Financial Statement and Annual Report 2008

Atria Plc

Good food - better mood.

Financial statements and annual report

Annual General Meeting, 29 April 2009

Atria Plc invites its shareholders to the Annual General Meeting, which will be held on Wednesday, 29 April 2009 in Helsinki at the Finlandia Hall.

The AGM will address the following matters, among others:

1. Matters to be addressed at the AGM as set out in Article 16 of the Articles of Association.

The invitation to the AGM will be published in national newspapers on 3 April 2009.The AGM documents are available on Atria's website at www.atria.fi/konserni.

Report by the Board of Directors for 1 January - 31 December 2008

Stable growth in a challenging business environment

2008 will go down in history as a challenging year marked by international food and financial crises. For Atria, it was a year of strong growth and international expansion, during which it executed its growth-oriented business strategy systematically. In line with this strategy, Atria aims to grow mainly organically, i.e. expand its current operations. In 2008, growth was sought particularly through acquisitions supporting the strategy. Atria's goal is to be the first choice for consumers and customers in the food sector – especially in fresh food – in the Baltic Sea region and European parts of Russia. To accomplish this, Atria must be the market leader or second largest player in Atria's business areas, and its brands must be among the two best-known brands. Due to the acquisitions made during the accounting period, Atria is one step closer to achieving its goal.

Despite the changes in the market conditions and business environment, Atria retained the following financial targets:

• Operating profit (EBIT)	at least 5%
• Equity ratio	40%
• Share of international operations	50%
• Return on equity (ROE)	12%
• Dividend distribution of profit for the period	50%

The year started on a rough note on the meat market. An unbalance between supply and demand weighed down producer and consumer prices of meat, whereas the prices of feedstuffs used as raw material in meat production rose sharply. The increasing cost of raw materials across the food chain worldwide hampered the Group's performance in the first half of the year.

In the summer, the meat market took a turn for the better, and expectations for 2009 were more positive. When the financial crisis which originated in the US housing market spread to Europe in the autumn, the conditions in global meat markets became unclear and more difficult to predict. At the end of the year, the crisis had begun to affect everyday life and there were reports in the media on the uncertainty of the economy in nearly all industries and service sectors. In such a climate, consumers consider more carefully what to buy and often settle on less expensive products. The change in consumer habits had a slight impact on the demand for Atria's products, although sales volumes remained good until the end of the year. Atria Group's profitability was mainly affected by the steep rise in raw material prices and the fact that consumer price increases lagged behind this rise. The weakening of the Swedish krona and Russian rouble also reduced profitability.

Atria strengthened its position and experienced substantial growth in Russia, Sweden and Estonia. In the summer, Atria acquired four companies, whose impact on its net sales amounts to approximately EUR 150 million annually. In early July, Atria acquired the Swedish AB Ridderheims Delikatesser, a producer of delicatessen products. Ridderheims is a strong, well-known and innovative brand in the industry. Atria's aim is to build the product selections of Ridderheims and Falbygdens Ost into the largest range of delicatessen products in the Nordic countries.

In Finland, the investments made in the Atria brand were reflected in the growth of sales and market shares, but the increase in raw material prices and other industrial costs diminished the profits. Goals were achieved in the operation of industrial processes and respect for the brand; these are at the top of the industry in Finland. The situation was the hardest in meat-producing farms, which saw a rapid rise in production costs and subsidy changes that eroded earnings.

The largest acquisition was made in Russia, where Atria purchased the meat processing company OOO Campomos, operating in the Moscow and St. Petersburg regions, at the end of July. This made Atria the country's leading international meat industry company and one of the biggest meat processing companies in Russia. Campomos has a production plant and logistics centre in Moscow and a distribution terminal in St. Petersburg. It also runs its own significant pork production operations.

In the Atria Baltic business area, two Estonian meat processing companies, AS Wõro Kommerts and AS Vastse-Kuuste Lihatööstus, were merged into the Group. These new companies, together with AS Valga Lihatööstus, make Atria the second largest industry player in Estonia. This position will create new development and growth prospects for Atria not only in Estonia but also in the entire Baltic region.

Atria's sales and market shares at a good level in a challenging business environment

Atria's net sales in Finland were EUR 797.9 million (EUR 749.6 million), up 6.4 percent from the previous year. Operative EBIT amounted to EUR 34.4 million (EUR 43.2 million). The investments made in the Atria brand were reflected in the growth of sales and market shares, but the increase in raw material prices and other industrial costs reduced profitability. The company's strengths include production and delivery reliability, which play a major role in the successful delivery of fresh meat and poultry products and performance during the seasons. To enhance cost-efficiency, Atria Finland launched an operational efficiency improvement programme in the spring, aimed at annual cost savings of EUR 4 million. Atria discontinued its operations in Kannus, and the logistics and meat product manufacturing operations of the Forssa production plants were moved to Nurmo. In addition, Liha-Pouttu's meat procurement operations were merged with A-Farmers Ltd's operations.

Atria Scandinavia posted net sales of EUR 455.2 million (EUR 457.8 million). Due to the weakened exchange rate of the Swedish krona, net sales in euros decreased by 0.6 percent, while net sales in kronor rose by 3.9 percent. Operative EBIT came to EUR 15.4 million (EUR 20.5 million). The year 2008 was one of stable growth for Atria Scandinavia. However, profitability did not develop as expected. The company's profits were reduced by raw material costs that remained high particularly in the latter half of the year and the weak performance of the Lätta Måltider unit. The weakened krona increased the prices of imported raw materials further towards the end of the year.

In summer 2008, Atria acquired the Swedish AB Ridderheims Delikatesser, a producer of delicatessen products. This acquisition strengthened further Atria's market position in Sweden. Ridderheims was consolidated into Atria as of 1 July 2008.

In the autumn, Atria concentrated the production of the Lätta Måltider unit from Halmstad into Norrköping. As a result of this arrangement, 50 of the Halmstad plant's employees were made redundant.

Atria Russia posted net sales of EUR 93.8 million (EUR 65.6 million) and an operative EBIT of EUR -3.4 million (EUR +4.3 million). The growth of net sales and market shares in 2008 met the company's expectations. The results of the St. Petersburg-based OOO Pit-Product fell short of expectations, although the targets for growth and market shares were exceeded. Pit-Product is the market leader in the St. Petersburg region modern trade with a market share of approximately 30 percent (Source: AC Nielsen). The company's profitability was slightly below the target, which was mainly due to the sharp rise in raw material prices. Sales prices were increased, but raw material prices rose more quickly than the sales prices of end products.

As a result of an acquisition, Atria Russia became an even stronger player in European Russia. Atria acquired the meat processing company OOO Campomos, which operates in the Moscow and St. Petersburg regions. The takeover of Campomos was initiated immediately after the confirmation of the deal on 15 October 2008. The acquisition is expected to double Atria Russia's net sales. Campomos is loss making, and Atria aims to have the company's EBIT in the black during 2010. This requires the further strengthening of the company's market position in Moscow, new product group launches, cost reductions and the rationalisation of primary production, which was started up in 2008.

In the Baltic countries, Atria's operations are centred in Estonia. Two major acquisitions were completed in summer

2008: AS Wõro Kommerts and AS Vastse-Kuuste Lihatööstus. The new companies were consolidated into Atria as of 1 August 2008. Atria Baltic's net sales were EUR 32.3 million (EUR 26.7 million) and operative EBIT stood at EUR -3.8 million (EUR -3.1 million).

Key indicators (EUR million):	2008	2007	2006
Net sales	1,356.9	1,272.2	1,103.3
EBIT	38.4	94.5	41.5
EBIT, %	2.8	7.4	3.8
Operative EBIT	39.9	61.4	33.5
Operative EBIT, %	2.9	4.8	3.0
Balance sheet, total	1,134.5	1,000.7	731,6
Return on equity, %	2.5	17.2	8.8
Return on investments, %	5.3	15.2	8.7
Equity ratio, %	38.4	47.6	42.8
Gearing, %	94.6	60.1	66.8

Earnings

Consolidated EBIT amounted to EUR 38.4 million (EUR 94.5 million) and operative EBIT to EUR 39.9 million (EUR 61.4 million). EBIT for 2008 includes the following non-recurring costs: EUR 1.0 million for the closing of the Halmstad plant in Sweden and EUR 0.5 million for the discontinuing of operations in Kannus, Finland and the closing of a logistics centre in Forssa, Finland.

Research and development

Atria Group's research and development operations focus on researching consumer behaviour in all of the Group's business areas. In addition, Atria participates in applied research in the areas of product and packaging technology, and the science of nutrition.

Besides **flavour and savour**, consumers value **ease and convenience**, especially on weekdays when meals must be prepared quickly for the whole family. This is an interesting challenge for the food industry. Package size, in particular, will become an increasingly important selection criterion for consumers.

Health and well-being will continue to be important. Consumers expect there to be healthier foods available as well, i.e. products that have a lower fat content, only include a little salt or contain health-promoting ingredients. Health and well-being are closely linked to confidence and awareness of the origin of food. Consumer awareness of environmental sustainability is also increasing.

In 2008, the focus in Atria Group's product development was on sliced cold cuts. New products were launched in all countries in this segment. In the Baltic countries, particularly the smaller package sizes were a great success. A new envelope package for cold cuts was launched in the Swedish and Danish markets.

Many new products were also launched in convenience foods. Productisation focused on ready-to-eat portions, which were launched in Finland in the spring. In Sweden, Atria launched new types of private label microwave meals. In January 2008, Atria Finland revised its package labelling for microwave meals. The upper corner of the package now contains clear information on nutritional content for quick and easy viewing. Consumers usually check the date, but they are also interested in how healthy the product is (the amount of energy, fat and salt). In terms of value, the net sales of Atria Finland's microwave meals grew by 23 percent in 2008. The new package labels were introduced in all product groups during 2008.

The launches of a few new products were postponed to 2009 due to the good sales of Atria Russia's current product selection. Atria brought a total of 280 new products to the market in 2008. These accounted for around 4 to 5 percent of Atria's total net sales. New products played a pivotal role in the earnings for certain product groups, as they contributed to a significant change in the selection.

The key factor affecting consumption in 2008 and in the near future is the economic recession. It could already be seen in 2008, when consumers became more price-conscious and shifted their purchasing towards less expensive food.

Freshness, flavour and speed will be the guiding principles for 2009 launches. Atria will bring to the market new, reasonably priced concepts and solutions which will make everyday life easier for consumers whether they require speed or enjoy family meals that take slightly more time.

Funds used for Atria Group's research and development activities in relation to net sales for the period 2006–2008:

	2008	2007	2006
Research and development (EUR million)	9.9	8.4	7.4
% of net sales	0.7	0.7	0.7

Financing and liquidity

The financial market crisis progressed during 2008 and reduced the number of financing options generally available for companies. The liquidity of the bond and commercial paper market was very poor, particularly towards the end of the year. Where necessary, Atria financed its maturing commercial papers by using its existing credit limits. The availability of traditional bank financing was more uncertain than previously, and loan margins were on the rise. On the other hand, the steep decline in market interest rates that began in the autumn has reduced financing costs.

Despite the very challenging business environment, Atria was able to keep its financing position strong. Between October and December, Atria acquired new long-term, 5–7 year financing in the amount of EUR 69 million, of which the proportion of TyEL (Employees Pensions Act) premium lending was EUR 39 million. In addition, Atria signed an agreement for two binding credit limits in December, totalling EUR 32 million. There was a total of EUR 126 million in undrawn binding credit limits at the end of the year.

Atria made four significant acquisitions in 2008. During the third quarter, the acquisition of AB Ridderheims Delikatesser was completed in Sweden and the acquisitions of AS Wõro Kommerts and AS Vastse-Kuuste in Estonia. The acquisition of OOO Campomos was completed in Russia in the fourth quarter. The liabilities of the acquired companies were transferred in the transactions, and the remainder of the purchase prices were paid using cash funds and existing credit limits.

OOO Campomos had approximately EUR 66 million in foreign-currency-denominated liabilities, the reorganisation of which was commenced after the acquisition. In November, Campomos amortised its euro-denominated loans by approximately EUR 35 million. Of Campomos's euro-dominated loans at the balance sheet date, EUR 13 million has been paid off in January 2009 and further repayments will be made during the early part of the year. Campomos's foreign-currency-denominated loans created exchange rate losses of approximately EUR 5 million due to the weakening of the rouble.

Risk management in Atria

In its operations, Atria is faced with a variety of external and internal risks, whose effects on the results may be negative or positive. The purpose of Atria's proactive risk management activities, implemented consistently across the Group, is to support the execution of Atria's strategy and the achievement of targets, as well as to secure business continuity if the risks are realised. In reporting, Atria's risks are divided into four categories: **business risks, operational risks, financial risks and accident risks.**

In 2008, Atria Group's Board of Directors approved a new Risk Management Policy and operation models for common risk assessment and risk reporting. A risk assessment in accordance with the policy was implemented in all business areas and Group operations. The most significant risks observed were prioritised throughout the Group and reported to the Board of Directors. The Management Teams of the business areas and the Group Management Team are responsible for implementing the required risk management actions in their own responsibility areas. Financial risk management is centralised in the Group's Treasury unit. The following key risks and their controls have been taken into account in the control of Atria Group's business operations:

Business risks

The profitability of Atria's operations is greatly affected by the risk associated with changes in the international market price of meat raw material. Atria aims to protect itself against unfavourable price movements by adjusting production, where necessary, and by trying to anticipate changes through the pricing of end products. Products sold under the Atria brand are manufactured using only Finnish meat. Consequently, changes in the production volumes and availability of Finnish meat raw material may affect Atria Finland's profitability. In Atria Russia's operations, a special characteristic of the market is changing restrictions and import duties related to the import of meat. The Moscow-based OOO Campomos, which was merged into Atria Group in 2008, has invested heavily in the development of primary production.

Retail trade in the food industry is highly consolidated in all of Atria's key markets, which creates opportunities for building many forms of cooperation over the long term. On the other hand, this may increase dependence on individual customers. Atria's market position and strong brands improve the company's negotiating position.

Operational risks

During the past year, Atria made significant acquisitions in Sweden, Russia and Estonia. Each acquisition was preceded by due diligence. The integration of the operations of each new company is the responsibility of a specially appointed integration team, the role of which is to ensure that the process goes according to plan.

