Atria Plc

Interim Report Q1

1.1.-31.3.2009

Company Announcement 28 April 2009

INTERIM REPORT OF ATRIA PLC 1 January – 31 March, 2009

THE EARNINGS OF ATRIA FINLAND IMPROVED - PROFITABLITY IN OTHER BUSINESS AREAS WAS POOR

- the Group's net sales grew by 2.4% and EBIT remained at zero level.
- the profitability of Atria Finland showed clear improvement over last year
- performance in other business areas was weak
- strong growth in Russia and the Baltic countries
- Atria is streamlining its operations in Scandinavia, Russia and the Baltic countries
- Russia's performance is burdened by costs relating to the takeover of Campomos and its integration

Atria Group:

EUR million	Q1 2009	Q1 2008	2008
Net sales	310,7	303,4	1.356,9
EBIT	-0,4	6,8	38,4
EBIT %	-0,1	2,2	2,8
Profit before tax	-5,5	3,5	16,7
Earnings per share, €	-0,14	0,07	0,42

Review Q1/2009

Atria Group's year-on-year net sales increased by 2.4%. The weakening of the Russian rouble and Swedish krona also slowed the growth of net sales. Calculated with fixed currency rates, the Group's net sales showed a year-on-year increase of 9.4%. Net sales increased particularly in Scandinavia, Russia and the Baltic countries. The growth is mainly due to the acquisitions completed last year as well as to increases in sales prices.

The Group's EBIT was EUR -0.4 million (EUR 6.8 million). As a result of the restructuring measures undertaken last year as well as improved margins, the profitability of Atria Finland improved significantly during the beginning of the year.

Atria Scandinavia's result is burdened, in particular, by the high price level of imported goods resulting from the weak krona. The development of Scandinavia's earnings improved towards the end of the review period, when sales price increases and the partial replacement of imported raw materials with domestic raw material had a positive impact on the margins. Atria launched an extensive efficiency improvement programme in Sweden and announced after the review period that it would discontinue the loss-making salad and sandwich business in Sweden.

Atria Russia's operating loss for the review period resulted from the Campomos acquisition at the end of last year. The Q1 result is burdened by costs relating to integration and takeover recorded during the review period.

Atria Finland 1.1–31.12.2008

EUR million	Q1 2009	Q1 2008	2008
Net sales	181,9	180,9	797,9
EBIT	7,1	2,2	33,9
EBIT %	3,9	1,2	4,2

Atria Finland's Q1 net sales were at the same level as last year; EBIT showed a clear year-on-year improvement. The decline in consumer demand caused by the economic recession has not been significant in Atria's product groups. There have been some signs of a shift towards less expensive products.

Profitability was improved by the restructuring measures undertaken during the previous year, lower cost levels and increased margins. Sales prices to retailers have risen, depending on the product group, by 1–8 per cent from December 2008.

The market shares of Atria products in poultry, cooking sausages and retail-packed meat have grown. The market shares in cold cuts and convenience food have weakened somewhat. Good delivery reliability contributed to the successful performance during Q1.

During the beginning of the year, there were only very few salmonella cases found at the pig and poultry feed lots of Atria's contract manufacturers and they did not weaken the raw material supply of Atria Finland.

Atria Scandinavia 1.1–31.12.2008

EUR million	Q1 2009	Q1 2008	2008
Net sales	98,8	105,1	455,2
EBIT	1,2	5,8	14,4
EBIT %	1,2	5,5	3,2

Atria Scandinavia's comparable net sales were below the targeted level. The net sales in the review period were weighed down, in particular, by the weakening of the Swedish krona. Q1/2009 net sales in krona increased by 9.8% compared with the previous year's comparative period.

EBIT for the beginning of the year was weaker than that in last year's comparative period. The result was burdened by the weak Swedish krona and the reduced sales volumes in certain product groups. In addition, the loss-making salad and sandwich business (Lätta Måltider) weakened the EBIT for the review period.

