
ATRIA PLC
INTERIM REPORT

2015
Q2



Food



People



Heritage

INTERIM REPORT OF ATRIA PLC 1 JANUARY–30 JUNE 2015
Atria Group's EBIT at the previous year's level
April–June 2015

- Consolidated net sales fell by 9.1% to EUR 337.5 million (EUR 371.4 million). At comparable exchange rates, the decline was 7.3%.
- Consolidated EBIT was EUR 8.4 million (EUR 8.4 million), or 2.5% (2.3%) of net sales. EBIT includes a total of EUR +1.9 million (EUR -0.4 million) of non-recurring items.
- Atria acquired the operations of Aalbaek Specialiteter, a Danish manufacturer of organic cold cuts.
- The sale of the Falbygdens cheese business to Arla in Sweden was completed on 1 April 2015.
- The Campofarm piggery real estate in Russia was sold.
- Net gearing was 58.8% (31 December 2014: 61.8%).

January–June 2015

- Consolidated net sales fell by 6.6% to EUR 652.1 million (EUR 698.4 million). At comparable exchange rates, the decline was 4.2%.
- Consolidated EBIT was EUR 9.1 million (EUR 5.8 million), or 1.4% (0.8%) of net sales. EBIT includes a total of EUR +1.9 million (EUR -1.2 million) of non-recurring items.
- Atria initiated an investment of EUR 36 million in the modernisation of a pig cutting plant in Nurmo, Finland.

EUR million	Q2	Q2	H1	H1	
	2015	2014	2015	2014	2014
Group					
Net sales	337.5	371.4	652.1	698.4	1,426.1
EBIT	8.4	8.4	9.1	5.8	40.6
EBIT, %	2.5%	2.3%	1.4%	0.8%	2.8%
Profit before taxes	6.0	9.9	4.4	4.1	34.0
Earnings per share, EUR	0.18	0.28	0.11	0.09	0.93
Non-recurring items*	1.9	-0.4	1.9	-1.2	1.0
Net sales by segment					
Atria Finland	233.7	246.5	445.9	463.4	945.5
Atria Scandinavia	80.3	95.4	165.4	183.8	371.9
Atria Russia	21.5	25.9	37.3	47.3	98.8
Atria Baltic	8.9	9.6	16.5	17.0	34.5
EBIT by segment					
Atria Finland	4.7	5.9	6.6	6.2	33.6
Atria Scandinavia	2.5	3.4	4.4	4.4	14.9
Atria Russia	1.9	-1.1	-0.3	-3.2	-5.7
Atria Baltic	0.2	-0.1	0.1	-0.3	-0.0

*Non-recurring items are included in the reported figures

April–June 2015

Atria Group's net sales for April–June totalled EUR 337.5 million (EUR 371.4 million). Net sales fell by EUR 33.8 million year-on-year. This decrease was due to a slow start of the barbecue season and the transfer of the Falbygdens cheese business to Arla on 1 April 2015. EBIT amounted to EUR 8.4 million (EUR 8.4 million), which includes a total of EUR +1.9 million (EUR -0.4 million) of non-recurring items.

Atria acquired the operations of Aalbaek Specialiteter A/S, a Danish manufacturer of organic cold cuts, for EUR 5.5 million. Aalbaek's annual net sales amount to around EUR 10 million. Aalbaek is the top organic cold cuts brand in Denmark. The transaction will strengthen Atria's market-leading position in cold cuts in Denmark. Aalbaek's brands and business, including all agreements, were transferred to Atria as part of the deal, along with a charcuterie and production facilities in Farre. The operations were consolidated into Atria from 11 May 2015.

The Swedish Competition Authority approved the sale of Atria Scandinavia's Falbygdens cheese business to Arla on 11 March 2015. The selling price is approximately EUR 30 million when the change in net working capital as per the sales agreement is taken into account. The operations were transferred to Arla Foods AB on 1 April 2015. The sale will reduce Atria's annual net sales by EUR 52 million and EBIT by EUR 3 million.

Atria sold a Russian subsidiary on 24 June 2015 for EUR 4.5 million. The company owned a farm property near Moscow. Non-recurring costs of EUR 0.6 million were recognised for the sale. Additionally, translation differences accrued in equity improved earnings by EUR 2.5 million.

Atria Finland's net sales for April–June totalled EUR 233.7 million (EUR 246.5 million), down by EUR 12.8 million year-on-year. This decrease was due to lower consumer demand. The summer barbecue season started late, shrinking the total market for the product groups represented by Atria by some 2% in terms of value, compared to the corresponding period last year. EBIT amounted to EUR 4.7 million (EUR 5.9 million). EBIT was brought down by a decrease in meat prices, which was due to the oversupply of meat in the international market. Atria Finland's cost-efficiency has remained at a good level.

Atria Scandinavia's net sales for April–June totalled EUR 80.3 million (EUR 95.4 million). Net sales at comparable exchange rates were roughly the same as in the corresponding period last year, when the changes arising from the sale of the Falbygdens cheese business and the acquisition of Aalbaek are excluded. EBIT for April–June was EUR 2.5 million (EUR 3.4 million). This decline was mainly due to the sale of the Falbygdens cheese business.