Being a food manufacturing company, it is of primary importance for Atria to see to the high quality and safety of raw materials and products throughout the production chain. Atria has modern methods in place for ensuring the safety of production processes and for eliminating various microbiological, chemical and physical hazards. An animal disease discovered at a critical point in Atria´s primary production chain can interrupt production in the unit concerned and disturb the entire chain´s operations. Through internal monitoring involving multiple stages, Atria aims to detect potential hazards as early as possible.

Financial risks

The food industry's dependence on economic cycles is below the average, and Atria's annual sales volumes are fairly stable. The main areas that may be affected by the financial crisis are financing and risk for credit losses.

The economic downturn increases the risk of weakening liquidity among Atria's customers and the occurrence of credit losses particularly in industries that are sensitive to business cycles, such as the hotel and restaurant sector and the shoe and leather industry.

A significant proportion of Atria's trade receivables in Finland are related to feed and animal trading in primary production. The profitability of agricultural production has been reduced particularly by the sharp changes in the prices of feedstuffs, fertilizers and other factors of production. At the same time, obtaining financing has become more difficult due to the general economic conditions, which may result in financial difficulties for some farms.

Significant changes in energy costs, e.g. electricity and gas prices, may affect Atria's profitability. Atria aims to hedge against unfavourable changes using derivatives. The company also has initiated projects aimed at cutting energy costs.

Atria Group's interest rate and currency risks as well as liquidity and refinancing risk are described in the Notes to the Financial Statements on page 88.

Accident risks

Low temperatures and repetitive movements are characteristic of work performed within the food industry. The work is often physical and requires the use of cutting machines and tools, for instance. Atria aims to prevent occupational accident and disease risks and related costs by investing in safety at work and the continuous improvement of work methods and tools.

Atria has more than 20 production plants in Finland, Sweden, Denmark, the Baltic Countries and Russia. All of these are insured against material damage and business interruptions.

Changes in administration and operative organisation

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 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.

Atria Plc's administration is described in more detail under the heading Corporate Governance Principles.

Auditors

In 2008, Atria Plc´s Annual General Meeting elected Authorized Public Accountants Pekka Loikkanen and Eero Suomela as the company´s regular auditors.

Personnel, average	2008	2007	2006
Atria Finland	2,378	2,394	2,325
Atria Scandinavia	1,691	1,768	1,206
Atria Russia	1,525	1,278	1,528
Atria Baltic	541	507	681
Atria Group total	6,135	5,947	5,740
Salaries and benefits for the period, Group total (EUR million)	181.0	169.9	144.8

Key persons' share-based incentive programme

Atria Plc's Board of Directors has decided to adopt a share-based incentive programme for Atria Group's key personnel. The programme will comprise three one-year accrual periods, i.e. calendar years 2007, 2008 and 2009. Payments will be made in 2008, 2009 and 2010, partly in the form of the company's Series A shares and partly as cash payments. The cash payments will cover any taxes or similar costs caused by the incentives. The shares may not be transferred for a period of two years from the end of the accrual period. Any profit from the programme for the accrual period 2008 will be based on the Group's EBIT percentage and return on capital employed (ROCE). The share incentives to be paid for 2008 would have amounted to no more than 100,100 of Atria Plc's Series A shares. Share incentives will not be paid for 2008. For 2007 share incentives were paid for some 40 company's key persons.

A total of 35,260 Series A treasury shares held by the Company were transferred free of charge to key persons belonging to the incentive programme for the accrual period 2007. The date of the share transfer was 19 December 2008.

Environmental responsibility

Atria Group's environmental responsibility is built around three main elements:

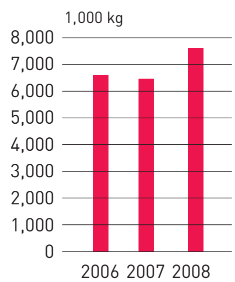
- Taking account of the environment at all operational levels
- Identifying indirect environmental impacts at various stages of the operating chain
- Reducing the direct environmental impacts of practical operations

By focusing on the balanced control and management of these elements, Atria generates substantial added value for its business operations, as well as for its stakeholders and the environment.

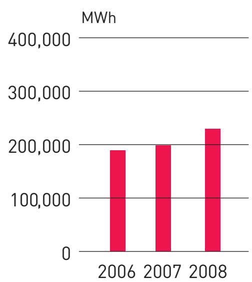
At its widest, Atria views its environmental responsibility as covering the entire food chain. It applies to the entire operating chain from primary production and acquisition of raw materials to the manufacture, consumption, recycling and disposal of products. In addition to environmental protection, this perspective emphasises the prevention of environmental and health hazards and the consideration of consumer and personnel safety. To a certain extent, this perspective also covers the operating practices of the suppliers of raw materials and other subcontractors, as well as the well-being of animals at farms and during transport.

Environmental impacts have been identified and organised based on their significance. Atria's main environmental concerns are energy use, water use, wastewater load and the generation of municipal waste.

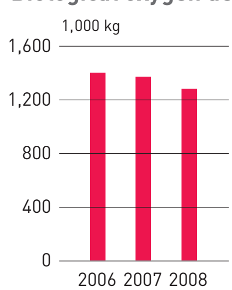
Atria Group
Municipal solid waste



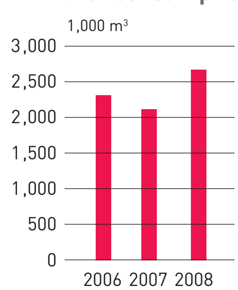
Atria Group
Electricity consumption



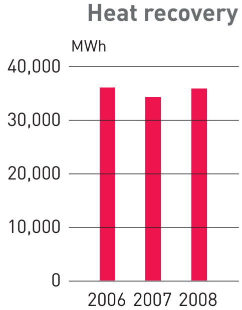
Atria Group
Biological oxygen demand



Atria Group
Water consumption



Atria Group
Heat recovery



Indirect concerns are transport and primary production. Atria is aware of their effects; in transport, it monitors fuel consumption and in primary production, the share of farms committed to the conditions of environmental subsidies.

The operations of the Group's production plants are in compliance with environmental legislation, licenses and obligations monitored by the authorities. The environmental systems are certified in accordance with the ISO 14001 standard at Atria Finland Ltd's Nurmo, Kauhajoki and Kuopio production plants. The same level of attention is given to environmental matters at other units.

Outlook for 2009

Market conditions will remain challenging in 2009. It will be difficult to anticipate the global price movements of meat raw material. In Russia and Sweden, Atria also uses imported meat, whose price is strongly affected by exchange rate fluctuations. Potential changes in Russia's import duties and regulations will also be reflected in the prices of imported meat. The economic recession will have some effect on sales volumes and the demand for certain product groups. The demand for more expensive products is expected to decline, while inexpensive products will be in stronger demand.

We expect Atria Finland to further reinforce its market position. Particularly the retail sales of the Atria brand will increase. At the beginning of 2009, Atria Scandinavia launched an extensive programme to improve its profitability. In addition to the streamlining of operations, it will involve price increases in order to compensate the rise in costs caused by the weakening of the krona. Unprofitable operations will be rationalised and discontinued. Atria Scandinavia will invest in the development of new, innovative products and the growth of the concept business.

Atria Russia's key objective for 2009 is the completion and commissioning of the meat product plant in Gorelovo, St Petersburg. Particularly in the first half of the year, resources will be concentrated on the takeover of the new subsidiary, Campomos, the improvement of its profitability and the utilisation of synergies. Investments will also be made in increasing the efficiency and capacity of primary production, as well as in streamlining production and logistics operations.

The integration of the operations of Atria Baltic's new subsidiaries will be continued in 2009. The aim is to enhance profitability through the streamlining of production and logistics.

Atria Plc's share capital

The breakdown of the parent company share capital is as follows:

Series A shares	(1 vote/share)	19,063,747
Series KII shares	(10 votes/share)	9,203,981

The Series A shares have preferential claim to a dividend of 10 percent on the nominal value of the share, after which a dividend of 10 percent of the nominal value shall be paid on Series KII shares. After this, if dividends remain to be paid, Series A and Series KII shares entitle their holders to an equal right to a dividend.

If a Series KII share is transferred to a party outside the company or a Series KII share is transferred to a shareholder within the company who has not previously owned Series KII shares, the transferee must inform the Board of Directors without delay and a Series KII shareholder has the right to pre-emptively purchase the share under certain conditions. The acquisition of Series KII shares by means of transfer requires approval by the company. Series A shares have no such limitations.

Information on shareholding distribution, shareholders and management holdings can be found under the heading Shares and shareholders.

Board of Directors' share issue authorisation

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 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

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 of 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 General Meeting, 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 any 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 acquisition of treasury shares began on 29 September 2008 and will end no later than 30 June 2009.

A total of 35,260 treasury Series A shares held by the company were transferred free of charge to key persons belonging to the incentive programme for the accrual period 2007. The date of the share transfer was 19 December 2008. As of 31 December 2008, the company held a total of 47,157 treasury shares which represents 0.17 percent of the shares and 0.04 percent of the voting rights conferred by the shares. The aqcuisition of the company´s own shares did not have significant influence on distribution of ownership and voting rights.

Board of Directors' proposal for use of profit

The parent company's distributable profit amounts to EUR 74,531,673, of which profit for the period totals EUR 23,292,962.

The Board of Directors will propose to the AGM that the distributable profits be used as follows:

• a dividend of EUR 0.20/ share is paid totalling	EUR 5,653,546
• added to shareholders' equity	EUR 68,878,127
	EUR 74,531,673

No significant changes have occurred in the company's financial position since the end of the accounting period.The company's liquidity is good and, according to the Board of Directors, the proposed dividend does not compromise the company's solvency.

BREAKDOWN OF SHARE OWNERSHIP

Shareholders according to the number of shares owned, 31 Dec 2008	Shareholders		Shares	
Number of shares	no.	%	1,000	%
1-100	4,432	44.91	216	0.76
101-1,000	4,581	46.42	1,663	5.88
1,001-10,000	769	7.79	1,971	6.97
10,001-100,000	66	0.67	1,864	6.60
100,001-1,000,000	16	0.16	4,673	16.53
1,000,001-999,999,999,999	4	0.04	17,881	63.26
Total	9,868	100.00	28,268	100.00

Shareholder by business sector, 31 Dec 2008	Shareholders		Shares	
Business sector	no.	%	1,000	%
Companies	465	4.71	16,421	58.09
Financial and insurance institutions	56	0.57	1,761	6.23
Public corporations	21	0.21	912	3.23
Non-profit associations	143	1.45	836	2.96
Households	9,152	92.74	3,439	12.17
Foreign owners	31	0.31	2,535	8.97
Total	9,868	100.00	25,904	91.64
Nominee-registered, total	11		2,364	8.37

INFORMATION ON SHAREHOLDERS

Major shareholders 31 Dec 2008	K II	A	Total	%
Itikka Co-operative	4,914,281	2,457,801	7,372,082	26.08
Lihakunta	4,020,200	3,351,797	7,371,997	26.08
Odin Norden		1,687,300	1,687,300	5.97
Skandinaviska Enskilda Banken		1,449,436	1,449,436	5.13
Nordea Bank Finland Plc		754,733	754,733	2.67
Pohjanmaan Liha Co-operative	269,500	480,038	749,538	2.65
Odin Finland		695,214	695,214	2.46
OP-Suomi Arvo		404,922	404,922	1.43
Public pension insurance company Veritas		309,000	309,000	1.09
Nordea Life Assurance Finland Ltd		225,000	225,000	0.80

Largest shareholders in terms of voting rights, 31 Dec 2008	K,II	A	Total	%
Itikka Co-operative	49,142,810	2,457,801	51,600,611	46.44
Lihakunta	40,202,000	3,351,797	43,553,797	39.20
Pohjanmaan Liha Co-operative	2,695,000	480,038	3,175,038	2.86
Odin Norden		1,687,300	1,687,300	1.52
Skandinaviska Enskilda Banken		1,449,436	1,449,436	1.30
Nordea Bank Finland Plc		754,733	754,733	0.68
Odin Finland		695,214	695,214	0.63
OP-Suomi Arvo		404,922	404,922	0.36
Public pension insurance company Veritas		309,000	309,000	0.28
Nordea Life Assurance Finland Ltd		225,000	225,000	0.20

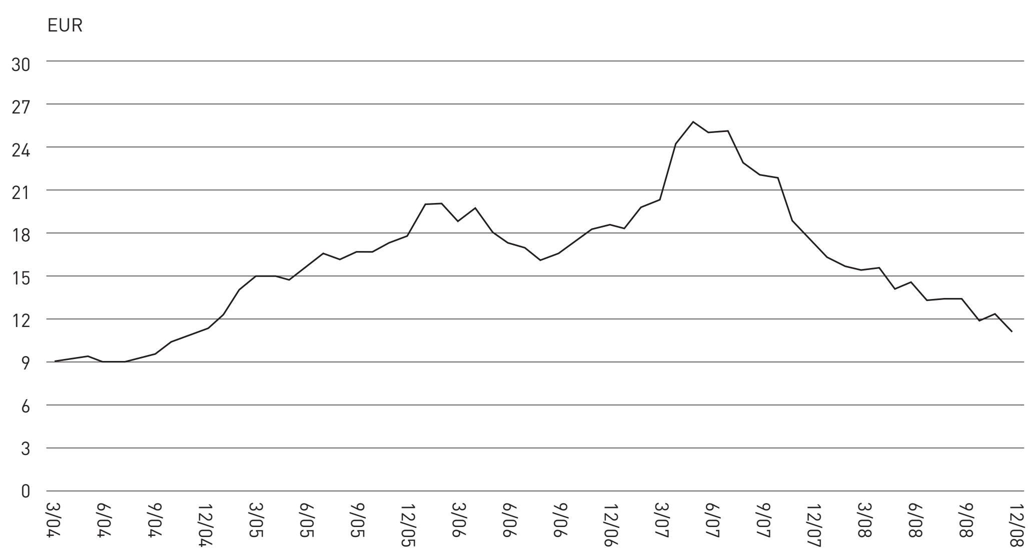
MANAGEMENT'S SHAREHOLDING

The members and deputy members of the Board of Directors and Supervisory Board, and the CEO and deputy CEO owned a total of 41,661 A series shares on 31 Dec 2008, which corresponds to 0.15 % of shares and 0.04% of voting rights.

