial results as follows:

Financial Statement Release 2014 .... 12 February 2015
Annual Report 2014 .... In week 13/2015
Interim Report Q1 (3 months) .... 28 April 2015
Interim Report Q2 (6 months) .... 30 July 2015
Interim Report Q3 (9 months) .... 29 October 2015

Atria's financial information will be published in real time on the company website at www.atriagroup.com.

ATRIA'S EBIT AND NET SALES STRENGTHENED IN THE DIFFICULT MARKET ENVIRONMENT

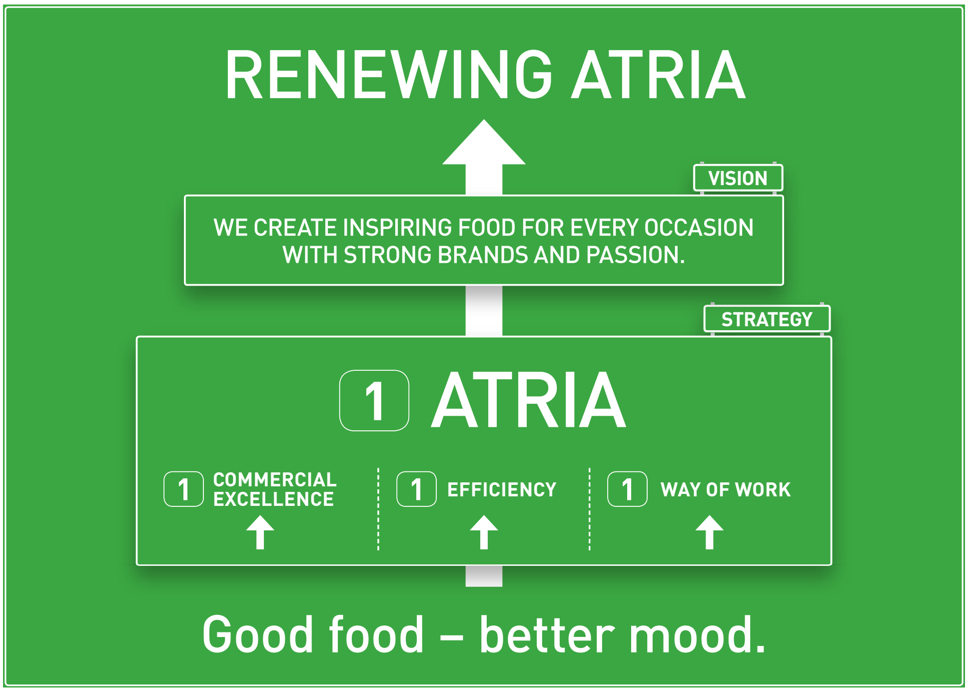
In 2014, Atria was able to significantly improve its profitability and speed up its growth. Cost-efficiency enhancement measures were implemented in all business areas. Despite the difficult situation in the meat market in all of Atria's business areas, Atria was able to achieve its goal of profitable growth.

ATRIA GROUP'S STRATEGY

With its strategy, Atria Group strives to improve profitability, boost growth and increase the company's value. Atria aims to be the market leader or a strong number two in the Group's core operations, which include cold cuts and processed meat products.

Atria is also aiming at the top in local core operations, such as the poultry and convenience food industry, Atria Deli and Sibylla operations, selected Private Label product groups, consumer-packed meat, and slaughtering and cutting operations.

Atria will implement the strategy by developing the following three different dimensions: commercial excellence, efficiency and the Atria Way of Work. The development areas are the same for all business areas.



Commercial excellence is a prerequisite to reach the top in the purchase decisions of consumers and customers, and it can be achieved by managing product groups under their guidance. The main objective of product group management is to increase also the size of the market.

Being an industrial group, it is important to Atria that productivity, factory utilisation rates, raw material utilisation and operational control be in order. **Operational efficiency** ensures profitability.

The construction of a more harmonised and stronger Atria requires **a common operational culture, values and principles**.

In practice, Atria implements its strategy through various development projects. The following are examples of Atria's strategy projects in 2014:

- Leveraging of synergies of the operations acquired from Saarioinen
- Investments in packaging technology in Sweden
- Concept business expansion in Russia
- Leveraging of consumer information in marketing
- Atria Finland's investments in the availability and traceability of Finnish raw material
- New "Atria Way of Leading" practices
- Atria Way of Work to be known and used by all employees

Atria's financial targets:

- EBIT: 5%
- Equity ratio: 40%
- Return on equity: 8%
- Dividend distribution of profit from period: 50%

ATRIA'S HANDPRINT PROGRAMME DEVELOPS CORPORATE RESPONSIBILITY MULTIDIMENSIONALLY

Atria's corporate responsibility projects were taken forward in Atria's Handprint programme. Atria's Handprint programme focuses on development projects connected with the environment, well-being of animals, product safety, nutrition, personnel and communication. The focus areas vary from one business area to the next according to the stakeholders' expectations.

Atria Finland continued to expand full traceability to various product groups. Atria's authentic family farms were widely covered in Atria's communications. Attention was paid to the nutritional quality of products, and 38 new Heart Symbol products, which are low in sodium and contain healthy fat, were brought to the market. Progress was also made in developing animal wellbeing, one of Atria's focus areas.

At Atria Scandinavia, the management and practical implementation of corporate responsibility were reorganised by appointing a dedicated working group to coordinate the Atria's Handprint programme. In the reporting year, Atria Scandinavia also focused on developing management systems for product information and customer feedback, ensuring more effective data processing to support various processes.

At Atria Russia, the Handprint programme has focused on developing personnel know-how, product safety management systems and product quality consistency.

At Atria Baltic, the focus has been on increasing the share of domestic raw materials and developing the nutritional content of products, and special attention has been paid to reducing the amount of salt and fat. In 2014, Atria Baltic's Maks & Moorits minced meat products were awarded the prestigious Approved Estonian Taste label, also known as the Swallow Label, which is an indication of a product's high quality and Estonian origin.

In the accounting period, the Group had about 50 ongoing corporate responsibility projects, including the following:

- Expansion of the product safety certificates for production plants
- Atria Way of Work practices throughout the Group
- Reduction of salt in products
- Development of traceability all the way to the farm and strengthening of communications
- Atria Talent Management programme
- Energy efficiency

RENEWAL OF ATRIA CODE OF CONDUCT

Atria's operating principles are ethical guidelines for the everyday operations of Atria employees. It is based on the laws and collective labour agreements of the country of operation and international agreements and recommendations related to responsible operations. The Atria Code of Conduct was revised in autumn 2014 following the extensive value discussions within the Group. During the revision, it was noticed that the common operating principles include the common procedures and values that were defined together by the personnel.

A separate corporate responsibility report was published as part of Atria's Handprint programme during the accounting period.

FINANCIAL REVIEW

Atria Group's net sales for January–December totalled EUR 1,426.1 million (EUR 1,411.0 million). Net sales grew by EUR 15.1 million year-on-year. EBIT amounted to EUR 40.6 million (EUR 19.7 million). EBIT without non-recurring items came to EUR 39.6 million (EUR 37.0 million).

Atria lowered its EBIT forecast in April: the company expected the 2014 EBIT without non-recurring items to be clearly lower than the previous year's EBIT of EUR 37.0 million. Atria revised its forecast in November, expecting the 2014 EBIT without non-recurring items to be at the same level as the previous year's EBIT of EUR 37.0 million. Rapid changes in the global meat market situation affected business predictability in 2014. The reasons that led to the imbalance in the meat market included Russia's import ban on EU meat and the decrease in the market price of pork in Europe. Predictability was further complicated by Atria's exposure to high volatility in the value of the Russian rouble.

Atria's share of the income from joint ventures and associates for January–December was EUR 6.2 million (EUR 2.3 million). A joint venture of Atria, the Finnish Meat Research Institute LTK Co-operative, sold its subsidiary Maustepalvelu Oy. LTK recorded a profit for the sale, of which EUR 7.3 million was paid to Atria as a dividend.

Atria acquired Saarioinen Oy's procurement, slaughtering and cutting operations for beef, pork and chicken. The operations were consolidated into Atria as of 1 February 2014. The purchase price was EUR 29.2 million. In addition, EUR 4.2 million was paid for receivables from producers.

In Sweden, Atria concluded an agreement for the sale of the Falbygdens cheese business to Arla Foods AB, with a view to focusing on its core business. The sale includes the transfer of the following to Arla: the Falbygdens cheese business and its employees, the production plant in Falköping and the Falbygdens brand. The number of the employees to be transferred is about 100. The sale will reduce Atria's annual net sales by approximately EUR 52 million and EBIT by some EUR 3 million. The assets and liabilities associated with the Falbygdens cheese business have been classified as assets held for sale. The deal is subject to the approval of the Swedish Competition Authority and Consumer Agency. On 15 December 2014, the Swedish Competition Authority announced its decision to carry out a phase two proceeding of the transaction.

Investments in 2014 totalled EUR 62.7 million (EUR 41.1 million). The Group's free cash flow (operating cash flow - cash flow from investments) for the period was EUR 44.3 million (EUR 54.1 million) and net liabilities were EUR 250.7 million (31 December 2013: EUR 305.9 million).

Atria Finland's net sales for January–December totalled EUR 945.5 million (EUR 886.8 million). This increase was due to the consolidation of the operations acquired from Saarioinen as of the beginning of February and the launch of poultry feed sales at the beginning of the year. EBIT for the year amounted to EUR 33.6 million (EUR 32.9 million). EBIT includes EUR 0.8 million of non-recurring costs related to the takeover of the operations acquired from Saarioinen. EBIT also includes a profit of EUR 0.6 million from the sale of real estate company shares and a refund of a tax-like payment in the amount of EUR 1.2 million as a non-recurring item. EBIT for the comparative period contains EUR 1.1 million of non-recurring profit. The increase in EBIT was due to improved cost-efficiency and higher average sales prices. The sale of Food Service products increased steadily over the course of the year. Retail sales fell short of the previous year's figures. Raw material prices were lower than in the year before.

At the end of February, Atria launched a project to improve the profitability of Atria Finland's beef and pork production and to increase efficiency at Atria's Jyväskylä plant. Employer–employee negotiations were completed on 24 April 2014. By eliminating overlaps and improving productivity, Atria will achieve annual savings of around EUR 5 million. The cost savings will be fully realised as of the beginning of 2015. This means a reduction of 59 person-years.

In May, Saarioinen Oy terminated an agreement concerning meat packing at the Jyväskylä production plant as of 1 February 2015. Negotiations with the personnel on the adjustment of operations were initiated in May and completed on 23 July 2014. As a result of the negotiations, 48 of the Jyväskylä plant's employees were laid off. All laid-off employees were offered a job at Atria's other plants.

At the beginning of December, Atria launched a programme to improve the efficiency of pig slaughtering at the Nurmo production plant. Slaughtering capacity will be adjusted to correspond to the market situation. Negotiations with the personnel for the adjustment of the operations have been completed. As a result, capacity will be reduced over the course of 2015 by means of temporary lay-offs amounting to no more than 25 person-years. The lay-offs will be implemented by introducing four-day working weeks. The lay-offs affect 120 employees at the pig slaughterhouse in Nurmo.

Atria Scandinavia's net sales for January–December totalled EUR 371.9 million (EUR 395.0 million). At comparable exchange rates, net sales fell by 1.9 per cent year-on-year. A decline in meat consumption and the strengthening of the market shares of private labels were the key reasons for the decrease in Atria Scandinavia's net sales in 2014. EBIT for the year amounted to EUR 14.9 million (EUR 12.2 million). This increase was the result of improved cost-efficiency in the supply chain and more stable raw material prices.

Atria Russia's net sales for January–December totalled EUR 98.8 million (EUR 121.5 million), representing a drop of EUR 22.7 million. At comparable exchange rates, net sales fell by EUR 3.1 million year-on-year. This decrease in comparable net sales was due to the discontinuation of primary production in late 2013. EBIT for the year amounted to EUR -5.7 million (EUR -21.0 million). In late 2013, Atria launched an efficiency improvement programme and decided to discontinue industrial production and the operation of the logistics unit in Moscow by the end of 2014. As part of the programme, Atria has sold the real estate company in Moscow for EUR 12 million. A positive effect of EUR 0.5 million on earnings was recorded for the sale of the real estate and the reorganisation of operations. EBIT for the comparative period includes EUR 17.4 million of non-recurring costs. EBIT for the year without non-recurring items amounted to EUR -6.2 million (EUR -3.5 million). EBIT was reduced by an increase in raw material prices and the weakening of consumers' purchasing power. Production cost-efficiency has improved from the previous year.

Atria Baltic's net sales for January–December totalled EUR 34.5 million (EUR 32.9 million). EBIT for the year amounted to EUR -0.0 million (EUR 0.1 million). EBIT without non-recurring items was EUR 0.3 million (EUR 0.1 million). In June, Atria sold a factory located in Vilnius, Lithuania. The deal resulted in a non-recurring sales loss of EUR 0.4 million.

GROUP´S KEY INDICATORS, EUR MILLION

	2014	2013	2012
Net sales	**1,426.1**	1,411.0	1,343.6
EBIT	**40.6**	19.7	30.2
EBIT, %	**2.8**	1.4	2.2
Non-recurring items*	**1.0**	-17.3	-0.5
Earnings per share, EUR	**0.93**	-0.15	0.35
Balance sheet total	**923.5**	978.1	1,041.6
Return on equity, %	**6.6**	-1.0	2.4
Equity ratio, %	**44.0**	42.2	41.5
Net gearing, %	**61.8**	74.3	84.3

* Non-recurring items are included in the reported EBIT

EVENTS AFTER THE PERIOD UNDER REVIEW

At the beginning of January 2015, Atria decided to invest approximately EUR 36 million in expanding and modernising its pig cutting plant in Nurmo, Finland. New production facilities will be built next to the old plant, and the existing production facilities will be renovated and automated using the latest production technology. The new production facilities will measure around 4,500 m^2.

The investment will substantially raise the pig cutting plant's productivity and profitability: it is expected to generate annual cost savings of some EUR 8 million in the pig cutting plant's operations. Statutory employer-employee negotiations concerning the investment project were initiated immediately. The expected duration of the project is about two years, over the course of which the needs for reducing and relocating personnel will be specified. It is estimated that personnel will need to be reduced by no more than 80 person-years.

RESEARCH AND DEVELOPMENT

Atria Group's research and development activities are guided by research on consumer behaviour and market information in all of the Group's business areas, which serves as a basis for developing various products, concepts and services. In addition, Atria participates in applied research in the areas of product and packaging technology and food science.

Atria Finland launched 120 new products in the consumer goods and Food Service markets in 2014. Easy-to-open cold cut packages were the most important new product launched by Atria on the market. The new cold cut package won many national and international awards. The share of new products was strong, especially during the grilling season. In the autumn, Atria renewed the Jyväbroiler selection and launched the Atria Bravuuri meat sauce series. The new products accounted for about 7 per cent of total sales in Finland.

Atria Scandinavia launched 65 new products across all product groups on the Swedish and Danish markets. The slowly cooked Pulled Beef and Pulled Pork products were added to both the Sibylla and Lithells product selections. New Christmas flavours were added to cold cuts. In Sweden and Denmark, new products accounted for some 2.1 per cent of total sales.

Atria Russia's product selection increased by 10 new products in 2014. New products were added to both the cooking sausages and cold cuts product groups. New types of Casademont cold cuts were launched at the end of the year. In August, Russia's import ban on European raw materials posed additional challenges to product development. Product development focused on both developing cheaper products and optimising recipes. The sale of all new products accounted for 2.8 per cent of total sales.

Atria Baltic launched 40 new products on the market, mainly grill and cooking sausages. The use of locally produced meat as raw material for products increased significantly during 2014. The sale of new products accounted for about 10 per cent of total sales.

Proportion of net sales spent on research and development in Atria Group in 2012–2014:

EUR million	2014	2013	2012
Research and development	**13.9**	11.8	12.0
Share of net sales, %	**1.0**	0.8	0.9

FINANCING AND LIQUIDITY

In Europe, the persisting slow economic growth and low inflation (near zero) have caused both short- and long-term interest rates to fall to a record-low level. The European Central Bank has announced that the key interest rate will be kept at the current very low level for a long time, which will in turn continue to keep the market interest rates low. Liquidity in the financial markets has remained good, and financing has been readily available to creditworthy companies. Demand for financing has been lower than supply due, among other things, to moderate corporate investments. The loan periods and margins for corporate financing have remained stable.

The amount of Atria's interest-bearing liabilities decreased by EUR 80.6 million during the accounting period, even though about EUR 30 million was used for the operations acquired from Saarioinen. Atria reduced the amount of committed credit facilities from EUR 190 million to EUR 150 million. No new non-current liabilities were entered into during the accounting period. Short-term funding was acquired mainly through commercial papers. The Group's liquidity remained good. To ensure liquidity at all times, Atria had an average of EUR 130 million of unused committed credit lines during the year.

At the end of the accounting period (31 December 2014), fixed interest debts accounted for 45.7% (55.3%) of the Group's liabilities.

RISK MANAGEMENT AT ATRIA

Atria's business is exposed to a variety of external and internal risks, whose effects on the results may be negative or positive. The purpose of Atria's proactive risk management activities, implemented consistently across the Group, is to support the execution of Atria's strategy and the achievement of targets, as well as to secure business continuity if the risks are realised.

Atria's risk management operations are guided by the Risk Management Policy and its harmonised operating models for risk assesment and reporting. Risk Management Policy has been approved by the Board of Directors. The Group's CEO is responsible for the appropriate organisation of risk management. The Group's Management Team and the management teams of the business areas are responsible for implementing the required risk management measures in their respective areas of responsibility.

Risk management is applied to identify, assess, prevent and manage factors that jeopardise the attainment of goals. A risk assessment in accordance with the risk management policy is implemented yearly in all business areas and Group operations. The significance of a risk is assessed as a combination of the event's probability and economic impact. The most significant risks observed are prioritised throughout the Group and reported to the Board of Directors. Efforts are made to manage risks that threaten operational continuity also through continuity planning.

The profitability of Atria's business is greatly affected by the global risk associated with changes in the market price of meat raw material. This risk is managed by means of centralised control of meat purchasing and price variation clauses for raw material. To hedge against currency risks associated with raw material procurement, Atria actively uses currency derivatives in line with the Group's currency risk policy.

As a food manufacturing company, Atria's priority is to ensure the high quality and safety of raw materials and products throughout the production chain. Atria has modern methods in place to ensure the safety of production processes and to eliminate various microbiological, chemical and physical hazards. An animal disease discovered at a critical point in Atria's production chain could interrupt production in the unit concerned and disrupt the entire chain's operations. Internal monitoring involving multiple stages is applied to detect potential hazards as early as possible.

Low temperatures and repetitive movements are characteristic of work performed within the food industry. The work is often physically demanding and requires the use of cutting machines and tools, which increases the risk of accidents at work. Atria aims to prevent occupational accidents, disease risks and related costs by investing significantly in safety at work and the continuous improvement of work methods and tools.

Retail trade in the food industry is highly consolidated in all of Atria's key markets, which creates opportunities to build diverse forms of cooperation over the long term. On the other hand, this increases dependence on individual customers. Atria's strong market position, efficient industrial processes and well-known brands improve its negotiating position.

Significant changes in energy costs, such as electricity and gas prices, may affect Atria's profitability. Atria uses derivatives to hedge against unfavourable changes in accordance with its hedging policy.

Atria manages its financial risks in accordance with the financing policy approved by the Board of Directors. The Board of Directors has delegated the application and implementation of the financing policy and the management of financing risks to the Group's Treasury Committee, which consists of the CEO, CFO, Executive Vice President of Atria Scandinavia, Group Controller and Treasurer. The practical management of financial risks is the responsibility of the Group's Treasury Committee. The aim of the Group's financial risk management is to reduce the effect on earnings, the balance sheet and cash flow due to price fluctuations on the financial markets and other uncertainty factors, and to ensure sufficient liquidity. The main risks related to financing are interest rate risk, currency risk, liquidity and refinancing risk and credit risk. Atria's financial risk management is discussed in more detail in the notes to the financial statements on page 78.

Atria has 19 production plants in Finland, Sweden, Denmark, Estonia and Russia. All of these are insured against material damage and business interruptions through the Group's insurance programmes.

In the period under review, Atria was exposed to high volatility in the value of the Russian rouble and to the effects of Russia's import ban on EU meat. The impact was felt in raw material prices and consumer behaviour and, consequently, in Atria Russia's net sales, EBIT and net result. Translation differences in the consolidated statement of comprehensive income increased in the fourth quarter, particularly due to the high volatility of the Russian rouble. Atria implemented the following risk management measures: increasing the use of local raw materials, adjusting operations in Russia and passing on higher raw material costs to sales prices. Atria's exposure to these risks will continue in 2015.

Animal disease risk increased during the accounting period, due to the case of African swine fever detected in a wild boar in Estonia. The disease has not spread to production pig farms. Atria has stepped up disease prevention measures at its production pig farms and tightened the hygiene guidelines for farm workers.

The global meat market situation was imbalanced in the period under review, and the market price of pork remained low in Europe. At Atria, the risk was managed as described above through control of meat purchasing and guidance.

ADMINISTRATION AND OPERATIONAL ORGANISATION

The General Meeting decided that the composition of the Supervisory Board would be as follows:

Member	Term ends
• Juho Anttikoski	2016
• Mika Asunmaa	2016
• Reijo Flink	2017
• Lassi-Antti Haarala	2015
• Jussi Hantula	2015
• Henrik Holm	2015
• Hannu Hyry	2016
• Veli Hyttinen	2017
• Pasi Ingalsuo	2017
• Jukka Kaikkonen	2016
• Juha Kiviniemi	2017
• Pasi Korhonen	2015
• Ari Lajunen	2015
• Mika Niku	2015
• Pekka Ojala	2017
• Heikki Panula	2016
• Jari Puutio	2015
• Ahti Ritola	2016
• Risto Sairanen	2017
• Timo Tuhkasaari	2017
A total of 20 members	

At its constitutive meeting following the General Meeting, Atria Plc's Supervisory Board re-elected Hannu Hyry as its Chairman and Juho Anttikoski as Deputy Chairman.

The General Meeting decided that the Board of Directors shall consist of 8 members. Seppo Paavola, who was due to resign, was re-elected as a Board member and Jukka Moisio was elected as a new Board member, both for the next three-year term.

At its constitutive meeting following the General Meeting, Atria Plc's Board of Directors re-elected Seppo Paavola as its Chairman and Timo Komulainen as Deputy Chairman. Furthermore, the Board of Directors decided to merge the Nomination Committee with the Remuneration Committee, to form the Nomination and Remuneration Committee. Harri Sivula was elected as a member of the Nomination and Remuneration Committee. The other members are Seppo Paavola, Chairman of the Board of Directors, and Timo Komulainen, Deputy Chairman.

Atria Plc's Board of Directors now has the following composition:

Member	Term ends
• Esa Kaarto	2015
• Timo Komulainen	2016
• Jukka Moisio	2017
• Seppo Paavola	2017
• Kjell-Göran Paxal	2015
• Jyrki Rantsi	2016
• Maisa Romanainen	2016
• Harri Sivula	2015

Atria Plc's Management Team consists of the following people:

- Juha Gröhn, CEO
- Heikki Kyntäjä, CFO, Executive Vice President and Deputy CEO
- Mika Ala-Fossi, Executive Vice President, Atria Finland
- Tomas Back, Executive Vice President, Atria Scandinavia
- Jarmo Lindholm, Executive Vice President, Atria Russia
- Olle Horm, Executive Vice President, Atria Baltic

The members of the Management Team report to CEO Juha Gröhn.

Atria Plc's governance is described in more detail in a separate document: "Corporate Governance Statement".

COMPOSITION OF THE NOMINATION BOARD

The following people were elected to Atria Plc's Nomination Board, appointed by the General Meeting:

- Timo Komulainen, Agrologist, representative of Lihakunta
- Henrik Holm, Farmer, representative of Pohjanmaan Liha
- Juho Anttikoski, Farmer, representative of Itikka Co-operative
- Timo Sallinen, Director, Equities, representative of Varma Mutual Pension Insurance Company
- Seppo Paavola, Agrologist, expert member, Chairman of Atria Plc's Board of Directors

The Nomination Board elected Juho Anttikoski as Chairman from among its members.

AVERAGE NUMBER OF PERSONNEL (FTE)

	2014	2013	2012
Atria Finland	**2,376**	2,146	2,048
Atria Scandinavia	**1,014**	1,050	1,119
Atria Russia	**1,004**	1,151	1,384
Atria Baltic	**321**	322	347
Group total	**4,715**	4,669	4,898
Salaries and benefits for the period, Group total (EUR million)	**189.7**	182.1	182.7

INCENTIVE SCHEMES FOR MANAGEMENT

Long-term incentive plan

Atria's long-term incentive plan includes an earning period consisting of three year-long periods.