However, the development of earnings improved towards the end of the review period, when sales prices were increased and the imported raw materials were partially replaced with domestic raw material. Atria Scandinavia has launched an extensive cost-saving programme that is expected to produce annual savings of approximately EUR 7 million, and the number of employees will be reduced by approximately 100 at different sites.

The market shares of cold cuts and cooking sausages in retail trade improved during the review period. In particular, Atria Scandinavia's own brands have increased their market shares. The market shares of delicatessen products, pastries and 3-Stjernet products have remained stable (source: AC Nielsen).

Atria Russia 1.1–31.12.2008

EUR million	Q1 2009	Q1 2008	2008
Net sales	26,5	16,3	93,8
EBIT	-7,0	0,5	-3,4
EBIT %	-26,4	3,1	-3,6

Atria Russia's year-on-year sales increased significantly, which is mainly due to the consolidation of Campomos, acquired last autumn, into Atria. However, the weakening of the Russian rouble against the euro weighed down the growth of net sales. The market share in the modern retail trade in the St Petersburg economic area continued to grow.

The operating loss for the review period resulted from the Campomos acquisition at the end of last year. The Q1/2009 earnings were impacted negatively by the weakened rouble, which, however, stabilised during the period February to March. Due to the weak rouble, prices of imported raw materials remained high. During the review period, negotiations were carried out concerning sales price increases of around 10 per cent, and they will take effect in April-May 2009.

During the review period, Atria Russia launched an efficiency improvement programme aimed at improving the cost efficiency of the Russian operations. The synergies of the St Petersburg and Moscow plants will be more effectively utilized, and products and customers with poor profitability will be discontinued. As a result of the efficiency improvement programme, personnel will be laid off in both Moscow and St Petersburg, and the net reduction of personnel will be about 180 persons by the end of June. Annual cost savings of the reduction of personnel will be approximately EUR 4 million excluding non-recurring redundancy related items. The Q1 result includes non-recurring costs relating to integration and takeover in the amount of EUR 2.7 million.

The integration of Campomos and Pit-Product progressed as planned and operative functions were merged. In the reorganisation of Atria Russia, Juha Ruohola was appointed General Manager of OOO Campomos. He will also continue as Atria Group Executive Vice President, Russia. Sergey Ivanchenko was appointed General Manager of OOO Pit-Product and General Manager & Director, Atria Russia.

The start-up of the new production plant in Gorelovo, St Petersburg, is expected to take place during 2009. The start-up has been postponed due to lack of water and drain connections.

Atria Baltic 1.1–31.12.2008

EUR million	Q1 2009	Q1 2008	2008
Net sales	8,8	5,5	32,3
EBIT	-1,0	-1,0	-3,8
EBIT %	-11,4	-18,2	-11,8

In **Estonia**, Atria's Q1 net sales showed a clear year-on-year increase due to the acquisitions made in summer 2008. Atria's performance in Estonia remained at an unsatisfactory level. This was due to the reduced demand resulting from the general recession, as well as to the sales volumes decreasing in certain product groups. In addition, the cost-savings generated by improvements in the efficiency of production will, in the main, only materialize during the latter part of the year.

Measured by volume, the market shares of cold cuts and cooking sausages have remained stable. In cold cuts, Atria's market share is 24 percent, and in cooking sausages, 25 percent (Source: AC Nielsen)

During the review period, Atria Baltic decided to centralise the production of meat products from the Vastse-Kuuste plant to the Valga and Ahja production plants. The transfer of production will improve operational efficiency and create better preconditions for profitable business growth in the current, economically challenging operating environment. In addition, Atria Baltic will launch new types of product groups in the autumn, produced at the Vastse-Kuuste plant. The reorganisation will affect some 100 Atria Baltic employees during the current year. The reorganisation measures are expected to generate annual cost savings of approximately EUR 1.4 million.