MONTHLY TRADING VOLUME OF A SERIES SHARES IN 2008

Month	Net sales, euro	Net sales, shares	Monthly lowest	Monthly highest
January	7,178,687	443,343	14.00	18.29
February	3,115,659	198,719	15.08	16.89
March	1,918,243	124,978	14.93	16.00
April	12,785,774	835,101	13.90	18.09
May	4,891,815	347,306	13.30	14.85
June	2,274,875	156,317	13.45	15.05
July	2,678,557	203,183	12.38	14.19
August	8,903,810	652,547	11.52	14.50
September	2,426,919	182,493	11.65	14.60
October	2,923,154	247,036	10.73	13.32
November	2,901,305	236,989	11.15	13.25
December	4,942,232	448,913	10.51	11.70
Total	56,941,030	4,076,925		

TREND IN THE PRICE OF THE A SERIES SHARE, 2004-2008 (average price)



FINANCIAL INDICATORS

	IFRS 31 Dec 2008	IFRS 31 Dec 2007	IFRS 31 Dec 2006	IFRS 31 Dec 2005	IFRS 31 Dec 2004
Net sales, mill. EUR	1,356.9	1,272.2	1,103.3	976.9	833.7
EBIT, mill. EUR	38.4	94.5	41.5	40.2	49.3
% of net sales	2.8	7.4	3.8	4.1	5.9
Financial income and expenses, mill. EUR	-22.3	-14.3	-7.3	-3.2	-5.2
% of net sales	1.6	1.1	0.6	0.3	0.6
Profit before tax	16.7	80.6	34.6	37.8	44.6
% of net sales	1.2	6.3	3.1	3.9	5.3
Return on equity (ROE), %	2.5	17.2	8.8	10.0	13.9
Return on investment (ROI), %	5.3	15.2	8.7	10.3	13.9
Equity ratio, %	38.4	47.6	42.8	43.0	50.9
Interest-bearing liabilities	448.4	321.9	244.2	206.9	116.1
Gearing	103.1	67.6	78.1	75.2	44.6
Net gearing, %	94.6	60.1	66.8	68.9	39.7
Gross investments to fixed assets, mill. EUR	152.6	284.1	89.0	107.3	37.3
% of net sales	11.2	22.3	8.1	11.0	4.5
Average FTE	6,135	5,947	5,740	4,433	3,638
Research and development costs, mill. EUR	9.9	8.4	7.4	6.7	7.0
% of net sales*	0.7	0.7	0.7	0.7	0.8
Volume of orders**	-	-	-	-	-

*Booked in total as expenditure for the financial year
**Not a significant indicator as orders are generally delivered on the day following the order being placed.

Calculation of indicators:

$$\text{Return on equity (\%)} = \frac{\text{Profit/loss for the period}}{\text{Shareholders' equity (average for the period)}} \times 100$$

$$\text{Return on invetments (\%)} = \frac{\text{Profit before tax + interest and other financial expences}}{\text{Shareholders' equity + interest-bearing financial liabilities (average)}} \times 100$$

$$\text{Equity ratio (\%)} = \frac{\text{Shareholders' equity}}{\text{Balance sheet total - advance payments received}} \times 100$$

$$\text{Gearing (\%)} = \frac{\text{Interest-bearing financial liabilities}}{\text{Equity}} \times 100$$

$$\text{Net gearing (\%)} = \frac{\text{Interest-bearing financial liabilities - cash and cash equivalents}}{\text{Equity}} \times 100$$

$$\text{Basic earnings / share} = \frac{\text{Profit for the period}}{\text{Average share issue-adjusted number of shares for the period}}$$

$$\text{Equity / share} = \frac{\text{Equity belonging to the owners of the parent company}}{\text{Undiluted number of shares on 31 Dec}}$$

SHARE-ISSUE ADJUSTED PER-SHARE INDICATORS

		IFRS 31 Dec 2008	IFRS 31 Dec 2007	IFRS 31 Dec 2006	IFRS 31 Dec 2005	IFRS 31 Dec 2004
Earnings per share (EPS), EUR		0.42	2.56	1.15	1.24	1.58
Shareholders' equity per share, EUR		15.34	16.77	13.28	12.08	11.58
Dividend/share, EUR*		0.20	0.70	0.595	0.595	0.595
Dividend/profit, %*		48.1	27.4	51.7	48.0	37.7
Effective dividend yield*		1.7	4.0	3.3	3.3	5.3
Price/earnings (P/E)		27.9	6.8	15.9	14.5	7.2
Market capitalisation, mill. EUR		327.9	490.4	422.4	379.5	238.3
Share turnover/1,000 shares	A	4,077	7,933	3,899	5,704	3,800
Share turnover, %	A	21.4	41.6	28.1	48.0	32.0
Number of shares, million, total		28.3	28.3	23.1	21.1	21.1
Number of shares	A	19.1	19.1	13.9	11.9	11.9
	K II	9.2	9.2	9.2	9.2	9.2
Share issue-adjusted average number of shares		28.3	26.1	21.8	21.1	21.1
Share issue-adjusted number of shares on 31 December		28.3	28.3	23.1	21.1	21.1
SHARE PRICE DEVELOPMENT						
Lowest of period	A	10.51	16.90	15.00	11.50	8.55
Highest of period	A	18.29	28.77	21.50	18.18	11.75
At end of period	A	11.60	17.35	18.29	17.99	11.30
Average price during period	A	14.04	22.18	18.31	15.33	9.42

*Proposal from the Board of Directors

Dividend per share = $\dfrac{\text{Dividend distribution in period}}{\text{Undiluted number of shares on 31 Dec}}$

Dividend / profit (%) = $\dfrac{\text{Dividend / share}}{\text{Earnings / share (EPS)}} \times 100$

Effective dividend yield (%) = $\dfrac{\text{Dividend / share}}{\text{Closing price at the end of the period}} \times 100$

Price / earnings (P/E) = $\dfrac{\text{Closing price at the end of the period}}{\text{Earnings / share}}$

Average price = $\dfrac{\text{Overall share turnover in euro}}{\text{Undiluted average number of shares traded in the period}}$

Market capitalisation = Number of shares at the end of the period * closing price on 31 Dec

Share turnover (%) = $\dfrac{\text{Number of shares traded in the period}}{\text{Undiluted average number of shares}} \times 100$

CONSOLIDATED BALANCE SHEET, EUR 1,000

Assets	Notes	31 Dec 2008	31 Dec 2007
Non-current assets			
Property, plant and equipment	1, 32	493,562	455,624
Goodwill	2	151,054	151,810
Other intangible assets	2	70,499	64,247
Investments in joint ventures and associates	3	6,137	5,728
Other financial assets	4, 28	2,111	2,959
Loan assets and other receivables	5, 28	15,461	12,090
Deferred tax assets	6	2,194	625
Total		741,018	693,083
Current assets			
Inventories	7, 32	113,265	87,313
Trade and other receivables	8, 28	231,821	184,750
Cash and cash equivalents	9, 28	37,138	35,592
Total		382,224	307,655
Non-current assets held for sale	1	11,257	
Total assets	14, 15, 16	1,134,499	1,000,738

Equity and liabilities	Notes	31 Dec 2008	31 Dec 2007
Equity belonging to the shareholders of the parent company			
Share capital		48,055	48,055
Share premium		138,502	138,502
Own shares		-542	
Fair value fund		81	1,890
Invested untied equity fund		110,336	110,489
Translation differences		-33,424	-3,304
Retained earnings		170,499	178,521
Total	10, 11	433,507	474,153
Minority interest		1,363	1,872
Equity, total		434,870	476,025
Non-current liabilities			
Deferred tax liabilities	6	42,400	42,766
Other liabilities	13	154	252
Interest-bearing financial liabilities	12,28	320,812	194,081
Total		363,366	237,099
Current liabilities			
Trade and other payables	11,13,28	207,878	157,252
Current tax liabilities		796	2,573
Interest-bearing financial liabilities	12,28	127,588	127,789
Total		336,263	287,614
Total liabilities		699,629	524,713
Equity and liabilities, total	14,15,16	1,134,499	1,000,738

CONSOLIDATED INCOME STATEMENT, EUR 1,000

	Notes	1 Jan-31 Dec 2008	1 Jan-31 Dec 2007
Net sales	14, 15, 16, 17	1,356,936	1,272,187
Other operating income	16,18	3,685	38,068
Change in the inventory of finished and unfinished goods		10,109	7,511
Use of materials and supplies	19	-861,875	-768,637
Employee benefits	13, 20	-240,583	-227,480
Depreciation and amortisation expense and impairments	14, 21	-47,535	-44,529
Other operating expenses	22, 23, 24	-182,320	-182,574
EBIT	14	38,417	94,546
Financial income	25	44,361	8,312
Financial expenses	25	-66,678	-22,637
Share of the results of joint ventures and associates	3	573	384
Profit before tax		16,673	80,605
Income taxes	26	-7,971	-14,243
Deferred tax	6, 26	2,711	1,283
Profit for the period		11,413	67,645
Profit distribution for the accounting period:			
To parent company's shareholders		11,765	66,695
To the minority		-352	950
Total		11,413	67,645
Earnings per share calculated from the profit for the period belonging to the parent company's owners:			
Basic earnings/share and earnings/share adjusted for dilutive effect, euros	27	0.42	2.56

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY, EUR 1,000

	Equity belonging to the owners of the parent company								Minority interest	Equity, total
	Share capital	Share premium	Own shares	Fair value fund	Invested untied equity fund	Translation differences	Retained earnings	Total		
Shareholders' equity 1 Jan, 2007	39 258	138 502				808	128 080	306 648	5 828	312 476
Translation differences						-4 112		-4 112	-198	-4 310
Other changes				1 890	262			2 152	-4 708	-2 556
Profit for the period							66 695	66 695	950	67 645
Distribution of dividends							-13 740	-13 740		-13 740
Equity issue	8 797				110 227		-2 514	116 510		116 510
Shareholders' equity 31 Dec, 2007	48 055	138 502	0	1 890	110 489	-3 304	178 521	474 153	1 872	476 025
Translation differences						-30 120		-30 120	-157	-30 277
Other changes			-542	-1 809	-153			-2 504		-2 504
Profit for the period							11 765	11 765	-352	11 413
Distribution of dividends							-19 787	-19 787		-19 787
Shareholders' equity 31 Dec, 2008	48 055	138 502	-542	81	110 336	-33 424	170 499	433 507	1 363	434 870

CONSOLIDATED CASH FLOW STATEMENT, EUR 1,000

	Notes	1 Jan-31 Dec 2008	1 Jan-31 Dec 2007
Cash flow from operating activities			
Sales income		1,347,986	1,260,453
Payments received from other operating revenue		3,685	3,392
Payments on operating expenses		-1,281,823	-1,172,415
Interest paid and payments on other operating financial expenses		-65,009	-21,634
Dividends received		26	68
Interest payments received and other financial yields		42,525	7,851
Direct taxes paid		-9,828	-14,684
Cash flow from operating activities		37,562	63,031
Cash flow from investments			
Acquisition of subsidiaries, less cash acquired	15	-41,261	-124,631
Disposal of subsidiaries, less cash at date of disposal	16		39,117
Investments in tangible and intangible assets		-65,433	-92,202
Investments		3,623	-459
Cash flow from investments		-103,071	-178,175
Cash flow from financing			
Payments received from equity issues			116,511
Draw down of long-term loans		171,691	304,125
Repayment of long-term loans		-86,067	-292,074
Dividends paid		-19,787	-13,740
Own shares		-967	
Cash flow from financing		64,870	114,822
Change in cash and cash equivalents		-639	-322
Cash and cash equivalents at the start of the accounting period		35,592	35,427
Effect of changes in exchange rates		2,185	487
Cash and cash equivalents at end of the accounting period		37,138	35,592

Basic corporate information

The parent company of the Atria Group, Atria Plc, is a Finnish public company formed in accordance with Finnish law and domiciled in Kuopio, Finland. The company has been listed on Nasdaq OMX Helsinki Oy since 1991. Copies of the consolidated financial statements are available online at www.atria.fi or from the parent company's head office at Atriantie 1, Nurmo; postal address: P.O. Box 900, FI-60060 ATRIA.

Atria Plc and its subsidiaries manufacture and market food products, especially meat products, poultry products, meals and food concepts. Atria has defined Finland, Sweden, Denmark, European parts of Russia and the Baltic countries as its market area. Atria's subsidiaries are also located in this area. The Group's operations are divided into four business areas: Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltic.

The financial statements were approved by the Board of Directors for publication on 25 February 2009. According to the Finnish Companies Act, the shareholders are entitled to approve or reject the financial statements in the AGM to be held after the publication of the financial statements. The AGM can also make a decision to revise the financial statements.

Accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved for use in the EU. IAS and IFRS standards valid on 31 December 2008 have been followed, as well as SIC and IFRIC interpretations. The International Financial Reporting Standards refer to standards approved to be applied in the EU, in accordance with the proceedings stipulated in Finnish accounting legislation and regulations based on it in EU decree (EC) 1606/2002 and interpretations issued thereof. The notes to the consolidated financial statements are in accordance with Finnish accounting and corporate legislation.

The financial statement data are presented as 1,000 euro and are based on original cost, unless indicated otherwise in the accounting policies.

Interpretations adopted in 2008:

- IAS 39 (amendment) and IFRS 7 (amendment), Reclassification of Financial assets. The amendment enables certain financial assets to be reclassified out of the held-for-trading or available-for-sale categories under limited circumstances. In such cases, additional information must be disclosed in the financial statements. The amendment has been effective since 1 July 2008.

Owing to the nature of the Group's business and transactions, these interpretations have not affected the consolidated financial statements:

The preparation of IFRS-compliant financial statements requires the Group management to make certain estimations and judgments when applying the Group's accounting policies. Information on judgments that the management has made when applying the policies and that have the most significant effect on the figures presented in the financial statements are presented under "Accounting policies calling for judgments by the management and key sources of estimation uncertainty".