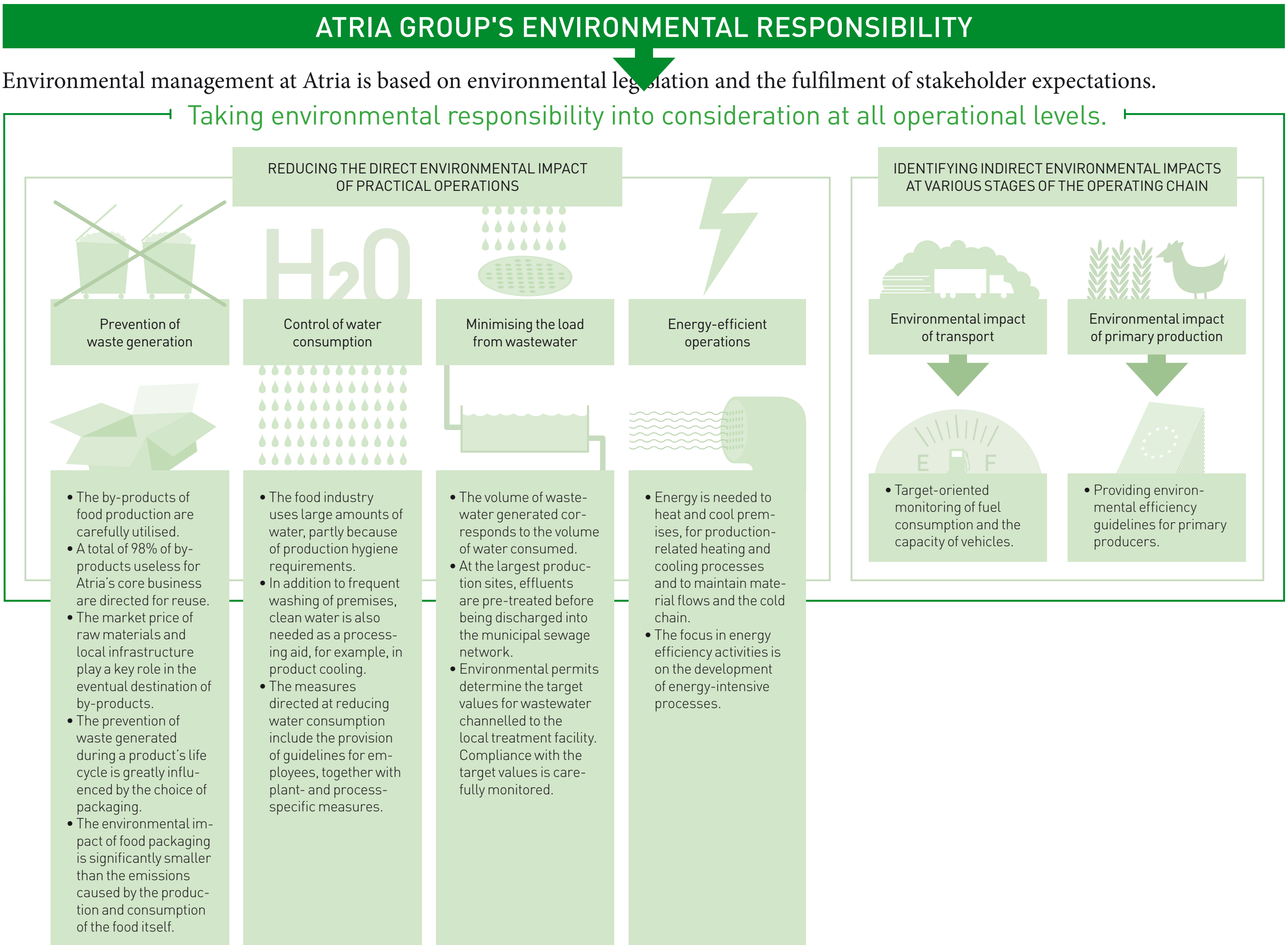
The 2012–2014 earning period ended on 31 December 2014. The compensation earned in an earning period is determined after the period is over based on progress against set targets. Payments from the 2012–2014 earning period were based on the Group's earnings per share (EPS). The plan covered about 40 people.

All payments from the earning period to be implemented in 2015–2017 will be based on the Group's earnings per share (EPS) excluding non-recurring items. Bonuses earned during the period will be paid in instalments in the coming years. Cash rewards payable under the plan for the entire 2015–2017 earning period are capped at EUR 4.5 million. The plan will expire on 31 December 2017, and it covers a maximum of 45 people.

Short-term incentive plan

The maximum amount of merit pay under the short-term incentive plan is 35 to 50 per cent of the annual salary, depending on the effect on the results and the level of competence required to perform the duties. The criteria in the merit pay scheme are the performance requirements and working capital at Group level and in the area of responsibility of the person concerned. In addition to the CEO and other members of the Management Team, Atria Plc's merit pay scheme covers approximately 40 people.

ENVIRONMENTAL RESPONSIBILITY



Environmental management at Atria Finland and, to some extent, at Atria Scandinavia is based on an environmental management system certified in compliance with the ISO 14001 standard. In other business areas, the company strives to achieve a corresponding level of environmental management.

KEY RESULTS – ENVIRONMENTAL RESPONSIBILITY

Goals 2012–2014	Results 2014
Managing direct environmental impacts.	Enhanced consumption of utilities in proportion to production.
Identification of environmental impacts throughout the production chain and promotion of eco-efficiency.	Energy efficiency improved by 4% at Atria Finland and by 8% at Group level.

Energy consumption
In the period under review, total energy consumption decreased by four per cent and consumption in relation to the kilogrammes produced decreased by eight per cent.

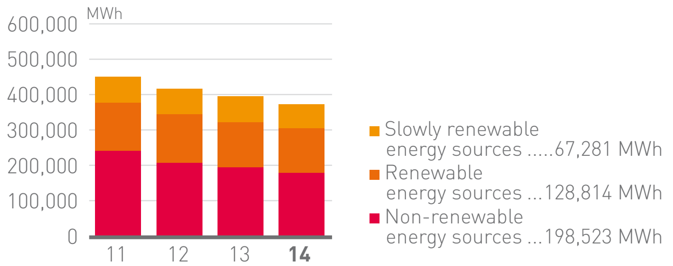
Water consumption
Atria Finland's water consumption increased by five per cent in the period under review. In the other business areas of the Group, water consumption remained stable.

Wastewater
The BOD7 load of Atria Finland's effluents increased slightly in the period under review. As BOD7 values are not measured in the Atria Scandinavia and Atria Estonia business areas, their load has been estimated in reporting on the basis of loads generated by similar facilities.

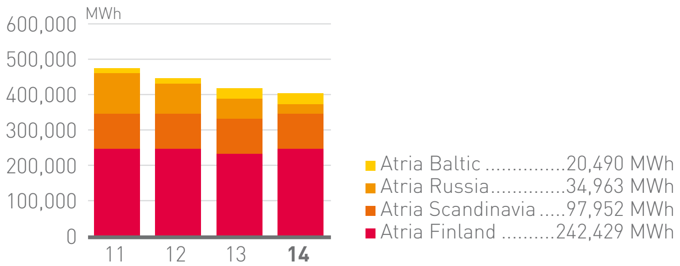
Food production waste and by-products
The by-products of food production are carefully utilised. About 98 per cent of the by-products of Atria's core operations are channelled to reuse. The market price of raw materials and local infrastructure play a key role in the eventual destination of by-products. The prevention of waste generated in the product lifecycle is greatly influenced by the choice of packaging.

Atria Finland

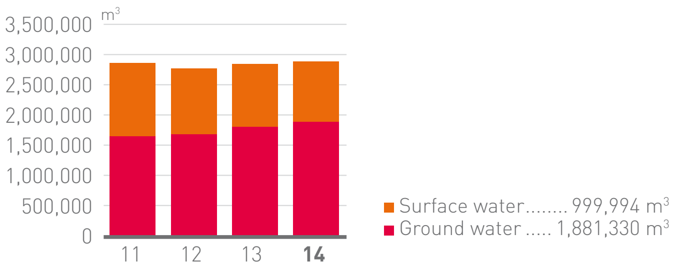
DIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE



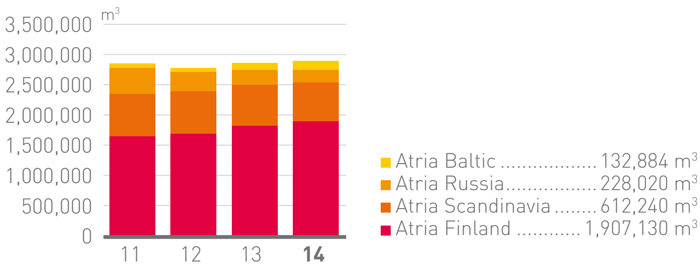
TOTAL ENERGY CONSUMPTION AT ATRIA GROUP



TOTAL WATER CONSUMPTION BY SOURCE



TOTAL WATER CONSUMPTION BY BUSINESS AREA



Atria Finland's environmental management is handled by a steering group that works under the Management Team and is in charge of planning and monitoring environmental management. The steering group has representatives from production, product and packaging development and support. The composition of the group ensures that management encompasses all of the areas in which Atria can control its environmental impact. The group addresses changes in legislation and stakeholder groups, analyses the results achieved in the previous year, discusses the investments required and sets targets for the upcoming period.

The key objective in the environmental strategy period is to support business through a controlled use of natural resources. The objectives have been adapted to fit changes in the business environment, of which the most significant continue to be the advancement of energy efficiency and the prevention of waste generation.

OUTLOOK FOR 2015

In 2014, consolidated EBIT without non-recurring items was EUR 39.6 million. In 2015, EBIT is projected to be at the same level and net sales are expected to decrease.

FLAGGING NOTIFICATIONS

Atria Plc did not receive any flagging notifications in 2014.

ATRIA PLC'S SHARE CAPITAL

The breakdown of the parent company's share capital is as follows:

- Series A shares (1 vote/share) 19,063,747
- Series KII shares (10 votes/share) 9,203,981

Series A shares have preference for a dividend of EUR 0.17, after which Series KII shares are paid a dividend of up to EUR 0.17. If dividend funds remain after this, Series A and Series KII shares entitle their holders to an equal right to a dividend.

Atria's Articles of Association include a pre-emptive purchase clause concerning KII shares. If Series KII shares are transferred to a party outside the company or to a shareholder within the company who has not previously owned Series KII shares, the proposed recipient of the shares must inform the Board of Directors without delay, and Series KII shareholders have the right to pre-emptively purchase the shares under certain conditions. In addition, the acquisition of Series KII shares by means of transfer requires approval by the company. Series A shares have no such limitations.

Information on shareholding distribution, shareholders and management holdings can be found under the heading "Shares and shareholders".

VALID AUTHORISATIONS TO PURCHASE OR ISSUE SHARES AND TO GRANT SPECIAL RIGHTS

The General Meeting decided to authorise the Board of Directors to decide, on one or several occasions, on the acquisition of a maximum of 2,800,000 of the company's own Series A shares with funds belonging to the company's unrestricted equity, subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company. The company's own Series A shares may be acquired for use as consideration in any acquisitions or other arrangements relating to the company's business, to finance investments, as part of the company's incentive scheme, to develop the company's capital structure, to be otherwise further transferred, to be retained by the company or to be cancelled.

The shares shall be acquired in a proportion other than that of the shareholders' current shareholdings in the company in public trading arranged by NASDAQ OMX Helsinki Ltd at the market price at the moment of acquisition. The shares shall be acquired and paid for in accordance with the rules of NASDAQ OMX Helsinki Ltd and Euroclear Finland Oy. The Board of Directors was authorised to decide on the acquisition of the company's own shares in all other respects.

The authorisation supersedes the authorisation granted by the Annual General Meeting on 26 April 2013 to the Board of Directors to decide on the acquisition of the company's own shares and is valid until the closing of the next Annual General Meeting or until 30 June 2015, whichever is first.

The General Meeting decided to authorise the Board of Directors to decide, on one or several occasions, on an issue of a maximum of 12,800,000 new Series A shares or on the disposal of any Series A shares held by the company through a share issue and/or by granting option rights or other special rights entitling people to shares as referred to in Chapter 10, section 1 of the Limited Liability Companies Act. The authorisation may be exercised to finance or execute any acquisitions, other arrangements or investments related to the company's business, to implement the company's incentive plan or for other purposes subject to the Board's decision.

The Board of Directors is also authorised to decide on all terms and conditions of the share issue and of the granting of special rights as referred to in Chapter 10, section 1 of the Limited Liability Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that currently held by the shareholders under the conditions provided by law, the right to issue shares against or without payment and the right to decide on a share issue to the company itself without payment – subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company.

The authorisation supersedes the share issue authorisation granted by the Annual General Meeting on 26 April 2013 to the Board of Directors and is valid until the closing of the next Annual General Meeting or until 30 June 2015, whichever is first.

BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION

The parent company's unrestricted equity on 31 December 2014 comprises the invested unrestricted equity fund of EUR 110,227,500.00, treasury share fund of EUR -1,277,443.82 and retained earnings of EUR 70,047,213.18, of which profit for the period totals EUR 11,547,112.64.

The Board of Directors proposes to the General Meeting that distributable profits be used as follows:

• A dividend of EUR 0.40/share be paid, totalling EUR	11,262,566.40
• To be retained as equity, EUR	167,734,702.96
	178,997,269.36

No significant changes have occurred in the company's financial position since the end of the accounting period. The company's liquidity is good and, according to the Board of Directors, the proposed dividend does not compromise the company's solvency.

BREAKDOWN OF SHARE OWNERSHIP

Shareholders by number of shares owned, 31 Dec 2014

Number of shares	Shareholders		Shares	
	Number	%	1,000 shares	%
1–100	4,946	40.56	250	0.89
101–1,000	6,012	49.31	2,265	8.01
1,001–10,000	1,142	9.37	2,850	10.08
10,001–100,000	77	0.63	1,980	7.01
100,001–500,000	10	0.08	2,028	7.17
500,001–1,000,000	4	0.03	2,585	9.14
1,000,001–	2	0.02	16,311	57.70
Total	12,193	100.00	28,268	100.00

Shareholders by business sector, 31 Dec 2014

Business sector	Shareholders		Shares	
	Number	%	1,000 shares	%
Companies	498	4.08	18,348	64.91
Financial and insurance institutions	37	0.30	1,275	4.51
Public corporations	11	0.09	1,226	4.34
Non-profit organisations	92	0.76	432	1.53
Households	11,528	94.55	6,058	21.43
Foreign owners	27	0.22	17	0.06
Total	12,193	100.00	27,357	96.78
Nominee-registered, total	9		911	3.22

INFORMATION ON SHAREHOLDERS

Major shareholders, 31 Dec 2014

	KII	A	Total	%
Itikka Co-operative	4,914,281	3,537,652	8,451,933	29.90
Lihakunta	4,020,200	3,838,797	7,858,997	27.80
Mandatum Life		805,062	805,062	2.85
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Varma Mutual Pension Insurance Company		524,640	524,640	1.86
Veritas Pension Insurance Company		413,636	413,636	1.46
Kuisla Reima		348,486	348,486	1.23
Sijoitusrahasto Taalerintehdas Arvo Markka Osake		180,000	180,000	0.64
Norvestia Oyj		135,672	135,672	0.48
Elo Mutual Pension Insurance Company		126,289	126,289	0.45

Major shareholders by voting rights, 31 Dec 2014

	KII	A	Total	%
Itikka Co-operative	49,142,810	3,537,652	52,680,462	47.42
Lihakunta	40,202,000	3,838,797	44,040,797	39.64
Pohjanmaan Liha Co-operative	2,695,000	480,038	3,175,038	2.86
Mandatum Life		805,062	805,062	0.72
Varma Mutual Pension Insurance Company		524,640	524,640	0.47
Veritas Pension Insurance Company		413,636	413,636	0.37
Kuisla Reima		348,486	348,486	0.31
Sijoitusrahasto Taalerintehdas Arvo Markka Osake		180,000	180,000	0.16
Norvestia Oyj		135,672	135,672	0.12
Elo Mutual Pension Insurance Company		126,289	126,289	0.11

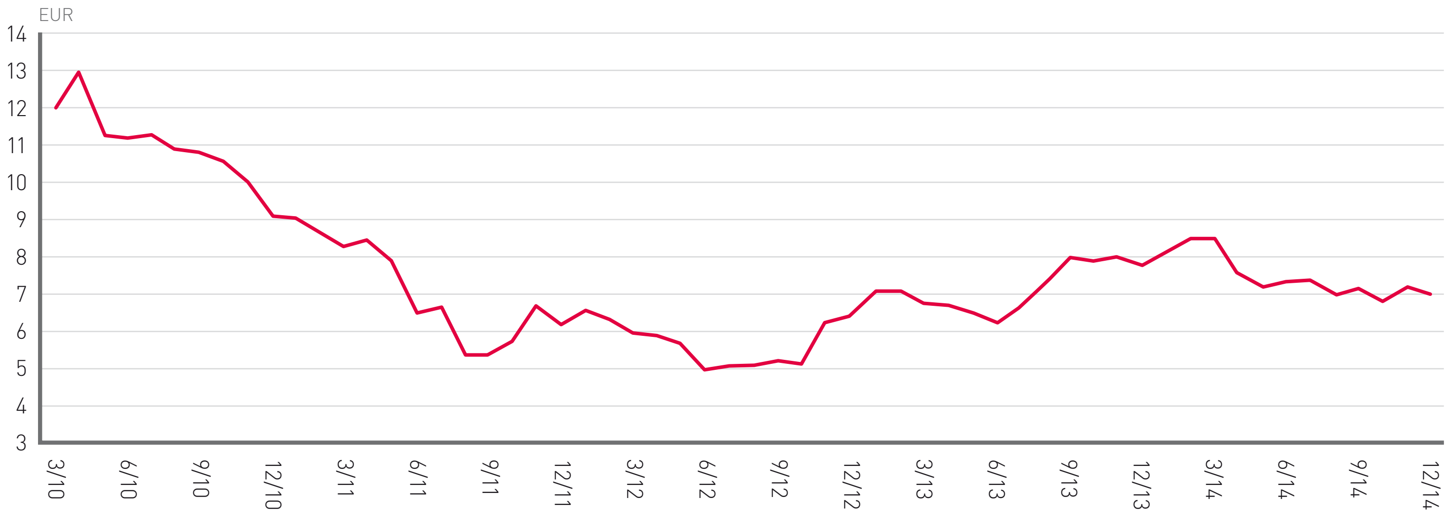
MANAGEMENT'S SHAREHOLDING

Holdings by the members of the Board of Directors and the Supervisory Board, the CEO and Deputy CEO, and members of the Group Management Team amounted to 70,398 Series A shares on 31 December 2014, representing 0.25% of the shares and 0.06% of the voting rights conferred by them.

MONTHLY TRADING VOLUME OF SERIES A SHARES IN 2014

Month	Trading, EUR	Trading, qty	Monthly low	Monthly high
January	1,349,675	168,343	7.74	8.16
February	2,536,125	299,311	7.75	8.89
March	2,878,785	340,909	7.98	8.78
April	3,560,065	473,828	6.92	8.50
May	1,469,931	206,404	6.99	7.31
June	1,029,417	142,624	7.07	7.40
July	1,134,442	155,993	7.06	7.67
August	1,185,844	170,918	6.55	7.24
September	1,084,221	153,429	6.90	7.18
October	1,676,162	247,473	6.43	7.18
November	1,620,669	226,268	6.76	7.40
December	3,108,553	449,495	6.57	7.40
Total	22,633,889	3,034,995		

CHANGE IN THE SERIES A SHARE PRICE 2010–2014 (AVERAGE PRICE)



FINANCIAL INDICATORS

EUR million	31 Dec 14	31 Dec 13	31 Dec 12	31 Dec 11	31 Dec 10
Net sales	1,426.1	1,411.0	1,343.6	1,301.9	1,300.9
EBIT	40.6	19.7	30.2	8.0	9.8
% of net sales	2.8	1.4	2.2	0.6	0.8
Financial income and expenses	-12.7	-15.2	-14.7	-14.1	-11.1
% of net sales	-0.9	-1.1	-1.1	-1.1	-0.9
Profit before taxes	34.0	6.9	18.9	-4.7	0.3
% of net sales	2.4	0.5	1.4	-0.4	0.0
Return on equity (ROE), %	6.6	-1.0	2.4	-1.5	-1.0
Return on investment (ROI), %	8.3	3.7	4.7	1.7	1.9
Equity ratio, %	44.0	42.2	41.5	39.5	40.2
Interest-bearing liabilities	254.1	334.7	370.5	409.4	429.9
Gearing, %	62.6	81.3	85.9	97.1	96.4
Net gearing, %	61.8	74.3	84.3	95.5	92.2
Gross investments in property, plant and equipment	62.7	41.1	56.2	47.0	46.2
% of net sales	4.4	2.9	4.2	3.6	3.5
Average number of personnel	4,715	4,669	4,898	5,467	5,812
Research and development costs	13.9	11.8	12.0	11.9	10.3
% of net sales*	1.0	0.8	0.9	0.9	0.8
Order stock**	-	-	-	-	-

* Booked in total as expenditure for the financial year

** Not a significant indicator, as orders are generally delivered on the day following the order being placed

SHARE ISSUE-ADJUSTED INDICATORS PER SHARE

EUR million	31 Dec 14	31 Dec 13	31 Dec 12	31 Dec 11	31 Dec 10
Earnings per share (EPS), EUR	0.93	-0.15	0.35	-0.24	-0.18
Equity/share, EUR	14.22	14.45	15.15	14.81	15.68
Dividend/share, EUR*	0.40	0.22	0.22	0.20	0.25
Dividend/profit, %*	43.0	-142.8	63.1	-84.5	-138.9
Effective dividend yield*	6.0	2.8	3.5	3.4	2.8
Price/earnings (P/E)	7.1	-50.2	17.9	-25.1	-50.0
Market capitalisation	187.1	218.5	177.0	168.2	254.4
Market capitalisation, series A	126.2	147.4	119.3	113.4	171.6
Share turnover/1,000 shares, series A	3,035	3,223	3,460	5,094	9,702
Share turnover %, series A	15.9	16.9	18.1	26.7	50.9
Total number of shares, million	28.3	28.3	28.3	28.3	28.3
Number of shares, series A	19.1	19.1	19.1	19.1	19.1
Number of shares, series KII	9.2	9.2	9.2	9.2	9.2
Average share issue-adjusted number of shares	28.3	28.3	28.3	28.3	28.3
Average share issue-adjusted number of shares on 31 Dec	28.3	28.3	28.3	28.3	28.3

* The Board of Directors' proposal from year 2014 for the Annual General Meeting to be held on 28 April 2015

Share price development, series A (EUR)					
Lowest of the period	6.43	6.01	4.76	4.99	8.74
Highest of the period	8.89	8.39	7.08	9.15	13.48
At end of the period	6.62	7.73	6.26	5.95	9.00
Average price during the period	7.46	7.21	5.89	7.21	10.93

CALCULATION OF KEY FINANCIAL INDICATORS

Calculation of indicators:

$$\text{Return on equity (\%)} = \frac{\text{Profit/loss for the accounting period}}{\text{Average equity}} * 100$$

$$\text{Return on investment (\%)} = \frac{\text{Profit/loss before tax + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities (average)}} * 100$$

$$\text{Equity ratio (\%)} = \frac{\text{Equity}}{\text{Balance sheet total - advance payments received}} * 100$$

$$\text{Gearing (\%)} = \frac{\text{Interest-bearing financial liabilities}}{\text{Equity}} * 100$$

$$\text{Net gearing (\%)} = \frac{\text{Interest-bearing financial liabilities - cash and cash equivalents}}{\text{Equity}} * 100$$

$$\text{Earnings per share (basic)} = \frac{\text{Profit for the accounting period attributable to the owners of the parent company}}{\text{Weighted average of outstanding shares}}$$

$$\text{Equity/share} = \frac{\text{Equity attributable to the owners of the parent company}}{\text{Undiluted number of shares on 31 Dec}}$$

$$\text{Dividend per share} = \frac{\text{Dividend distribution during the accounting period}}{\text{Undiluted number of shares on 31 Dec}}$$

$$\text{Dividend/profit (\%)} = \frac{\text{Dividend/share}}{\text{Earnings per share (EPS)}} * 100$$

$$\text{Effective dividend yield (\%)} = \frac{\text{Dividend/share}}{\text{Closing price at the end of the accounting period}} * 100$$

$$\text{Price/earnings (P/E)} = \frac{\text{Closing price at the end of the accounting period}}{\text{Earnings per share}}$$

$$\text{Average price} = \frac{\text{Overall share turnover in euro}}{\text{Undiluted average number of shares traded during the accounting period}}$$

$$\text{Market capitalisation} = \text{Number of shares at the end of the accounting period * closing price on 31 Dec}$$

$$\text{Share turnover (\%)} = \frac{\text{Number of shares traded during the accounting period}}{\text{Undiluted average number of shares}} * 100$$

CONSOLIDATED INCOME STATEMENT

EUR 1,000	Note	1 Jan-31 Dec 2014	1 Jan-31 Dec 2013
Net sales	1, 2, 32	1,426,068	1,411,015
Costs of goods sold	7, 8, 32	-1,249,273	-1,237,136
Gross profit		**176,795**	**173,879**
Sales and marketing expenses	3, 7, 8	-96,499	-98,224
Administrative expenses	4, 7, 8, 32	-41,953	-43,485
Other operating income	5, 32	6,671	6,144
Other operating expenses	6, 8, 22, 27	-4,444	-18,584
EBIT	1	**40,570**	**19,730**
Financial income	9	19,768	14,738
Financial expenses	9	-32,457	-29,941
Net financial items		**-12,689**	**-15,203**
Income from investments accounted for using the equity method	15	6,165	2,335
Profit/loss before taxes		**34,046**	**6,862**
Income taxes	10, 18	-7,237	-11,152
Profit/loss for the year		**26,809**	**-4,290**
Profit attributable to:			
Owners of the parent company		26,182	-4,338
Non-controlling interests		627	48
Total		**26,809**	**-4,290**
Basic earnings per share, EUR	11	0.93	-0.15
Diluted earnings per share, EUR	11	0.93	-0.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000	Note	1 Jan-31 Dec 2014	1 Jan-31 Dec 2013
Profit/loss for the year		**26,809**	**-4,290**
Other items of comprehensive income after tax:			
Items not reclassified to profit or loss			
Actuarial gains/losses from benefit-based pension obligations	10, 26	-831	861
Items reclassified to profit or loss when specific conditions are met			
Available for sale financial assets	9, 10, 16, 29	20	37
Cash flow hedges	9, 10, 29	-304	1,467
Translation differences	9, 10, 29	-25,047	-11,609
Total comprehensive income for the year		**647**	**-13,534**
Total comprehensive income attributable to:			
Owners of the parent company		155	-13,512
Non-controlling interests		492	-22
Total		**647**	**-13,534**

