

# Atria Plc

## Interim Report

### 1 January – 31 March 2013

CEO  
Juha Gröhn  
26 April 2013

**ATRIA PLC**  
Good food - better mood.

## Atria Group

### Review Q1/2013

€ Million	Q1 2013	Q1 2012	2012
Net sales	328.4	308.6	1,343.6
EBIT	3.2	0.1	30.2
EBIT %	1.0	0.0	2.2
Profit before taxes	0.7	-3.0	18.9
Earnings per share, €	-0.03	-0.19	0.35
Extraordinary items*	1.1	0.0	-0.5

\* Extraordinary items are included in the reported figures.

- **Atria Group's** net sales and EBIT improved.
- Atria Finland's EBIT was EUR 6.7 million (EUR 5.2 million).
- Atria Scandinavia's EBIT was EUR 0.1 million (EUR 0.2 million).
- Atria Russia's EBIT came to EUR -3.1 million (EUR -3.3 million).
- Atria Baltic's EBIT was EUR -0.4 million (EUR -0.5 million).
- The Group's equity ratio was 41.5 per cent (31 December 2012: 41.5 %).

**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 2

## Atria Finland Review Q1/2013

€Million	Q1 2013	Q1 2012	2012
Net sales	205.1	188.5	819.5
EBIT	6.7	5.2	36.5
EBIT %	3.3	2.8	4.5
Extraordinary items*	1.1	0.0	-0.5

\*Extraordinary items are included in the reported figures.

- **Atria Finland's** net sales for January–March increased by EUR 16.6 million year-on-year.
- EBIT improved by EUR 1.5 million year-on-year.
- EBIT includes a non-recurring profit of EUR 1.1 million resulting from a reversal of impairment on a property that had been for sale.
- Higher sale prices and slightly higher sales volumes also improved EBIT.
- The prices of meat raw materials continued to rise.

**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 3

## Atria Finland



- According to Atria's own estimate, its total market share in the retail trade was approximately 25 per cent, which is at the same level as in the previous year.
- Atria succeeded particularly well in the cooking sausages, poultry and convenience food product groups, where it strengthened its market position in terms of its share of total market share (measured in value).
- Sales of cold cuts also increased compared to the previous year.
- Atria Finland launched a programme to improve the productivity of convenience food production during the review period.
- After the review period on 22 April 2013 the company decided to concentrate production of convenience food from Karkkila to the Nurmo plant.

**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 4

## Atria Scandinavia

### Review Q1/2013

€Million	Q1	Q1	2012
	2013	2012	2012
Net sales	94.2	89.5	387.8
EBIT	0.1	0.2	8.2
EBIT %	0.1	0.2	2.1
Extraordinary items*	0.0	0.0	0.0

\*Extraordinary items are included in the reported figures.

- **Atria Scandinavia's** net sales for January–March increased by EUR 4.7 million year-on-year. In the local currency, net sales grew by 1.5 per cent year-on-year.
- EBIT amounted to EUR 0.1 million (EUR 0.2 million).
- The prices of meat raw materials have remained high, which impaired EBIT development.

## Atria Scandinavia



- In cold cuts and sausages, sales of Atria's own labels grew steadily.
- In particular, the 3-Stjernet cold cuts manufactured in Denmark strengthened their market share (source: AC Nielsen).
- The expansion of the Sibylla fast food concept has progressed according to plan.
- At the moment, there are a total of 3,200 Sibylla sales outlets in Europe and Russia.



## Atria Russia Review Q1/2013

€Million	Q1 2013	Q1 2012	2012
Net sales	27.4	28.3	126.3
EBIT	-3.1	-3.3	-8.6
EBIT %	-11.4	-11.8	-6.8
Extraordinary items*	0.0	0.0	0.0

\*Extraordinary items are included in the reported figures.

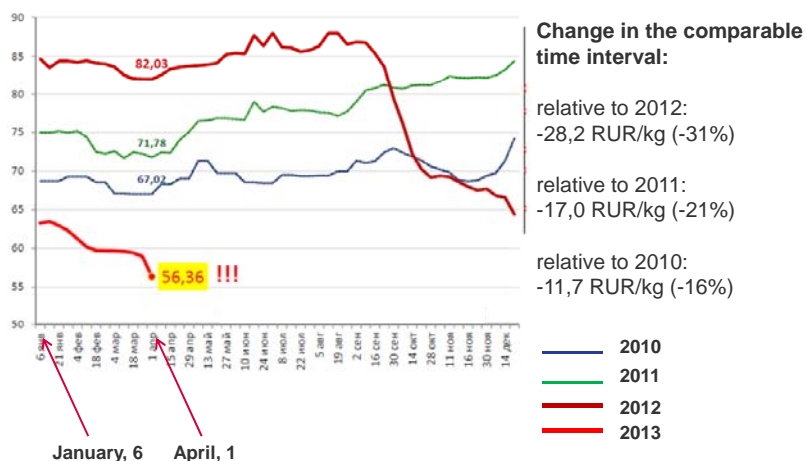
- **Atria Russia's** net sales for January–March amounted to EUR 27.4 million (EUR 28.3 million). In the local currency, net sales decreased by 1.0 per cent year-on-year.
- EBIT was EUR -3.1 million (EUR -3.3 million).
- The result for industrial operations improved, and efficiency improvement measures showed results.
- The weakening of primary production profitability, which started in the latter part of last year, continued to impair performance at the beginning of the year. The price of live pigs has decreased by about 30 per cent during the last two quarters.

