

Atria Plc

1 January – 30 September 2011

CEO
Juha Gröhn
27 October, 2011

Atria Group

Review 1 January – 30 September 2011

€ Million	Q3		Q1-Q3		2010
	2011	2010	2011	2010	
Net sales	325.5	331.3	963.1	954.2	1,300.9
EBIT	9.0	-0.4	3.8	5.3	9.8
EBIT %	2.8	-0.1	0.4	0.6	0.8
Profit before taxes	5.4	-3.0	-5.5	-1.3	0.3
Earnings per share, €	0.13	-0.22	-0.21	-0.19	-0.18

- Atria Group's performance improved toward the end of the review period
- Net sales increased by 0.9% compared with the previous year
- The operating profit for the period amounted to EUR 3.8 million (EUR 5.3 million)
- The EBIT for Q3 came to EUR 9.0 million (EUR -0.4 million), which shows a clear improvement on the previous two quarters
- The Group's equity ratio is at the target level: 39.8 % (40.1%)
- Tight cost control in all business areas strengthened the Group's performance
- The international meat market stabilised, resulting in an increase in sales prices for pork, which had a positive effect on the performance of Atria Finland
- Atria Russia's loss for Q3 decreased compared to Q1 and Q2.

Atria Finland

Review 1 January – 30 September 2011

€ Million	Q3		Q1-Q3		2010
	2011	2010	2011	2010	
Net sales	197.5	195.9	586.8	553.9	767.8
EBIT	9.0	11.9	12.2	22.9	30.7
EBIT %	4.6	6.1	2.1	4.1	4.0

- **Atria Finland's** Q1-Q3 net sales increased year-on-year by 5.9 per cent
- EBIT for the first three quarters weakened significantly on the previous year
- During Q3, operating profit development turned positive and showed a clear improvement on the previous two quarters
- The reason for the clear improvement in earnings compared to the previous quarters of the year is tight cost control and stabilisation in the meat market at the end of Q3 . Moreover, sales development was positive during Q3.

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Atria Finland

- Atria strengthened its position during Q3 compared to the previous quarters. The market share of Atria products in Q3 was approximately 25 per cent measured in value
- Atria launched a new product family, Atria Bravuuri, during the period. The products have sold well and new products will join the range at the beginning of next year
- The Kauhajoki bovine slaughterhouse investment is progressing according to the original schedule. With the extension and the slaughtering line renovation, the slaughtering capacity at Kauhajoki will increase from the current 26 million kilos per year to nearly 40 million kilos per year
- Atria made a decision to invest EUR 6 million in an extension and equipment for its chicken hatchery located at Seinäjoki
- During the first three quarters of the year, Atria Finland launched programmes to increase the efficiency of bovine slaughtering and to improve the Nurmo production plant. The total annual cost savings from these measures will amount to approximately EUR 10 million.



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Atria Scandinavia

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€ Million	Q3		Q1-Q3		2010
	2011	2010	2011	2010	
Net sales	93.5	98.9	277.1	293.6	391.6
EBIT	4.7	4.3	9.7	8.3	13.9
EBIT %	5.0	4.4	3.5	2.8	3.5

- **Atria Scandinavia's** net sales decreased by 5.6 per cent year-on-year. The principal reason for the decline in net sales is the discontinuation of consumer packed meat production in summer 2010
- The EBIT for the review period was EUR 9.7 million (EUR 8.3 million). The Q1-Q3/2010 EBIT included EUR 2.3 million of non-recurring costs
- The EBIT of EUR 4.7 million for Q3 was better than the previous two quarters (Q1/2011 = EUR 2.3 million and Q2/2011= EUR 2.7 million)
- Atria Scandinavia's development programme progressed as planned during the review period. The Saltsjö-Boo plant will be shut down by the end of 2011 and the production of black pudding will be transferred to the Tranås production plant. The efficiency improvement programme is expected to generate an annual cost saving of approximately EUR 1.0 million.

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Atria Scandinavia

- The retail market for cold cuts and sausages in Sweden has contracted slightly year-on-year
- Atria's market share in the Swedish cold cut and cooking sausage market fell a little from last year. The reason for the loss of market share was Atria's decision to discontinue non-profitable product groups
- In accordance with its strategy, Atria has invested in strong product brands in Sweden: Lönneberga cold cuts and the Sibylla fast food concept
- The Danish market for cold cuts has grown by about 1.5 per cent in the last 12 months
- Atria has gained some market share in the Danish market for cold cuts.