Atria Russia's net sales for April–June totalled EUR 21.5 million (EUR 25.9 million). Net sales in the local currency grew by 6.8% year-on-year. This growth was due to price increases. EBIT came to EUR 1.9 million (EUR -1.1 million), which includes a total of EUR +1.9 million (EUR 0.0 million) of non-recurring items. Comparable EBIT was EUR 0.1 million (EUR -1.1 million). Comparable EBIT mainly improved due to price increases, the elimination of unprofitable products, and improved cost-efficiency in industrial operations.

Atria Baltic's net sales for April–June totalled EUR 8.9 million (EUR 9.6 million). EBIT amounted to EUR 0.2 million (EUR -0.1 million). The comparative year includes EUR 0.4 million of non-recurring costs. The cold weather in the early summer reduced the sale of barbecue products. The profitability of exports and wholesale, along with primary production, deteriorated as a result of oversupply in the European meat market.

January–June 2015

Atria Group's net sales for January–June totalled EUR 652.1 million (EUR 698.4 million). Net sales fell by EUR 46.3 million year-on-year. This decrease was due to a slow start of the barbecue season, the transfer of the Falbygdens cheese business to Arla and the weakening of the rouble over the comparative period. EBIT amounted to EUR 9.1 million (EUR 5.8 million), which includes a total of EUR +1.9 million (EUR -1.2 million) of non-recurring items. Comparable EBIT was EUR 7.2 million (EUR 7.1 million).

At the beginning of the year, Atria Finland launched an investment worth around EUR 36 million in expanding and modernising its pig cutting plant in Nurmo, Finland. New production facilities will be built next to the old plant, and the existing facilities will be renovated and automated using the latest production technology. The investment will substantially raise the pig cutting plant's productivity and profitability: it is expected to generate annual cost savings of around EUR 8 million in the plant's operations.

In May, Atria acquired the operations of Aalbaek Specialiteter A/S, a Danish manufacturer of organic cold cuts, for EUR 5.5 million. Aalbaek's annual net sales amount to around EUR 10 million. Aalbaek is the top organic cold cuts brand in Denmark. The transaction will strengthen Atria's market-leading position in cold cuts in Denmark. Aalbaek's brands and business, including all agreements, were transferred to Atria as part of the deal, along with a charcuterie and production facilities in Farre. The operations were consolidated into Atria from 11 May 2015.

The Swedish Competition Authority approved the sale of Atria Scandinavia's Falbygdens cheese business to Arla on 11 March 2015. The selling price is approximately EUR 30 million when the change in net working capital as per the sales agreement is taken into account. The operations were transferred to Arla Foods AB on 1 April 2015. The sale will reduce Atria's annual net sales by EUR 52 million and EBIT by EUR 3 million.

Atria sold a Russian subsidiary on 24 June 2015 for EUR 4.5 million. The company owned a farm property near Moscow. Non-recurring costs of EUR 0.6 million were recognised for the sale. Additionally, translation differences accrued in equity improved earnings by EUR 2.5 million.

Investments during the period under review totalled EUR 28.8 million (EUR 48.9 million). The Group's free cash flow for the period (operating cash flow - cash flow from investments) was EUR 28.5 million (EUR -12.8 million) and net liabilities were EUR 237.2 million (31 December 2014: EUR 250.7 million).

Atria Finland's net sales for January–June totalled EUR 445.9 million (EUR 463.4 million), down by EUR 17.5 million year-on-year. This decline was due to lower consumer demand and the shrinking of the total market for the product groups represented by Atria. EBIT amounted to EUR 6.6 million (EUR 6.2 million). EBIT was brought down by a decrease in meat prices, which was due to the oversupply of meat in the international market. EBIT for the comparative period included EUR 0.8 million of non-recurring costs.

Atria Scandinavia's net sales for January–June totalled EUR 165.4 million (EUR 183.8 million). This decrease was mainly due to the sale of the Falbygdens cheese business, completed on 1 April 2015. EBIT for January–June came to EUR 4.4 million (EUR 4.4 million).

Atria Russia's net sales for January–June totalled EUR 37.3 million (EUR 47.3 million). Net sales in the local currency grew by 6.2% year-on-year. This growth was due to price increases. EBIT was EUR -0.3 million (EUR -3.2 million), which includes a total of EUR +1.9 million of non-recurring items. Comparable EBIT totalled EUR -2.2 million (EUR -3.2 million). In the first half of the year, EBIT was weighed down by an increase in raw material prices and lower consumer demand.

Atria Baltic's net sales for January–June totalled EUR 16.5 million (EUR 17.0 million). EBIT for January–June was EUR 0.1 million (EUR -0.3 million). EBIT for the comparative period includes EUR 0.4 million of non-recurring costs. Prolonged oversupply in the international meat market and fierce price competition in the retail market have brought down meat prices. As a result, the consumption of fresh meat has increased while that of meat products has fallen. Low prices have reduced the profitability of sales.