**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 7

## Russian market price development for live pigs in 2010-2013

(Source: Russian Swinebreeders Association)



**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 8

## Atria Russia



- Atria estimates that market shares have remained stable in St Petersburg, where Atria is the market leader in the product groups it represents.
- Efficiency projects are being implemented continuously at the Sinyavino and Gorelovo plants.

2013-04-26 | 9

## Atria Baltic Review Q1/2013

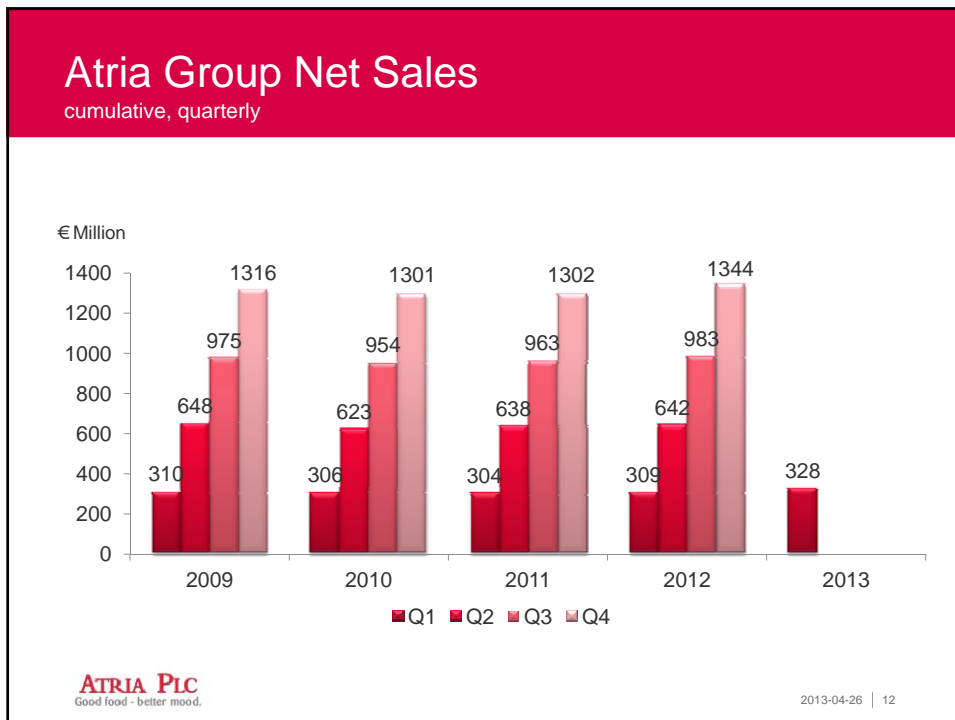
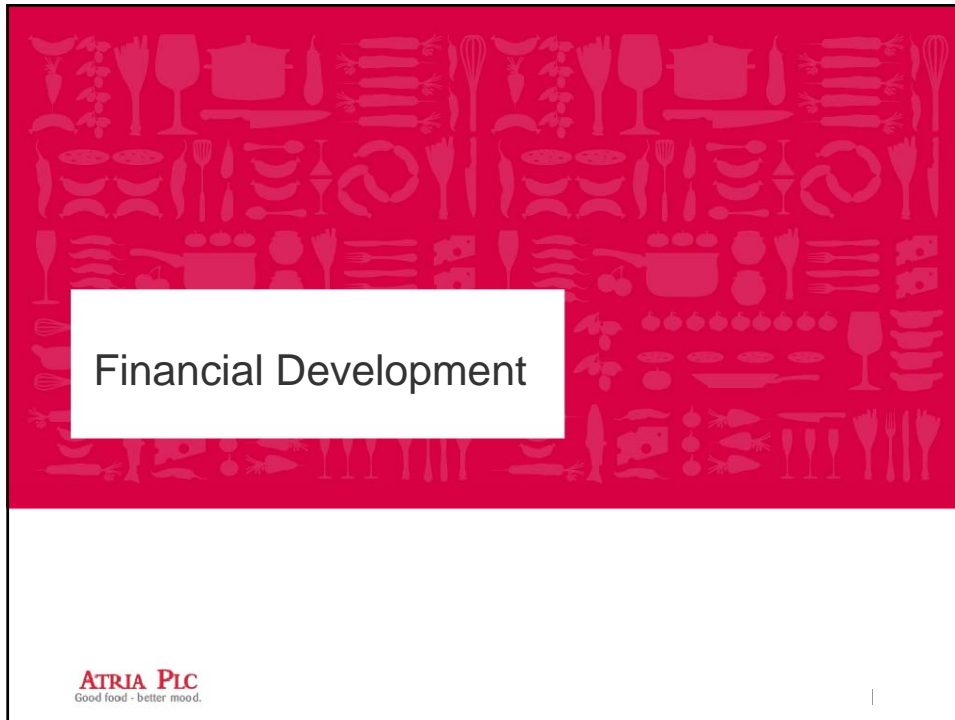
€Million	Q1 2013	Q1 2012	2012
Net sales	7.2	7.9	34.2
EBIT	-0.4	-0.5	-1.5
EBIT %	-4.9	-6.7	-4.4
Extraordinary items*	0.0	0.0	0.0