Accounting policies for the consolidated financial statements

Subsidiaries

The consolidated financial statements include the parent company Atria Plc and all of its subsidiaries. Subsidiaries are companies over which the Group has control. Control is generated when the Group owns over half of the voting rights, or it otherwise has control over the company. Control refers to the right to decide on the company's financial and operating principles in order to reap benefit from its operations. The acquired subsidiaries are consolidated from the moment the Group has gained control of the company until said control ends.

Inter-group shareholding has been eliminated using the purchase method. All internal Group business transactions, receivables, liabilities and profits, as well as internal profit distribution, are eliminated when preparing the consolidated financial statements. Unrealised losses are not eliminated if the loss results from impairment. Profit distribution for the accounting period to parent company owners and minority interest is presented in the income statement, and the minority's share of equity is presented as a separate item in the balance sheet under equity. The minority share of accumulated losses is recognised in the consolidated financial statements up to an amount not greater than the value of the investment.

Business combinations between companies under common control

Business combinations between companies under common control have been accounted for based on historical cost, as these acquisitions do not come under the scope of IFRS 3 *Business combinations*. For minority share acquisitions, the difference between acquisition cost and acquired equity is recognised as goodwill.

Associates

Associates are companies in which the Group has considerable influence. Considerable influence materialises when the Group owns more than 20 per cent of the company's voting rights, or when the Group otherwise has considerable influence but not control over the company. The associates have been consolidated using the equity method. If the Group's share in the associates' losses exceeds the investment's book value, the investment will be entered at zero value in the balance sheet and the losses exceeding the book value will not be recognised unless the Group is committed to fulfilling the associates' obligations. Investments in associates include investments at the time of acquisition and changes in the associates' equity after the time of acquisition. Income for the accounting period from associates, corresponding to the Group's holding in them, has been entered as a separate item after EBIT.

Joint ventures

Joint ventures are companies in which the Group and other parties exercise joint control based on an agreement. Within the Group, joint ventures are consolidated using the equity method.

Foreign currency translation

The profit and financial position of Group units are measured using the currency of the main operating region of the unit in question ("functional currency"). The consolidated financial statements are presented in euro, which is the functional and presentation currency of the parent company.

Foreign currency business transactions:

Foreign currency business transactions have been translated at the exchange rate on the date of transaction. In practice, this often means using an exchange rate that is close to the rate on the transaction date. Foreign currency monetary items have been translated into the functional currency at the exchange rates on the closing date. Foreign currency non-monetary items, which have been measured at fair value, have been translated at the exchange rates on the measurement date. In other respects, non-monetary items have been measured using the exchange rate on the transaction date.

Profits and losses arising from foreign currency transactions and the translation of monetary items are recognised in the income statement, except when dealing with items that meet the criteria for net investment in a foreign operation, in which case they are recognised in equity. Exchange gains and losses from operations are included in the appropriate item before EBIT. Exchange gains and losses from foreign currency-denominated loans are included in financial income and expenses. Translation differences from qualifying net investments in foreign operations are recognised as translation differences in equity.

Translating the financial statements of foreign Group companies:

The income statements of the Group's foreign companies have been translated into euros at the average exchange rate for the accounting period, and the balance sheets at the rate on the closing date. Translating the profit for the accounting period with different exchange rates in the income statement and balance sheet causes an exchange rate difference, which is recognised in equity. Exchange differences arising from the elimination of foreign subsidiary acquisition costs and the translation of equity items and net investments accumulated after the acquisition are recognised as translation differences in equity. On disposal of a subsidiary or part of it, the accumulated translation differences are recognised in the income statement as a sales gain or loss.

Goodwill generated from the acquisition of foreign units, and the fair value adjustments made to the book values of the assets and liabilities of the said units in conjunction with the acquisition, are treated as assets and liabilities of the said foreign units and converted to euro using the exchange rates on the closing date.

Property, plant and equipment

Property, plant and equipment are recognised at original cost, less accumulated depreciation and any impairment.

If the tangible fixed asset consists of several parts with different useful lives, each part is treated as a separate asset. In this case, the costs connected to renewing the part are activated. Otherwise, later costs are included in the book value of the property, plant and equipment only if it is probable that the future benefit connected to the asset will benefit the Group, and the acquisition cost of the asset can be reliably determined. Other repair and maintenance costs are booked so that they affect earnings after they have materialised.

Depreciation is calculated as straight-line depreciation according to the estimated useful life as follows:

Buildings	25–40 years
Machinery and equipment	5–10 years

No depreciation is made on land and water.

The residual value and the useful life of assets are checked in every financial statement and, if necessary, adjusted so that the book value equals, at most, the recoverable amount.

The depreciation of property, plant and equipment stops when the tangible fixed asset is classified as available for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Sales gains and losses accumulated from the disposal or transfer of tangible fixed assets are included in other operating income or expenses.

Borrowing costs:
Borrowing costs are booked as costs for the accounting period in which they occur. An amendment to IAS 23 requires that, as of the beginning of 2009, the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset be capitalised as part of the acquisition cost of the asset.

Government grants:
Government grants, such as grants received for the acquisition of property, plant and equipment, are recognised as a deduction in the book value of property, plant and equipment when it is reasonably certain that the grant will be received and that the Group company fulfils the prerequisites for receiving the grant. Grants are recognised as income in the form of lower depreciation during the useful life of the asset. Grants received as compensation for expenses are recognised in the income statement, while expenses connected with the grant are entered as costs. Such grants are entered under other operating income.

Leases – Group as lessee:
Leases concerning tangible assets where the Group has a considerable share of the risks and rewards related to ownership are classified as finance leases. Finance leases are entered in the balance sheet at the fair value of the leased asset on the day the lease period begins, or at a lower value that corresponds to the current value of the minimum lease payments. The depreciation of assets acquired with finance leases are made during the useful life of assets or a shorter leasing period. Lease payments are apportioned between a finance charge and debt reduction over the lease period, so that a constant interest rate is formed for the outstanding liability in each accounting period. Lease obligations are included in interest-bearing debts.

Leases where the risks and rewards incident to ownership remain with the lessor are handled as other leases. Rents paid on the basis of other leases are recognised as costs in the profit and loss account, based on the straight-line method during the lease period.

Intangible assets

Goodwill:
Goodwill corresponds to the share of the acquisition cost that exceeds the Group's share of the fair value of the acquired company's net assets, liabilities and conditional liabilities at the time of acquisition. The Group has applied the IFRS 3 standard to all mergers of business activities that have occurred since September 2003. In these, goodwill corresponds to the share of the acquisition cost that exceeds the Group's share of the fair value of the acquired company's net assets at the time of acquisition. Goodwill generated in business combinations prior to this corresponds to the book value in accordance with previous accounting standards.

Goodwill is tested annually for impairment. For this purpose, goodwill is allocated to cash-generating units. The Group's cash-generating units are classified by business segment based on the operations and location of subsidiaries. In 2008 these were Atria Finland, Atria Scandinavia, Atria Russia and Atria Estonia. Goodwill is measured at original cost less impairment.

Research and development costs:
Research costs are recognised as an expense in the balance sheet. Development costs related to individual projects are activated in the balance sheet when there is enough certainty that the asset in question can be technically implemented and will probably generate a future financial benefit. Acti-

vated development costs are recognised as project-specific costs during the useful life of the asset. The asset is amortised from the time it is ready for use.

Other intangible assets:

Intangible assets are only entered in the balance sheet if the acquisition cost of the asset can be reliably determined and if it is probable that the expected economic benefit from the asset will flow to the company.

Intangible assets with a limited useful life are recognised as expenses based on straight-line depreciation in the income statement during their known or estimated useful life. Intangible assets with indefinite useful lives are not amortised, but instead tested annually for impairment.

Depreciation periods:

Customer relationships	3–8 years
Trademarks	5–10 years
Other intangible assets	5–10 years

Impairment

On each balance sheet date, the Group tests intangible and tangible assets to see whether they show indications of impairment. If there are such indications, the recoverable amount from the said asset is estimated. The recoverable amount is estimated annually for goodwill and intangible assets with indefinite useful lives. The need for impairment is reviewed at the level of cash-generating units, that is, the lowest unit level that is largely independent of other units, and whose cash flow can be separated from other cash flows. The recoverable amount is the fair value of the asset less costs to sell or, if higher, the asset's value in use. Value in use is the estimated future net cash flow from the asset or cash-generating unit, which cash flow is discounted to its present value. The discount rate used is the pre-tax rate, which describes the market's view of the time value of money and the particular risks associated with the asset.

Impairment losses are recognised when the book value of the asset is higher than the recoverable amount. Impairment losses are recognised immediately in the income statement. If the impairment loss is allocated to a cash-generating unit, it is first allocated to reduce the goodwill of the cash-generating unit and then to reduce the other assets of the unit pro rata. The useful life of the amortised asset is re-evaluated in conjunction with the recognition of an impairment loss. An impairment loss recognised for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount from the said asset. However, the impairment loss may not be reversed in excess of what the asset's book value would be without the recognition of the impairment loss. An impairment loss recognised for goodwill is never reversed.

Inventories

Inventories are valued at the direct acquisition cost, or at probable net realisation value below this. The direct acquisition cost is determined using the FIFO method. The acquisition cost for finished and unfinished products consists of raw materials, direct labour costs, other direct costs, and the appropriate share of manufacturing-related overhead and fixed overhead at a normal level of operations. The net realisation value is the estimated selling price in the ordinary course of business, less the estimated costs for completing the product and costs related to sales. Biological assets included in inventories are valued at fair value, less estimated sales-related costs.

Biological assets

The Group's biological assets are live animals and growing crops. Biological assets are valued at fair value, less estimated sales-related costs. Productive animals are included in other tangible assets and other biological assets are included in inventories.

Financial assets and liabilities

Financial assets:

The Group divides its financial assets into the following groups: financial assets recognised at fair value through profit or loss, loans and other receivables, and as financial assets available for sale. The classification is made on the basis of the purpose of the acquisition, and the assets are classified in connection with the original acquisition.

Financial assets recognised at fair value through profit or loss

A financial asset belongs to this group if it has been acquired for trading purposes or if it has been initially recognised at fair value through profit or loss. Financial assets held for trading are acquired mainly to generate profit from changes in short-term market prices. Since the derivatives used by the company do not fulfil the hedge accounting conditions in IAS

39, they have been classified as held for trading. Unrealised and realised profits and losses due to changes in fair value are recognised in the income statement in the accounting period in which they occur.

Loans and other receivables
Loans and other receivables are non-derivative assets which involve payments that are fixed or determinable, which are not noted on active markets and which the company does not hold for trading. This group contains the Group's financial assets generated by handing over cash, articles or services to debtors. They are measured at amortised cost and included in current and non-current financial assets; in the latter if they mature after more than 12 months.

Financial assets available for sale
Available-for-sale financial assets are non-derivative assets, which have been prescribed to this group or which have not been prescribed to any other group. They are included in non-current assets unless they are intended to be kept for less than 12 months from the balance sheet day, in which case they are included in current assets. Financial assets available for sale may consist of equity and interest-bearing investments. They are measured at fair value or, when the fair value cannot be reliably determined, at acquisition cost. Changes in the fair value of available-for-sale financial assets are entered in equity in the value adjustment reserve, taking into consideration the tax effect. Changes in fair value are transferred from equity to the profit and loss account when the investment is sold or its value has decreased so that an impairment loss must be recognised for the investment.

Cash and cash equivalents:
Cash and cash equivalents consist of cash, bank deposits that can be withdrawn on demand and other short-term highly liquid investments. Items classified as cash and cash equivalents have a maximum maturity of three months from acquisition. Available credit limits are included in current interest-bearing liabilities.

Financial assets are derecognised when the Group has lost its agreement-based right to the cash flow or it has transferred a significant share of the risks and income outside the Group.

Financial liabilities:
Financial liabilities are initially recognised at fair value. They are later measured at amortised cost using the effective interest method. Financial liabilities are included in current and non-current liabilities.

Impairment of financial assets:
On each balance sheet date, the Group estimates whether there is objective proof of impairment of an individual financial asset or a financial asset group.

An impairment loss is recognised for accounts receivable when the receivable is estimated to have been lost. If the impairment loss decreases in a later accounting period, and the reduction can be objectively linked to a transaction that has taken place after the recognition of the impairment loss, the recognised loss is reversed through profit or loss.

Derivative financial instruments
Derivative instruments are initially recognised at fair value on the day the Group becomes a contracting party and they continue to be recognised at fair value later on. The accounting treatment of gains and losses resulting from fair value recognition depends on the purpose of use of the derivative instrument.

The Group has not applied hedge accounting in accordance with IAS 39.

Revenue recognition
Net sales include profits from the sale of products and services, as well as raw materials and equipment, adjusted by indirect taxes, discounts and exchange rate differences in foreign currency denominated sales.

Goods and services:
Revenue from the sale of articles is recognised when the risks and rewards of owning the article have been transferred to the buyer. Revenue from services is recognised when the service has been completed.

Interest and dividends:
Interest rates are recognised based on the passing of time, taking into account the effective income from the asset. Dividend income is recognised when the shareholders' right to payment is established.

Employee benefits

Pension obligations:
Pension arrangements are classified as either defined benefit

or defined contribution plans. In defined contribution plans, the Group makes fixed payments into a separate unit. The Group has no legal or constructive obligation to make additional payments, if the recipient of the payments cannot pay the pension benefits in question. All plans that do not fulfil these conditions are defined benefit pension plans. Payments made into defined contribution plans are recognised in the income statement in the accounting period to which they apply. The Group's pension plans are mainly defined contribution plans.

Share-based payments:
The Group has an incentive programme for the management where the payments are made in part as company shares, and in part as money. The benefits granted under the programme are measured at fair value at the time of payment and recognised in the income statement as an expense from employee benefits evenly throughout the earnings and engagement period. The amount of money paid in the arrangement is remeasured using the share price at the balance sheet date and recognised in the income statement as an expense from employee benefits evenly from the day of granting until the money is transferred to the recipient.

EBIT
IAS 1 *Presentation of Financial Statements* does not define the concept of EBIT. The Group has defined it as follows: EBIT is a net total, which can be calculated by adding other operating income to net sales, subtracting purchase expenses adjusted by the change in the stock of finished and unfinished products as well as expenses caused by production for own use, subtracting expenses from employee benefits, depreciation and potential impairment losses, as well as other operating expenses. All but the above-mentioned income statement items are entered below EBIT.

