

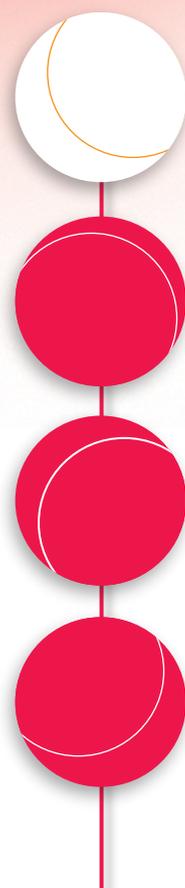
Atria Plc

INTERIM REPORT

Q3

1.1.–30.9.2008

Company Announcement 24.10.2008



INTERIM REPORT OF ATRIA PLC 1 JANUARY – 30 SEPTEMBER 2008

IMPROVED MEAT MARKET SITUATION – SATISFACTORY PERFORMANCE BY ATRIA

- growth in sales volumes
- improved profitability in Finland and Russia compared with the first part of the year
- increases in sales prices
- strategically important acquisition in Moscow.

Atria Group:

EUR million	Q3/ 2008	Q3/ 2007	Q1-Q3/ 2008	Q1-Q3/ 2007	2007
Net sales	357.7	312.8	995.8	935.1	1,272.2
EBIT	17.2	19.3	34.6	81.3	94.5
Operative EBIT*	18.2	19.9	36.1	47.7	61.4
Operative EBIT %	5.1	6.4	3.6	5.1	4.8
Profit before taxes	14.0	16.1	25.1	69.3	80.6
Earnings per share	0.37	0.41	0.62	2.32	2.56

* Operative EBIT = operating profit excluding significant non-recurring items.

Review Q3/2008

Atria Group's year-on-year net sales rose by 14,4 per cent. Profitability in Q3 improved compared with the first half of the year, but year-on-year profitability fell clearly. The business operations of AB Ridderheims Delikatesser are included in the figures for the review period from 1 July 2008. The business operations of AS Wõro Kommerts and AS Vastse-Kuuste Lihatööstus are included in the Q3 figures from 1 August 2008.

The sales volumes have grown especially in Finland and Russia. Intense growth combined with good price management improved the earnings, particularly in Russia.

In Scandinavia, the earnings were hampered by delayed sales price increases not matching the raw material price increases. In addition, the loss-making operations of the Lätta Måltider unit had a negative impact on the earnings of the business area.

The company's performance in Estonia was unsatisfactory. The earnings were restrained by rising raw material prices and the structure of sales in Valga. The acquired companies AS Wõro Kommerts and AS Vastse-Kuuste Lihatööstus were profitable in the quarter.

During the review period, Atria announced that it will expand its operations in Russia through acquisition of the meat processing company OOO Campomos, which operates in the Moscow and St Petersburg regions. The acquisition was completed on 15 October 2008.

Atria Finland 1 January - 30 September 2008

EUR million	Q3/ 2008	Q3/ 2007	Q1-Q3/ 2008	Q1-Q3/ 2007	2007
Net sales	208.3	187.4	591.7	545.7	749.6
EBIT	13.3	13.0	22.1	33.3	43.2
Operative EBIT*	13.3	13.0	22.6	33.3	43.2
Operative EBIT %	6.4	6.9	3.8	6.1	5.8

Atria Finland's Q3 net sales increased by 11.2 per cent and the EBIT improved slightly year-on-year. Sales prices to retailers have risen by 6–7 per cent from December 2007. The global pork market has changed from supply-driven to demand-driven, which has increased export prices. During Q3, the meat exports of Atria Finland increased.

The summer season was successful. Year-on-year sales volumes rose. The market shares of cold cuts, meat and sausages sold under the Atria brand improved markedly. In the summer season, Atria was clearly the market leader in the A class and traditional grill sausage segments. Poultry sales did not quite achieve the target. Year-on-year sales volumes increased. Good delivery reliability contributed to the successful performance in the season.

The situation in the Finnish pork market has shifted from supply-driven to demand-driven during the summer and autumn, and there's pressure on raw material prices to increase before year-end. The sales price increase in the first part of the year did not fully compensate for the rising raw material and manufacturing costs.

Atria Finland's performance in Q4/2008 will be substantially affected by changes in the global meat market.