\*Extraordinary items are included in the reported figures.

- **Atria Baltic's** net sales for January–March totalled EUR 7.2 million (EUR 7.9 million), representing a fall of EUR 0.7 million year-on-year.
- EBIT was EUR -0.4 million (EUR -0.5 million), an improvement of EUR 0.1 million year-on-year.
- The decrease in net sales was caused by lower sales of primary production and by the discontinuation of exports to Russia.
- The Tartu logistics centre was closed down and transferred to the Valga plant.

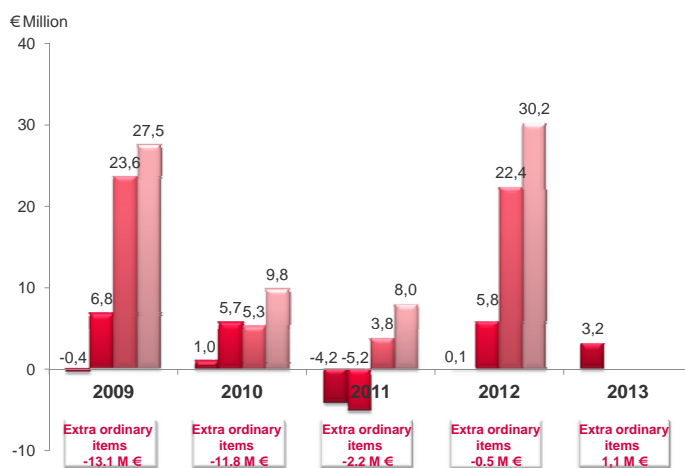
**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 10



## Atria Group EBIT

cumulative, quarterly



**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 13

## Atria Group Financial indicators

€Million	31.3.2013	31.3.2012	31.12.2012
Shareholders' equity per share, EUR	15.24	14.94	15.15
Interest-bearing liabilities	379.7	420.0	370.5
Equity ratio, %	41.5	40.1	41.5
Gearing, %	87.4	98.8	85.9
Net gearing, %	85.7	96.8	84.3
Gross investments in fixed assets	8.8	11.0	56.2
Gross investments, % of net sales	2.7	3.6	4.2
Average number of employees	4,670	4,991	4,898

- On 31 March 2013, the amount of the Group's undrawn committed credit facilities stood at EUR 178.9 million (31 December 2012: EUR 153 million).
- The average maturity of loans and committed credit facilities at the end of the review period was 2 years 11 months (31 December 2012: 2 years 10 months).
- Atria issued a EUR 50 million bond with fixed interest rate during the review period.

**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 14

## Atria Group Income Statement

€ Million	Q1		2012
	2013	2012	
NET SALES	328.4	308.6	1,343.6
Cost of goods sold	-291.8	-275.3	-1,172.5
GROSS PROFIT	36.6	33.2	171.1
% of Net sales	11.1	10.8	12.7
Other income	1.6	0.5	3.8
Other expenses	-34.9	-33.7	-144.7
EBIT	3.2	0.1	30.2
% of Net sales	1.0	0.0	2.2
Financial income and expenses	-3.5	-3.5	-14.7
Income from joint-ventures and associates	1.0	0.4	3.4
PROFIT BEFORE TAXES	0.7	-3.0	18.9
Income taxes	-1.6	-2.3	-8.8
PROFIT FOR THE PERIOD	-0.9	-5.3	10.1
% of Net sales	-0.3	-1.7	0.7
Earnings/share, €	-0.03	-0.19	0.35