The notes on pages 52 to 90 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS, EUR 1,000	Note	31 Dec 2014	31 Dec 2013
Non-current assets			
Property, plant and equipment	1, 12, 22, 33, 34	390,739	433,526
Biological assets	13	738	775
Goodwill	14, 33	163,601	164,756
Other intangible assets	14, 33	75,837	76,980
Investments in joint ventures and associates	15, 32	13,217	15,299
Other financial assets	16, 29	1,312	2,189
Trade receivables, loans and other receivables	17, 29	11,272	7,494
Deferred tax assets	10, 18	6,060	4,890
Total		**662,776**	**705,909**
Current assets			
Inventories	19, 22, 33	92,937	114,134
Biological assets	13	3,167	3,345
Trade and other receivables	20, 22, 29, 32, 33	116,744	113,941
Current tax assets		3,938	4,865
Cash and cash equivalents	21, 29, 33, 34	3,384	28,844
Total		**220,170**	**265,129**
Assets classified as held for sale	22	**40,580**	**7,017**
Total assets	1	**923,526**	**978,055**

EQUITY AND LIABILITIES, EUR 1,000	Note	31 Dec 2014	31 Dec 2013
Equity attributable to the shareholders of the parent company			
Share capital		48,055	48,055
Share premium		138,502	138,502
Treasury shares		-1,277	-1,277
Other funds		-4,406	-4,123
Invested unrestricted equity fund		110,571	110,571
Translation differences		-46,782	-21,868
Retained earnings		157,237	138,639
Total	10, 11, 18, 23, 29	**401,900**	**408,499**
Non-controlling owners' share		**3,712**	**3,219**
Total equity		**405,612**	**411,718**
Non-current liabilities			
Interest-bearing financial liabilities	24, 29	202,558	215,839
Deferred tax liabilities	10, 18, 33	43,800	44,697
Other liabilities	25, 29	5,697	5,730
Pension obligations	26	7,689	6,926
Provisions	27	712	
Total		**260,456**	**273,192**
Current liabilities			
Interest-bearing financial liabilities	24, 29	51,539	118,894
Trade and other payables	22, 28, 29, 32, 33, 34	198,805	174,240
Current tax liabilities		6	11
Total		**250,350**	**293,145**
Liabilities classified as held for sale	22	**7,108**	
Total liabilities	1	**517,914**	**566,337**
Total equity and liabilities		**923,526**	**978,055**

The notes on pages 52 to 90 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to the owners of the parent company								Share of non-controlling interests	Total equity
EUR 1,000	Note	Share capital	Share premium	Treasury shares	Other funds	Invested unrestricted equity fund	Translation differences	Retained earnings	Total		
Equity on 1 Jan 2013		48,055	138,502	-1,277	-5,627	110,571	-10,328	148,311	428,207	3,240	431,447
Total comprehensive income for the year											
Profit/loss for the year								-4,338	-4,338	48	-4,290
Other items of comprehensive income											
Available for sale financial assets	16				37				37		37
Cash flow hedges	29				1,467				1,467		1,467
Actuarial losses from pension benefits	26							861	861		861
Translation differences	9, 10						-11,540		-11,540	-69	-11,609
Transactions with owners											
Distribution of dividends	23							-6,195	-6,195		-6,195
Equity on 31 Dec 2013		48,055	138,502	-1,277	-4,123	110,571	-21,868	138,639	408,499	3,219	411,718
Changes in retained earnings from previous years *)								-559	-559		-559
Total comprehensive income for the year											
Profit/loss for the year								26,182	26,182	627	26,809
Other items of comprehensive income											
Available for sale financial assets	16				20				20		20
Cash flow hedges	29				-304				-304		-304
Actuarial losses from pension benefits	26							-831	-831		-831
Translation differences	9, 10				1		-24,914		-24,913	-134	-25,047
Transactions with owners											
Distribution of dividends	23							-6,194	-6,194		-6,194
Equity on 31 Dec 2014		48,055	138,502	-1,277	-4,406	110,571	-46,782	157,237	401,900	3,712	405,612

*) Adjustment of Atria Russia's holiday pay liabilities for previous years

The notes on pages 52 to 90 are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Note	1 Jan-31 Dec 2014	1 Jan-31 Dec 2013
Cash flow from operating activities			
Payments received from sales		1,424,642	1,431,225
Payments received from other operating income		2,159	2,473
Payments on operating expenses		-1,313,527	-1,323,053
Interest paid and payments on other financial expenses	9	-36,658	-31,271
Dividends received	9	76	83
Interest payments received and other financial income	9	19,699	14,544
Direct taxes paid	10	-4,200	-5,091
Cash flow from operating activities		**92,191**	**88,910**
Cash flow from investments			
Investments in tangible and intangible assets		-33,901	-38,683
Acquisition of operations, net of cash acquired at the date of acquisition	33	-32,530	
Sale of subsidiary, net of cash at the date of sale	34	11,943	
Sold associates			1,593
Acquired shares in associates		-111	-961
Change in long-term loan receivables		-2,784	2,051
Change in other investments		1,175	-13
Dividends received		8,359	1,190
Cash flow from investing activities		**-47,849**	**-34,823**
Cash flow from financing			
Proceeds from long-term loans			50,000
Repayment of long-term loans		-52,261	-62,295
Decrease in short-term loans		-11,163	-12,974
Dividends paid	23	-6,194	-6,195
Cash flow from financing activities		**-69,618**	**-31,464**
Change in cash and cash equivalents		**-25,276**	**22,623**
Cash and cash equivalents at the beginning of the financial year		28,844	6,556
Effect of exchange rate changes		-184	-335
Cash and cash equivalents at the end of the financial year	21	**3,384**	**28,844**

The notes on pages 52 to 90 are an integral part of the consolidated financial statements.

BASIC CORPORATE INFORMATION

The parent company of the Atria Group, Atria Plc, is a Finnish public company formed in accordance with Finnish law and domiciled in Kuopio, Finland. The company has been listed on NASDAQ OMX Helsinki Ltd since 1991. Copies of the consolidated financial statements are available online at www.atriagroup.com or from the parent company's head office at Itikanmäenkatu 3, Seinäjoki; postal address: P.O. Box 900, FI-60060 ATRIA.

Atria Plc and its subsidiaries manufacture and market food products, especially meat products, poultry products, meals and food concepts. Atria have established Finland, Sweden, Denmark, European parts of Russia and the Baltic countries as its market area. Atria's subsidiaries are also located in this area. The Group's operations are divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

The financial statements were approved by the Board of Directors for publication on 11 February 2015. According to the Finnish Companies Act, the shareholders are entitled to approve or reject the financial statements in the Annual General Meeting to be held after their publication. The Annual General Meeting can also make a decision to revise the financial statements.

Accounting principles for the consolidated financial statements

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the EU. The IAS and IFRS standards valid on 31 December 2014 have been followed, as well as SIC- and IFRIC-interpretations. The IFRS refer to standards and interpretations thereof approved for application in the EU in compliance with the proceedings stipulated in Regulation (EC) 1606/2002, as referred to in the Finnish Accounting Act and subsequent regulations. The notes to the consolidated financial statements also comply with Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared under the historical cost convention except for biological assets, available-for-sale financial assets, financial assets and liabilities measured at fair value through profit or loss and derivative financial instruments. From the moment of classification, the assets held for sale are measured at the lower of their book value and fair value less cost to sell.

The consolidated financial statements are presented in thousands of euros, with sums rounded off to the nearest thousand.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

a) New and amended standards, effective 1 of January or periods after

- IFRS 10 Consolidated Financial Statements (in the EU effective for annual periods beginning on or after 1 January 2014). The objective is to define the principles regarding the preparation and presentation of consolidated financial statements when an entity controls one or more other entities. The principles related to control are specified, and it is defined that consolidation is required if control exists. It defines the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. The standard also sets out the requirements for the preparation of consolidated financial statements. The standard did not have material impact on Atria's consolidated financial statements.
- IFRS 11 Joint Arrangements (in the EU effective for annual periods beginning on or after 1 January 2014). IFRS 11 will provide for a more realistic reflection of joint arrangements. It will focus on the rights and obligations of the arrangement rather than its legal form. There are two categories of joint arrangements: joint operations and joint ventures. The parties to a joint operation have rights to the assets and obligations for the liabilities relating to the arrangement, and both account in their own financial statements for their share in the assets, liabilities, revenue and expenses. In a joint venture, the parties have rights to the net assets of the arrangement and they account for their share using the equity method. Proportional consolidation of joint ventures is no longer permissible. The standard did not have material impact on Atria's consolidated financial statements.
- IFRS 12 Disclosure of Interests in Other Entities (in the EU effective for annual periods beginning on or after 1 January 2014). IFRS 12 includes the disclosure requirements for all forms of interests in other entities. It applies to joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. As a result of the amendment the Group has given more information of its interest in other entities.
- Amendment to IFRS 10, 11 and 12 regarding transition guidance (in the EU effective for annual periods beginning on or after 1 January 2014). The amendment provides transition relief in IFRS 10, 11 and 12, limiting the requirement for adjusted comparative information to only the preceding comparative period. Comparative information on unconsolidated structured entities does not need to be presented for periods before IFRS 12 is first applied. These amendments did not have material impact on Atria's consolidated financial statements.

- IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. The standard change did not have material impact on Atria's consolidated financial statements.
- IAS 28 (revised in 2011) Investments in associates and joint ventures (in the EU effective from 1 January 2014) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.The standard did not have material impact on Atria's consolidated financial statements.
- Amendment to IAS 32 Financial Instruments: Presentation, concerning the off setting of assets and liabilities (in the EU effective from 1 January 2014). These amendments are to the application guidance in IAS 32, 'Financial instruments: Presentation,' and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.The amendment did not have material impact on Atria's consolidated financial statements.
- Amendment to IAS 36 Impairment of Assets, regarding recoverable amount disclosures for non-financial assets (in the EU effective from 1 January 2014). This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment did not have material impact on Atria's consolidated statements.
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement, regarding novation of derivatives (in the EU effective from 1 January 2014). This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria. The amendment did not have any impact on Atria's consolidated financial statements.

b) New standards and interpretations that have been issued and are effective for periods after 1 of January 2014

- Amendment to IAS 19 Employee Benefits, Defined Benefit Plans: Employee Contributions (in the EU effective from 1 July 2014, not endorsed by the EU). The amendment applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment will have no material impact on Atria's consolidated financial statements.
- IFRS 15 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2017; not yet approved in the EU). This is the converged standard on revenue recognition. It replaces IAS 11, 'Construction contracts,' IAS 18, 'Revenue' and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service.
  The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:
  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is assessing the effects of the new standard.
- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018, earlier adoption allowed). The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The Group is assessing the effects of the new standard.
- Annual improvements 2010–2012 and 2011-2013 (effective for 1 of July 2014 or after) and improvements 2012-2014 (effective for 1 of July 2016 or after. According to the Group's estimate, the amendments will have no material impact on Atria's consolidated financial statements.

ACCOUNTING POLICIES CALLING FOR JUDGMENTS BY THE MANAGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When preparing the financial statements, discretion must be used in applying the accounting policies. In addition, the management must make assessments and assumptions concerning the future and affecting assets and debts in relation to responsibilities, profits and costs. The realised values may deviate from the original assessments and assumptions.

KEY DISCRETIONARY DECISIONS WHEN APPLYING THE ACCOUNTING POLICIES:
The Group management must make discretionary decisions regarding the choice and application of accounting policies. This, in particular, applies to cases where the IFRS practice in force contains alternative recognition, measurement or presentation procedures. The management has exercised judgment in the classification of assets and financial items, in the recognition of deferred tax assets and reserves and in the definition of material investments in associates and joint ventures.

KEY ACCOUNTING ASSESSMENTS AND ASSUMPTIONS:
The assessments are based on the management's best estimate at the end date of the reporting period. They are affected by previous experiences as well as assumptions about the future that are deemed the most likely at the end of the period and are related to the expected developments in the economic environment. Any changes in the assessments and assumptions are recognised in the accounting period in which the assessment or assumption is adjusted and in all subsequent accounting periods.

Measurement of the fair value of assets acquired in business combinations:
The assets and liabilities acquired in business combinations are valued using the fair value at the time of acquisition. In significant business combinations, the Group has used an external advisor when measuring the fair value of tangible and intangible assets. In the case of tangible assets, comparisons have been made with the market price of corresponding assets, and the assets have been estimated for impairment caused by their age, wear and other similar factors. The fair value of intangible assets is determined based on assessments of asset cash flows. The management believes that the assessments and assumptions are sufficiently detailed to be used as the basis for fair value measurement.

Impairment of assets:
The Group reviews any indication of impairment of tangible and intangible assets at least at the end date of each reporting period. The Group conducts annual impairment tests on goodwill and intangible assets with indefinite useful lives. It also assesses any indication of impairment in accordance with the accounting policies.

Accounting policies for the consolidated financial statement

SUBSIDIARIES

The consolidated financial statements include the parent company, Atria Public limited company, and all its subsidiaries over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries acquired during the financial year are consolidated from the date of their acquisition and divested subsidiaries are included up to their date of sale.

The acquisition method of accounting is used to account for acquisitions of separate entities or businesses by the Group. Consideration transferred and the identifiable acquired assets and assumed liabilities of the acquired business are measured at fair value at acquisition date. Consideration transferred includes the fair value of an asset or liability arising from a contingent consideration arrangement. The costs of acquisition are charged to the income statement in the period in which they are incurred and the related services are received. The non-controlling interest in the acquired business is recognised on acquisition basis either at fair value or based on their relative share of the amounts of identifiable net assets of the acquired business.

Where the consideration transferred together with the non-controlling interest and the fair value of the previously held interest exceeds the fair value of the acquired net assets, the excess is recorded as goodwill in the balance sheet. If the sum total of the consideration, the amount of the non-controlling interest and previously held interest is less than the fair value of the acquired net assets, the difference is recorded through income statement.

All intra-Group transactions, profit distribution, receivables and liabilities, unrealized gains and profits and losses leading to the recognition of an asset are eliminated. The accounting policies applied by subsidiaries have been, where necessary, revised to match the Group policies.

The parent's change of ownerships with the subsidiaries, which do not lead to a loss of control, are treated as equity transactions. When shares are purchased from non-controlling shareholders, the difference between the consideration paid and the book value of the share acquired of the net assets of the subsidiary is recognised in equity. Profit or loss from the sale of shares to non-controlling shareholders is also recognised in equity.

When the control by the Group ceases to exist, any remaining interest is measured at fair value on the date of the loss of control and the change in book value is recognised through income statement. This fair value serves as the initial book value when the remaining interest is later recognised as an associate, joint venture or financial assets. In addition, the amounts of the said entity previously recognised in other comprehensive income are treated as if the Group had directly disposed the associated assets and liabilities. This may mean that amounts previously recognised as other comprehensive income are reclassified to income statement.

ASSOCIATES AND JOINT ARRANGEMENTS

Associate companies, where the Group holds voting rights of between 20% and 50% and in which the Group has significant influence but not control are consolidated using the equity method.

A joint arrangement is an arrangement of which two or more parties have joint control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group's joint arrangements are joint ventures and they are consolidated using the equity method.

When using the equity method, the investment is initially recognised at acquisition cost and this amount is increased or decreased to recognise the investor's share of the subsequent profits or losses of the investee after the time of acquisition. The group's investment in associates and joint ventures includes goodwill identified on acquisition.

If the interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss.

The Group's share of associates' post-acquisition profits or losses is recognised under operating profit in the income statement. The book value of the investment is adjusted accordingly. If the Group's share of the loss of an associate equals or exceeds its interest in the associate, any other unsecured receivables included, the Group will not recognise further losses if it does not have a legal or factual obligation to do so and it has not made payments on behalf of the associate.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group companies are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros (EUR), which is the parent companys functional currency and the parent company's and the Group's presentation currency.

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign currency receivables and liabilities are translated using the exchange rate prevailing at the end of the reporting period. Exchange differences arising from translation are recognised in the income statement and presented within operating profit. Exchange gains and losses from forward exchange agreements protecting financial transactions are included in financial income and expenses as part of the fair value change of the agreements. Those exchange rate changes of derivative financial instruments that are qualifying cash flow hedges or are used to effectively protect foreign net investments and net investment related loans have been recognised in other comprehensive income.

The income statements and balance sheet items of the Group companies outside the euro zone are accounted for in the currency that is the currency of the operating region of the company in question. The income statements of Group companies outside the euro zone are translated into euros at the average exchange rate for the accounting period, and the balance sheets at the closing exchange rate. Differences resulting from the translation are recognised as part of translation differences in other comprehensive income. The translation differences arising from the elimination of the acquisition costs of subsidiaries outside the euro zone and the hedge profit deriving from the corresponding net investments are recognised in other comprehensive income as well. When a foreign operation is partially disposed of or sold, exchange rate differences recognised in equity are recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of the foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at the cost of purchase or construction less accumulated depreciation and impairment losses.

If the property, plant or equipment consists of several parts with different useful lives, each part is treated as a separate asset. The costs arising from replacing the part are capitalized. Other subsequent expenditure is included in the acquisition cost only if it is probable that the future benefit connected to the asset will benefit the Group, and the acquisition cost of the asset can be reliably determined. All other repair and mainenance costs are recognised in the income statement as an expense as incurred.

Depreciation is recorded using a straight-line method over the estimated useful lives of the assets as follows:
- Buildings ....25–40 years
- Machinery and equipment .... 5–10 years
- Other tangible assets ....5–10 years

No depreciation is made on land and water areas. Assets that are not suited for recognition in property, plant and equipment accounts due to their nature or depreciation periods are recognised as other tangible assets.

The residual value and useful life of assets are reviewed annually at the closing of the accounts and, if necessary, adjusted so that the book value is equal to the recoverable amount.

The depreciation of property, plant and equipment ends when the asset item is classified as available for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Gains and losses on the disposal or transfer of property, plant or equipment are included in other operating income or expenses.

Leases – Group as lessor:
Lease contracts concerning tangible assets in which the Group has a significant share of the risks and rewards related to ownership are classified as finance leases. Finance leases are entered in the balance sheet at the fair value of the leased asset on the day the lease period begins, or at a lower value that corresponds to the present value of the minimum lease payments. The depreciation of assets acquired with finance leases is made for the period of their useful life or a shorter leasing period. Lease payments are apportioned between a finance charge and debt amortisation over the lease period, so that the interest rate for the outstanding liability in each financial year remains constant. Lease obligations are included in interest-bearing debts.

Leases where the risks and rewards related to ownership remain with the lessor are accounted for as operating leases, where rental payments are recognised as expenses in the income statement during the lease period.

INTANGIBLE ASSETS

GOODWILL:

Goodwill represents the Group's share of difference between the consideration transferred and the identifiable acquired assets and assumed liabilities measured at fair value at the acquisition date. Goodwill is not amortised but is tested for impairment and it is measured at cost less impairment losses. An impairment loss recognised for goodwill is not reversed.

Goodwill is tested annually for impairment. For this purpose, goodwill has been allocated to cash-generating units. The Group's cash-generating units are classified by business segment based on the operations and location of subsidiaries. They are Atria Finland, Atria Scandinavia, Atria Russia and Atria Estonia.

OTHER INTANGIBLE ASSETS:

An Intangible asset is initially capitalized in the balance sheet at cost if the cost can be measured reliably and it is probable that the company will receive future economic benefit from the asset. Intangible assets with a limited useful life are amortised on a straight-line method over their estimated useful lives. Intangible assets with indefinite useful lives are not amortised, but instead they are tested annually for impairment.

Depreciation is recorded using a straight-line method as follows:
- Customer relationships ....3–8 years
- Trademarks ....5–10 years
- Other intangible assets*) ....5–10 years

*) Includes computer software, subscription fees etc.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

On each closing date, the Group reviews intangible and tangible assets to see whether there are any indications of impairment. If there are such indications, the recoverable amount from the said asset is estimated. The recoverable amount of goodwill and intangible assets with indefinite useful lives is assessed annually and whenever indications of impairment are detected. The recoverable amount is the higher of the present value of the future cash flows (value in use) and the fair value of the asset less costs of disposal. If the recoverable amount cannot be assessed per item, the impairment need is observed on the level of cash- generating units, i.e. at the lowest unit level which is mainly independent of other units and at which cash flows can be distinguished from other cash flows.

Impairment loss is recognised if the book value of the asset is higher than the recoverable amount. Impairment loss is recognised immediately in the income statement. If the impairment loss arises with regard to a cash-generating unit, it is first allocated to reduce the goodwill and then to reduce the other assets of the unit pro rata. The useful life of the depreciated asset is re-evaluated in conjunction with the recognition of an impairment loss. An impairment loss recognised for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the amount recoverable from the said asset. However, the impairment loss may not be reversed in excess of what the asset's book value would be without the recognition of the impairment loss. An impairment loss recognised for goodwill is never reversed.

INVENTORIES

Inventories are measured at the lower of cost or probable net realisable value. The cost is determined using the first-in first-out (FIFO) method. The cost for finished and unfinished products consists of raw materials, direct labour costs, other direct costs, and the appropriate share of manufacturing-related variable overheads and fixed overheads at a normal level of operations. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

BIOLOGICAL ASSETS

The Group's biological assets are living animals. They are measured at fair value, less estimated sales-related expenses. Productive animals are included in tangible assets and other animals are included in inventories.

The fair value of productive animals has been measured at cost less an expense corresponding to a reduction of value in use caused by aging. There is no available market price for productive animals. The fair value of slaughter animals equals their market price, which is based on the company's slaughter animal procurement/sales in the local market.

FINANCIAL ASSETS

CLASSIFICATION

The Group's financial assets are classified in the following catogories:
- Financial assets at fair value through profit or loss
- Loans and receivables
- Available-for-sale financial assets

The classification is made on their purpose of use, and the assets are classified in connection with the initial recognition.

Regular purchases and sales of financial assets are recognised or derecognised using trade date i.e. the date on which the Group commits to purchase or sell the asset. Financial assets are classified as non-current assets when they fall due more than 12 months from the closing date. If the financial assets are intended to be kept for less than 12 months, they are classified as current assets. The Group derecognises financial assets when it has lost its right to receive the cash flows or when it has transferred substantially all the risks and rewards of ownership to an external party.

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired if they have not been measured at the fair value from the beginning.

Financial assets at fair value through profit or loss:
In this category are classified such financial assets that are held for trading. Financial assets held for trading are acquired mainly to generate profit from changes in short-term market prices. The derivatives used by the company that do not fulfil the hedge accounting conditions in IAS 39 have been classified as held for trading. The assets belonging to this category have been classified as current assets and are carried at fair value.

Unrealised and realised profits and losses due to changes in the fair value of the "financial assets at fair value through profit or loss" category are recognised in the income statement in the accounting period in which they occur.

Loans and receivables:
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The trade and other receivables as well as cash and cash equivalents are included in the Group's loans and receivables. They are recognised at amortised cost using the effective interest rate method.

Available- for-sale financial assets:
Available-for-sale financial assets are non-derivative assets that have been classified in this category or that have not been classified in any other category. They are included in non-current assets unless they fall due or are intended to be kept for less than 12 months from the closing date, in which case they are included in current assets. Available-for-sales financial assets are measured at fair value at the balance sheet date and their fair value changes are recognised in equity. The change in fair value is presented in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value changes recognised in equity are included in the income statement as financial income and expenses. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established as financial income. The fair values of quoted financial assets are determined based on the market value. If the market for a financial asset is not active (and for unlisted securities), fair value is established through valuation techniques. These include the use of recent arm's-length transactions between independent parties, fair values of other instruments that are substantially similar and discounted cash flow analysis. The models make maximum use of market inputs and they rely as little as possible on entity-specific inputs.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING
When derivative contracts are entered into, they are recognised at fair value and subsequently they are re-measured at their fair value. The recognition of changes in the fair value of derivatives depends on whether the derivative instrument qualifies for hedge accounting and, if so, on the hedged item.

The Group designates certain derivatives as either:
- hedges of interest rate, currency or electricity price risks associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The relationship between hedging instruments and hedged items is documented at the inception of the hedging transaction. Risk management objectives and strategies for undertaking various hedge transactions are documented as well. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedge transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

VALUATION PRINCIPLES:
The fair value of forward exchange agreements is calculated by applying the forward rate at the balance sheet date. The fair value of interest rate swaps is calculated by discounting the future cash flows using interest rate curves for the currencies in question. Electricity derivatives are measured at fair value using the market prices at the balance sheet date.

CASH FLOW HEDGE:
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement under the appropriate item. Gains and losses accumulated in equity are re-reclassified in the income statement in the periods when the hedged item affects profit or loss (for example, when the forecast purchase that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial acquisition cost of the asset. The deferred amounts are ultimately recognised in costs of goods sold in case of inventories, or in depreciations in case of fixed assets. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised in the income statement only when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement under the appropriate account.

NET INVESTMENT HEDGE:
Hedges of net investments in foreign operations are accounted for in the same way as cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

DERIVATIVES THAT DO NOT MEET THE CRITERIA FOR HEDGE ACCOUNTING:
Certain derivative financial instruments do not meet the criteria for hedge accounting. All changes in the fair value of these derivatives are immediately recognised in the appropriate account of the income statement.

TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank deposits available on demand. Items classified as cash and cash equivalents have a maximum maturity of three months from acquisition. Available credit limits are included in current interest-bearing liabilities.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their book value is to be recovered through a sale transaction rather than through continuing use. The recognition criteria is regarded to be met when a sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary. Furthermore, management must be committed to the sale, which should be expected to occur within one year of the date of classification.