Key indicators

EUR million	30.6.15	30.6.14	31.12.14
Shareholders' equity per share, EUR	14.14	14.19	14.22
Interest-bearing liabilities	240.1	324.0	254.1
Equity ratio, %	45.1	40.9	44.0
Gearing, %	59.5	80.1	62.6
Net gearing, %	58.8	79.0	61.8
Gross investments in fixed assets	28.8	48.9	62.7
% of net sales	4.4	7.0	4.4
Average FTE	4,399	4,845	4,715

Business development by segment January–June 2015**Atria Finland**

	Q2	Q2	H1	H1	
EUR million	2015	2014	2015	2014	2014
Net sales	233.7	246.5	445.9	463.4	945.5
EBIT	4.7	5.9	6.6	6.2	33.6
EBIT, %	2.0%	2.4%	1.5%	1.3%	3.6%
Non-recurring items*	0.0	0.0	0.0	-0.8	0.9

*Non-recurring items are included in the reported EBIT

Atria Finland's net sales for April–June totalled EUR 233.7 million (EUR 246.5 million), down by EUR 12.8 million year-on-year. This decrease was due to lower consumer demand. The summer barbecue season started late, shrinking the total market for the product groups represented by Atria by some 2% in terms of value, compared to the corresponding period last year. EBIT amounted to EUR 4.7 million (EUR 5.9 million). EBIT was brought down by a decrease in meat prices, which was due to the oversupply of meat in the international market. Atria Finland's cost-efficiency has remained at a good level.

Net sales for January–June totalled EUR 445.9 million (EUR 463.4 million), down by EUR 17.5 million year-on-year. This decline was due to lower consumer demand and the shrinking of the total market for the product groups represented by Atria. EBIT amounted to EUR 6.6 million (EUR 6.2 million). EBIT was brought down by a decrease in meat prices, which was due to the oversupply of meat in the international market. EBIT for the comparative period included EUR 0.8 million of non-recurring costs.

At the beginning of the year, Atria Finland launched an investment worth around EUR 36 million in expanding and modernising its pig cutting plant in Nurmo, Finland. New production facilities will be built next to the old plant, and the existing facilities will be renovated and automated using the latest production technology. The investment will substantially raise the pig cutting plant's productivity and profitability: it is expected to generate annual cost savings of around EUR 8 million in the plant's operations. The construction project has progressed according to plan.

In January–June, the total market declined by around 1.5% in terms of value, compared to the corresponding period last year. Atria's share of production in April–June was 27%, which is slightly less than the year before. The main reason for this was the sluggish start of the barbecue season. Atria is the market leader in barbecue products. (Source: Atria)

Extensive stakeholder dialogue was launched in the period under review as part of the Atria's Handprint programme. Atria invited all of its shareholders to discuss the current state of Atria's responsibility and any needs for improvement. Some 1,500 shareholders participated in the dialogue during the first month. Atria's commitment to domestic meat raw material, animal welfare, and the safety and high quality of products have been the most widely discussed topics. The discussion will continue until the beginning of September at www.parempieli.fi.

Atria Scandinavia

	Q2	Q2	H1	H1	
EUR million	2015	2014	2015	2014	2014
Net sales	80.3	95.4	165.4	183.8	371.9
EBIT	2.5	3.4	4.4	4.4	14.9
EBIT, %	3.1%	3.6%	2.6%	2.4%	4.0%
Non-recurring items*	0.0	0.0	0.0	0.0	0.0

*Non-recurring items are included in the reported EBIT

Atria Scandinavia's net sales for April–June totalled EUR 80.3 million (EUR 95.4 million). Net sales at comparable exchange rates were roughly the same as in the corresponding period last year, when the changes arising from the sale of the Falbygdens cheese business and the acquisition of Aalbaek are excluded. EBIT for April–June was EUR 2.5 million (EUR 3.4 million). This decline was mainly due to the sale of the Falbygdens cheese business.

Net sales for January–June totalled EUR 165.4 million (EUR 183.8 million). This decrease was mainly due to the sale of the Falbygdens cheese business, completed on 1 April 2015. EBIT for January–June was EUR 4.4 million (EUR 4.4 million).

In January–June, the total market for sausages in the Swedish retail trade shrank by 0.4% and the total market for cold cuts grew by 0.5%. In sausages, the market share of Atria brands remained unchanged and Atria's share of production increased. In Sweden, the market share of Atria's cold cuts brands declined by about one percentage point, while the share of private labels strengthened. In the Danish retail sector, the total market for cold cuts shrank by about 1.0% during the period. In Denmark, the 3-Stjernet brand consolidated its market leadership. (Source: AC Nielsen). Atria has increased the production of private label products in Sweden. Sibylla continued its international expansion: there are currently 4,640 Sibylla sales points in Europe.

