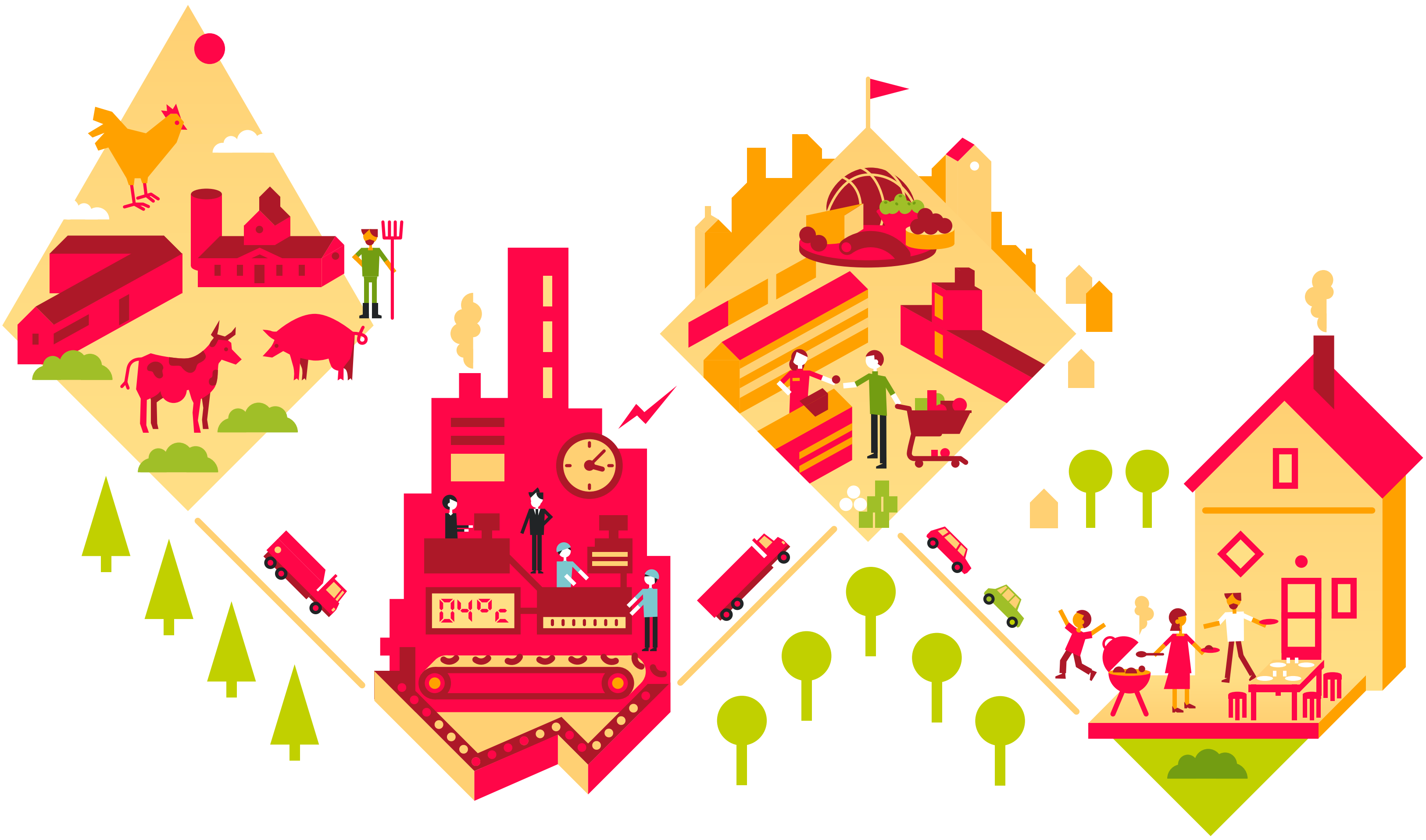
ANNUAL REPORT 2012



ATRIA PLC
Good food - better mood.

Contents

Atria Plc is a growing and international Finnish food company. Atria Group is one of the leading food companies in the Nordic countries, Russia and the Baltic region.

Atria's net sales in 2012 amounted to EUR 1,343.6 million and it employed an average of 4,898 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. Today, Atria Plc's shares are quoted on the NASDAQ OMX Helsinki Ltd stock exchange.

Atria's market area

Atria's home markets consist of the Baltic Sea region and Russia's European regions. This area is home to more than 60 million consumers.

Atria Finland
- Seinäjoki/Nurmo
- Kauhajoki
- Kuopio
- Forssa
- Karkkila

Atria Scandinavia
- Sköllersta
- Malmö
- Falköping
- Tranås
- Skene
- Borås
- Moheda
- Horsens/Denmark

Atria Russia
- St Petersburg
- Moscow

Atria Baltic
- Valga
- Vastse-Kuuste

Atria's production plants 2012

Atria Finland develops, manufactures and markets fresh food and related services in Finland. The company's net sales in 2012 amounted to EUR 819.5 million and the number of employees was 2,048.

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. Its total market share in the consumer goods retail trade is approximately 25 per cent.

Customers
- Consumer goods retail trade
- Food Service customers
- Food industry
- Export customers
- Concept customers (Sibylla)

Core product groups
- Cold cuts
- Meat products, such as sausages
- Fresh meat and consumer-packed meat
- Convenience food
- Poultry products

Business environment
In Finland, meat consumption is growing at an annual rate of 1–3 per cent. Of all meat consumed in 2012, 81 per was of domestic origin. Since pork and beef production has fallen steadily for several years, the increased demand has been satisfied by imports. In 2012, imports grew by 12 per cent. In Finland, only poultry production has increased in proportion to demand.[1)]

The Finnish consumer goods retail market is highly concentrated. The two operators with greatest sway in the market are S-Group and K-Group. They have massive pricing power and a lot of private label products, also in the product groups offered by Atria. These private label products account for 5–25 per cent of sales, depending on the product group[2)]. In 2012, the prices of all meat products in the Finnish consumer retail trade increased by an average of 7.7 per cent[1)].

The biggest companies in the meat products industry in Finland are Atria and HK Ruokatalo Oy. Atria is the biggest operator in the slaughter industry. Its market share of pork processing is over 40 per cent[2)]. Medium-sized players include the privately-owned companies Saarioinen Oy, Oy Snellman Ab and Pouttu Oy.

1) Source: Suomen Gallup Elintarviketieto, 2013

2) Source: Atria, 2013

Atria Scandinavia produces and markets meat products, meals and delicatessen products mostly in Sweden and Denmark. The company's net sales in 2012 amounted to EUR 387.8 million and the number of employees was 1,119.

Brands

Atria Scandinavia has an extensive selection of brands. The 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 both Sweden and Denmark.

Customers

- Consumer goods retail trade
- Food Service customers
- Delicatessen customers
- Concept customers (Sibylla)

Core product groups

- Cold cuts
- Meat products, including sausages
- Convenience food
- Delicatessen products, such as premium cheese and deli meat products and marinated fresh products

Business environment

In Sweden, the demand for fresh food in the daily consumer goods trade is increasing by 1–2 per cent annually. However, pork production has decreased for several years in Sweden, which has increased the share of imported meat in the market. In 2012, pig slaughter volumes decreased dramatically, by around 9 per cent. Of all meat consumed in Sweden, around 65 per cent is domestically produced. [3)]

The daily consumer goods trade in Sweden is highly concentrated, with the ICA Group dominating the market. Other significant players include Coop and Axfood. In Denmark, the consumer goods retail trade is dominated by Danske Supermarked, Coop and SuperGros. In Sweden, the share of private labels was around 19 percent of food sales in 2012 and, in Denmark, it was approximately 20 percent. [4)]

Around half of the Swedish meat processing market is dominated by small companies with annual net sales of less than SEK 50 million. The largest company in the market is Scan AB, which is owned by HKScan. Atria is second in the market. In Denmark, the sector is dominated by Danish Crown.

3) Source: Svensk kött, 2013
4) Source: DLF, Grocery Manufacturers of Sweden, 2012

Atria Russia produces and markets its products mainly in the St Petersburg and Moscow regions. The company's net sales in 2012 amounted to EUR 126.3 million and the number of employees was 1,384.

Brands
Atria Russia's brands are Pit-Product and CampoMos. With a market share of approximately 20 per cent, the Pit-Product brand 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.

Customers
- Consumer goods retail trade
- Food Service customers
- Concept customers (Sibylla)

Core product groups
- Meat products, particularly sausages
- Cold cuts
- Convenience food, such as pizza
- Fresh meat

Business environment
In Russia, the demand for fresh meat and meat products increased on average by 4–7 per cent between 2010 and 2012. The market for all product groups offered by Atria was worth EUR 2.7 billion in Moscow and EUR 0.9 billion in St Petersburg. The market for processed meat alone (including cold cuts and sausages) in Moscow was worth approximately EUR 1.5 billion and in St Petersburg approximately EUR 0.5 billion.[5)]

Although large, swift investments have been made in Russia in the primary production of pork, the country remains the world's biggest net importer of meat. The situation is about to change, however, not least due to a national food strategy approved in 2010. It stipulates that the country will strive to significantly increase its self-sufficiency in all key foodstuffs. The targeted self-sufficiency rate in processed meat products is 85 per cent by 2020. Meat imports are currently curbed by strict import quotas and other regulations. Following Russia's entry into the World Trade Organization in the summer of 2012, import quotas will be phased out.[6)]

The share of modern consumer goods retailers as marketplaces for food is rapidly gaining ground in Russia, although traditional marketplaces and market halls still dominate, with a share of over 50 per cent. The consumer goods retail trade is highly fragmented, but chains are increasingly gaining ground. The combined market share of the three largest consumer retail chains is approximately 5 per cent of total sales throughout Russia. The largest chains are Magnit and X5RetailGroup.[5)]

The consolidation of the meat processing industry is in its early days in Russia, and there are few international companies. Atria is the largest foreign operator in the sector.

5) Source: AC Nielsen, 2012
6) Sources: Atria and Bank of Finland, BOFIT, 2011 and 2012

Atria Baltic produces and markets its products mainly in Estonia. The company's net sales in 2012 amounted to EUR 34.2 million and the number of employees was 347.

Brands

By roots and nature, Atria Baltic's brands in Estonia are local brands that, with the centralisation of the consumer goods retail trade, have grown into national brands. Key brands are Maks & Moorits and Wõro.

Customers

- Consumer goods retail trade
- Food Service customers
- Concept customers (Sibylla)

Core product groups

- Meat products, particularly sausages
- Cold cuts
- Fresh meat
- Own primary production

Business environment

In Estonia, the increase in demand for fresh meat and processed meat products has been curbed by rising prices. The average price increase in 2012 was around 10 per cent. The price of consumer-packed meat increased by as much as 15 per cent.[7)] The price has a massive impact on consumer behaviour, since food accounts for 25 per cent of the average Estonian citizen's expenditure.

Estonia's own meat production is mostly sufficient to cover consumer demand. The country imports some pork, particularly from the other Baltic and eastern European countries within the EU.

The Estonian consumer goods retail trade has undergone a modernisation and consolidation process since the country joined the EU in 2004. Nordic chains have a prominent position in the country, the largest ones being Rimi Baltic, owned by the Swedish ICA Group, and Prisma, owned by the Finnish S-Group. Local operators include ETK and Maxima.

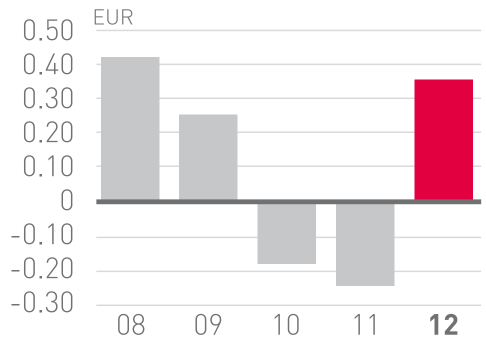
Estonia's largest meat industry company is Rakvere Lihakombinaat, which is owned by HKScan. Atria is the second largest producer in the country.

7) Source: Statistic Estonia, 2012

Atria Group key indicators

	2012	2011
Net sales	**1,343.6**	1 301.9
EBIT	**30.2**	8.0
EBIT %	**2.2**	0.6
Balance sheet total	**1,041.6**	1,067.5
Return on equity %	**2.4**	-1.5
Return on investment %	**4.7**	1.7
Equity ratio %	**41.5**	39.5
Net gearing %	**84.3**	95.5

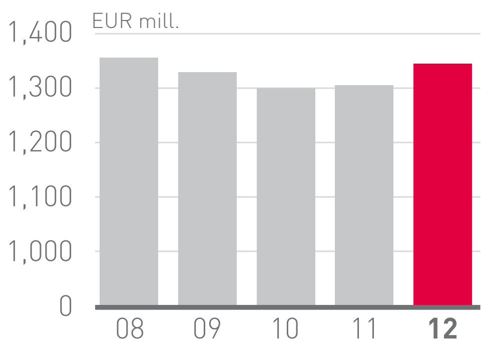
Earnings per share



Net sales increased

+3.2 %

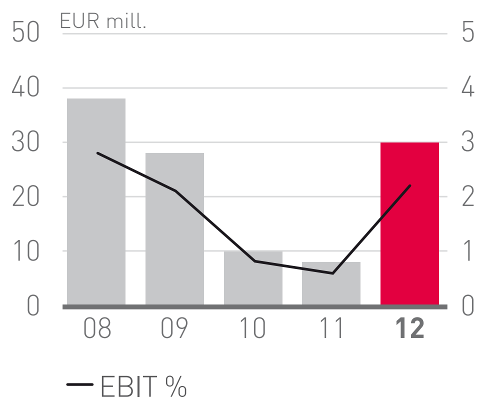
Net sales increased by EUR 41.7 million to EUR 1,343.6 million. Most of the growth – EUR 25.8 million – came from the Atria Finland business area. Atria Scandinavia's net sales increased by EUR 12.9 million, Atria Russia's by EUR 3.3 million. Atria Baltic's net sales decreased by EUR 1.0 million.



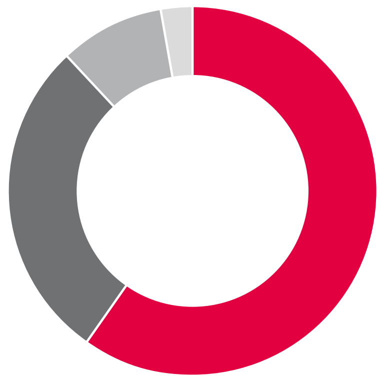
EBIT increased

EUR +22.2 million

EBIT nearly tripled to EUR 30.2 million. Atria Finland's EBIT came to EUR 36.5 million and Atria Scandinavia's EBIT came to EUR 8.2 million. Atria Russia made an operating loss of EUR 8.6 million and Atria Baltic made a loss of EUR 1.5 million.

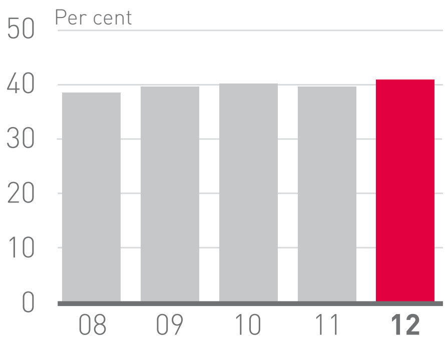


Breakdown of net sales in 2012

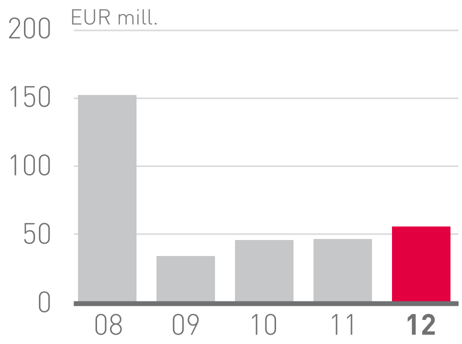


- Atria Finland EUR 819.5 mill.
- Atria Scandinavia EUR 387.8 mill.
- Atria Russia EUR 126.3 mill.
- Atria Baltic EUR 34.2 mill.

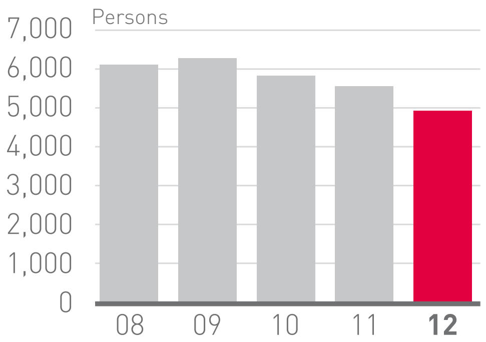
Equity ratio



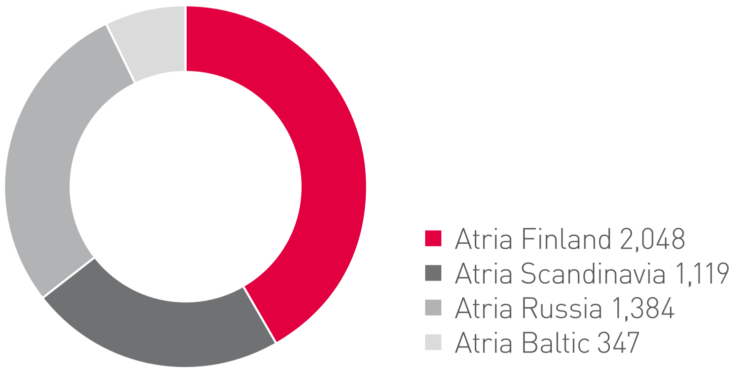
Gross investments



Average number of personnel



Personnel breakdown in 2012, total 4,898



Juha Gröhn
CEO, Atria Plc

WE SUCCEEDED WELL IN STRENGTHENING THE BASIS

CEO Juha Gröhn, Atria's earnings improved many times over, to approximately 30 million euros. At the same time, net sales increased moderately. How would you comment on the development?

At Atria, our absolute focus in all operations has been on improving profitalibility, even at the expense of growth. There is a time and place for growth as long as the foundations for profitability are in order. We were able to solidify these foundations substantially.

The keys to profitability improvements were in Finland and Russia. Profits in Finland rebounded back to the level that we have normally attained. In Russia, our losses shrank significantly. In Sweden and Denmark, the year was largely spent on tough pricing negotiations: increased raw material costs were passed on to sales prices on several occasions, but we did not manage to raise prices sufficiently quickly in customer negotiations. In Estonia, sales did not develop as targeted and our plants were underutilised. In the Baltic countries, we need more tonnes and more euros.

You already mentioned the sharply increased meat raw material prices. How would you describe the change in the raw material market?

Once again, the market situation in 2012 contained many surprises. In the first half of the year, it seemed that prices were levelling off and the market situation for cereals and meat was stabilising. In early summer, however, cereal and soy prices increased globally, as harvest forecasts and then actual harvests came through. The rising cost of cereals and feed meant that farms' meat production expenses increased radically. The second half of the year required the food production chain to find ways to adapt to the new cost level. In Finland, the fresh meat trade makes up a large portion of Atria's business. The domestic origin promise of Atria's meat raw material in Finland covers all meat. The continuity and development of primary production is thus of crucial importance in Finland.

Developments in the Russian market were rapid. Quick turns were experienced in the primary production of pork. The market price of pigs sold for slaughter fell by around 30 per cent from September to the end of the year. The price development was the opposite to that elsewhere in the global market. The trend was due to increased production and insufficient slaughtering and meat-cutting capacity in Russia, as well as increased imports towards the end of the year. Most of the meat used by Atria Russia is imported from Finland and elsewhere. Atria does not have its own slaughter or cutting plant in Russia.

In the new "Atria's way to number 1" strategy, growth elements are highlighted alongside profitability improvement. Would you like to throw more light on these?

Besides improving profitability, and also to improve profitability, Atria needs growth. Austerity measures and efficiency alone will not help us succeed, although cost-efficiency and measures to improve it are important. We must excel at dealing with our customers. We must excel at managing our product groups in better alignment with consumer and customer wishes. We can only become number one through better efficiency, business excellence and Atria's own operating concept – by implementing these three themes in unison.

The strategy focuses on the Atria Way of Work and business culture. Why this focus?

As it stands, Atria is a highly diverse company; just look at the geographical reach of our operations, diversity of product groups, number of customers, distribution routes and the number of staff. What is more, the increasing complexity and fast-moving nature of many food markets have the effect of potentially fragmenting Atria's operations. In such an operating environment, we need a common set of principles and a shared way of working within Atria. Strong shared values give us – both as individuals and as a group – more confidence, freedom and chance of success. Responsibility is one of these values. I am not saying that we sell responsibility – we sell food produced in compliance with responsible principles.

In 2012 we worked hard and determinedly to improve our profits, operations and future chances of success. We did well. We took many steps towards our new goal of making Atria number one. I would like to thank every one of you, Atria employees and partners, for successful cooperation in the best interest of our customers, our shareholders and our company.

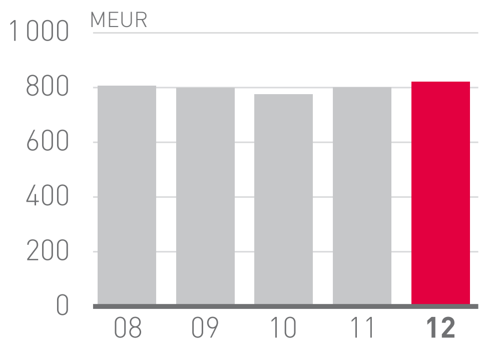
Seinäjoki, February 2013

Juha Gröhn
CEO, Atria Plc

Net sales increased

+3.3%

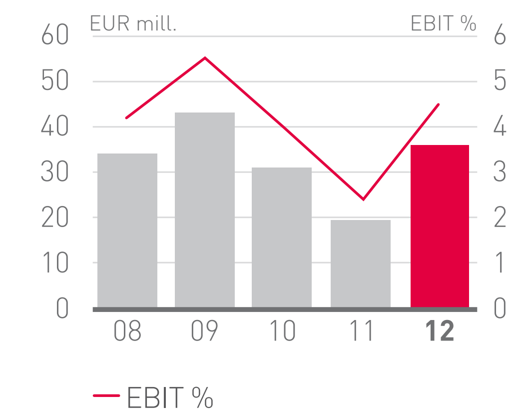
Net sales increased to EUR 819.5 million. Most of the growth is due to increased sales prices.



EBIT increased

EUR +17.2 million

EBIT nearly doubled to EUR 36.5 million. The market as a whole showed signs of stabilising and sales prices increased, while Atria notably improved its own performance.



A stabilised market situation, increased efficiency and successful sales at increased prices nearly doubled Atria Finland's profits and strengthened its market position.

GROWTH AND PROFITABILITY IN 2012

Atria Finland's net sales increased by EUR 25.8 million to EUR 819.5 million. In the second half of the year, growth improved further, bringing fourth quarter net sales up EUR 14.5 million from a year earlier. This represents more than 50 per cent of the annual growth. After a good summer, Atria also achieved excellent sales in the important Christmas season.

Atria Finland's profitability improved substantially. EBIT for the period was EUR 36.5, up 17.2 million from the previous year. The EBIT per cent was 4.5.

Profitability had already started to improve at the end of the previous year. The situation on the European meat market and, subsequently, also on the Finnish meat market, returned to normal. Demand and prices improved in both the consumer goods retail sector and the Food Service sector. The market was demand-driven and Atria's sales structure remained good throughout the year. Atria also improved its profitability through productivity improvements which led to significant cost savings.

Capacity

+53%

The annual capacity of the Kauhajoki bovine slaughter and cutting facility will increase to 40 million kilograms. The value of the investment is approximately EUR 26 million.

Savings

More than EUR 10 million

The estimated annual cost savings achieved through efficiency improvement programmes are some EUR 10 million.

Modernisation

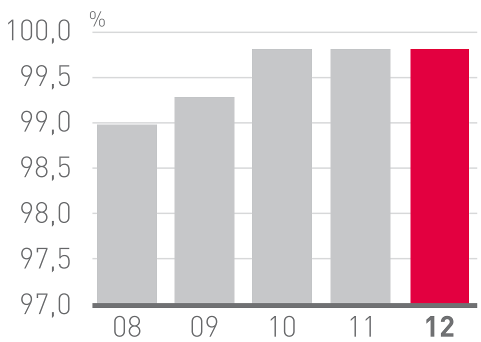
EUR 6 million

The revamping of the Seinäjoki broiler hatchery will secure delivery capacity and competitiveness in peak seasons.

Delivery reliability

99%

Delivery reliability to customers remained at a record-high level of 99.5 per cent.



MEASURES TO IMPROVE PRODUCTIVITY AND PROFITABILITY

Atria Finland's decision to transfer bovine slaughtering and cutting to Kauhajoki will improve the profitability of the entire beef supply chain. Profitability and cost efficiency per kilogram of beef will improve significantly. This has made Atria's beef offering increasingly competitive.

The new Kauhajoki bovine slaughtering facility was completed at the end of 2012 and production was phased in throughout early 2013. Atria's EUR 26 million investment in the plant raises its bovine slaughtering capacity in Finland from 26 million to 40 million kilograms.

The refurbishment of the Seinäjoki broiler hatchery also progressed on schedule. Machinery and equipment investments amounting to EUR 6 million will be completed in early 2013. A new marketing standard which came into force in the EU in 2010 has significantly increased the demand for fresh chicken whilst also posing new logistical challenges for the entire supply chain. The refurbished broiler hatchery meets this challenge.

> read more: Strategy, Profitability improvement programmes 2011–2012, pages 31, 32

Food prices

+5.2%

On average, food prices in the consumer retail trade increased by 5.2%.

Prices of meat products

+7.7%

On average, the prices of all meat products in the consumer retail trade increased by 7.7%. The increase was sharpest in beef: prices rose by 12%.

Market position

25%

Atria strengthened its market share amongst manufacturers to more than 25%.

MARKETS AND ATRIA'S MEASURES TO STRENGTHEN ITS MARKET POSITION

Food sales in the consumer retail sector increased. The total value of sales grew by approximately 5.7 per cent. Some of this came from increased volumes, not purely from price increases. Large hypermarkets increased their sales most, but small supermarkets showed the fastest growth.[1)] The value of Food Service sales also grew significantly with hotels and restaurants taking the lead.

On average the sales prices of meat products increased by almost 8 per cent. The accumulated long-term need for price increases was partially satisfied. The price increase was greatest and sharpest in beef, at roughly 12 per cent. The price of pork also increased by around 11 per cent. Poultry prices increased more moderately, although increasing sales volumes partially compensated for the lower price increase.

Atria Finland's total market share in the consumer goods retail trade improved even further. Atria is the biggest producer in the sector with a market share of over 25 per cent.[2)] Atria Foodservice's position in the catering sector also grew stronger. Atria's improved market position depends on sustained customer- and consumer-oriented efforts and on flexibly adjusting the offering to respond to the prevailing market situation.

Atria focused its marketing investments on strengthening its own brands across all marketing and sales channels. The new Family Farm Chicken concept was a great commercial success. Atria's Hienoin Pihviliha ("Finest Steak") brand and making steak part of the Kulinaari product family also strengthened Atria's position in the high-end product groups.