Immediately before being classified as held for sale, these assets are measured in accordance with the applicable IFRS standards. Thereafter, the assets are measured at the lower of their book value and fair value less cost to sell. These assets are no longer depreciated after the classification.

SHAREHOLDERS' EQUITY

Ordinary shares are presented as share capital. Expenses related to the issue or acquisition of equity instruments are presented as a deductible item under equity.

If a Group company acquires shares in the company, the consideration paid for them and the expenses arising directly from the acquisition, taking the tax effect into consideration, are deducted from the shareholders' equity until the shares are either cancelled or reissued. If the shares are reissued, the consideration received for them less transaction costs directly attributable to the shares is included in the shareholders' equity, taking the tax effect into consideration.

FINANCIAL LIABILITIES

Financial liabilities (other than derivative instruments) are initially recognised at fair value, net of transaction costs incurred. They are later measured at amortised cost using the effective interest rate method. Financial liabilities are classified as current or non-current liabilities.

A one-off credit fee related to committed credit facilities is recognised as prepayment for liquidity services and amortised over the period of the facility to which it relates. The credit limit fees related to such facilities are similarly expensed based on the passing of time.

PROVISIONS

A provision is entered when the Group has, as a result of a past event, a legal or constructive obligation, and it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenses required to cover the obligation. The amounts of provisions are reviewed on each closing date and adjusted to correspond to the best estimate at that time. Changes in provisions are recognised in the income statement in the same item where the original provision was entered.

REVENUE RECOGNITION

Net sales are determined on the basis of the fair value of considerations received or to be received for the sale of products and services, raw materials and supplies, adjusted by indirect taxes and discounts based on normal contractual principles applied in the industry. Revenue from the sale of goods is recognised when the risks and rewards of owning the goods have been transferred to the buyer and revenue from services when the service has been completed. Rental income is recognised on a straight-line basis over the lease period.

Interest rates are recognised based on the passing of time, taking into account the effective income from the asset. Dividend income is recognised when the shareholders' right to payment is established.

EMPLOYEE BENEFITS

PENSION OBLIGATIONS:

The Group companies have various pension plans in accordance with local conditions and practises throughout the operating countries. Pension arrangements are classified as either defined contribution plans or defined benefit pension plans. In defined contribution plans, the Group makes fixed payments into a separate unit. The Group has no legal or constructive obligation to make additional payments, if the recipient of the payments cannot pay the pension benefits in question. All plans that do not fulfil these conditions are defined benefit pension plans.

Payments made into defined contribution plans are recognised in the income statement in the reporting period to which they apply. The Group's pension plans are mainly defined contribution plans.

In defined benefit plans the company still has an ongoing obligation for the plan even after the payment for the period has been made. For arrangements classified as defined benefit plans, actuarial estimates acquired on a yearly basis serve as the grounds for recognising an expense and liability or asset in the financial statements. Actuarial gains or losses are recognised as equity refund or charge through other comprehensive income in the financial period in which they occur.

LONG-TERM REWARD PROGRAMME FOR KEY PERSONNEL:

The Group has in place a long-term reward programme for key personnel. Any profit from the programme is based on the Group's earnings per share (EPS). The reward earned is determined after the period has expired based on how well the targets have been achieved. The benefits paid under the programme are measured annually and recognised as expenses and liabilities arising from employee benefits spread over the earnings period. The programme has three 12-month periods (2012, 2013 and 2014) and the full earning period ends on 31 December 2014.

RESEARCH AND DEVELOPMENT EXPENSES

Research expenditure is recognised as an expense in the balance sheet. Expenditure on development activities related to new products is capitalized in the balance sheet when there is enough certainty that the future economic benefits are expected to be available from the product and the Group has intention and resources to finalize the development. Capitalized development expenditure is recognised as project-specific expenses over the useful life of the product. The asset is amortised from the time it is ready for use. The Group has no capitalized development expenses.

GOVERNMENT GRANTS

Grants received as compensation for expenses are recognised in the income statement, while expenses connected with the grant are entered as costs. Such grants are entered under other operating income. The nature of the grants varies from one country to the next and the grants are only recognised after all the terms and conditions of the grant have been met, so the company does not have a repayment obligation regarding grants received.

Government grants, such as grants received for the acquisition of property, plant and equipment, are recognised as a deduction in the book value of property, plant and equipment when it is reasonably certain that the grant will be received and that the Group company fulfils the prerequisites for receiving the grant. Grants are recognised as income in the form of lower depreciation during the useful life of the asset.

INCOME TAXES

The Group income statement includes current taxes of Group companies based on taxable profit for the financial period according to local tax regulations as well as adjustments to prior year taxes and changes in deferred taxes. Taxes are entered in the income statement except if they are connected to other comprehensive income or to items recognised directly in equity. In this case the tax is also entered in other comprehensive income or directly in equity.

Deferred taxes are recognised from all temporary differences between the book value and the tax base. The biggest temporary differences arise from the depreciation of property, plant and equipment and fair value measurement in connection with acquisitions. No deferred tax is booked for non-deductible goodwill impairment or the subsidiaries' undistributed profits if the difference is not likely to dissolve in the foreseeable future.

Deferred tax is recorded using the tax rates provided by the balance sheet date. Deferred tax assets are recognised to the amount for which it is likely that taxable profit will be generated in the future against which the temporary difference can be utilised.

NON-RECURRING ITEMS

Exceptional non-recurring events, such as capital gains and losses from the sale of operations, impairment, the costs of discontinuing significant operations and costs arising from the reorganisation of operations, are treated as non-recurring items.

1. SEGMENT INFORMATION, EUR 1,000

The Group's operating segments are based on the Group's internal organisational structure and internal financial reporting, which Atria's Board of Directors uses in strategic and operative decision-making. The Board of Directors assesses the performance of the operating segments based on net sales, EBIT and return on capital employed. The Group has four recognisable geographical segments, which differ essentially from one another in terms of the functioning of the markets. They are Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic. In addition, Group costs are now reported separately in unallocated items. Group costs mainly consist of personnel and administrative costs. A segment's assets and liabilities are items that can be directly attributed or reasonably allocated to the segment. Transactions between the segments take place at market price.

The Group has two major customers, and the value of the trade with each of them forms between 10% and 15% of the Group's net sales.
The net sales in question are reported in the operating segments Finland, Russia and Baltic.

Operating segments	Atria Finland	Atria Scandinavia	Atria Russia	Atria Baltic	Unallocated	Eliminations	Group
Accounting period ended on 31 December 2014							
Net sales							
External	932,871	360,028	98,830	34,339			1,426,068
Internal	12,621	11,893		184		-24,698	0
Total net sales	945,492	371,921	98,830	34,523	0	-24,698	1,426,068
EBIT	33,621	14,941	-5,728	-44	-2,220		40,570
Financial income and expenses							-12,689
Income from joint ventures and associates							6,165
Income taxes							-7,237
Profit for the period							26,809
Assets	467,536	365,000	89,162	40,415		-38,587	923,526
Liabilities	238,337	241,617	67,227	9,320		-38,587	517,914
Investments	47,146	10,277	4,296	931			62,650
Depreciation	27,934	11,314	6,419	2,397			48,064
Impairment	45		2				47

Operating segments	Atria Finland	Atria Scandinavia	Atria Russia	Atria Baltic	Unallocated	Eliminations	Group
Accounting period ended on 31 December 2013							
Net sales							
External	872,913	383,989	121,450	32,663			1,411,015
Internal	13,857	10,973		248		-25,078	0
Total net sales	886,770	394,962	121,450	32,911	0	-25,078	1,411,015
EBIT	32,937	12,202	-20,971	70	-4,508		19,730
Financial income and expenses							-15,203
Income from joint ventures and associates							2,335
Income taxes							-11,152
Profit for the period							-4,290
Assets	460,413	386,083	130,266	41,813		-40,520	978,055
Liabilities	202,552	265,854	127,918	10,533		-40,520	566,337
Investments	26,721	10,554	3,592	249			41,116
Depreciation	25,850	11,915	9,056	2,470			49,291
Impairment		994	14,104				15,098

2. NET SALES, EUR 1,000

	2014	2013
Sale of goods	1,417,844	1,402,247
Other sales	8,224	8,768
Total	1,426,068	1,411,015

3. RESEARCH AND DEVELOPMENT COSTS, EUR 1,000

Research and development costs recognised as expenditure	13,883	11,821

4. FEES PAID TO AUDITORS, EUR 1,000

Auditing fees	356	473
Reports and statements	43	39
Tax consulting	12	10
Other fees	13	5
Total	424	527

5. OTHER OPERATING INCOME, EUR 1,000

Proceeds from fixed assets *)	3,201	1,654
Grants received	288	435
Other	3,182	4,055
Total	6,671	6,144

*) During the accounting period, a sales profit of EUR 0.6 million was recognised for the sale of real estate companies shares in Finland and a sales profit of EUR 2.2 million in Russia. In 2013, the logistics centre in Forssa, Finland was transferred from assets held for sale back to tangible assets. As a result of this reclassification, write-downs in the amount of EUR 1.1 million recognised during earlier accounting periods were reversed.

6. OTHER OPERATING EXPENSES, EUR 1,000

Sales loss from fixed assets *)	355	496
Impairment of fixed assets **)	0	15,098
Depreciation on intangible assets	1,372	653
Other ***)	2,717	2,337
Total	4,444	18,584

*) In May, Atria sold a factory located in Lithuania for EUR 0.8 million. The deal resulted in a sales loss of EUR 0.4 million.
**) In 2013, Atria Russia recognised EUR 14.3 million of non-recurring impairment on fixed assets in primary production and the Moscow operations.
***) At the end of 2013, Atria launched an efficiency improvement programme in Moscow. As part of the programme, Atria sold a real estate company in Moscow in October 2014. Atria recognised a EUR 1.8 million provision related to the restructuring, of which EUR 0.7 million remained at the end of the year.

7. PERSONNEL EXPENSES, EUR 1,000

	2014	2013
Expenses from employee benefits:		
Salaries	189,739	182,141
Pension costs - defined-contribution plans	30,620	26,720
Pension costs - defined-benefit plans	94	157
Other staff-related expenses	21,179	22,266
Total	241,632	231,284

Information on management's employee benefits is presented in Note 32.

	2014	2013
Expenses from employee benefits by function:		
Costs of goods sold	187,190	175,156
Sales and marketing expenses	32,287	34,296
Administrative expenses	22,155	21,832
Total	241,632	231,284

	2014	2013
Group personnel on average by business area (FTE):		
Finland	2,376	2,146
Scandinavia	1,014	1,050
Russia	1,004	1,151
Baltic	321	322
Total	4,715	4,669

8. DEPRECIATION AND IMPAIRMENT, EUR 1,000

Depreciation and impairment by function		
Costs of goods sold	42,343	45,092
Sales and marketing expenses	1,694	1,769
Administrative expenses	2,584	2,532
Other operating expenses	1,490	14,996
Total	48,111	64,389

9. FINANCIAL INCOME AND EXPENSES, EUR 1,000

	2014	2013
Financial income:		
Interest income from loan receivables	2,004	2,265
Exchange rate gains from financial liabilities and loan receivables measured at amortised cost	1,135	588
Available for sale financial assets	76	83
Other financial income	9	2
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative instruments - not in hedge accounting	16,544	11,800
Total	19,768	14,738
Financial expenses:		
Interest expenses from financial liabilities measured at amortised cost	-13,122	-15,368
Exchange rate losses from financial liabilities and loan receivables measured at amortised cost	-13,725	-8,574
Other financial expenses	-1,517	-1,989
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative instruments - not in hedge accounting	-4,093	-4,010
Total	-32,457	-29,941
Total financial income and expenses	-12,689	-15,203
Items related to financial instruments and recognised in other items of total comprehensive income before taxes:		
Cash flow hedges	-375	2,260
Available for sale financial assets	25	38
Translation differences	-28,203	-11,609
Total	-28,553	-9,311

10. INCOME TAXES, EUR 1,000

	2014	2013
Taxes in the income statement:		
Tax based on the taxable profit for the period	5,315	4,055
Retained taxes	0	-23
Deferred tax	1,922	7,120
Total	7,237	11,152
Balancing of taxes in income statement and profit before taxes:		
Profit before taxes	34,046	6,862
Taxes calculated with the parent company's 20.0% (24.5%) tax rate	6,809	1,681
Effect of foreign subsidiaries' deviating tax rates	3,051	1,818
Retained taxes and reassessment of deferred taxes	27	7,215
Effect of income from joint ventures/associates	-1,233	-572
Effect of tax-free income	-3,037	-540
Effect of costs that are non-deductible in taxation	1,827	4,658
Unrecognised deferred tax assets	55	646
Changes in tax rate	-306	-4,289
Other changes	44	535
Total	7,237	11,152

Taxes recognised in other items of total comprehensive income	Before tax	Tax effects	After tax
2014:			
Cash flow hedges	-375	71	-304
Available for sale financial assets	25	-5	20
Actuarial losses from pension obligations	-1,065	234	-831
Translation differences	-28,203	3,156	-25,047
Total	-29,618	3,456	-26,162
2013:			
Cash flow hedges	2,260	-793	1,467
Available for sale financial assets	38	-1	37
Actuarial gains from pension obligations	1,104	-243	861
Translation differences	-11,609		-11,609
Total	-8,207	-1,037	-9,244

11. EARNINGS PER SHARE, EUR 1,000

Basic earnings per share are calculated by dividing the profit for the period of the parent company's shareholders by the weighted average number of outstanding shares.

	2014	2013
Profit/loss for the period attributable to the owners of the parent company	26,182	-4,338
Weighted average of shares for the period (1,000 pcs)	28,156	28,156
Basic earnings per share	0,93	-0,15

When calculating the earnings per share adjusted by the dilution effect, the dilution effect from all potential dilutive conversions of ordinary shares is taken into account in the weighted average number of shares.

12. PROPERTY, PLANT AND EQUIPMENT, EUR 1,000

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
Acquisition cost, 1 Jan 2014	12,129	479,614	573,296	7,422	12,902	1,085,363
Business combinations	21	5,132	1,202	11	102	6,468
Increases		6,521	29,543	1,016	13,007	50,087
Decreases		-20,277	-11,446	-4	-16,989	-48,716
Transferred to assets classified as held for sale		-1,879	-4,578			-6,457
Exchange differences	-2,164	-19,185	-23,695	-1,740	393	-46,391
Acquisition cost, 31 Dec 2014	9,986	449,926	564,322	6,705	9,415	1,040,354
Accumulated depreciation and impairment, 1 Jan 2014		-208,315	-441,081	-2,430	-11	-651,837
Business combinations		-50	-67	-2		-119
Decreases		9,108	12,314	4		21,426
Transferred to assets classified as held for sale		945	2,475			3,420
Depreciation		-12,066	-32,037	-948		-45,051
Impairment			-2			-2
Exchange differences		3,688	18,278	582		22,548
Accumulated depreciation and impairment, 31 Dec 2014		-206,690	-440,120	-2,794	-11	-649,615
Book value, 1 Jan 2014	12,129	271,299	132,215	4,992	12,891	433,526
Book value, 31 Dec 2014	9,986	243,236	124,202	3,911	9,404	390,739

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
Acquisition cost, 1 Jan 2013	12,836	493,952	575,376	5,075	23,784	1,111,023
Business combinations						
Increases	148	22,213	24,988	2,642	28,389	78,380
Decreases	-92	-24,718	-16,804	-3	-39,357	-80,974
Exchange differences	-763	-11,833	-10,264	-292	86	-23,066
Acquisition cost, 31 Dec 2013	12,129	479,614	573,296	7,422	12,902	1,085,363
Accumulated depreciation and impairment, 1 Jan 2013		-204,206	-428,899	-1,842	-11	-634,958
Business combinations						
Decreases		17,002	17,488	3		34,493
Depreciation		-12,705	-33,878	-682		-47,265
Impairment		-11,875	-3,191	-2		-15,068
Exchange differences		3,469	7,399	93		10,961
Accumulated depreciation and impairment, 31 Dec 2013		-208,315	-441,081	-2,430	-11	-651,837
Book value, 1 Jan 2013	12,836	289,746	146,477	3,233	23,773	476,065
Book value, 31 Dec 2013	12,129	271,299	132,215	4,992	12,891	433,526

Assets acquired under financial leasing contracts are included in machinery and equipment. The acquisition cost recognised on the basis of the financial leasing contracts was EUR 1.7 million (EUR 4.1 million) and accumulated depreciation was EUR 0.9 million (EUR 3.4 million). The book value of assets was EUR 0.8 million (EUR 0.8 million).

The value of property, plant and equipment includes borrowing costs totalling EUR 0.0 million (EUR 0.1 million).

The tangible assets used as loan collateral amount to EUR 10.8 million (EUR 11.2 million).

13. BIOLOGICAL ASSETS, EUR 1,000

	2014	2013
Biological assets:		
Productive	738	775
Consumable	3,167	3,345
At the end of the period	3,905	4,120
Amounts of biological assets at the end of the period:		
Boars, sows, gilts / number	4,494	4,396
Pigs for fattening / number	29,471	29,174
Chicken eggs and chicken chicks / number	2,567,820	2,515,514
Production of agricultural products during the period:		
Pork/1,000 kg	5,909	10,526
Chicken chicks/1,000	26,303	25,250
Cereal/1,000 kg	0	7,966

The fair value of productive biological assets is based on the original acquisition price less a cost corresponding to the reduction of value in use due to the ageing of animals. The fair value of slaughter animals equals their market price, which is based on the company's slaughter animal procurement/sales in the local market.

14. GOODWILL AND OTHER INTANGIBLE ASSETS, EUR 1,000

Intangible assets	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost, 1 Jan 2014	183,428	76,029	1,079	25,214	285,750
Business combinations	11,470	859	8,977	79	21,385
Increases				2,010	2,010
Decreases				-162	-162
Transferred to assets classified as held for sale	-6,093	-5,642			-11,735
Exchange differences	-6,701	-5,315		-459	-12,475
Acquisition cost, 31 Dec 2014	182,104	65,931	10,056	26,682	284,773
Accumulated depreciation and impairment, 1 Jan 2014	-18,672	-5,631	-788	-18,923	-44,014
Business combinations					0
Depreciation on decreases				158	158
Depreciation		-277	-970	-1,766	-3,013
Impairment				-45	-45
Exchange differences	169	976		434	1,579
Accumulated depreciation, 31 Dec 2014	-18,503	-4,932	-1,758	-20,142	-45,335
Book value, 1 Jan 2014	164,756	70,398	291	6,291	241,736
Book value, 31 Dec 2014	163,601	60,999	8,298	6,540	239,438

Intangible assets	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost, 1 Jan 2013	187,274	78,559	1,079	23,159	290,071
Business combinations					0
Increases				2,900	2,900
Decreases				-657	-657
Exchange differences	-3,846	-2,530		-188	-6,564
Acquisition cost, 31 Dec 2013	183,428	76,029	1,079	25,214	285,750
Accumulated depreciation and impairment, 1 Jan 2013	-18,772	-5,627	-717	-18,007	-43,123
Business combinations					0
Depreciation on decreases				443	443
Depreciation		-462	-71	-1,493	-2,026
Impairment				-30	-30
Exchange differences	100	458		164	722
Accumulated depreciation, 31 Dec 2013	-18,672	-5,631	-788	-18,923	-44,014
Book value, 1 Jan 2013	168,502	72,932	362	5,152	246,948
Book value, 31 Dec 2013	164,756	70,398	291	6,291	241,736

Goodwill and intangible assets with indefinite useful lives are allocated to the Group's cash-generating units as follows:

	Goodwill		Trademarks	
	2014	**2013**	**2014**	**2013**
Atria Finland	16,271	4,801	2,500	2,500
Atria Scandinavia	138,269	150,894	50,799	59,015
Atria Russia			2,961	4,726
Atria Estonia	9,061	9,061	2,857	2,857
Total	163,601	164,756	59,117	69,098

Impairment testing:

The recoverable amount of a cash-generating unit is defined on the basis of value-in-use calculations. These calculations, which use cash flow forecasts based on management-approved budgets and strategic targets, are defined before taxes and extend over a five-year period. Cash flows after this period are extrapolated using the growth rates presented below. The growth rate used does not exceed the average long-term growth rate of the industry in which the unit that generates the cash flow operates.

Key assumptions for 2014	Atria Finland	Atria Scandinavia	Atria Russia trademark	Atria Estonia
Long-term net sales growth rate	1.0%	1.0%	2.5%	1.0%
Discount rate defined before taxes	4.5%	4.7%	15.3%	5.3%

Key assumptions for 2013	Atria Finland	Atria Scandinavia	Atria Russia trademark	Atria Estonia
Long-term net sales growth rate	1.0%	1.0%	4.5%	1.0%
Discount rate defined before taxes	5.2%	5.6%	11.4%	5.9%

The most important assumptions used in Atria's impairment testing for cash flow forecasts are growth in net sales and long-term EBIT margin. The growth and profitability assumptions used are based on the profitability levels and growth rate in net sales that the company will experience in the near future in Finland, Scandinavia and Estonia. EBIT margins are expected to be close to the Group's targeted level of 5%.
Growth percentage assumptions are moderate in all market areas. Russia's higher growth projection is due to its higher inflation rate, higher market growth expectations and the relatively high growth projection for meat consumption. Due to the relatively stable development of the food industry and moderately optimistic growth forecasts, it is unlikely that the growth rate assumptions will result in impairment losses in the future.
As regards EBIT margins, impairment losses must be recognised if the long-term level in Scandinavia and Estonia remains about 65% and 34% below the assumption, respectively. In Finland, the EBIT percentage should be approximately 81% below the assumption before the need for impairment arises.
Discount rates would result in impairment losses (all cash flow forecasts being equal) if they increased by 4.4 percentage points in Scandinavia and 1.1 percentage points in Estonia. In Finland, an increase by 9.7 percentage points would lead to impairment losses. Clearly higher discount rates would mean that the market situation has changed, and this change would be likely to affect Atria's cash flows as well. Therefore, the above-mentioned increases in discount rates do not directly mean that there would be a need for impairment.
In the financial statements, a separate test was conducted on a brand with an indefinite useful life for Atria Russia. The testing did not indicate a need for recognising an impairment loss, but due to the difficult market situation in Russia, the risk of impairment losses for the brand has increased. An increase in the discount rate from 15.3% by 1 percentage point (all cash flow forecasts being equal) could result in impairment losses of EUR 0.3 million on the value of the brand.

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES, EUR 1,000

	2014	2013
Effect on the Group's earnings		
Associates	274	-98
Joint ventures	5,891	2,433
Total	6,165	2,335
Book values in the consolidated statement of financial position		
Associates	3,390	3,050
Joint ventures	9,828	12,249
Total	13,217	15,299

A joint venture of Atria, the Finnish Meat Research Institute LTK Co-operative, sold its subsidiary Maustepalvelu Oy. LTK recorded a profit for the sale, of which EUR 7.3 million was paid to Atria as a dividend.

Material investment in a joint venture

Honkajoki Oy is a recycling facility for animal-based raw materials located in Honkajoki, Finland. The company has a subsidiary, Findest Protein Oy. Atria Plc owns 50% of the company and exercises joint control in it with HKScan Finland Oy. Honkajoki Group's figures, which are reported according to the Finnish Accounting Standards (FAS), have been consolidated using the equity method.

	2014	2013
Summary of Honkajoki Group's results:		
Net sales	32,337	30,283
EBIT	4,654	6,284
Profit before taxes	4,335	6,065
Profit/loss for the period	3,422	4,727
Summary of Honkajoki Group's balance sheet:		
Assets		
Non-current assets	20,107	18,913
Current assets	12,375	11,705
Total assets	32,482	30,618
Liabilities		
Non-current liabilities	9,538	8,371
Current liabilities	5,221	5,966
Total liabilities	14,758	14,336
Net assets	17,724	16,282
Balancing of the summary of financial information for Honkajoki Group:		
Profit/loss for the period	3,422	4,727
Share of non-controlling interest	-54	-4
Income from joint venture (50%)	1,738	2,366
Net assets, 1 Jan	16,282	13,535
Profit/loss for the period	3,422	4,727
Dividend distribution	-1,980	-1,980
Net assets at the end of the accounting period	17,724	16,282
Share of non-controlling interest	381	435
Share of joint venture (50%)	8,671	7,924
Non-material investments in joint ventures		
Book value in the consolidated statement of financial position	1,156	4,325
Effect on earnings in the consolidated income statement	4,153	67
Non-material investments in associates		
Book value in the consolidated statement of financial position	3,390	3,050
Effect on earnings in the consolidated income statement	274	-98

A list of the joint ventures and associates is available in Note 36.

16. OTHER FINANCIAL ASSETS, EUR 1,000

	2014	2013
Available for sale financial assets:		
Available for sale financial assets, 1 Jan	2,189	1,748
Increases	27	441
Decreases	-904	
Available for sale financial assets, 31 Dec	1,312	2,189
Available for sale financial assets:		
Listed securities	241	220
Unlisted securities	1,071	1,969
Total	1,312	2,189

17. TRADE RECEIVABLES, LOAN AND OTHER RECEIVABLES, EUR 1,000

	Balance sheet values 2014	Balance sheet values 2013
Trade receivables from producers	2,606	1,444
Loan receivables	7,734	4,884
Other receivables	928	1,165
Derivative instruments - in hedge accounting	2	
Derivative instruments - not in hedge accounting	1	
Accrued credits and deferred charges	1	1
Total	11,272	7,494

Fair values do not deviate significantly from balance sheet values.

Non-current receivables were divided into currencies as follows:

EUR	10,397	6,470
SEK	863	1,011
Other	12	13
Total	11,272	7,494

The "trade receivables from producers" account includes feed and animal trading receivables from animal payments that fall due in more than 12 months. The credit risk of these receivables is explained in Note 20.

No impairment has been recognised for loans and other receivables. The maximum credit risk for loans and other receivables is equivalent to their book value.