Atria acquired the operations of Aalbaek Specialiteter A/S, a Danish manufacturer of organic cold cuts, for EUR 5.5 million. Aalbaek's annual net sales amount to around EUR 10 million. Aalbaek is the top organic cold cuts brand in Denmark. The transaction will strengthen Atria's market-leading position in cold cuts in Denmark. Aalbaek's brands and business, including all agreements, were transferred to Atria as part of the deal, along with a charcuterie and production facilities in Farre. The operations were consolidated into Atria from 11 May 2015.

The Swedish Competition Authority approved the sale of Atria Scandinavia's Falbygdens cheese business to Arla on 11 March 2015. The selling price is approximately EUR 30 million when the change in net working capital as per the sales agreement is taken into account. The operations were transferred to Arla Foods AB on 1 April 2015. The sale will reduce Atria's annual net sales by EUR 52 million and EBIT by EUR 3 million.

In the period under review, several projects were under way as part of the Atria's Handprint programme. Among the most important was the launch of the updated Atria Code of Conduct.

Atria Russia

	Q2	Q2	H1	H1	
EUR million	2015	2014	2015	2014	2014
Net sales	21.5	25.9	37.3	47.3	98.8
EBIT	1.9	-1.1	-0.3	-3.2	-5.7
EBIT, %	9.1%	-4.1%	-0.9%	-6.9%	-5.8%
Non-recurring items*	1.9	0.0	1.9	0.0	0.5

*Non-recurring items are included in the reported EBIT

Atria Russia's net sales for April–June totalled EUR 21.5 million (EUR 25.9 million). Net sales in the local currency grew by 6.8% year-on-year. This growth was due to price increases. EBIT was EUR 1.9 million (EUR -1.1 million), which includes a total of EUR +1.9 million (EUR 0.0 million) of non-recurring items. Atria sold a Russian subsidiary on 24 June 2015 for EUR 4.5 million. The company owned a farm property near Moscow. Non-recurring costs of EUR 0.6 million were recognised for the sale. Additionally, translation differences accrued in equity improved earnings by EUR 2.5 million. Comparable EBIT was EUR 0.1 million (EUR -1.1 million). Comparable EBIT mainly improved due to price increases, the elimination of unprofitable products, and improved cost-efficiency in industrial operations.

Net sales for January–June totalled EUR 37.3 million (EUR 47.3 million). Net sales in the local currency grew by 6.2% year-on-year. This growth was due to price increases. EBIT was EUR -0.3 million (EUR -3.2 million), which includes a total of EUR +1.9 million of non-recurring items. Comparable EBIT totalled EUR -2.2 million (EUR -3.2 million). In the first half of the year, EBIT was brought down by an increase in raw material prices and lower consumer demand.

Atria has implemented all the planned structural reforms according to schedule, and the positive effects of these are now seen in the results.

The Russian retail trade continued to develop slowly in the second quarter. Consumers' real earnings have fallen further, resulting in lower consumption of daily consumer goods. Atria has managed to bring more affordable products to the market. Sibylla has developed as planned in Russia.

Atria Baltic

	Q2	Q2	H1	H1	
EUR million	2015	2014	2015	2014	2014
Net sales	8.9	9.6	16.5	17.0	34.5
EBIT	0.2	-0.1	0.1	-0.3	-0.0
EBIT, %	2.3%	-0.9%	0.5%	-1.7%	-0.1%
Non-recurring items*	0.0	-0.4	0.0	-0.4	-0.4

*Non-recurring items are included in the reported EBIT

Atria Baltic's net sales for April–June totalled EUR 8.9 million (EUR 9.6 million). EBIT amounted to EUR 0.2 million (EUR -0.1 million). The comparative year includes EUR 0.4 million of non-recurring costs. The cold weather in the early summer reduced the sale of barbecue products. The profitability of exports and wholesale, along with primary production, deteriorated as a result of oversupply in the European meat market.

Net sales for January–June totalled EUR 16.5 million (EUR 17.0 million). EBIT for January–June was EUR 0.1 million (EUR -0.3 million). EBIT for the comparative period includes EUR 0.4 million of non-recurring costs. Prolonged oversupply in the international meat market and fierce price competition in the retail market have brought down meat prices. As a result, the consumption of fresh meat has increased while that of meat products has fallen. Low prices have reduced the profitability of sales.

Financing, cash flow, investments, equity ratio

Atria Plc refinanced in June a long-term bullet loan of EUR 30 million, which was due in February 2017. The maturity of the new loan is seven years.

During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR 28.5 million (EUR -12.8 million). The Group's investments during the period totalled EUR 28.8 million (EUR 48.9 million).

Interest-bearing net liabilities amounted to EUR 237.2 million (31 December 2014: EUR 250.7 million). The equity ratio was 45.1% (31 December 2014: 44.0%). In January–June, translation differences recognised in equity increased equity by EUR 6.1 million (EUR -3.7 million) due to the strengthening of the rouble.

On 30 June 2015, the Group's undrawn committed credit facilities stood at EUR 109.8 million (31 December 2014: EUR 110.6 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 2 months (31 December 2014: 3 years).

Average FTE

The Group had an average of 4,399 employees (4,845) during the period under review.

