

Atria Plc Interim Report 1 January – 31 March 2012

CEO
Juha Gröhn
3 May, 2012

Atria Group Review Q1/2012

€ Million	Q1		
	2012	2011	2011
Net sales	308.6	304.0	1,301.9
EBIT	0.1	-4.2	8.0
EBIT %	0.0	-1.4	0.6
Profit before taxes	-3.0	-6.6	-4.7
Earnings per share, €	-0.19	-0.20	-0.24
Extraordinary items*	0.0	-0.5	-2.2

*Extraordinary items are included in the reported figures.

- EBIT improved to EUR 0.1 million (EUR -4.2 million)
- Net sales increased to EUR 308.6 million (EUR 304.0 million)
- The Group's equity ratio was 40.1 per cent (41.2%)
- Atria Finland's EBIT grew to EUR 5.2 million (EUR 0.6 million)
- Atria Scandinavia's EBIT decreased to EUR 0.2 million (EUR 2.3 million)
- Atria Russia's EBIT improved to EUR -3.3 million (EUR -5.6 million)

Atria Finland

Review Q1/2012

€ Million	Q1		
	2012	2011	2011
Net sales	188.5	186.2	793.7
EBIT	5.2	0.6	19.3
EBIT %	2.8	0.3	2.4
Extraordinary items*	0.0	0.0	-1.8

*Extraordinary items are included in the reported figures.

- **Atria Finland's** net sales totalled EUR 188.5 million (EUR 186.2 million), showing growth of EUR 2.3 million year-on-year.
- The EUR 5.2 million EBIT (EUR 0.6 million) was EUR 4.6 million higher than the EBIT for the corresponding period last year.
- The EBIT increase was due to an improved sales structure, implemented efficiency improvement measures and higher sales prices.

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Atria Finland

- According to Atria's own estimate, its market share in the retail trade is approximately 25 per cent (at the previous year's level).
- The sale of products under the new Family Farm Chicken (Perhetilan broileri) concept was particularly successful during the review period. Sales in the Food Service sector have also shown a positive trend in the early part of the year.
- The construction of the Kauhajoki bovine slaughterhouse and cutting plant and also the chicken hatchery are progressing as planned.
- Central labour market organisations awarded Atria Finland an honourable mention for its Early Caring employee well-being project. The reason was Atria's long-term development of employee well-being in a variety of ways.



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Atria Scandinavia

Review Q1/2012

€ Million	Q1		2011
	2012	2011	
Net sales	89,5	87,9	374,9
EBIT	0,2	2,3	13,8
EBIT %	0,2	2,6	3,7
Extraordinary items*	0,0	0,0	0,7

*Extraordinary items are included in the reported figures.

- **Atria Scandinavia's** net sales were EUR 89.5 million (EUR 87.9 million), representing a rise of EUR 1.6 million compared to the same period last year.
- EBIT was EUR 0.2 million (EUR 2.3 million), which is EUR 2.1 million lower than in the comparison period. The reason for the decrease was the higher price of meat raw material.
- A strong upward trend was seen in the sale of Atria's own brands. The sale of cold cuts particularly strengthened Atria's market share in both Sweden and Denmark (source: AC Nielsen).

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Atria Scandinavia

- During the review period, 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 will be transferred from the Halmstad plant to the Malmö plant. The Halmstad plant will be closed down after the production transfer.
- The programme is expected to generate annual cost savings of approximately EUR 1.5 million.



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Atria Russia

Review Q1/2012

€ Million	Q1		
	2012	2011	2011
Net sales	28,3	28,3	123,0
EBIT	-3,3	-5,6	-18,9
EBIT %	-11,8	-19,7	-15,4
Extraordinary items*	0,0	0,0	0,0

*Extraordinary items are included in the reported figures.

- **Atria Russia's** net sales amounted to EUR 28.3 million (EUR 28.3 million).
- Operating loss was EUR -3.3 million (EUR -5.6 million), showing an improvement of EUR 2.3 million over the comparative period.
- The development of net sales was slowed down by the reduction of the product range and the decrease in sales volumes in Moscow.
- The EBIT improved due to implemented efficiency improvement measures and the streamlining of the product range.

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Atria Russia

- According to Atria's own estimate the market share has remained stable in St Petersburg, where Atria is the market leader in the product groups it represents.
- As a result of the streamlining of the product range, the market share in Moscow has decreased slightly.
- During the review period, Atria Russia launched a programme aimed at improving production efficiency at the Sinyavino and Gorelovo plants. These measures are expected to generate annual cost savings of around EUR 2 million, which will be fully realised from the beginning of 2013.