18. DEFERRED TAX ASSETS AND LIABILITIES, EUR 1,000

	2014	2013
Deferred tax assets:		
Tax asset to be realised in more than 12 months	5,298	4,430
Tax asset to be realised within 12 months	762	460
Total	6,060	4,890
Deferred tax liabilities:		
Tax liability to be realised in more than 12 months	43,785	44,687
Tax liability to be realised within 12 months	15	10
Total	43,800	44,697
Deferred tax assets by balance sheet item:		
Intangible and tangible assets	804	670
Inventories	50	69
Trade and other receivables	767	763
Interest-bearing and non-interest-bearing liabilities	2,414	1,881
Recognised losses	2,025	1,507
Total	6,060	4,890
Deferred tax liabilities by balance sheet item:		
Intangible and tangible assets	43,471	44,537
Financial assets	40	35
Inventories	142	19
Trade and other receivables	0	69
Interest-bearing and non-interest-bearing liabilities	147	37
Total	43,800	44,697
Change in deferred taxes:		
Recognised in the income statement	-1,922	-7,120
Recognised in other items of total comprehensive income	3,406	-849
Recognised in equity	140	
Acquisition of a subsidiary	-315	
Exchange differences	758	39
Total	2,067	-7,930

Deferred tax assets for unused tax losses are recognised to the amount for which obtaining tax benefits on the basis of taxable profit is likely. Losses for the accounting period, for which deferred tax assets have been left unrecognised, amount to EUR 1.6 million (EUR 2.6 million).

Deferred tax assets recognised from confirmed losses age as follows:

2020	715
2021	474
2024	836
Total	2,025

19. INVENTORIES, EUR 1,000

Materials and supplies	41,950	50,663
Unfinished products	1,382	15,032
Finished products	47,166	44,965
Other inventories	2,439	3,474
Total	92,937	114,134

During the accounting period, EUR 0.5 million (EUR 0.8 million), i.e. the amount used to lower the book value of the inventories to a value comparable with the net realisable value, was recognised as expenses.

20. CURRENT TRADE RECEIVABLES AND OTHER RECEIVABLES, EUR 1,000

	2014	2013
Trade receivables	71,178	76,355
Trade receivables from producers	15,577	17,269
Loan receivables	3,084	2,651
Other receivables	14,620	11,740
Derivative instruments - in hedge accounting	27	26
Derivative instruments - not in hedge accounting	5,214	447
Accrued credits and deferred charges	7,044	5,453
Total	116,744	113,941

Fair values do not deviate significantly from balance sheet values.

At Atria Group, credit risk from trade receivables is considered small in proportion to the scope of the operations. The Group's trade receivables are dispersed over several market areas and many customers. Credit loss risk is managed with securities, such as credit insurance and bank guarantees as well as with advance invoicing. A separate credit policy has been prepared for each business area that takes the specific features of the market into account. For major customers and customer groups, credit risk is examined and monitored on a case-by-case basis.

The "trade receivables from producers" account includes feed and animal trading receivables from animal payments. The receivables situation and security values are monitored regularly in accordance with the credit policy.

Material items in accrued credits and deferred charges consist of prepaid expenses of purchase invoices, lease receivables and tax amortisations.

Breakdown of trade receivables and items booked as credit losses		2014	Credit losses	Net 2014
Not due		69,614	0	69,614
Overdue	Less than 30 days	12,608	0	12,608
	30–60 days	1,753	-28	1,725
	61–90 days	984	-194	790
	More than 90 days	2,334	-316	2,018
Total		87,293	-538	86,755

Breakdown of trade receivables and items booked as credit losses		2013	Credit losses	Net 2013
Not due		74,390	0	74,390
Overdue	Less than 30 days	13,077	63	13,140
	30–60 days	2,070	-59	2,011
	61–90 days	924	-55	869
	More than 90 days	3,940	-726	3,214
Total		94,401	-777	93,624

Current receivables were divided into currencies as follows	2014	2013
EUR	70,919	63,854
SEK	17,555	21,885
RUB	15,635	15,857
DKK	7,204	7,457
USD	2,513	1,933
NOK	1,033	906
Other	1,885	2,049
Total	116,744	113,941

21. CASH AND CASH EQUIVALENTS, EUR 1,000

	2014	2013
Cash in hand and at banks	3,384	28,844

22. ASSETS CLASSIFIED AS HELD FOR SALE, EUR 1,000

2014	Atria Scandinavia	Atria Russia	Atria Baltic	Total
Assets held for sale				
Tangible assets	3,037	3,709		6,746
Intangible assets	11,735			11,735
Inventories and current receivables	22,099			22,099
Total	36,871	3,709	0	40,580
Liabilities associated with assets held for sale				
Deferred tax liabilities	1,241			1,241
Current trade and other payables	5,867			5,867
Total	7,108	0	0	7,108

2013	Atria Scandinavia	Atria Russia	Atria Baltic	Total
Assets held for sale				
Tangible assets		5,919	1,098	7,017

In May, Atria sold a factory located in Lithuania for EUR 0.8 million. The deal resulted in a sales loss of EUR 0.4 million, which is included in Atria Baltic's other operating expenses. In September, Atria decided to sell the Falbygdens cheese business in Sweden. The EUR 14.8 million non-current assets and EUR 22.1 million current assets associated with the operations have been classified as assets held for sale. The liabilities associated with the operations total EUR 7.1 million. Assets held for sale also include a pig farm in Russia that was classified as held for sale in 2013.

23. SHAREHOLDERS' EQUITY, EUR 1,000

Shares and share capital

Shares are divided into A and KII series, which differ in terms of voting rights. Holders of series A shares have one vote per share and holders of series KII shares ten votes per share. Holders of series A shares are entitled to a dividend of EUR 0.17, after which holders of series KII shares are paid a dividend of up to EUR 0.17. If dividend funds remain after this, series A and series KII shares entitle their holders to an equal right to a dividend. All issued shares have been paid in full. The shares have no nominal value or a maximum number.

Number of shares outstanding (1,000)	A series	KII series	Total
1 Jan 2013	18,952	9,204	28,156
No changes in the accounting period			
31 Dec 2013	18,952	9,204	28,156
No changes in the accounting period			
31 Dec 2014	18,952	9,204	28,156

Reserves included in shareholders' equity:

Share premium

The portion of share subscription payments recognised in share premium in compliance with the conditions of plans prior to the new Companies Act (624/2006) taking effect.

Treasury shares

The treasury shares reserve contains the acquisition cost of own shares held by the Group. In 2008 and 2009, the Group's parent company, Atria Plc, acquired 145,102 series A shares on the stock exchange for an acquisition cost of EUR 1.3 million. In 2008, 35,260 of the acquired shares and, in 2010, 3,280 shares were transferred to key persons as a part of the Group's share incentive plan. At the end of the year, the parent company held a total of 111,312 (111,312) treasury shares.

Other funds	2014	2013
Fair value reserve	161	141
Hedging fund		
Effective portion of commodity derivatives	-1,341	-1,234
Effective portion of interest rate derivatives	-4,365	-4,097
Deferred tax	1,139	1,067
Total	-4,567	-4,264
Total other funds	-4,406	-4,123

The other funds item includes the fair value reserve and hedging fund. Changes in the fair value of available for sale financial assets are recognised in the fair value reserve, while the effective portions of changes in the fair value of the derivative financial instruments used for hedging are recognised in the hedging fund. Hedge accounting results for commodity derivatives are transferred from equity to the income statement for adjustment of purchase expenses and, correspondingly, the hedging result for interest rate derivatives is transferred for adjustment of interest expenses.

Invested unrestricted equity fund
This reserve contains other equity investments and the share subscription price to the extent that it is not recognised in share capital according to a separate decision, as well as the value of shares earned before 2012 on the basis of the share incentive plan, calculated at the rate of the grant date.

Translation differences
The following are recognised: the translation differences from the translation of the financial statements of foreign subsidiaries, as well as the translation of fair value adjustments of goodwill, assets and liabilities arising in conjunction with the acquisition of the said companies. Profits and losses arisen from hedges of net investments in foreign operations are also recognised as translation differences when the hedge accounting criteria are met.

Parent company's distributable shareholders' equity	2014	2013
Invested unrestricted equity fund	110,228	110,228
Retained earnings	58,500	88,802
Treasury shares	-1,277	-1,277
Profit for the period	11,547	-24,107
Total	178,997	173,643

Dividend per share paid for the period	2014	2013
Dividend/share, EUR	0,22	0,22
Dividend distributed by the parent company	6,194	6,194

The Board of Directors proposes to the Annual General Meeting to be held on 28 April 2015 that the company pay EUR 0.40 per share in dividend, totalling EUR 11,262,566.40.

24. INTEREST-BEARING FINANCIAL LIABILITIES, EUR 1,000

	2014	2013
	Balance sheet values	Balance sheet values
Non-current:		
Bonds	50,000	50,000
Loans from financial institutions	126,681	130,727
Pension fund loans	25,450	33,607
Other liabilities	9	1,010
Finance lease obligations	418	495
Total	202,558	215,839
Current:		
Bonds		40,000
Loans from financial institutions	2,677	14,043
Commercial papers	35,000	54,100
Pension fund loans	8,157	8,157
Other liabilities	5,318	2,290
Finance lease obligations	387	304
Total	51,539	118,894
Total interest-bearing liabilities	254,097	334,733

The fair values of interest-bearing loans do not deviate significantly from balance sheet values.

	2014	2013
With fixed interest rates	45,7,%	55,3,%
With variable interest rates	54,3,%	44,7,%
Average interest rate	3,26%	3,34%
Non-current liabilities mature as follows:		
2015		11,377
2016	8,370	7,943
2017	76,084	78,458
2018	105,443	105,443
2019	3,693	3,693
2020	2,143	
Later	6,824	8,926
Total	202,558	215,839
Interest-bearing liabilities are divided into currencies as follows:		
EUR	111,842	147,324
SEK	115,052	140,851
DKK	11,725	11,767
RUB	15,478	33,623
LTL		1,168
Total	254,097	334,733

Finance lease obligations

	2014	2013
Total amount of minimum lease payments:		
In less than a year	18	204
Between one and five years	826	726
After more than five years		
Total	844	930
Present value of minimum lease payments:		
In less than a year	5	173
Between one and five years	800	625
After more than five years		
Total	805	798
Future interest accumulation	39	132
Total	844	930

25. OTHER NON-CURRENT LIABILITIES, EUR 1,000

	2014	2013
Other liabilities	3	6
Derivative instruments - in hedge accounting	5,334	5,001
Derivative instruments - not in hedge accounting	352	715
Accruals and deferred income	8	8
Total	5,697	5,730

Other non-current liabilities are in euros.

26. PENSION OBLIGATIONS, EUR 1,000

	2014	2013
The benefit-based pension liability in the balance sheet is determined as follows:		
Present value of funded obligations	7,689	6,926
Fair value of assets	0	0
Deficit(+)/surplus(-)	7,689	6,926
Pension liability in the balance sheet	7,689	6,926
The benefit-based pension cost is determined as follows:		
Change in the arrangement	0	-2
Costs based on services in the period	60	125
Benefits paid	-235	-222
Interest expenses	269	256
Pension costs in the profit and loss account	94	157
Actuarial gains/losses	1,101	-1,104
Pension costs in total comprehensive income	1,101	-1,104
Changes to liabilities in the balance sheet:		
Liability of the ITP2 pension arrangement at the beginning of the accounting period	6,926	8,132
Pension costs in the profit and loss account and total comprehensive income	1,195	-947
Exchange differences	-432	-259
At the end of the period	7,689	6,926
Actuarial assumptions used (%):		
Discount rate	2.60	4.00
Inflation rate	1.50	2.00

The Group's Swedish companies have defined-benefit pension arrangements (ITP2). Most of the ITP2 pension arrangements are managed by the occupational pension insurance company Alecta as multiple-employer arrangements, so the funds and liabilities within them cannot be allocated to an individual company. For this reason, the ITP2 pension arrangements managed by Alecta are treated as defined-contribution plans in the financial statements. The remaining ITP2 pension arrangements are financed through the FPG/PRI system, and they are treated as defined-benefit plans as of the 2011 accounting period.

27. PROVISIONS, EUR 1,000

	2014	2013
Restructurings		
At the beginning of the period	0	
Atria Russia: restructuring of operations	712	
Total	712	

At the end of 2013, Atria launched an efficiency improvement programme in Moscow, and a decision was made to discontinue industrial production and the company's own logistics unit. As part of the programme, Atria sold a real estate company in Moscow. Industrial operations will be transferred from Moscow to St Petersburg by the end of March 2015. Atria recognised a provision related to the restructuring, of which EUR 0.7 million remained at the end of the year.

28. CURRENT TRADE AND OTHER PAYABLES, EUR 1,000

	2014	2013
Trade payables	100,500	97,031
Advances received	2,164	2,982
Other liabilities	43,820	26,309
Derivative instruments - in hedge accounting	411	350
Derivative instruments - not in hedge accounting	1,875	1,070
Accruals and deferred income	50,035	46,498
Total	198,805	174,240

Material items in accrued liabilities consist of personnel expenses and the amortisation of debt interests.

Current liabilities consist of the following currencies:

	2014	2013
EUR	138,865	101,023
SEK	43,885	48,841
RUB	8,293	15,312
DKK	5,792	7,194
USD	782	492
Other	1,188	1,378
Total	198,805	174,240

29. FINANCIAL RISK MANAGEMENT

The treasury policy approved by the Board of Directors defines the general principles of financial risk management. The Board has delegated the management of financial risks to the Treasury Committee, while the practical management of financial risks is centrally handled by the Group's Treasury unit. The goal of financial risk management is to reduce the effect that price fluctuations on the financial markets and other uncertainty factors have on earnings, the balance sheet and cash flow, as well as to ensure sufficient liquidity. Treasury, together with the business areas, identifies, assess and hedge against all risks in accordance with the treasury policy. The main risks related to financing are interest rate risk, currency risk, liquidity and refinancing risk and credit risk. Commodity risks and capital structure management are also dealt with at the end of this section.

Interest rate risk

Interest rate risk is managed by dividing financing into instruments with floating and fixed interest rates and by hedging with interest rate derivatives. During the accounting period, the Group used interest rate swaps in interest rate risk management. The Group links interest rate risk management to the interest cover indicator that is forecasted 12-month rolling EBITDA, divided by forecasted net interest expenses. The lower the EBITDA is in relation to net financing cost, the larger is the share of debt that must have a fixed interest rate. The Group's interest-bearing debt at the balance sheet date was EUR 254.1 million (EUR 334.7 million), of which EUR 116.1 million (EUR 185.0 million) or 45.7% (55.3%) had fixed interest rates. The ratio of debt with fixed and floating interest rates is at the level defined by the Group's treasury policy.

The interest rate risk is mainly directed at the Group's interest-bearing liabilities because the amount of money market investments and related interest rate risk is low. The Group's operational cash flow is to a large extent independent of fluctuations in interest rates. At the time of the financial statements, Atria Plc had three open interest rate swaps subject to hedge accounting.

1. An interest rate swap amounting to SEK 370 million (maturity on 9 December 2015) where Atria pays a fixed interest rate of 2.542% and receives the 3-month Stibor rate. The company uses the interest rate swap to hedge a SEK 370 million loan with a floating interest rate.
2. An interest rate swap amounting to EUR 25 million where Atria pays a fixed interest rate of 2.408% and receives the 6-month Euribor rate. The company uses the interest rate swap to hedge a EUR 25 million loan with a floating interest rate that matures on 30 April 2018.
3. An interest rate swap amounting to EUR 25 million where Atria pays a fixed interest rate of 2.355% and receives the 6-month Euribor rate. The company uses the interest rate swap to hedge a EUR 25 million loan with a floating interest rate that matures on 30 April 2018.

The sensitivity analysis of net interest rate expenses is based on a 1% change in interest rates, which is considered to be reasonably realistic. It is calculated for year-end interest-bearing, variable-rate net liabilities that are expected to remain the same over the accounting period. The interest rate swaps are taken into account in the calculation. In simulations, the same change in interest rate is used for all currencies. On 31 December 2014, variable-rate net liabilities amounted to EUR 134.6 million (EUR 120.9 million). At the end of 2014, a +/-1% increase in interest rates corresponded to a change of EUR +/-1.3 million in the Group's annual interest rate expenses (EUR +/-1.2 million). The effect on equity would be EUR 1.8 million (EUR 2.7 million) with a +1% change and EUR -1.9 million (EUR -2.8 million) with a -1% change.

Currency risk

Atria Group operates in many currency zones and is exposed to currency-related risks. Currency risks arise from forecasted transactions, assets and liabilities booked into the balance sheet and net investments in the operations of foreign subsidiaries. The subsidiaries hedge the currency risk related to commercial, operational items according to their currency risk policy for each business area. Each currency risk policy has been approved by the Treasury Committee. The commercial, operative rouble risk at Atria Russia has not been hedged due to high hedging costs. However, efforts are made to pass on the increase in costs caused by rouble exchange rate changes to sales prices as soon as possible.

In Finland and Sweden, hedge accounting is applied to the aforementioned currency hedges. Currency risk is monitored according to the 12-month rolling cash flow forecast, and hedges are carried out for periods of 1 to 6 months using forward exchange agreements. The cash flows hedged during this time are expected to occur and affect profit or loss. Among other things, transaction risks come from the euro-denominated meat raw material imports of Atria Sweden's companies as well as from Pit-Product's USD-denominated meat raw material imports and euro-denominated purchases other than meat purchases in Russia. In Atria's Finnish operations, currency flows and risks are relatively low and are mainly related to USD- and SEK-denominated exports.

The Group has net investments in the operations of foreign subsidiaries that are exposed to currency risks. The Treasury Committee decides on net investment hedges on a case-by-case basis. At the time of the financial statements, there were no derivative agreements in force for net investment hedging. The parent company grants financing to the subsidiaries in their home currencies and has hedged the currency-denominated loan receivables from the subsidiaries through currency loans and forward exchange agreements.

During the accounting period, translation differences recognised in the consolidated statement of comprehensive income amounted to EUR -25.0 million (EUR -11.6 million). Translation differences increased particularly in the last quarter due to the high volatility of the Russian rouble. At the end of the year, the amount of net investments exposed to the fluctuations of the rouble was EUR 47.6 million (EUR 65.2 million).

If, at the end of the accounting period, the euro had been 10% weaker/stronger than the Swedish krona (all other factors being equal), profit before taxes would have been EUR 0.6 million higher/lower due to the Swedish subsidiaries' euro-denominated accounts payable (EUR 0.6 million). The effect on equity would have been EUR 0.5 million (EUR 0.5 million). Sensitivity analyses also take into account the effects of currency derivatives, which offset the effects of change in exchange rates.

If, at the end of the accounting period, the euro had been 20% weaker/stronger than the Russian rouble (all other factors being equal), profit before taxes would have been EUR 0.3 million higher/lower due to the Russian subsidiary's euro-denominated accounts payable (EUR 0.1 million). The effect on equity would have been EUR 0.0 million (EUR 0.0 million).

Liquidity and refinancing risk

Atria Plc's Treasury raises the majority of the Group's interest-bearing debt. Liquidity and refinancing risks are managed through a balanced loan maturity structure and by having sufficient committed credit facilities with sufficiently long maturities, by using many financial institutions and instruments to raise finance and by keeping a sufficient amount of cash funds. Atria uses commercial papers actively for short-term financing and liquidity management. There was EUR 110.6 million (EUR 148.2 million) unutilised committed credit facilities at the end of the year, and EUR 165.0 million (EUR 145.9 million) of the EUR 200 million commercial paper programme had not been used at the end of the accounting period. The average maturity of the Group's loans and committed credit facilities was 3 years 0 months (3 years 4 months).

The main covenant used in loan agreements is a minimum equity ratio covenant of 30%. The Group's equity ratio has been approx. 40% for many years, and the Group will continue to ensure an equity ratio higher than the level required by the covenant. According to the terms of loan agreements, the implementation of covenants is reported to financiers either quarterly or semi-annually.

According to the Group management's view, there was no significant liquidity accumulation in financial assets or financial sources.

The table below shows the maturity analysis for financial liabilities and derivative financial instruments (undiscounted figures). The capital payments and income of derivative liabilities and assets are related to forward exchange agreements, and interest payments to interest rate swaps.

Maturity analysis for financial obligations

		Maturity, 31 Dec 2014			
EUR 1,000		< 1 years	1–5 years	> 5 years	Total
Loans	Instalments	51,150	195,318	6,824	253,292
	Interest payments	4,616	12,341	248	17,205
Finance lease obligations	Instalments	387	418		805
Derivative liabilities and assets *)	Capital payments	152,934			152,934
	Capital income	-149,193			-149,193
	Interest payments	2,219	3,020		5,239
	Interest income	-202	-238		-440
Other liabilities	Instalments	7,211			7,211
Trade payables	Payments	100,500			100,500
Accruals and deferred income	Payments	50,034	8		50,042
Total	Total payments	369,051	211,105	7,072	587,228
	Total income	-149,395	-238		-149,633
	Net payments	219,656	210,867	7,072	437,595

		Maturity, 31 Dec 2013			
EUR 1,000		< 1 years	1–5 years	> 5 years	Total
Loans	Instalments	118,590	206,418	8,926	333,934
	Interest payments	6,171	20,366	425	26,962
Finance lease obligations	Instalments	304	495		799
Derivative liabilities and assets *)	Capital payments	163,100			163,100
	Capital income	-163,028			-163,028
	Interest payments	2,797	5,300		8,097
	Interest income	-702	-1,075		-1,777
Other liabilities	Instalments	9,578			9,578
Trade payables	Payments	97,031			97,031
Accruals and deferred income	Payments	46,498	8		46,506
Total	Total payments	444,069	232,587	9,351	686,007
	Total income	-163,730	-1,075		-164,805
	Net payments	280,339	231,512	9,351	521,202

*) There is an agreement on the offsetting right with all derivative counterparties.
The figures for derivative liabilities and assets presented in the table are gross amounts. If the figures were offset, derivative liabilities would amount to EUR 8.5 million (EUR 6.4 million).

Credit risk

Credit risk is managed at Group level in accordance with the Group's risk management policy approved by the Board of Directors. The credit risk related to financing, i.e., the counterparty risk, is managed by selecting only well-established highly rated counterparties with good credit ratings as counterparties. The Group's liquid assets are only invested with counterparties that meet the above-mentioned criteria. This is also the procedure when entering into financing and derivative agreements. The credit risk related to derivatives is also decreased by the fact that all payments made in relation to derivatives are net payments. Atria has only made derivatives with banks that are among Atria's main lenders.

The credit risk of the Group's operative business is related to our customers, of which the main ones are large retail chains. Part of the Group's trade receivables are related to feed and animal trading in primary production. The credit risk related to this is higher, but also more dispersed. The Group's trade receivables are also dispersed over several market areas and many customers.

Credit loss risk is managed with securities, such as credit insurances and bank guarantees as well as with advance invoicing. Each business area has been assigned a separate credit policy that takes the special features of the market area into account. Credit risk is examined and monitored on a case-by-case basis for major customers and customer groups. The breakdown of trade receivables is illustrated in Note 20.

Commodity risk

The Group is exposed to commodity risks, the most significant of which are meat raw material and electricity. Fluctuations in the price of meat raw material affect profitability in the short term, but efforts are made to pass on the price increases to sales prices as soon as possible.

Fluctuations in the price of electricity are hedged with forward electricity agreements according to the Group's electricity procurement policy. The hedging levels in the policy are shown in the table below.

Period	Hedging level minimum	Hedging level maximum
1–12 months	70%	100%
13–24 months	40%	80%
25–36 months	0%	50%
37–48 months	0%	40%
49–60 months	0%	30%

Hedge accounting in accordance with IFRS is applied to electricity hedges. The effective portion of changes in the value of derivatives, amounting to EUR -1.3 million (EUR -1.2 million), has been recognised under equity, and the ineffective portion, amounting to EUR +0.4 million (EUR -0.7 million), has been recognised in the income statement.

If the market price of electricity derivatives changed by +/-10% from the level of 31 December 2014, the effect on equity would be EUR +/-1.3 million (EUR +/-1.5 million), on the assumption that all hedges are 100% effective.

Capital structure management

In capital structure management, the Group aims to ensure normal operating conditions under all circumstances and to maintain an optimal capital structure in terms of capital costs.

The Group monitors the development of its capital structure primarily through the equity ratio, for which the Group has set a target level of 40%. Based on this equity ratio, the company estimates that the availability and total cost of new capital are optimal.

Equity ratio is affected by balance sheet total and equity. The company is able to affect the balance sheet total and, thereby, the capital structure through the management of working capital, the amount of investments and the sale of business operations or assets. Correspondingly, the company can affect the amount of its own equity through dividend distribution and share issues.

In the assessment of investments and divestments, the Group uses the Group's weighted average cost of capital (WACC) as reference. This way, the Group tries to ensure that its assets generate at least an amount corresponding to the average cost of its capital.

Equity ratio (target 40%)

Realised	31 Dec 2014	31 Dec 2013
	44.0%	42.2%

Values of financial assets and liabilities by category:

1,000 EUR 2014 Balance sheet item	Financial assets and liabilities recognised at fair value through profit or loss	Derivative financial instruments under hedge accounting	Loans and other receivables	Available for sale financial assets	Financial liabilities	Balance sheet value in total
Non-current assets						
Trade receivables			2,606			2,606
Other financial assets				1,311		1,311
Loan receivables			7,734			7,734
Other receivables *)			928			928
Accrued credits and deferred charges *)			1			1
Derivative financial instruments	1	2				3
Current assets						
Trade receivables			86,755			86,755
Loan receivables			3,084			3,084
Other receivables *)			7,782			7,782
Accrued credits and deferred charges *)			7,043			7,043
Derivative financial instruments	5,214	27				5,241
Cash and cash equivalents			3,384			3,384
Total financial assets	5,215	29	119,317	1,311	0	125,872
Non-current liabilities						
Loans					202,140	202,140
Finance lease obligations					418	418
Other liabilities **)					0	0
Accruals and deferred income **)					8	8
Derivative financial instruments	352	5,334				5,686
Current liabilities						
Loans					51,152	51,152
Finance lease obligations					387	387
Trade payables					100,500	100,500
Other liabilities **)					7,211	7,211
Accruals and deferred income **)					50,034	50,034
Derivative financial instruments	1,875	411				2,286
Total financial liabilities	2,227	5,745	0	0	411,850	419,822

*) Do not include VAT or income tax assets.