Notification of change in shareholding under the Finnish Securities Markets Act

During the review period, Atria Plc received a notification from Artio Global Management LLC on a change in the company's holding.

Artio Global Management LLC's holding in Atria Plc has fallen below the five (5) per cent limit with a share transfer completed on 20 March 2009. According to Artio Global Management LLC's notification, its holding in Atria Plc is as follows:

Artio Global Management LLC's holding in total:
- Number of Atria's A-shares held: 1,409,752
- Ownership share: 4.99% of the share capital and 1.27% of the voting rights

Full name and business ID of the shareholder:
Artio Global Management LLC, company identification 43-2047412.

Events occurring after the period

After the review period, Atria initiated negotiations on discontinuing the loss-making business operations of the Lätta Måltider unit, which manufactures salads and sandwiches in Sweden. Last year, efficiency of the Lätta Måltider unit was improved by cutting costs and concentrating production. These measures did not, however, generate sufficient earnings improvement.

Atria will evaluate different options for discontinuing the Lätta Måltider operations. Divestment of the business operations will also be investigated. Atria will propose the discontinuance of the Lätta Måltider business operations by the end of July at the latest. Employer-employee negotiations affecting the unit's entire personnel were begun immediately.

Investments

The Group's investments during the period totalled EUR 8.6 million (EUR 16 million).

Personnel

The Group had an average of **6,532** (5,700) employees during the period.

Personnel by business area:

Atria Finland	2,181 (2,296)
Atria Scandinavia	1,635 (1,727)
Atria Russia	2,088 (1,276)
Atria Baltic	628 (401)

Atria Plc's Administration

Atria Plc's Supervisory Board elected Mr Harri Sivula as a new member of the Board of Directors of Atria Plc on 20 March 2009. Harri Sivula (b. 1962), Master of Administrative Sciences, has acted as the CEO of the Onninen Group since 2006.

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

Financing

In January OOO Campomos paid off a bank loan of EUR 13 million, and in February OOO Campofarm paid off a bank loan of EUR 3 million. The above-mentioned companies financed the repayments of the loans with intra-group rouble-denominated financing.

During the review period, compensation in the amount of EUR 1.5 million for the delay of the meat product plant in Gorelovo, St Petersburg, has been recorded under interest income.

Short-term Business Risks

No significant changes have occurred in Atria Group's short-term business risks compared with the risks described in the financial statements of 2008. The most significant short-term business risks are connected with the international price development of meat raw material, fluctuation of currencies important to Atria, as well as the timing of the Gorelovo plant's completion. Measures for improving the profitability of Campomos have been initiated as planned.

Outlook for the Future

The recession will have some effect on sales volumes, particularly in the more expensive product groups. Discontinuation of the salad and sandwich business in Sweden and of the unprofitable customerships in Russia, as well as the weakened Swedish krona and Russian rouble, will result in a decrease in the Group's net sales in euros. The net sales of the entire Group in 2009 are therefore forecasted to remain at the 2008 level.

Because of the international economic situation, there is considerable uncertainty related to the result prognosis. Due to the loss-making Campomos and the weakened rouble, Atria Russia's performance will remain significantly below last year's level. The performance of the other business areas does not entirely cover the Russian earnings development, and the Group's EBIT for the entire year is expected to remain somewhat below last year's level.

Board Authorisations

The General Meeting held on 29 April 2008 resolved to authorise 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 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 has previously authorised the Board of Directors to decide on one or several reserve increases, 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 and transfer of treasury shares and valid authorisations

The General Meeting held on 29 April 2008 authorised the Board of Directors to decide on the purchase of up to 2,800,000 A shares of the company with the company's unrestricted equity. The maximum amount of the Series A shares to be acquired is less than 10 percent of all the Company’s shares. The authorisation is valid until the closing of the next Annual General Meeting, or until 30 June 2009, whichever occurs first.