Income taxes
The tax expense in the income statement consists of current tax, tax adjustments from previous accounting periods, and deferred tax. The tax expense is recognised in the income statement, except for items recognised directly in equity, in which case the tax effect is correspondingly recognised in equity. Current tax is calculated from taxable profit based on the valid tax rate of each country. The tax is adjusted by possible taxes related to previous periods.

Deferred tax is calculated from all temporary differences between the book value and tax base. The biggest temporary differences arise from the depreciation of tangible fixed assets and fair value measurement in connection with acquisitions. No deferred tax is recognised for non-deductible goodwill impairment, and no deferred tax is recognised for the undistributed profits of subsidiaries if the difference is not likely to dissolve in the foreseeable future.

Deferred tax is calculated using the tax rates provided on the balance sheet date. Deferred tax assets are recognised to the amount for which it is likely that taxable profit will be generated in the future against which the temporary difference can be utilised.

Accounting policies calling for judgments by the management and key sources of estimation uncertainty
When preparing the financial statements, the management must make assessments and assumptions concerning the future, whose outcome may deviate considerably from the original assessments and assumptions. In addition, deliberation must be used in applying the accounting policies. The assessments are based on the management's view at the balance sheet date. Any changes in the assessments and assumptions are entered in the accounting period in which the assessment or assumption is adjusted and in all subsequent accounting periods.

The key assumptions concerning the future and key sources of estimation uncertainty on the balance sheet date that constitute a significant risk of causing changes to the book values of assets and liabilities in the following accounting period include the following:

Measurement of the fair value of assets acquired in business combinations:
In significant business combinations, the Group has used an external advisor when measuring the fair value of tangible and intangible assets. In the case of tangible assets, comparisons have been made with the market price of corresponding assets, and the assets have been tested for impairment caused by their age, wear and other similar factors. The fair value of intangible assets is determined based on assessments of asset cash flows. The management believes that the assessments and assumptions are sufficiently detailed to be used as the basis for fair value measurement.

Impairment testing:
The Group conducts annual impairment tests on goodwill and

intangible assets with indefinite useful lives. It also assesses any indication of impairment in accordance with the abovementioned accounting policies. The recoverable amounts of cash-generating units are defined on the basis of value-in-use calculations. These calculations require the use of estimates.

Emission rights:
Emission rights are intangible assets that are measured at acquisition cost. The book value of gratuitous transfers of emission rights is zero. In order to cover the return obligation of emission rights, a loan is recorded if the free emission rights do not cover the obligations arising from actual emissions. On the balance sheet date, the loan is estimated at probable value at the time the obligation is realised. The difference between obligations from actual emissions and the value of emission rights received, as well as changes in the probable value of the loan, are included in EBIT.

Application of new or revised IFRS standards and IFRIC interpretations
The following new or revised standards and interpretations, published by the IASB, have not yet taken effect and have not been adopted by the Group. The Group will adopt each standard and interpretation as of the effective date or, should the effective date not be the first date of an accounting period, as of the beginning of the following accounting period.

In 2009 the group will adopt the following standards published by the IASB:

- *IAS 23 Borrowing Costs* (amended in 2007 and effective as of 1 January 2009). The amended standard requires that the borrowing costs related to qualifying assets are capitalised as part of the acquisition cost of the assets. These costs can no longer be recognised as expenses. As was previously allowed, the Group has recognised borrowing costs as an expense in the accounting period in which they arise.
- *IAS 1 Presentation of Financial Statements* (amended in 2007 and effective as of 1 January 2009). 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, Operating Segments (effective as of 1 January 2009).* The standard replaces IAS 14. It 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 significantly the information provided on segments, since the segment information previously published by the Group was based on internal reporting.
- *IFRIC 13, Customer Loyalty Programmes (effective in accounting periods beginning on or after 1 July 2008).* The interpretation defines business transactions in which products and services are sold in a way that encourages customer loyalty as sales agreements that contain separable parts. Customer payments are allocated to the different components of the sales agreement based on their fair value. The IFRIC 13 interpretation has no effect on the Group's financial statements as the Group companies have no loyal customer programmes.
- Amendment to IFRS 2 *Share-Based Payment* – Vesting Conditions and Cancellations (effective as of 1 January 2009). The revision requires that all non-vesting conditions be taken into consideration when determining the fair value of equity instruments. The amendment also clarifies the guidelines for cancellations. The interpretation does not have a material impact on the consolidated financial statements.
- Amendments to IAS 1 *Presentation of Financial Statements and IAS 32 Financial Instruments: Presentation* – Puttable Financial Instruments and Obligations Arising on Liquidation (effective as of 1 January 2009). The amendments require qualifying puttable instruments to be presented as equity instead of being classified as liabilities, as has been the case to date. The implementation of the revised standards is not expected to have an impact on the Group's future financial statements.
- *Improvements to IFRSs* (Annual Improvements 2007) (mostly effective in periods beginning on or after 1 January 2009). In the Annual Improvements process, minor and less urgent amendments to standards are compiled and implemented once a year. The process includes amendments to a total of 34 standards. The impact of the amendments vary depending on the standard, but the Group does not expect the changes to have a material impact on the consolidated financial statements.
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements* – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

(effective in periods beginning on or after 1 January 2009). Since the amendments apply to first-time adopters, they will not have an impact on future consolidated financial statements.

- *IFRIC 11, IFRS 2: Group and Treasury Share Transactions.* The interpretation clarifies the handling of own shares or operations related to Group companies in the financial statements of parent companies and Group companies by issuing guidelines for their classification into equity-settled or cash-settled share-based transactions. The interpretation does not have a material impact on the consolidated financial statements.
- *IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.* The interpretation is applied to post-employment defined benefit plans and certain long-term defined benefit plans in compliance with IAS 19 when the plan involves minimum funding requirements. The interpretation also clarifies the recognition requirements of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The implementation is not expected to have a material impact on future consolidated financial statements.
- IFRIC 15 *Agreements for the Construction of Real Estate* (effective in periods beginning on or after 1 January 2009). The interpretation provides guidance on how to determine what standard to apply when recognising revenue from real estate construction and when revenue from a construction project can be recognised. The interpretation will not affect future consolidated financial statements, since the Group is not active in the construction business.
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* (effective in periods beginning on or after 1 October 2008). The interpretation clarifies the treatment of hedge accounting of a net investment. According to it, hedge accounting can be applied to currency risks that arise from differences between the functional currencies of a foreign operation and the parent company but not to risks arising from differences between presentation currencies. Moreover, the hedging instrument may be held by any entity in the group. The provisions of IAS 21 *The Effects of Changes in Foreign Exchange Rates* apply to the hedged item. The Group adopted IFRIC 16 on 1 January 2009. The interpretation is not expected to affect the consolidated financial statements.

In 2010 the group will adopt the following standards published by the IASB:

- *IFRS 3 Business Combinations* (amended in 2008 and effective in periods beginning on or after 1 July 2009). The revised standard still requires the use of the purchase method when accounting for business combinations but with some considerable changes. For example, all payments related to company acquisitions must be recognised at fair value at the time of acquisition and certain contingent considerations are measured at fair value through profit or loss after acquisition. Goodwill can be calculated based on the parent company's share of net assets or it can include goodwill allocated to the minority interest. All transaction costs are entered as expenses. According to the transition requirements, business combinations with an acquisition date prior to the date of obligatory adoption of the standard need not be restated.
- *IAS 27 Consolidated and Separate Financial Statements* (amended in 2008 and effective in periods beginning on or after 1 July 2009). The amended standard requires that all minority transactions are recognised in equity if control is not transferred. Thus, minority transactions no longer lead to recognition of goodwill or a loss or profit affecting earnings. The standard also defines the treatment of transactions when control is lost. The possible remaining share in the acquisition object is measured at fair value and the resulting profit or loss is recognised through profit or loss. This accounting method will also apply to associates (IAS 28) and joint ventures (IAS 31). As a result of the amendment, the losses of a subsidiary can be allocated to a minority even if they exceed the amount of minority interest.
- Amendment to IAS 39 *Financial Instruments; Recognition and Measurement* – Eligible Hedged Items (effective in periods beginning on or after 1 July 2009). The amendments concern hedge accounting. Since the Group does not use hedge accounting, the amendment will not affect its future consolidated financial statements.
- IFRIC 12, *Service Concession Arrangements.* The interpretation applies to arrangements where a private party is involved in the development, funding, implementation or infrastructure maintenance of public services. The interpretation will not affect future consolidated financial statements.

1. TANGIBLE ASSETS, EUR 1,000

	Land and water	Buildings and structure	Machinery and equipment	Other tangible assets	Unfinished acquisitions	Total
Acquisition cost, 1 Jan 2008	7,766	368,385	440,469	3,490	44,978	865,088
Business combinations	29	38,660	33,809	5,601	3,750	81,849
Increases	44	24,048	45,167	2,683	25,262	97,204
Decreases		-10,803	-16,149	-947	-23,088	-50,987
Exchange difference	-444	-6,887	-25,259	-59	-4,842	-37,491
Acquisition cost, 31 Dec 2008	7,395	413,403	478,037	10,768	46,060	955,663
Accumulated depreciation and impairment, 1 Jan 2008		-139,450	-268,811	-1,203		-409,464
Business combinations		-7,424	-22,773	-3,655		-33,852
Decreases		2,431	4,435	55		6,921
Depreciation		-10,970	-33,624	-671		-45,265
Impairment		-400				-400
Exchange difference		3,233	16,667	59		19,959
Accumulated depreciation and impairment, 31 Dec 2008		-152,580	-304,106	-5,415		-462,101
Book value, 1 Jan 2008	7,766	228,935	171,658	2,287	44,978	455,624
Book value, 31 Dec 2008	7,395	260,823	173,931	5,353	46,060	493,562

	Land and water	Buildings and structure	Machinery and equipment	Other tangible assets	Unfinished acquisitions	Total
Acquisition cost, 1 Jan 2007	5,778	296,265	325,155	3,148	39,815	670,161
Business combinations	2,028	42,035	78,559		863	123,485
Increases	61	31,288	52,601	844	50,252	135,046
Decreases	-7	-573	-13,418	-491	-45,764	-60,253
Exchange difference	-94	-630	-2,428	-11	-188	-3,351
Acquisition cost, 31 Dec 2007	7,766	368,385	440,469	3,490	44,978	865,088
Accumulated depreciation and impairment, 1 Jan 2007		-111,506	-194,742	-1,143		-307,391
Business combinations		-18,668	-51,561			-70,229
Decreases		112	6,765	159		7,036
Depreciation		-9,615	-30,592	-224		-40,431
Exchange difference		227	1,319	5		1,551
Accumulated depreciation and impairment, 31 Dec 2007		-139,450	-268,811	-1,203		-409,464
Book value 1 Jan, 2007	5,778	184,759	130,413	2,005	39,815	362,770
Book value 31 Dec, 2007	7,766	228,935	171,658	2,287	44,978	455,624

Assets acquired with finance lease contracts are included in machinery and equipment; book value of assets was EUR 3.4 million (EUR 11.9 million).

Non-current assets held for sale	2008	2007
Buildings	10 687	
Machinery and equipment	570	
Totalt	11 257	

2. GOODWILL AND OTHER INTANGIBLE ASSETS, EUR 1,000

Intangible assets	Goodwill	Trade-marks	Other intangible assets	Total
Acquisition cost, 1 Jan 2008	168,829	60,241	17,809	246,879
Business combinations	18,386	12,164	2,320	32,870
Increases			1,778	1,778
Decreases			-5,560	-5,560
Exchange difference	-20,924	-4,882	-177	-25,983
Acquisition cost, 31 Dec 2008	166,291	67,523	16,170	249,984
Accumulated depreciation and impairment, 1 Jan 2008	-17,019	-2,356	-11,447	-30,822
Business combinations			-1,066	-1,066
Depreciation on decreases			3,843	3,843
Depreciation		-531	-2,177	-2,708
Exchange difference	1,782	366	174	2,322
Accumulated depreciation, 31 Dec 2008	-15,237	-2,521	-10,673	-28,431
Book value, 1 Jan 2008	151,810	57,885	6,362	216,057
Book value, 31 Dec 2008	151,054	65,002	5,497	221,553

Intangible assets	Goodwill	Trade-marks	Other intangible assets	Total
Acquisition cost, 1 Jan 2007	74,918	31,860	13,210	119,988
Business combinations	95,071	49,142	2,998	147,211
Increases		5	1,696	1,701
Decreases		-19,669	-93	-19,762
Exchange difference	-1,160	-1,097	-2	-2,259
Acquisition cost, 31 Dec 2007	168,829	60,241	17,809	246,879
Accumulated depreciation and impairment, 1 Jan 2007	-17,265	-5,046	-6,707	-29,018
Business combinations			-2,516	-2,516
Depreciation on decreases		3,570	50	3,620
Depreciation		-997	-2,274	-3,271
Exchange difference	246	117		363
Accumulated depreciation, 31 Dec 2007	-17,019	-2,356	-11,447	-30,822
Book value 1 Jan, 2007	57,653	26,814	6,503	90,970
Book value 31 Dec, 2007	151,810	57,885	6,362	216,057

Targeting of goodwill

Targeting of goodwill and trademarks, whose useful life is estimated to be unlimited	Goodwill 2008	Goodwill 2007	Trademarks 2008	Trademarks 2007
Atria Finland	3,722	3,722		
Atria Scandinavia	124,524	130,134	48,666	47,874
Atria Russia	10,746	12,054	5,188	5,952
Atria Estonia	12,062	5,900	3,935	2,857
Total	151,054	151,810	57,789	56,683

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Impairment testing

The recoverable amounts of units that generate cash flow are based on useable value calculations. Future cash flow in these calculations is based on financial plans approved by Group management, which extend over a five-year period. Key variables used in the useable value calculations are earnings from sales, material margin and EBIT, which are defined based on the realised figures from previous years and the five-year plan.

The discount rate used, defined before taxes, is 6.0% (5.6%) in Finland, 6.1% (5.6%) in Scandinavia, 10.8% (9.9%) in Russia and 8.1% (5.6%) in Baltic.