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Atria Baltic Review Q1/2012



€ Million	Q1		
	2012	2011	2011
Net sales	7,9	8,1	35,2
EBIT	-0,5	-0,2	-2,2
EBIT %	-6,7	-2,5	-6,1
Extraordinary items*	0,0	0,3	-0,3

*Extraordinary items are included in the reported figures.

- **Atria Baltic's** net sales totalled EUR 7.9 million (EUR 8.1 million), representing a fall of EUR 0.2 million year-on-year.
- Operating loss was EUR -0.5 million (EUR -0.2 million), which is EUR 0.3 weaker than in the same period last year.
- The decrease in net sales was caused by lower sales of primary production. Meanwhile, sales to the retail sector increased in the review period. Growth was strongest in consumer-packed meat.
- The weakened results were caused by the increase in raw material prices, which could not be fully transferred to sales prices.
- The results for the corresponding period last year include a non-recurring sales profit item of EUR 0.3 million.

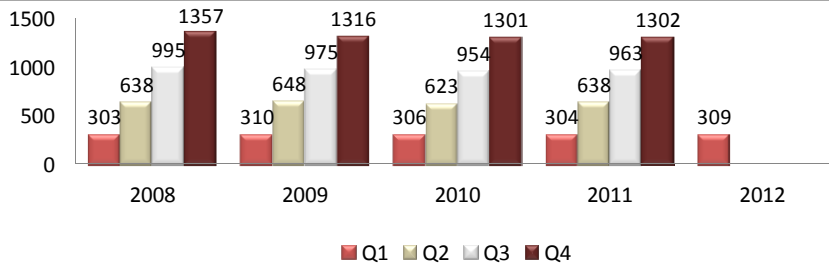
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Financial Development

Atria Group Net Sales

cumulative

€ Million

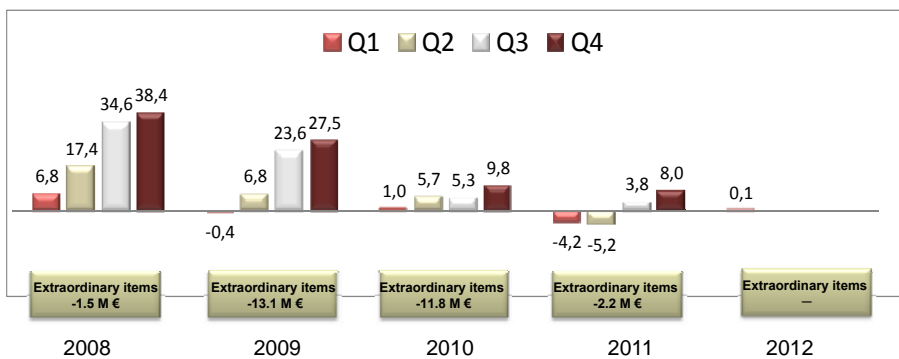


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Atria Group EBIT

cumulative

€ Million



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Atria Group Financial indicators

€ Million	31.3.12	31.3.11	31.12.11
Shareholders' equity per share, EUR	14.94	15.54	14.81
Interest-bearing liabilities	420.0	428.8	409.4
Equity ratio, %	40.1	41.2	39.5
Gearing, %	98.8	97.0	97.1
Net gearing, %	96.8	92.9	95.5
Gross investments in fixed assets	11.0	5.7	47.0
Gross investments, % of net sales	3.6	1.9	3.6
Average number of employees	4,991	5,583	5,467

- Equity ratio on the target level
- At the end of the review period, the amount of undrawn committed credit facilities stood at EUR 151.9 million (EUR 127.3 million)
- The average maturity of loans and committed credit limits at the end of the review period was 3 years 1 month (3 years 2 months).

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Atria Group Income Statement

€ Million	Q1		
	2012	2011	2011
NET SALES	308.6	304.0	1,301.9
Cost of goods sold	-275.3	-275.8	-1,162.7
GROSS PROFIT	33.2	28.2	139.2
<i>% of Net sales</i>	10.8	9.3	10.7
Other income	0.5	1.4	8.4
Other expenses	-33.7	-33.9	-139.7
EBIT	0.1	-4.2	8.0
<i>% of Net sales</i>	0.0	-1.4	0.6
Financial income and expenses	-3.5	-3.0	-14.1
Income from associates	0.4	0.6	1.4
PROFIT BEFORE TAXES	-3.0	-6.6	-4.7
Income taxes	-2.3	1.1	-1.9
PROFIT FOR THE PERIOD	-5.3	-5.5	-6.6
<i>% of Net sales</i>	-1.7	-1.8	-0.5
Earnings/share, €	-0.19	-0.20	-0.24