Personnel by business area

	1–6/2015	1–6/2014
Atria Finland	2,244	2,433
Atria Scandinavia	970	1,041
Atria Russia	854	1,045
Atria Baltic	331	326

Business risks in the period under review and short-term risks

Unplanned and unforeseen incidents related to the quality and safety of raw materials and products in any part of the chain, from primary production to consumption, constitute a potential risk in Atria's operations. Also, shifts in the balance between meat supply and demand in the global meat market pose a risk to Atria's business. Atria estimates that no significant changes have occurred in risks associated with raw materials and in meat market uncertainties compared to the situation described in the Annual Report 2014. Atria's exposure to the volatility of the Russian rouble and to the effects of Russia's import ban on EU meat continues. The risk of the spread of African swine fever in Estonia is still high. Atria has introduced several precautions in order to prevent the disease from spreading into its production facilities, and is thereby managing the existing risk.

Outlook for the future

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

Shares

Atria Plc's share capital consists of a total of 28,267,728 shares, divided into 19,063,747 series A shares and 9,203,981 series KII shares. Each series A share entitles its holder to one (1) vote and each series KII share to ten (10) votes at a General Meeting. Therefore, Atria Plc's shareholders are entitled to a total of 111,103,557 votes. The company holds 111,312 series A treasury shares.

Decisions made at Atria Plc's Annual General Meeting on 28 April 2015

The AGM approved the financial statements and the consolidated financial statements for the financial year from 1 January to 31 December 2014, and discharged the members of the Supervisory Board and the Board of Directors as well as the CEO from liability for the financial year ended on 31 December 2014.

The AGM decided that a dividend of EUR 0.40 be paid for each share for the financial year ended on 31 December 2014. Dividends are paid to shareholders listed on the company's shareholder register, kept by Euroclear Finland Oy, on the record date for the payment of dividends. The record date was 30 April 2015 and the date of payment 8 May 2015.

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

Member	Term ends
Juho Anttikoski	2016
Mika Asunmaa	2016
Reijo Flink	2017
Lassi-Antti Haarala	2018
Jussi Hantula	2018
Henrik Holm	2018
Hannu Hyyry	2016
Veli Hyttinen	2017
Pasi Ingalsuo	2017
Marja-Liisa Juuse	2018
Jukka Kaikkonen	2016
Juha Kiviniemi	2017
Pasi Korhonen	2018
Ari Lajunen	2018

Mika Niku	2018
Pekka Ojala	2017
Heikki Panula	2016
Ahti Ritola	2016
Risto Sairanen	2017
Timo Tuhkasaari	2017

A total of 20 members

The AGM decided that the monthly remuneration of the chairmen of the Supervisory Board would be halved and that other remuneration would remain unchanged. The fees are as follows: EUR 250 per meeting, compensation for loss of working time EUR 250 per day of meetings and proceedings, the fee payable to the Chairman of the Supervisory Board EUR 1,500 per month and that payable to the Deputy Chairman EUR 750 per month.

The AGM decided that the Board of Directors would consist of eight members. Esa Kaarto, Kjell-Göran Paxal and Harri Sivula, who were due to resign, were re-elected as Board members for the next three-year term. It was noted that Seppo Paavola, Timo Komulainen, Jukka Moisio, Jyrki Rantsi and Maisa Romanainen would continue as Board members. The terms of Timo Komulainen, Jyrki Rantsi and Maisa Romanainen will expire at the closing of the AGM in 2016 and those of Seppo Paavola and Jukka Moisio at the closing of the AGM in 2017.

The AGM decided that the remuneration of the members of the Board of Directors would remain unchanged. The fees are as follows: EUR 300 per meeting, compensation for loss of working time EUR 300 per day of meetings and proceedings, the fee payable to the Chairman of the Board of Directors EUR 4,400 per month, the fee payable to the Deputy Chairman EUR 2,200 per month and the fee payable to a Board member EUR 1,700 per month.

In accordance with the Board of Directors' proposal, the AGM elected Authorised Public Accountants PricewaterhouseCoopers Oy as the company's auditor for a term ending at the closing of the next Annual General Meeting. According to the firm, the auditor in charge is Authorised Public Accountant Juha Wahlroos. The AGM decided that the auditor's fee is paid against an invoice approved by the company.

Purchase of treasury shares

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

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

The authorisation supersedes the authorisation granted by the Annual General Meeting on 6 May 2014 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 2016, whichever is first.

Share issue and special rights entitling holders to shares

The AGM decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to decide, on one or several occasions, on an issue of a maximum of 7,000,000 new series A shares or on the disposal of any series A shares held by the company through a share issue and/or by granting option rights or other special rights entitling holders to shares as referred to in Chapter 10, section 1 of the Limited Liability Companies Act. The authorisation may be used for the financing or execution of any acquisitions or other arrangements or investments relating to the company's business, for the implementation of the company's incentive scheme or for other purposes subject to the Board of Directors' decision.