The discount rate before taxes is defined with the help of the weighted average cost of capital (WACC). Cash flow after the forecast period approved by the management was extrapolated using a growth factor of 5% in Russia and 1% elsewhere. The growth factor used does not exceed the long-term realised growth in the industry.

Based on impairment testing, there was no need for any impairment.

On the basis of the sensitivity analyses of impairment testing, significant future impairment losses are not foreseen.

3. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES, EUR 1,000

Investments in joint ventures and associates	2008	2007
In joint ventures:		
At the beginning of the period	746	524
Share of earnings for the period	143	-105
Increases		354
Dividends received		-27
At the end of the period	889	746
In associates:		
At the beginning of the period	4,982	4,472
Share of earnings for the period	430	488
Other changes	-95	120
Dividends received	-69	-98
At the end of the period	5,248	4,982
Total	6,137	5,728

Joint ventures and associates	Domicile	Assets	Liabilities	Net sales	Profit/ Loss	Ownership interest (%)
2008						
Best-In Oy	Kuopio	1,693	925	4,778	64	50.0
Findest Protein Oy	Kaustinen	3,862	2,343	4,470	63	16.6
Finnpig Oy Group	Seinäjoki	2,467	2,001	2,771	142	50.0
Foodwest Oy	Seinäjoki	996	278	1,783	15	33.5
Honkajoki Oy Group	Honkajoki	12,944	9,233	18,298	428	47.8
OÜ LKT Invest	Valga Estonia	11	3			26.0
LTK Co-operative	Hämeenlinna	9,648	2,077	23,735	505	40.7
Länsi-Kalkkuna Oy	Säkylä	3,647	3,148	27,039	79	50.0
Tuoretie Oy	Helsinki	6,454	5,526	48,367	23	33.3
2007						
Best-In Oy	Kuopio	1,083	378	4,610	143	50.0
Findest Protein Oy	Kaustinen	4,201	2,913	3,775	112	40.6
Finnpig Oy -konserni	Seinäjoki	2,854	1,909	2,033	-371	50.0
Foodwest Oy	Seinäjoki	891	187	1,625	27	33.5
Honkajoki Oy	Honkajoki	10,248	7,586	16,204	190	47.8
OÜ LKT Invest	Valga Estonia	11	3			26.0
LTK osuuskunta	Hämeenlinna	9,225	1,982	22,149	834	40.7
Länsi-Kalkkuna Oy	Säkylä	3,406	2,986	22,952	9	50.0
Tuoretie Oy	Helsinki	6,646	5,741	45,111	1	33.3

4. OTHER FINANCIAL ASSETS, EUR 1,000

	2008	2007
Investments available for sale	2,111	2,959

Includes unquoted and quoted shares in euro.

A sales gain of EUR 1.7 million from available-for-sale financial assets was recognised in financial income.
Changes in fair value are presented in the consolidated statement of changes in equity.

5. LOAN ASSETS AND OTHER NON-CURRENT RECEIVABLES, EUR 1,000

	Balance sheet values 2008	Balance sheet values 2007
Loan assets	9,302	11,744
Other receivables	6,157	346
Accrued credits and deferred charges	2	
Total	15,461	12,090

Long-term receivables were divided into currencies as follows:

EUR	9,345	11,787
SEK	527	303
RUR	5,589	
Total	15,461	12,090

Fair values do not deviate significantly from balance sheet values.

6. DEFERRED TAX ASSETS AND LIABILITIES, EUR 1,000

Changes to deferred taxes in 2008	1 Jan 2008	Booked in the income statement	Exchange difference	Acquired/Sold subsidiaries	31 Dec 2008
Deferred tax assets:					
Internal margin of inventories	213	-213			0
Confirmed losses		386			386
Benefit-based pension obligations	65	-32			33
Depreciation differences and voluntary provisions	347	939	-45		1,241
Other items	443	18		73	534
Total	1,068	1,098	-45	73	2,194
Deferred tax liabilities:					
Valuation of tangible and intangible assets at fair value upon acquisition	-14,949	1,293	1,536	-4,364	-16,484
Depreciation differences and voluntary provisions	-27,817	-73	1,777	-120	-26,233
Other items		393	45	-121	317
Total	-42,766	1,613	3,358	-4,605	-42,400

Changes to deferred taxes in 2007	1 Jan 2007	Booked in the income statement	Exchange difference	Acquired/Sold subsidiaries	31 Dec 2007
Deferred tax assets:					
Internal balance of inventories	31	182			213

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Changes to deferred taxes in 2007	1 Jan 2007	Booked in the income statement	Exchange difference	Acquired/Sold subsidiaries	31 Dec 2007
Benefit-based pension obligations	88	-23			65
Depreciation differences and voluntary provisions	3	346	-2		347
Changes in fair value	377	-380	3		0
Other items		-1,018	28	1,433	443
Total	499	-893	29	1,433	1,068
Deferred tax liabilities:					
Valuation of tangible and intangible assets at fair value upon acquisition	-6,938	76	68	-8,155	-14,949
Depreciation differences and provisions	-19,968	2,100	-10	-9,939	-27,817
Total	-26,906	2,176	58	-18,094	-42,766

7. INVENTORIES, EUR 1,000

	2008	2007
Materials and supplies	37,203	27,491
Biological assets	6,156	2,872
Unfinished products	17,988	14,560
Finished products	48,871	41,894
Other inventories	3,047	496
Total	113,265	87,313

8. TRADE AND OTHER CURRENT RECEIVABLES, EUR 1,000

	2008	2007
Trade receivables	186,734	166,358
Loan assets	386	4,496
Deferred tax assets		443
Other receivables	21,085	4,722
Accrued credits and deferred charges	16,961	6,487
Total	225,166	182,506
Financial assets at fair value through profit or loss		
Derivative instruments - not in hedge accounting	6,655	2,244
Total	231,821	184,750

Trade receivables include EUR 45 million of feed and animal trading receivables from animal payments. Other trade receivables are mainly from retail chains and do not involve considerable credit risk accumulation. Material items in accrued credits and deferred charges consist of prepaid expenses of purchase invoices, lease receivables and tax amortisations.

Breakdown of trade receivables and items booked as credit losses:		2008	Credit losses	Net 2008
Not due		158,810		158,810
Overdue				
	Less than 30 days	21,073	-1,097	19,976
	30 - 60 days	2,478	-179	2,299
	61 - 90 days	1,157	-32	1,125
	More than 90 days	6,347	-1,823	4,524
Total		189,865	-3,131	186,734

Breakdown of trade receivables and items booked as credit losses:		2007	Credit losses	Net 2007
Not due		139,722		139,722
Overdue				
	Less than 30 days	18,881		18,881
	30–60 days	1,991	-5	1,986
	61–90 days	1,376	-196	1,180
	More than 90 days	5,307	-718	4,589
Total		167,277	-919	166,358

Current receivables were divided into currencies as follows:	2008	2007
EUR	132,743	112,437
SEK	50,023	51,072
RUR	37,035	10,191
DKK	5,860	4,605
PLN	687	2,968
EEK	3,986	2,393
USD	1,389	1,068
Other	98	16
Total	231,821	184,750

9. CASH AND CASH EQUIVALENTS, EUR 1,000

	2008	2007
Cash in hand and at banks	37,138	35,592

10. SHAREHOLDERS' EQUITY, EUR 1,000

Shares and share capital

Shares are divided into A and KII series, which differ in terms of voting rights. The A series shares have one vote per share and the KII series shares have ten votes per share. The A series shares have preference to a 10 per cent dividend on the nominal value of the share, after which the KII series shares are paid a dividend of up to 10 per cent of the nominal value. If there is still more dividend available for distribution, A and KII series shares have the same entitlement to the dividend. The nominal value of the shares is EUR 1.70 per share. All issued shares have been paid in full.

The number of shares outstanding is (1,000)	A series	KII series	Total
1.1.2007	13,889	9,204	23,093
Share issue, 18 May 2007 and 30 May 2007	5,175		5,175
31.12.2007	19,064	9,204	28,268
31.12.2008	19,064	9,204	28,268

Reserves included in shareholders' equity:

Share premium:
The portion of share subscription payments recognised in share premium in compliance with the conditions of plans prior to the new Companies Act (21.7.2006/624) taking effect.

Treasury shares:
The treasury shares reserve contains the acquisition cost of own shares held by the Group.
In 2008, the Group's parent company, Atria Plc, acquired 82,417 shares on the stock exchange for an acquisition cost of EUR 0.9 million. Of the acquired shares, 35,260 were transferred to key persons as a part of the Group's share incentive plan.

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Fair value reserve:
Changes in the fair value of available-for-sale financial assets are recognised in the fair value reserve.

Invested unrestricted equity fund:
This reserve contains other equity investments and the share subscription price to the extent that it is not recognised in share capital according to a separate decision, as well as the value of shares earned on the basis of the share incentive plan, calculated at the rate of the grant date.

Translation differences:
This reserve contains the translation differences from the translation of the financial statements of foreign subsidiaries, as well as the translation of fair value adjustments of goodwill, assets and liabilities arising in conjunction with the acquisition of the said companies.

Parent company's distributable shareholders' equity	2008	2007
Retained earnings	51,781	46,488
Own shares	-542	
Profit for the period	23,293	25,080
Total	74,532	71,568

Dividend per share paid for the period	2008	2007
Dividend/share, EUR	0.70	0.595
Dividend distributed by the parent company	19,787	13,740

The Board of Directors proposes to the Annual General Meeting, which will be held in 29 April 2009, that the Company pay EUR 0.20 per share in dividend, total of EUR 5,653,546.

11. SHARE-BASED PAYMENTS, EUR 1,000

On 27 June 2007, Atria Group Plc's Board of Directors decided to introduce a share-based bonus system as part of the incentive plan for the Company's and its subsidiaries' key persons. The purpose is to combine the shareholders' and key persons' goals to increase the Company's value and to commit the key persons to the Company by offering them a competitive bonus plan based on the ownership of the Company's shares. The plan consists of three 12-month accrual periods that begin on 1 January 2007, 1 January 2008 and 1 January 2009, all ending on 31 December in the respective years. The amount of the bonus for the accrual period is determined on the basis of the goals achieved after the accrual period by the end of April. For the entire plan, a maximum of 300,300 shares and the amount in money needed to cover the taxes and tax-like payments incurred by the shares at the date of the share issue are issued. The Board of Directors will decide on the plan's accrual criteria and on the goals to be set annually and separately for each accrual period. The shares earned on the basis of the plan may not be transferred or otherwise used for a period of two years from the end of the accrual period (period of commitment). Key persons must return to the Company without delay the shares paid out gratuitously as a reward if their employment with a company belonging to the Group ends during the period of commitment.

Earnings periods	2008	2007
Grant date	14 Feb 2008	27 Jun 2007
Earnings period begins	1 Jan 2008	1 Jan 2007
Earnings period ends	31 Dec 2008	31 Dec 2007
Maximum number of shares granted as remuneration	100,100	100,100
Share release	31 Dec 2010	31 Dec 2009
Number of people	42	36
Earnings criteria:		
- Operative EBIT %	50%	50%
- ROCE	50%	50%
Achievement of earnings criteria, %	0%	43%
Number of share incentives granted	0	35,260
Share price at grant date, €	15.30	25.22
Share price at balance sheet date, €	11.60	17.35

Impact of share incentive plan on the results for the period	2008	2007
Impact of the scheme on the profit for the period	272	903
Liabilities from the cash payments of the share-based scheme	221	642

12. INTEREST-BEARING FINANCIAL LIABILITIES, EUR 1,000

	2008 Balance sheet values	2007 Balance sheet values
Non-current financial liabilities valued at amortised cost		
Bonds	80,000	90,000
Loans from financial institutions	195,614	82,160
Pension funds loans	40,107	4,582
Other liabilities	3,000	6,954
Finance lease obligations	2,091	10,385
Total	320,812	194,081
Current financial liabilities valued at amortised cost		
Bonds	10,000	10,000
Loans from financial institutions	45,434	77,165
Commercial papers	64,800	30,000
Pension fund loans	2,857	21
Other liabilities	3,349	7,859
Finance lease obligations	1,148	2,744
Total	127,588	127,789
Total interest-bearing liabilities	448,400	321,870
With fixed interest rates	24.6 %	17.5 %
With variable interest rates	75.4 %	82.5 %
Average interest rate	4.86%	4.52%

Non-current liabilities mature as follows:	2008	2007
2009		28,351
2010	30,698	20,556
2011	30,800	8,050
2012	124,752	6,247
2013	77,933	75,150
2014	44,498	
Later	12,131	55,727
Total	320,812	194,081

Interest-bearing liabilities are divided into currencies as follows:	2008	2007
EUR	229,675	106,073
SEK	156,066	149,957
DKK	25,169	25,649
RUB	2,626	15,198
EEK	30,730	20,902
USD	2,155	4,091
LTL	1,979	
Total	448,400	321,870

The 2007 comparative information on EUR, SEK and EEK has been adjusted to comply with the 2008 calculation method, which indicates the amount of interest-bearing liabilities by currency, taking into account currency swap agreements.

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Finance lease obligations - total amount of minimum lease payments	2008	2007
In less than a year	1,080	3,221
Between one and five years	2,346	8,532
After five years		3,249
Total	3,426	15,002

Finance lease obligations - present value of minimum lease payments	2008	2007
In less than a year	1,148	2,744
Between one and five years	2,091	7,321
After five years		3,064
Total	3,239	13,129
Future interest accumulation	187	1,873
Total	3,426	15,002

13. TRADE AND OTHER PAYABLES, EUR 1,000

	2008	2007
Non-current financial liabilities measured at amortised cost		
Pension obligations	129	252
Other liabilities	25	
Total	154	252
Current financial liabilities valued at amortised cost		
Trade payables	117,103	79,315
Advances received	955	510
Other liabilities	39,435	24,878
Accrued liabilities	49,738	52,448
Current financial liabilities at fair value through profit or loss		
Derivative instruments - not in hedge accounting	648	101
Total	207,879	157,252

Significant items in accrued liabilities consist of personnel costs and the amortisation of debt interests.