Sibylla



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Atria Russia

Review 1 January – 30 September 2011

€ Million	Q3		Q1-Q3		2010
	2011	2010	2011	2010	
Net sales	31.0	33.7	91.8	97.0	129.2
EBIT	-3.3	-15.4	-14.5	-20.3	-27.9
EBIT %	-10.7	-45.6	-15.8	-20.9	-21.6

- **Atria Russia's** net sales for the period decreased by 5.4 per cent year-on-year. This was due to a decrease in sales in Moscow. In Q3/2011, the weakened rouble impaired the growth of net sales
- Atria Russia's EBIT for the first three quarters showed a loss of EUR -14.5 million. However, this was an improvement on the previous year. The figure for the comparative period includes a total of EUR 9.1 million of non-recurring costs
- The EBIT of EUR -3.3 million for Q3 was better than the previous two quarters (Q1/2011 = EUR -5.6 million and Q2/2011= EUR -5.6 million). The reasons for the improved earnings were enhanced cost efficiency, price rises and a more streamlined product range.

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Atria Russia

- According to Atria's own estimate, Atria's market share in the St Petersburg retail trade has remained stable
- Atria is the clear market leader in St Petersburg with a share of approximately 20 per cent. In Moscow, Atria's market share is about two per cent
- The development programme to improve profitability and the efficiency of production is progressing according to schedule. Production of meat products will be transferred from the Moscow plant and the Sinyavino plant in St Petersburg to the new Gorelovo plant in St Petersburg. Personnel reductions will be bigger than previously reported, and the estimated annual cost savings will amount to approximately EUR 7.5 million.



КамноМос
Вкусная честная еда

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Atria Baltic

Review 1 January – 30 September 2011



€ Million	Q3		Q1-Q3		2010
	2011	2010	2011	2010	
Net sales	9.0	8.7	26.3	26.2	35.0
EBIT	-0.4	-0.9	-0.4	-3.0	-3.7
EBIT %	-4.8	-10.3	-1.5	-11.3	-10.5

- **Atria Baltic's** Q1-Q3/2011 net sales were at the same level as in Q1-Q3/2010
- The EBIT showed clear improvement on the previous year
- The positive development of earnings was due to good cost control and an improved sales structure, as well as non-recurring sales gains. EBIT for the first three quarters of the year includes a total of EUR 0.9 million of non-recurring sales gains.
- Atria's market share in the cold cut and cooking sausage market fell a little, particularly in the less expensive product group
- In the remainder of the year, Atria will focus on relaunching the Maks & Moorits brand and will discontinue the use of monosodium glutamate in all Maks & Moorits products.

Meat market review

Meat market situation

- The European meat market is stable
 - Demand is at a normal level, and it is yet to be affected by the uncertain economic conditions
 - According to the European Commission's forecasts, pork production will begin to decline during the second quarter of 2012
- Chinese customers are extremely active in the pork market
 - Extremely high demand for exports of "traditional Chinese products" to China, leading to high export volumes
 - Pig heads, tails, ears, cloven hooves and internal organs
 - The price level has doubled or tripled this year
- Atria will assess opportunities for exporting to China

Meat market situation/ Pork

- The price level of the meat assortments to be used as raw materials in the meat processing industry has begun to rise
 - Exports to China take raw materials away from Europe
 - Europe's frozen stocks are low
- The general shortage and higher price of meat assortments is also expected to affect the price of pork
 - Ham, forequarter assortments, fillet