**) Do not include VAT or income tax liabilities

Values of financial assets and liabilities by category:

1,000 EUR 2013 Balance sheet item	Financial assets and liabilities recognised at fair value through profit or loss	Derivative financial instruments under hedge accounting	Loans and other receivables	Available for sale financial assets	Financial liabilities	Balance sheet value in total
Non-current assets						
Trade receivables			1,444			1,444
Other financial assets				2,189		2,189
Loan receivables			4,884			4,884
Other receivables *)			1,153			1,153
Accrued credits and deferred charges *)			1			1
Current assets						
Trade receivables			93,624			93,624
Loan receivables			2,651			2,651
Other receivables *)			5,158			5,158
Accrued credits and deferred charges *)			5,453			5,453
Derivative financial instruments	447	26				473
Cash and cash equivalents			28,844			28,844
Total financial assets	447	26	143,212	2,189	0	145,874
Non-current liabilities						
Loans					215,344	215,344
Finance lease obligations					495	495
Other liabilities **)					0	0
Accruals and deferred income **)					8	8
Derivative financial instruments	715	5,001				5,716
Current liabilities						
Loans					118,590	118,590
Finance lease obligations					304	304
Trade payables					97,031	97,031
Other liabilities **)					9,578	9,578
Accruals and deferred income **)					46,498	46,498
Derivative financial instruments	1,070	350				1,420
Total financial liabilities	1,785	5,351	0	0	487,848	494,984

*) Do not include VAT or income tax assets.

**) Do not include VAT or income tax liabilities

Fair value hierarchy:

1,000 EUR

Balance sheet item	31 Dec 2014	Level 1	Level 2	Level 3
Non-current assets				
Available for sale financial assets				
- Listed shares	241	241		
- Unlisted shares	1,070			1,070
Derivative financial instruments	3		3	
Current assets				
Derivative financial instruments	5,241		5,241	
Total	6,555	241	5,244	1,070
Non-current liabilities				
Derivative financial instruments	5,686		5,686	
Current liabilities				
Derivative financial instruments	2,286		2,286	
Total	7,972	0	7,972	0

Balance sheet item	31 Dec 2013	Level 1	Level 2	Level 3
Non-current assets				
Available for sale financial assets				
- Listed shares	220	220		
- Unlisted shares	1,969			1,969
Current assets				
Derivative financial instruments	473		473	
Total	2,662	220	473	1,969
Non-current liabilities				
Derivative financial instruments	5,716		5,716	
Current liabilities				
Derivative financial instruments	1,420		1,420	
Total	7,136	0	7,136	0

Level 1: Prices listed on active markets for identical assets and liabilities
The fair value of financial instruments traded in active markets is based on market prices listed on the closing date. Markets are regarded as active if listed prices are readily and regularly available from the stock exchange, broker, industry group, price information service or surveillance authority, and these prices represent actual and regularly occurring market events between independent parties. The current purchase price is used as the listed market price for financial assets.

Level 2: Fair values can be determined either directly (i.e., as prices) or indirectly (i.e., derived from prices).
A fair value is established through valuation techniques for financial instruments that are not traded in active markets (such as OTC derivatives).
These valuation techniques make maximum use of observable market information, when available, and rely as little as possible on company-specific assessments. If all significant input required for determining the fair value of the instrument is observable, the instrument is on level 2.

Level 3: Fair values are not based on verifiable market prices.
If one or more significant piece of input information is not based on observable market information, the instrument is classified on level 3. Assessments by external parties are used for measurement of financial instruments and, if such assessments are not available, the company's own calculations/assessments are used.

Changes in financial instruments belonging to level 3:

Unlisted shares	2014	2013
Opening balance 1 Jan	1,969	1,566
Purchases	1	403
Decreases	-900	
Closing balance 31 Dec	1,070	1,969

Derivative financial instruments:

Fair values of derivative financial instruments, 1,000 EUR	Derivative assets 31 Dec 2014	Derivative liabilities 31 Dec 2014	Net fair value 31 Dec 2014	Net fair value 31 Dec 2013
Forward exchange agreements				
Cash flow hedges under IAS 39 hedge accounting	69	160	-91	6
Other hedges	5,172	830	4,342	447
Interest rate swaps, due in more than one year				
Cash flow hedges under IAS 39 hedge accounting		4,365	-4,365	-4,097
Electricity derivatives				
Cash flow hedges under IAS 39 hedge accounting	3	2,617	-2,614	-3,019
Other hedges			0	0
Total	5,244	7,972	-2,728	-6,663

Nominal values of derivative financial instruments

1,000 EUR	31 Dec 2014	31 Dec 2013
Forward exchange agreements		
Cash flow hedges under IAS 39 hedge accounting	9,472	9,373
Other hedges	95,053	140,997
Interest rate swaps		
Cash flow hedges under IAS 39 hedge accounting	89,391	131,765
Electricity derivatives		
Cash flow hedges under IAS 39 hedge accounting	16,050	18,373
Other hedges	505	565
Total	210,471	301,073

30. OTHER LEASES, EUR 1,000

	2014	2013
Group as lessee:		
Minimum lease payments based on non-cancellable leases		
Within one year	11,117	9,294
Within more than one year and a maximum of five years	20,653	22,930
After more than five years	10,750	12,743
Total	42,520	44,967
Rents recognised as cost	9,344	6,830

The terms and conditions of the leases vary. The Group companies rent properties, machinery and equipment.

31. CONTINGENT LIABILITIES, EUR 1,000

Debts with mortgages or other collateral given as security:		
Loans from financial institutions	2,665	2,784
Pension fund loans	5,383	5,610
Total	8,048	8,394
Mortgages and other securities given as comprehensive security		
Real estate mortgages	3,786	3,973
Corporate mortgages	1,171	1,355
Total	4,957	5,328
Off-balance-sheet contingent liabilities		
Guarantees	391	636

32. RELATED PARTY TRANSACTIONS, EUR 1,000

Atria Group's related parties include the Group's joint ventures and associates, the members of the Board of Directors and the Supervisory Board, the CEO, the Deputy CEO and other members of the Group's Management Team. Other related parties are shareholding co-operatives Itikka Co-operative, Lihakunta Co-operative and Pohjanmaan Liha Co-operative and their subsidiaries.

Group companies, Group joint ventures and associates are presented in more detail in Note 36.

Related party transactions as well as receivables from and debts to related parties	Joint ventures and associates	Other related parties	Total
1 Jan - 31 Dec 2014			
Sale of goods	2,252	6,154	8,406
Sale of services	216	47	263
Rental income	96	122	218
Purchase of goods	20,950	10,351	31,301
Purchase of services	53,295	224	53,519
Rental costs	17	4,127	4,144
Shares sold		1,498	1,498
31 Dec 2014			
Trade receivables	270	444	714
Other receivables		1,564	1,564
Trade payables	5,564	42	5,606
Other payables		292	292

Related party transactions as well as receivables from and debts to related parties	**Joint ventures and associates**	**Other related parties**	**Total**
1.1. - 31.12.2013			
Sale of goods	2,235	5,063	7,298
Sale of services	133	117	250
Rental income	96	18	114
Purchase of goods	20,160	10,437	30,597
Purchase of services	50,677	259	50,936
Rental costs	18	2,728	2,746
31/12/13			
Trade receivables	195	382	577
Other receivables	472	36	508
Trade payables	5,210	54	5,264
Other payables	0	2,172	2,172

The sale of goods and services to related parties is based on the Group's valid price lists. The largest expense item under purchase of services is formed by the logistics services purchased from Tuoretie Oy. Debts to related parties are loans that can be called in immediately or as agreed; their interest rate is tied to the 3-month or 6-month Euribor rate.

Employee benefits and fees of the Group's key managerial personnel (on an accrual basis)	**2014**	**2013**
Short-term employee benefits	2,888	2,434
Statutory pension contributions	306	270
Post-employment benefits (group pension benefits)	301	337
Total	3,496	3,040

The Group's key managerial personnel consists of the members of the Board of Directors and the Supervisory Board, the CEO, the Deputy CEO and other members of the Group's Management Team.

For the CEO and Deputy CEO, the retirement age is 63 years.

Management's group pension benefits have been arranged for the members of Atria Group's Management Team who are within the scope of Finnish social security.

The retirement age under the group pension insurance is 63 years for the members of the Management Team. The pension plan is a defined-contribution plan, and the annual contribution is based on the insured's monthly salary (monetary salary and fringe benefits).

Salaries, benefits and pension contributions of the members of the Supervisory Board, Board of Directors, CEO and Deputy CEO	**Salaries and benefits**	**Statutory pension contributions**	**Supplementary pension contributions**	**Total**
Members of the Supervisory Board:				
Hyry Hannu, Chairman	40	5		45
Anttikoski Juho, Deputy Chairman	22	3		24
Other members of the Supervisory Board	53			53
Total	114	8	0	122
Members of the Board of Directors:				
Paavola Seppo, Chairman	72	9		82
Komulainen Timo, Deputy Chairman	78	10		88
Kaarto Esa	52	7		59
Moisio Jukka	15	2		17
Paxal Kjell-Göran	40	5		45
Rantsi Jyrki	35	4		40
Romanainen Maisa	24	3		27
Sivula Harri	28	4		32
Total	345	44	0	389
CEO:				
Gröhn Juha	478	61	131	670
Deputy CEO:				
Ruohola Juha, Deputy CEO, until 3 June 2014	102	13	27	142
Kyntäjä Heikki, CFO, from 3 June 2014	129	17	14	159

33. ACQUIRED OPERATIONS, EUR 1,000

On 21 January 2014, the Finnish Competition and Consumer Authority announced its approval of the acquisition by Atria of Saarioinen Oy's procurement, slaughtering and cutting operations for beef, pork and chicken. The deal included Sahalahden Broiler Oy's entire stock and slaughtering and cutting operations for pork and beef in Jyväskylä. In conjunction with the deal, Atria and Saarioinen signed an agreement concerning meat deliveries from Atria to Saarioinen. The operations covered by the deal employ about 400 people on average. As a result of the deal, Atria's net sales are projected to grow by around EUR 60 million per year. The purchase price was EUR 29.2 million. In addition, EUR 4.2 million was paid for receivables from producers. The acquisition had no material effect on the Group's key figures. The deal consolidates Atria's position as a processing company of domestic meat and complements Atria's existing operations and product range. A long-term cooperation agreement for meat deliveries to Saarioinen will increase the efficiency of production operations. The acquisition raised the capacity of the growing poultry operations.

The operations were consolidated into Atria as of 1 February 2014.

Sahalahden Broiler Oy **Slaughtering and cutting operations for beef and pork in Jyväskylä**	**Fair values used in the acquisition**
Property, plant and equipment	8,215
Intangible assets	
Contracts of the operations	8,977
Brands	859
Goodwill	11,470
Other intangible assets	79
Inventories	396
Current receivables	7,460
Cash in hand and at bank	945
Total assets	38,401
Deferred tax liabilities	2,497
Current liabilities	2,429
Total liabilities	4,926
Net assets	33,475
Purchase price	33,475
Effect of the acquisition on cash flow	32,530

The calculation was updated after its initial presentation, since the value of transferred assets and, consequently, the purchase price were further specified. The calculation is final.

34. SOLD SUBSIDIARY SHARES

At the end of 2013, Atria launched an efficiency improvement programme in Moscow, and a decision was made to discontinue industrial production and the logistics unit by the end of 2014. As part of the programme, Atria has sold the real estate company in Moscow for EUR 12 million. The assets of the divested company totalled EUR 8.9 million and liabilities EUR 1.1 million. The transaction's effect on cash flow was EUR 11.9 million. The translation differences attributable to the divested company amounted to EUR -1.8 million. Atria will continue to lease the real estate in Moscow until the end of March 2015. A positive effect of EUR 0.5 million on earnings was recorded for the sale of the real estate and the reorganisation of operations.

35. EVENTS OCCURRING AFTER THE CLOSING DATE

At the beginning of January 2015, Atria decided to invest approximately EUR 36 million in expanding and modernising its pig cutting plant in Nurmo, Finland. New production facilities will be built next to the old plant, and the existing production facilities will be renovated and automated using the latest production technology. The new production facilities will measure around 4,500 m^2.

The investment will substantially raise the pig cutting plant's productivity and profitability: it is expected to generate annual cost savings of some EUR 8 million in the plant's operations. Employer-employee negotiations concerning the investment project were initiated immediately. The expected duration of the project is about two years, over the course of which the needs for reducing and relocating personnel will be specified. It is estimated that personnel will need to be reduced by no more than 80 person-years.

36. GROUP COMPANIES, GROUP JOINT VENTURES AND ASSOCIATES

Atria Group's most important subsidiaries are food manufacturers Atria Finland Ltd, Atria Sverige AB, 3-Stjernet A/S, OOO Pit-Product and Atria Eesti AS; animal procurement and trading company A-Farmers Ltd; and feed manufacturer A-Rehu Oy.

Group companies by business area	Domicile	Ownership interest (%)	Share of votes (%)
Atria Finland:			
Ab Botnia-Food Oy *)	Finland	100.0	100.0
A-Liha Jyväskylä Oy	Finland	100.0	100.0
A-Lihatukkurin Oy *)	Finland	100.0	100.0
A-Logistics Ltd	Finland	100.0	100.0
A-Pekoni Nurmo Oy	Finland	100.0	100.0
A-Pihvi Kauhajoki Oy	Finland	100.0	100.0
A-Pihvi Kuopio Oy	Finland	100.0	100.0
A-Rehu Oy	Finland	51.0	51.0
A-Sikateurastamo Oy	Finland	100.0	100.0
Atria Plc	Finland		
Atria Finland Ltd	Finland	100.0	100.0
Atria-Chick Oy	Finland	100.0	100.0
Atria-Lihavalmiste Oy	Finland	100.0	100.0
Atria-Meetvursti Oy	Finland	100.0	100.0
Atria-Tekniikka Oy	Finland	100.0	100.0
Atria-Tuoreliha Oy	Finland	100.0	100.0
Atria-Valmisruoka Oy	Finland	100.0	100.0
A-Farmers Ltd	Finland	97.9	99.0
Best-In Oy	Finland	100.0	100.0
F-Logistiikka Oy *)	Finland	100.0	100.0
Kauhajoen Teurastamokiinteistöt Oy	Finland	100.0	100.0
Kiinteistö Oy Tievapolku 3	Finland	100.0	100.0
Liha ja Säilyke Oy	Finland	100.0	100.0
Mestari Forsman Oy *)	Finland	100.0	100.0
Rokes Oy	Finland	100.0	100.0
Sahalahden Broiler Oy	Finland	100.0	100.0
Suomen Kalkkuna Oy	Finland	100.0	100.0
Atria Scandinavia:			
3-Stjernet A/S	Denmark	100.0	100.0
Atria Concept SP Z.o.o	Poland	100.0	100.0
Atria Denmark Holding A/S	Denmark	100.0	100.0
Atria Scandinavia AB	Sweden	100.0	100.0
Atria Sverige AB	Sweden	100.0	100.0
KB Joddlaren	Sweden	100.0	100.0
Nordic Fastfood AB	Sweden	51.0	51.0
Nordic Fastfood Etablerings AB *)	Sweden	51.0	51.0
Ridderheims AS	Norway	100.0	100.0
Atria Russia:			
Atria-Invest Oy	Finland	100.0	100.0
OOO Campoferma	Russia	100.0	100.0
OOO Pit-Product	Russia	100.0	100.0
Atria Baltic:			
Atria Eesti AS	Estonia	100.0	100.0
Atria Farmid OÜ	Estonia	100.0	100.0
OÜ Atria *)	Estonia	100.0	100.0
UAB Vilniaus Mesa *)	Lithuania	100.0	100.0

*) Dormant company

The consolidated financial statements include all subsidiaries. The share of non-controlling interest in Atria Group's profit for the period and retained earnings is not material.

Group joint ventures and associates	Domicile	Ownership interest (%)	Share of votes (%)
Group joint ventures:			
Honkajoki Oy *)	Finland	50.0	50.0
Finnish Meat Research Institute, LTK Co-operative	Finland	50.0	50.0
Länsi-Kalkkuna Oy	Finland	50.0	50.0
Group associates:			
Domretor Oy	Finland	24.9	24.9
Findest Protein Oy	Finland	33.1	33.1
Finnpig Oy	Finland	50.0	50.0
Foodwest Oy	Finland	33.5	33.5
Kiinteistö Oy Itikanmäen Teollisuustalo	Finland	13.2	13.2
Transbox Oy	Finland	25.7	25.7
Tuoretie Oy	Finland	33.3	33.3

*) Reported as a significant joint venture (Note 15).

INCOME STATEMENT, EUR 1,000

	Note	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
NET SALES	2.1	36,984	39,682
Other operating income	2.2	4,400	2,832
Personnel expenses	2.3	-3,192	-2,510
Depreciation and impairment	2.4		
Planned depreciation		-21,807	-22,479
Other operating expenses	2.5	-4,796	-6,019
EBIT		11,588	11,507
Financial income and expenses	2.6	5,395	-29,703
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES		16,982	-18,197
Appropriations	2.7	-4,602	-5,523
Income taxes	2.8	-834	-388
PROFIT/LOSS FOR THE PERIOD		11,547	-24,107

BALANCE SHEET, EUR 1,000

Assets	Note	31 Dec 2014	31 Dec 2013
FIXED ASSETS			
Intangible assets	3.1		
Intangible rights		11	17
Other long-term expenditure		5,345	5,261
Total intangible assets		5,356	5,278
Tangible assets	3.1	212,190	218,699
Investments	3.2		
Interests in Group companies		307,976	266,276
Interests in associates		3,861	3,861
Other shares and interests		1,099	2,003
Total investments		312,936	272,140
TOTAL FIXED ASSETS		530,482	496,117
CURRENT ASSETS			
Non-current receivables	3.3	228,411	293,888
Current receivables	3.3	116,750	79,655
Cash in hand and at bank		1,992	25,867
TOTAL CURRENT ASSETS		347,153	399,410
Total assets		877,635	895,527

Liabilities	Note	31 Dec 2014	31 Dec 2013
EQUITY	3.4		
Share capital		48,055	48,055
Share premium		138,502	138,502
Treasury shares		-1,277	-1,277
Invested unrestricted equity fund		110,228	110,228
Retained earnings		58,500	88,802
Profit/loss for the period		11,547	-24,107
TOTAL EQUITY		365,555	360,202
ACCRUED APPROPRIATIONS	3.5		
Depreciation difference		83,155	78,554
LIABILITIES			
Non-current liabilities	3.6	198,591	211,622
Current liabilities	3.7	230,334	245,149
TOTAL LIABILITIES		428,925	456,771
Total liabilities		877,635	895,527

CASH FLOW STATEMENT, EUR 1,000

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Sales income	36,932	40,238
Other business revenue	4,400	2,832
Payments on operating expenses	-9,486	-5,991
Cash flow from operating activities before financial items and taxes	31,845	37,079
Net financial income and expenses	4,685	-2,955
Tax paid	-1,647	1,023
Cash flow from operating activities	34,883	35,147
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets and in investments	-56,172	-45,086
Change in Group receivables	28,983	49,029
Cash flow from investments	-27,190	3,942
CASH FLOW FROM FINANCING		
Loan payments	-76,984	-29,861
Change in Group liabilities	51,609	21,280
Dividends paid	-6,194	-6,194
Group contribution	0	0
Cash flow from financing	-31,569	-14,775
CASH FLOW FROM OPERATING ACTIVITIES	34,883	35,147
CASH FLOW FROM INVESTMENTS	-27,190	3,942
CASH FLOW FROM FINANCING	-31,569	-14,775
TOTAL	-23,876	24,314
Change in cash and cash equivalents		
Cash and cash equivalents 1 Jan	-25,867	-1,553
Cash and cash equivalents 31 Dec	1,992	25,867
Change	-23,876	24,314

1. PRINCIPLES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

General principles applied in preparing the financial statements

Atria Plc's financial statements have been drawn up in accordance with Finland's Accounting Act and the other rules and regulations pertaining to the compilation of financial statements (FAS).

Information related to the Group

Atria Plc is the parent company of Atria Plc, and its domicile is in Kuopio, Finland. Copies of Atria Plc's financial statements are available from the company's head office at Itikanmäenkatu 3, Seinäjoki, postal address P.O. Box 900, FI-60060 ATRIA, Finland.

Valuation principles

In the balance sheet, tangible and intangible assets are entered at their direct acquisition cost less planned depreciation and value adjustments. Depreciation is implemented on a straight-line basis over the service life of the assets. Contributions received for the acquisition of tangible assets are entered as a decrease in acquisition costs. These contributions are not significant.

Depreciation periods		
Buildings	Nurmo	40 years
	other locations	25 years
Machinery and equipment	Nurmo	10 years
	other locations	7 years
Computer software		5 years
Other long-term items		10 years

The publicly listed companies' shares in the company's fixed assets investments have been measured at acquisition cost. The book value of the shares on 31 December 2014 was EUR 29,326.86 and their fair value was EUR 152,284.47.

In the balance sheet, financial instruments are measured at acquisition cost less value adjustments.

Items expressed in foreign currencies

Items expressed in foreign currencies have been converted into euros at the exchange rate quoted by the European Central Bank. The exchange differences of the realised currency-denominated loans are presented under financial items.

Derivative financial instruments

The company enters into derivative agreements in order to control exchange differences and interest rate levels. The derivatives used are forward exchange agreements and interest rate swaps.

The derivatives hedge accounting is not applied to are measured at fair value. All profits and losses resulting from fair value recognition are presented under the financial items of the income statement. The positive fair value of the derivatives used for hedging is presented under receivables and the negative fair value under liabilities.

The derivatives hedge accounting is applied to are recognised in the proper item of the income statement on their expiration date.

The fair values of all derivatives are presented in Note 4.3.

2. NOTES TO THE INCOME STATEMENT, EUR 1,000

	1 Jan–31 Dec 2014	1 Jan–31 Dec 2013
2.1. NET SALES	36,984	39,682

The company's rental income is presented as net sales because it corresponds to the present nature of the company's operations.

2.2. OTHER OPERATING INCOME

	2014	2013
Service charges to Group companies	3,638	2,828
Other	762	4
Total	4,400	2,832

2.3. PERSONNEL EXPENSES

	2014	2013
Average number of personnel		
Clerical personnel in Finland	11	10
Personnel expenses		
Salaries:		
CEO, Executive Vice President and Deputy CEO and members of the Board	1,154	1,351
Members of the Supervisory Board	97	98
Other salaries	1,144	332
Total	2,395	1,782
Pension costs	689	648
Other personnel-related expenses	109	80
Total	798	728
Personnel expenses total	3,192	2,510

Pension commitments of members of the Board and CEO:
The company's statutory pensions are defined contribution plans and have been arranged through an insurance company. The company does not have pension commitments for the CEO and the members of the Board of Directors and the Supervisory Board.

2.4. DEPRECIATION AND IMPAIRMENT

	2014	2013
Depreciation on tangible and intangible assets	21,807	22,479

Depreciation specification per balance sheet item included in section 3.1.

2.5. OTHER OPERATING EXPENSES	31 Dec 2014	31 Dec 2013
Other operating expenses	4,796	6,019
Including administration, marketing, energy, cleaning, operational and other costs as well as fees paid to auditors.		
Fees paid to auditors / Auditing fees PricewaterhouseCoopers Oy	170	110
Tax consulting	3	1
Other fees	11	2
Total	184	113

2.6. FINANCIAL INCOME AND EXPENSES		
Return on long-term investments		
From other companies	8,385	1,270
Total	8,385	1,270
Other interest and financial income		
From Group companies	7,341	9,019
From other companies	8,185	8,112
Total	15,527	17,131
Interest expenses and other financial expenses		
To Group companies	610	755
Impairment on the Group's investments	0	26,500
To other companies	17,906	20,849
Total	18,517	48,104
Total financial income and expenses	5,395	-29,703
Interest expenses and other financial expenses include exchange rate gains/losses (net)	-20	34

2.7. APPROPRIATIONS		
Difference between planned depreciation and depreciation implemented in taxation	-4,602	-5,523

2.8. INCOME TAXES		
Income taxes on operations	834	388

3. NOTES TO THE BALANCE SHEET, EUR 1,000

3.1. INTANGIBLE AND TANGIBLE ASSETS	31 Dec 2014	31 Dec 2013
Intangible assets:		
Intangible rights		
Acquisition cost 1 Jan	1,455	1,455
Increases	0	0
Decreases	0	0
Acquisition cost 31 Dec	1,455	1,455
Accumulated depreciation 1 Jan	-1,438	-1,430
Depreciation on decreases	0	0
Depreciation for the accounting period	-6	-8
Accumulated depreciation 31 Dec	-1,444	-1,438
Book value 31 Dec	11	17
Other long-term expenditure		
Acquisition cost 1 Jan	21,260	18,949
Increases	1,654	2,311
Decreases	0	0
Acquisition cost 31 Dec	22,914	21,260
Accumulated depreciation 1 Jan	-15,999	-14,668
Depreciation on decreases	0	0
Depreciation for the accounting period	-1,570	-1,330
Accumulated depreciation 31 Dec	-17,569	-15,999
Book value 31 Dec	5,345	5,261
Total intangible assets	5,356	5,278
Tangible assets:		
Land and water		
Acquisition cost 1 Jan	1,233	1,233
Increases	0	0
Decreases	0	0
Acquisition cost 31 Dec	1,233	1,233
Buildings and structures		
Acquisition cost 1 Jan	293,459	290,639
Increases	3,971	2,820
Decreases	0	0
Acquisition cost 31 Dec	297,430	293,459
Accumulated depreciation 1 Jan	-143,367	-136,673
Depreciation on decreases	0	0
Depreciation for the accounting period	-6,509	-6,693
Accumulated depreciation 31 Dec	-149,876	-143,367
Book value 31 Dec	147,555	150,093
Machinery and equipment		
Acquisition cost 1 Jan	300,917	296,383
Increases	14,248	4,586
Decreases	-49	-51
Acquisition cost 31 Dec	315,116	300,917

	31 Dec 2014	31 Dec 2013
Accumulated depreciation 1 Jan	-242,550	-228,238
Depreciation on decreases	0	0
Depreciation for the accounting period	-13,586	-14,312
Accumulated depreciation 31 Dec	-256,136	-242,550
Book value 31 Dec	58,980	58,367
Other tangible assets		
Acquisition cost 1 Jan	2,324	2,298
Increases	13	26
Decreases	0	0
Acquisition cost 31 Dec	2,337	2,324
Accumulated depreciation 1 Jan	-1,293	-1,157
Depreciation on decreases	0	0
Depreciation for the accounting period	-136	-136
Accumulated depreciation 31 Dec	-1,429	-1,293
Book value 31 Dec	909	1,031
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	7,974	2,620
Changes +/-	-4,460	5,354
Acquisition cost 31 Dec	3,514	7,974
Tangible assets total	212,190	218,699
Non-depreciated acquisition cost of machinery and equipment	58,980	58,367

The share of items other than production machinery and equipment is not significant in amount. The acquisition costs of completely depreciated and scrapped items are presented as decreases.