1) Source: Finnish Grocery Trade Association, 2013
2) Source: Atria Finland, 2013

Raw materials of meat production

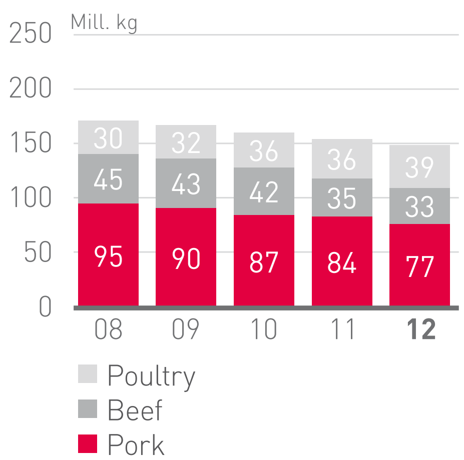
+9.5 %

The price of Finnish meat raw material was on average nearly 10 per cent up from the previous year.

Meat volumes processed

+8% Poultry
-5% Beef
-8% Pork

Pig farms' profitability problems further reduced pork procurement volumes. Atria still remains Finland's leading pork and beef processor.



MARKET SITUATION IN MEAT PRODUCTS AND ATRIA'S RESPONSE

Although consumer prices of meat products rose starkly and Atria paid its contract producers prices that were occasionally over 10 per cent more than the previous year depending on the animals stocked, the long-term profitability problems related to meat production remained unsolved. The rise in commodity prices essential for meat production – cereals and animal feed – continued sharply and unpredictably.
> Read more under "CEO's interview".

Meat production issues led to a profitability challenges for the fifth consecutive year at pig farms. Pork production fell by 4 per cent and consumption by one per cent.

The market situation for beef producers was slightly positive. Consumption increased by one per cent to over 100 million kilograms. The domestic production though decreased by 3 per cent. Atria took this opportunity to invest significantly in the development and marketing of new beef products. The new bovine slaughter facility in Kauhajoki offers excellent premises for profitable growth and even stronger market leadership.

Poultry consumption also increased and continues to increase steadily. The increase in 2012 was over 5 per cent and the growth forecast for 2013 is 3 per cent. Due to its investments in poultry production Atria is well positioned to grow at a rate higher than the market in general. The growth is also supported by the new poultry fodder plant of Itikka Co-operative and broiler producers. The new factory will almost double A-Rehu's production capacity to 240 million kilograms in 2013. The value of the investment is around EUR 14 million.

Mika Ala-Fossi
Executive Vice President
Atria Finland

GROWTH AND PROFITABILITY IN 2013

Atria Finland's new strategy is clearly growth-oriented. How will you promote growth, Mika Ala-Fossi?

We need to have a good variety of approaches in the Finnish market, where volume growth is very low. We are seeking growth in all five core product groups: cold cuts, cookery products, poultry, fresh meat and convenience foods. We proceed by product group, by segment and by customer. We go beyond the product group level, to a segment level. We have selected 25 key segments, each with its own clear growth targets and means to achieve them.

What about profitability? How do you maintain – potentially even exceed – the good profits of 2012?

This is a real challenge in the current post-recession market. Prices and costs, obviously, play a key role. Since price competition in the market is bound to continue to be very tough, we must be extremely cost-aware at every stage of the Atria meat and food chain. Our operations must be the most efficient in the sector. In beef and chicken production, in particular, we are well set to achieve this, thanks to our recent investments.

Meat barometer

January-December 2012

Source: Suomen Gallup Elintarviketieto Oy

In 2012, a total of 382 million kilograms of meat was produced in Finland, while total consumption was approximately 405 million kilograms (volumes counted as bones included). Production remained fairly stable while consumption and imports increased. Imported meat mostly ended up in the catering business and as raw material for processed meat products. Only a small volume of imported meat is sold directly in consumer retail trade.

MEAT TOTAL, mill. kg	2012	Change % compared to previous year
Production	381.7	-1
Consumption	403.7	1
Export	51.2	-19.3
Import	77.8	15.9
Consumption domestic content, %	80.7	-3.1

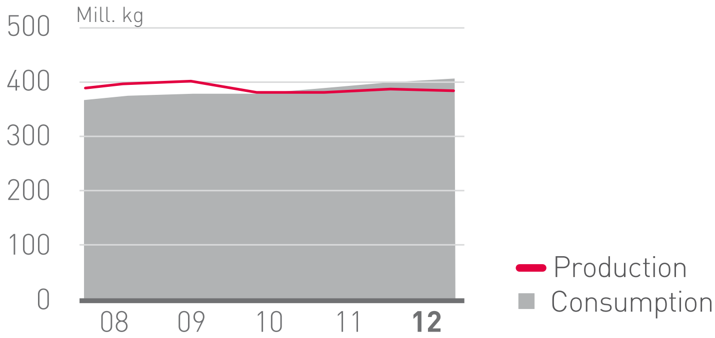
PORK, mill. kg	2012	Change % compared to previous year
Production	192.7	-4
Consumption	194.7	-1
Export	30.0	-37
Import	34.7	19.3
Consumption domestic content, %	82.2	-4.4

BEEF, mill. kg	2012	Change % compared to previous year
Production	80.2	-3
Consumption	100.8	1
Export	0.8	-50
Import	22.2	19.8
Consumption domestic content, %	78.0	-4.8

POULTRY, mill. kg	2012	Change % compared to previous year
Production	107.4	6
Consumption	101.8	4
Export	20.3	10.3
Import	15.9	8.8
Consumption domestic content, %	84.4	-0.3

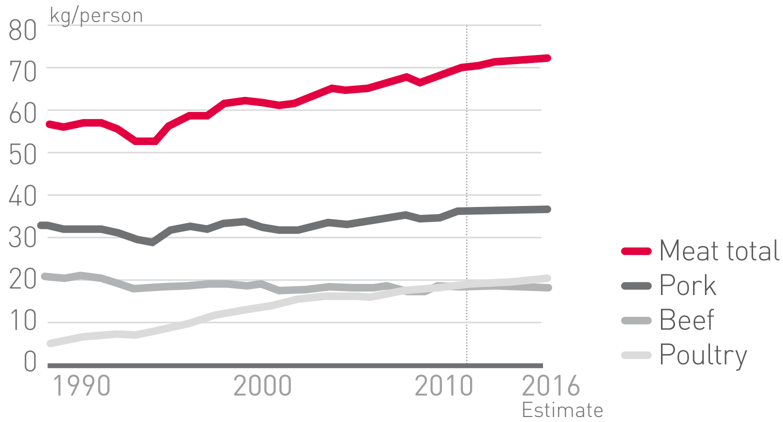
Overall production and consumption of meat

The Finnish meat market underwent a radical shift in 2009 as consumption exceeded production. Previously this had only been the case briefly in 1999–2001.



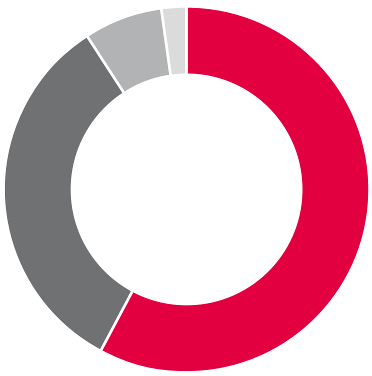
Meat consumption per capita 2000–2016

In the long term, meat consumption in Finland will increase in the next years by 1–3 per cent per person. Chicken consumption is growing fastest. Beef consumption is on a steady path. Most of the beef is sold as minced meat regardless of economic trends. The sales of valuable cuts, however, are fairly sensitive to economic cycles. Pork consumption is also stable. Imports make up for decreased domestic production.



Breakdown of consumption of meat products

Meat consumption patterns change slowly: cooking sausages are still number one in Finland. In addition to their ease of use, sales are boosted by their popularity at summer barbecues.

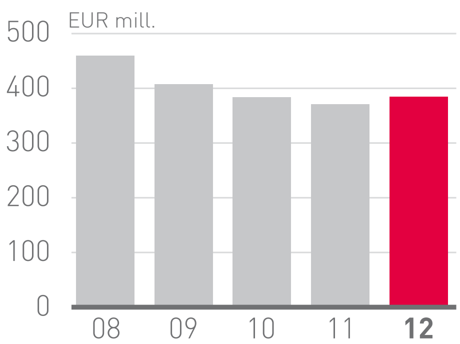


Source: TNS, Suomen Gallup Elintarviketieto Oy, 2012

Net sales increased

+3.4%

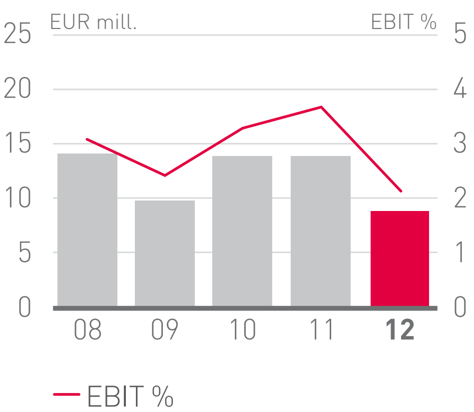
Net sales increased to EUR 387.8 million. This was due to increased prices and rising sales volumes in key product groups.



EBIT decreased

EUR -5.6 million

EBIT fell to EUR 8.2 million. The performance was affected by aggressive price increases in meat raw materials.



"Atria Scandinavia's own brands sold well: the market position grew stronger in key product groups."

GROWTH AND PROFITABILITY IN 2012

Atria Scandinavia's net sales increased by 3.4 per cent to EUR 387.8 million. In the local currency, net sales were at the previous year's level. Sales increased most in cold cuts in Sweden and Denmark and in cooking sausages and hamburger products in Sweden.

Atria's profitability weakened due to increased raw material costs. The company did not succeed in passing these on to consumer prices in full. The prices of meat raw materials have increased dramatically. In just over 18 months, the price of Swedish pork used by Atria increased by around 30 per cent and the price of beef by 25 per cent[1)]. In Sweden, the global trend of rising raw material prices has been further accelerated by a stark reduction in domestic production. In 2012, pig slaughter volumes decreased by 9.3 per cent and bovine slaughter volumes by 8.9 per cent[2)]. In Sweden, only around 70 per cent of pork used was domestically produced[3)].

1) Source: Atria, 2013
2) Source: Kött&Chark Företagen, 2012
3) Source: Svensk kött, 2012

Investments

EUR 4.7 million

Atria invested nearly EUR 5 million in new meat processing equipment at the Malmö plant. In the previous year, Atria invested more than EUR 2 million in increasing the efficiency of black pudding and liver pâté production at the Tranås plant.

Savings

EUR 1.5 million

The transfer of production from the Halmstad plant to Malmö will generate approximately EUR 1.5 million in annual savings from 2013 onwards.

> **Read more under: Strategy, Profitability improvement programmes 2011–2012**

MEASURES TO IMPROVE PRODUCTIVITY AND PROFITABILITY

At the beginning of 2012, Atria Scandinavia decided to close its Halmstad plant and to move the production of ham products and the slicing of cold cuts to a single production plant in Malmö. By concentrating these operations, Atria has significantly increased its competitiveness through economies of scale in production and logistics. The Malmö plant is Atria's second biggest in Sweden after the Sköllersta plant. Its annual output is around 18 million kilograms.

The transfer of Halmstad's production to Malmö was part of Atria Scandinavia's profitability programme. In four years, the number of plants has been cut from 18 to 8, productivity has increased and the cost structure has lightened.

Prices of processed meat products

+3.7%

The price of processed meat products increased on average by 3.7% in Sweden. Trade volumes fell by around 2.3%[4].

Cold cuts

+12%

Atria strengthened its position in the Swedish cold cuts market, and the value of retail sales of Atria's branded products increased by 12% [5].

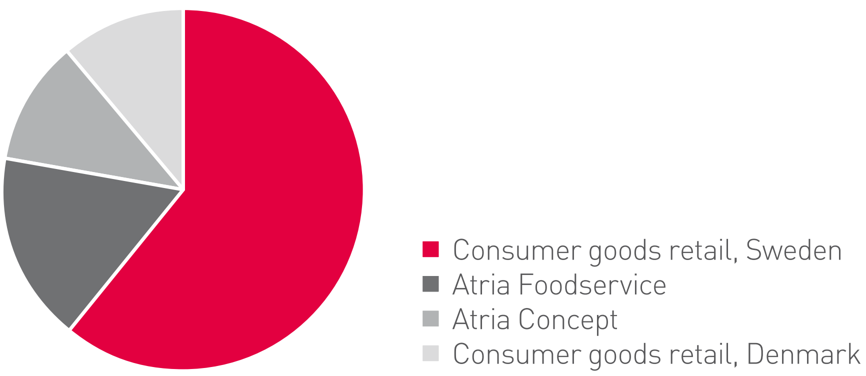
Sibylla

+15%

Measured by the number of sales outlets, the international Sibylla concept grew by 15%. Net sales increased by more than 10%.

Net sales / sales channels

Breakdown of Atria Scandinavia's net sales by sales channel.



4) Source: GfK, 2013
5) Source: AC Nielsen, 2012

MARKETS AND ATRIA'S MEASURES TO STRENGTHEN ITS MARKET POSITION

The Swedish economy grew sluggishly in 2012. This development was directly reflected in the trade of food products: sales remained nearly unchanged. Atria Scandinavia was nevertheless able to grow.

Atria's sales of cold cuts, a key product group for the company, increased significantly more than the market overall. Volume growth in sausages also exceeded market growth, although not as substantially as in the cold cuts sector. Besides the growth in retail sales of consumer goods, Atria Foodservice sales also increased, boosted by positive developments in the Swedish restaurant and catering sector. In Denmark, the cold cuts market increased by approximately 3 per cent[1] and Atria's 3-Stjernet brand achieved above-market growth.

Atria Scandinavia's marketing efforts focused on its strong brands and value-added products in line with its strategy. The company continued to invest in the Lönneberga brand while also strengthening the Lithells brand with significant inputs. The Sibylla Shop-in-Shop concept was also promoted by substantial investments and 430 new outlets opened during 2012. The growth was strongest in the Russian market.

1) Source: AC Nielsen

Tomas Back
Executive Vice President
Atria Scandinavia

GROWTH AND PROFITABILITY IN 2013

Atria Scandinavia's new strategy is clearly growth-oriented. How will you promote growth, Tomas Back?

We will grow organically through our strong product brands. We know the growth potential of our key product groups: cold cuts, cooking sausages and deli products. We have a total of 18 brands. We know the type of investments needed to strengthen each brand, and we are making strategic choices accordingly. We invest more intensively in brands which we aim to make number one in the market. We are also seeking growth through innovations. Consumption patterns are changing and individual preferences are formed rapidly. It is important that we are the first to respond – preferably with foresight.

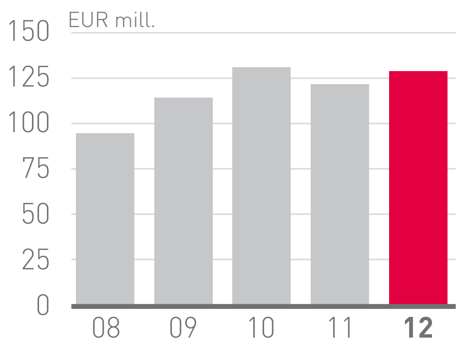
What about profitability? High meat raw material prices have weakened Atria's earnings potential. Can improvements be expected in 2013?

The price of meat raw material is very difficult to anticipate. It is also a challenge to fully pass on rising costs to consumer prices as markets are only expected to recover slightly and at a slow pace. Under these circumstances we can best improve our profitability in two ways: by taking care of our own price competitiveness and by generating more added value for our customers and consumers. Our productivity, and thereby our price competitiveness, has already improved greatly. Generating more added value, in turn, means further expanding our portfolio and our cooperation with customers in each product group. We are aiming for profitable, win-win cooperation.

Net sales increased

+2.7%

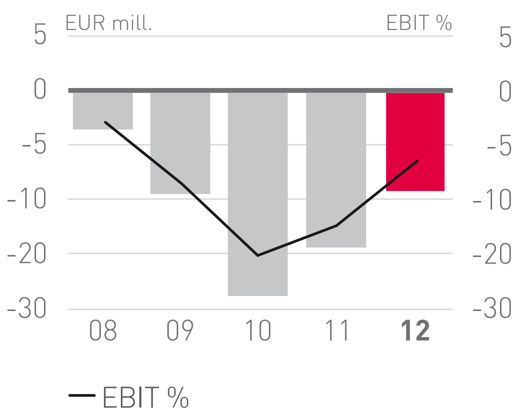
Net sales increased to EUR 126.3 million. The growth mostly occurred in the St Petersburg area.



EBIT increased

EUR +10.3 million

EBIT was EUR 8.6 million negative. This was EUR 10.3 million better than in the previous year.



> "Atria Russia's profitability improved as planned, with the company's operating loss shrinking to less than half of the previous year's value."

GROWTH AND PROFITABILITY IN 2012

Atria Russia's net sales increased by 2.7 per cent to EUR 126.3 million. In the local currency, net sales were at the same level as in the previous year. The weak growth resulted from falling sales volumes in the Moscow region; the company cut many unprofitable products from its offering. Sales were good in the St Petersburg area, and the company maintained market leadership in its product groups.

Atria Russia's profitability improved significantly. The operating loss shrank by more than EUR 10.3 million to EUR -8.6 million. By the end of 2012, the company's EBIT had improved for six consecutive quarters. Atria's profitability improved as the cost structure was significantly lightened through efficiency measures and stronger sales prices. On the other hand, earnings potential was impaired by the high price of imported meat and reduced profitability in own primary production.

Concentration

2 plants

Atria now produces most of its products at two plants in St Petersburg instead of the previous three. At Gorelovo, Atria operates one of Russia's most advanced and efficient facilities for meat processing.

Savings

Nearly
EUR 10 million

The estimated annual cost savings achieved through efficiency improvement programmes are EUR 9.5 million.

> Read more under: Strategy, Profitability improvement programmes 2011–2012

MEASURES TO IMPROVE PRODUCTIVITY AND PROFITABILITY

The profitability of Atria Russia's meat product operations has improved significantly since production was mostly concentrated at the Gorelovo plant in St Petersburg. Atria's second plant in the St Petersburg area, Sinyavino, focuses on the production of cured sausages and the Moscow plant focuses on pizza production. Concentrating the production and logistics at the state-of-the-art Gorelovo plant has improved the price competitiveness of Atria's product groups and lightened the company's cost structure. The cost savings will come to around EUR 7.5 million a year when they are fully realised in 2013.

In addition to savings achieved through centralised production, Atria Russia reorganised production at the Gorelovo and Sinyavino plants in spring 2012, resulting in estimated annual cost savings of EUR 2 million from the beginning of 2013.

To improve profitability, Atria Russia strives to increase the sales volumes of its current product groups while also launching new product groups with higher margins than in the traditional volume products. An example of a high-margin product group is convenience food. To ensure its competitive edge, Atria acquired Food Safety System Certification (FSSC) for Gorelovo's convenience foods line. Once audits at other departments of the plant have been completed in 2013, Atria will be Russia's first certified producer of meat products.

Food prices

+7%

On average, food prices in the consumer retail trade increased by 7%.

Meat products market

+4%

The consumption of meat products increased by 4% in terms of volume.

Market position in St Petersburg

20%

Atria Russia is a market leader in its product groups in the St Petersburg area with a market share of around 20%.

Sources: Atria, 2012

MARKETS AND ATRIA'S MEASURES TO STRENGTHEN ITS MARKET POSITION

The sales of all food products in the Russian consumer retail trade increased following rapid increases in private consumption. The sales of meat and processed meat products increased in terms of volume, and prices improved slightly. However, the rising price level was not enough to compensate for the ballooning prices of international meat raw materials. Despite the improved market situation, price competition remained tough in both the Moscow and St Petersburg markets.

With the Pit-Product brand, Atria Russia is a market leader in its product groups in the St Petersburg area. Its market share is approximately 20 per cent[1)]. In the Moscow region, market share fell to less than 2 per cent[1)]. In the Moscow region, sales fell due to drastic measures to cut back unprofitable products belonging to the CampoMos brand. The total number of products was cut from more than 200 to around 75. This will notably improve the focus of marketing and sales efforts. New sales channels were also introduced. Besides modern, centrally operated consumer goods retail chains, Atria is also approaching small independent shops. These still constitute the main food distribution channel in Moscow. In St Petersburg, small shops account for around 40 per cent of all retail trade.

In addition to its retail collaboration, Atria intensified its cooperation in the Food Service sector. The sector's rapid growth is especially boosted by the increase of hotel and catering services.

Fast food consumption is also increasing in Russia, which gave a boost to the Sibylla concept. In the two years between 2010 and 2012, the number of Sibylla outlets increased by one third to around 750.

1) Atria's own estimate.

Jarmo Lindholm
Executive Vice President
Atria Russia

GROWTH AND PROFITABILITY IN 2013

Profitability improvement is Atria Russia's strategic key goal, although growth is also stressed. Do these two goals go hand in hand, Jarmo Lindholm?

Certainly, since achieving improved profitability also requires growth. Our primary target is to turn the loss-making business into a permanently profitable one in the second half of 2013. After that we will seek sustained, profitable growth. We were able to cut losses to less than a half in 2012 through fairly radical structural solutions, and in the third quarter our operating result was briefly positive. We also rooted out the loss-making elements in our product portfolio. We will continue to improve profitability, but most of the corrective measures have now been taken. Of course, a key instrument in profitability improvement is price, both at source and at the customer end. We will develop our raw material procurement practices with an eye to greater competitiveness and aim for sustainable margins on our brand products.

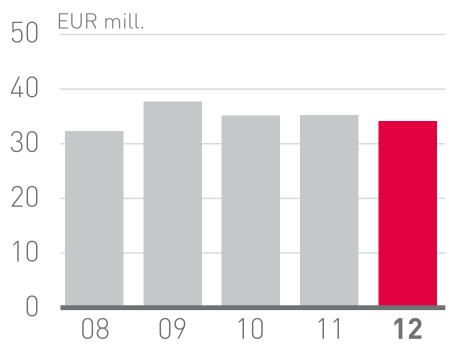
When seeking growth through more profitable sales, which product groups are key?

The greatest growth potential for Atria lies in the cold cuts segment. We are experienced in productising, producing and marketing cold cuts. This product group is also our biggest product group in the Russian market in terms of value. In these product groups we are also a forerunner in the market, so we always have an advantage in pricing. We are seeking to grow fastest in the convenience foods sector and with the Sibylla concept. Easy meals are popular among the expanding middle class in Russia; we are taking our share of the growth. Of course we still strive to strengthen our position in the sausage market as well; in frankfurters, Pit-Product is head and shoulders above others in St Petersburg.

Net sales decreased

-2.8%

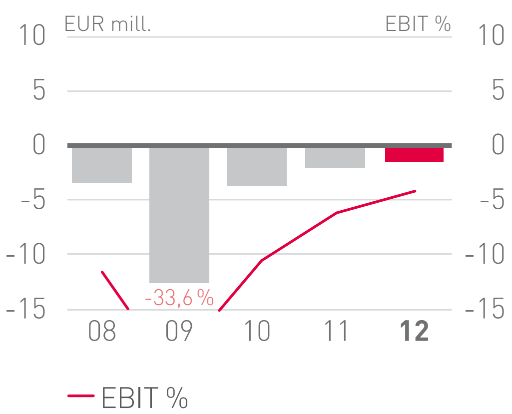
Net sales fell by EUR 1.0 million to EUR 34.2 million. Primary production sales decreased substantially.



EBIT increased

EUR +0.7 million

EBIT was EUR 1.5 million negative. This was EUR 0.7 million less than in the previous year.



"Atria Baltic's profitability improved, first and foremost due to improved production efficiency."

GROWTH AND PROFITABILITY IN 2012

Atria Baltic's net sales decreased, amounting to EUR 34.2 million. The decline mainly resulted from lower primary production sales. Besides tough domestic price competition, cheap pork imports were entering the market. Atria refrained from extreme price competition.

Profitability improved somewhat. The operating loss shrank by 32 per cent to EUR 1.5 million. Profitability improved through the long-term measures taken to reduce costs and increase efficiency. Positive progress towards the end of the year was boosted by an improved sales structure. However, earnings potential was impaired by increased feed costs and other costs in primary production.

With an annual slaughter volume of 65,000 pigs, Atria is Estonia's second biggest pig producer, and, therefore, its performance in primary production has a great impact on Atria Baltic's growth and profitability.

Prices of meat products

+9,7%

Meat and meat product prices increased in Estonia on average by nearly 10 per cent.

Market position

13%

Atria's market share was 13 per cent in cold cuts and 11 per cent in cooking sausages. The market share of both product groups fell in comparison with the previous year.

Source: Atria, 2012

MARKETS AND ATRIA'S MEASURES TO STRENGTHEN ITS MARKET POSITION

Food prices were a key factor in Estonia's four per cent annual inflation. Consumer prices of meat and meat products increased on average by nearly 10 per cent. The price of consumer-packed meat increased by 15 per cent, the price of cold cuts by 8.5 per cent and the price of cooking sausages by nearly 7 per cent.[1)] These price increases were due to accumulated price pressure in the entire meat chain.

The drastic price increases led to significantly falling sales of processed meat products, such as frankfurters and cooking sausages, and Atria lost market share in these product groups during the period.[2)] On the other hand, Atria managed to increase its sales of consumer-packed fresh meat by more than 40 per cent. Sales of marinated meat also increased by a third.

At the end of the year there was some improvement in the breakdown of Atria's sales. Atria also succeeded in increasing the sales of its further processed and more profitable products.

To boost sales, Atria Baltic continued to invest in strengthening its own brands. A major revamp of the Maks & Moorits key brand, implemented in 2011, was followed by a crystallisation and re-positioning of the Wõro brand. Wõro has been positioned as a more inexpensive option, featuring reliable quality and safe origin of the meat raw material.

1) Source: Statistic Estonia, 2012
2) Source: AC Nielsen, 2013

Olle Horm
Executive Vice President
(as of 15 August 2012)
Atria Baltic

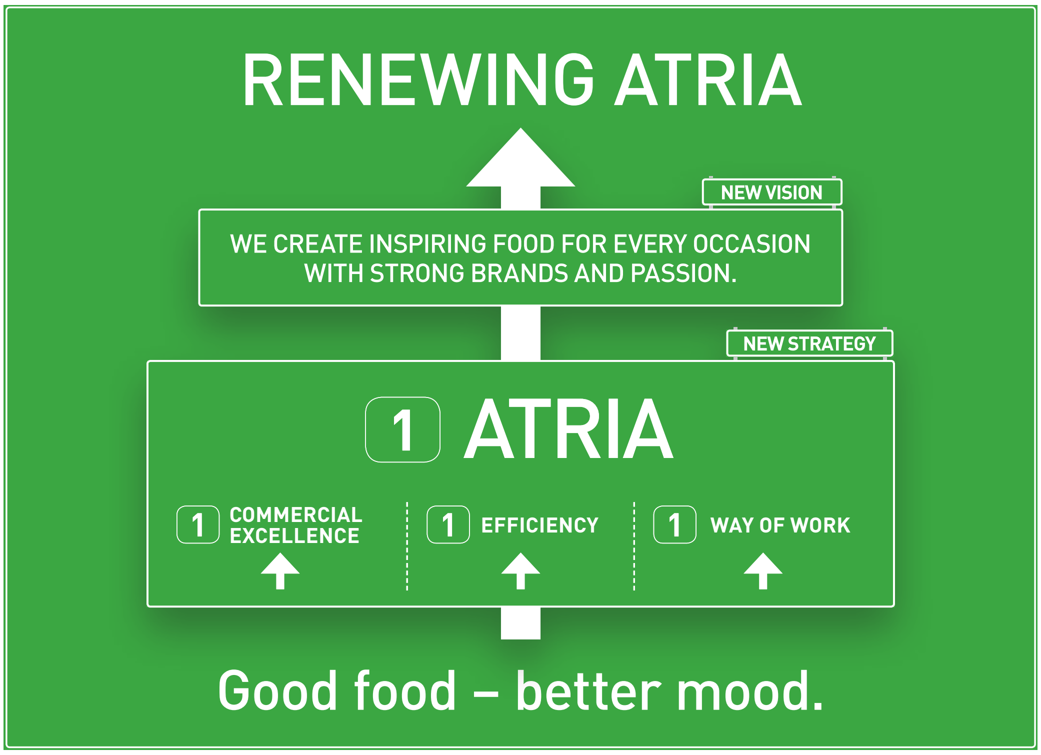
GROWTH AND PROFITABILITY IN 2013

Atria Baltic's growth and profitability remained stagnant. What will it take to return to growth in Estonia, Olle Horm?