The General Meeting held on 29 April 2008 authorised the Board of Directors to decide on the transfer of treasury shares held by the company in one or more batches, so that a maximum total of 2,800,000 Series A shares are subject to the authorisation. The authorisation is valid until the closing of the next Annual General Meeting, or until 30 June 2009, whichever occurs first.

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.

As of 31 March 2009, Atria Plc held a total of 109,842 treasury shares.

Key indicators

EUR million	1-3/09	1-3/08	1-12/08
Shareholders´ equity per share, EUR	14.86	16.76	15.34
liabilities	453.8	327.9	448.4
Equity ratio, %	39.1	47.9	38.4
Gearing, %	107.6	68.9	103.1
Net gearing, %	103.2	63.8	94.6
Gross investments to fixed assets	8.6	16.0	152.6
% of Net sales	2.8	5.3	11.2
Average FTE	6 532	5 700	6 135

Accounting Principles

This interim report has been compiled in accordance with the IAS 34 Interim Financial Reporting standard. Atria has applied the same principles in preparing this interim report as in preparing the 2008 annual financial statements. However, as of 1 January 2009, the Group has adopted the following standards published by the IASB, included in the accounting principles of the annual financial statements of 2008:

- IAS 1, Presentation of Financial Statements. The aim of the revision is to improve the ability of users to analyse and compare the data provided in financial statements by separating changes in equity related to transactions with company owners from other changes in equity. The revision will also lead to comprehensive modifications to the terminology used in other standards and to changes in the titles of some financial statements.

- IFRS 8, Segment Reporting. The standard replaces IAS 14. The standard requires segment information to be presented using the 'management approach', which means that data is presented in the same way as in internal reporting. The new standard will not affect the segments to be reported, nor will it significantly affect the information provided on segments, since the segment information previously published by the Group has been based on internal reporting.

- The other standards published by the IASB, included in the accounting principles of the annual financial statements 2008 and adopted as of 1 January 2009, have not had a significant effect on the figures presented for the review period.

The figures given in the interim report are unaudited.

Function-specific income statement

As of 1 January 2009, Atria has adopted in its external reporting the function-specific income statement model that is also used in the company's internal reporting.

Figures for 2008 have been adjusted to correspond to the current function-specific income statement model. Attached are the function-specific income statements for 2008 by quarter and total figures for 2008.

Consolidated income statement

EUR million	1-3/08	4-6/08	7-9/08	10-12/08	1-12/08
Net sales	303.4	334.7	357.7	361.1	1 356.9
Cost of goods sold	-268.6	-293.9	-310.5	-325.3	-1 198.4
Gross profit	34.8	40.8	47.2	35.8	158.5
* of Net sales	11.5	12.2	13.2	9.9	11.7
Sales and marketing costs	-16.9	-19.3	-18.2	-18.9	-73.6
Administration costs	-11.6	-11.7	-10.4	-14.0	-47.3
Other income	0.7	0.9	0.8	1.4	3.7
Other expenses	-0.2	-0.1	-2.2	-0.5	-2.9
EBIT	6.8	10.6	17.2	3.8	38.4
* of Net sales	2.2	3.2	4.8	1.1	2.8
Finance income	2.7	2.4	6.6	32.7	44.4
Finance costs	-6.0	-5.5	-10.3	-44.9	-66.7
Share of profit/loss of associates		0.2	0.5	-0.1	0.6
Profit before tax	3.5	7.7	14.0	-8.4	16.7
* of Net sales	1.2	2.3	3.9	-2.3	1.2
Income tax expense	-1.4	-2.6	-3.5	2.2	-5.3
Profit for the period	2.1	5.1	10.5	-6.2	11.4
* of Net sales	0.7	1.5	2.9	-3.5	0.8
Profit attributable to:					
Owners of the parent	2.1	5.1	10.5	-5.8	11.8
Minority interest				-0.4	-0.4
Total	2.1	5.1	10.5	-6.2	11.4
Basic earnings/ share, EUR	0.07	0.18	0.37	-0.21	0.42
Diluted earnings/ share, EUR	0.07	0.18	0.37	-0.21	0.42

