

**Atria Plc**  
**Interim Report**  
**1 January – 31 March, 2008**  
**President and CEO**  
**Matti Tikkakoski**  
**6 May 2008**

# Group Structure

## Atria Plc

- Net Sales € 1.272 m € (2007)
- Personnel 5.947 (average 2007)

### Finland

Net Sales 750 m €  
Personnel 2.394

- Atria Finland Ltd
- A-Farmers Ltd
- A-Rehu Oy

### Scandinavia

Net Sales 458 m €  
Personnel 1.768

- Atria Chark&Deli AB
- Atria Foodservice AB
- Atria Concept AB

### Russia

Net Sales 66 m €  
Personnel 1.278

- OOO Pit-Product

### Baltic Countries

Net Sales 27 m €  
Personnel 507

- AS Valga Lihatööstus

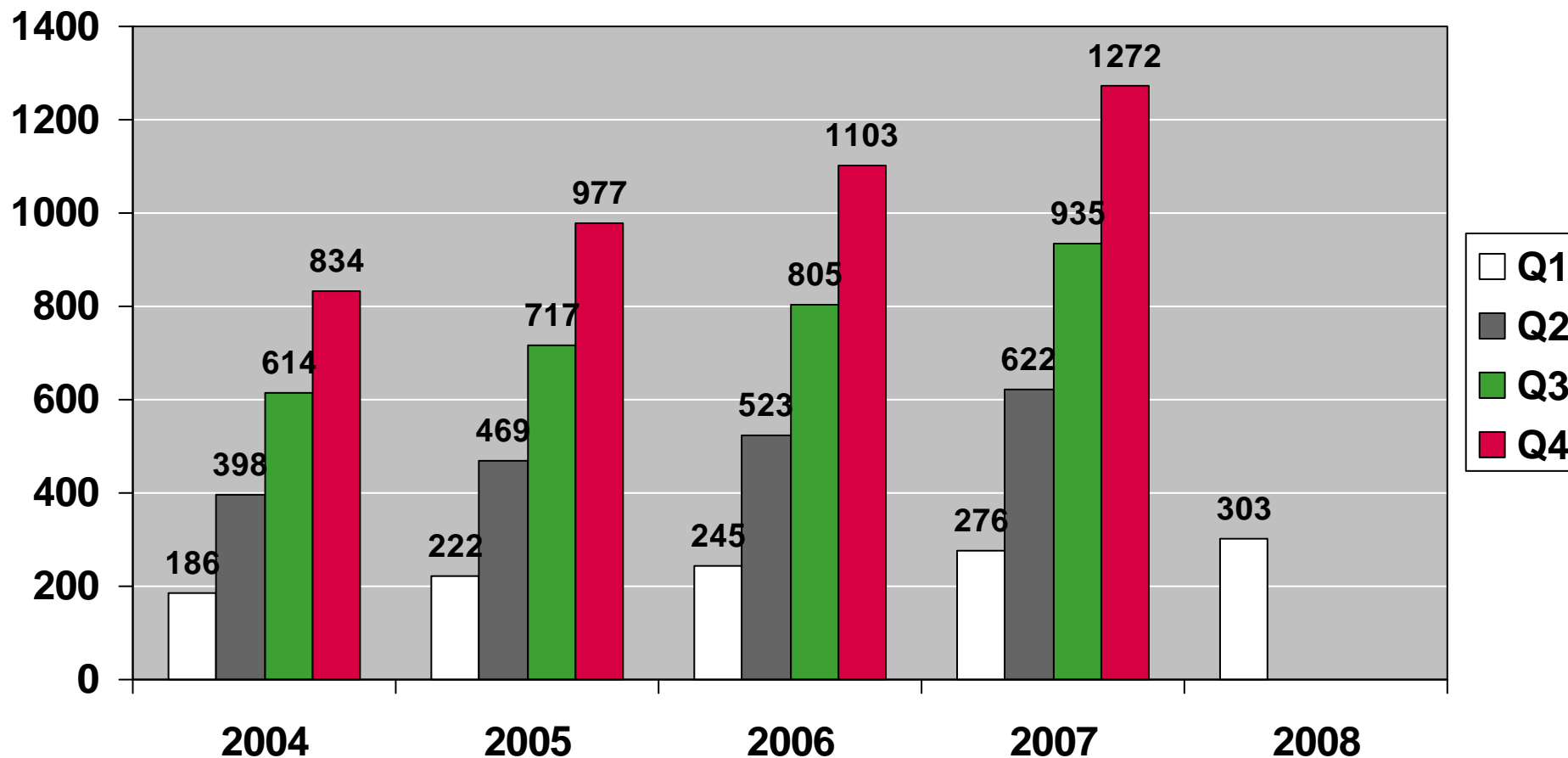
# ATRIA GROUP

## Review Q1/2008

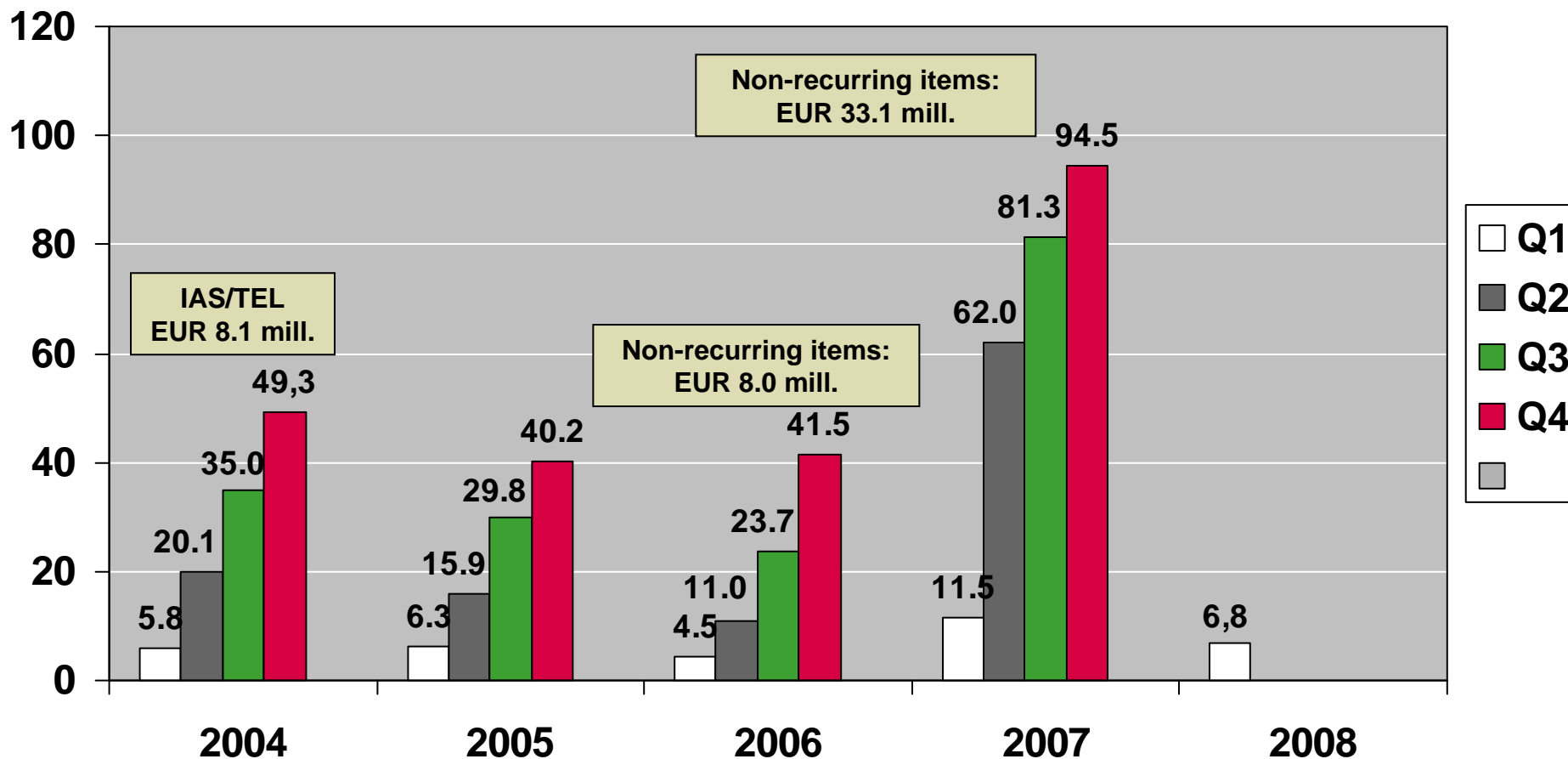
€ Million	Q1/2008	Q1/2007	2007
<b>Net Sales</b>	303.4	276.0	1,272.2
<b>EBIT</b>	6.8	11.5	94.5
<b>Operative EBIT</b>	6.8	11.5	61.4
<b>Operative EBIT %</b>	2.2	4.2	4.8
<b>Profit before tax</b>	3.5	7.6	80.6
<b>Earnings per share</b>	0.07	0.23	2.56