The recipe will have to involve both the market and our own operations. The profitability of our operations has improved drastically; in other words, the basic elements of competitiveness are well in hand. Now is the time to boost our sales and marketing. This will be our main focus. We have to increase sales markedly. This will strengthen our market position and negotiating power. However, we must not increase our market share at the expense of profitability – not even in the short term. In the tough competitive market in Estonia, we still have product groups in which profitable growth can be achieved.

Which product groups or measures can generate this profitable growth?

We are seeking rapid growth in the meat products segment, both in fresh and marinated meat. But I want to stress that growth can only happen if markets recover. The rise in consumer prices is expected to slow down in 2013, but only slightly. Our profitability has been hampered by the cost pressures affecting primary production. There is not much we can do about the price of cereals or feed, but we can alter the primary production sales structure. We are going to substantially cut down on the sales of carcasses, which have very narrow margins, and focus on further processed products.



In summer 2012, the Atria Plc Board of Directors approved a new corporate strategy extending to 2015, with a view to improving margins, boosting growth and increasing the company's value.

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

Atria aims to be number 1.

- 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 poultry and convenience foods, Atria Deli and Sibylla operations, defined Private Label categories, consumer-packed meat, and slaughtering and cutting operations.

Why cold cuts and processed meat products?

- The market for cold cuts and processed meat products is a high-volume business. This provides growth potential for Atria.
- Atria has long-term experience and strong expertise in R&D, productisation and marketing in these areas. Production is supported by efficient sourcing and large-scale operations.
- Atria has a state-of-the-art selection of cold cuts and processed meat products in all business areas. This also enables cross-country synergies.

1 COMMERCIAL EXCELLENCE

Atria will improve its commercial excellence to reinforce its position as the first choice for customers and consumers. This will be achieved through category leadership and continuous improvement.

- Atria will manage and develop the defined categories to gain commercial or brand leadership; Atria's branded products will be number 1 in their respective categories.
- Atria has industry-leading understanding of consumer behaviour and knowledge of product segmentation. These create a solid foundation for category development.
- Atria develops collaboration with each retail chain and Food Service account on a case-by-case basis. Atria is their preferred business partner.
- Atria focuses on the management and development of its own strong brands. They ensure the success of Atria's current product categories and facilitate the launching of new products and innovations.
- Atria strives to actively develop and expand the market, instead of just following others.

1 EFFICIENCY

Atria is well-placed to improve its profitability through operational efficiency.

- Atria will develop its processes to achieve industry leadership.
- R&D and production processes will be developed from the perspective of improving margins. Procurement will also be streamlined and reorganised. The estimated cost benefits generated by these activities will be substantial.
- Atria will strengthen its transparent and smooth collaboration with primary producers.

1 WAY OF WORK

By unifying its values and way of working, Atria will safeguard sustainable growth beyond the current strategy period.

- Atria will develop the Atria Way of Work, corporate culture and leadership to support the strategy.
- Atria's governance model will be developed to enable the use of the best resources in Group administration and the business areas.
- Atria will foster a positive and encouraging atmosphere, in which learning is appreciated and expertise and best practices are shared across the organisation.
- Atria people have no fear of failure!

Atria's financial targets

	Target	Achieved in 2012
EBIT	5%	2.2%
Equity ratio	40%	41.5%
Return on equity (ROE)	8%	2.4%
Distribution of dividends (% of the profit for the year)	50%	63%

Financial targets revised

The Atria Plc Board of Directors revised the Group's long-term financial targets at the end of the year. The most significant change was a decrease in the target for return on equity (ROE) from 12 to 8 per cent from 2013. The previous target of achieving 50 per cent of sales from international operations was completely removed.

Atria's strategic measures from 2008 to 2012

2008

- Atria acquires the Russian company OOO Campomos, which mainly operates in the Moscow market
- Atria acquires the Swedish company AB Ridderheims Delikatesser
- Atria acquires the meat processing companies AS Wõro Kommerts and AS Vastse-Kuuste Lihatööstus in Estonia.

2009

- Atria sells the Lätta Måltider business in Sweden
- Atria invests in pork production in Russia by acquiring a 26 per cent holding in the Russian company OOO Dan Invest.

2010

- Atria made no new acquisitions. Instead, it focused on developing operations and improving profitability.

2011

- Atria acquires the company Kauhajoki Teurastamokiinteistöt Oy.

2012

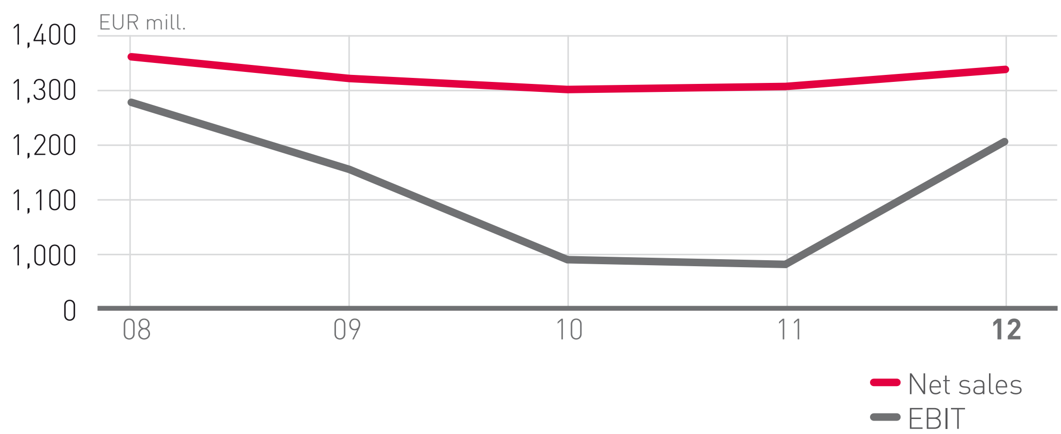
- Atria acquires the shares in pet food manufacturer Best-In Oy. The company acquired the entire share capital of Best-In.

Profitability improvement programmes in 2011 and 2012

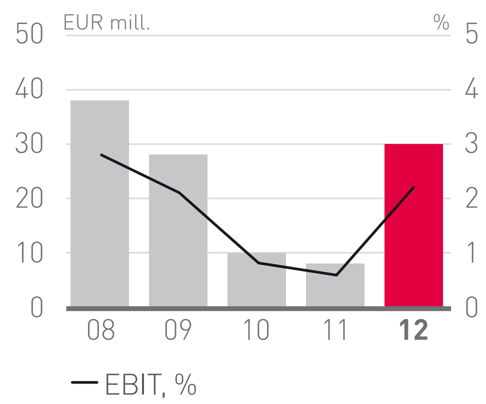
	MEASURES	Estimated yearly savings
Atria Finland	Centralising bovine slaughtering in Kauhajoki	EUR 6 million
	Nurmo efficiency improvement programme	EUR 4 million
	Centralising cured sausage production by moving it to Atria Scandinavia's production plant in Denmark	EUR 0.3 million
Atria Scandinavia	Centralising black pudding production in Tranås	EUR 1 million
	Centralising production of ham products and slicing of cold cuts in Malmö	EUR 1.5 million
Atria Russia	Centralising production of meat products by moving it to the Gorelovo and Sinyavino plants	EUR 7.5 million
	Efficiency improvement programme at Gorelovo and Sinyavino plants	EUR 2 million
Atria Baltic	No programmes in 2011 or 2012. 2010: shutdown of the Ahja plant and transferral of production to the Valga and Vastse-Kuuste plants.	EUR 1 million

Atria's growth and profitability 2008–2012

Net sales and EBIT



EBIT



Risk management

The profitability of Atria's business is greatly affected by global risks associated with changes in the availability and market price of meat raw material. The price risk in cereals and other raw materials is also connected to Atria's own primary production. Atria aims to protect itself against unfavourable fluctuations in production costs by adjusting production where necessary. Atria also tries to anticipate changes through the pricing of end products.

In Atria Russia's operations, changing restrictions and import duties on meat, along with other regulations, constitute special characteristics of the market.

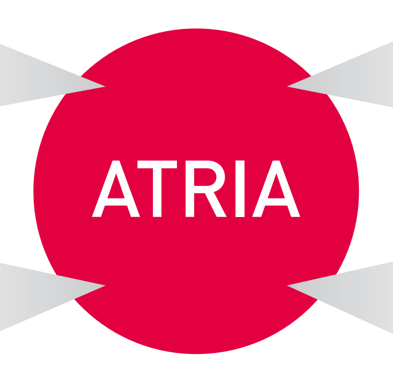
> Report by the Board of Directors p. 38
Financial risk management, Notes to the Consolidated Financial Statements p. 89

Atria's risk map

The risk map below shows examples of risks to Atria's operations.

Business risks
- Business development risks
- Management risks
- Business environment risks
- Raw material risks

Operational risks
- Production and process risks
- Information security risks
- Contractual and product liability risks
- Personnel risks



Accident risks
- Political risks
- Environmental risks
- Employee and facility safety risks

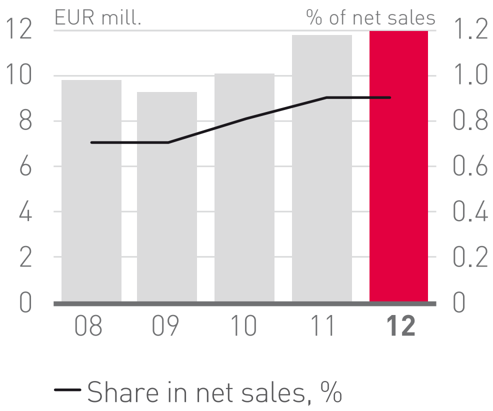
Financial risks
- Interest rate risks
- Currency risks
- Liquidity and refinancing risks
- Credit risks
- Commodity risks

R&D

EUR 12 million

Atria used a total of EUR 12 million in research and development operations.

Research and development costs



New products

360

Atria launched 360 new products in 2012. This figure includes new packages and new product support innovations. 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.

Atria increased its R&D and marketing investments to strengthen the position of its own brands in all business areas.

The development of Atria's product groups is guided by the needs of consumers, the retail sector and other customers. In order to make its offering more customer-driven, Atria has systematically stepped up investment in research and development. The Group's research and development operations focus on researching consumer behaviour and market data. Atria also participates in applied research in the areas of product and packaging technology and food science.

In line with its strategy, Atria focuses on strengthening its own brands. New products and successful marketing are the key to achieving this objective. The aim is to substantially increase the share of new products in terms of both net sales and EBIT. Currently, they account for approximately five per cent of net sales. A further goal of introducing new product groups and products is to increase the size of the food market as a whole.

Atria uses all customer and consumer marketing channels for its marketing efforts. It strives to differentiate itself from the competition through innovative and distinctive marketing communications.

New products	Amount	Share in Group net sales, %
Atria Finland	130	6
Atria Scandinavia	136	2.4
Atria Russia	18	5
Atria Baltic	76	12.2

Projects

68

Atria has nearly 70 corporate responsibility development projects under way. Most of these are related to food safety and employee well-being.

The report

Atria has published a separate Corporate Responsibility Report, describing the key events, results and impacts in 2012. Atria uses the international Global Reporting Initiative (GRI) Guidelines as the basis for reporting, as applicable. To read the report and learn more about other corporate responsibility matters at Atria, go to www.atriagroup.com/en/corporateresponsibility

To order a printed report, please contact Atria's Corporate Communications unit at info@atria.fi

Atria worked systematically to promote the responsibility of its operations, with a view to securing its current and future operating conditions.

Atria's corporate responsibility policy is encapsulated in its mission, "Good food – better mood". For Atria, the concept of good food covers the entire food chain from primary production to the dining table. Atria's good food is produced in a responsible and ethical manner; it is safe, healthy and nutritious. Good food leads to a better mood and added value for all of Atria's stakeholders.

In accordance with the principles of sustainable development, Atria takes into account the economic, social and environmental aspects of its operations in all of its business areas.

Atria's corporate responsibility policy is embodied in its day-to-day work with stakeholders. The principal stakeholders include the following:
- Customers
- Consumers
- Personnel
- Shareholders
- Authorities
- Suppliers and raw material providers

Other stakeholders include subcontractors, local communities, educational institutes and the media.

Corporate responsibility programme sums up responsible operations

Atria has an extensive corporate responsibility programme called Atria's Handprint. The programme describes the principles, practices, projects and results of the company's responsible operations.

Atria develops responsible ways of working as part of its day-to-day management. The progress made is measured in seven priority areas, which are as follows:
- Safe food
- Healthy and nutritious food
- Animal health and welfare
- Employee well-being
- Environmental responsibility
- Economic responsibility
- Communication

By making improvements in all of these priority areas, Atria aims to become the number one company for responsible food production in its areas of operation.

Distribution of economic value added by Atria

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

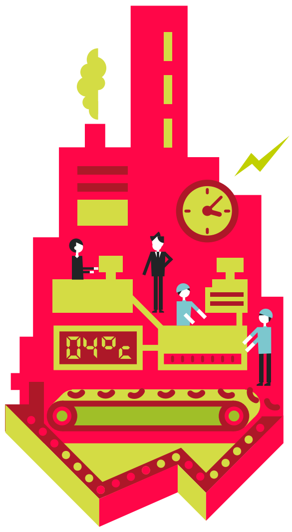
Sales and other operating income EUR 1,347 million

ATRIA

Purchasing and other expenses EUR 1,022 million

Partners

Salaries and benefits EUR 183 million

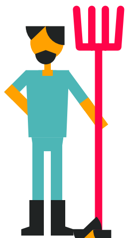


Personnel

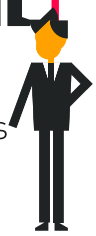
Taxes and social security expenses EUR 60 million

Society

Shareholders
Dividends
EUR 6 million



Financiers
Finance Expenses
EUR 15 million



Growth investments
Gross investments and R&D costs
EUR 68 million

Financial statement and annual report

Annual General Meeting 26 April 2013

Atria Plc invites its shareholders to the Annual General Meeting, which will be held on Friday, 26 April 2013 in Helsinki at the Finlandia Hall.

The AGM will address the following matters, among others:

1. Matters to be addressed at the AGM as set out in Article 16 of the Articles of Association.

The invitation to the AGM is published in national newspapers on 19 March 2013. The AGM documents are available in Atria's website at www.atriagroup.com.

Atria Plc will publish financial results in 2013 as follows:

2012 Financial statement ....21 February 2013
2012 Annual Report...during week 13
Interim Report Q1 (3 months) .... 26 April 2013
Interim Report Q2 (6 months) ....25 July 2013
Interim Report Q3 (9 months) ....1 November 2013

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

Atria's performance improved considerably with Atria Finland and Russia as frontrunners

Atria Group's EBIT improved considerably in 2012. The trend was particularly positive in Finland and Russia, where long-term cost reductions and higher productivity resulted in improved performance. The stabilisation of the meat market situation also contributed to Atria Finland's improvement in performance as exports strengthened and the price of imported meat remained high. On the other hand, Atria Scandinavia, which uses imported meat to some extent, was at a disadvantage due to high raw material prices.

Fluctuations in raw material prices have become a permanent feature, and they are more frequent compared to previous years. Quick oscillations in raw material prices make it difficult for food companies to perform well. In 2012, primary production costs increased globally due to higher demand and, in some areas, modest harvests.

The food industry is growing faster in terms of value than in terms of volume, which means that the consumption of further-processed products will record the highest growth. The strongest growth potential in Atria's area of operation is in Russia. Increasingly fierce competition within the food industry is a common phenomenon due to the abundance of industrial capacity and the slower-than-expected development of demand.

The consumer goods market is growing due to rising prices in all of Atria's business areas. In Sweden, growth has been slower than elsewhere, but the development of the Food Service business is strong. The Russian market is growing in all product groups. In Finland, economic uncertainty has had no effect on the demand for food. For example, overall meat consumption in Finland increased by some 1 per cent in 2012.

New Group strategy

The market situation affects Atria's strategic choices. In the new strategy, clear choices were made about the core business of the entire Atria Group and the local core business of each business area. Meat products, such as sausages and cold cuts, are the Group's core business. Local core businesses are, for example, the slaughtering and cutting industry in Finland and Estonia and the convenience food and poultry industry in Finland. Atria Group's business development focuses on the areas that are important to customers and consumers.

Preparations for Atria's new Group strategy began in early 2012. The new strategy focuses on three themes:

- Commercial excellence
- Operational efficiency
- Atria way of work.

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 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. During the new strategy period, special attention will be paid to production efficiency throughout the Group.

The construction of a more harmonised and stronger Atria requires **a common operational culture, values and principles**. At the end of 2012, Atria launched a discussion on common values across the entire organisation.

Atria Plc's Board of Directors confirmed the new long-term financial targets for the Group. In the context of the strategy process, the targets for return on equity (ROE) have been revised and those for the share of international operations have been removed.

Atria's new financial targets are as follows:
- EBIT: 5%
- Equity ratio: 40%
- Return on equity: 8%
- Distribution of dividends: 50% of the profit of the period.

Atria's Handprint programme develops corporate responsibility multidimensionally

Atria's corporate responsibility projects were taken forward in Atria's Handprint programme. At Atria Finland and Atria Scandinavia, the Handprint projects focus on the environment, animal welfare, product safety, nutrition, personnel and communications. In addition, packaging materials and food waste management have been at the heart of environmental responsibility. Animal welfare development projects have progressed as planned at Atria Finland. At Atria Baltic, the focus has been on developing the nutritional content of products and special attention has been paid to reducing the amount of salt and fat. At Atria Russia, the Handprint programme has focused on developing personnel know-how, product safety management systems and product quality consistency.

In the accounting period, the Group had over 50 ongoing corporate responsibility projects, including the following:
- ISO 22000 certification of production plants
- Early caring – development of well-being at work
- Reduction of the amount of salt and fat in products
- Development of consumer-to-farm traceability
- Development of painless castration of piglets.

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

Substantial improvement in Atria's performance

Atria Group's net sales in 2012 amounted to EUR 1,343.6 million (EUR 1,301.9 million), up EUR 41.7 million from 2011. EBIT increased considerably to EUR 30.2 million (EUR 8.0 million).

Atria Finland's net sales totalled EUR 819.5 million (EUR 793.7 million), showing growth of EUR 25.8 million year-on-year. EBIT amounted to EUR 36.5 million (EUR 19.3 million), up EUR 17.2 million from 2011. This increase was due to improved conditions in the meat market and higher sales prices across all customer accounts. In addition, the sales structure was more favourable and cost savings resulting from efficiency measures improved Atria's performance.

Atria Plc purchased HKScan Finland Oy's shares in pet food manufacturer Best-In Oy. Atria Plc and HKScan Finland Oy previously each held a 50 per cent interest in Best-In Oy, established in 2002. By an agreement signed on 20 December 2012, Atria Plc acquired the entire share capital of Best-In Oy. Best-In Oy is located in Kuopio, Finland and its net sales in 2012 were EUR 5.1 million.

Atria Scandinavia's net sales totalled EUR 387.8 million (EUR 374.9 million), showing growth of EUR 12.9 million year-on-year. EBIT amounted to EUR 8.2 million (EUR 13.8 million). The reason for this decrease was the higher price of meat raw material in comparison with the previous year. Atria has not been able to pass on all of the increased raw material costs to sales prices.

In January, a programme was launched to improve the profitability of Atria Scandinavia's production of meat products. Atria is investing approximately EUR 4.7 million in new production equipment for the Malmö plant. The manufacture of ham products and the slicing of cold cuts were transferred from the Halmstad plant to the Malmö plant. The programme is expected to generate annual cost savings of approximately EUR 1.5 million. The savings began to materialise in 2012 and will be fully realised as of the beginning of 2013.

Atria Russia's net sales amounted to EUR 126.3 million (EUR 123.0 million). EBIT was EUR -8.6 million (EUR -18.9 million), showing an improvement of EUR 10.3 million over the previous year. This increase was due to efficiency measures, price increases and the streamlining of the product range. The poor profitability of primary production weighed down fourth quarter profits. Atria Russia also invested heavily in marketing to increase future sales volumes.

During the review period, Atria Russia launched a programme in order to improve production efficiency at the Sinyavino and Gorelovo plants in St Petersburg. These measures are expected to generate annual cost savings of around EUR 2.0 million, which will be fully realised from the beginning of 2013. Meat products are now produced at the centralised Sinyavino and Gorelovo plants.

Atria Baltic's net sales for the year amounted to EUR 34.2 million (EUR 35.2 million). EBIT was EUR -1.5 million (EUR -2.2 million), which is EUR 0.7 million up year-on-year. The improvement in the review period is due to an increase in the sales of further-processed products. Olle Horm was appointed General Manager of Atria Baltic and a member of Atria Group's Management Team as of 15 August 2012.

Group key indicators, EUR

	2012	2011	2010
Net sales	**1,343.6**	1,301.9	1,300.9
EBIT	**30.2**	8.0	9.8
EBIT, %	**2.2**	0.6	0.8
Balance sheet total	**1,041.6**	1,067.5	1,111.6
Return on equity, %	**2.4**	-1.5	-1.0
Return on investments, %	**4.7**	1.7	1.9
Equity ratio, %	**41.5**	39.5	40.2
Net gearing, %	**84.3**	95.5	92.2

Earnings

Consolidated EBIT was EUR 30.2 million (EUR 8.0 million). This substantial increase was due to improved conditions in the meat market and higher sales prices. In addition, cost savings resulting from efficiency measures improved Atria's performance.

Events after the review period

The Nomination Committee proposed to the General Meeting that the remuneration of the members of the Board of Directors be kept at the same level as in 2012. The Nomination Committee further proposed to the General Meeting that three members be appointed to the Board of Directors to replace members who have served a full term (Komulainen and Romanainen) and a resigning member (Heikkilä). The Nomination Committee proposed that Maisa Romanainen, who is due to resign, be re-elected to the Board of Directors. The remaining two candidates will be confirmed and a notification thereof will be given at a later stage.

Atria Finland launched a programme to improve the profitability of convenience food production. Atria is investigating options to transfer the production of convenience food from Karkkila to other Atria Finland production sites. Employer-employee negotiations concerning the reorganisation plans have been launched. The programme is expected to generate annual cost savings of EUR 1 million. The negotiations affect a total of 32 people at the Karkkila production plant.

Research and development

Atria Group's research and development activities focus on researching consumer behaviour and market data in all of the Group's business areas. In addition, Atria participates in applied research in the areas of product and packaging technology and food science.

Atria Finland launched 130 new products in the consumer goods and Food Service markets in 2012. Among its most successful launches were the Family Farm chicken products. These new products account for 6 per cent of total sales in Finland.

Atria Scandinavia launched 136 new products across all product groups. Successful launches were made in the 3-Stjernet, Lönneberga and Pastejköket cold cut products. In Sweden and Denmark, new products accounted for some 2.4 per cent of total sales.

Atria Russia's product portfolio increased by 18 new products in 2012: 6 types of cold cuts, 5 types of frankfurters and 7 minced meat products. An entirely new product category – pre-cooked minced meat products – was introduced in Russia. Skinless frankfurters in resealable packages were last year's most significant launch. At present, all CampoMos and Pit-Product frankfurters are skinless and packaged in resealable packages. The new products accounted for approximately 5 per cent of total sales.

Atria Baltic launched 76 new products. Marinated meat products and grill sausages succeeded best. In Estonia, new products and redesigned packaging were special focus areas. New products accounted for 12.2 per cent of total sales.

Proportion of net sales spent on research and development in Atria Group in 2010–2012:

	2012	**2011**	**2010**
Research and development, EUR million	12.0	11.9	10.3
% of net sales	0.9	0.9	0.8

Financing and liquidity

The European debt crisis has kept inflation low and economic growth close to zero. During the past year, both long- and short-term interest rates continued to decrease. The uncertainty related to the solution of the debt crisis as well as the challenging economic situation were reflected in the financial markets, keeping the maturities of corporate loans shorter than they would normally be. The increasingly strict regulations of the financial sector and the anticipated solvency requirements have kept loan margins higher than what they were before the crisis.

Atria Plc took out a EUR 30 million bullet loan with a five-year maturity in February and a EUR 20 million pension fund loan with a ten-year maturity in December. The assets from the loans were used to amortise short-term pension fund loans. The new loans were taken out to keep the average life of the loan portfolio at the desired level. Short-term funding was acquired through commercial papers, as in previous years. The Group's liquidity remained good; to ensure liquidity at all times, Atria had an average of EUR 150 million of unused committed credit lines during the year.

Atria Finland Ltd signed agreements concerning the sale of trade receivables. These agreements decreased the company's trade receivables by a total of EUR 61.2 million at the end of the accounting period.

At the end of the accounting period (31 December 2012), fixed interest debts accounted for 49.8% (50.2%) of the Group's liabilities.

Risk management

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, which has been approved by the Board of Directors, and its harmonised operating models for risk assessment and reporting. Risk management is applied to identify, assess 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 annually. The Management Teams of the business areas and the Group Management Team are responsible for implementing the required risk management measures in their respective areas of responsibility.

The profitability of Atria's business is greatly affected by the global risk associated with changes in the availability and market price of meat raw material. The price risk in cereals is also connected to Atria's own primary production. Atria aims to protect itself against unfavourable fluctuations in production costs by adjusting production where necessary and by anticipating changes in the pricing of end products. The Group applies a uniform currency risk policy to hedge against currency risks relating to raw material procurement. The Group makes active use of currency derivatives, particularly in order to hedge foreign currency-denominated material purchases in Sweden against currency risks.

Products sold under the Atria brand in Finland are manufactured using only Finnish meat. Consequently, changes in the production volumes and availability of Finnish meat raw material may affect Atria Finland's profitability in the long run. Changes in meat consumption may have a similar impact on production volumes and the Group's business as a whole.

In Atria Russia's operations, changing restrictions and import duties on meat and other regulations are characteristic to the market. Atria Russia's production plant in Gorelovo in the St Petersburg region enables increased efficiency and the launch of new product groups in the Russian market. Atria Russia will continue implementing its projects to manage capacity in 2013.

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. The strength of Atria's market position and brands improve its negotiating position.