Atria Scandinavia 1 January - 30 September 2008

EUR million	Q3/ 2008	Q3/ 2007	Q1-Q3/ 2008	Q1-Q3/ 2007	2007
Net sales	124.5	108.6	342.8	341.8	457.8
EBIT	3.9	6.7	15.6	49.4	54.9
Operative EBIT*	4.9	6.7	16.6	14.6	20.5
Operative EBIT %	3.9	6.2	4.8	4.3	4.5

Atria Scandinavia's comparable sales developed favourably, and operative EBIT for the first three quarters of the year was higher than the operative EBIT for the comparative period. AB Ridderheims Delikatesser, acquired in the summer, was consolidated into Atria as of 1 July 2008.

The market shares of cold cuts, cooking sausages and premium cheeses in retail trade remained stable or improved slightly during the review period (source: AC Nielsen).

The Q3 earnings were depressed by heavy increases in raw material prices. The sales price increases during the period partly compensated for the increase in costs, and further price increases are planned for the final quarter.

The net sales and EBIT of Lätta Måltider were unsatisfactory in the first part of the year. During the review period, Atria Scandinavia launched an efficiency programme and decided to transfer the production of sandwiches and salads from Halmstad to Norrköping. The arrangement affects all employees of the Halmstad plant, of whom 50 are permanent. This efficiency programme caused a non-recurrent cost item of approximately one million euro.

The integration of the business operations of Ridderheims, acquired in June 2008, and the establishment of the new Atria Deli business unit are progressing as scheduled.

Atria Russia 1 January - 30 September 2008

EUR million	Q3/ 2008	Q3/ 2007	Q1-Q3/ 2008	Q1-Q3/ 2007	2007
Net sales	22.7	15.6	58.3	48.7	65.6
EBIT	1.9	1.1	2.3	3.8	4.3
Operative EBIT*	1.9	1.1	2.3	3.8	4.3
Operative EBIT %	8.4	7.1	3.9	7.8	6.5

Atria Russia's sales increased remarkably during the period, and EBIT took an upturn. The substantial price increases implemented in the third quarter had a positive effect on profitability. The market shares of meat products have developed favourably, and OOO Pit Product's total market share of St Petersburg's modern retail trade is now nearly 27 per cent.

During the review period, Atria announced that it will expand its operations in Russia through acquisition of the meat processing company OOO Campomos, which operates in the Moscow and St Petersburg regions. The main products of Campomos include meat products and pizzas. Campomos has a production plant and logistics centre in Moscow and a distribution terminal in St Petersburg. In addition, the company boasts a pork breeding facility with 2,500 sows. The main market of Campomos is Moscow, but it is also well-established in St Petersburg and some other major cities. In 2007, Campomos reported net sales of around EUR 75 million. After the positive development of earnings in the early 2000s, the company's performance has shown a declining development and it has been loss-making in recent years. The company's production plant is modern and well maintained. The transaction's enterprise value is EUR 75 million. The Russian Competition Authority confirmed the acquisition on 29 September 2008. The process of consolidating Campomos began on 15 October 2008. Atria aims to have a positive EBIT in Campomos in the year 2010.

The Gorelovo logistics centre opened after the review period in October. At the same time, closing down of logistics operations began in central St Petersburg. The opening of the Gorelovo meat product plant will be postponed to 2009. The contractor, YIT Rakennus Oy, says that the postponement is due to delayed completion of the water and drain connection.

Raw material and other costs continued to increase during the review period. The raw material cost increase is expected to continue for the rest of the year, which will give pressure to further increases in customer prices.

Atria Baltic 1 January - 30 September 2008

EUR million	Q3/ 2008	Q3/ 2007	Q1-Q3/ 2008	Q1-Q3/ 2007	2007
Net sales	9.6	6.4	21.5	20.6	26.7
EBIT	-0.9	-0.7	-3.1	-3.0	-4.4
Operative EBIT*	-0.9	-0.1	-3.1	-1.8	-3.1
Operative EBIT %	-9.4	-1.6	-14.4	-8.7	-11.6

In Estonia, Atria's Q3 net sales increased clearly year-on-year. This was a result of the acquisitions made in June. The process of consolidating AS Wõro Kommerts and AS Vastse-Kuuste Lihatoöstus began on 1 August 2008.