STATEMENT OF FINANCIAL POSITION

Assets

EUR million	31-3-09	31-3-08	31-12-08
Non-current assets			
Property, plant and equipment	479.5	458.8	493.5
Goodwill	150.4	151.9	151.1
Other intangible assets	69.0	64.1	70.5
Investments in joint ventures and associates	6.3	5.7	6.1
Other financial assets	2.3	1.2	2.1
Loan assets and other receivables	15.1	10.0	15.5
Deferred tax assets	4.8	0.6	2.2
Total	**727.4**	**692.3**	**741.0**
Current assets			
Inventories	114.9	96.5	113.3
Trade and other receivables	207.8	180.1	231.8
Cash and cash equivalents	18.9	24.7	37.1
Total	**341.6**	**301.3**	**382.2**
Non-current assets held for sale	11.1		11.3
Total assets	**1 080.1**	**993.6**	**1 134.5**

Equity and liabilities

EUR million	31-3-09	31-3-08	31-12-08
Equity			
Equity belonging to the shareholders of the parent company	420.1	473.7	433.5
Minority interest	1.5	1.9	1.4
Total equity	421.6	475.6	434.9
Non-current liabilities			
Interest-bearing financial liabilities	338.1	179.6	320.8
Deferred tax liabilities	41.6	42.7	42.4
Other non-interest-bearing liabilities	0.5	0.8	0.2
Total	380.2	223.1	363.4
Current liabilities			
Interest-bearing financial liabilities	115.6	148.3	127.6
Trade and other payables	162.7	146.6	208.6
Total	278.3	294.9	336.2
Total liabilities	**658.5**	**518.0**	**699.6**
Total equity and liabilities	**1 080.1**	**993.6**	**1 134.5**

CONSOLIDATED INCOME STATEMENT

EUR million	1-3/09	1-3/08	1-12/08
Net sales	310.7	303.4	1 356.9
Cost of goods sold	-279.0	-268.6	-1 198.4
Gross profit	31.7	34.8	158.5
* of Net sales	10.2	11.5	11.7
Sales and marketing costs	-17.1	-16.9	-73.6
Administration costs	-13.9	-11.6	-47.3
Other income	1.0	0.7	3.7
Other expenses	-2.1	-0.2	-2.9
EBIT	-0.4	6.8	38.4
* of Net sales	-0.1	2.2	2.8
Finance income	11.8	2.7	44.4
Finance costs	-17.1	-6.0	-66.7
Share of profit/loss of associates	0.2		0.6
Profit before tax	-5.5	3.5	16.7
* of Net sales	-1.8	1.2	1.2
Income tax expense	1.5	-1.4	-5.3
Profit for the period	-4.0	2.1	11.4
* of Net sales	-1.3	0.7	0.8
Profit attributable to:			
Owners of the parent	-4.1	2.1	11.8
Minority interest	0.1		-0.4
Total	-4.0	2.1	11.4
Basic earnings/share, EUR	-0.14	0.07	0.42
Diluted earnings/share, EUR	-0.14	0.07	0.42

STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/09	1-3/08	1-12/08
Profit for the period	-4.0	2.1	11.4
Other comprehensive income after tax:			
Available-for-sale financial assets		-1.8	-1.8
Translation differences	-8.8	-0.9	-30.0
Total comprehensive income for the period	-12.8	-0.6	-20.4
Total comprehensive income attributable to:			
Owners of the parent	-12.9	-0.6	-20.0
Minority interest	0.1		-0.4
Total	-12.8	-0.6	-20.4