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.

The economic downturn increases the risk of weakening liquidity and credit losses among Atria's customers. As a result of more efficient credit control, no significant credit losses were incurred. A significant proportion of Atria's trade receivables in Finland are related to feed and animal trading in primary production. The profitability of agricultural production and producers' liquidity may be reduced by sharp changes in the price of inputs.

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.

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 in safety at work and the continuous improvement of work methods and tools.

Atria has 17 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.

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 unit, which consists of the CEO, CFO, Managing Director of Atria Scandinavia, Group Controller and Treasurer. The practical management of financial risks is the responsibility of the Group's Treasury unit. 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 in 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 89.

Changes in administration and operational organisation

The General Meeting decided that the composition of Atria Plc's Supervisory Board shall be as follows: Lassi-Antti Haarala, Henrik Holm, Mika Niku, Juho Tervonen and Tomi Toivonen, who were due to resign, were re-elected for the next three-year term, Jari Puutio was elected to replace Seppo Paavola, and Jussi Hantula was elected to replace Juha-Matti Alaranta.

In its constitutive meeting following the General Meeting, Atria Plc's Supervisory Board re-elected Ari Pirkola as its Chairman and elected Juho Anttikoski as its new Deputy Chairman.

The General Meeting decided that the Board of Directors will consist of seven members. Tuomo Heikkilä, Esa Kaarto and Harri Sivula, who were due to resign, were re-elected. After Martti Selin, Chairman of the Board since 2005, announced his unavailability, Seppo Paavola was elected as a new member to replace him on the Board. Kjell-Göran Paxal was also elected as a new member to the Board. Timo Komulainen and Maisa Romanainen shall continue as members.

In its constitutive meeting following the General Meeting, Atria Plc's Board of Directors elected Seppo Paavola as its new Chairman and Timo Komulainen as its Deputy Chairman.

Atria Plc's Board of Directors now has the following composition: Chairman of the Board: Seppo Paavola; Deputy Chairman: Timo Komulainen; members: Tuomo Heikkilä, Esa Kaarto, Kjell-Göran Paxal, Maisa Romanainen and Harri Sivula.

Olle Horm was appointed General Manager of Atria Baltic and a member of Atria Group's Management Team. He started in his post on 15 August 2012.

Atria Plc's Management Team consists of the following people:
- Juha Gröhn, CEO
- Juha Ruohola, Group 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
- Heikki Kyntäjä, CFO

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

Atria Plc's governance is described in more detail in "Corporate Governance Statement" on page 112.

Establishment of a Nomination Committee

The General Meeting resolved to set up a Nomination Committee comprising shareholders or shareholders' representatives to prepare proposals concerning the election and remuneration of members of the Board of Directors for the next Annual General Meeting. Shareholders or their representatives who own Series KII shares are selected for the Nomination Committee, as well as the largest holder of Series A shares who does not own Series KII shares, or a representative of such a shareholder. The Chairman of the Board of Directors will also be appointed on the Nomination Committee as an expert member.

Average number of personnel (FTE)

	2012	2011	2010
Atria Finland	**2,048**	2,113	2,089
Atria Scandinavia	**1,119**	1,153	1,205
Atria Russia	**1,384**	1,812	2,048
Atria Baltic	**347**	389	470
Atria Group total	**4,898**	5,467	5,812
Salaries and benefits for the period, Group total (EUR million)	**182.7**	181.8	180.9

Incentive plans for management and key personnel

Long-term incentive plan

At the beginning of 2012, the Board of Directors of Atria Plc decided to discontinue the share-based incentive plan, which, therefore, no longer applied in 2012. In February 2012, the Board of Directors decided to adopt a new long-term merit pay system for the Group's key personnel. The new plan has three 12-month periods: 2012, 2013 and 2014. The earning period for the plan ends on 31 December 2014. The compensation earned in an earning period is determined after the period is over based on progress against set targets. The plan offers an opportunity to earn cash rewards for reaching targets established for the relevant earning period. Any profit from the plan is based on the Group's earnings per share (EPS). Cash rewards payable under the plan throughout the course of its earning period, between 2012 and 2014, are capped at EUR 4.5 million. The new plan covers 40 of Atria Group's key personnel.

Short-term incentive plan

Atria Plc's Board of Directors has determined the management and key personnel's merit pay system for 2012. The maximum bonus payable to Atria Plc's CEO and Management Team is 35 to 50 per cent of annual salary, depending on the performance impact and requirement level of each individual's role. The criteria in Atria Plc's merit pay system 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, Deputy CEO and Management Team, Atria Plc's merit pay system covers approximately 40 Group executives.

Environmental responsibility

The well-being of the environment is essential to the operations of Atria and the food industry as a whole. Atria Group's environmental responsibility is built around three main elements:

- Taking the environment into consideration at all operational levels
- Identifying the indirect environmental impact of various stages of the operating chain
- Reducing the direct environmental impact of operations.

The key environmental aspects that Atria can influence through its operations are energy and water consumption, wastewater load and waste prevention. Transport and primary production have a significant indirect impact on the environment. We are well aware of the environmental impacts of primary production. Therefore, we encourage primary production operators to engage in eco-efficient operations and to commit to the conditions of the EU environmental subsidies. As regards transport, we monitor fuel consumption and the European emission standards for vehicles, which indicate the level of hazardous emissions released by the engine.

Environmental management at Atria is based on environmental legislation and the fulfilment of stakeholder expectations. 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. Environmental solutions are developed in collaboration with local environmental groups and through networking with the best experts in the area. In Finland, Atria has a representative on the Environmental Committee of the Finnish Food and Drink Industries' Federation.

Key results, environmental responsibility programme

Targets 2012	Results 2012	Targets 2013
Managing direct environmental impacts. Identifying and managing environmental impacts throughout the production chain.	Enhanced consumption of utilities in proportion to production.	Managing direct environmental impacts. Identifying environmental impacts throughout the production chain and promoting eco-efficiency.

Energy consumption

In the food industry, energy is needed to heat and cool premises, for production-related heating and cooling processes and to maintain material flows and the cold chain. Total energy consumption and consumption per kilo produced decreased by 6 per cent during the period under review.

Water consumption

The food industry uses large amounts of water, partly to uphold production hygiene. In addition to frequent washing of premises, water is also needed as a processing aid, for instance, in product cooling. The efficiency improvements at the Russian plants are indicated by the stabilisation of absolute water consumption in the period under review. The Group's total water consumption fell by 3 per cent.

Atria strives to minimise the environmental impact of groundwater consumption in cooperation with local utilities by increasing the use of surface water as needed and by levelling off consumption peaks using a variety of technical solutions.

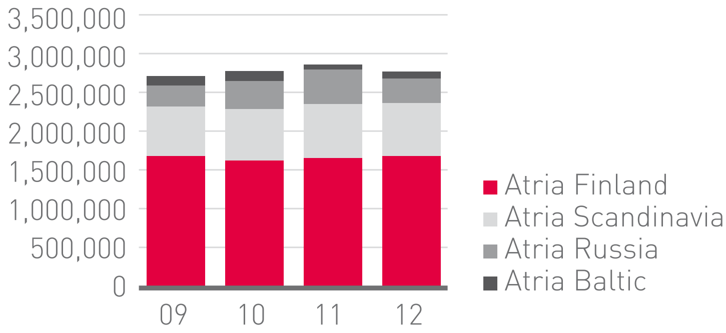
Wastewater

The volume of wastewater generated by Atria corresponds to its water consumption. At the larger production sites, Atria pre-treats its effluents before flushing them into the municipal sewage network. Plant-specific environmental permits determine the target values for wastewater quality. The plants monitor compliance with the target values carefully. The BOD7 load of Atria Finland's effluents decreased in the period under review thanks to the modernisation and increased efficiency of pre-treatment facilities. As Atria's Scandinavian and Estonian business areas do not measure BOD7 values, their load has been estimated in reporting on the basis of loads generated by similar facilities.

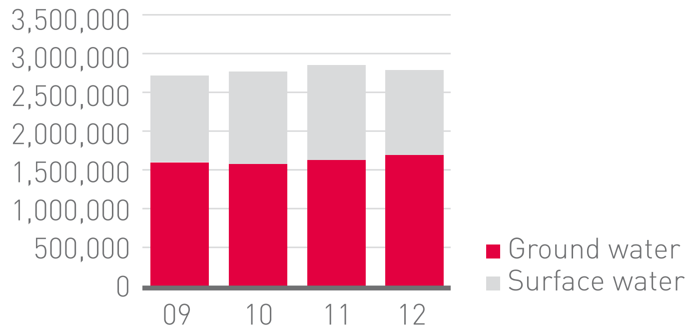
Greenhouse gas emissions

Greenhouse gas emissions arising from Atria's heat production (EN3) and calculated as carbon dioxide equivalents decreased during the period under review due to the harmonisation of calculation methods.

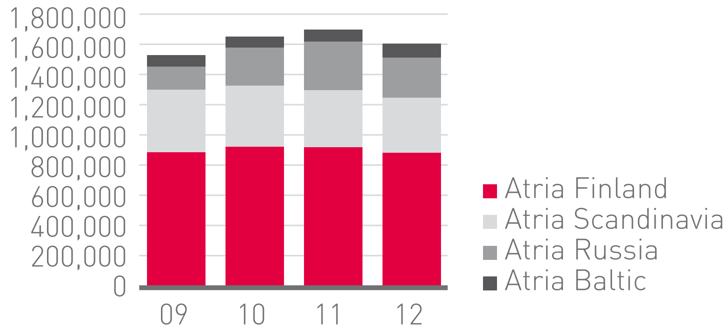
Water withdrawal, m^3



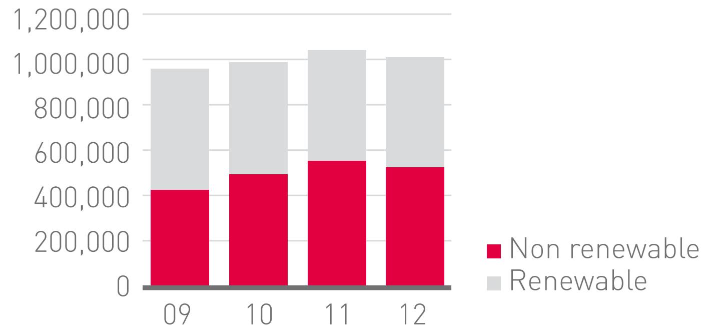
Total water withdrawal by main source, m^3



Total energy consumption, GJ



Indirect energy consumption by primary source, GJ



Food production waste and by-products

The by-products of food production are carefully utilised. A total of 98 per cent of the by-products that are useless for Atria's core business are reused. 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

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 operations 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 2013

The consolidated EBIT in 2012 was EUR 30.2 million. In 2013, it is expected to be higher still. Some growth in net sales is also expected for 2013.

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 the 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, authorisations to grant special rights and purchase of treasury shares

The General Meeting authorised the Board of Directors to decide on the acquisition of a maximum of 2,800,000 of the company's own A shares, in one or several tranches, 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 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 will be acquired irrespective of the proportion of the shareholders' current shareholdings in public trading arranged by NASDAQ OMX Helsinki Ltd, at the trading price at the moment of acquisition. The shares will be acquired and paid for in accordance with the rules of NASDAQ OMX Helsinki Ltd and Euroclear Finland Oy. The Board of Directors is authorised to decide on the acquisition of treasury shares in all other respects.

The authorisation supersedes the authorisation granted by the Annual General Meeting on 29 April 2011 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 2013, whichever is first.

The General Meeting authorised the Board of Directors to decide on an issue, in one or several tranches, of a maximum of 12,800,000 new A shares or on an issue of any A shares held by the company through a share issue and/or by granting option rights or other special rights entitling holders 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 or 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 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. Therefore, the authorisation also includes the right to issue shares in a proportion other than that of the shareholders' current shareholdings in the company under the conditions provided by law, the right to issue shares against payment or without charge and the right to decide on a share issue without payment to the company itself, subject to the provisions of the Limited Liabilities Companies Act on the maximum number of treasury shares.

The authorisation supersedes the share issue authorisation granted by the Annual General Meeting on 29 April 2011 to the Board of Directors, and is valid until the closing of the next Annual General Meeting or until 30 June 2013, whichever is first.

Board of Directors' proposal for profit distribution

The parent company's shareholders' equity on 31 December 2012 comprises the invested unrestricted equity fund of EUR 110,227,500.00, treasury share fund of EUR -1,277,443.82 and profits of EUR 94,996,404.86, of which profit for the period totals EUR 10,962,651.10.

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

• A dividend of EUR 0.22/share be paid, totalling	EUR 6,194,411.52
• To be retained as shareholders' equity	EUR 88,801,993.34
	EUR 94,996,404.86

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 2012

Number of shares	Shareholders		Shares	
	Number	%	1,000 shares	%
1–100	4,956	40.66	254	0.90
101–1,000	6,000	49.23	2,301	8.14
1,001–10,000	1,135	9.31	2,793	9.88
10,001–100,000	83	0.68	2,272	8.04
100,001–500,000	9	0.07	2,019	7.14
500,001–1,000,000	3	0.03	2,318	8.20
1,000,001–999,999,999,999	2	0.02	16,311	57.70
Total	12,188	100.00	28,268	100.00

Shareholders by business sector, 31 Dec 2012

Business sector	Shareholders		Shares	
	Number	%	1,000 shares	%
Companies	530	4.35	18,539	65.58
Financial and insurance institutions	43	0.35	1,009	3.57
Public corporations	14	0.12	1,532	5.42
Non-profit organisations	102	0.84	490	1.74
Households	11,472	94.13	5,943	21.02
Foreign owners	27	0.22	105	0.37
Total	12,188	100.00	27,621	97.70
Nominee-registered, total	10		649	2.30

INFORMATION ON SHAREHOLDERS

Major shareholders, 31 Dec 2012	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 Insurance Company Limited		800,858	800,858	2.83
Varma Mutual Pension Insurance Company		767,411	767,411	2.71
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Veritas Pension Insurance Company		416,000	416,000	1.47
Kuisla Reima		307,000	307,000	1.09
Sijoitusrahasto Taalerintehdas Arvo Markka Osake		180,000	180,000	0.64
Norvestia Oyj		152,672	152,672	0.54
Mutual Insurance Company Pension Fennia		126,289	126,289	0.45

Major shareholders by voting rights, 31 Dec 2012	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 Insurance Company Limited		800,858	800,858	0.72
Varma Mutual Pension Insurance Company		767,411	767,411	0.69
Veritas Pension Insurance Company		416,000	416,000	0.37
Kuisla Reima		307,000	307,000	0.28
Sijoitusrahasto Taalerintehdas Arvo Markka Osake		180,000	180,000	0.16
Norvestia Oyj		152,672	152,672	0.14
Mutual Insurance Company Pension Fennia		126,289	126,289	0.11

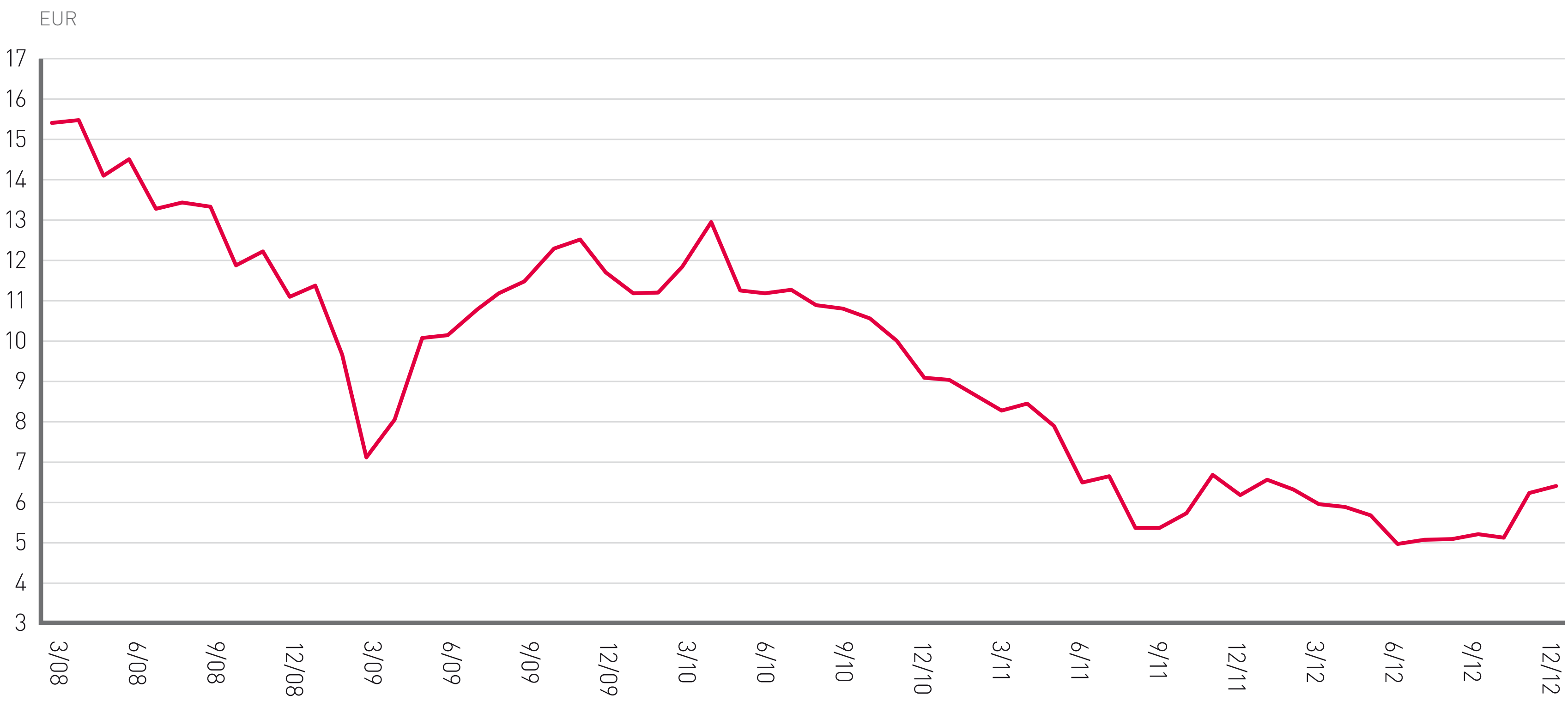
MANAGEMENT'S SHAREHOLDING

The members of the Board of Directors and Supervisory Board, and the CEO and deputy CEO owned a total of 61,771 Series A shares on 31 December 2012, representing 0.22% of shares and 0.06% of the voting rights conferred by them.

MONTHLY TRADING VOLUME OF A SERIES SHARES IN 2012

Month	Trading, EUR	Trading, no.	Monthly low	Monthly high
January	1,391,482	213,109	6.00	6.83
February	2,132,117	336,227	6.00	6.76
March	1,281,117	215,547	5.67	6.20
April	1,565,438	265,364	5.60	6.14
May	1,240,884	218,262	5.00	6.15
June	772,007	154,478	4.76	5.44
July	1,193,679	235,336	4.80	5.35
August	852,931	169,212	4.95	5.24
September	772,874	148,366	5.05	5.32
October	1,562,046	302,943	5.00	5.30
November	4,571,699	726,759	5.59	7.08
December	3,031,713	473,907	6.19	6.62
Total	20,367,986	3,459,510		

SERIES A SHARE PRICE HISTORY 2008–2012



FINANCIAL INDICATORS

EUR million		31 Dec 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009	31 Dec 2008
Net sales		1,343.6	1,301.9	1,300.9	1,316.0	1,356.9
EBIT		30.2	8.0	9.8	27.5	38.4
% of net sales		2.2	0.6	0.8	2.1	2.8
Financial income and expenses		-14.7	-14.1	-11.1	-12.4	-22.3
% of net sales		1.1	1.1	0.9	0.9	1.6
Profit before taxes		18.9	-4.7	0.3	16.5	16.7
% of net sales		1.4	-0.4	0.0	1.3	1.2
Return on equity (ROE), %		2.4	-1.5	-1.0	1.7	2.5
Return on investment (ROI), %		4.7	1.7	1.9	4.7	5.3
Equity ratio, %		41.5	39.5	40.2	39.7	38.4
Interest-bearing liabilities		370.5	409.4	429.9	425.8	448.4
Gearing, %		85.9	97.1	96.4	97.5	103.1
Net gearing, %		84.3	95.5	92.2	89.4	94.6
Gross investments in fixed assets		56.2	47.0	46.2	33.0	152.6
% of net sales		4.2	3.6	3.5	2.5	11.2
Average number of personnel		4,898	5,467	5,812	6,214	6,135
Research and development costs		12.0	11.9	10.3	9.4	9.9
% of net sales *		0.9	0.9	0.8	0.7	0.7
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 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009	31 Dec 2008
Earnings per share (EPS), EUR		0.35	-0.24	-0.18	0.25	0.42
Equity/share, EUR		15.15	14.81	15.68	15.39	15.34
Dividend/share, EUR *		0.22	0.20	0.25	0.25	0.20
Dividend/profit, %*		63.1	-84.5	-138.9	99.5	48.1
Effective dividend yield *		3.5	3.4	2.8	2.3	1.7
Price/earnings (P/E)		17.9	-25.1	-50.0	44.0	27.9
Market capitalisation		177.0	168.2	254.4	312.6	327.9
Share turnover/1,000 shares	A	3,460	5,094	9,702	7,389	4,077
Share turnover, %	A	18.1	26.7	50.9	38.8	21.4
Total number of shares, million		28.3	28.3	28.3	28.3	28.3
Number of shares	A	19.1	19.1	19.1	19.1	19.1
	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
Share issue-adjusted number of shares on 31 Dec		28.3	28.3	28.3	28.3	28.3
Share price development, EUR						
Lowest of the period	A	4.76	4.99	8.74	6.50	10.51
Highest of the period	A	7.08	9.15	13.48	13.00	18.29
At end of the period	A	6.26	5.95	9.00	11.06	11.60
Average price during the period	A	5.89	7.21	10.93	10.76	14.04

* Proposal of the Board of Directors

CALCULATION OF INDICATORS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CONSOLIDATED INCOME STATEMENT

EUR 1,000	Notes	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Net sales	1, 2	1,343,580	1,301,861
Costs of goods sold	7, 8	-1,172,519	-1,162,670
Gross margin		171,061	139,191
Sales and marketing expenses	3, 7, 8	-95,881	-90,464
Administrative expenses	4, 7, 8	-44,157	-42,422
Other operating income	5	3,811	8,424
Other operating expenses	6	-4,624	-6,765
EBIT	1	30,210	7,964
Financial income	9	14,631	13,843
Financial expenses	9	-29,329	-27,977
Net financial items		-14,698	-14,134
Income from joint ventures and associates	15	3,395	1,447
Profit/Loss before taxes		18,907	-4,723
Income taxes	10, 18	-8,842	-1,902
Profit for the year		10,065	-6,625
Profit attributable to			
Owners of the parent company		9,823	-6,664
Non-controlling interests		242	39
Total		10,065	-6,625
Earnings per share (basic), EUR	11	0.35	-0.24
Diluted earnings per share, EUR	11	0.35	-0.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1,000			
Income for the accounting period		10,065	-6,625
Other items of total comprehensive income after tax:			
Financial assets available for sale	9, 10, 16, 29	6	-9
Cash flow hedge	9, 10, 29	-1,222	-6,219
Actuarial losses from benefit-based pension obligations	10, 27	-408	-1,580
Translation differences	9	6,937	-2,864
Total comprehensive income for the year		15,378	-17,297
Comprehensive income attributable to:			
Owners of the parent company		15,063	-17,348
Non-controlling interests		315	51
Total		15,378	-17,297

The notes presented on pages 59 to 100 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets, EUR 1,000	Notes	31 Dec 2012	31 Dec 2011
Non-current assets			
Property, plant and equipment	1, 12	476,065	464,380
Biological assets	13	1,464	1,367
Goodwill	14	168,502	163,076
Other intangible assets	14	78,446	74,363
Investments in joint ventures and associates	15, 32	14,640	13,883
Other financial assets	16, 29	1,748	1,638
Trade receivables, loans and other receivables	17, 29	11,636	19,946
Deferred tax assets	10, 18	15,487	15,943
Total		767,988	754,596
Current assets			
Inventories	19	114,268	108,188
Biological assets	13	5,504	5,298
Trade and other receivables	20, 29	140,047	176,798
Current tax tax assets		4,758	11,601
Cash and cash equivalents	21, 29	6,556	6,618
Total		271,133	308,503
Non-current assets available for sale	22	2,507	4,422
Total assets	1	1,041,628	1,067,521

Equity and liabilities, EUR 1,000	Notes	31 Dec 2012	31 Dec 2011
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		-5,627	-4,406
Invested unrestricted equity fund		110,571	110,571
Translation differences		-10,333	-17,192
Retained earnings		148,316	144,528
Total	10, 11, 18, 23, 24, 29	428,207	418,781
Share of non-controlling interests		3,240	2,920
Total equity		431,447	421,701
Non-current liabilities			
Interest-bearing financial liabilities	25, 29	264,337	297,128
Deferred tax liabilities	10, 18	47,364	47,952
Other liabilities	26, 29	7,572	4,193
Pension obligations	27	8,132	7,252
Total		327,405	356,525
Current liabilities			
Interest-bearing financial liabilities	25, 29	106,142	112,248
Trade and other payables	28, 29	175,498	176,569
Current tax liabilities		1,136	478
Total		282,776	289,295
Total liabilities	1	610,181	645,820
Total equity and liabilities		1,041,628	1,067,521

The notes presented on pages 59 to 100 form 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 2011		48,055	138,502	-1,271	1,822	110,571	-14,314	159,811	443,176	2,867	446,043
Total comprehensive income for the year											
Profit for the year								-6,664	-6,664	39	-6,625
Other items of total comprehensive income											
Financial assets available for sale					-9				-9		-9
Cash flow hedge					-6,219				-6,219		-6,219
Actuarial losses from pension benefits	27							-1,580	-1,580		-1,580
Translation differences							-2,878		-2,878	14	-2,864
Transactions with owners											
Treasury shares	23			-6					-6		-6
Share incentive	24								0		0
Distribution of dividends	23							-7,039	-7,039		-7,039
Equity on 31 Dec 2011		48,055	138,502	-1,277	-4,406	110,571	-17,192	144,528	418,781	2,920	421,701
Total comprehensive income for the year											
Profit for the year								9,823	9,823	242	10,065
Other items of total comprehensive income											
Financial assets available for sale					6				6		6
Cash flow hedge					-1,222				-1,222		-1,222
Actuarial losses from pension benefits	27							-408	-408		-408
Translation differences					-5		6,864		6,859	78	6,937
Transactions with owners											
Treasury shares	23								0		0
Share incentive	24								0		0
Distribution of dividends	23							-5,632	-5,632		-5,632
Equity on 31 Dec 2012		48,055	138,502	-1,277	-5,627	110,571	-10,328	148,311	428,207	3,240	431,447

The notes presented on pages 59 to 100 form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Notes	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Cash flow from operating activities			
Sales income		1,387,809	1,318,347
Payments received from other operating revenue		2,078	6,661
Payments on operating expenses		-1,270,714	-1,263,994
Interest paid and payments on other operating financial expenses		-30,308	-26,171
Dividends received		82	44
Interest payments received and other financial income		14,548	13,799
Direct taxes paid		-3,888	1,607
Cash flow from operating activities		99,607	50,293
Cash flow from investments			
Investments in tangible and intangible assets		-50,382	-34,201
Sold subsidiary shares	34		1,985
Acquired subsidiary shares	33	-1,828	-6,052
Change in long-term loan receivables		850	-1,774
Change in other investments		1,415	-749
Cash flow from investments		-49,945	-40,791
Cash flow from financing			
Draw down of long-term loans		50,000	50,000
Repayment of long-term loans and change in short-term loans		-94,613	-64,188
Dividends paid	23	-5,632	-7,039
Cash flow from financing		-50,245	-21,227
Change in cash and cash equivalents		-583	-11,725
Cash and cash equivalents at the start of the accounting period	21	6,618	18,530
Effect of exchange rate changes		521	-187
Cash and cash equivalents at the end of the accounting period		6,556	6,618

The notes presented on pages 59 to 100 form 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 Itikanmäentie 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 has established Finland, Sweden, Denmark, European 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 20 February 2013. 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 AGM can also make a decision to revise the financial statements.