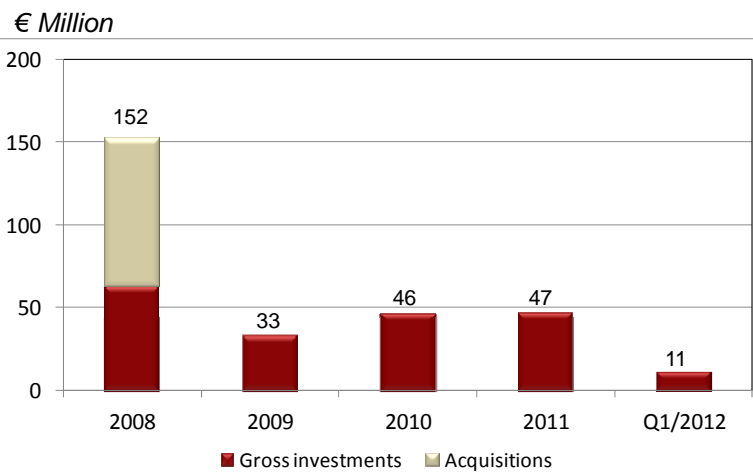
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Atria Group Cash flow statement

€ Million	Q1		
	2012	2011	2011
Cash flow from operating activities	-0.3	-3.1	61.0
Financial items and taxes	3.4	7.0	-10.7
CASH FLOW FROM OPERATING ACTIVITIES	3.1	3.9	50.3
Investing activities, tangible and intangible assets	-10.3	-5.2	-34.2
Sold subsidiary		2.0	2.0
Bought subsidiary			-6.1
Investments	1.7	0.5	-2.5
CASH FLOW FROM INVESTING ACTIVITIES	-8.6	-2.7	-40.8
FREE CASH FLOW	-5.5	1.2	9.5
Loans drawn down	30.0	1.5	50.0
Loans repaid	-22.9	-3.1	-64.2
Dividends paid			-7.0
CASH FLOW FROM FINANCING, TOTAL	7.1	-1.6	-21.2
CHANGE IN LIQUID FUNDS	1.6	-0.5	-11.7

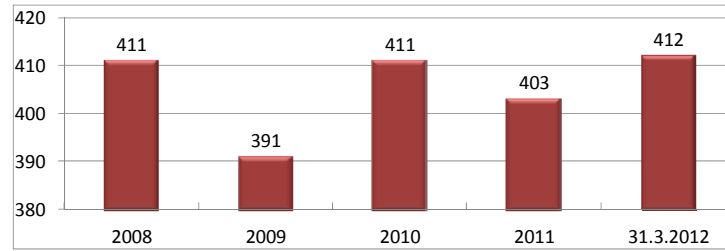
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Atria Group Gross investments



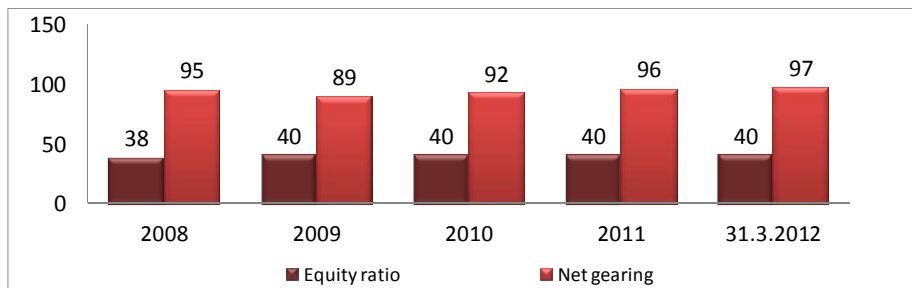
Atria Group Net debts

€ Million



Atria Group Equity ratio & Net gearing

%



Events occurring after the period

- Olle Horm was appointed Executive Vice President of Atria Baltic and a member of Atria Group's Management Team. Horm will assume his position on 15 August 2012, at the latest. He will report to Juha Gröhn, CEO, Atria Plc. Atria Baltic's current Executive Vice President, Rauno Väisänen, will return to Atria Finland.

Outlook for the future

- The Group's EBIT was EUR 8.0 million in 2011. A considerably higher EBIT is anticipated for 2012, and performance is expected to improve, especially in the second half of the year.
- A moderate increase in net sales is also expected in 2012.

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