STATEMENT OF CHANGES IN EQUITY

EUR million	Equity belonging to the shareholders of the parent company								Minority	Shareholders
	Share capital	Share premium	Fair value fond	Inv. non-rest. equity fond	Own shares	Translation diff.	Retained earnings	Total		
Equity 1-1-2008	48.1	138.5	1.9	110.5		-3.3	178.5	474.2	1.9	476.1
Periods comprehensive income			-1.8			-0.9	2.1	-0.6		-0.6
Share-based payment				0.1				0.1		0.1
Equity 31-3-2008	48.1	138.5	0.1	110.6		-4.2	180.6	473.7	1.9	475.6
Equity 1-1-2009	48.1	138.5	0.1	110.3	-0.5	-33.5	170.5	433.5	1.4	434.9
Periods comprehensive income						-8.8	-4.1	-12.9	0.1	-12.8
Share-based payment				0.2				0.2		0.2
Acquired treasure shares					-0,7			-0,7		-0,7
Equity 31-3-2009	48.1	138.5	0.1	110.5	-1.2	-42.3	166.4	420.1	1.5	421.6

CASH FLOW STATEMENT

EUR million	1-3/09	1-3/08	1-12/08
Cash flow from operating activities			
Operating activities	-8.7	5.5	69.9
Financial items and taxes	-7.0	-7.3	-32.3
Net cash flow from operating activities	-15.7	-1.8	37.6
Cash flow from investing activities			
Tangible and intangible assets	-8.5	-14.3	-65.5
Investments	-1.7	-0.5	3.6
Bought shares in subsidiaries			-41.3
Net cash used in investing activities	-10.2	-14.8	-103.2
Cash flow from financing activities			
Loans drawn down	27.3	53.0	171.7
Loans repaid	-19.0	-47.3	-86.0
Dividends paid			-19.8
Acquired treasury shares	-0.7		-0.9
Net cash used in financing activities	7.6	5.7	65.0
Change in liquid funds	-18.3	-10.9	-0.6

OPERATING SEGMENTS

EUR million	1-3/09	1-3/08	1-12/08
Net sales			
Finland	181.9	180.9	797.9
Scandinavia	98.8	105.1	455.2
Russia	26.5	16.3	93.8
Baltics	8.8	5.5	32.3
Eliminations	-5.3	-4.4	-22.3
Total	310.7	303.4	1 356.9
EBIT			
Finland	7.1	2.2	33.9
Scandinavia	1.2	5.8	14.4
Russia	-7.0	0.5	-3.4
Baltics	-1.0	-1.0	-3.8
Unallocated	-0.7	-0.7	-2.7
Total	-0.4	6.8	38.4
ROCE *			
Finland	8.9 %	8.2 %	7.9 %
Scandinavia	3.7 %	9.2 %	5.4 %
Russia	-9.1 %	6.2 %	-3.3 %
Baltics	-8.2 %	-15.5 %	-9.1 %
Group	3.6 %	6.9 %	4.5 %

* ROCE =
EBIT, 12mr / Capital employed, 12mr avg * 100

Investments			
Finland	2.9	4.7	23.8
Scandinavia	1.2	1.1	41.8
Russia	3.9	9.5	68.6
Baltics	0.6	0.7	18.4
Total	8.6	16.0	152.6
Depreciations			
Finland	7.5	7.6	29.8
Scandinavia	2.6	3.1	11.7
Russia	1.6	0.7	3.2
Baltics	0.8	0.6	2.8
Total	12.5	12.0	47.5

CONTINGENT LIABILITIES

EUR million	31-3-09	31-3-08	31-12-08
Debts with mortgages or other collateral given as security			
Loans from financial institutions	8.0	4.9	9.6
Pension fund loans	3.9	4.8	3.9
Total	11.9	9.7	13.5
Mortgages and other securities given as comprehensive security			
Real estate mortgages	6.7	12.0	6.7
Corporate mortgages	4.6	2.1	7.9
Total	11.3	14.1	14.6
Guarantee engagements not included in the balance sheet			
Guarantees	12.9	3.4	0.9

ATRIA PLC
Board of Directors

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

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