Accounting policies

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the EU. IASs and IFRSs valid on 31 December 2012 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 on acquisition cost basis with the exception of 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 financial statement data is presented in units of 1,000 euros, with sums rounded off to the nearest thousand.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

a) New and amended standards to be applied by the financial period beginning on 1 January 2012
No such IFRS standards or IFRIC interpretations became effective in this financial period which significantly affect the consolidated financial statements.

b) New standards and interpretations that have been released but will not become effective until after 1 January 2012.

- Amendment to IAS 1 Presentation of Financial Statements, concerning the presentation of other comprehensive income items (effective for annual periods beginning on or after 1 July 2012). The main change is the requirement to group items presented in other comprehensive income according to whether or not they will be reclassified to profit or loss in the future when specific conditions are met. This amendment will affect the presentation of the Group's items of other comprehensive income.
- Amendment to IAS 19 Employee Benefits (effective for annual periods beginning on or after 1 January 2013). These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. In future, all actuarial gains and losses must be recognised in other comprehensive income as they occur. The amendment will have no material impact on Atria's consolidated financial statements.
- Amendment to IFRS 7 Financial Instruments: Disclosures, related to the offsetting of assets and liabilities (effective for annual periods beginning on or after 1 January 2013). The new disclosure requirements are designed to improve comparability between financial statements prepared under IFRS and US GAAP. The amendment will have no material impact on Atria's consolidated financial statements.
- Annual improvements 2011 (effective for annual periods beginning on or after 1 January 2013). The improvements issued as a result of the 2009–2011 cycle will lead to changes in the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IAS 1 Presentation of Financial Statements, IAS 16 Property, Plant and Equipment, IAS 32 Financial Instruments: Presentation and IAS 34 Interim Financial Reporting. These amendments have not yet been endorsed by the EU. The amendments will have no material impact on Atria's consolidated financial statements.
- IFRS 13 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013). The objective of the standard is to increase consistency and simplify complex procedures. The standard provides a precise definition of fair value and sets out the requirements for fair value measurement and disclosures which apply to all IFRS standards. The requirements under IFRS and US GAAP are now largely the same. The use of fair value is not extended; instead guidelines are set out regarding its measurement in situations where it is permitted or required by other IFRSs or US GAAP standards. The new standard will extend the disclosures provided by the Group with respect to non-financial assets measured at fair value.
- IFRS 10 Consolidated Financial Statements (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 sets out how to apply 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 will have no material impact on Atria's consolidated financial statements.
- IFRS 11 Joint Arrangements (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 and not on 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.

Relative consolidation of joint ventures is no longer permissible. The standard will have no material impact on Atria's consolidated financial statements.

- IFRS 12 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014). IFRS 12 sets out the disclosure requirements for all forms of interests in other entities. It applies to joint arrangements, associates, investment vehicles created for specific purposes and other off-balance-sheet vehicles. The standard will have no material impact on Atria's consolidated financial statements.
- Amendment to IFRS 10, 11 and 12 regarding transition guidance (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 one financial period. In addition, comparative information on unconsolidated structured entities does not need to be presented for periods before IFRS 12 is first applied.
- IAS 27 (revised in 2011) Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014). The revised standard sets out the requirements for separate financial statements. The standard will have no material impact on Atria's consolidated financial statements.
- IAS 28 (revised in 2011) Investments in Associates and Joint Ventures (effective from 1 January 2014). The revised standard contains requirements regarding the accounting for investments in associates and joint ventures. Following the release of IFRS 11, the equity method will be applied to both types of investments. The standard will have no material impact on Atria's consolidated financial statements.
- Amendment to IAS 32 Financial Instruments: Presentation, concerning the offsetting of assets and liabilities. The amendments are related to the application guidelines for IAS 32. They clarify specific requirements related to the offsetting of financial assets and liabilities on the balance sheet. The standard will have no material impact on Atria's consolidated financial statements.
- IFRS 9 Financial Instruments (effective date still unknown). This is the first part of a more extensive project to replace IAS 39 with a new standard. Different valuation bases are maintained, but they are simplified by imposing two valuation categories for financial assets: amortised cost and fair value. The classification depends on the entity's business model and the characteristics of the cash flows of the financial asset. The guidelines in IAS 39 regarding the impairment of financial assets and hedge accounting remain effective. The standard has not been given EU approval yet. The impact of this unfinished standard on Atria's consolidated financial statements cannot be estimated at this point.

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

When preparing the financial statements, 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. In addition, discretion must be used in applying the accounting policies.

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 and in the recognition of deferred tax assets and reserves.

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 tested 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. At the end of the accounting period, the value of the intangible assets to be tested annually was EUR 240.9 million. The recoverable amounts of cash-generating units are measured on the basis of value-in-use calculations. The cash flows estimated in these calculations are based on the five-year financial plans approved by the management (Note 14).

No impairment losses were booked based on impairment testing in the period under review. Additional information on the recoverable amount susceptibility to changes in the assumptions used can be found in Note 14.

Accounting policies for the consolidated financial statements

Subsidiaries
The consolidated financial statements include the parent company Atria Plc and all of its subsidiaries. Subsidiaries are companies over which the Group has control. The Group is in control when it owns over half of the voting rights or otherwise has control over the company. Control refers to the right to decide on the company's financial and operating principles in order to reap benefit from its operations. The acquired subsidiaries are consolidated from the moment the Group gains control in them until said control ends.

Business combinations are accounted for using the acquisition method. Paid consideration and the identifiable net assets and accepted liabilities of the acquired business are valued at fair value at the time of the acquisition. Paid consideration includes the fair value of an asset or liability arising from a contingent consideration arrangement. Acquisition costs are entered as expenses as they arise. The net assets, accepted and contingent liabilities acquired in business combinations are valued at fair value at the time of the acquisition. The interest of non-controlling owners in the acquisition target is recognised on acquisition basis either at fair value or based on their relative share of the amounts of identifiable net assets of the acquisition target.

The amount by which the sum total of paid consideration, non-controlling owners' share in the acquisition target and the fair value of the previously held interest exceeds the Group's share of the fair value of the acquired net assets, is recognised as goodwill in the balance sheet. If the sum total of the consideration, non-controlling owners' share and previously held interest is less than the fair value of the acquired net assets of the subsidiary, the difference is recognised through profit or loss.

All intra-Group transactions, receivables and liabilities and income and expenses are eliminated. Profits and losses due to intra-Group transactions leading to the recognition of an asset are also eliminated. The accounting policies applied by subsidiaries have been, where necessary, revised to match the Group policies.

The transactions conducted with non-controlling shareholders 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 or large influence 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 profit or loss. This fair value serves as the original 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 assigned the associated assets and liabilities. This may mean that amounts previously entered as other comprehensive income become accounted for through profit or loss.

Associates

Associates are companies in which the Group has considerable influence but no control. This is usually the case when the Group holds shares which entitle it to 20–50 per cent of the voting rights. The investments in associates are accounted for using the equity method. When using the equity method, the investment is originally entered at acquisition cost and this amount is augmented or reduced by entering the investing company's share of the subsequent profits or losses of the investment object after the time of acquisition.

If the interest in an associate diminishes but a large influence remains, only a relative share of the amounts previously recognised in other comprehensive income is accounted for through 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 is as great as or greater than its interest in the associate, any other unsecured receivables included, the Group will not adjust the loss up if it does not have a legal or factual obligation to do so and it has not made payments on behalf of the associate.

Joint ventures

Joint ventures are companies in which the Group and other parties exercise joint control based on an agreement. Within the Group, joint ventures are consolidated using the equity method.

Foreign currency translation

The functional and presentation currency of the parent company is the euro. The consolidated financial statements are presented in thousands of euros.

Foreign currency business transactions have been translated into euros at the exchange rate on the date of transaction. Foreign currency receivables and liabilities have been translated into euros at the exchange rate on the closing date. Exchange gains and losses arising from foreign currency transactions as well as receivables and liabilities have been recognised in the income statement, excluding those exchange rate changes of derivative financial instruments that are qualifying cash flow hedges or are used to effectively protect foreign net investments and loans that are part of a net investment in a foreign operation. These translation differences have been recognised in other comprehensive income. Exchange gains and losses from operations are included in the appropriate item before operating profit. Exchange gains and losses from forward exchange agreements protecting financial transactions and foreign currency-denominated loans are included in financial income and expenses.

The profit and financial position of 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 in the reporting period, and the balance sheets at the rate on the closing date. The exchange difference arising from the use of different translation rates is recognised 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. When a foreign operation is partially disposed of or sold, exchange rate differences recognised in equity are recognised through profit or loss as a sales gain or loss.

Property, plant and equipment

Property, plant and equipment are recognised at original acquisition cost, less accumulated depreciation and any impairment.

If the property, plant or equipment consists of several parts with different useful lives, each part is treated as a separate asset. In this case, the costs arising from replacing the part are activated. Otherwise, later costs are included in the book value of the property, plant and equipment 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. Other repair and maintenance costs are recognised through profit or loss after they have materialised.

Depreciation is calculated as straight-line depreciation according to the estimated useful life 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. Assets that are not suited for recognition in property, plant and equipment accounts: Land and water, Buildings and structure, Machinery and equipment 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 or less than the recoverable amount.

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

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

Leases – Group as lessor:
Leases concerning tangible assets where the Group has a considerable 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 current 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 handled as other leases. Rental payments due to other leases are recognised as expenses in the income statement, based on the straight-line method during the lease period.

Intangible assets

Goodwill:
Goodwill is the amount by which the acquisition cost exceeds the Group's share of the fair value of the acquired subsidiary's identifiable net assets at the time of acquisition. Goodwill arising from the acquisition of subsidiaries is recognised in intangible assets. Goodwill is tested annually for impairment and entered in the balance sheet at acquisition cost less accrued impairment losses. An impairment loss recognised for goodwill is not reversed.

Goodwill is tested annually for impairment. For this purpose, goodwill is 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. Goodwill is measured at original acquisition cost less impairment.

Other intangible assets:

Intangible assets are entered in the balance sheet at original acquisition cost if the acquisition cost of the asset can be reliably determined and if it is probable that the expected financial benefit from the asset will benefit the company.

Intangible assets with a limited useful life are recognised as expenses based on straight-line depreciation in the income statement during their known or estimated useful life. No depreciation is booked for intangible assets with indefinite useful lives, but they are instead tested annually for impairment.

Depreciation periods:

• 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 they show indications of impairment. If there are such indications, the recoverable amount from the said asset is estimated. The recoverable amount of cash from goodwill and intangible assets with indefinite useful lives is assessed annually and whenever indications of impairment are detected. The recoverable amount is the fair value of the asset less costs to sell or, if higher, the asset's value in use. If the recoverable amount cannot be assessed per item, the impairment need is observed on the level of cash-flow 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 original cost or probable net realisable value. The acquisition cost is determined using the FIFO method. The acquisition 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 consist of live animals and growing crops. Biological assets are valued at fair value, less estimated sales-related expenses. Productive animals are included in tangible assets and other biological assets are included in inventories.

Agricultural products harvested of the biological assets at harvest time are valued at fair value, less estimated sales-related expenses. Valuation after harvest is conducted in accordance with inventory valuation principles.

The fair value of productive biological assets is based on acquisition price less a cost corresponding to the reduction of value in use due to the aging of the animals. There is no available market price for productive animals. The fair value of consumable biological assets (slaughter animals) equals their market price, which is based on the company's slaughter animal procurement / sales in the local market. The fair value of consumable biological assets (growing crops) is based on production costs.

Financial assets

Classification

The Group's financial assets are divided into the following groups:

- Financial assets recognised at fair value through profit or loss
- Loans and other receivables
- Financial assets available for sale

The classification is made on the basis of the purpose of the acquisition, and the assets are classified in connection with the original acquisition.

Financial assets recognised at fair value through profit or loss:

A financial asset belongs to this category if it has been acquired for trading purposes or if it has been initially recognised at fair value through profit or loss. 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.

Loans and other receivables:
Loans and other receivables are non-derivative financial assets which involve payments that are fixed or determinable and which are not listed on active markets. They are included in current assets, except when they fall due within more than 12 months of the end date of the reporting period. These assets are classified as non-current assets. The trade and other receivables as well as cash and cash equivalents in financial assets are also included in the Group's loans and other receivables.

Financial assets available for sale:
Financial assets available for sale are non-derivative assets that have been prescribed to this group or that have not been prescribed to any other group. 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.

Recognition and measurement
Regular purchases and sales of financial assets are recognised on the basis of the trading 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. Financial assets are derecognised when the rights to receive cash flows from investments have expired or have been transferred to another party and the Group has transferred substantially all risks and rewards of ownership.

Investments in financial assets not recognised at fair value through profit or loss are initially recognised at fair value plus all transaction costs that are directly attributable to the acquisition or issue. Financial assets recognised at fair value through profit or loss are initially recognised at fair value, and all transaction costs are expensed in the income statement. Financial assets recognised at fair value through profit or loss and available-for-sale financial assets are subsequently measured at fair value. Loans and other receivables are measured at amortised cost using the effective interest method.

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. Exchange differences and changes in the fair value of assets classified as available for sale are recognised in other comprehensive income and are presented in the fair value fund, taking into consideration the tax effect.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are transferred to 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. The fair values of quoted investments are based on current bid prices. 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. Whether there is objective proof of impairment of a financial asset or financial asset category is estimated on each closing date. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its acquisition cost is considered as an indicator that the securities are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised through profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments will not be reversed through the income statement.

Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The derivatives hedge accounting is applied to are defined as either:

- hedges of interest rate, currency or electricity price risks associated with a recognised asset or liability or a highly probable anticipated 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.

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. 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 recycled in the income statement in the periods when the hedged item affects profit or loss (for example, when the anticipated purchase that is hedged takes place). However, when the anticipated 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 anticipated transaction occurs. When a anticipated 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 item.

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 item of the income statement.

Trade receivables

Trade receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method and taking impairment into account. Provisions for impairment for trade receivables are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

If the impairment loss decreases in a later accounting period, and the reduction can be objectively linked to a transaction that has taken place after the recognition of the impairment loss, the recognised loss is reversed through profit or loss.

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. This condition is regarded as met only when the 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 are initially recognised at fair value. They are later measured at amortised cost using the effective interest rate method. Financial liabilities are included in current and non-current liabilities.

A one-off credit fee related to committed credit facilities is spread over the duration of the agreement. The credit limit fees related to such facilities are recognised as a cost based on the passing of time.

Provisions

A provision is entered when the Group has, due to a past event, a judicial or factual obligation, and the obligation is likely to materialise and the sum of the obligation can be reliably estimated. Provisions are valued at the current 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 include profits from the sale of products and services, as well as raw materials and equipment, adjusted by indirect taxes and discounts.

Goods and services:

Revenue from the sale of articles is recognised when the risks and rewards of owning the article have been transferred to the buyer. Revenue from services is recognised when the service has been completed.

Rental income:

Rental income is recognised on a straight-line basis over the lease period.

Interest and dividends:

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:

Pension arrangements are classified as either defined benefit or defined contribution 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 programme has three 12-month periods (2012, 2013 and 2014) and the full earning period ends on 31 December 2014. 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.

Share-based payments:

In February 2012, the Atria plc Board of Directors decided to end the share-based incentive programme for Atria Group's key persons. The system was no longer in use in 2012. The incentive programme was launched in 2007. Incentives based on the share incentive plan were paid partly in the form of Series A shares and partly in cash. The cash payments covered any taxes or similar costs associated with the incentives. More information on share-based payments is provided in Note 24.

Research and development expenses

Research expenditure is recognised as an expense in the balance sheet. Development expenditure related to individual projects is activated in the balance sheet when there is enough certainty that the asset in question can be technically implemented and will probably generate a future financial benefit. Activated development expenditure is recognised as project-specific expenses over the useful life of the asset. The asset is amortised from the time it is ready for use. The Group has no activated 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. In the period under review, production subsidies for agricultural operations in Russia have been recognised as government grants. The nature of the grants varies from one country to the next and the grants are only paid after all the terms and conditions of the grant have been met, so the company does not have a repayment obligation regarding grants received. No significant change is anticipated regarding the amount of grants.

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 tax expense in the income statement consists of current tax, tax adjustments from previous financial years, and 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. Current tax is calculated from taxable profit based on the valid tax rate of each country. The tax is adjusted by possible taxes related to previous periods.

Deferred taxes are calculated from all temporary differences between the book value and 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 and no deferred tax is booked for the subsidiaries' undistributed profits if the difference is not likely to dissolve in the foreseeable future.

Deferred tax is calculated 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.

1. SEGMENT INFORMATION

The Group's operating segments are based on the Group's internal organisational structure and internal financial reporting, which the Group's Board of Directors uses in strategic and operative decision-making. The Group's Board of Directors assesses the performance of the operating segments based on net sales, EBIT and return on capital employed for the year. The Group has four recognisable geographical segments that 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 administration costs. A segment's assets and liabilities are items that can be directly attributed or reasonably allocated to the segment. Best-In Oy, which was acquired during the accounting period, is included in the Atria Finland business segment. The transactions between the segments take place at market price.

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

Accounting period that ended on 31 Dec 2012

Operating segments	Finland	Scandinavia	Russia	Baltic	Unallocated	Eliminations	Group
Net sales							
External	804,523	378,768	126,256	34,033			1,343,580
Internal	14,981	9,026		144		-24,151	0
Total net sales	819,504	387,794	126,256	34,177			1,343,580
EBIT	36,511	8,187	-8,586	-1,489	-4,413		30,210
Financial income and expenses							-14,698
Income from joint ventures and associates							3,395
Income taxes							-8,842
Profit for the period							10,065
Assets	447,106	399,087	172,735	43,879		-21,179	1,041,628
Liabilities	177,095	282,524	159,254	12,487		-21,179	610,181
Investments	38,633	11,989	5,091	521			56,234
Depreciation	24,756	11,916	10,328	2,628			49,628
Impairment			31	116			147

Accounting period that ended on 31 Dec 2011

Operating segments	Finland	Scandinavia	Russia	Baltic	Unallocated	Eliminations	Group
Net sales							
External	777,956	365,820	122,961	35,124			1,301,861
Internal	15,724	9,068		84		-24,876	0
Total net sales	793,680	374,888	122,961	35,208			1,301,861
EBIT	19,299	13,826	-18,939	-2,150	-4,072		7,964
Financial income and expenses							-14,134
Income from joint ventures and associates							1,447
Income taxes							-1,902
Profit for the period							-6,625
Assets	480,265	382,639	180,391	44,980		-20,754	1,067,521
Liabilities	235,774	265,920	152,993	11,887		-20,754	645,820
Investments	28,676	10,456	6,867	959			46,958
Depreciation	25,558	11,448	10,110	2,806			49,922
Impairment			33	36			69
Impairment of non-current assets available for sale	1,800						1,800

2. NET SALES, EUR 1,000

	2012	2011
Sale of goods	1 333 396	1 287 262
Sale of services	1 781	5 650
Other sales	8 403	8 949
Total	1 343 580	1 301 861

3. RESEARCH AND DEVELOPMENT COSTS, EUR 1,000

R&D costs recognised as expenditure	12 021	11 890

4. FEES PAID TO AUDITORS, EUR 1,000

Auditing fees	486	508
Reports and statements	51	14
Tax consulting	6	25
Other remunerations	14	27
Total	557	574

5. OTHER OPERATING INCOME, EUR 1,000

Sales income from fixed assets *)	1 733	1 763
Contributions received	82	399
Other **)	1 996	6 262
Total	3 811	8 424

*) 2012 includes, for example, a non-recurring profit from the sale of a Moscow factory
**) including, for example, rental income and in 2011 also sales income from by-products

6. OTHER OPERATING EXPENSES, EUR 1,000

Sales loss from fixed assets		2 876
Impairment of fixed assets	147	1 869
Depreciation on intangible assets	941	1 013
Other *)	3 536	1 007
Total	4 624	6 765

*) Includes, among other things, credit losses; non-recurring costs related to a Moscow factory in 2012 and costs related to the sale of by-products in 2011.

7. PERSONNEL EXPENSES, EUR 1,000

Expenses from employee benefits:		
Salaries	182 749	181 770
Pension costs - contribution plans	27 404	28 594
Pension costs - benefit-based plans	187	159
Other personnel-related expenses	23 339	21 619
Total	233 679	232 142

Information on management employee benefits is presented in Note 32. Information on share incentives is presented in Note 24.

Expenses from employee benefits by function:		
Costs of goods sold	177 632	178 547
Sales and marketing expenses	33 554	31 059
Administrative expenses	22 493	22 536
Total	233 679	232 142

	2012	2011
Group personnel on average by business area (FTE):		
Finland	2,048	2,113
Scandinavia	1,119	1,153
Russia	1,384	1,812
Baltic	347	389
Total	4,898	5,467

8. DEPRECIATION AND IMPAIRMENT, EUR 1,000

Depreciation and impairment by function:		
Costs of goods sold	44,334	44,348
Sales and marketing expenses	1,813	1,830
Administrative expenses	2,508	2,731
Other operating expenses	1,120	1,082
Total	49,775	49,991

9. FINANCIAL INCOME AND EXPENSES, EUR 1,000

Financial income:		
Interest income from loan assets	3,604	3,152
Exchange rate gains from financial liabilities and loan receivables measured at amortised cost	6,414	7,577
Dividends received from financial assets for sale	83	44
Other financial income	83	6
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments – not in hedge accounting	4,447	3,064
Total	14,631	13,843
Financial expenses:		
Interest expenses from financial liabilities valued at amortised cost	-16,683	-14,587
Exchange rate losses from financial liabilities and loan receivables measured at amortised cost	-1,008	-6,428
Other financial expenses	-1,896	-1,545
Changes in the value of financial assets recognised at fair value through profit or loss		
- Derivative financial instruments – not in hedge accounting	-9,742	-5,417
Total	-29,329	-27,977
Total financial income and expenses	-14,698	-14,134
Items related to financial instruments and recognised in other items of total comprehensive income before taxes:		
Cash flow hedge	-1,624	-8,228
Financial assets available for sale	8	-14
Translation differences	6,937	-2,864
Total	5,321	-11,106

10. INCOME TAXES, EUR 1,000

	2012	2011
Taxes in the income statement:		
Tax based on the taxable profit for the period	9,118	4,758
Retained taxes	391	-55
Deferred tax	-667	-2,801
Total	8,842	1,902
Balancing of income statement taxes to profit before taxes		
Profit before taxes	18,907	-4,723
Taxes calculated with the parent company's 24.5% tax rate (2011: 26 %)	4,632	-1,228
Effect of foreign subsidiaries' deviating tax rates	2,031	2,679
Retained taxes	443	-574
Effect of income from joint ventures/associates	-832	-376
Effect of tax-free income	-106	-538
Effect of costs that are non-deductible in taxation	1,977	1,800
Unrecognised deferred tax assets	2,120	1,356
Utilisation of previously unrecognised tax losses		-117
Changes in tax rate	-1,621	-1,246
Other changes	198	146
Total	8,842	1,902

Taxes recognised in other items of total comprehensive income	Before tax	Tax effects	After tax
2012:			
Cash flow hedge	-1,619	397	-1,222
Financial assets available for sale	8	-2	6
Actuarial losses from pension obligations	-415	7	-408
Translation differences	6,937		6,937
Total	4,911	402	5,313
2011:			
Cash flow hedge	-8,228	2,009	-6,219
Financial assets available for sale	-14	5	-9
Actuarial losses from pension obligations	-2,075	495	-1,580
Translation differences	-2,864		-2,864
Total	-13,181	2,509	-10,672

11. EARNINGS PER SHARE, EUR 1,000

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

Profit for the period attributable to the owners of the parent company	9,823	-6,664
Weighted average of shares for the period (1,000)	28,156	28,157
Basic earnings per share	0.35	-0.24

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 2012	12,499	463,964	544,151	3,075	28,284	1,051,973
Business combinations			1,433			1,433
Increases	8	27,288	28,995	2,032	28,493	86,816
Decreases		-2,205	-6,180	-56	-33,033	-41,474
Exchange differences	329	4,905	6,977	24	40	12,275
Acquisition cost, 31 Dec 2012	12,836	493,952	575,376	5,075	23,784	1,111,023
Accumulated depreciation and impairment, 1 Jan 2012		-192,002	-394,065	-1,515	-11	-587,593
Business combinations			-658			-658
Decreases		1,840	5,047	56		6,943
Depreciation		-12,559	-34,448	-374		-47,381
Impairment		-2	-145			-147
Exchange differences		-1,483	-4,630	-9		-6,122
Accumulated depreciation and impairment, 31 Dec 2012		-204,206	-428,899	-1,842	-11	-634,958
Book value, 1 Jan 2012	12,499	271,962	150,086	1,560	28,273	464,380
Book value, 31 Dec 2012	12,836	289,746	146,477	3,233	23,773	476,065

	Land and water	Buildings and structures	Machinery and equipment	Other tangible assets	Acquisitions in progress	Total
Acquisition cost, 1 Jan 2011	12,981	464,275	537,911	2,849	16,109	1,034,125
Business combinations	63	1,571	1,010	9	1,324	3,977
Increases	1	5,804	29,052	257	25,790	60,904
Decreases	-438	-5,959	-23,438	-29	-14,832	-44,696
Exchange differences	-108	-1,727	-384	-11	-107	-2,337
Acquisition cost, 31 Dec 2011	12,499	463,964	544,151	3,075	28,284	1,051,973
Accumulated depreciation and impairment, 1 Jan 2011		-182,844	-379,871	-1,311	0	-564,026
Business combinations		-254	-345	-5		-604
Decreases		3,947	20,333	29		24,309
Depreciation		-12,977	-34,229	-236		-47,442
Impairment		-12	-46		-11	-69
Exchange differences		138	93	8		239
Accumulated depreciation and impairment, 31 Dec 2011		-192,002	-394,065	-1,515	-11	-587,593
Book value, 1 Jan 2011	12,981	281,431	158,040	1,538	16,109	470,099
Book value, 31 Dec 2011	12,499	271,962	150,086	1,560	28,273	464,380

Assets acquired with financial leasing contracts are included in machinery and equipment. The acquisition cost recognised on the basis of the financial leasing contracts was EUR 5.8 million (EUR 6.3 million) and accumulated depreciation was EUR 4.1 million (EUR 3.4 million). Book value of assets was EUR 1.7 million (EUR 2.9 million).