- The internationally increasing cost of raw-material across the food chain has hampered the Group's performance.
- The profitability of Atria Finland has been affected particularly by the imbalance in the price of pork between Finland and the rest of Europe.

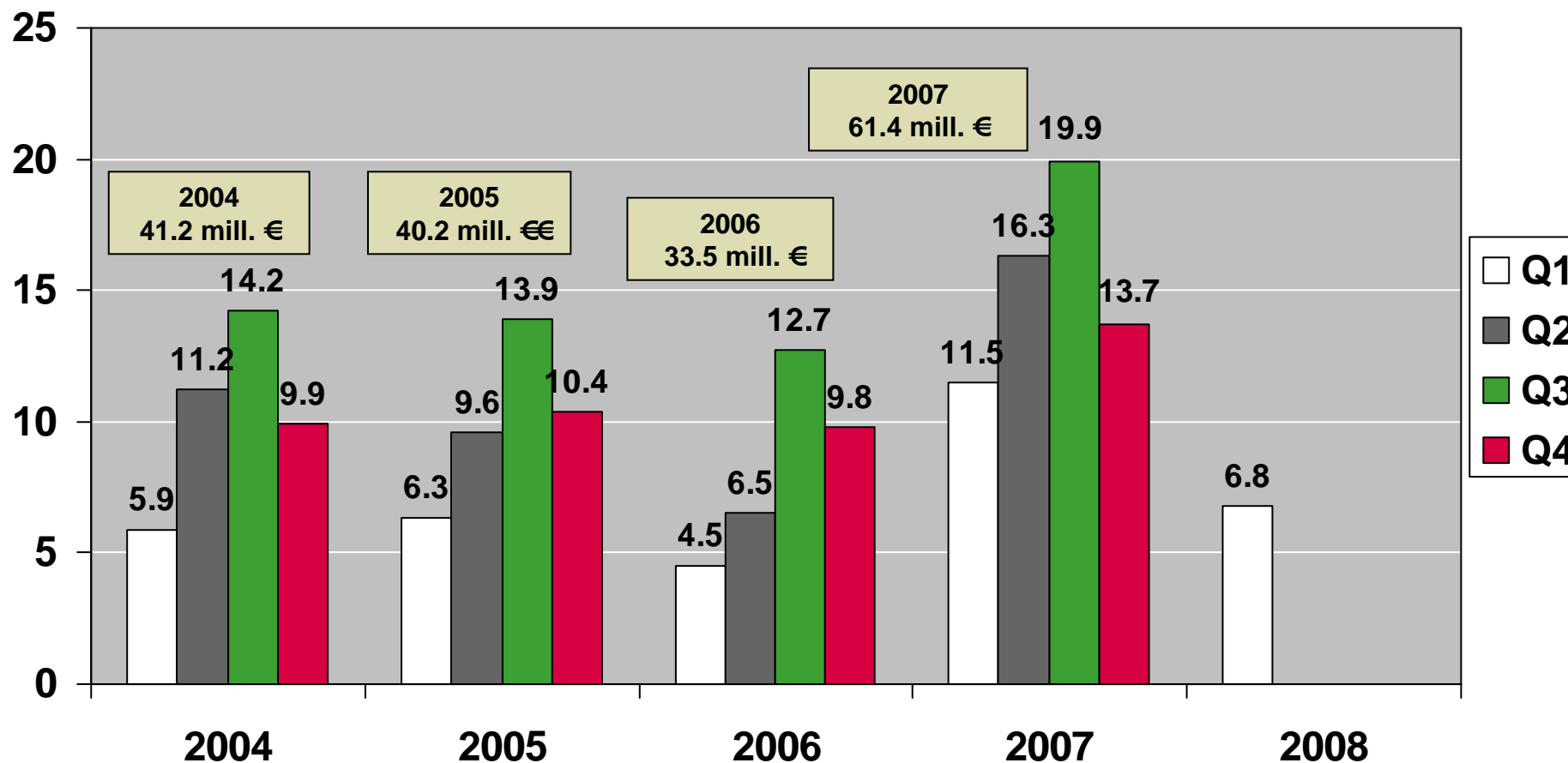
# Development of Atria Group's Net Sales