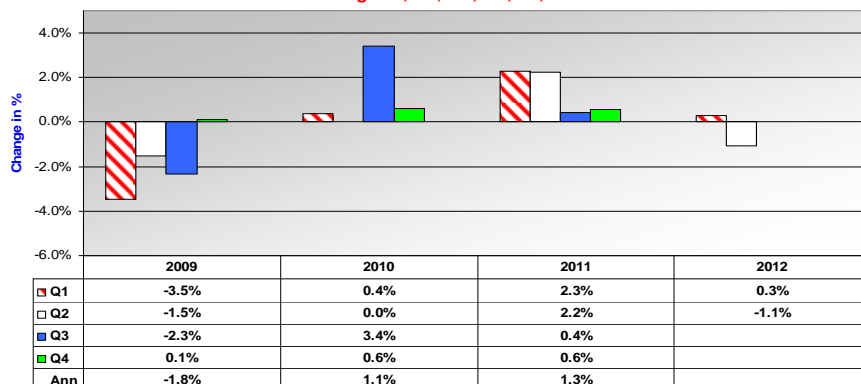
Meat market situation/ Beef

- The situation in the beef market continues to be good throughout Europe
- Extremely high volume of exports from EU to Turkey and Northern Africa
- Rather low volume of imports from South America to Europe and high price level
 - There are restrictions on meat exports in Argentina, and consumption of meat is increasing in Brazil, leaving less meat available for export
 - In addition, the lasting European import ban forced South Americans to look for markets for their beef elsewhere
 - Real shortage of beef fillet and beef assortments in Europe
- The price level is high, and it will continue to rise if no significant changes occur in demand



In Europe, pork production will begin to decline at the beginning of next year

Slaughter: Quarterly change compared to the same period in the previous year (GIP Data only)
last update: 21.9.2011 (21 MSs)
missing : IT, CY, HU, MT, AT, SE



Source: UECEBV

Market situation in Finland

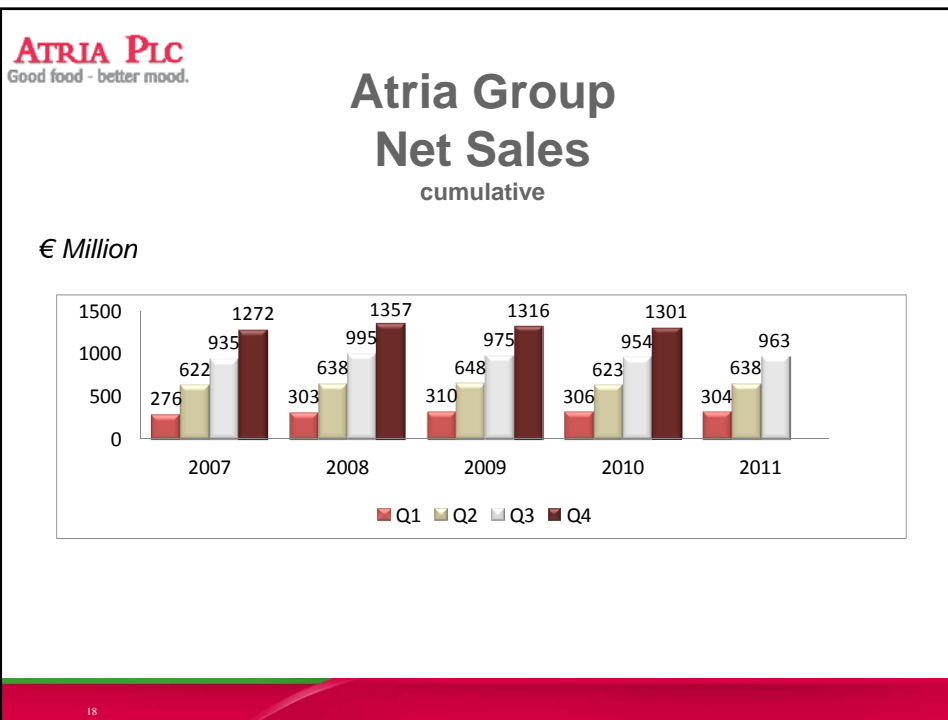
- The poor profitability of pork production has resulted in a decline in production
 - -5–6% in 2011 according to forecasts
 - Further but more moderate decline in 2012
- Frozen stocks better than last year
- Demand for beef high
 - Frozen stocks have practically run out
- Price level of beef also on the rise in Finland

Poultry

- Consumption of poultry, especially chicken, will grow in Finland
 - Consumption may increase and will be 20 kg/ person in the next few years
 - Consumption of chicken has increased by + 7,7 % (YTD 2011) in the retail trade
- Production of chicken on the rise in Finland and will be over 90 million kilos in 2011
- Price levels in the market have remained quite stable
- Raw material prices can be expected to rise as well in Finland as in the other parts of Europe
- Frozen stocks under control and on the low level
- Challenges
 - Effects of market standars are significant
 - During the market standard Atria's whole chicken chain has succeeded well
 - Effect of the feed price on the production costs significant