The value of property, plant and equipment includes borrowing costs of EUR 0.3 million (EUR 0.03 million).
During the 2012 accounting period, the Group did not receive government grants for the acquisition of fixed assets (EUR 0.2 million).

The tangible assets used as loan collateral amount to EUR 11.7 million (EUR 12.0 million).

13. BIOLOGICAL ASSETS, EUR 1,000

	2012	2011
Biological assets:		
Productive	1,464	1,367
Consumable	5,504	5,298
At end of the period	6,968	6,665
Amounts of biological assets at the end of the period:		
Boars/number	52	52
Sows, gilts/number	8,024	7,310
Pigs for fattening/number	55,921	48,986
Chicken eggs, chicken chicks / number	2,368,446	2,232,914
Growing crops/hectares	1,414	2,000
Production of agricultural products during the period:		
Pork/1,000 kg	7,412	9,607
Beef/1,000 kg		15
Chicken chicks/1,000 pcs	22,582	20,774
Milk/1,000 kg		1,303
Cereal/1,000 kg	4,845	5,641

Agricultural production is practised in order to control raw material risks in the meat product business. Any increase in the cost of agricultural production is, if possible, passed on in the production chain to the meat product business and meat product sale prices.

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

Intangible assets	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost, 1 Jan 2012	183,321	73,820	2,347	21,175	280,663
Business combinations	1,080	2,500		1	3,581
Increases				1,959	1,959
Decreases			-1,268	-92	-1,360
Exchange differences	2,873	2,239		116	5,228
Acquisition cost, 31 Dec 2012	187,274	78,559	1,079	23,159	290,071
Accumulated depreciation and impairment, 1 Jan 2012	-20,245	-4,883	-1,695	-16,401	-43,224
Business combinations					0
Depreciation on decreases			1,268	40	1,308
Depreciation		-410	-290	-1,547	-2,247
Impairment					0
Exchange differences	1,473	-334		-99	1,040
Accumulated depreciation, 31 Dec 2012	-18,772	-5,627	-717	-18,007	-43,123
Book value, 1 Jan 2012	163,076	68,937	652	4,774	237,439
Book value, 31 Dec 2012	168,502	72,932	362	5,152	246,948

Intangible assets	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Acquisition cost, 1 Jan 2011	193,487	74,143	2,347	20,052	290,029
Business combinations				72	72
Increases				1,105	1,105
Decreases	-10,386	-570		-28	-10,984
Exchange differences	220	247		-26	441
Acquisition cost, 31 Dec 2011	183,321	73,820	2,347	21,175	280,663
Accumulated depreciation and impairment, 1 Jan 2011	-30,564	-5,014	-1,325	-14,676	-51,579
Business combinations				-3	-3
Depreciation on decreases	10,386	522		7	10,915

Intangible assets	Goodwill	Trademarks	Customer relationships	Other intangible assets	Total
Depreciation		-364	-370	-1,746	-2,480
Impairment					0
Exchange differences	-67	-27		17	-77
Accumulated depreciation, 31 Dec 2011	-20,245	-4,883	-1,695	-16,401	-43,224
Book value, 1 Jan 2011	162,923	69,129	1,022	5,376	238,450
Book value, 31 Dec 2011	163,076	68,937	652	4,774	237,439

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

	Goodwill		Trademarks	
	2012	2011	2012	2011
Atria Finland	4,801	3,721	2,500	
Atria Scandinavia	154,640	150,294	60,488	58,788
Atria Russia			5,311	5,128
Atria Estonia	9,061	9,061	4,148	4,148
Total	168,502	163,076	72,447	68,064

The acquisition of Best-In Oy during the 2012 accounting period increased goodwill and trademark value at Atria Finland.

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, are defined before taxes and extend over a five-year period. Cash flows after the five-year forecast 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 2012	Atria Finland	Atria Scandinavia	Atria Russia brand	Atria Estonia
Long-term net sales growth rate	1.0 %	1.0 %	4.5 %	1.0 %
Discount rate defined before taxes	3.9 %	4.3 %	10.4 %	4.6 %

Key assumptions for 2011	Atria Finland	Atria Scandinavia	Atria Russia brand	Atria Estonia
Long-term net sales growth rate	1.0 %	1.0 %	4.5 %	1.0 %
Discount rate defined before taxes	5.3 %	4.8 %	12.4 %	6.8 %

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 and Scandinavia. EBIT margins are expected to be close to the Group's targeted level of 5%. The improving long-term profitability of the Baltic region is based on the assumptions that the ongoing improvement measures, the more profitable use of meat raw material and the improvement of the general market situation will make the company profitable in the next few years.

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 generate 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 70% below the assumption. In Finland, the EBIT percentage should be approximately 80% below the assumption before the need for impairment arises.

Discount rates could produce impairment losses (all cash flow forecasts being equal) if they increased by 4.8 percentage points in Scandinavia and 3.0 percentage points in Estonia. In Finland, an increase by over 10 percentage points would lead to depreciation. Clearly higher discount rates would mean that the market situation has changed in such a way that the change could 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 trademark with an indefinite useful life for Atria Russia. The testing did not indicate a need for impairment loss recognition. On the basis of a sensitivity analysis, an impairment loss is not likely to be recognised for the trademark in the coming years, either.

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

Investments in joint ventures and associates	2012	2011
In joint ventures:		
At the beginning of the period	5,918	4,635
Share of earnings for the period	3,863	1,702
Dividends received	-533	-419
Other changes	-2,242	
At the end of the period	7,006	5,918
In associates:		
At the beginning of the period	7,965	7,227
Share of earnings for the period	-468	-255
Dividends received	-61	-128
Other changes	198	1,121
At the end of the period	7,634	7,965
Total	14,640	13,883

Joint ventures and associates	Domicile	Assets	Liabilities	Net sales	Profit/loss	Holding (%)
2012:						
Joint ventures:						
Honkajoki Oy Group	Honkajoki	23,601	10,066	28,130	4,633	50,0
Länsi-Kalkkuna Oy	Säkylä	3,541	2,631	27,194	21	50,0
Associates:						
OOO Dan-Invest	Krasnodar, Russia	44,502	38,282	676	-3,001	26,0
Findest Protein Oy *)	Kaustinen	2,076	1,193	3,672	-253	41,7
Finnpig Oy Group	Seinäjoki	3,002	2,508	3,289	108	50,0
Foodwest Oy	Seinäjoki	1,140	306	2,137	-19	33,5
Kiinteistö Oy Itikanmäen Teollisuustalo	Seinäjoki	3,716	25	190	-7	13,2
Finnish Meat Research Institute, LTK Co-operative	Hämeenlinna	11,128	1,961	22,375	202	40,7
Param Para AB	Stockholm, Sweden	2,912	2,498	3,818	19	24,0
Transbox Oy	Helsinki	1,811	1,428	5,642	5	25,7
Tuoretie Oy	Seinäjoki	8,052	7,103	63,246	14	33,3
2011:						
Joint ventures:						
Best-In Oy	Kuopio	1,754	782	5,263	132	50,0
Honkajoki Oy Group	Honkajoki	18,111	8,059	26,814	3,103	50,0
Länsi-Kalkkuna Oy	Säkylä	3,723	2,833	25,864	168	50,0
Associates:						
OOO Dan-Invest	Krasnodar, Russia	34,728	26,592	655	-2,004	26,0
Findest Protein Oy *)	Kaustinen	2,578	1,377	3,604	1	41,7
Finnpig Oy Group	Seinäjoki	2,929	1,902	3,269	28	50,0
Foodwest Oy	Seinäjoki	1,232	379	2,081	66	33,5
Kiinteistö Oy Itikanmäen Teollisuustalo	Seinäjoki	3,716	18	194		13,2
OÜ LKT Invest	Valga, Estonia	240			21	26,0
Finnish Meat Research Institute, LTK Co-operative	Hämeenlinna	11,300	2,181	21,712	775	40,7
Param Para AB	Stockholm, Sweden	1,099	769	3,196	50	24,0
Transbox Oy	Helsinki	1,529	1,155	5,900	5	23,0
Tuoretie Oy	Seinäjoki	9,485	8,539	61,773	21	33,3

*) Holding: direct 16.6% and indirect 25.1%

16. OTHER FINANCIAL ASSETS, EUR 1,000

	2012	2011
Other financial assets include financial assets available for sale:		
Financial assets available for sale, 1 Jan	1,638	1,586
Increases	110	167
Decreases		-115
Financial assets available for sale, 31 Dec	1,748	1,638
Financial assets available for sale include the following items:		
Listed securities	182	167
Unlisted securities	1,566	1,471
Total	1,748	1,638
Financial assets available for sale are denominated in the following currencies:		
EUR	1,748	1,638

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

	Balance sheet values 2012	Balance sheet values 2011
Trade receivables from producers	3,364	10,763
Loan receivables	6,852	8,166
Other receivables	1,399	996
Accrued credits and deferred charges	21	21
Total	11,636	19,946
Fair values do not deviate significantly from balance sheet values.		
Non-current receivables were divided into currencies as follows:		
EUR	10,478	19,085
SEK	1,128	634
RUR		202
Other	30	25
Total	11,636	19,946

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

During the 2012 accounting period, Atria Finland signed an agreement concerning the sale of trade receivables of producers.
This agreement decreased non-current receivables by EUR 7.3 million.

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

Deferred tax assets and liabilities	2012	2011
Deferred tax assets:		
Tax asset to be realised in more than 12 months	15,053	15,328
Tax asset to be realised within 12 months	434	615
Total	15,487	15,943
Deferred tax liabilities:		
Tax liability to be realised in more than 12 months	47,352	47,952
Tax liability to be realised within 12 months	12	
Total	47,364	47,952
Deferred tax assets by balance sheet item:		
Intangible and tangible assets	1,305	1,251
Inventories	475	761
Trade and other receivables	834	666
Interest-bearing and non-interest-bearing liabilities	3,404	2,773
Recognised losses	9,469	10,492
Total	15,487	15,943
Deferred tax liabilities by balance sheet item:		
Intangible and tangible assets	47,241	47,797
Financial assets	34	31
Inventories		65
Trade and other receivables	77	59
Interest-bearing and non-interest-bearing liabilities	12	
Total	47,364	47,952
Change in deferred taxes:		
Recognised in the income statement	667	2,801
Recognised in other items of total comprehensive income	402	2,509
Acquisition of subsidiaries	-637	-1,745
Exchange differences	-300	-230
Total	132	3,335

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. The losses during the accounting period, for which deferred tax assets have been left unrecognised, amount to EUR 15.7 million (EUR 9.7 million).

Deferred tax assets recognised from confirmed losses age as follows:	Atria Russia
2016	41
2017	563
2018	
2019	2,761
2020	4,445
2021	1,659
Total	9,469

19. INVENTORIES, EUR 1,000

	2012	2011
Materials and supplies	50,087	55,830
Unfinished products	15,308	13,581
Finished products	45,247	34,740
Other inventories	3,626	4,037
Total	114,268	108,188

During the accounting period, EUR 1.3 million (EUR 1.5 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. TRADE RECEIVABLES AND OTHER CURRENT RECEIVABLES, EUR 1,000

	2012	2011
Trade receivables	88,605	117,144
Trade receivables from producers	25,463	32,436
Loan receivables	2,673	2,927
Other receivables	13,076	14,922
Derivative financial instruments – in hedge accounting	51	
Derivative financial instruments – not in hedge accounting	55	
Accrued credits and deferred charges	10,124	9,369
Total	140,047	176,798

Fair values do not deviate significantly from balance sheet values.

During the 2012 accounting period, Atria Finland signed agreements concerning the sale of trade receivables.
These agreements decreased current trade receivables by EUR 42.6 million and trade receivables from producers by EUR 11.3 million.

In 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. 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.

Trade receivables from producers account include 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		2012	Credit losses	Net 2012
Not due		95,706	-104	95,602
Overdue	Less than 30 days	14,209	-25	14,184
	30–60 days	1,605	-42	1,563
	61–90 days	776	-54	722
	More than 90 days	2,985	-988	1,997
Total		115,281	-1,213	114,068

Breakdown of trade receivables and items booked as credit losses		2011	Credit losses	Net 2011
Not due		131,699		131,699
Overdue	Less than 30 days	13,860		13,860
	30–60 days	1,322		1,322
	61–90 days	904		904
	More than 90 days	2,395	-600	1,795
Total		150,180	-600	149,580

Current receivables were divided into currencies as follows:	2012	2011
EUR	79,165	121,542
SEK	27,842	23,028
RUR	21,109	21,062
DKK	7,387	6,400
USD	1,343	1,925
NOK	1,073	1,155
Other	2,128	1,686
Total	140,047	176,798

21. CASH AND CASH EQUIVALENTS, EUR 1,000

	2012	2011
Cash in hand and at banks	6,556	6,618

22. NON-CURRENT ASSETS AVAILABLE FOR SALE, EUR 1,000

	Finland	Russia	Baltic	Total
2012:				
Land and water	146			146
Buildings and structures	1,246		1,098	2,344
Other tangible assets	17			17
Total	1,409	0	1,098	2,507
2011:				
Land and water	146			146
Buildings and structures	1,246	1,915	1,098	4,259
Other tangible assets	17			17
Total	1,409	1,915	1,098	4,422

Non-current assets available for sale account include industrial real estate in Vilnius (balance sheet value EUR 1.1 million) and logistics real estate in Forssa, Finland (balance sheet value EUR 1.4 million). The Group sells actively real estate, but sales periods are partly longer due to the depressed market situation. The Group expects sales to come through after the markets have recovered.

An industrial property in Moscow was sold during the 2012 accounting period. A sales profit of EUR 1.4 million was recognised for the transaction.

Part of an industrial property in Vilnius was sold during the 2011 accounting period, and a sales loss of EUR 1.2 million was recognised for the transaction. In addition, an impairment of EUR 1.8 million was recognised for the logistics centre in Forssa during the 2011 accounting period.

23. EQUITY, EUR 1,000

Shares and share capital

Shares are divided into A and KII series, which differ in terms of voting rights. Series A shares have one vote per share and Series KII shares have ten votes per share. 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 there is still more dividend available for distribution, A and KII series shares have the same entitlement to the dividend. All issued shares have been paid in full. The share has no nominal value or maximum number.

Number of shares outstanding (1,000)	A series	KII series	Total
1.1.2011	18,953	9,204	28,157
Returned from share incentive plan	-1		-1
31.12.2011	18,952	9,204	28,156
No changes in the accounting period			
31.12.2012	18,952	9,204	28,156

Reserves included in equity:

Share premium
Portion of share subscription payments recognised in share premium in compliance with the conditions of plans prior to the new Limited Liability Companies Act (21.7.2006/624) 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 shares (serie A) 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 personnel 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 treasury shares (111,312 treasury shares).

Other funds	2012	2011
Fair value reserve	104	98
Hedging fund	-5 731	-4 504
Total	-5 627	-4 406

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.

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 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 are recognised as translation differences. 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 equity	2012	2011
Invested unrestricted equity fund	110 228	110 228
Retained earnings	84 034	78 343
Treasury shares	-1 277	-1 277
Profit for the period	10 963	11 322
Total	203 946	198 615

Dividend per share paid for the period	2012	2011
Dividend/share, EUR	0,20	0,25
Dividend distributed by the parent company	5 631	7 039

The Board of Directors proposes to the Annual General Meeting to be held on 26 April 2013 that the company pay EUR 0.22 per share in dividend, totalling EUR 6,194,411.52.

24. SHARE-BASED PAYMENTS, EUR 1,000

Atria Plc had a share incentive plan in place for key personnel in the Group with three earning periods, namely the calendar years of 2010, 2011 and 2012. At the beginning of 2012, the Board of Directors decided to discontinue the share-based plan, which, therefore, was no longer used in 2012. Incentives based on the share incentive plan are paid partly in the form of Series A shares and partly in cash. The cash payments covered any taxes or similar costs associated with the incentives. The recipients were not allowed to transfer the shares for a period of two years from the end of the earning period. Profit from the programme for the earning periods 2010 and 2011 was linked to consolidated EBIT and return on capital employed (ROCE) for the year. The cap on share incentives was set at 100,100 of Atria Plc's A shares a year for 2010 and 2011. However, no shares were awarded based on performance in 2010 and 2011. In the 2007–2009 earning periods, a total of 38,540 Series A shares held by the company were transferred at no cost to key personnel under the incentive plan (35,260 shares for 2007 and 3,280 shares for 2009). Of these shares, 4,750 have since returned to the company.

Earnings period	2012	2011
Grant date		3 Feb 2011
Earnings period begins		1 Jan 2011
Earnings period ends		31 Dec 2011
Maximum number of shares granted as remuneration		100,100
Share release		31 Dec 2013
Number of people		43
Earnings criteria:		
- Operative EBIT		80 %
- Capital employed		20 %
Achievement of earnings criteria, %		0 %
Number of share incentives granted		0
Share price listed on grant date, EUR		8.61
Share price listed on balance sheet date, EUR		5.95

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

	Balance sheet values 2012	Balance sheet values 2011
Non-current		
Bonds	40,000	80,000
Loans from financial institutions	179,792	164,574
Pension fund loans	41,764	49,021
Other liabilities	2,011	2,014
Finance lease obligations	770	1,519
Total	264,337	297,128
Current		
Bonds	40,000	
Loans from financial institutions	15,801	14,644
Commercial papers	33,300	86,500
Pension fund loans	8,157	6,157
Other liabilities	7,884	3,622
Finance lease obligations	1,000	1,325
Total	106,142	112,248
Total interest-bearing liabilities	370,479	409,376

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

With fixed interest rates	49,8 %	50,2 %
With variable interest rates	50,2 %	49,8 %
Average interest rate	2,98 %	3,24 %

Non-current liabilities mature as follows:	2012	2011
2013		81,042
2014	91,546	89,571
2015	10,895	8,870
2016	7,985	6,012
2017	85,210	53,005
2018	55,485	
Later	13,216	58,628
Total	264,337	297,128

Interest-bearing liabilities are divided into currencies as follows:	2012	2011
EUR	151,167	217,525
SEK	155,290	134,608
DKK	12,838	13,957
RUR	50,081	42,222
LTL	1,104	1,064
Total	370,479	409,376

Finance lease obligations	2012	2011
Total amount of minimum lease payments:		
In less than a year	1,034	1,441
Between one and five years	809	1,699
After more than five years		30
Total	1,843	3,170
Present value of minimum lease payments:		
In less than a year	1,000	1,328
Between one and five years	770	1,495
After more than five years		20
Total	1,770	2,843
Future interest accumulation	73	327
Total	1,843	3,170

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

	2012	2011
Other liabilities	2	2
Derivative financial instruments – in hedge accounting	7,310	4,166
Derivative financial instruments – not in hedge accounting	252	17
Accruals and deferred income	8	8
Total	7,572	4,193
Non-current liabilities consist of the following currencies:		
EUR	5,983	3,075
SEK	1,589	1,106
Other		12
Total	7,572	4,193

27. PENSION OBLIGATIONS, EUR 1,000

The Group's Swedish companies have defined-benefit pension arrangements (ITP2). Most of the ITP2 pension arrangements are provided by the Alecta occupational pension insurance company 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.

The benefit-based pension liability in the balance sheet is determined as follows:	2012	2011
Present value of funded obligations	8,132	7,252
Fair value of assets	0	0
Deficit(+)/Surplus(-)	8,132	7,252
Pension liability in the balance sheet	8,132	7,252

The benefit-based pension cost is determined as follows:	2012	2011
Costs based on performances in the period	124	81
Benefits paid	-197	-163
Interest expenses	259	241
Pension costs in the profit and loss account	187	159
Actuarial losses	410	2,075
Pension costs in total comprehensive income	410	2,075

Changes to liabilities in the balance sheet	2012	2011
Liability of the ITP2 pension arrangement at the beginning of the accounting period *)	7,252	4,920
Pension costs in the profit and loss account and total comprehensive income	597	2,234
Exchange differences	283	98
At the end of the period	8,132	7,252
Actuarial assumptions used (%)		
Discount rate	3,50	3,84
Inflation rate	2,00	2,00

*) Before 2011, the liability to the FPG/PRI system in relation to the financing of the Swedish ITP2 pension arrangement was presented as a pension fund loan in long-term interest-bearing liabilities.

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

	2012	2011
Trade payables	94,153	101,822
Advances received	1,075	1,174
Other liabilities	30,200	26,531
Derivative financial instruments – in hedge accounting	317	1,763
Derivative financial instruments – not in hedge accounting	2,769	2,799
Accruals and deferred income	46,984	42,480
Total	175,498	176,569

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

Current liabilities consist of the following currencies:	2012	2011
EUR	97,553	103,028
SEK	51,540	49,565
RUR	17,077	13,150
DKK	7,082	6,506
USD	878	3,013
NOK	555	445
Other	813	862
Total	175,498	176,569

29. FINANCIAL RISK MANAGEMENT, EUR 1,000

The financing 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 Financing 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 in 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, aims to identify, assess and hedge against all risks in accordance with the financing 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 variable 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 margin indicator forecast by dividing the 12-month rolling operating margin by the forecast net interest rate expenses. The lower the operating margin in relation to net financing costs, the larger is the share of debt that must have a fixed interest rate. The Group's interest-bearing debt at the time of the financial statements was EUR 370.5 million (EUR 409.4 million), of which EUR 184.5 million (EUR 205.6 million) or 49.8% (50.2%) had fixed interest rates. The ratio of debt with fixed and variable interest rates is at the level defined by the Group's financing 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 four open interest rate swaps subject to hedge accounting.

1) An interest rate swap amounting to EUR 40 million where Atria pays a fixed interest rate of 2.58% and receives the 6-month Euribor rate. The company uses the interest rate swap to hedge a bond with variable interest rate that matures on 28 March 2014.

2) 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 variable interest rate.

3) 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 interest rate swap is used to hedge a loan of EUR 25 million with variable interest rate that matures on 29 April 2018.

4) 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 interest rate swap is used to hedge a loan of EUR 25 million with variable interest rate that matures on 29 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 2012, variable-rate net liabilities amounted to EUR 179.4 million (EUR 197.1 million). At the end of 2012, a +/-1% change in interest rates corresponded to a change of EUR +/-1.8 million in the Group's annual interest rate expenses (EUR +/-2.0 million). The effect on equity would be EUR 4.1 million (EUR 5.0 million) with a +1% change and EUR -4.3 million (EUR -5.3 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 forecast 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. 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's Swedish operations and from the USD-denominated imports of its Russian companies. 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.

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 0.9 million higher/lower due to the Swedish subsidiaries' euro-denominated accounts payable (EUR 0.9 million). The effect on equity would have been EUR 0.7 million (EUR 0.8 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 USD had been 10% weaker/stronger than the Russian rouble (all other factors being equal), profit before taxes would have remained unchanged due to the Russian subsidiaries' USD-denominated accounts payable (EUR 0.3 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 capital. Liquidity and refinancing risks are managed through a balanced loan maturity distribution and by having sufficient committed credit limits with sufficiently long periods of validity at hand, 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 153.0 million (EUR 152.5 million) in unutilised binding credit limits at the end of the year, and EUR 166.7 million (EUR 113.5 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 limits was 2 years 10 months (3 years 1 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 levies and revenue of derivative liabilities and assets are related to forward exchange agreements, and interest payments to interest rate swaps.

Maturity analysis for financial obligations

EUR 1,000		Maturity, 31 Dec 2012			
		< 1 years	1–5 years	> 5 years	Total
Loans	Instalments	105,142	250,351	13,216	368,709
	Interest payments	6,357	18,339	607	25,303
Finance lease obligations	Instalments	1,000	770		1,770
Derivative liabilities and assets	Capital payments	142,274			142,274
	Capital income	-145,271			-145,271
	Interest payments	3,367	8,167		11,534
	Interest income	-1,002	-2,233		-3,235
Other liabilities	Instalments	12,203	2		12,205
Trade payables	Payments	94,179			94,179
Accruals and deferred income	Payments	47,009	8		47,017
Total	Total payments	411,531	277,637	13,823	702,991
	Total income	-146,273	-2,233		-148,506
	Net payments	268,258	275,404	13,823	554,485

EUR 1,000		Maturity, 31 Dec 2011			
		< 1 years	1–5 years	> 5 years	Total
Loans	Instalments	110,919	236,985	58,628	406,532
	Interest payments	8,722	28,394	1,374	38,490
Finance lease obligations	Instalments	1,329	1,515		2,844
Derivative liabilities and assets	Capital payments	144,993			144,993
	Capital income	-141,879			-141,879
	Interest payments	3,336	10,812	599	14,747
	Interest income	-2,948	-7,305	-740	-10,993
Other liabilities	Instalments	11,744	14		11,758
Trade payables	Payments	101,822			101,822
Accruals and deferred income	Payments	42,480	8		42,488
Total	Total payments	425,345	277,728	60,601	763,674
	Total income	-144,827	-7,305	-740	-152,872
	Net payments	280,518	270,423	59,861	610,802

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 financiers.

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 has been recognised under equity, which amounts to EUR -0.7 million (EUR -2.2 million) and the ineffective portion, which amounts to EUR -0.8 million (EUR -0.4 million) has been recognised in the income statement.

If the market price of electricity derivatives changed by +/-10% from the level prevailing on 31 December 2012, the effect on equity would be EUR +/-1.5 million (EUR +/-1.3 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 balance sheet total and, through that, 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.

During the 2012 accounting period, Atria Finland signed agreements concerning the sale of trade receivables. These agreements decreased the company's trade receivables by a total of EUR 61.2 million at the end of the accounting period.