**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 15

## Atria Group Cash flow statement

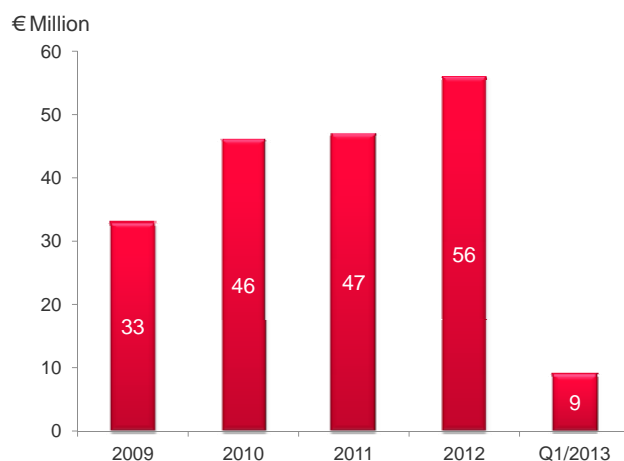
€ Million	Q1		2012
	2012	2012	
Cash flow from operating activities	2,5	-0,3	119,2
Financial items and taxes	-0,1	3,4	-19,6
Net cash flow from operating activities	2,4	3,1	99,6
Investing activities, tangible and intangible assets	-8,4	-10,3	-50,4
Acquired subsidiary shares			-1,8
Change in non-current receivables	0,3	0,3	0,9
Investments	1,9	1,4	1,4
Net cash used in investing activities	-6,1	-8,6	-50,0
<b>FREE CASH FLOW</b>	<b>-3,8</b>	<b>-5,5</b>	<b>49,7</b>
Proceeds from non-current borrowings	50,0	30,0	50,0
Repayments of non-current loans and changes in current loans	-45,2	-22,9	-94,6
Dividends paid			-5,6
Net cash used in financing activities	4,8	7,1	-50,2
CHANGE IN LIQUID FUNDS	1,0	1,6	-0,6

**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 16



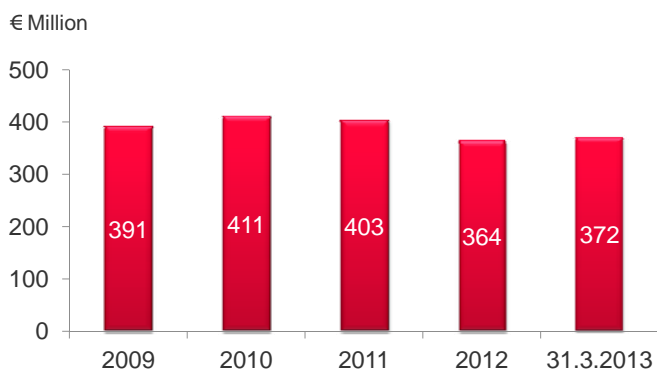
## Atria Group Gross investments



**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 17

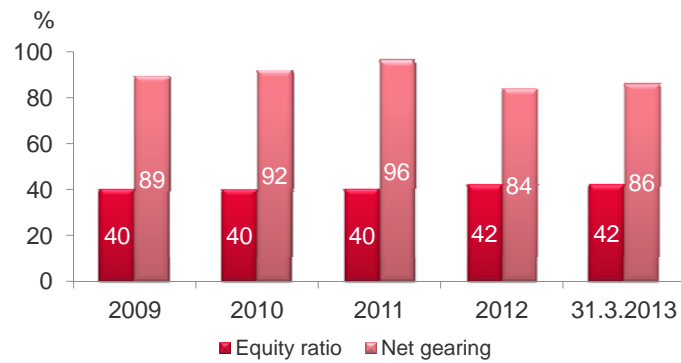
## Atria Group Net debts



**ATRIA PLC**  
Good food - better mood.

2013-04-26 | 18

## Atria Group Equity ratio & Net gearing



## Events occurring after the period

- Employer-employee negotiations concerning the organisation of Atria Finland convenience food production were completed after the review period on 22 April 2013.
- The company decided to concentrate production of convenience food from Karkkila to the Nurmo plant.
- The programme is expected to generate annual cost savings of EUR 1 million, which begins to materialise in full at the beginning 2014.
- All employees affected by the negotiations have been offered jobs at Atria's other production plants.

## Outlook for the future

- The Group's EBIT was EUR 30.2 million in 2012. In 2013, it is expected to be higher.
- Some growth in net sales is expected for 2013.

The Atria logo features the word "Atria" in a red, cursive-style font with a registered trademark symbol (®) to its upper right. A green brushstroke underline is positioned beneath the letters.

**Good food, better mood.**