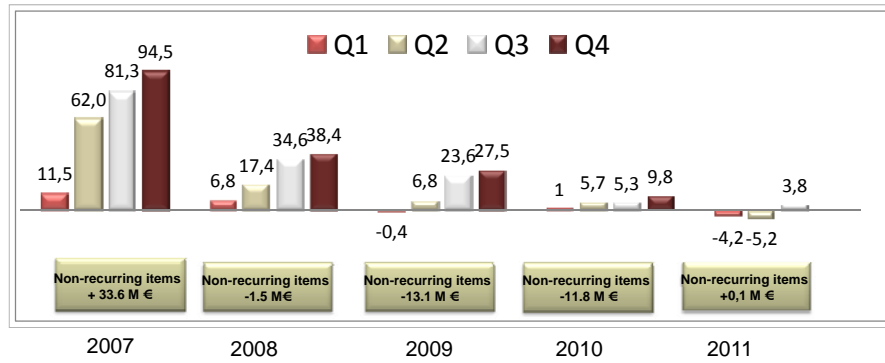


Financial Development



Atria Group EBIT cumulative

€ Million



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Atria Group Financial indicators

€ Million	30.9.2011	30.9.2010	31.12.2010
Shareholders' equity per share, EUR	14.74	15.41	15.68
Interest-bearing liabilities	423.5	449.2	429.9
Equity ratio, %	39.8	40.1	40.2
Gearing, %	101.0	102.4	96.4
Net gearing, %	98.9	100.7	92.2
Gross investments in fixed assets	36.9	34.2	46.2
Gross investments, % of net sales	3.8	3.6	3.5
Average number of employees (FTE)	5,550	5,811	5,812

- Equity ratio on the target level
- The value of undrawn committed credit facilities stood at EUR 155.5 million (EUR 59.9 million)
- The average maturity of loans drawn and committed credit facilities stood at 3 years 3 months (3 years 5 months).

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Atria Group Income Statement

€ Million	Q3		Q1-Q3		
	2011	2010	2011	2010	2010
NET SALES	325.5	331.3	963.1	954.2	1,300.9
Cost of goods sold	-288.3	-290.0	-862.1	-840.8	-1,149.1
GROSS PROFIT	37.2	41.3	101.0	113.4	151.8
% of Net sales	11.4	12.5	10.5	11.9	11.7
Other income	1.4	4.1	5.0	6.3	7.7
Other expenses	-29.6	-45.8	-102.1	-114.4	-149.7
EBIT	9.0	-0.4	3.8	5.3	9.8
% of Net sales	2.8	-0.1	0.4	0.6	0.8
Financial income and expenses	-3.8	-2.9	-10.3	-7.9	-11.2
Income from associates	0.2	0.3	1.0	1.3	1.7
PROFIT BEFORE TAXES	5.4	-3.0	-5.5	-1.3	0.3
Income taxes	-1.6	-2.8	-0.4	-3.1	-4.5
PROFIT FOR THE PERIOD	3.9	-5.8	-5.9	-4.4	-4.2
% of Net sales	1.2	-1.7	-0.6	-0.5	-0.3
Earnings/share, €	0.13	-0.22	-0.21	-0.19	-0.18

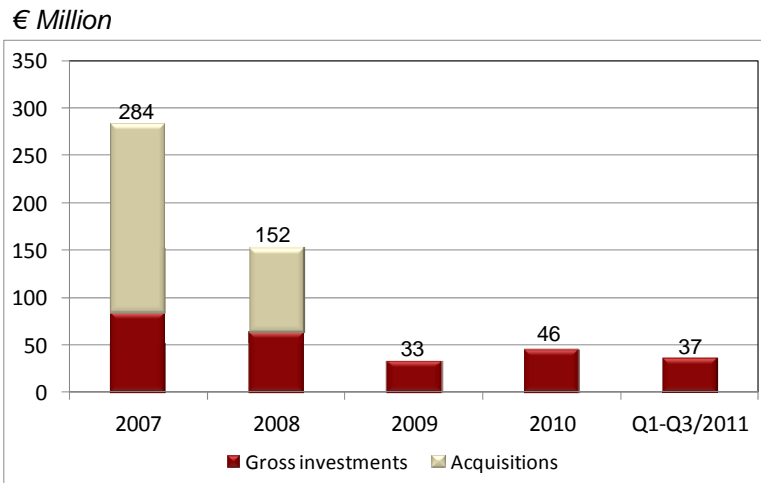
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Atria Group Cash flow statement