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	31.12.2012	31.12.2011
	41,5 %	39,5 %

Values of financial assets and liabilities by category:

EUR 1,000 2012 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	Financial assets available for sale	Financial liabilities	Total balance sheet value
Non-current assets						
Trade receivables			3,364			3,364
Other financial assets				1,748		1,748
Loan receivables			6,852			6,852
Other receivables *)			1,298			1,298
Accrued credits and deferred charges *)			21			21
Current assets						
Trade receivables			114,068			114,068
Loan receivables			2,673			2,673
Other receivables *)			5,860			5,860
Accrued credits and deferred charges *)			10,123			10,123
Derivative financial instruments	55	51				106
Cash and cash equivalents			6,556			6,556
Total financial assets	55	51	150,815	1,748	0	152,669
Non-current liabilities						
Loans					263,567	263,567
Finance lease obligations					770	770
Other liabilities **)					2	2
Accruals and deferred income **)					8	8
Derivative financial instruments	252	7,310				7,562
Current liabilities						
Loans					105,142	105,142
Finance lease obligations					1,000	1,000
Trade payables					94,153	94,153
Other liabilities **)					12,203	12,203
Accruals and deferred income **)					46,984	46,984
Derivative financial instruments	2,769	317				3,086
Total financial liabilities	3,021	7,627	0	0	523,829	534,477

*) Do not include VAT or income tax assets
**) Do not include VAT or income tax liabilities

EUR 1,000 2011 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	Financial assets available for sale	Financial liabilities	Total balance sheet value
Non-current assets						
Trade receivables			10,763			10,763
Other financial assets				1,638		1,638
Loan receivables			8,166			8,166
Other receivables *)			794			794
Accrued credits and deferred charges *)			21			21
Current assets						
Trade receivables			149,580			149,580
Loan receivables			2,927			2,927
Other receivables *)			5,868			5,868
Accrued credits and deferred charges *)			9,369			9,369
Cash and cash equivalents			6,618			6,618
Total financial assets	0	0	194,106	1,638	0	195,744
Non-current liabilities						
Loans					295,609	295,609
Finance lease obligations					1,519	1,519
Other liabilities **)					2	2
Accruals and deferred income **)					8	8
Derivative financial instruments	17	4,166				4,183
Current liabilities						
Loans					108,626	108,626
Finance lease obligations					3,622	3,622
Trade payables					101,822	101,822
Other liabilities **)					8,120	8,120
Accruals and deferred income **)					42,480	42,480
Derivative financial instruments	2,799	1,763				4,562
Total financial liabilities	2,816	5,929	0	0	561,808	570,553

*) Do not include VAT or income tax assets
**) Do not include VAT or income tax liabilities

Fair value hierarchy:

EUR 1,000

Balance sheet item	31 Dec 2012	Level 1	Level 2	Level 3
Non-current assets				
Financial assets available for sale				
- Listed shares	182	182		
- Unlisted shares	1,566			1,566
Current assets				
Derivative financial instruments	106		106	
Total	1,854	182	106	1,566
Non-current liabilities				
Derivative financial instruments	7,562		7,562	
Current liabilities				
Derivative financial instruments	3,086		3,086	
Total	10,648	0	10,648	0

Balance sheet item	31 Dec 2011	Level 1	Level 2	Level 3
Non-current assets				
Financial assets available for sale				
- Listed shares	167	167		
- Unlisted shares	1,471			1,471
Total	1,638	167	0	1,471
Non-current liabilities				
Derivative financial instruments	4,183		4,183	
Current liabilities				
Derivative financial instruments	4,562		4,562	
Total	8,745	0	8,745	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 to measure 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	2012	2011
Opening balance 1.1 Jan	1,471	1,405
Purchases	99	167
Decreases	-4	-101
Closing balance 31.12 Dec	1,566	1,471

Derivative financial instruments:

Fair values of derivative financial instruments EUR 1,000	Derivative assets 31 Dec 2012	Derivative liabilities 31 Dec 2012	Net fair value 31 Dec 2012	Net fair value 31 Dec 2011
Forward exchange agreements				
Cash flow hedges under IAS 39 hedge accounting	51	47	4	-229
Other hedges	55	1,979	-1,924	-2,618
Interest rate swaps, due in more than one year				
Cash flow hedges under IAS 39 hedge accounting		6,849	-6,849	-3,527
Electricity derivatives				
Cash flow hedges under IAS 39 hedge accounting		1 773	-1 773	-2,173
Other hedges				-198
Total	106	10,648	-10,542	-8,745

Nominal values of derivative financial instruments EUR 1,000	31 Dec 2012	31 Dec 2011
Forward exchange agreements		
Cash flow hedges under IAS 39 hedge accounting	12,502	12,760
Other hedges	128,622	100,432
Interest rate swaps		
Cash flow hedges under IAS 39 hedge accounting	133,113	131,517
Electricity derivatives		
Cash flow hedges under IAS 39 hedge accounting	16,008	15,505
Other hedges	488	479
Total	290,733	260,693

30. OTHER LEASES, EUR 1,000

Group as lessee	2012	2011
Minimum lease payments based on non-cancellable leases		
Within one year	6,325	6,181
Within more than one year and a maximum of five years	12,122	11,263
After more than five years	10,132	8,861
Total	28,579	26,305
Rents recognised as cost	6,507	6,548

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	2012	2011
Loans from financial institutions	2,956	3,327
Pension fund loans	5,692	7,251
Total	8,648	10,578
Mortgages and other securities given as comprehensive security		
Real estate mortgages	4,182	4,509
Corporate mortgages	1,398	1,346
Total	5,580	5,855
Contingent liabilities not included in the balance sheet		
Guarantees	441	470

32. RELATED-PARTY TRANSACTIONS, EUR 1,000

Group companies by business area	Domestic	Holding (%)	Share of votes (%)
Atria Finland:			
Ab Botnia-Food 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 Nurmo Oy	Finland	100.0	100.0
A-Rehu Oy	Finland	51.0	51.0
A-Sikateurastamo Oy	Finland	100.0	100.0
Atria Concept 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
Itikka-Lihapolar 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
Rokes 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 AB	Sweden	100.0	100.0
Atria Concept SP Z.o.o	Poland	100.0	100.0
Atria Denmark A/S	Denmark	100.0	100.0
Atria Foodservice AB	Sweden	100.0	100.0
Atria Retail AB	Sweden	100.0	100.0
Atria Scandinavia AB	Sweden	100.0	100.0
Atria Supply AB	Sweden	100.0	100.0
Falbygdens Ostnederlag 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
Ridderheims Falbygdens AB	Sweden	100.0	100.0
Atria Russia:			
Atria-Invest Oy	Finland	100.0	100.0
OOO CampoFerma	Russia	100.0	100.0
OOO MPZ CampoMos	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

Group joint ventures and associates and other related parties	Domestic	Holding (%)	Share of votes (%)
Group joint ventures:			
Honkajoki Oy	Finland	50.0	50.0
Länsi-Kalkkuna Oy	Finland	50.0	50.0
Group and associates:			
OOO Dan-Invest	Russia	26.0	26.0
Findest Protein Oy	Finland	41.7	41.7
Finnpig Oy	Finland	50.0	50.0
Foodwest Oy	Finland	33.5	33.5
Kiinteistö Oy Itikanmäen Teollisuustalo	Finland	13.2	13.2
Finnish Meat Research Institute, LTK Co-operative	Finland	40.7	40.7
Param Para AB	Sweden	24.0	24.0
Transbox Oy	Finland	25.7	25.7
Tuoretie Oy	Finland	33.3	33.3

Other related parties:
Members of the Board of Directors and Supervisory Board
CEO, Deputy CEO and Group Management Team
Itikka Co-operative Group
Lihakunta
Pohjanmaan Liha Co-operative Group

Transactions with related parties and related-party assets and liabilities	Joint ventures and associates	Other related parties	Total
1 Jan–31 Dec 2012			
Sale of goods	2,240	8,352	10,592
Sale of services	644	90	734
Rental income	318	47	365
Purchase of goods	19,411	7,608	27,019
Purchase of services	48,753	204	48,957
Rental costs	10	2,659	2,669
31 Dec 2012			
Trade receivables	259	451	710
Other receivables	105	14	119
Trade payables	3,567	4	3,571
Other liabilities		3,623	3,623

Transactions with related parties and related-party assets and liabilities	Joint ventures and associates	Other related parties	Total
1 Jan–31 Dec 2011			
Sale of goods	1,448	7,335	8,783
Sale of services	662	90	752
Rental income	320		320
Buildings sold	1,443		1,443
Purchase of goods	18,457	6,036	24,493
Purchase of services	47,730	181	47,911
Rental costs	7	3,240	3,247
Shares purchased		6,084	6,084
31 Dec 2011			
Trade receivables	299	557	856
Other receivables	17	102	119
Trade payables	4,048	19	4,067
Other liabilities		3,819	3,819

The sale of goods and services to related parties is based on the Group's valid price lists. The majority of services purchased were the logistics services of 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)	2012	2011
Short-term employee benefits	2,385	2,430
Post-employment benefits (pension group benefit)	317	346
Benefits paid upon termination of employment		737
Total	2,702	3,513

The retirement age for the CEO is 63 years. However, the CEO has the right to retire at age 60. The amount of pension is based on the CEO's annual income during employment at Atria Group.

The pension group benefits for the management have been arranged for the members of Atria Group's Management Team who are within the scope of Finnish social security. The retirement age of the group pension insurance is 63 years for the members of the Management Team. The pension plan is contribution-defined, and the annual payment is based on the monthly salary (monetary salary and fringe benefits) of the insured.

Key managerial personnel of the Group:
Members of the Board of Directors and Supervisory Board
CEO and Deputy CEO
Members of the Group's Management Team

Salaries, benefits and other employee benefits for the Supervisory Board, Board of Directors, CEO and Deputy CEO (on a cash basis)	2012	2011
Members of the Supervisory Board:		
Pirkola Ari, Chairman	43	54
Anttikoski Juho, Deputy Chairman as of May 2012	14	
Paavola Seppo, Deputy Chairman until May 2012	12	31
Other members of the Supervisory Board, total	58	45
Members of the Board of Directors:		
Paavola Seppo, Chairman as of May 2012	45	
Selin Martti, Chairman until May 2012	29	74
Komulainen Timo, Deputy Chairman	79	84
Heikkilä Tuomo	32	36
Kaarto Esa	54	55
Paxal Kjel-Göran, member as of May 2012	28	
Romanainen Maisa	25	25
Sivula Harri	27	28
Tikkakoski Matti, member of the Board and CEO until March 2011		
CEOs:		
Gröhn Juha, as of 4 March 2011	606	482
Tikkakoski Matti, until 3 March 2011		847
Deputy CEOs, total:	338	299
Ruohola Juha, as of 1 May 2011		
Gröhn Juha, until 3 March 2011		

33. BUSINESS COMBINATIONS, EUR 1,000

2012: Best-In Oy
Atria Plc acquired HKScan Finland Oy's shares in pet food manufacturer Best-In Oy on 20 December 2012. Atria Plc and HKScan Finland Oy previously each held a 50 per cent interest in Best-In Oy, established in 2002. Following this acquisition, Atria Plc owns the entire share capital of Best-In Oy.

Best-In Oy is located in Kuopio, Finland and its net sales in 2012 were EUR 5.1 million. The company has 19 employees. Best-In Oy owns the Best-In, Hubert and CAT pet food brands.

Atria seeks to benefit from the growth of the pet food market. Best-In's well-known brands and market leadership in Finland offer Atria an excellent opportunity to expand the business. The operations are focused on the domestic market and especially on fresh dog food solutions, an area in which Best-In stands out as the market leader and productisation forerunner.

Best-In Oy	Fair values used in the acquisition	Book values before the acquisition
Property, plant and equipment	775	775
Intangible assets		
Brands	2,500	
Goodwill	1,080	
Inventories	605	501
Short-term receivables	113	113
Cash in hand and at bank	172	172
Total assets	5,245	1,562
Non-current liabilities	104	104
Deferred tax liabilities	638	
Current liabilities	503	503
Total liabilities	1,245	607
Net assets	4,000	954
Purchase price for 50% of the shares	2,000	
Effect of the acquisition on cash flow	1,828	

The calculation is preliminary.

Best-In Oy, which used to be a joint venture of the Group, has been consolidated with the equity method. The acquisition generated a profit of EUR 1.5 million, which results from the valuation at fair value of the previous 50% holding. The profit in question is reported in the income statement after EBIT under "Income from joint ventures and associates". Best-In Oy's income for the 2012 accounting period has been consolidated using the equity method.

2011: Kauhajoen Teurastamokiinteistöt Oy
As part of the efficiency improvement programme for bovine slaughtering and cutting operations, Atria acquired the entire stock of Kauhajoen Teurastamokiinteistöt Oy from Itikka Co-operative, which is a related party of the company, on 21 June 2011. Kauhajoen Teurastamokiinteistöt Oy owns Atria's slaughterhouse and machinery in Kauhajoki. The acquisition made the ownership structure clearer.

Atria invested approximately EUR 26 million in the construction and renovation of the Kauhajoki bovine slaughterhouse and cutting plant. This investment is expected to be completed by the end of 2012. The annual cost savings from the bovine slaughtering efficiency improvement programme are estimated at EUR 6 million.

Kauhajoen Teurastamokiinteistöt Oy	Fair values used in the acquisition	Book values before the acquisition
Property, plant and equipment	9,013	2,415
Intangible assets	69	69
Short-term receivables	211	211
Cash in hand and at bank	32	32
Total assets	9,324	2,726
Long-term interest-bearing liabilities	1,500	1,500
Deferred tax liabilities	1,715	
Short-term interest-bearing liabilities	25	25
Total liabilities	3,240	1,525
Net assets	6,084	1,202
Purchase price	6,084	
Effect of the acquisition on cash flow	6,052	

The preliminary calculation made during the 2011 accounting period still applies.

34. SOLD BUSINESS OPERATIONS, EUR 1,000

2011: OÜ Puidukaubandus
The cost-efficiency improvement programme progressed during the 2011 accounting period in the Baltic countries. In addition, OÜ Puidukaupandus, a milk production company owned by Atria, was sold. Due to this transaction, Atria Baltic recorded a non-recurring sales gain of EUR 0.2 million during the 2011 accounting period. The transaction had no material impact on consolidated net sales, EBIT, assets or liabilities.

35. EVENTS OCCURRING AFTER THE CLOSING DATE

Atria Plc's Nomination Committee was formed

The following people were elected to Atria Plc's Nomination Committee, appointed by the General Meeting:
- Ari Pirkola, farmer, Chairman of Atria Plc's Supervisory Board, Deputy Chairman of Lihakunta Co-operative's Board of Directors, representative of Lihakunta
- Henrik Holm, farmer, Chairman of Pohjanmaan Liha Co-operative's Supervisory Board, representative of Pohjanmaan Liha
- Esa Kaarto, MSc (Agric.), member of Atria Plc's Board of Directors, Chairman of Itikka Co-operative, representative of Itikka Co-operative
- Kim Fors, Portfolio Manager, representative of Veritas Pension Insurance
- Seppo Paavola, MSc (Agric.), expert member, Chairman of Atria Plc's Board of Directors

Esa Kaarto was elected Chairman of the Nomination Committee. Of the largest Series A shareholders, Mandatum Life Insurance Company and Varma Mutual Pension Insurance Company did not wish to appoint representatives to the Nomination Committee.

Proposals of the Nomination Committee for the Annual General Meeting

The Nomination Committee proposes to the General Meeting that the remuneration of the members of the Board of Directors be kept at the same level as in 2012. The Nomination Committee further proposes to the General Meeting that three members be appointed to the Board of Directors to replace members who have served a full term (Komulainen and Romanainen) and a resigning member (Heikkilä). The Nomination Committee proposes that Maisa Romanainen, who is due to resign, be re-elected to the Board of Directors. The remaining two candidates will be confirmed and a notification thereof will be given at a later stage.

Atria to improve profitability in comvenience food production

Atria Finland launched a programme to improve the profitability of convenience food production. Atria is investigating options to transfer the production of convenience food from Karkkila to other Atria Finland production sites. Employer-employee negotiations concerning the reorganisation plans have been launched. The programme is expected to generate annual cost savings of EUR 1 million. The negotiations affect a total of 32 people at the Karkkila production plant.

INCOME STATEMENT, EUR 1,000

	Note	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
NET SALES	2.1	41,284	46,417
Other operating income	2.2	2,726	2,783
Personnel expenses	2.3	-2,620	-3,552
Depreciation and impairment	2.4		
Planned depreciation		-22,747	-23,015
Other operating expenses	2.5	-5,973	-5,531
EBIT		12,670	17,102
Financial income and expenses	2.6	3,919	9,445
PROFIT BEFORE EXTRAORDINARY ITEMS		16,589	26,547
Extraordinary items	2.7	0	-7,300
PROFIT BEFORE APPROPRIATIONS AND TAXES		16,589	19,247
Appropriations	2.8	-4,017	-7,858
Income taxes	2.9	-1,610	-67
PROFIT FOR THE PERIOD		10,963	11,322

BALANCE SHEET, EUR 1,000

Assets	Note	31 Dec 2012	31 Dec 2011
FIXED ASSETS			
Intangible assets	3.1		
Intangible rights		25	35
Other long-term expenditure		4,280	3,923
Total intangible assets		4,305	3,957
Tangible assets	3.1	227,105	235,445
Investments	3.2		
Interests in Group companies		259,929	257,835
Interests in associates		3,592	3,652
Other shares and interests		1,580	1,479
Total investments		265,100	262,966
TOTAL FIXED ASSETS		496,510	502,368
CURRENT ASSETS			
Long-term receivables	3.3	321,448	316,381
Short-term receivables	3.3	106,694	80,836
Cash in hand and at bank		1,553	1,806
TOTAL CURRENT ASSETS		429,695	399,024
Total assets		926,205	901,393

Liabilities	Note	31 Dec 2012	31 Dec 2011
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		84,034	78,343
Profit for the period		10,963	11,322
TOTAL EQUITY		390,504	385,172
ACCRUED APPROPRIATIONS	3.5		
Depreciation difference		73,031	69,014
LIABILITIES			
Non-current liabilities	3.6	258,870	285,844
Current liabilities	3.7	203,800	161,362
TOTAL LIABILITIES		462,670	447,206
Total liabilities		926,205	901,393

CASH FLOW STATEMENT, EUR 1,000

	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Sales income	41,101	45,619
Other business revenue	2,726	2,783
Payments on operating expenses	-8,293	-8,354
Cash flow from operating activities before financial items and taxes	35,534	40,048
Net financial income and expenses	4,444	5,924
Tax paid	-2,665	5,578
Cash flow from operating activities	37,314	51,550
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets and investments	-16,888	-26,679
Change in Group receivables	-30,504	-7,324
Cash flow from investments	-47,392	-34,003
CASH FLOW FROM FINANCING		
Loan payments	-31,015	-1,358
Change in Group liabilities	53,771	-19,662
Dividends paid	-5,631	-7,039
Treasury shares	0	-6
Group contribution	-7,300	-1,422
Cash flow from financing	9,825	-29,487
CASH FLOW FROM OPERATING ACTIVITIES	37,314	51,550
CASH FLOW FROM INVESTMENTS	-47,392	-34,003
CASH FLOW FROM FINANCING	9,825	-29,487
TOTAL	-253	-11,940
Change in cash and cash equivalents		
Cash and cash equivalents 1 Jan	-1,806	-13,747
Cash and cash equivalents 31 Dec	1,553	1,806
Change	-253	-11,940

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 Itikanmäentie 3, Seinäjoki, postal address: PO Box 900, FI-60060 ATRIA.

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		Depreciation period
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 2012 was EUR 29,326.86 and their fair value was EUR 113,156.11.

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 euro 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

2.1. NET SALES, EUR 1,000

	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Net sales	41,284	46,417

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, EUR 1,000

	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Service charges to Group companies	2,706	2,729
Other	19	54
Total	2,726	2,783

2.3. PERSONNEL EXPENSES, EUR 1,000

	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Average number of personnel		
Clerical personnel in Finland	10	12
Personnel expenses		
Salaries: CEO, Deputy CEO and members of the Board of Directors	1,189	1,873
Members of the Supervisory Board	110	112
Other salaries	535	803
Total	1,833	2,788
Pension costs	697	652
Other personnel-related expenses	90	112
Total	787	764
Total personnel expenses	2,620	3,552

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, EUR 1,000

	1 Jan–31 Dec 2012	1 Jan–31 Dec 2011
Depreciations of tangible and intangible assets	22,747	23,015

Depreciation specification per balance sheet item included in section 3.1.

2.5. OTHER OPERATING EXPENSES, EUR 1,000

Other operating expenses	5,973	5,531
Including administration, marketing, energy, cleaning, operational and other costs as well as fees paid to auditors.		
Fees paid to auditors / Pricewaterhouse Coopers Oy		
Auditing fees	185	217
Tax consulting	2	8
Other remunerations	11	9
Total	197	234

The presented figures are based on invoicing.

2.6. FINANCIAL INCOME AND EXPENSES, EUR 1,000

Return on long-term investments		
Dividend yield		
From Group companies	5,443	10,631
From other companies	674	588
Total	6,117	11,219
Other interest and financial income		
From Group companies	12,647	12,614
From other companies	7,618	8,822
Total	20,266	21,436
Interest expenses and other financial expenses		
To Group companies	1,021	1,420
To other companies	21,443	21,790
Total	22,464	23,210
Total financial income and expenses	3,919	9,445
Interest expenses and other financial expenses include exchange rate losses (net)	31	417

2.7. EXTRAORDINARY ITEMS, EUR 1,000

Group contributions paid	0	7,300

2.8. APPROPRIATIONS, EUR 1,000

Difference between planned depreciation and depreciation implemented in taxation	-4,017	-7,858

2.9. INCOME TAXES, EUR 1,000

Income taxes on operations	1,610	67

3. INTANGIBLE AND TANGIBLE ASSETS

3.1. INTANGIBLE AND TANGIBLE ASSETS, EUR 1,000

	31 Dec 2012	31 Dec 2011
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	-1 420	-1 394
Depreciation on decreases	0	0
Depreciation for the accounting period	-10	-26
Accumulated depreciation 31 Dec	-1 430	-1 420
Book value 31 Dec	25	35
Other long-term expenditure		
Acquisition cost 1 Jan	17 318	16 386
Increases	1 658	936
Decreases	-28	-4
Acquisition cost 31 Dec	18 949	17 318
Accumulated depreciation 1 Jan	-13 395	-11 994
Depreciation on decreases	0	0
Depreciation for the accounting period	-1 273	-1 401
Accumulated depreciation 31 Dec	-14 668	-13 395
Book value 31 Dec	4 280	3 923
Total intangible assets	4 305	3 957
Tangible assets:		
Land and water		
Acquisition cost 1 Jan	1 233	1 469
Decreases	0	-235
Acquisition cost 31 Dec	1 233	1 233
Buildings and structures		
Acquisition cost 1 Jan	280 853	279 252
Increases	10 147	2 095
Decreases	-361	-494
Acquisition cost 31 Dec	290 639	280 853
Accumulated depreciation 1 Jan	-129 792	-123 066
Depreciation on decreases	0	0
Depreciation for the accounting period	-6 881	-6 726
Accumulated depreciation 31 Dec	-136 673	-129 792
Book value 31 Dec	153 965	151 061
Machinery and equipment		
Acquisition cost 1 Jan	282 535	274 815
Increases	14 350	7 731
Decreases	-502	-12
Acquisition cost 31 Dec	296 383	282 535
Accumulated depreciation 1 Jan	-213 790	-199 061
Depreciation on decreases	0	0
Depreciation for the accounting period	-14 448	-14 730
Accumulated depreciation 31 Dec	-228 238	-213 790
Book value 31 Dec	68 145	68 745

	31 Dec 2012	31 Dec 2011
Other tangible assets		
Acquisition cost 1 Jan	2,235	2,215
Increases	63	20
Decreases	0	0
Acquisition cost 31 Dec	2,298	2,235
Accumulated depreciation 1 Jan	-1,022	-890
Depreciation on decreases	0	0
Depreciation for the accounting period	-135	-132
Accumulated depreciation 31 Dec	-1,157	-1,022
Book value 31 Dec	1,141	1,213
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	13,192	9,034
Changes +/-	-10,572	4,159
Acquisition cost 31 Dec	2,620	13,192
Tangible assets total	227,105	235,445
Non-depreciated acquisition cost of machinery and equipment	68,145	68,745

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, EUR 1,000

	Parent company holding % 2012	Parent company holding % 2011
Group companies:		
Ab Botnia-Food Oy, Seinäjoki	100	100
Atria Concept 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	
Itikka-Lihapolar Oy, Seinäjoki	100	100
Kauhajoen Teurastamokiinteistöt Oy, Kauhajoki	100	100
Kiinteistö Oy Tievapolku 3, Helsinki	100	100
Liha ja Säilyke Oy, Forssa	63.2	63.2
OÜ Atria, Tallinn, Estonia	100	100
Rokes Oy, Forssa	100	100
Suomen Kalkkuna Oy, Seinäjoki	100	100
UAB Vilniaus Mesa, Vilna, Lithuania	100	100
Joint ventures and associates:		
Best-In Oy, Kuopio		50.0
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, LTK Co-operative, Hämeenlinna	40.7	40.7
Länsi-Kalkkuna Oy, Säkylä	50.0	50.0
Transbox Oy, Helsinki	18.6	15.7
Tuoretie Oy, Helsinki	33.3	33.3

3.3. RECEIVABLES, EUR 1,000	31 Dec 2012	31 Dec 2011
Long-term receivables:		
Receivables from Group companies:		
Loan receivables	321,448	316,381
Short-term receivables:		
Loan receivables	132	221
Trade receivables	51	34
Other receivables	21	300
Accrued credits and deferred charges	1,239	128
Receivables from Group companies:		
Trade receivables	1,789	1,623
Other receivables	100,290	74,485
Accrued credits and deferred charges	3,172	4,045
Total current receivables	106,694	80,836
Material items included in the accrued credits and deferred charges:		
- amortised interests	3,222	4,046
- amortised taxes	1,086	31
- other	103	96
Total	4,411	4,173

3.4. EQUITY, EUR 1,000	31 Dec 2012	31 Dec 2011
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
Restricted equity total	186,557	186,557
Own shares 1 Jan	-1,277	-1,271
Acquisition of own shares	0	-6
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	89,665	85,383
Distribution of dividends	-5,631	-7,039
Retained earnings 31 Dec	84,034	78,343
Profit for the period	10,963	11,322
Retained earnings 31 Dec	94,996	89,665
Unrestricted equity total	203,946	198,615
Total equity	390,504	385,172

At the end of the accounting period on 31 December 2012, the number of treasury shares held by the company was 111,312, which corresponds to 0.394% of the shares and 0.1% of the voting rights conferred by them. No changes occurred in the number of treasury shares during the accounting period.

Calculation of funds appropriate for distribution as dividends:	31 Dec 2012	31 Dec 2011
Retained earnings	84,034	78,343
Profit for the period	10,963	11,322
Treasury shares	-1,277	-1,277
Total	93,719	88,388

The breakdown of the share capital is as follows:

	2012		2011	
	number	EUR 1,000	number	EUR 1,000
Series A shares (1 vote/share)	19,063,747	32,408	19,063,747	32,408
Series KII shares (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, EUR 1,000	31 Dec 2012	31 Dec 2011
Depreciation difference	73,031	69,014

3.6. NON-CURRENT LIABILITIES, EUR 1,000	31 Dec 2012	31 Dec 2011
Bonds	40,000	80,000
Loans from financial institutions	177,106	161,623
Pension fund loans	26,277	25,946
Total	243,383	267,569
Liabilities to Group companies:		
Other non-current liabilities	15,488	18,275
Total non-current liabilities	258,870	285,844
Loans maturing later than in five years:		
Loans from financial institutions	50,000	51,250
Pension fund loans	10,513	1,025
Other non-current liabilities	4,338	7,125
Total	64,850	59,400

Atria Plc's bond issued in 2007 amounting to EUR 40 million matures in 2014 (interest rate 1.15%)

3.7. CURRENT LIABILITIES, EUR 1,000	31 Dec 2012	31 Dec 2011
Bonds	40,000	0
Loans from financial institutions	47,628	100,730
Pension fund loans	5,370	3,370
Trade payables	1,004	618
Other liabilities	7,281	3,117
Accruals and deferred income	3,921	4,224
Liabilities to Group companies:		
Other non-current liabilities	2,788	2,788
Trade payables	444	369
Other liabilities	95,227	38,669
Accruals and deferred income	137	7,478
Total current liabilities	203,800	161,362

Material items included in accruals and deferred income:		
- accruals of salaries and social security payments	674	678
- personnel fund	6	0
- interest accruals	1,848	2,081
- exchange rate difference of forward contracts	1,492	1,558
- other	37	7,385
Total	4,058	11,702

Atria Plc's bond issued in 2006 amounting to EUR 40 million matures in 2013 (interest rate 1.58%)

4. OTHER NOTES, EUR 1,000

4.1. SECURITIES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES

Contingent liabilities and other liabilities not included in the balance sheet

Guarantees:	31 Dec 2012	31 Dec 2011
For Group companies	70,734	71,112
Total	70,734	71,112
Other leases		
Minimum rents paid based on other leases		
Within one year	527	398
Within more than one year and a maximum of five years	1,220	595
After more than five years	3,396	3,473
Total	5,143	4,466

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 2012. The company is obliged to verify reductions in VAT on property investments if the taxable use of the properties decreases during the verification period.

