



Capital Markets Day

Atria Baltic

Olle Horm, 4 December 2012



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Review 1 January – 30 September 2012

€ Million	Q3 2012	Q3 2011	Q1-Q3 2012	Q1-Q3 2011	2011
Net sales	8.4	9.0	25.4	26.3	3.2
EBIT	-0.4	-0.4	-1.3	0.4	-2.2
EBIT %	-4.2	-4.8	-5.0	-1.5	-6.1
Extraordinary items*	0.0	0.0	0.0	0.9	0.9

*Extraordinary items are included in the reported figures.

- Atria Baltic's** turnover is decreasing in spite of higher prices on home market
- Sales are influenced by the stop of live pigs sales to Russia (since March 12)
- EBIT without extraordinary items stays on last years level

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Atria Estonia

- Full circle meat company – from primary production to fresh meat and meat products
- Atria is the second biggest pork producer in Estonia
- Atria is not involved in grain farming, cost of grain and feed has significant impact on company's financial results
- Marketshare in Cold Cuts and Meal Sausages is appr. 14%
- Main market is Estonia with export of meat
- Atria is constantly working to adapt company structure to changing environment



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Macro Economics

	EURbn		change			
	2009	2010	2011	2012E	2013E	2014E
Private consumption	7,41	-1,7	4,2	3,8	3,4	3,7
Exports	8,96	22,5	24,9	3,7	6,5	6,5
Imports	8,15	20,6	27,0	6,5	6,8	6,6
GDP		2,3	7,6	2,3	3,5	3,8
Nominal GDP (EURbn)	13,84	14,3	16,0	16,9	18,0	19,2
Unemployment rate, %		16,9	12,5	10,8	9,9	8,9
Consumer prices, %/y		3,0	5,0	3,7	3,0	2,9

- Export driven expansion is calmed down exceeding pre-crisis level in 2012 (GDP in EURbn)
- GDP growth and inflation stabilizing – although it might jump
- Unemployment slowly but steadily declining adding extra pressure to salary expectations
- Economy overall still very dependant on international developments and markets

*Source – Nordea Markets

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Meat Market Development 12 mr y/y

Category	Market M€	Change % kg	Change % EUR	Change % EUR/kg
Cold Cuts	92.1	-0.4	8.5	8.9
Meal Sausages	43.2	-5.4	6.6	12.0
CPM Fresh	68.4	6.0	15	8.4
CPM Marinated	27.0	9.0	15	5.5

Source – AC Nielsen

- Inflation continues to be high, leveling on 4.1% pa in October
- Main driving factor of inflation is food, giving over one third of annual inflation
- Annual growth of prices of meat and meat products 9.7 %
- Such high growth rate has affected the purchase power of consumers, resulting declining consumption volumes in certain categories

Source – Statistics Estonia 2012

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Development of Marketshare, (Aug/Sep)

Category	2011 %	2012 %	Diff., % 2012/2011
Cold Cuts	15.5	12.7	-18.0
Meal Sausages	15.8	14.7	-7.0
CPM Fresh	5.7	8.2	43.8
CPM Marinated	6.9	9.2	33.3

Source – AC Nielsen

- Atria has been losing marketshare in processed products and gaining marketshare in meat
- Primary target is to stop the loss of marketshare



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Main focus areas

Focus area	Activities
Sales improvement	<ul style="list-style-type: none"> • Restructure sales and marketing organisation • Reduce the share of campaigns in daily sales • Grow in meat sales, both fresh and marinated
Cost efficiency	<ul style="list-style-type: none"> • Close separate warehouse for goods and centralize logistic operations to Valga factory • Optimize office and management personnel • Tighten general cost control

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Future outlook

- Grain and feed prices to remain high at least until new crop
- Pork price development is difficult to predict
- Consumer purchasing power trend towards weakening, risk of inflation jumping (electricity)
- Competition between meat producers and retailers is high
- Our focus is on increasing sales, especially in fresh meat segment



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