€ Million	Q1-Q3		
	2011	2010	2010
Cash flow from operating activities	36.8	31.4	85.5
Financial items and taxes	-8.2	-26.9	-40.9
CASH FLOW FROM OPERATING ACTIVITIES	28.6	4.5	44.6
Investing activities, tangible and intangible assets	-24.0	-29.7	-39.6
Sold subsidiary	2.0		
Bought subsidiary	-6.1		
Investments	-1.1	-5.1	-0.6
CASH FLOW FROM INVESTING ACTIVITIES	-29.2	-34.8	-40.2
FREE CASH FLOW	-0.6	-30.3	4.4
Loans drawn down	50.0	40.8	40.8
Loans repaid	-51.7	-32.2	-56.2
Dividends paid	-7.0	-7.1	-7.0
CASH FLOW FROM FINANCING, TOTAL	-8.8	1.5	-22.4
CHANGE IN LIQUID FUNDS	-9.4	-28.8	-18.0

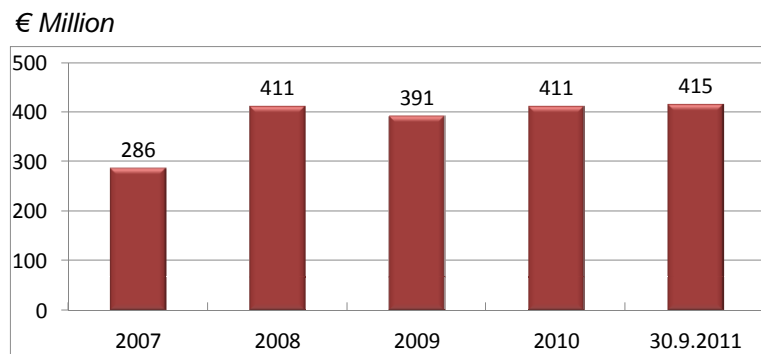
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Atria Group Gross investments



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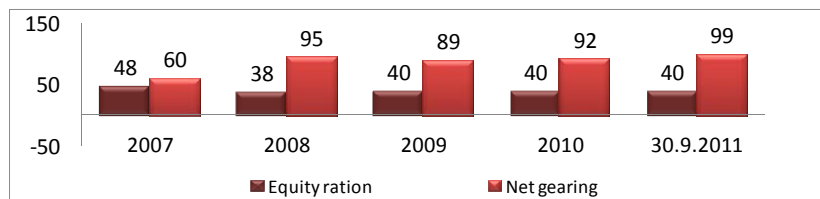
Atria Group Net debts



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Atria Group Equity ratio & Net gearing

€ Million



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Outlook for the future

- Atria expects full-year EBIT to be significantly lower than 2010 EBIT excluding non-recurring items (EUR 21.6 million). Net sales are expected to grow somewhat in 2011
- The key source for uncertainty in terms of reaching the growth target in net sales is the weakening of currency exchange rates during the latter part of the year. Tougher competition may also slow down sales growth
- The development of Atria Finland's earnings is significant when evaluating the whole Group's prospects of results. Stabilisation in the meat market and increasing meat prices improve Atria Finland's outlook for the remainder of the year. The price development for raw materials in other business areas will also be a significant factor for the Group's performance in the latter part of the year.

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Outlook for the future

- The meat raw material market will continue to stabilise during the remainder of the year. However, there is still pressure to raise meat raw material prices due to high feed and energy costs. Consequently, the wholesale and export prices of meat can be expected to rise during the remainder of the year
- In the first three quarters, the economic development in Russia was steady. However, if the uncertainty in the global economy continues, market growth in terms of value will be more uncertain than previously
- Atria has initiated profitability improvement measures in various business areas in 2010 and 2011. These measures will generate annual cost savings totalling EUR 18.5 million. The savings will begin to materialise during 2011 and will be fully materialised by 2013.



Good food, better mood.