The Board of Directors is also authorised to decide on all terms and conditions of the share issue and of the granting of special rights as referred to in Chapter 10, section 1 of the Limited Liability Companies Act. The authorisation thus 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 Liability Companies Act on the maximum number of treasury shares.

The authorisation supersedes the share issue authorisation granted by the Annual General Meeting on 6 May 2014 to the Board of Directors, and is valid until the closing of the next Annual General Meeting or until 30 June 2016, whichever is first.

Donations

The AGM decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to decide on the donation of a maximum of EUR 100,000 to universities or other educational institutions.

Corporate governance principles

Atria's corporate governance principles and deviations from the Finnish Corporate Governance Code are published on the company's website at www.atriagroup.com.

ATRIA GROUP
CONSOLIDATED INCOME STATEMENT

EUR million	4-6/15	4-6/14	1-6/15	1-6/14	1-12/14
Net sales	337.5	371.4	652.1	698.4	1,426.1
Costs of goods sold	-297.8	-325.8	-580.3	-619.4	-1,249.3
Gross profit	39.8	45.6	71.8	79.0	176.8
Sales and marketing expenses	-23.1	-26.1	-45.1	-50.6	-96.5
Administrative expenses	-10.5	-11.1	-20.4	-22.2	-42.0
Other operating income	2.6	0.7	3.2	1.3	6.7
Other operating expenses	-0.4	-0.7	-0.4	-1.6	-4.4
EBIT	8.4	8.4	9.1	5.8	40.6
Finance income and costs	-2.5	-3.2	-4.8	-6.8	-12.7
Income from joint ventures and associates	0.1	4.7	0.1	5.1	6.2
Profit for before tax	6.0	9.9	4.4	4.1	34.0
Income taxes	-0.8	-1.7	-1.3	-1.2	-7.2
Profit for the period	5.1	8.2	3.1	2.9	26.8
Profit attributable to:					
Owners of the parent	5.1	7.9	3.0	2.7	26.2
Non-controlling interests	0.1	0.2	0.1	0.2	0.6
Total	5.1	8.2	3.1	2.9	26.8
Basic earnings per share, EUR	0.18	0.28	0.11	0.09	0.93
Diluted earnings per share, EUR	0.18	0.28	0.11	0.09	0.93

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/15	4-6/14	1-6/15	1-6/14	1-12/14
Profit for the period	5.1	8.2	3.1	2.9	26.8
Other comprehensive income after tax:					
Items that will not be reclassified to profit or loss					
Actuarial gains/losses from benefit-based pension obligations					-0.8
Items reclassified to profit or loss when specific conditions are met					
Available-for-sale financial assets	0.0	0.0	-0.2	0.0	0.0
Cash flow hedges	0.4	0.2	0.1	-0.4	-0.3
Currency translation differences	-1.5	1.2	6.1	-3.7	-25.0
Total comprehensive income for the period	4.0	9.6	9.2	-1.2	0.6
Total comprehensive income attributable to:					
Owners of the parent	3.9	9.4	9.1	-1.3	0.2
Non-controlling interests	0.1	0.2	0.1	0.1	0.5
Total	4.0	9.6	9.2	-1.2	0.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Assets

EUR million	30.6.15	30.6.14	31.12.14
Non-current assets			
Property, plant and equipment	398.8	433.7	390.7
Biological assets	0.7	0.8	0.7
Goodwill	165.5	172.2	163.6
Other intangible assets	81.0	84.4	75.8
Investments in joint ventures and associates	12.7	19.5	13.2
Other financial assets	1.1	2.2	1.3
Loans and other receivables	10.4	8.8	11.3
Deferred tax assets	7.4	5.1	6.1
Total	677.7	726.6	662.8
Current assets			
Inventories	92.3	113.4	92.9
Biological assets	3.4	3.6	3.2
Trade and other receivables	118.3	135.9	120.7
Cash and cash equivalents	2.9	4.6	3.4
Total	217.0	257.5	220.2
Assets classified as held for sale	-	5.8	40.6
Total assets	894.7	989.9	923.5