	Remaining amount of verification liability	
Year of completion of the investment	31 Dec 2012	31 Dec 2011
2008	0	866
2009	826	963
2010	251	286
2011	1,418	1,595
2012	2,526	0
Total	2,494	3,711

4.3 DERIVATIVE FINANCIAL INSTRUMENTS

Fair values of derivative financial instruments	Derivative liabilities 31 Dec 2012	Derivative liabilities 31 Dec 2011
Forward exchange agreements:		
Other hedges	1,492	1,491
Interest rate swaps, due in more than one year:		
Cash flow hedges under hedge accounting	6,849	3,527
Total	8,341	5,018

Signatures and Auditor's Report

Seinäjoki, 19 March 2013

Seppo Paavola
Chairman

Tuomo Heikkilä

Esa Kaarto

Timo Komulainen

Kjell-Göran Paxal

Maisa Romanainen

Harri Sivula

Juha Gröhn
CEO

Auditor's note

A report on the audit performed has been issued today.

Seinäjoki, 19 March 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Juha Wahlroos
Authorised Public Accountant

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 2012. 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 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Juha Wahlroos
Authorised Public Accountant

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 committees, 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 a Board member is three (3) years in accordance with Atria's Articles of Association.

Atria Plc has prepared a review of the corporate governance system in accordance with the recommendation of the Finnish Corporate Governance Code. The review is available on the company's website (www.atriagroup.com).

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

There is an agreement between two shareholders of Atria – Lihakunta and Itikka Co-operative – according to which they will jointly ensure that both parties are represented in the Supervisory Board in the proportion in which they own Series KII shares in the company. The parties will also ensure that the Chairman of the Supervisory Board and the Vice Chairman of the Board of Directors are nominated by one party and the Chairman of the Board of Directors and the Vice 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, there is an agreement between three shareholders of Atria – Lihakunta, Itikka Co-operative and Pohjanmaan Liha – according to which Pohjanmaan Liha will have one representative in 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.

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 decision-making body. At the General Meeting, shareholders decide on the approval of the financial statements and the use of the profit shown on the balance sheet; discharging 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 fees.

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 the matters to be handled by the Annual General Meeting in accordance with the Articles of Association and any other proposals. An Extraordinary General Meeting 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 published, for example, 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, PO 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 stock exchange release 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 of the General Meeting. In addition, the Board of Directors may decide to publish the notice, or delivery notification of the notice, in one or more national newspapers determined by the Board, or in some other manner it may decide.

To have the right to participate in a General Meeting, a shareholder must register with the company no later than on 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 also auditors shall be present at the Annual General Meeting. A first-time candidate for the Supervisory Board or the Board of Directors shall be present at the General Meeting where the decision on his or her appointment is made, unless there is a weighty reason for his or her absence.

4. Nomination Committee

Atria Plc's General Meeting has appointed the Nomination Committee to prepare proposals concerning the election and remuneration of Board members 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 Committee in accordance with the situation in early November preceding the next General Meeting. The right to nominate a representative to the Nomination Committee is determined in accordance with 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 Committee 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. If a shareholder who is obligated to notify of certain changes in shareholding when necessary under the Finnish Securities Markets Act presents a written request to the company's Board of Directors by the end of October, the holdings of corporations or foundations controlled by such shareholder, or the shareholders' holdings in several funds or registers, are added up when calculating voting rights.

The Nomination Committee is convened by the Chairman of the Board of Directors and the Committee elects a Chairman from amongst its members. The Nomination Committee 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. A person aged sixty-five (65) or older cannot be elected to the Supervisory Board. The Supervisory Board elects a Chairman and a Vice 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 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.

In 2012, the members of Atria Plc's Supervisory Board were as follows:

Chairman of the Supervisory Board:
- Ari Pirkola born 1959, Farmer, member since 2008

Vice Chairman of the Supervisory Board:
- Juho Anttikoski born 1970, Farmer, member since 2009

Members:
- Mika Asunmaa born 1970, Farmer, member since 2005
- Lassi-Antti Haarala born 1966, Agrologist, Farmer, member since 2002
- Jussi Hantula born 1955, Agrologist, Farmer, member since 2012
- Juhani Herrala born 1959, Farmer, member since 2002
- Henrik Holm born 1966, Farmer, member since 2002
- Veli Hyttinen born 1973, Agrologist, Farmer, member since 2010
- Pasi Ingalsuo born 1966, Agrologist, Farmer, member since 2004
- Juha Kiviniemi born 1972, MSc (Agric.), Farmer, member since 2010
- Teuvo Mutanen born 1965, Provincial Secretary, Agricultural Entrepreneur, member since 2007
- Mika Niku born 1970, Farmer, member since 2009
- Heikki Panula born 1955, MSc (Agric.), Farmer, member since 2005
- Pekka Parikka born 1951, Farmer, member since 2008
- Juho Partanen born 1962, Farmer, member since 2011
- Jari Puutio born 1962, Farmer, member since 2012
- Juho Tervonen born 1950, Farmer, member since 2001
- Tomi Toivanen born 1954, Farmer, member since 2009
- Timo Tuhkasaari born 1965, Farmer, member since 2002.

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 2012, Atria Plc's Supervisory Board met four (4) times, and the average attendance percentage of the members was 94.74.

The Supervisory Board's share ownership in the company is available on the company's website under Insider Register.

6. Board of Directors

In accordance with the Articles of Association, Atria's Board of Directors has a minimum of five and a maximum of seven 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. 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 asset management supervision. 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 (i.e., investments exceeding 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 in operations, 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.

Name	Selin, Martti Ilmari Chairman until 3 May 2012	Paavola, Seppo Felix Chairman	Komulainen, Timo Juhani Vice Chairman
Year of birth	1946	1962	1953
Education	Farming school	Agrologist (secondary school graduate)	Agrologist
Main occupation	Farmer, meat producer	Farmer	Farmer
Relevant work experience	• Metal industry, Sweden • Positions of trust	• Farm advisor at Rural Centre of Central Ostrobothnia 1991–1996 • Agricultural entrepreneur 1996–	• Positions of trust
Member of the Board since	2005	2012	1993
Current key positions of trust	• Chairman of the Supervisory Board of Itikka Co-operative as of 31 Dec 2011, member of the Supervisory Board as of 1 Jan 2012 • Chairman of the Board of Directors of Itikan Maa- ja metsätilat Oy	• Member of the Supervisory Board of Itikka Co-operative 2000– and Chairman of the Supervisory Board 2012– • Chairman of the Board of Directors of Kaustinen Co-operative Bank 2002– • Member of the Board of Directors of Pellervo Confederation of Finnish Co-operatives 2012– • Member of the Co-operative Advisory Committee 2012–	• Member of the Board of Directors of Lihakunta 1988– and Chairman of the Board of Directors of Lihakunta 1996– • Vice Chairman of the Board of Directors of A-Farmers Ltd 2000–2003 and Chairman 2003– • Chairman of the Board of Directors of A-Rehu Oy 2004– • Member of the Board of Directors of Jukola Co-operative 1984– and Vice Chairman of the Board of Directors 1995–
Expired key positions of trust		• Member of the Supervisory Board of Atria Plc 2006–2009 and Vice Chairman 2009–2012	• Member of the Supervisory Board of Atria Plc 2006–2009 and Vice Chairman 2009–2012
Indepen-dency	Independent of the company and dependent on significant shareholders	Independent of the company and dependent on significant shareholders	Independent of the company and dependent on significant shareholders
Share ownership in the company		The information is updated on Atria's website under Insider Register.	The information is updated on Atria's website under Insider Register.
Share-based rights in the company		None	None

Name	Heikkilä, Tuomo Juhani	Kaarto, Esa Heikki Ilmari	Paxal, Kjell-Göran
Year of birth	1948	1959	1967
Education	Farm school	MSc (Agr.)	Agrologist
Main occupation	Farmer	Farmer	Farmer, piglet and pork producer
Relevant work experience	Positions of trust	Positions of trust	• Feed salesman at Foremix Oy 1990–1997 • Primary Production Manager at Pohjanmaan Liha Co-operative 1990–1997
Member of the Board since	1996	2009	2012
Current key positions of trust	• Member of the Board of Directors of Lihakunta 1996–2012	• Member of the Board of Directors of Itikka Co-operative 2002– and Chairman of the Board 2009– • Vice Chairman of the Board of Directors of A-Farmers Ltd 2009– and member of the Board 2004– • Vice Chairman of the Board of Directors of A-Rehu Oy 2009– • Member of the Board of Directors of Feedmix Oy 2009– • Member of the Board of Directors of Rehukanava Oy 2009– • Chairman of the Board of Directors of Suurusrehu Oy 2009–	• Deputy member of the Board of Directors of the Central Union of Swedish-Speaking Agricultural Producers in Finland 1999–2001 • Board of Directors of Pohjanmaan Liha: deputy member 1999–2001, Vice Chairman 2002–2009 and Chairman 2010– • Board of Directors of A-Farmers Ltd: deputy member 2001–2002 and member 2003– • Board of Directors of Foremix Oy: member 2004– and Chairman 2010– • Member of the Board of Directors of A-Rehu Oy 2010– • Chairman of the Board of Directors of Ab WestFarm Oy 2010–
Expired key positions of trust			• Vice member of the Board of Directors of the Central Union of Swedish-Speaking Agricultural Producers in Finland 1999–2001
Indepen-dency	Independent of the company and dependent on significant shareholders	Independent of the company and dependent on significant shareholders	Independent of the company and dependent on significant shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register.	The information is updated on Atria's website under Insider Register.	The information is updated on Atria's website under Insider Register.
Share-based rights in the company	None	None	None

Name	Romanainen, Maisa Annukka	Sivula, Harri Juhani
Year of birth	1967	1962
Education	MSc (Econ.)	MSc (Admin.)
Main occupation	Department Store Group Manager of Stockmann plc, Executive Vice President, 2008–	CEO at Restel Group 2011–
Relevant work experience	• Product Manager, Purchasing Manager, etc. at Brio Oy 1990–1996 • Stockmann plc: - Purchasing Manager, 1996–1997 - Department Store Manager, Moscow, Russia, 1998–2000 - Department Store Manager, Tallinn, Estonia, 2000–2005 - Manager, Foreign Department Stores, 2005–2007 - Manager, Finnish and Baltic Department Stores, 1 Jan–5 Nov 2008 - Department Store Group Manager, Executive Vice President, 6 Nov 2008–	• 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 Ltd, 1999–2006 - Vice President • Onninen Oy, 2006–2010 - CEO
Member of the Board since	2010	2009
Current key positions of trust	• Vice Member of the Board of Directors of the East Office of Finnish Industries 2008– • Member of the Board of Directors of Tuko Logistics Cooperative 2009– • Member of the Board of Directors of the Finnish-Russian Chamber of Commerce (FRCC) 2012–	• Member of the Board of Directors of Norpe Oy 2010– • Member of the Board of Directors of Leipurin Oy 2010– • Chairman of the Board of Directors of Tokmanni Oy 2011– • Member of the Supervisory Board of Nets Oy 2011–
Expired key positions of trust		• Member of the Board of Directors of Olvi Oyj 2007–2011
Indepen-dency	Independent of the company and significant shareholders	Independent of the company and significant shareholders
Share ownership in the company	The information is updated on Atria's website under Insider Register.	The information is updated on Atria's website under Insider Register.
Share-based rights in the company	None	None

Atria Plc's Board of Directors from the left: Seppo Paavola (Chairman), Timo Komulainen (Vice Chairman), Tuomo Heikkilä, Esa Kaarto, Kjell-Göran Paxal, Maisa Romanainen and Harri Sivula.

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 2012, the Board of Directors met fifteen (15) times. The average meeting attendance percentage of the members of the Board of Directors was 96.2.

During the meetings of the Board of Directors, the CEO gives a review of the financial situation of the Group. The review also covers forecasts, investments and organisational changes, and all other important issues from the point of view of the Group.

The following reports are reviewed in each regular meeting:
- Report on the development of the company's business operations for each business area
- Report on measures taken between Board meetings.

The agenda of the meeting shall be delivered to the members of the Board of Directors no later than 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 no later than three days before the meeting.

6.3 Composition of the Board of Directors

The members of the company's Board of Directors are independent of the company. Harri Sivula and Maisa Romanainen are independent of both the company and its significant shareholders. Seppo Paavola, Timo Komulainen, Tuomo Heikkilä, Esa Kaarto and Kjell-Göran Paxal are members of the administrative bodies of the company's principal owners – Lihakunta, Itikka Co-operative and Pohjanmaan Liha.
The members of the Board of Directors are obligated 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 the duties designated by the Board. The Board shall approve the rules of procedure for the committees. The committees of the Board of Directors are the Nomination Committee and the Remuneration Committee, whose members are elected by the Board from amongst its members according to the rules of procedure of the committee. The committees have no autonomous decision-making power. Decisions are made by the Board of Directors based on the committees' preparations. The committees shall report on their work to the Board of Directors, which also supervises their operations.

7.1 Nomination Committee

The Nomination Committee consists of the Chairman of the Board of Directors and two members of the Board of Directors elected by the Board itself. In accordance with recommendation 29 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 Committee.

According to the rules of procedure, the duties of the Nomination Committee are as follows:
- Making the preparations for the nomination of the CEO and Vice President
- Making the preparations for the mapping of the successors to the CEO and Vice President
- Performing other duties separately assigned to the Nomination Committee by the Board of Directors.

The Chairman shall convene the Nomination Committee as needed. At the meetings, the matters belonging to the duties of the Nomination Committee are reviewed. The Nomination 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 Committee is Seppo Paavola and the other members are Maisa Romanainen and Timo Komulainen. All members of the Nomination Committee are independent of the company. Maisa Romanainen is also independent of significant shareholders. The Committee did not meet in 2012.

7.2 Remuneration Committee

The Remuneration Committee consists of the Chairman, Vice Chairman and one member of the Board of Directors elected by the Board itself. In accordance with recommendation 32 of the Corporate Governance Code, the CEO or people belonging to the company's other management shall not be elected as members of the Remuneration Committee.

The aim of the Remuneration Committee is to 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 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 Remuneration Committee are as follows:
- Preparing the terms of employment of the CEO and Vice President 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 plans 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 whole personnel before their approval and assessing their functionality and the achievement of the goals of the systems
- 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 Remuneration Committee shall convene the Committee as needed, but no less than two times per year. At the meetings, the matters belonging to the duties of the Remuneration Committee are reviewed. The 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 Remuneration Committee is Seppo Paavola and the other members are Timo Komulainen and Harri Sivula. All members of the Remuneration Committee are independent of the company. Harri Sivula is also independent of significant shareholders. The Remuneration Committee met four times in 2012. All members of the Committee attended all meetings.

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.

Atria Plc's CEO is Juha Gröhn, MSc (Food and Sc.). The full presentation of the CEO is available on the company's website under CEO and the CEO's ownership data under Insider Register.

9. Management Team

Atria Group has a Management Team chaired by the CEO. The Management Team assists the CEO in business planning and 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.

The Management Team met eleven (11) times in 2012.

The presentations of the members of the Management Team are available on the company's website under Management Team and the ownership data of the Management Team under Insider Register.

10. Remuneration

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

Name	Juha Gröhn CEO, Atria Plc	Juha Ruohola Group Vice President and Deputy CEO	Mika Ala-Fossi Executive Vice President Atria Finland
Joined Atria in	1990	1999	2000
Year of birth	1963	1965	1971
Education	MSc (Food Sc.)	MSc (Agriculture and Forestry), eMBA	Meat industry technician
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, Deputy CEO, Atria Ltd 2003–2004 • Director, Meat Industry, Deputy CEO, 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–	• Agronomist, Central Union of Agricultural Producers and Forest Owners (MTK), Tampere Region 1990–1992 • Acting Executive Director, Central Union of Agricultural Producers and Forest Owners (MTK), Tampere Region 1992–1994 • Purchasing Director LSO Foods Oy 1994–1997 • Managing Director, Lihakunta Co-operative 1997–1999 • Managing Director, Lithells AB 1999–2001 • Director, Convenience Food Industry, Atria Ltd 2001–2003 • Director, Meat Product and Convenience Food Industries, Atria Ltd 2003–2005 • Director, Meat Product Industry, Atria Ltd 2005–2006 • Director, Atria Russia 2006–2011 • Deputy CEO, Atria Plc 2011–	• Foreman, Liha-Saarioinen Oy 1997–2000 • Unit Manager, Atria Ltd 2000–2003 • Production Manager, Atria Ltd 2003–2006 • Director, poultry operations, Atria Finland 2006–2007 • Director, Convenience Food and Meat Product Production 2007–2011 • Executive Vice President, Atria Finland, 2011–

Name	Tomas Back Executive Vice President Atria Scandinavia	Jarmo Lindholm Executive Vice President Atria Russia	Rauno Väisänen Executive Vice President Atria Baltic until 15 August 2012
Joined Atria in	2007	2002	1982
Year of birth	1964	1973	1958
Education	MSc (Econ.)	MSc (Econ.)	Meat industry technician
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 • Director, Atria Baltic 2010–2011 • Executive Vice President, Atria Scandinavia 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 • Director, Atria Russia 2011–	• Foreman, Atria Ltd 1982–1993 • Unit Manager, Atria Finland Ltd 1993–2010 • Genaral Manager, Atria Eesti AS 2010–2012 • Executive Vice President, Atria Baltic 2011–2012

Name	Olle Horm Executive Vice President Atria Baltic since 15 August 2012	Heikki Kyntäjä CFO
Joined Atria in	2012	2009
Year of birth	1967	1952
Education	Engineer	BSc (Econ.)
Relevant work experience	• Managing and developing tasks, 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 2008-2009 • Chairman of the Board, Maag Meat Industry 2009-2012 • Executive Vice President, Atria Baltic 2012–	• Auditor, finance department, General Motors Finland 1976–1978 • Financial Officer, 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–

11. Internal control, risk management and internal audit

Internal control and risk management are processes under the responsibility of the company's top management, aimed at ensuring the achievement of the company's 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 independent 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

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 the policy is to contribute to the identification and understanding of risks and to ensure that management receive relevant and sufficient information in support of business decisions.

Risk management is applied to identify, assess 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 the identified risks are managed.

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 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 achievement of the company's 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. Financial risk management is centralised in the Group's Treasury unit. The Group's CFO gathers the most significant risks identified and reports them 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 advisors are also used in the development work.

Risk management is discussed in more detail in the annual report under "Risk management".

11.2 Internal audit
Atria has an internal audit function that is independent of the rest of the organisation and supports Group administration and business area management in achieving their goals. 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. Therefore, its aim is to contribute to the achievement of the organisation's goals. Within its duties, the function assesses the following areas:
• Correctness 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 purpose of internal control is to ensure 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, and they are discussed with the management of the audited entity before the report and suggestions for improvement are presented to the CEO of the Group.

The entities to be audited are defined in co-operation 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. Internal audit also serves as an expert in development projects related to its task domain and carries out separate studies on the assignment of the Board of Directors or the Group's top management. The Internal Auditor reports to the CEO. 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) auditors and at most as many deputy auditors. 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 the audit report required by the law in conjunction with the company's financial statements and regularly reports to the company's Board of Directors and management. The auditor participates in a Board meeting at least once a year, on which occasion a discussion of the audit plan and auditing results is arranged.

In 2012, Atria Plc's Annual General Meeting elected PricewaterhouseCoopers Oy, a firm of authorised public accountants, as the company's auditor until the closing of the next AGM. According to the firm, the auditor in charge is Authorised Public Accountant Juha Wahlroos.

Auditor's remuneration for the 2012 accounting period

In 2012, the Group paid a total of 486,000 euros in auditor's remuneration. The whole Group paid a total of 71,000 euros for services not related to auditing.

13. Insider policy

Atria complies with NASDAQ OMX Helsinki Ltd's insider guidelines in force since 9 October 2009. 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 at all times correct and sufficient information available to determine the value of Atria's share. In addition, the aim is to provide the financial markets with versatile information, based on which those active in the capital markets can form a justified image of Atria as an investment object.

Silent period

Atria has established a silent period for its investor relation communications 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 website at www.atriagroup.com, where you can find annual reports, interim reports and press and stock exchange releases. The company's largest shareholders and insiders as well as their holdings are regularly updated on the website.
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 report referred to in recommendation 47 of the Finnish Corporate Governance Code.

1. Remuneration of the members of the Supervisory Board

The Annual General Meeting decides yearly on the remuneration to the members of the Supervisory Board. The remuneration paid to the Supervisory Board in 2012 is as follows:

- Meeting compensation 250 euros/meeting
- Compensation for loss of working time 250 euros for meeting and proceeding dates
- Fee of the Chairman of the Supervisory Board 3,000 euros/month
- Fee of the Vice Chairman of the Supervisory Board 1,500 euros/month
- Travel allowance according to the Government Travelling Regulations (train travel in VR Extra Class).

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

In 2012, the monthly and meeting fees paid to the members of the Supervisory Board for participating in the work of the Supervisory Board (including being a member of the Supervisory Board of another company belonging the same Group) were as follows:

Remuneration (in euros) of the members of the Supervisory Board in 2012	Work of the Supervisory Board	Benefits from Group companies	Total
Pirkola Ari, Chairman	42,800		42,800
Anttikoski Juho, Vice Chairman since May 2012	13,500		13,500
Paavola Seppo, Vice Chairman until May 2012	12,000		12,000
Alaranta Juha-Matti, until May 2012	1,000		1,000
Asunmaa Mika	2,750		2,750
Haarala Lassi Antti	2,750		2,750
Hantula Jussi, since May 2012	1,000		1,000
Herrala Juhani	2,750		2,750
Holm Henrik	1,750	4,800	6,550
Hyttinen Veli	2,750		2,750
Ingalsuo Pasi	2,750	5,700	8,450
Kiviniemi Juha	2,000		2,000
Mutanen Teuvo	2,500		2,500
Niku Mika	2,250		2,250
Panula Heikki	2,250		2,250
Parikka Pekka	3,250		3,250
Partanen Juha	2,250		2,250
Puutio Jari, since May 2012	1,500		1,500
Tervonen Juho	3,000	7,200	10,200
Toivanen Tomi	2,750		2,750
Tuhkasaari Timo	2,250		2,250
Total	**109,800**	**17,700**	**127,500**

2. Remuneration of the members of the Board of Directors

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

The remuneration paid to the Board of Directors in 2012 is as follows:

- Meeting compensation 300 euros/meeting and compensation for loss of working time 300 euros/meeting and proceeding date
- Fee of the Chairman of the Board of Directors 4,400 euros/month
- Fee of the Vice Chairman of the Board of Directors 2,200 euros/month
- Fee of a member of the Board of Directors 1,700 euros/month
- Travel allowance according to the Government Travelling Regulations (train travel in VR Extra Class).

In 2012, the monthly and meeting fees paid to the members of the Board of Directors for participating in the work of the Board of Directors (including being a member of the Board of Directors of another company belonging to the same Group) were as follows:

Name	Position	Board of Directors and committee work	Benefits from Group companies	Total
Seppo Paavola	Chairman since May 2012	44,681		44,681
Martti Selin	Chairman until May 2012	28,503		28,503
Timo Komulainen	Vice Chairman	42,600	36,000	78,600
Tuomo Heikkilä	Member	31,500		31,500
Esa Kaarto	Member	30,900	23,100	54,000
Kjell-Göran Paxal	Member since May 2012	19,600	8,400	28,000
Maisa Romanainen	Member	24,900		24,900
Harri Sivula	Member	27,300		27,300
Total		261,984	67,500	329,484

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 director of a 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 Group's CEO.

The retirement age for the CEO is 63 years. However, the CEO has the right to retire at age 60. The amount of pension is based on the CEO's annual earnings at Atria Group as specified by the Board of Directors. In 2012, the group pension contributions of the CEO were 27% of annual earnings, which included monetary salary and fringe benefits without cash payments of incentive plans.

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 a severance pay, corresponding together 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

In February 2012, Atria Plc's Board of Directors decided to adopt a new long-term merit pay system for the Group's key personnel. The new system has three 12-month periods: 2012, 2013 and 2014. The earning period for the system ends on 31 December 2014. The compensation earned in an earning period is determined after the period is over based on progress against set targets. The system offers an opportunity to earn cash rewards for reaching targets established for the relevant earning period. Any profit from the system is based on the Group's earnings per share (EPS). Cash rewards payable under the system throughout the course of its earning period, between 2012 and 2014, are capped at EUR 4.5 million. The new system covers 40 of Atria Group's key personnel.

3.1.2 Short-term incentive plan

Atria Plc's Board of Directors has determined the management and key personnel's merit pay system for 2012. 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 system 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, Vice President and Management Team, Atria Plc's merit pay system covers approximately 40 Group executives.

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 group pension insurance is 63 years for the members of the Management Team. The pension plan is payment-based, and the annual premium is based on the insured monthly salary (monetary salary and fringe benefits) as specified by the Board of Directors. Equivalent pension benefits have been separately arranged for the members of the Management Team who are not within the scope of Finnish social security.

The financial benefits paid to the CEO and Management Team in 2012 were as follows:

	Salaries, EUR	Merit pay	Fringe benefits	Pension contributions	2012 Total
CEO Juha Gröhn	457,411	0	18,359	130,706	606,476
Other members of the Management Team	1,234,775	10,783	79,003	186,524	1,511,085
TOTAL	1,692,186	10,783	97,362	317,230	2,117,561

3.1.4 Share incentive plan

Atria Plc had a share incentive plan in place for key personnel in the Group with three earning periods, namely the calendar years of 2010, 2011 and 2012. At the beginning of 2012, the Board of Directors decided to discontinue the share-based plan, which, therefore, was no longer used in 2012.

Incentives based on the share incentive plan are paid partly in the form of Series A shares and partly in cash. The cash payments covered any taxes or similar costs associated with the incentives. The recipients were not allowed to transfer the shares for a period of two years from the end of the earning period. Profit from the programme for the 2010 and 2011 earning periods was linked to consolidated EBIT and return on total comprehensive income for the year. The cap on share incentives was set at 100,100 of Atria Plc's Series A shares a year for 2010 and 2011. However, no share incentives were awarded based on performance in 2010 and 2011.

In the earlier earning periods of the incentive plan in 2007–2009, incentives were paid partly in the form of Series A shares and partly in cash. The cash payments covered any taxes or similar costs associated with the incentives. The recipients were not allowed to transfer the shares for a period of two years from the end of the earning period. In the 2007–2009 earning periods, a total of 38,540 Series A shares held by the company were transferred at no cost to key personnel under the incentive plan (35,260 shares for 2007 and 3,280 shares for 2009). Of these shares, 4,750 have since returned to the company.

Investor reporting

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Investor information

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Stock Exchange releases

Atria Plc published a total of 17 company announcements in 2012. 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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