The weak performance in the period is explained by increasing raw material prices and the sales mix. The sales of lower-margin bulk meat goods have developed more favourably than the sales of meat products. The companies acquired in July, AS Wõro Kommerts and AS Vastse-Kuuste Lihatoöstus, generated positive results in August–September.

The integration of the business operations of the two acquired companies into Atria has progressed as planned. The organisation was revised at the end of the review period. Kaido Kaare was appointed General Manager of Atria Estonia, and Kari Körkkö was appointed the Integration Director of Atria Baltic. Kaido Kaare is the former Managing Director of AS Wõro Kommerts. Kaido Kaare and Kari Körkkö report to Juha Gröhn, Atria Baltic Business Area Director.

The integration of business operations is expected to generate cost savings of EUR 2 million in 2009. The most significant benefits will be gained from the distribution of work between the plants and the integration of logistic operations.

The acquisitions considerably improved Atria's possibilities to strengthen its position in the Estonian market. Atria Estonia's market share is now 22.4 per cent in cold cuts and 30.6 per cent in cooking sausages (Source: Nielsen, YTD 2008, Jan-Jul).

Events occurring after the review period

The acquisition of Campomos was confirmed on 15 October 2008, and the process of consolidating Campomos began on the same date.

The Gorelovo logistics centre opened after the review period on 13 October 2008. The logistics operations in central St Petersburg will be closed down by the end of October.

Atria Estonia decided on 20th of October to concentrate its slaughtering and meat cutting operations in Valga. In the future, Valga slaughterhouse will be supplying meat raw material to all three meat processing factories - Wõro, Vastse-Kuuste and Valga. The number of personnel in the Vastse-Kuuste slaughterhouse will be decreased by 18 persons, all other activities in Vastse-Kuuste will remain unchanged.

Investments

Construction work is still ongoing at the meat processing plant in St Petersburg. The total value of the investment is about EUR 70 million.

The Group's investments during the period totalled EUR 91,3 million.

Personnel

The Group had an average of 5,840 employees (5,900) during the review period.

Personnel by business area:

Atria Finland	2,382 (2,342)
Atria Scandinavia	1,681 (1,772)
Atria Russia	1,291 (1,254)
Atria Baltic	486 (532)

Atria Plc's Administration

In its organisation meeting following the Annual General Meeting, Atria Plc's Supervisory Board re-elected retiring members Matti Tikkakoski and Martti Selin.

Ari Pirkola was appointed the new Chairman of the Supervisory Board, and Chairman of the Board Martti Selin was reappointed.

Atria Plc's Board of Directors now has the following membership: Chairman Martti Selin; Vice-Chairman Timo Komulainen; members Tuomo Heikkilä, Runar Lillandt, Matti Tikkakoski and Ilkka Yliluoma.

Financing

The turmoil in the financial market has effected on the Finnish commercial paper market. Atria has mainly financed its maturing commercial papers with available credit limits, of which about EUR 105 million are unutilised. Atria did not sign any new credit agreements in the third quarter. Therefore, the higher loan margins have not had a substantial effect on Atria's financial expenses.

The purchase price for Campomos was paid with available cash on 15 October 2008. The outstanding loans of the acquired companies were carried over in the transaction.

The increase in interest rates and loan margins, particularly in Russia, will slightly increase the Group's financing costs after the consolidating of the acquired companies.

Short-term Business Risks

The prices of Atria's most important raw materials have remained high, and the development of prices is difficult to predict. The global market situation for meat raw material has stabilised to some degree, but the short-term price development is still uncertain.

The Campomos acquisition in Russia involves both opportunities and risks. Atria has initiated measures to take the acquired company from the red to the black. In Russia, another significant risk is the delayed start of the meat product plant in Gorelovo, St Petersburg and its effect on Atria's growth in Russia in the near future.

The international financial market crisis has an impact on Atria's risks. The higher cost and lower availability of financing increase the probability of credit losses and customer bankruptcies. The increased interest rates and loan margins also affect Atria's financing costs.

Outlook for the Future

Atria Group's net sales are expected to grow in 2008, but the operative EBIT is predicted to fall substantially compared with 2007. Changes in the global meat market situation create uncertainty in all of Atria's business areas.

The global economic decline may have some effect on the consumption of food and on the consumption structure.

Board Authorisations

The General Meeting authorised the Board of Directors to decide, on one or several occasions, on a share issue involving a maximum of 10,000,000 new Series A shares at the nominal value of EUR 1.70 per share.