Non-current liabilities consist of the following currencies:	2008	2007
EUR	129	252
EEK	25	
Total	154	252

Current liabilities were divided into currencies as follows:	2008	2007
EUR	102,956	86,719
SEK	57,050	51,327
RUR	19,932	7,276
EEK	6,122	3,988
DKK	5,922	3,623
LTL	16	1,596
PLN	259	1,516
USD	15,565	1,205
GBP	7	2
Total	207,829	157,252

14. SEGMENT INFORMATION, EUR 1,000

The Group's primary segment reporting uses geographical segments defined on the basis of the Group's internal organisation structure and internal financial reporting. The Group has four recognisable geographical segments that differ essentially from one another in terms of the functioning of the markets. They are Atria Finland, Atria Scandinavia, Atria Russia and Atria Baltics. In addition, Group costs are 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. A segment's assets and liabilities are items that can be directly attributed or reasonably allocated to the segment. Since Atria's withdrawal from wholesale trade in Sweden in 2007 the Group has had only one business segment: the meat industry. Inter-segment transactions are carried out at market price.

Accounting period that ended on 31 Dec 2008 Geographical segments	**Finland**	**Scandinavia**	**Russia**	**Baltics**	**Unallocated**	**Eliminations**	**Group**
Net sales							
External	781,873	448,933	93,849	32,281			1,356,936
Internal	16,017	6,269				-22,286	0
Total net sales	797,890	455,202	93,849	32,281		-22,286	1,356,936
EBIT	33,870	14,403	-3,374	-3,815	-2,667		38,417
Financial income and expenses							-22,317
Income from joint ventures and associates	573						573
Income taxes							-5,260
Profit for the period							11,413
Assets							
Segment assets	527,448	368,478	187,185	68,556		-23,305	1,128,362
Investments in joint ventures and associates	6,135			2			6,137
Total assets	533,583	368,478	187,185	68,558		-23,305	1,134,499
Liabilities	263,706	268,252	144,091	44,309		-20,729	699,629
Investments	23,856	41,783	68,587	18,411			152,637
Depreciation	29,353	11,706	3,246	2,761			47,066
Impairment	400	55		14			469

Accounting period that ended on 31 Dec 2007 Geographical segments	**Finland**	**Scandinavia**	**Russia**	**Baltics**	**Unallocated**	**Eliminations**	**Group**
Net sales							
External	731,644	448,263	65,566	26,714			1,272,187
Internal	17,927	9,561		17		-27,505	0
Total net sales	749,571	457,824	65,566	26,731		-27,505	1,272,187
EBIT	43,128	54,941	4,319	-4,353	-3,489		94,546
Financial income and expenses							-14,325
Income from joint ventures and associates	384						384
Income taxes							-12,960
Profit for the period							67,645

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Assets							
Segment assets	504,249	373,356	78,750	48,078		-9,424	995,009
Investments in joint ventures and associates	5,726			2			5,728
Total assets	509,975	373,356	78,750	48,080		-9,424	1,000,737
Liabilities	186,575	259,780	54,427	34,086		-10,155	524,713
Investments	28,579	213,925	32,965	8,623			284,092
Depreciation	27,347	12,171	2,275	2,031			43,824
Impairment				705			705

15. ACQUIRED OPERATIONS

2008	Acquisition date	Ownership share, %	Domicile
AB Ridderheim & Grönvall	1 Jul 2008	100	Sweden
Subsidiaries:			
Ridderheims Delikatesser AB		100	Sweden
Smakfabriken i Göteborg AB		100	Sweden
KB Joddlaren		100	Sweden
Ridderheims Delikatesser i Norge AS	1 Jul 2008	100	Norway

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 products market, which is currently one of the fastest growing segments in the consumer goods retail trade.

Established in 1987, AB Ridderheims Delikatesser's product selection includes beer sausages, hams, cheese, canned foods and tapas ingredients. Ridderheims is a strong, well-known and innovative brand in the industry. The company operates in Gothenburg and employs a staff of 110.

The aim is to merge the product selections of Ridderheims and Falbygdens Ost into Atria Deli. The merger will create the finest and most comprehensive range of fresh delicatessen products in the Nordic countries and improve the position of both companies in export markets. Ridderheims currently exports its products to eleven countries. The merger will allow it to further increase its sales in Sweden and step up its exports, as Atria has a strong position and network of distributors in Finland, Denmark, the Baltic countries and Russia. At the same time, Ridderheims' distribution network will enable Falbygdens Ost to export more of its products.

Furthermore, the acquisition will generate savings, as the manufacture of products which Ridderheims used to buy from subcontractors is transferred to Atria's plants.

Ridderheims' net sales for the previous accounting period were EUR 54.4 million and EBIT EUR 1.9 million.

EUR 1,000	Fair values on acquisition	Fair values prior to acquisition
Property, plant and equipment	5,887	5,887
Goodwill	13,918	
Other intangible assets	8,131	
Investments	76	76
Inventories	2,979	2,979
Receivables	5,532	5,720
Cash and cash equivalents	2,565	2,565
Total assets	39,088	17,227

Deferred tax liabilities	3,670	1,393
Interest-bearing financial liabilities	2,691	2,691
Other liabilities	7,041	7,041
Total liabilities	13,402	11,125
Net assets	25,686	6,102
Purchase price	25,686	
Cash and cash equivalents of acquired companies	2,565	
Effect on cash flow	23,121	

2008	Acquisition date	Ownership share, %	Domicile
AS Vastse-Kuuste Lihatööstus	31 Jul 2008	100	Estonia
AS Wõro Kommerts	31 Jul 2008	100	Estonia

AS Vastse-Kuuste Lihatööstus manufactures a range of cold cuts, sausages, cured sausages and consumer-packed meat. The company has its own slaughterhouse and cutting plant. Founded in 1994, Vastse-Kuuste reported net sales of EUR 8.8 million in 2007. Its total market share in terms of value is 6% (Source: AC Nielsen 2008), and it employs approximately 140 persons. Over the past few years, Vastse-Kuuste has invested in the modernisation and capacity improvement of its production plant. Its market position has also strengthened due to the new investments.The company has a particularly strong position in cold cuts in the Estonian market.The production plant is located in southern Estonia, in Vastse-Kuuste.

Established in 1993, AS Wõro Kommerts is a company specialising in the production of meat products. Wõro's product selection includes smoked sausages and meat products, raw sausages, grill sausages and frankfurters. The company's total market share in terms of value is 13% (Source: AC Nielsen 2008), which makes it Estonia's second largest meat processing company. In recent years, Wõro has invested actively in the improvement of product quality and brand development. In 2007, it posted net sales of EUR 9.9 million and employed some 170 staff. The company has a production plant in Ahja, near Tartu and a distribution centre in Tartu. Built at the turn of the millennium, the production plant boasts modern production machinery.

Through these acquisitions, Atria will complement and expand its current product selection for retail customers in Estonia. Combined with the operations of Wõro and Vastse-Kuuste, AS Valga Lihatööstus is the second largest player in the Estonian meat processing market, with net sales of approximately EUR 42 million.The merger will generate significant synergies and help establish a firmer foothold in the market.

The companies' net sales for the previous accounting period were EUR 18.7 million and EBIT EUR 0.9 million.

EUR 1,000	Fair values on acquisition	Fair values prior to acquisition
Property, plant and equipment	4,814	4,814
Goodwill	6,163	
Other intangible assets	3,537	
Inventories	1,134	1,134
Receivables	1,965	1,965
Cash and cash equivalents	2,630	2,630
Total assets	20,243	10,543
Deferred tax liabilities	743	
Interest-bearing financial liabilities	1,135	1,135
Other liabilities	2,873	2,873
Total liabilities	4,751	4,008
Net assets	15 492	6 535
Purchase price	15 492	
Cash and cash equivalents of acquired companies	2 630	
Effect on cash flow	12 862	

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2008	Acquisition date	Ownership share, %	Domicile
OOO MPZ Campomos	15 Oct 2008	100	Russia
Subsidiaries:			
OOO CampoFerma		100	Russia
OOO CampoFoods St. Petersburg		100	Russia
OOO CampoFoods Moscow		100	Russia

Atria expanded its operations in Russia by acquiring the meat processing company OOO MPZ Campomos operating in the Moscow and St Petersburg regions. The main products of Campomos include meat products and pizzas. It is also planning to add consumer-packed meat to its product portfolio. Campomos has a production plant and logistics centre in Moscow and a distribution terminal in St. Petersburg. In addition, it boasts a new 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 ebbed and it has been in the red in recent years. The company's production equipment is modern and well maintained.

Through the acquisition of Campomos, Atria will obtain a significant share of modern retail trade in the Moscow region and strengthen its market leadership in St. Petersburg. Founded in 1989, Campomos employs some 1,000 staff. More than half of its sales are generated in the Moscow region and the rest in St. Petersburg and other major cities. Campomos was the subsidiary of Campofrio Alimentacion S.A., a Spanish publicly quoted company. It was the first meat processing company established in Russia.

The company's main brand is CampoMos, which is widely known in Russia. The CampoMos frankfurters, in particular, are a well-known product. The company also offers a variety of premium-class meat products. In recent years, Campomos has diversified into convenience foods and service desk products.

A customer base of over 17 million people in the Moscow region and the rapid growth of modern retail trade combined with the well-known, high-quality products of Campomos and its excellent position in modern retail trade will help Atria establish a firm foothold in the rapidly growing Moscow market.

EUR 1,000	Fair values on acquisition	Fair values prior to acquisition
Property, plant and equipment	44,074	44,074
Goodwill	276	1,310
Other intangible assets	2,365	576
Inventories	13,589	13,589
Trade receivables	15,404	15,404
Other receivables	15,920	15,920
Cash and cash equivalents	1,000	1,000
Total assets	92,628	91,873
Deferred tax liabilities	1,041	612
Interest-bearing financial liabilities	51,687	51,687
Other liabilities	33,622	33,622
Total liabilities	86,350	85,921
Net assets	6,278	5,952
Purchase price	6,278	
Cash and cash equivalents of acquired companies	1,000	
Effect on cash flow	5,278	

2007	Acquisition date	Ownership share, %	Domicile
AB Sardus	1 Apr 2007	100	Sweden
Subsidiaries:			
3-Stjernet A/S		100	Denmark
Alf Eliassons Kött & Chark AB		100	Sweden
AB Carl A Carlson Charkuterier		100	Sweden
Charkdelikatesser Produktion AB		100	Sweden
Delikatess Skinkor AB		100	Sweden
Falbygdens Ostnederlag AB		100	Sweden
Filos AB		100	Sweden
G A Carlsson AB, Gea´s		100	Sweden
Gourmet Service i Årsta AB		100	Sweden
Moheda Chark AB		100	Sweden
Norrboda Charkuterifabrik AB		100	Sweden
Pastejköket Produktion AB		100	Sweden
Sardus Chark & Deli AB		100	Sweden
Sardus Foodpartner AB		100	Sweden
Sardus Inköp AB		100	Sweden
Sardus International A/S		100	Denmark
Sardus IT AB		100	Sweden
Sardus Lätta Måltider Halmstad AB		100	Sweden
Sardus Lätta Måltider Holding AB		100	Sweden
Sardus Lätta Måltider Stockholm AB		100	Sweden
Sardus Lätta Måltider Östersund AB		100	Sweden
AB Sven Lindbergs Charkuterifabrik		100	Sweden

Atria Meat & Fast Food AB acquired the Swedish AB Sardus on 1 April 2007. The acquisition forms part of Atria's goal of becoming the leading food industry company in the Baltic Sea region. The food industry is currently undergoing a structural change and integration development, and there are a limited number of major operators. Merging Atria and Sardus strengthens the ability of both companies to respond to the new challenges set by the integrating markets. Together, the companies will complement each other and form a stronger operator with a wide selection of strong brands. The merger is expected to produce synergy benefits for product development, purchases, logistics, production and marketing. The wider product range and the synergy benefits will form the main accelerators of growth, and they strengthen the brands and product groups of both companies. Sardus' net sales in 2006 amounted to EUR 230 million, its EBIT was EUR 9 million and it had approximately 1,000 employees.

EUR 1,000	Fair value	Acquiree's current book value
Property, plant and equipment	53,037	53,037
Goodwill	93,659	42,036
Other intangible assets	48,329	3,379
Investments	906	906
Inventories	25,300	25,300
Receivables	30,403	30,403
Cash and cash equivalents	3,904	3,904
Total assets	255,538	158,965
Deferred tax liabilities	20,402	9,187
Interest-bearing liabilities	80,219	79,366
Other liabilities	30,401	30,401
Total liabilities	131,022	118,954
Net assets	124,516	40,011
Purchase price	124,515	
Cash and cash equivalents of acquired companies	3,904	
Effect on cash flow	120,611	

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2007	Acquisition date	Ownership share, %	Domicile
Stam Sp Z.o.o	30 May 2007	100	Poland
Liha-Pouttu Oy	1 Oct 2007	100	Finland

In Sweden, Atria Concept AB acquired the Polish agency office Stam with which Atria has been cooperating for a long time in Poland. Atria Concept AB wants to continue strengthening its position in Poland and its neighbouring countries, the Czech Republic and Slovakia. The aim is to double net sales to EUR 6 million by the end of 2009 through better utilisation of local knowledge.

Atria Finland Ltd acquired the entire stock of Liha-Pouttu Oy. The acquisition target was Liha-Pouttu Oy's meat procurement, slaughtering and meat cutting operations. The Finnish Competition Authority approved the acquisition on 21 September 2007 and the deal was confirmed on 1 October 2007.

Packing of retail-packed meat was not included in the purchase. In connection with the deal, Atria and Pouttu signed a cooperation agreement concerning meat deliveries from Atria to Jaloste-Pouttu Oy. Along with the acquisition, Atria adds to its cost-efficiency in meat purchasing and cutting operations as purchasing volumes increase from 140 million kg to approximately 155 million kg. Thanks to the Liha-Pouttu acquisition, the net sales of Atria Finland Ltd is expected to grow by approximately EUR 25 million annually.