# Development of Atria Group's EBIT



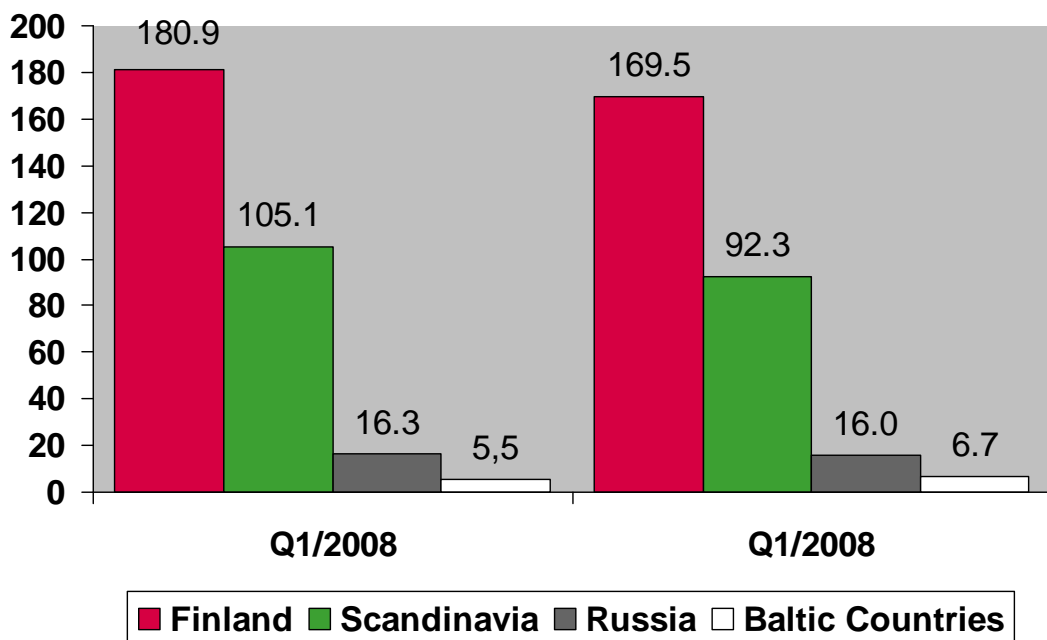
# Development of Atria Group's Operative EBIT, Quarterly