3.2. INVESTMENTS

	Parent holding, % 2014	Parent holding, % 2013
Group companies:		
Ab Botnia-Food Oy, Seinäjoki	100	100
Atria Eesti AS, Valga, Estonia	100	100
Atria Scandinavia AB, Sköllersta, Sweden	100	100
Atria Finland Ltd, Kuopio	100	100
Atria-Invest Oy, Seinäjoki	100	100
A-Farmers Ltd, Seinäjoki	97.9	97.9
Best-In Oy, Kuopio	100	100
Kauhajoen Teurastamokiinteistöt Oy, Kauhajoki	100	100
Kiinteistö Oy Tievapolku 3, Helsinki	100	100
Liha ja Säilyke Oy, Forssa	63.2	63.2
Mestari Forsman Oy, Seinäjoki	100	100
OÜ Atria, Tallinn, Estonia	100	100
Rokes Oy, Forssa	100	100
Suomen Kalkkuna Oy, Seinäjoki	100	100
UAB Vilniaus Mesa, Vilna, Lithuania	100	100

	31 Dec 2014	31 Dec 2013
Joint ventures and associates:		
Foodwest Oy, Seinäjoki	33.5	33.5
Honkajoki Oy, Honkajoki	50.0	50.0
Kiinteistö Oy Itikanmäen Teollisuustalo, Seinäjoki	13.2	13.2
Finnish Meat Research Institute, Hämeenlinna	50.0	50.0
Länsi-Kalkkuna Oy, Säkylä	50.0	50.0
Transbox Oy, Helsinki	18.6	18.6
Tuoretie Oy, Seinäjoki	33.3	33.3

3.3. RECEIVABLES

	31 Dec 2014	31 Dec 2013
Non-current receivables:		
Loan receivables	2,500	0
Receivables from Group companies:		
Loan receivables	225,911	293,888
Total non-current receivables	228,411	293,888
Current receivables:		
Trade receivables	27	29
Other receivables	98	-4
Accrued credits and deferred charges	1,682	350
Receivables from Group companies:		
Trade receivables	1,309	1,255
Other receivables	111,972	75,479
Accrued credits and deferred charges	1,661	2,545
Total current receivables	116,750	79,655
Material items included in the accrued credits and deferred charges:		
- amortised interests	1,673	2,466
- valuation of forward contracts	1,098	283
- amortised taxes	489	0
- other	84	146
Total	3,343	2,895

3.4. EQUITY

	31 Dec 2014	31 Dec 2013
Share capital 1 Jan	48,055	48,055
Share capital 31 Dec	48,055	48,055
Share premium 1 Jan	138,502	138,502
Share premium 31 Dec	138,502	138,502
Total restricted equity	186,557	186,557

	31 Dec 2014	31 Dec 2013
Own shares 1 Jan	-1,277	-1,277
Own shares 31 Dec	-1,277	-1,277
Invested unrestricted equity fund 1 Jan	110,228	110,228
Invested unrestricted equity fund 31 Dec	110,228	110,228
Retained earnings 1 Jan	64,695	94,996
Distribution of dividends	-6,194	-6,194
Retained earnings 31 Dec	58,500	88,802
Profit/loss for the period	11,547	-24,107
Retained earnings 31 Dec	70,047	64,695
Total unrestricted equity	178,997	173,645
Total equity	365,555	360,202

At the end of the accounting period on 31 December 2014, the company held a total of 111,312 treasury shares, accounting for 0.394% of the shares and 0.1% of the voting rights. The number of treasury shares did not change during the period.

Calculation of funds appropriate for distribution as dividends:	31 Dec 2014	31 Dec 2013
Invested unrestricted equity fund	110,228	110,228
Retained earnings	58,500	88,802
Profit/loss for the period	11,547	-24,107
Treasury shares	-1,277	-1,277
Total	178,997	173,645

The breakdown of the share capital is as follows:

	2014		2013	
	Shares	EUR	Shares	EUR
Series A (1 vote/share)	19,063,747	32,408	19,063,747	32,408
Series KII (10 votes/share)	9,203,981	15,647	9,203,981	15,647
Total	28,267,728	48,055	28,267,728	48,055

3.5. ACCRUED APPROPRIATIONS	31 Dec 2014	31 Dec 2013
Depreciation difference	83,155	78,554

3.6. NON-CURRENT LIABILITIES

Bonds	50,000	50,000
Loans from financial institutions	123,141	128,015
Pension fund loans	15,538	20,907
Total	188,679	198,922
Liabilities to Group companies:		
Other non-current liabilities	9,913	12,700
Total non-current liabilities	198,591	211,622
Loans maturing later than in five years:		
Pension fund loans	6,000	8,000
Other non-current liabilities	0	1,550
Total	6,000	9,550

The bond amounting to EUR 50 million issued by Atria Plc in 2013 matures in 2018 (interest rate 4.4%)

3.7. CURRENT LIABILITIES

Bonds	0	40,000
Loans from financial institutions	41,345	67,273
Pension fund loans	5,370	5,370
Trade payables	2,133	4,421
Other liabilities	871	1,333
Accruals and deferred income	3,362	3,579
Liabilities to Group companies:		
Other non-current liabilities	2,788	2,788
Trade payables	680	977
Other liabilities	173,691	119,295
Accruals and deferred income	95	116
Total current liabilities	230,334	245,149
Material items included in accruals and deferred income:		
- accruals of salaries and social security payments	787	250
- interest accruals	2,530	3,117
- amortised taxes	0	324
- other	140	3
Total	3,456	3,694

4. OTHER NOTES, EUR 1,000

	31 Dec 2014	31 Dec 2013
4.1. SECURITIES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES		
Contingent liabilities and other liabilities not included in the balance sheet		
Guarantees		
For Group companies	60,653	63,250
On behalf of others	0	220
Total	60,653	63,470
Other leases		
Minimum rents paid based on other leases		
Within one year	562	530
Within more than one year and a maximum of five years	658	947
After more than five years	3,291	3,411
Total	4,511	4,888

4.2. VAT LIABILITIES

The company has made the property investments referred to in the Value Added Tax Act. The remaining verification liability of these investments was assessed for each verification period on 31 December 2014. The company is obliged to verify reductions in VAT on property investments if the taxable use of the properties decreases during the verification period.

Year of completion of the investment	Remaining amount of verification liability	
2008	433	578
2009	550	688
2010	179	215
2011	1,064	1,241
2012	635	725
2013	694	781
2014	834	0
Total	4,389	4,227

	31 Dec 2014	31 Dec 2013
4.3 DERIVATIVE FINANCIAL INSTRUMENTS		
Fair values of derivative financial instruments	Derivative assets (+) / derivative liabilities (-)	
Forward exchange agreements:		
Other hedges	1,098	283
Interest rate swaps, due in more than 1 year:		
Cash flow hedges under hedge accounting	-4,365	-4,097
Total	-3,267	-3,814

SIGNATURES TO THE FINANCIAL STATEMENTS AND ANNUAL REPORT

Seinäjoki, 19 March 2015

Seppo Paavola Chairman	Esa Kaarto
Timo Komulainen	Jukka Moisio
Kjell-Göran Paxal	Jyrki Rantsi
Maisa Romanainen	Harri Sivula
Juha Gröhn CEO	

NOTE TO THE FINANCIAL STATEMENTS

A report on the audit performed has been issued today.

Seinäjoki, 19 March 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Juha Wahlroos
Authorised Public Account

TO THE ANNUAL GENERAL MEETING OF ATRIA CORPORATION

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Atria Corporation for the year ended 31 December, 2014. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Supervisory Board and Board of Directors of the parent company as well the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

OTHER OPINIONS

We support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Supervisory Board and Board of Directors as well the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Seinäjoki 19 March 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Juha Wahlroos
Authorised Public Accountant

TABLE OF CONTENTS

1. Corporate governance

Atria Plc (”Atria” or ”the company”) is a Finnish public company, and the responsibilities and obligations of its governing bodies are determined by Finnish law. The parent company, Atria Plc, and its subsidiaries constitute the international Atria Group. The company is domiciled in Kuopio.

Responsibility for the administration and operations of Atria Group lies with the governing bodies of the parent, Atria Plc. These are the General Meeting, Supervisory Board, Board of Directors and CEO.

Atria's decision-making and corporate governance are in compliance with the Finnish Limited Liability Companies Act, regulations applied to publicly listed companies, Atria Plc's Articles of Association, the rules of procedure for Atria's Board of Directors and committee, and NASDAQ OMX Helsinki Ltd's rules and guidelines. Atria follows the Finnish Corporate Governance Code (”Corporate Governance Code”). The full Corporate Governance Code may be viewed at www.cgfinland.fi. In accordance with the Comply or Explain principle, the company departs from the recommendations of the Code as follows:

- The company has a Supervisory Board.
- As an exception to recommendation 10, the term of each Board member is three (3) years in accordance with Atria's Articles of Association.

Atria Plc has prepared a Corporate Governance Statement in accordance with recommendation 54 of the Corporate Governance Code.

1.1 ARTICLES OF ASSOCIATION

The Articles of Association and the pre-emptive purchase clause can be found in their entirety on the company's website at www.atriagroup.com/en/investors/Corporategovernance.

1.2 SHAREHOLDER AGREEMENT

Lihakunta and Itikka Co-operative, two of Atria's shareholders, have agreed to ensure that they are both represented on the Supervisory Board in proportion to their holdings of Series KII shares in the company. The parties will also ensure that the Chairman of the Supervisory Board and the Deputy Chairman of the Board of Directors are nominated by one party and the Chairman of the Board of Directors and the Deputy Chairman of the Supervisory Board by the other party.

Regarding the distribution of Board positions, it has been agreed that each of the parties may nominate three ordinary members and their deputy members to the Board of Directors. The agreement also includes stipulations on the mutual proportion of shareholding and on the procedures followed when either party acquires more Series KII shares directly or indirectly. According to the agreement, the acquisition of Series A shares is not considered in the evaluation of the mutual proportion of shareholding.

Furthermore, Lihakunta, Itikka Co-operative and Pohjanmaan Liha, which hold shares in Atria, have agreed to ensure that Pohjanmaan Liha has one representative on the Supervisory Board. The agreement also includes stipulations on Pohjanmaan Liha Co-operative's shareholding.

The company is not aware of any other shareholder agreements.

Despite the above, as stated in section 3 below, the General Annual Meeting decides on the number of members of the company's Supervisory Board and of the Board of Directors and their election.

2. Corporate Governance Statement

The full Corporate Governance Statement can be found on the company's website at www.atriagroup.com/en/investors/Corporategovernance.

3. General Meeting

The General Meeting is Atria Plc's highest decisionmaking body. At the General Meeting, shareholders decide, among other things, on the approval of the financial statements and the use of the profit shown on the balance sheet; the discharge of the members of the Board of Directors and of the Supervisory Board, as well as the CEO, from liability; the number of members of the Supervisory Board and of the Board of Directors, and their election and remuneration; and the election of one or more auditors and the auditing remuneration.

The Annual General Meeting is held annually by the end of June on a date designated by the Board of Directors, and the agenda includes matters that are to be handled by the Annual General Meeting in accordance with the Articles of Association and any other proposals. Extraordinary General Meetings may be convened as needed.

Under the Limited Liability Companies Act, a shareholder has the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting if the shareholder so demands in writing from the Board of Directors well in advance of the meeting, so that the matter can be mentioned in the notice. Where applicable, the shareholder must submit a request to have the matter dealt with by the Annual General Meeting by the date set by the company, which is published on the company's website at www.atriagroup.com. The request, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, P.O. Box 900, FI-60060 ATRIA.

The General Meeting is convened by the Board of Directors. It is held in the company's domicile, Kuopio, or in Helsinki. The notice to convene the General Meeting is communicated by publishing the notice on the Company's website and by a company announcement at the earliest three (3) months and at the latest three (3) weeks before the General Meeting, however, no later than nine (9) days prior to the record date for the General Meeting. In addition, the Board of Directors may decide to publish the notice, or notification of delivering notice, in one or more Finnish national newspapers determined by the Board of Directors, or in any other manner it may decide.

To have the right to participate in a General Meeting, shareholders must register with the company by the day mentioned in the notice of meeting, which can be no earlier than ten (10) days before the meeting.

The CEO, the Chairman of the Board and the majority of the Board members shall be present at the General Meeting, and the company's auditor(s) shall be present at the Annual General Meeting. First-time candidates for the Supervisory Board or the Board of Directors shall be present at the General Meeting where decisions on their appointment are made, unless there is compelling justification for their absence.

4. Nomination Board

Atria Plc's Annual General Meeting held on 3 May 2012 appointed a Nomination Board to prepare proposals concerning the election and remuneration of Board members for the next Annual General Meeting. On 6 May 2014, the Annual General Meeting decided to expand the duties of the Nomination Board, so that, in the future, it will also prepare a proposal concerning the remuneration of the members of the Supervisory Board for the next Annual General Meeting.

Shareholders or their representatives who own Series KII shares as well as the largest holder of Series A shares who does not own Series KII shares, or a representative thereof, shall be elected to the Nomination Board in accordance with their ownership in early November preceding the Annual General Meeting. The right to nominate a representative to the Nomination Board is determined on the basis of the shareholder register maintained by Euroclear Finland Ltd in accordance with the situation on the first banking day of the November preceding the Annual General Meeting. The Chairman of the Board of Directors shall also be appointed to the Nomination Board as an expert member.

If a shareholder does not wish to exercise his or her right to nominate a member, the right will be transferred to the next largest Series A shareholder as per the shareholder register who would not otherwise have the right to nominate a member. Some shareholders are obligated to notify the company of certain changes in shareholding when necessary under the Finnish Securities Markets Act. Such shareholders may present a written request to the company's Board of Directors by the end of October for the holdings of corporations or foundations controlled by the shareholder, or the shareholder's holdings in several funds or registers, to be combined when calculating voting rights.

The Nomination Board is convened by the Chairman of the Board of Directors, and the Nomination Board elects a Chairman from amongst its members. The Nomination Board shall present its proposal to the Board of Directors by the first day of the February preceding the Annual General Meeting.

5. Supervisory Board

In accordance with Atria Plc's Articles of Association, the company has a Supervisory Board elected by the General Meeting. The Supervisory Board consists of a minimum of 18 and a maximum of 21 members, who are elected for terms of three years. No person who is sixty-five (65) or older can be elected to the Supervisory Board. The Supervisory Board elects a chairman and a deputy chairman from amongst its members for terms of one year. The Supervisory Board meets three times a year on average.

The duties of the Supervisory Board are specified in the Limited Liability Companies Act and Atria Plc's Articles of Association. The key duties of the Supervisory Board are as follows:

- Supervising the administration of the company by the Board of Directors and the CEO.
- Providing instructions to the Board of Directors on matters that are of far-reaching consequence or important in principle.
- Submitting its statement on the financial statements and auditors' report to the Annual General Meeting.

Shareholders of the company representing more than 50% of the votes granted by the company's shares have expressed their satisfaction with the current model based on the Supervisory Board, because it brings a far-reaching perspective on the company's operations and decision-making.

Following the Annual General Meeting held in 2014, the 20 members of Atria Plc's Supervisory Board are as follows:

Name	Born	Member from	Education	Main occupation	Share ownership
Hannu Hyry (Chairman)	1956	2013		Farmer	144
Juho Anttikoski (Deputy Chairman)	1970	2009		Farmer	4,000
Mika Asunmaa	1970	2005		Farmer	6,000
Reijo Flink	1967	2014	Agrologist	CEO	4,660
Lassi-Antti Haarala	1966	2002	Agrologist	Farmer	6,000
Jussi Hantula	1955	2012	Agrologist	Farmer	681
Henrik Holm	1966	2002		Farmer	430
Veli Hyttinen	1973	2010	Agrologist	Farmer	1,500
Pasi Ingalsuo	1966	2004	Agrologist	Farmer	4,000
Jukka Kaikkonen	1963	2013	Agrologist	Farmer	500
Juha Kiviniemi	1972	2010	MSc (Agr.)	Farmer	300 184 company authority
Pasi Korhonen	1975	2013		Farmer	0
Ari Lajunen	1975	2013	MSc (Agr. & For.), Agrologist	Farmer	0
Mika Niku	1970	2009		Farmer	300
Pekka Ojala	1964	2013	Agrologist	Farmer	0
Heikki Panula	1955	2005	MSc (Agr.)	Farmer	500
Jari Puutio	1962	2012		Farmer	1,500
Ahti Ritola	1964	2013	BBA	Farmer	0 400 company authority
Risto Sairanen	1960	2013		Farmer	0
Timo Tuhkasaari	1965	2002		Farmer	600

All members of Atria Plc's Supervisory Board are members of the administrative bodies of the company's principal owners – Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative. All members of the Supervisory Board are independent of the company and dependent on significant shareholders.

In 2014, Atria Plc's Supervisory Board met four (4) times, and the average attendance of the members was 98.7%.

6. Board of Directors

In accordance with the Articles of Association, Atria's Board of Directors has a minimum of 5 and a maximum of 9 members. The term of office of a member of Atria's Board of Directors differs from the term of one year specified in recommendation 10 of the Corporate Governance Code. As per the Articles of Association, the term of a member of the Board of Directors is three (3) years. Shareholders representing more than 50% of the votes have stated that the term of three (3) years is appropriate for the long-term development of the company and have not seen the need to shorten the term from that specified in the Articles of Association.

6.1 DUTIES OF THE BOARD OF DIRECTORS

Atria's Board of Directors shall ensure the appropriate organisation of the company's administration, operations, accounting and supervision of asset management. To this end, the Board of Directors has adopted written rules of procedure concerning the duties of the Board, the matters to be dealt with, meeting practices and the decision-making procedure. According to these rules, the Board of Directors discusses and decides on significant matters related to the company's strategy, investments, organisation and financing. The rules of procedure lay down the following key duties for the Board of Directors:

- Approving the strategic goals and guidelines for the Group and its business areas
- Approving the budgets and business plans for the Group and its business areas
- Deciding on the investment plan for each calendar year and approving major investments that exceed one million euros
- Approving major M&A and restructuring operations
- Approving the Group's operating principles for important elements of management and supervision
- Discussing and adopting interim reports and financial statements
- Preparing the items to be dealt with at General Meetings and ensuring that decisions are implemented
- Approving the audit plan for internal auditing
- Appointing the CEO and deciding on his or her remuneration and other benefits
- Approving, at the CEO's proposal, the hiring of his or her direct subordinates and the principal terms of their employment contracts
- Approving the organisational structure and the key principles of incentive schemes
- Monitoring and evaluating the CEO's performance
- Deciding on other matters that are important in view of the size of the Group and that are not part of day-to-day operations, such as considerable expansion or contraction of business or other material changes to operations, the taking of long-term loans and the sale and pledging of fixed assets
- Deciding on other matters which, under the Limited Liability Companies Act, fall within the remit of the Board of Directors
- Performing the Audit Committee's duties referred to in recommendation 27 of the Corporate Governance Code.

The Board of Directors regularly assesses its operations and working methods through self-evaluation once a year.

6.2 MEETING PRACTICES AND INFORMATION FLOW

The Board of Directors meets at regular intervals about 10 times during the term in accordance with a separate meeting schedule confirmed in advance by the Board, and when necessary. In 2014, the Board of Directors met 15 times. The average attendance of the members of the Board of Directors was 98.3%.

During the meetings of the Board of Directors, the CEO gives a review of the financial situation of the Group by business area. The review also covers forecasts, investments, organisational changes and other issues that are important for the Group.

The company shall provide the Board of Directors with sufficient information on the company's operations to enable the Board to properly perform its duties. The agenda of the meeting shall be delivered to the members of the Board of Directors at least one week before the meeting. The meeting material shall be prepared by the CEO and the secretary of the Board of Directors according to the instructions provided by the Chairman. The meeting material shall be delivered to the members at least three days before the meeting.

Atria Plc's Board of Directors, pictured from left: Kjell-Göran Paxal, Harri Sivula, Jyrki Rantsi, Seppo Paavola (Chairman), Timo Komulainen (Deputy Chairman of the Board of Directors), Esa Kaarto and Jukka Moisio. Maisa Romanainen in the small picture. (picture: Lehtikuva)

6.3 Composition of the Board of Directors

Name	Paavola Seppo, Chairman	Komulainen Timo, Deputy Chairman	Kaarto Esa
Year of birth	1962	1953	1959
Education	Agrologist (secondary school graduate)	Agrologist	MSc (Agr.)
Main occupation	Farmer	Farmer	Farmer
Relevant work experience	• Farm advisor, Rural Centre of Central Ostrobothnia 1991–1996 • Agricultural entrepreneur 1996–present	• Acquisition agent, Lihakunta 1979–1984 • positions of trust	Farmer
Member of the Board since	2012	1993	2009
Current key positions of trust	• Supervisory Board of Itikka Co-operative, member 2000–present, Deputy Chairman 2008–2011 and Chairman 2012–present • Chairman of the Board of Directors of Kaustinen Co-operative Bank 2002–present • Member of the Board of Directors of Pellervo Confederation of Finnish Co-operatives 2012–present • Member of the Co-operative Advisory Committee 2012–present	• Board of Directors of Lihakunta, member 1988–present and Chairman 1996–present • Board of Directors of A-Farmers Ltd, Deputy Chairman 2000–2003 and Chairman 2003–present • Chairman of the Board of Directors of A-Rehu Oy 2004–present • Board of Directors of Jukola Co-operative, member 1984–present and Deputy Chairman 1995–present	• Board of Directors of Itikka Co-operative, member 2002–present and Chairman 2009–present • Board of Directors of A-Farmers Ltd, member 2004–present and Deputy Chairman 2009–present • Deputy Chairman of the Board of Directors of A-Rehu Oy 2009–present • Member of the Board of Directors of Oy Feedmix Ab 2009–present • Member of the Board of Directors of Kiinteistö Oy Rehukanava 2009–present • Chairman of the Board of Directors of Suurusrehu Oy 2009–present
Past key positions of trust	Supervisory Board of Atria Plc, member 2006–2009 and Deputy Chairman 2009–2012		
Independency	Independent of the company, dependent on significant shareholders	Independent of the company, dependent on significant shareholders	Independent of the company, dependent on significant shareholders
Share ownership in the company	3,700	200	1,100
Share-based rights in the company	None	None	None

Name	Moisio Jukka	Paxal Kjell-Göran	Rantsi Jyrki
Year of birth	1961	1967	1968
Education	MSc (Econ.), MBA	Agrologist	Agrologist
Main occupation	CEO of Huhtamäki Oyj	Farmer, piglet and pork producer	Farmer, piglet and pork producer
Relevant work experience	• CEO of Huhtamäki Oyj 2009–present, • Ahlström Corporation 1991–2008 (various duties)	• Feed salesman, Oy Foremix Ab 1990–1997 • Primary Production Manager, Pohjanmaan Liha Co-operative 1990–1997	Agricultural entrepreneur
Member of the Board since	6 May 2014	2012	2013
Current key positions of trust	• Member of the Supervisory Board of Finnish Fair Co-operative	• Board of Directors of Pohjanmaan Liha, deputy member 1999–2001, Deputy Chairman 2002–2009 and Chairman 2010–present • Board of Directors of A-Farmers Ltd, deputy member 2001–2002 and member 2003–present • Board of Directors of Oy Foremix Ab, member 2004–2009 and Chairman 2010–present • Member of the Board of Directors of A-Rehu Oy 2010–present • Chairman of the Board of Directors of Ab WestFarm Oy 2010–present	• Deputy Chairman of the Board of Directors of Lihakunta 2013–present • Member of the Board of Directors of Finnpig Oy 2013–present
Past key positions of trust		Deputy member of the Board of Directors of the Central Union of Swedish-Speaking Agricultural Producers in Finland 1999–2001	
Independency	Independent of the company and significant shareholders	Independent of the company, dependent on significant shareholders	Independent of the company, dependent on significant shareholders
Share ownership in the company	0	666	700
Share-based rights in the company	None	None	None

Name	Romanainen Maisa	Sivula Harri
Year of birth	1967	1962
Education	MSc (Econ.)	MSc (Admin.)
Main occupation	Passenger Traffic Director of VR-Group Ltd	Professional board member

Relevant work experience	• Brio Oy, Product Manager and Purchasing Manager, among other duties, 1990–1996
	• Stockmann Oyj Apb:
	  • Purchasing Manager, 1996–1997
	  • Department Store Director, Moscow, Russia, 1998–2000
	  • Department Store Director, Tallinn, Estonia, 2000–2005
	  • Director, International Department Stores, 2005–2007
	  • Director, Finnish and Baltic department stores, 2008
	  • Director, Department Store Division, Executive Vice President, 2008–2014
		• Kesko Corporation, 1987–1999
		  • Sales Manager, Purchasing Manager
		  • Division Manager, Sales Director
		  • Director of Marketkesko
		  • Director of Lähikesko
		  • Director, Retail Division
		• Kesko Corporation/Kesko Food, 1999–2006
		  • Executive Vice President
		• Onninen Oy, 2006–2010
		  • CEO
		• CEO, Restel Ltd 2011–2014

Member of the Board since	2010	2009
Current key positions of trust	• Deputy member of the Board of Directors of the East Office of Finnish Industries 2008–present • Member of the Board of Directors of Tuko Logistics Co-operative 2009–2014 • Member of the Board of Directors of the Finnish Grocery Trade Association 2008–2014 • Member of the Board of Directors of the Finnish-Russian Chamber of Commerce 2012–present	• Chairman of the Board of Directors of Tokmanni Oy 2011–present • Member of the Board of Directors of Leipurin Oy 2014–present
Past key positions of trust		• Member of the Board of Directors of Olvi Oyj 2007–2011 • Member of the Board of Directors of Norpe Oy 2010–2013 • Member of the Board of Directors of Leipurin Oy 2010–2013 • Member of the Supervisory Board of Nets Oy 2011–2013
Independency	Independent of the company and significant shareholders	Independent of the company and significant shareholders
Share ownership in the company	0	10,000
Share-based rights in the company	None	None

The members of the Board of Directors are obliged to provide the Board with sufficient information to assess their skills and independency and to notify the Board of any changes to the information.