The Board is also authorised to decide on all terms and conditions of the share issue. The authorisation thus also includes the right to issue shares in deviation from the proportion of the shares held by the shareholders under the conditions provided in law, as well as the right to decide on a share issue to the company itself without payment, subject to the provisions of the Finnish Companies Act regarding the maximum number of treasury shares held by a company.

The authorisation is intended to 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 programme or for other purposes subject to the Board's decision.

The authorisation is valid until the closing of the next Annual General Meeting, or until 30 June 2009, whichever occurs first. The authorisation does not repeal the Board's current authorisation to decide on a reserve increase.

The General Meeting of 3 May 2007 authorised the Board of Directors to decide, on one or several occasions, on a reserve increase, which may increase the company's share capital by a maximum of EUR 850,000. The authorisation is valid for a maximum of five years from the date of the General Meeting's decision.

Purchase of treasury shares

Based on the authorisation of the AGM on 29 April 2008, Atria Plc's Board of Directors decided to purchase up to 300,000 A shares of the company. In accordance with the authorisation, the shares to be purchased are intended to be used as consideration in possible company acquisitions or other arrangements relating to the company's business, for the financing of investments, for the implementation of the company's incentive programme, for improvement of the company's capital structure, or to be kept by the company, otherwise assigned or cancelled.

The shares will be purchased at the market price of the time of acquisition through public trade on the Nasdaq OMX Helsinki Ltd. The acquisition of treasury shares begins no earlier than 29 September 2008 and ends no later than 30 June 2009.

KEY FIGURES

EUR million	1-9/08	1-9/07	1-12/07
Equity/share, €	16.73	16.52	16.77
Interest-bearing liabilities	407.4	332.5	321.9
Balance sheet total	1,081.4	994.8	1,000.7
Equity ratio (%)	43.2	47.1	47.6
Gross investments	91.3	262.9	284.1
Gross investments, % of net sales	9.1	28.1	22.3
Average number of personnel	5,840	5,900	5,947

Accounting Principles

This interim report has been compiled in accordance with the IAS 34 Interim Financial Reporting standard. The firm has applied the same principles in preparing this interim report as in preparing the 2007 annual financial statements. This interim report is unaudited.

ATRIA PLC

CONSOLIDATED BALANCE SHEET

Assets

mill. EUR	30-9-08	30-9-07	31-12-07
Non-current assets			
Property, plant and equipment	486.8	443.4	455.6
Goodwill	162.8	149.4	151.8
Other intangible assets	75.7	69.5	64.3
Loan assets and other receivables	46.7	42.8	43.6
Investments	8.5	7.3	8.7
Total	780.5	712.4	724.0
Current assets			
Inventories	104.8	92.8	87.3
Trade and other receivables	170.4	147.1	153.8
Cash in hand and at bank	25.7	42.5	35.6
Total	300.9	282.4	276.7
Total assets	1 081.4	994.8	1 000.7

Equity and liabilities

mill. EUR	30-9-08	30-9-07	31-12-07
Equity			
Shareholders' equity	465.7	467.0	474.1
Minority interest	1.8	1.9	1.9
Equity, total	467.5	468.9	476.0
Non-current liabilities			
Interest-bearing liabilities	165.4	272.8	194.1
Deferred tax liabilities	45.0	45.0	42.8
Other non-interest-bearing liabilities	1.1	0.3	0.3
Total	211.5	318.1	237.2
Current liabilities			
Interest-bearing liabilities	242.0	59.7	127.8
Trade and other payables	160.4	148.1	159.7
Total	402.4	207.8	287.5
Liabilities, total	613.9	525.9	524.7
Total equity and liabilities	1 081.4	994.8	1 000.7