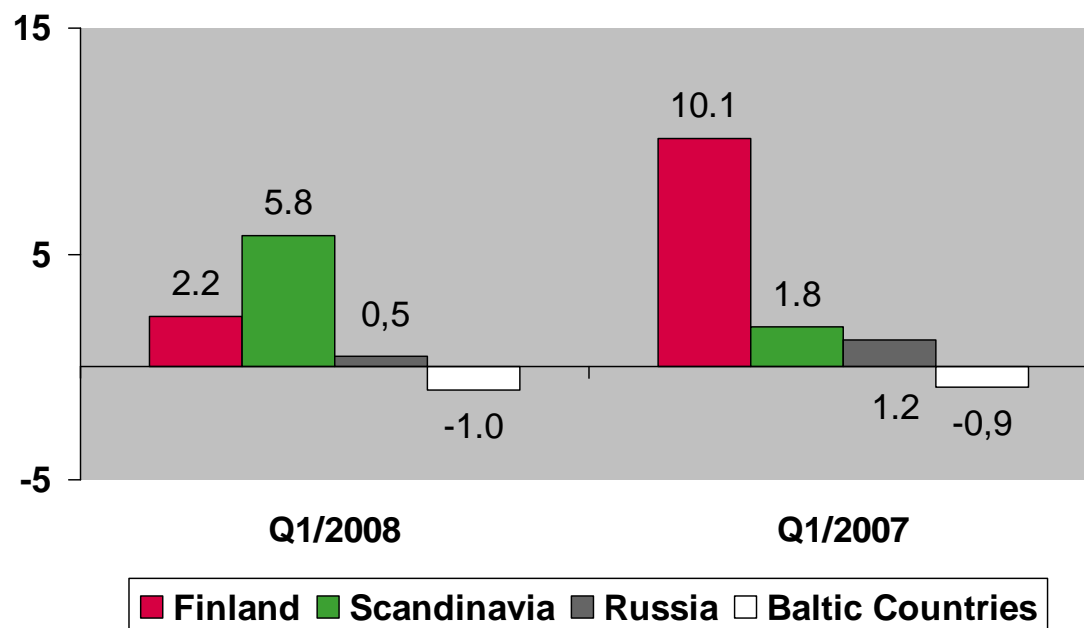
# Atria Group's Net Sales and Operative EBIT

## Q1/2008-2007, Million €

### Net Sales



### Operative EBIT



# ATRIA FINLAND

## Review Q1/2008

€ Million	Q1/2008	Q1/2007	2007
Net Sales	180.9	169.5	749.6
EBIT	2.2	10.1	43.2
Operative EBIT	2.2	10.1	43.2
Operative EBIT %	1.2	6.0	5.8

- Atria Finland's sales volume fell slightly, due to weak sales in March
- Market shares in different product groups remained stable.
- EBIT fell considerably compared to Q1/2007, due to strong price-increase of raw-materials as well as the difficult situation in the wholesales and export markets.
- The realized price-increases in have not fully covered the growth of costs.
- During Q1 an extensive efficiency improvement program was launched, bringing cost savings of 4 mill. € annually





# ATRIA SCANDINAVIA

## Review Q1/2008



€Million	Q1/2008	Q1/2007	2007
Net Sales	105.1	92.3	457.8
EBIT	5.8	1.8	54.9
Operative EBIT	5.8	1.8	20.5
Operative EBIT %	5.5	2,0	4.5

- During Q1 sales and profit have developed as expected
- As a result of price-increases and healthy sales, the price-increases of raw-material costs have not affected performance significantly.
- With integration benefits, good sales trend in the beginning of the year and new product launches in the second half of the year, profitability is expected to develop favourably despite the continuing rise in raw-material costs.