7. Board Committees

The Board of Directors may set up committees to handle duties designated by the Board. The Board shall approve the rules of procedure for the committees.

On 6 May 2014, the Board of Directors decided to merge the Nomination Committee and the Remuneration Committee into the Nomination and Remuneration Committee. The Board of Directors appoints the members of the Committee from amongst its members according to the rules of procedure of the Committee. The Committee has no autonomous decision-making power. Decisions are made by the Board of Directors on the basis of the Committee's preparations and proposals. The Committee shall regularly report on their work to the Board of Directors, which supervises the operations of the Committee.

The Nomination and Remuneration Committee consists of the Chairman, Deputy Chairman and one member of the Board of Directors elected by the Board itself. In accordance with recommendations 29 and 30 of the Corporate Governance Code, the company's CEO or the members of the Board of Directors who belong to the company's other management shall not be elected as members of the Nomination and Remuneration Committee.

The aim of the Nomination and Remuneration Committee is to prepare the CEO's and Deputy CEO's elections as well as the management's terms of employment, ensure the objectivity of decision-making, enhance the achievement of the company's goals through bonus schemes, increase the company's value and ensure that bonus schemes are transparent and systematic. The aim of the Nomination and Remuneration Committee is also to ensure that the merit pay systems are connected with the company's strategy and the results obtained.

According to the rules of procedure, the duties of the Nomination and Remuneration Committee are as follows:
- Making the preparations for the nomination of the CEO and Deputy CEO
- Making preparations to search for successors to the CEO and Deputy CEO
- Preparing the terms of employment of the CEO and Deputy CEO and bringing them before the Board of Directors
- Preparing the remuneration, fees and other employment benefits of the directors that report to the CEO and bringing them before the Board of Directors
- Preparing the forms and criteria of the bonus and incentive schemes of top management and bringing them before the Board of Directors
- Preparing the content and group assignments of the pension programmes of the company's management and bringing them before the Board of Directors
- Submitting its statement on the bonus arrangements for the entire personnel before their approval and assessing their functionality and the achievement of the systems' goals
- If required, discussing possible interpretation problems related to the application of the approved bonus schemes and recommending a solution
- If required, reviewing information to be published in the financial statements and, where applicable, in other bonus-related documents
- Performing other duties separately assigned to it by the Board of Directors.

The Chairman of the Nomination and Remuneration Committee shall convene the Committee as needed. At the meetings, the matters belonging to the duties of the Committee are discussed. The Nomination and Remuneration Committee may invite other people to join its meetings if deemed necessary and may use external experts to assist the Committee in fulfilling its duties.

The Chairman of the Nomination and Remuneration Committee is Seppo Paavola and the other members are Timo Komulainen and Harri Sivula. All members of the Committee are independent of the company. Harri Sivula is also independent of the significant owners. In 2014, the Nomination and Remuneration Committee met eight (8) times, and the average attendance of the members was 100%.

As noted in section 4 above, Atria Plc's General Meeting has established a separate Nomination Board to prepare proposals concerning the election and remuneration of the members of the Board of Directors as well as the remuneration of the members of the Supervisory Board for the next Annual General Meeting.

8. CEO

The company has a CEO in charge of managing the company's operations in accordance with the instructions and orders issued by the Board of Directors, as well as informing the Board of Directors of the development of the company's operations and financial performance. The CEO also sees to the organisation of the company's day-to-day administration and ensures reliable asset management. The CEO is appointed by the Board of Directors, which decides on the terms of his or her employment.

Since March 2011, Atria Plc's CEO has been Juha Gröhn, MSc (Food Sc.).

9. Management Team

Atria Group has a Management Team chaired by the CEO. The Management Team assists the CEO in planning the operations and in operational management. The duties of the Management Team include, among others, preparing strategic plans and putting them into practice, handling significant projects and organisational changes as well as reviewing and implementing the Group's risk management measures in their respective areas of responsibility.

In 2014, the Management Team met twelve (12) times.

Atria Group's Management Team consists of the following members:

Name	Born	Joined Atria in	Education	Position	Share ownership
Juha Gröhn	1963	1990	MSc (Food Sc.)	CEO	17,493
Heikki Kyntäjä	1952	2009	BSc. (Econ.)	CFO, Executive Vice President and Deputy CEO	1,000
Mika Ala-Fossi	1971	2000	Meat industry technician	Executive Vice President Atria Finland	940
Tomas Back	1964	2007	MSc (Econ.)	Executive Vice President Atria Scandinavia	1,880
Olle Horm	1967	2012	Engineer	Executive Vice President Atria Baltic	0
Jarmo Lindholm	1973	2002	MSc (Econ.)	Executive Vice President Atria Russia	1,020

10. Remuneration

Atria Plc has prepared a Remuneration Statement in accordance with recommendation 47 of the Corporate Governance Code. The statement is available on the company's website at www.atriagroup.com/en/investors/Corporategovernance.

11. Internal control, risk management and internal audit

Internal control and risk management are processes under the responsibility of the company's top management. They aim to ensure that the company can achieve its goals. The operating principles of internal control are confirmed by the company's Board of Directors. Atria's internal control includes comprehensive risk management and internal audit. The purpose of internal control is to ensure that Atria's operations are efficient and in line with the company's strategy, all financial and operational reports are reliable, the Group's operations are legal and the company's internal principles and codes of conduct are complied with.

11.1 RISK MANAGEMENT AT ATRIA

The purpose of risk management is to support the execution of Atria's strategy and the achievement of targets, and to secure business continuity. Atria Group's risk management goals, principles, responsibilities and powers are specified in its Risk Management Policy approved by the Board of Directors, the aim of which is to contribute to the identification and understanding of risks and to ensure that management receive relevant and sufficient information about risks in support of business decisions.

Risk management is applied to identify, assess, eliminate and manage factors that jeopardise the attainment of goals. In compliance with the policy, the Group has in place a uniform operating model for risk identification and reporting in all business areas. The model forms an integral part of annual strategic planning. Risks are managed in accordance with the specified approved principles in all business areas and Group operations. In risk assessment, an action plan is defined according to which efforts are made to remove and manage the identified risks.

Management team



Name	Juha Gröhn, CEO	Mika Ala-Fossi, Executive Vice President, Atria Finland	Jarmo Lindholm, Executive Vice President, Atria Russia
Joined Atria in	1990	2000	2002
Year of birth	1963	1971	1973
Education	MSc (Food Sc.)	Meat industry technician	MSc (Econ.)
Relevant work experience	• Foreman, Lihapolar 1990–1991 • R&D Manager, Itikka-Lihapolar 1991–1993 • Director, Slaughterhouse Industry, Atria Ltd 1993–1998 • Director, Meat Product and Convenience Food Industries, Atria Ltd 1999–2003 • Director, Steering, Vice Managing Director, Atria Ltd 2003–2004 • Director, Meat Industry, Vice Managing Director, Atria Ltd 2004–2006 • Executive Vice President, Atria Finland Ltd, Deputy CEO, Atria Plc 2006–2010 • Executive Vice President, Atria Scandinavia, Deputy CEO, Atria Plc 2010–2011 • CEO, Atria Plc 2011–	• Foreman, Liha-Saarioinen Oy 1997–2000 • Unit Manager, Atria Ltd 2000–2003 • Production Manager, Atria Ltd 2003–2006 • Director, Poultry Business, Atria Finland 2006–2007 • Director, Convenience Food and Meat Product Business 2007–2011 • Executive Vice President, Atria Finland, 2011–	• Customer Service Manager & e-Business, Unilever Finland 1998–2000 • Account Manager, Marketing Manager, AC Nielsen 2000–2002 • Marketing Manager, Atria Ltd 2002–2005 • Group Vice President, Product Group Management and Product Development, Commercial Director, Atria Finland Ltd 2005–2010 • Group Vice President, Product Leadership, Atria Plc 2010–2011 • Executive Vice President, Atria Russia 2011–



Name	Tomas Back, Executive Vice President, Atria Scandinavia	Olle Horm, Executive Vice President, Atria Baltic	Heikki Kyntäjä, CFO, Executive Vice President and Deputy CEO
Joined Atria in	2007	2012	2009
Year of birth	1964	1967	1952
Education	MSc (Econ.)	Engineer	BSc (Econ.)
Relevant work experience	• Financial Manager, Huhtamäki Finance Oy, Lausanne 1990–1995 • Financial Manager/CFO, Huhtamäki Oyj 1996–2002 • CFO, Huhtamäki Americas / Rigid Europe 2003–2007 • CFO, Atria Plc 2007–2011 • Executive Vice President, Atria Baltic 2010–2011 • Executive Vice President, Atria Scandinavia 2011–	• Management and development duties, EK AS 1992–1998 • Head of transportation and equipment department, EMV AS 1998–1999 • Chairman of the Board, Rakvere Lihakombinaat AS 2000–2008 • Chairman of the Board, Skanska EMV AS • Chairman of the Board, Maag Meat Industry • Executive Vice President, Atria Baltic 2012–	• Auditor, finance department, General Motors Finland 1976–1978 • Financial Manager, Hackman Taloustavarat Oy 1978–1986 • Business Controller, Stromberg Inc., Cleveland, OH, USA 1986–1988 • Business Controller, ABB Motors Oy 1988–1990 • VP Finance & Control, ABB Strömberg Sähkönjakelu Oy 1991–1995 • VP Finance & Control, ABB Transmit Oy 1995–2000 • VP Finance & Control, ABB Oy, Low-voltage instruments 2001–2008 • VP Supply Management, ABB Oy, Low-voltage instruments 2008–2009 • Finance Director, Atria Finland Ltd 2009–2011 • CFO, Atria Plc 2011–

Risk definition and classification
Risks are defined as external or internal (within Atria Group) events that may have a positive or negative impact on the execution of the company's strategy, the achievement of its targets and the continuity of business.

Atria is subject to many different risks. For reporting purposes, Atria's risks are divided into four categories: **business risks**, **financial risks**, **operational risks** and **accident risks**.

Business risks are related, for example, to business decisions, resources allocation, the way in which changes in the business environment are responded to, or management systems in general.

Financial risks refer, for example, to the risk of insufficient financial resources in the short or medium term, the risk of the counterparties failing to meet their financial obligations or the risk of changes in market prices affecting the company.

Operational risks are defined as deficiencies or disruptions in processes or systems, risks related to people's actions and risks related to legislation or other regulations.

Accident risks refer to external or internal (within Atria) events or disruptions that cause damage or loss.

Organisation and responsibilities of risk management
Atria Plc's Board of Directors approves the Risk Management Policy and supervises its implementation. The CEO is responsible for organising risk management.

Internal control and risk management are implemented by the entire organisation, including the Board of Directors, management and the entire personnel. However, the responsibility for internal control and risk management lies with the company's top management. Organising internal control and risk management is part of Group management. The company's management defines the operational procedures and codes of practice that enable the company to achieve its goals.

The Group's Management Team and the management teams of the business areas are responsible for identifying and assessing risks and for implementing risk management in their respective areas of responsibility. The management of financial risks is centralised in the Group's Treasury unit. The CFO gathers and reports the most significant risks identified to the Board of Directors at least once a year. The CFO is responsible for development, guidelines and support in risk management and reporting. External advisers are also used in the development work.

Risk management is discussed in more detail in the report by the Board of Directors under "Risk management at Atria".

11.2 INTERNAL AUDIT
Atria's Group Control function handles internal audits in collaboration with an external service provider. Internal audits are conducted in compliance with policies approved by the Board of Directors, which are based on internal reporting and an annual audit plan confirmed by the Board of Directors. A key task of internal audit is to review and assess the appropriateness, functionality and profitability of the company's risk management and internal control, and it thus aims to promote operational and process quality and to contribute to the achievement of the organisation's goals. Within its task, the function assesses the following areas:
- Accuracy and adequacy of financial information
- Compliance with operating principles, codes of practice, regulations and reporting systems
- Protection of property against losses
- Cost-efficiency and effectiveness of the use of resources.

The Internal audit ensures that all of the company's business areas comply with the Group's rules and guidelines and that the operations are managed effectively. The results of internal auditing are documented. They are discussed with the management of the audited entity before the report and suggestions for improvement are presented to the Group's CEO.

The entities to be audited are defined in cooperation with Group management. The audit plan is also based on annual Group-wide risk assessment. The company's Board of Directors approves the annual plan for internal audit. Where necessary, internal audit also conducts separate studies commissioned by the Board of Directors or the Group's management. A summary of the audit results is presented to the Board of Directors at least once a year.

12. Auditing

In accordance with the Articles of Association, the company shall have at least one (1) and no more than four (4) regular auditors; the number of deputy auditors shall not exceed this. The auditors and deputy auditors shall be public accountants or firms of independent public accountants authorised by the Central Chamber of Commerce of Finland. The term of service of the auditors shall end at the conclusion of the Annual General Meeting following their election.

The auditor provides Atria's shareholders with an Auditor's Report document in accordance with the law, in conjunction with the company's financial statements, and reports regularly to the Board of Directors and the management. The auditor participates in a Board meeting at least once a year, on which occasion a discussion of the audit plan and the results of auditing is arranged.

In 2014, Atria Plc's Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of authorised public accountants, as the company's auditor for a term ending at the closing of the next Annual General Meeting. According to the firm, the auditor in charge is Authorised Public Accountant Juha Wahlroos. The auditor's remuneration is paid against an invoice.

Auditor's remuneration for the 2014 accounting period
In 2014, the Group paid EUR 356,000 in auditor's remuneration. The whole Group paid a total of 68,000 euros for services not related to auditing.

13. Insider policy

Atria complies with NASDAQ OMX Helsinki Ltd's Guidelines for Insiders that entered into force on 1 July 2013. Atria's Board of Directors has confirmed the insider guidelines for the company, which include instructions for permanent and project-specific insiders. The company's guidelines have been distributed to all insiders.

The insider registers are maintained in co-operation with Euroclear Finland Oy. The company's legal department and CFO monitor compliance with the insider guidelines. The company has limited insiders' right to trade in the company's shares in the 14 days preceding the publication of the company's interim reports and financial statements. In addition to the public insider register, there is a separate register of other permanent insiders, maintained by the legal department, and there are also project-specific registers wherein insider information is recorded by project.

14. Communications

The aim of Atria's investor reporting is to ensure that the market has correct and sufficient information available at all times to determine the value of Atria's shares. An additional aim is to provide the financial markets with comprehensive information to enable active participants in the capital markets to form a justified image of Atria as an investment.

Silent period
Atria has established a silent period for its investor relations communications of three weeks prior to the publication of interim reports and annual reports. During this period, Atria gives no statements on its financial status.

Investor information
Atria publishes financial information in real time on its website at www.atriagroup.com. The site contains annual reports, interim reports, company announcements and press releases. The company's largest shareholders and insiders are regularly updated on the website, along with details on their holdings.

The disclosure policy approved by Atria's Board of Directors describes the key principles and procedures followed by Atria as a listed company in its communications with the media, capital markets and other stakeholders. Atria's disclosure policy is available in its entirety on the company's website at www.atriagroup.com/en/investors/disclosurepolicy.

REMUNERATION STATEMENT

This remuneration statement of Atria Plc (”Atria” or the ”company”) is the statement referred to in recommendation 47 of the Corporate Governance Code.

1. Remuneration of the members of the Supervisory Board

The Annual General Meeting decides yearly on the remuneration of the members of the Supervisory Board. The remuneration paid to the Supervisory Board in 2014 was as follow:

- Meeting compensation: 250 euros/meeting
- Compensation for loss of working time: 250 euros for meeting and assignment dates
- Fee of the Chairman of the Supervisory Board: 3,000 euros/month
- Fee of the Deputy Chairman of the Supervisory Board: 1,500 euros/month
- Travelling expences were compensated in accordance with the Company’s travel policy.

The members of the Supervisory Board have no share incentive plans or share-based bonus schemes.

In 2014, the monthly and meeting fees paid to the members of the Supervisory Board for participating in the work of the Supervisory Board (including fees for work performed in other companies within the same Group) were as follows:

Name	Work of the Supervisory Board	Benefits from Group companies	Total (EUR)
Hyry Hannu, Chairman	39,750		39,750
Anttikoski Juho, Deputy Chairman	21,500		21,500
Asunmaa Mika	1,750	600	2,350
Flink Reijo (from 6 May 2014)	1,000		1,000
Haarala Lassi Antti	1,750		1,750
Hantula Jussi	1,750		1,750
Holm Henrik	2,000	4,200	6,200
Hyttinen Veli	2,500	5,100	7,600
Ingalsuo Pasi	1,750	6,600	8,350
Kaikkonen Jukka	2,250		2,250
Kiviniemi Juha	1,750		1,750
Korhonen Pasi	2,000		2,000
Lajunen Ari	2,750		2,750
Niku Mika	2,000		2,000
Ojala Pekka	3,250		3,250
Panula Heikki	1,750		1,750
Puutio Jari	1,750		1,750
Ritola Ahti	1,750		1,750
Sairanen Risto	2,250	600	2,850
Tuhkasaari Timo	1,750		1,750
TOTAL	**97,000**	**17,100**	**114,100**

The Annual General Meeting held in 2014 decided to keep the fees and compensation of the members of the Supervisory Board unchanged.

2. Remuneration of the members of the Board of Directors

The Annual General Meeting decides on the remuneration of the members of Atria's Board of Directors. Remuneration is handled in the form of monetary compensation. The members have no share incentive plans or share-based bonus schemes. The principles governing the remuneration of the CEO are set out in a different section.

The remuneration paid to the Board of Directors in 2014 was as follows:
- Meeting compensation: 300 euros/meeting
- Compensation for loss of working time: 300 euros for meeting and assignment dates
- Fee of the Chairman of the Board of Directors: 4,400 euros/month
- Fee of the Deputy Chairman of the Board of Directors: 2,200 euros/month
- Fee of a member of the Board of Directors: 1,700 euros/month and
- Travelling expences were compensated in accordance with the Company's travel policy.

In 2014, monthly fees and meeting fees paid to the members of the Board for participating in the procedures of the Board of Directors (including being a member of the Board of another company that is part of the same Group) were the following:

Name	Position	Board of Directors and committee work	Benefits from Group companies	Total (EUR)
Seppo Paavola	Chairman	72,300		72,300
Timo Komulainen	Deputy Chairman	44,100	33,900	78,000
Esa Kaarto	Member	30,600	21,300	51,900
Jukka Moisio	Member (from 6 May 2014)	15,100		15,100
Kjell-Göran Paxal	Member	31,800	8,100	39,900
Jyrki Rantsi	Member	33,300	1,800	35,100
Maisa Romanainen	Member	24,300		24,300
Harri Sivula	Member	28,200		28,200
TOTAL		**279,700**	**65,100**	**344,800**

The Annual General Meeting held in 2014 decided, in accordance with the proposal of the Nomination Board, to keep the fees and compensation of the members of the Board of Directors unchanged.

3. Bonus scheme for the CEO and other management

The bonus scheme for Atria Plc's management consists of a fixed monthly salary, merit pay and pension benefits. The company has no share incentive plan or option scheme in place.

Atria Plc's Board of Directors decides on the remuneration, other financial benefits and criteria applied in the merit pay system for the Group's CEO and Management Team, as well as the merit pay principles used for other management members.

The directors of each business area and the Group's CEO decide on the remuneration of the members of the management teams of the various business areas according to the one-over-one principle. The merit pay systems for the management teams of business areas are approved by the CEO.

The retirement age for the CEO is 63 years. However, the CEO has the right to retire at age 60. The pension arrangement is payment-based, and the amount of pension is based on the CEO's annual earnings at Atria Group as specified by the Board of Directors. The earnings include monetary salary and fringe benefits without cash payments of incentive schemes.

According to the CEO's contract, the period of notice is six months for both parties. If the company terminates the contract, the CEO is entitled to the salary for the period of notice and severance pay, which together correspond to 18 months' salary. There are no terms and conditions for any other compensation based on termination of employment.

3.1 INCENTIVE PLANS FOR MANAGEMENT AND KEY PERSONNEL

3.1.1 Long-term incentive plan
Atria's long-term incentive plan includes an earning period consisting of three year-long periods.

The 2012–2014 earning period ended on 31 December 2014. The compensation earned in an earning period is determined after the period is over based on progress against set targets. Payments from the 2012–2014 earning period were based on the Group's earnings per share (EPS). The plan covered about 40 people. The plan had no impact on expenses in 2012–2014.

In November 2014, Atria Plc's Board of Directors decided to adopt a new long-term bonus scheme for the Group's personnel for 2015–2017. The earnings periods will begin on 1 January 2015, 1 January 2016 and 1 January 2017, and will end on 31 December of the aforementioned years. The amount of the reward earned in each earnings period will be determined on the basis of targets, with an assessment by the end of May following each earning period. The plan offers an opportunity to earn cash rewards for reaching targets established for the relevant earning period. All payments under the plan for the period 2015–2017 are based on the Group's earnings per share (EPS) excluding extraordinary items. Bonuses earned during the period will be paid in instalments in the coming years. Cash rewards payable under the plan for the entire 2015–2017 earning period are capped at EUR 4.5 million. The plan covers a maximum of 45 people.

3.1.2 Short-term incentive plan
Atria Plc's Board of Directors has determined the merit pay system for the management and key personnel for 2014. The maximum bonus payable to Atria Plc's CEO and Management Team is 35% to 50% of annual salary, depending on the performance impact and requirement level of each individual's role. The criteria in Atria Plc's merit pay scheme are the performance requirements and working capital at Group level and in the area of responsibility of the person concerned. In addition to the CEO and other members of the Management Team, Atria Plc's merit pay schemes cover approximately 40 people. The plan's impact on expenses in 2014 was EUR 0.7 million.

3.1.3 Pension benefits
Managerial group pension benefits confirmed by Atria's Board of Directors have been arranged for the members of Atria Group's Management Team who are covered by Finnish social security. The retirement age of the group pension insurance is 63 years for the members of the Management Team. However, they have the right to retire at age 60. The pension plan is payment-based, and the pension is based on the annual earnings (monetary salary and fringe benefits) of the insured as specified by the Board of Directors.

The financial benefits paid to the CEO and the Management Team in 2014 were as follows:

	Salaries	Merit pay	Fringe benefits	Supplementary pension contributions	Total (EUR)
CEO Juha Gröhn	458,271		19,572	131,276	609,119
Deputy CEOs: Juha Ruohola (until 3 June 2014)	97,055		5,216	26,783	129 054
Heikki Kyntäjä (from 3 June 2014)	122,715		6,610	13,657	142,982
Other members of the Management Team	1,350,177	35,600	69,331	129,720	1,584,828
TOTAL	**2,028,218**	**35,600**	**100,729**	**301,436**	**2,465,983**

3.1.4 Share incentive plan
The company has no share incentive plan or option scheme in place.

INVESTOR REPORTING

The aim of Atria's investor reporting is to ensure that the market has at all times correct and sufficient information available to determine the value of Atria's share. In addition the aim is to provide the fi nancial markets with versatile information, based on which those active in the capital markets can form a justifi ed image of Atria as an investment object.

Atria has determined a silent period in its investor relation communication that is three weeks prior to the publication of interim and annual reports. During this period Atria gives no statements on its financial status.

INVESTOR INFORMATION

Atria publishes financial information in real time on its web pages at www.atriagroup.com. Here you can find annual reports, interim reports and press and company announcements. The company's largest shareholders and insiders as well as their holdings are updated regularly to the web pages.

STOCK EXCHANGE RELEASES

Atria Plc published a total of 26 company announcements in 2014. The releases can be found on the Atria Group website www.atriagroup.com.

DISCLOSURE POLICY

The disclosure policy approved by the Atria Board of Directors describes the key principles followed by Atria as a listed company in its communications with the capital markets and other stakeholders. The disclosure policy is available in full on the company's website.

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