CONSOLIDATED INCOME STATEMENT

mill. EUR	7-9/08	7-9/07	1-9/08	1-9/07	1-12/07
Net sales	357.7	312.8	995.8	935.1	1 272.2
Expenses	-328.7	-281.6	-925.3	-820.1	-1 133.2
Depreciations	-11.8	-11.9	-35.9	-33.7	-44.5
Operating profit	17.2	19.3	34.6	81.3	94.5
* % of Net sales	4.8	6.2	3.5	8.7	7.4
Financial income and expenses	-3.7	-3.2	-10.1	-12.0	-14.3
Income from associates	0.5		0.6		0.4
Profit before tax	14.0	16.1	25.1	69.3	80.6
* % of Net sales	3.9	5.1	2.5	7.4	6.3
Income taxes	-3.5	-4.3	-7.5	-9.7	-13.0
Profit for the period	10.5	11.8	17.6	59.6	67.6
* % of Net sales	2.9	3.8	1.8	6.4	5.3
Profit distribution for the accounting period:					
To parent company shareholders	10.5	11.6	17.6	58.7	66.7
To minority shares		0.2		0.9	0.9
Total	10.5	11.8	17.6	59.6	67.6
Basic earnings/share, €	0.37	0.41	0.62	2.32	2.56
Diluted earnings/share, €	0.37	0.41	0.62	2.32	2.56

CALCULATION OF CHANGES IN SHAREHOLDERS' EQUITY

mill. EUR	Equity belonging to the shareholders of the parent company							Minority interest	Shareholders' equity in total
	Share capital	Share premium	Fair value fond	Inv. non-rest. equity cap.	Trans-lation diff.	Retained earnings	Total		
Shareholders' equity 1-1-2007	39.3	138.5			0.7	128.1	306.6	5.8	312.4
Translation differences					-1.3		-1.3	-0.1	-1.4
Other changes				0.2			0.2	-4.7	-4.5
Profit for the period						58.7	58.7	0.9	59,6
Distribution of dividends						-13.7	-13.7		-13.7
Share issue	8.8			110.2		-2.5	116.5		116.5
Shareholders' equity 30-9-2007	48.1	138.5		110.4	-0.6	170,6	467,0	1,9	468,9
Shareholders' equity 1-1-2008	48.1	138.5	1.9	110.5	-3.4	178.5	474.1	1.9	476.0
Translation differences					-4,6		-4.6	-0.1	-4.7
Other changes			-1.8	0.2			-1.6		-1.6
Profit for the period						17.6	17.6		17.6
Distribution of dividends						-19.8	-19.8		-19.8
Shareholders' equity 30-9-2008	48.1	138.5	0.1	110.7	-8.0	176,3	465.7	1.8	467.5

CASH FLOW STATEMENT

mill- EUR	1-9/08	1-9/07	1-12/07
Cash flow from operating activities			
Operating activities	45.7	61.7	92.3
Financial items and taxes	-23.5	-26.4	-28.4
Cash flow from operating activities, total	22.2	35.3	63.9
Cash flow from investing activities			
Tangible and intangible assets	-60.8	-61.9	-92.1
Investments	-0.4	-0.9	-1.4
Sold shares in subsidiaries		33.0	39.1
Bought shares in subsidiaries	-35.5	-123.6	-124.6
Cash flow from investing activities, total	-96.7	-153.4	-179.0
Cash flow from financing activities			
Cash share issue		116.5	116.5
Loans drawn down	130.7	254.2	304.1
Loans repaid	-46.4	-232.1	-292.1
Dividends paid	-19.8	-13.7	-13.7
Cash flow from financing, total	64.5	124.9	114.8
Change in liquid funds	-10.0	6.8	-0.3

SEGMENT-SPECIFIC INFORMATION

GEOGRAPHICAL

mill. EUR	7-9/08	7-9/07	1-9/08	1-9/07	1-12/07
Net Sales					
Finland	208.3	187.4	591.7	545.7	749.6
Scandinavia	124.5	108.6	342.8	341.8	457.8
Russia	22.7	15.6	58.3	48.7	65.6
Baltic	9.6	6.4	21.5	20.6	26.7
Eliminations	-7.4	-5.2	-18.5	-21.7	-27.5
Total	357.7	312.8	995.8	935.1	1 272.2
EBIT					
Finland	13.3	13.0	22.1	33.3	43.2
Scandinavia	3.9	6.7	15.6	49.4	54.9
Russia	1.9	1.1	2.3	3.8	4.3
Baltic	-0.9	-0.7	-3.1	-3.0	-4.4
Unallocated	-1.0	-0.8	-2.3	-2.2	-3.5
Total	17.2	19.3	34.6	81.3	94.5
Operative EBIT					
Finland	13.3	13.0	22.6	33.3	43.2
Scandinavia	4.9	6.7	16.6	14.6	20.5
Russia	1.9	1.1	2.3	3.8	4.3
Baltic	-0.9	-0.1	-3.1	-1.8	-3.1
Unallocated	-1.0	-0.8	-2.3	-2.2	-3.5
Total	18.2	19.9	36.1	47.7	61.4

Segment reporting was redefined from the beginning of 2008 onwards in such a manner that each business area (Finland, Scandinavia, Russia and the Baltic countries) forms a segment. In addition, Group costs are now reported separately in unallocated items. Group costs mainly consist of personnel and administration costs as well as costs arising from the share-based payment plan. Previously, Group costs have been included in the figures reported for the segment Finland. Comparative figures have been adjusted to correspond to the current segment structure.