# ATRIA RUSSIA

## Review Q1/2008



€ Million	Q1/2008	Q1/2007	2007
<b>Net Sales</b>	16.3	16.0	65.6
<b>EBIT</b>	0.5	1.2	4.3
<b>Operative EBIT</b>	0.5	1.2	4.3
<b>Operative EBIT %</b>	3.1	7.5	6.5

- The sales volume of Atria Russia began to increase in the second half of Q1.
- Net sales remained at the year-on-year level due to weak sales in January and the weakened exchange rate of rouble.
- Atria increased its market share in modern retail trade to 21.5 %.
- EBIT decreased compared to last year as a result of rising raw-material costs.
- Raw-material prices are expected to increase further in 2008. Sale prices will be increased.
- The logistics functions of the new production plant in Gorelovo will be operational in June, and the rest of the production departments completed by end of 2008.

# ATRIA BALTIC

## Review 2008



€ Million	Q1/2008	Q1/2007	2007
Net Sales	5.5	6,7	26,7
EBIT	-1,0	-0,9	-4,4
Operative EBIT	-1,0	-0,9	-3,1
Operative EBIT %	-18,2	-13,4	-11,6

- Atria´s net sales increased year-on-year.
- The price of animal feed is currently record high in Estonia, which weakens the profitability of primary production in particular.
- Sales volumes are expected to increase toward the end of the year, but profitability will be affected significantly by changes in the global meat market.

# Atria Group's Earnings

## Q1/2008

<b>Consolidated Profit and Loss Account (€m)</b>	<b>1-3/08</b>	<b>1-3/07</b>	<b>Change %</b>
<b>NET SALES</b>	<b>303.4</b>	<b>276.0</b>	<b>9,0</b>
<b>Expenses</b>	<b>-284,6</b>	<b>-254,0</b>	<b>12.0</b>
<b>Depreciations</b>	<b>-12.0</b>	<b>-10.5</b>	<b>-14.3</b>
<b>EBIT</b>	<b>6.8</b>	<b>11.5</b>	<b>-40.9</b>
<b>Financial income and expenses</b>			
<b>PROFIT BEFORE TAXES</b>	<b>3.5</b>	<b>7.6</b>	<b>-53,9</b>

# Atria Group

## Development of Net Sales

### 2007-2008

€ Million	Q1
<b>Net Sales 2007</b>	<b>276.0</b>
• Finland	15.2
• Scandinavia	13.0
• Russia	0.3
• Baltic Countries	-1.1
<b>Net Sales 2008</b>	<b>303.4</b>