Equity and liabilities

EUR million	30.6.15	30.6.14	31.12.14
Equity attributable to the shareholders of the parent company			
Equity attributable to the shareholders of the parent company	399.7	401.0	401.9
Non-controlling interests	3.8	3.3	3.7
Total equity	403.5	404.3	405.6
Non-current liabilities			
Interest-bearing financial liabilities	199.4	208.9	202.6
Deferred tax liabilities	45.4	46.5	43.8
Pension obligations	7.8	6.8	7.7
Other non-interest-bearing liabilities	5.4	6.6	5.7
Provisions	0.1	-	0.7
Total	258.1	268.8	260.4
Current liabilities			
Interest-bearing financial liabilities	40.7	115.1	51.5
Trade and other payables	192.3	201.6	198.8
Total	233.0	316.7	250.3
Liabilities classified as held for sale	-	-	7.1
Total liabilities	491.1	585.6	517.9
Total equity and liabilities	894.7	989.9	923.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to the shareholders of parent company								Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other funds	Inv. non-rest. equity fund *)	Trans lation diff.	Retained earnings	Total		
Equity 1.1.14	48.1	138.5	-1.3	-4.1	110.6	-21.9	138.6	408.5	3.2	411.7
Comprehensive income for the period										
Profit for the period							2.7	2.7	0.2	2.9
Other comprehensive income										
Available-for-sale financial assets				0.0				0.0		0.0
Cash flow hedges				-0.4				-0.4		-0.4
Currency translation differences						-3.6		-3.6	-0.1	-3.7
Transactions with owners										
Dividends							-6.2	-6.2		-6.2
Equity 30.6.14	48.1	138.5	-1.3	-4.5	110.6	-25.5	135.1	401.0	3.3	404.3
Equity 1.1.15	48.1	138.5	-1.3	-4.4	110.6	-46.8	157.2	401.9	3.7	405.6
Comprehensive income for the period										
Profit for the period							3.0	3.0	0.1	3.1
Other comprehensive income										
Available-for-sale financial assets				-0.2				-0.2		-0.2
Cash flow hedges				0.1				0.1		0.1
Currency translation differences						6.1		6.1	0.0	6.1
Transactions with owners										
Dividends							-11.3	-11.3		-11.3
Equity 30.6.15	48.1	138.5	-1.3	-4.4	110.6	-40.7	149.0	399.7	3.8	403.5

*) Invested unrestricted equity fund

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-6/15	1-6/14	1-12/14
Cash flow from operating activities			
Operating activities	23.8	44.3	113.3
Financial items and taxes	-1.6	-11.6	-21.1
Net cash flow from operating activities	22.2	32.7	92.2
Cash flow from investing activities			
Tangible and intangible assets	-22.0	-20.3	-33.9
Acquired operations, net of cash acquired	-5.5	-26.3	-32.5
Sold subsidiary shares	34.1	-	11.9
Non-current receivables	0.1	-0.9	-2.8
Dividends received from investments	0.6	1.0	8.4
Changes in other investments	-1.1	1.0	1.1
Net cash used in investing activities	6.3	-45.5	-47.8
Cash flow from financing activities			
Changes in long-term borrowings	-5.2	-46.8	-52.3
Changes in short-term borrowings	-12.6	41.6	-11.2
Dividends paid	-11.3	-6.2	-6.2
Net cash used in financing activities	-29.1	-11.4	-69.6
Change in liquid funds	-0.6	-24.2	-25.3
Cash and cash equivalents at beginning of year	3.4	28.8	28.8
Effect of exchange rate changes	0.1	-0.1	-0.2
Cash and cash equivalents at end of year	2.9	4.6	3.4

NOTES TO THE INTERIM REPORT

This interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. Atria has applied the same principles in preparing this report as in preparing the 2014 annual financial statements. However, as of 1 January 2015, the Group uses new or revised standards and IFRIC interpretations published by the IASB, referred to in the accounting principles of the 2014 annual financial statements. These new or revised standards and interpretations did not have any impact on the figures presented for the review period.

The principles for the calculation of key indicators have not changed, and they are presented in the 2014 annual financial statements. The figures given in this release are rounded to millions of euros, so the combined total of individual figures may differ from the total sum presented.

The figures presented in this interim report are unaudited.

OPERATING SEGMENTS

EUR million	4-6/15	4-6/14	1-6/15	1-6/14	1-12/14
Net sales					
Atria Finland	233.7	246.5	445.9	463.4	945.5
Atria Scandinavia	80.3	95.4	165.4	183.8	371.9
Atria Russia	21.5	25.9	37.3	47.3	98.8
Atria Baltic	8.9	9.6	16.5	17.0	34.5
Eliminations	-6.8	-6.1	-13.1	-13.1	-24.7
Total	337.5	371.4	652.1	698.4	1 426.1
EBIT					
Atria Finland	4.7	5.9	6.6	6.2	33.6
Atria Scandinavia	2.5	3.4	4.4	4.4	14.9
Atria Russia	1.9	-1.1	-0.3	-3.2	-5.7
Atria Baltic	0.2	-0.1	0.1	-0.3	-0.0
Unallocated	-0.9	0.1	-1.6	-1.2	-2.2
Total	8.4	8.4	9.1	5.8	40.6
Investments					
Atria Finland	9.1	6.1	15.3	40.9	47.1
Atria Scandinavia	9.2	3.9	11.5	5.6	10.3
Atria Russia	0.5	1.2	1.4	2.1	4.3
Atria Baltic	0.4	0.2	0.6	0.3	0.9
Total	19.2	11.4	28.8	48.9	62.7
Depreciation and write-offs					
Atria Finland	7.3	7.2	14.6	13.8	28.0
Atria Scandinavia	2.7	2.9	5.4	5.8	11.3
Atria Russia	1.2	1.9	2.2	3.6	6.4
Atria Baltic	0.6	0.6	1.2	1.2	2.4
Total	11.9	12.6	23.4	24.4	48.1

FINANCIAL ASSETS AND LIABILITIES

Fair value hierarchy:

EUR million

Balance sheet items	30.6.15	Level 1	Level 2	Level 3
Assets				
Available-for-sale financial assets	1.1			1.1
Derivative financial instruments	0.7		0.7	
Total	1.7	0.0	0.7	1.1
Liabilities				
Bonds	50.0		50.0	
Derivative financial instruments	7.2		7.2	
Total	57.2	0.0	57.2	0.0

Balance sheet items	31.12.14	Level 1	Level 2	Level 3
Assets				
Available-for-sale financial assets	1.3	0.2		1.1
Derivative financial instruments	5.2		5.2	
Total	6.6	0.2	5.2	1.1
Liabilities				
Bonds	50.0		50.0	
Derivative financial instruments	8.0		8.0	
Total	58.0	0.0	58.0	0.0

There were no transfers between Levels 1 and 2 during the period.

Level 1: Prices listed on active markets for identical assets and liabilities.

Level 2: Fair values can be determined either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair values are not based on verifiable market prices.

Fair values of financial instruments do not deviate significantly from balance sheet values.

ASSETS CLASSIFIED AS HELD FOR SALE

EUR million	30.6.15	30.6.14	31.12.14
Assets held for sale:			
Atria Scandinavia			36.9
Atria Russia		5.8	3.7
Total	-	5.8	40.6
Liabilities classified as held for sale:			
Atria Scandinavia			7.1

In 2014, Atria decided to divest the Falbygdens cheese business in Sweden. The assets and liabilities associated with the operations were sold in April. Atria has also sold a farm property near Moscow, which was classified as available for sale in 2013.

CONTINGENT LIABILITIES

EUR million	30.6.15	30.6.14	31.12.14
Debts with mortgages or other collateral given as security			
Loans from financial institutions	2.6	2.8	2.7
Pension fund loans	5.5	5.5	5.4
Total	8.1	8.3	8.0
Mortgages and other securities given as comprehensive security			
Real estate mortgages	3.8	3.9	3.8
Corporate mortgages	1.3	1.3	1.2
Total	5.1	5.2	5.0
Guarantee engagements not included in the balance sheet			
Guarantees	0.4	0.4	0.4

RELATED PARTY TRANSACTIONS**milj. EUR**

The following transactions were completed with related parties:

	1-6/15	1-6/14	1-12/14
Sales of goods and services	4.6	4.1	8.9
Purchases of goods and services	38.6	43.3	89.0
Shares sold	-	-	1.5
	30.6.15	30.6.14	31.12.14
Receivables	1.8	1.5	2.3
Liabilities	4.5	5.7	5.9

ACQUIRED OPERATIONS

In May, Atria acquired the operations of Aalbaek Specialiteter A/S, a Danish manufacturer of organic cold cuts, for EUR 5.5 million. Aalbaek's annual net sales amount to around EUR 10 million. Aalbaek is the top organic cold cuts brand in Denmark.

The demand for organic meat products in Denmark has been increasing steadily for several years. The transaction will strengthen Atria's market-leading position in cold cuts in the country. Aalbaek's brands and business, including all agreements, were transferred to Atria as part of the deal, along with a charcuterie and production facilities in Farre. In conjunction with the transaction, 10 Aalbaek employees transferred to Atria. The operations were consolidated into Atria from 11 May 2015.

In connection with the acquisition, a brand worth EUR 5.3 million on the balance sheet of the reporting day was recognised as a separate intangible asset.

The business operations of Aalbaek Specialiteter	Fair value used in the acquisition
Tangible assets	1.1
Intangible assets	5.3
Inventories	0.6
Total assets	6.9
Deferred tax liabilities	1.2
Current liabilities	0.2
Total liabilities	1.5
Net assets	5.5
Purchase price	5.5
Effect of the acquisition on cash flow	5.5

The calculation is preliminary, since the fair values of assets and liabilities might be revised.

SOLD OPERATIONS

Atria has sold the Falbygdens cheese business in Sweden and a farm property in Russia, which were classified as assets held for sale.

The Falbygdens cheese business:

The Swedish Competition Authority approved on 11 March 2015 the sale of Atria's Falbygdens cheese business to Arla Foods AB. The operations were consolidated into Arla Foods AB from 1 April 2015. The transaction included the transfer of the following to Arla: the Falbygdens cheese business and its employees, the production plant in Falköping and the Falbygdens brand. The number of transferred employees was around 100. The assets of the divested cheese business totalled EUR 33.3 million and liabilities EUR 5.3 million. The selling price is approximately EUR 30 million when the change in net working capital as per the sales agreement is taken into account. The deal had no impact on the group's results.

OOO Campoferma:

Atria sold its subsidiary OOO Campoferma in Russia on 24 June 2015. The company owned a farm property near Moscow. The selling price was EUR 4.5 million, and the company's net assets totalled EUR 5.0 million. Costs of EUR 0.6 million were recognised for the sale. Additionally, translation differences of EUR 2.5 million accrued by the company have been transferred from equity to other operational income.

ATRIA PLC

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