LIABILITIES

mill. EUR	30-9-08	30-9-07	31-12-07
Debts with mortgages or other collateral given as security			
Loans from financial institutions	6.0	61.5	13.5
Pension fund loans	4.2	4.8	4.6
Total	10.2	66.3	18.1
Mortgages and other securities given as comprehensive security			
Real estate mortgages	6.0	77.7	22.0
Corporate mortgages	6.3	27.5	2.2
Total	12.3	105.2	24.2
Guarantee engagements not included in the balance sheet			
Guarantees	6.5	3.6	3.6

ACQUIRED OPERATIONS

RIDDERHEIMS

Atria Scandinavia's strategy is to focus on products with a higher degree of processing. The acquisition of Ridderheims supports this strategy. The acquisition strengthens Atria's position in the fresh delicatessen market, which is currently one of the fastest growing segments in the consumer goods industry.

Ridderheims' operations are to be merged with the operations of Falbydgens Ost, a business unit of Atria Scandinavia. These will together comprise the Atria Deli business unit. The merger creates the finest and most comprehensive range of fresh delicatessen products in the Nordic countries and paves the way for increased exports for both companies. Ridderheims currently exports its products to eleven countries. The merger will allow it to increase its Swedish sales and exports even further, as Atria has a strong position and network of distributors in Finland, Denmark, the Baltic States and Russia. At the same time, Ridderheims' distribution network will enable Falbydgens Ost to export more of its products.

Furthermore, the acquisition will generate savings, as products which Ridderheims used to buy from subcontractors can now be manufactured in Atria's plants.

Ridderheims' net sales for the previous financial year were EUR 54.4 million and EBIT stood at EUR 1.9 million.

	Fair value	Acquiree's current book value
Assets		
Property, plant and equipment	5,7	5,7
Goodwill	12,0	
Other intangible assets	10,5	
Current assets	8,0	8,0
Cash and cash equivalents	2,4	2,4
Total assets	38,6	16,1
Liabilities		
Deferred tax liabilities	3,0	
Interest-bearing liabilities	2,6	2,6
Other liabilities	7,6	7,6
Total liabilities	13,2	10,2
Net assets	25,4	5,9
Purchase price	25,4	
Cash and cash equivalents of acquired company	2,4	
Effect on cash flow	23,0	

VASTSE-KUUSTE LIHATÖÖSTUS AND WÕRO KOMMERTS

Atria complements and expands its current product range for retail customers in Estonia. Combined with the operations of Wõro and Vastse-Kuutse, AS Valga Lihatööstus is the second largest player in the Estonian meat processing market, with net sales of about EUR 42 million. The merger will generate significant synergies and help establish a firmer foothold in the market.

In the previous financial year, the companies posted net sales of EUR 18.6 million and EBIT stood at EUR 0.9 million.

	Fair value	Acquiree's current book value
Assets		
Property, plant and equipment	4,8	4,8
Goodwill	5,7	
Other intangible assets	2,9	
Current assets	3,1	3,1
Cash and cash equivalents	2,6	2,6
Total assets	19,1	10,5
Liabilities		
Interest-bearing liabilities	1,2	1,2
Other liabilities	2,8	2,8
Total liabilities	4,0	4,0
Net assets	15,1	6,5
Purchase price	15,1	
Cash and cash equivalents of acquired company	2,6	
Effect on cash flows	12,5	

Calculation has been made as a draft.

ATRIA PLC **Board of Directors**

For further information, please contact Matti Tikkakoski, President and CEO, tel. +358 50 2582.

DISTRIBUTION

Nasdaq OMX Helsinki Ltd
Major media
www.atria.fi

The interim report will be mailed to you upon request and is also available on our website at www.atria.fi/konserni.



ATRIA PLC
Good food - better mood.