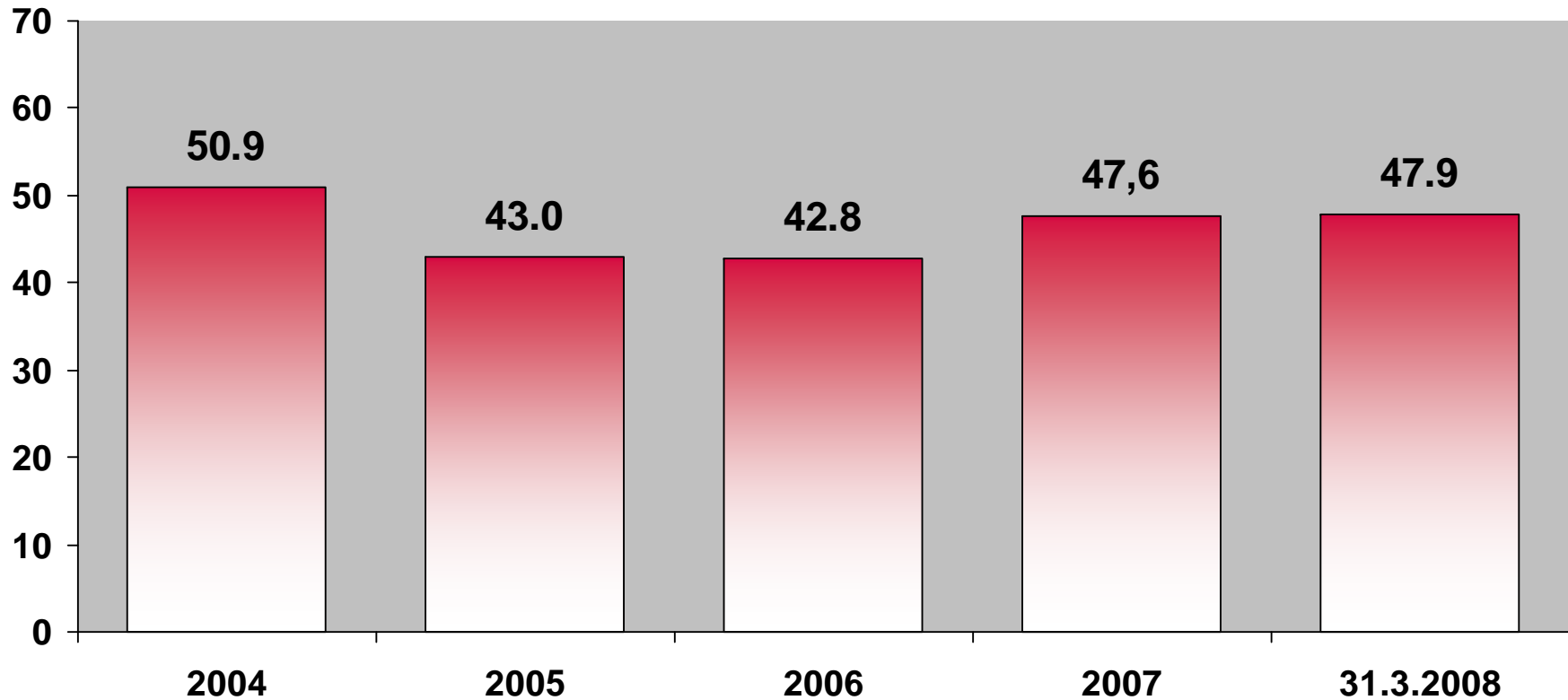
# Atria Group

## Development of EBIT

### 2007-2008

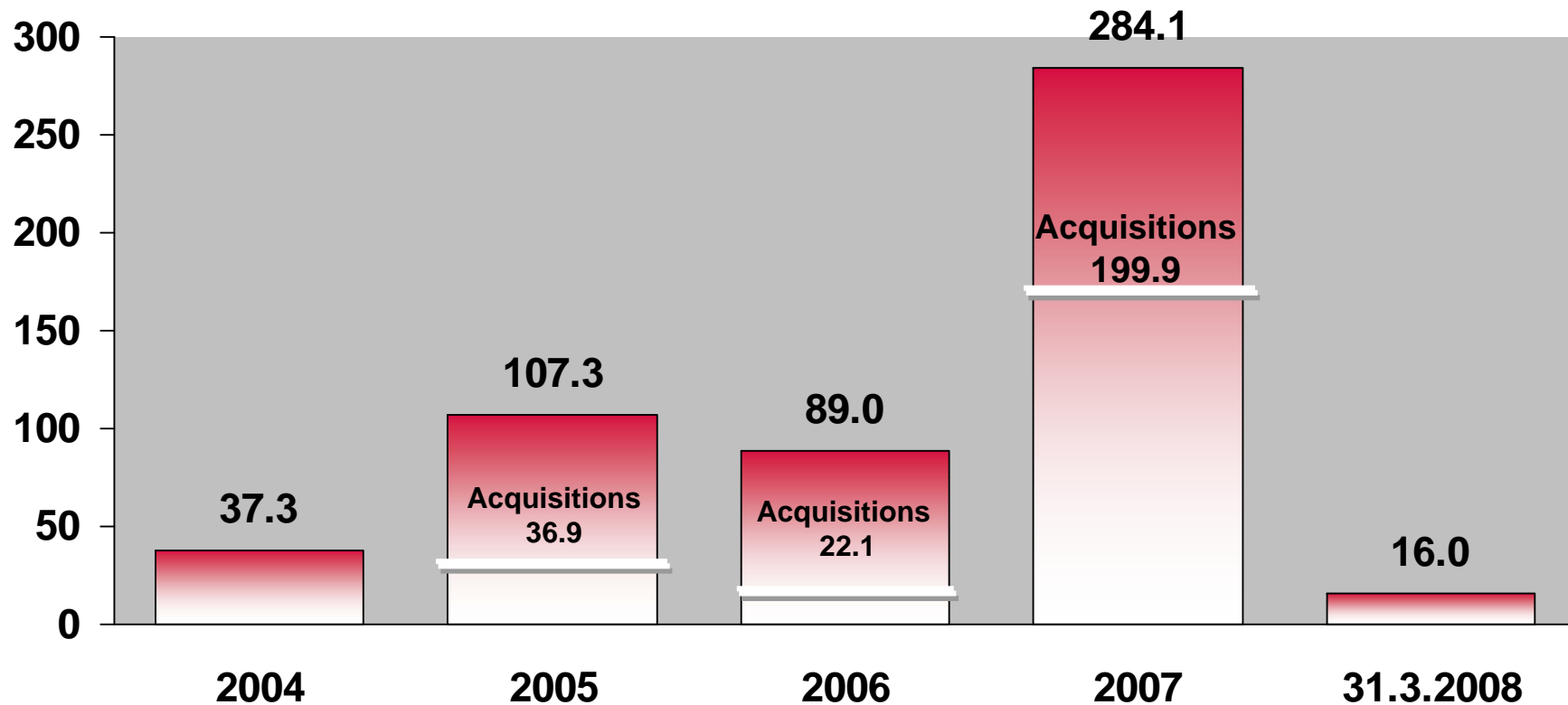
	€ Million	Q1
<b>EBIT 2007</b>		<b>11.5</b>
• Finland		-7.9
• Scandinavia		4.0
• Russia		-0.7
• Baltic Countries		-0.1
<b>EBIT 2008</b>		<b>6.8</b>

# Atria Group's Equity Ratio %



# Atria Group's Investments

€ Million





# Atria Group's Economic Objectives

	<b>Objective</b> %	<b>Q1/2008</b> %	<b>2007</b> %
EBIT	min. 5.0	2.2	4.8
Equity ratio	40.0	47.9	47.6
International operations	50.0	41.2	42.5
Return on equity (ROE)	12.0	-	17.2
Distribution of dividends	50.0	-	29.6

# Meat raw-material markets 2008-2009

- The increase of meat raw-material costs has been unexpectedly high due to the increase of prices of animal feed and corn – the change of prices is global and continuous
- Currently in the pork-market there is more supply than demand
  - During the winter a lot of pork has been available in the market, because
    - of production increases in several significant production countries
    - unprofitable production has been cut down by extra slaughtering
  - Double effect: Strong increase in costs + excess supply in markets
- The best prognosis inside the branch is that the market balance will earliest be reached next spring, and that the cyclical peak will take place in autumn 2008.
- The problem applies not only to pork but also to beef and poultry

# Short-term risks

- Atria's most significant short-term risk involves the global development of raw-material prices that affect the entire food chain.
- The imbalance in the price of pork between Finland and the rest of Europe will increase uncertainty in the price of pork in Finland in the remaining part of 2008.
- In Russia, the successful start-up of the new plant and logistics centre pose a considerable risk for operations.

# Outlook for the Future

- Atria's net sales are expected to grow in 2008, but the EBIT is expected to remain under the result of 2007.
- The changes in the international meat market create uncertainty in all of the Group's business areas.



**Good food, better mood.**