Stam and Liha-Pouttu combined:

EUR 1,000	Fair value	Acquiree's current book value
Tangible assets	219	219
Goodwill	1,413	
Other intangible assets	1,295	26
Investments	153	153
Inventories	460	460
Short-term receivables	5,199	5,199
Cash and cash equivalents	201	201
Total assets	8,940	6,258
Deferred tax liabilities	330	
Other liabilities	4,389	4,396
Total liabilities	4,719	4,396
Net assets	4,221	1,862
Purchase price	4,221	
Cash and cash equivalents of acquired companies	201	
Effect on cash flow	4,020	

16. SOLD OPERATIONS, EUR 1,000

2007	Selling date	Ownership share, %	Domicile
Svensk Snabbmat för Storkök AB	31 May 2007	57.2	Sweden

Subsidiaries:
- Hedmans AB
- Frukt och Matgrossisten i Söderhamn AB
- Matgrossisten i Skellefteå AB
- Norrsäljarna AB

Atria sold its share of its Swedish subsidiary Svensk Snabbmat för Storkök AB to Euro Cater A/S. Snabbmat is a local HoReCa wholesale outlet, in which Atria held 57.2 per cent of the shares. Atria recorded a sales gain of nearly EUR 35 million from the deal.

Snabbmat is included in Group figures until 31 May 2007.

Svensk Snabbmat för Storkök AB's earnings	1 Jan - 31 May 2007	1 Jan - 31 Dec 2006
Net sales	85,073	146,879
EBIT	1,658	4,562
Profit before taxes	1,387	4,547

Assets and liabilities on the selling date:	31 May 2007
Assets	54,028
Liabilities	43,465

17. NET SALES, EUR 1, 000

	2008	2007
Proceeds from sale of goods	1,341,547	1,257,498
Proceeds from services	7,382	6,380
Other proceeds	8,007	8,309
Total	1,356,936	1,272,187

18. OTHER OPERATING INCOME, EUR 1,000

	2008	2007
Rental income	176	167
Proceeds from sale of fixed assets		35,185
Other	3,509	2,716
Total	3,685	38,068

19. MATERIALS AND SUPPLIES, EUR 1,000

	2008	2007
Materials and supplies	833,786	746,271
Changes in stock	2,087	-2,345
External services	26,002	24,711
Total	861,875	768,637

20. EMPLOYEE BENEFITS, EUR 1,000

Employee benefits	2008	2007
Salaries and wages	181,035	169,866
Pension costs - contribution plans	26,263	22,627
Pension costs - benefit-based plans	-123	-89
Other staff-related expenses	33,408	35,076
Total	240,583	227,480

Group personnel on average by segment	2008	2007
Finland	2,378	2,394
Scandinavia	1,691	1,768
Russia	1,525	1,278
Baltic countries	541	507
Total	6,135	5,947

21. DEPRECIATION AND IMPAIRMENT, EUR 1,000

Depreciation and impairment by group of assets	2008	2007
Depreciation		
Property, plant and equipment		
Buildings	10,605	9,655
Machinery and equipment	33,137	30,699
Other tangible assets	686	176
Total	44,428	40,530
Intangible assets		
Trademarks	374	1,019
Other intangible assets	2,264	2,275
Total	2,638	3,294
Total	47,066	43,824
Impairment		
Buildings	469	
Other tangible assets		129
Inventories		576
Total	469	705
Total depreciation and impairment	47,535	44,529

22. OTHER OPERATING EXPENSES, EUR 1,000

	2008	2007
Lease payments	8,045	7,741
Energy costs	26,682	22,743
Transportation costs	17,992	17,951
Other	129,601	134,139
Total	182,320	182,574

23. FEES PAID TO AUDITORS, EUR 1,000

	2008	2007
Fees paid for auditing	491	384
Reports and statements		78
Tax consulting	21	12
Other fees	19	239
Total	531	713

24. RESEARCH AND DEVELOPMENT COSTS, EUR 1,000

	2008	2007
The income statement includes R&D costs booked as costs to the amount of	9,905	8,428

25. FINANCIAL INCOME AND EXPENSES, EUR 1,000

	2008	2007
Financial income:		
Interest income from loan assets	4,931	4,915
Exchange rate profits from loan assets	31,852	845
Dividends received from financial assets for sale	25	68
Other financial income	898	240
Changes in the value of financial assets at fair value through profit or loss		
- Derivative instruments - not in hedge accounting	6,655	2,244
Total	44,361	8,312
Financial expenses:		
Interest expenses from financial liabilities		
valued at amortised cost	-20,741	-16,508
Exchange rate losses from financial liabilities valued at amortised cost	-41,149	-4,036
Other financial expenses	-4,140	-1,992
Changes in the value of financial assets at fair value through profit or loss		
- Derivative instruments - not in hedge accounting	-648	-101
Total	-66,678	-22,637

26. INCOME TAXES, EUR 1,000

Taxes in the income statement	2008	2007
Tax based on the taxable profit for the period	7,890	13,701
Retained taxes	81	542
Deferred tax	-2,711	-1,283
Total	5,260	12,960

Balancing of income statement taxes to profit before taxes		
Profit before taxes	16,673	80,605
Taxes calculated with the parent company's 26 percent tax rate	4,335	20,957
Effect of foreign subsidiaries' deviating tax rates	-1,336	504
Effect from associates' earnings	-149	-100
Retained taxes	81	551
Effect of tax-free income	-125	-12,076
Effect of costs that are undeductible in taxation	1,494	337
Unrecognised deferred tax assets	960	2,787
Total	5,260	12,960

27. EARNINGS PER SHARE, EUR 1,000

	2008	2007
Basic earnings per share are calculated by dividing the parent company's shareholder's profit for the period by the weighted average number of outstanding shares.		
Profit for the period belonging to the owners of the parent company	11,765	66,695
Weighted average of shares for the period (1,000)	28,268	26,082
Basic earnings per share	0.42	2.56

When calculating the earnings per share adjusted by the dilution effect, the dilution effect from all potential dilutive conversions of ordinary shares is taken into account in the weighted average number of shares. The Group does not have any instruments that would have a dilution effect.

28. FINANCIAL RISK MANAGEMENT

The financing policy approved by the Board of Directors on 25 June 2008 confirms the general principles of risk management. The Board has delegated the management of financial risks to the Treasury committee, while the practical management of financial risks is centrally handled by the Group's Treasury unit. The goal of financial risk management is to reduce the effect that price fluctuations on the financial markets and other uncertainty factors have on earnings, the balance sheet and cash flow, as well as to ensure sufficient liquidity. The main risks related to financing are interest rate risk, currency risk, liquidity and refinancing risk and credit risk.

Interest rate risk

Interest rate risk is managed by dividing financing into instruments with variable and fixed interest rates and by hedging with interest rate derivatives. The interest rate risk is mainly directed at the Group's interest-bearing liabilities because the amount of short-term money market investments and the related interest rate risk is low. However, cash at hand is maintained at the level required to maintain good liquidity. The Group's operational cash flow is mainly independent of fluctuations in market rates. At the time of the balance sheet date, the Group had one interest rate swap of EUR 10 million, where the Group pays 4.42% in fixed interest and receives a 6-month Euribor interest rate of 4.93%. The Group's interest-bearing debt was EUR 448.4 million on 31 December 2008 (EUR 321.9 million on 31 December 2007), of which EUR 110.3 million (EUR 56.4 million on 31 December 2007) or 24.6 percent (17.5% on 31 December 2007) had fixed interest rates.

Sensitivity analysis for the interest rate risk of financial instruments in accordance with IFRS 7

The interest rate risk analysis is based on the following assumptions. The sensitivity analysis is calculated using a 1% change in the interest rate level, which is considered to be reasonable and plausible, and the amount of interest bearing net debt with variable interest rates at the end of the year. Net debt with variable interest rates amounted to EUR 301 million on 31 December 2008 (EUR 230 million on 31 December 2007). At the end of 2008, +/-1% change in the interest rate level would amount to a change of EUR +/- 2,9 million in the Group's annual interest expenses (EUR +/-2,2 million on 31 December 2007).

Currency risk

Atria is exposed to both transaction risks and translation difference risks. Transaction risks refer to a potentially negative effect of exchange rate fluctuations on the Group's earnings, whereas translation difference risks affect the Group's balance sheet, with a potentially negative effect on the Group's net assets, i.e. Atria Group's equity. Transaction risks come, among others, from the euro-denominated meat raw material imports of Atria's Swedish operations and from the euro- and USD-denominated imports of its Russian companies. The currency flow and risks in Finnish operations are relatively low. Currency risk is hedged with foreign currency loans and derivatives. As a rule, the equity of foreign subsidiaries is not hedged (translation risk). Most of the subsidiaries' loans are denominated in their home currencies. However, on 31 December 2008 the Russian subsidiaries had a euro-denominated loan of EUR 26.7 million, which has been amortised by EUR 13 million in January and will continue to be amortised in the early part of 2009.

Sensitivity analysis for the currency risks of financial instruments in accordance with IFRS 7

The sensitivity analysis for currencies is based on the financial instruments in currencies other than the operating currency of each Group company in the balance sheet at the time of the financial statement and the resulting risks. Currency-denominated items other than financial instruments, such as forecasted probable purchases or sales, are not included in the sensitivity analysis.

	31 Dec 2008			31 Dec 2007		
EUR 1,000	EUR	SEK	USD	EUR	SEK	USD
Net exposure	-44,304	470	185	-25,592	576	-320
Effect of a 5 percent increase in the exchange rate on profit before taxes	-2,215	24	9	-1,280	29	-16

The net position of EUR -44.3 million on 31 December 2008 includes EUR 26.7 million in loans and EUR 9.5 million in trade payables and other non-interest-bearing liabilities of the Russian companies (EUR/RUB risk), as well as EUR 7.5 million in euro-denominated trade payables of the Swedish subsidiaries (EUR/SEK risk). The net position of EUR -25.6 million on 31 December 2007 includes an intra-Group loan of some EUR 18 million to OOO Atria Group (EUR/RUB risk). The sensitivity analysis assumes a 5% change in foreign currency exchange rates to be reasonably realistic.

Liquidity and refinancing risk

Atria Plc's Treasury arranges the majority of the Group's interest-bearing liabilities. Liquidity and refinancing risks are managed with balanced loan maturity distribution and by having sufficient committed credit limits and cash funds at hand. Atria also uses commercial paper programmes to manage liquidity. At the end of the year, there was EUR 126.4 million (EUR 151.6 million in 2007) in unutilised committed credit limits. EUR 135.2 million of the EUR 200 million commercial paper programmes had not been used (in 2007, EUR 90 million of the EUR 120 million commercial paper programmes had not been used). At the time of the financial statement, the average maturity of the Group's loans was 3 years 1 month and the average maturity of committed credit limits was approximately 3 years. The main covenant used in loan agreements is a minimum equity ratio covenant of 30%.

The table below shows the maturity analysis for financial liabilities and derivative instruments (undiscounted figures).

Maturity analysis for financial liabilities

		Maturity, 31 Dec 2008			
EUR 1,000		< 1 years	1-5 years	> 5 years	Total
Loans	Instalments	124,241	264,183	53,628	442,052
	Interest expenses	15,020	52,549	3,980	71,549
Derivative assets and liabilities	Capital payments	121,917			121,917
	Capital income	-128,482			-128,482
	Interest expenses	442			442
	Interest income	-500			-500
Other liabilities	Instalments/Payments	34,510		3,000	37,510
	Interest expenses	301		145	446
Trade payables	Payments	117,103			117,103
Accrued liabilities	Payments	50,386			50,386
Total	Total payments	463,920	316,732	60,753	841,405
	Total income	-128,982	0	0	-128,982
	Net payments	334,938	316,732	60,753	712,423

Maturity analysis for financial liabilities

		Maturity, 31 Dec 2007			
EUR 1,000		< 1 years	1-5 years	> 5 years	Total
Loans	Instalments	119,949	106,489	80,619	307,057
	Interest expenses	12,953	33,020	4,078	50,051
Derivative assets and liabilities	Capital payments	105,270			105,270
	Capital income	-107,359			-107,359
	Interest expenses	442	368		810
	Interest income	-459	-383		-842
Other liabilities	Instalments/Payments	26,765	2,454	4,500	33,719
	Interest expenses	354	1,174	218	1,746
Trade payables	Payments	79,315			79,315
Accrued liabilities	Payments	52,448			52,448
Total	Total payments	397,496	143,505	89,415	630,416
	Total income	-107,818	-383	0	-108,201
	Net payments	289,678	143,122	89,415	522,215

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Credit risk

The credit risk related to financing, i.e. the counterparty risk, is mainly controlled by selecting only well-established contracting parties with good credit ratings as counterparties. The Group's liquid assets are only invested in counterparties that meet the above-mentioned criteria. This is also the procedure when entering into financing and derivative agreements. The credit risk of the Group's operative business derives to our customers, of which the main ones are large retail store chain. Receivables from other customers are clearly smaller and more dispersed.

Commodity risk

In the commodity risk area, electricity prices have been hedged by purchasing electricity at a fixed price. Fluctuations in the price of meat raw material affect the Group's profitability in the short term, but the Group aims to pass on the price increases to sales prices as soon as possible.

Capital structure management

In capital structure management, the Group aims to ensure normal operating conditions under all circumstances and to maintain an optimal capital structure in terms of capital costs. The capital structure is influenced, for example, through the distribution of dividends and share issues and by retaining interest-bearing liabilities at such a level that the equity ratio target of 40% can be maintained.

Equity ratio (minimum target 40%)

Realised:	31 Dec 2008	31 Dec 2007
	38.4 %	47.6 %

Values for financial assets and liabilities by category

EUR 1,000 2008 balance sheet item	Financial assets and liabilities at fair value through profit or loss	Loans and other receivables	Financial assets for sale	Financial liabilities	Balance sheet value in total
Non-current assets					
Other financial assets			2,111		2,111
Loan assets		7,857			7,857
Other receivables		6,159			6,159
Current assets					
Trade receivables		188,179			188,179
Loan assets		386			386
Other receivables *)		7,953			7,953
Accrued credits and deferred charges *)		17,882			17,882
Derivative instruments	6,655				6,655
Cash and cash equivalents					37,138
Total financial assets	6,655	228,416	2,111		274,320
Non-current liabilities					
Interest-bearing financial liabilities				320,812	320,812
Current liabilities					
Interest-bearing financial liabilities				127,588	127,588
Trade payables				117,103	117,103
Other liabilities **)				31,169	31,169
Accrued liabilities **)				50,386	50,386
Derivative instruments	648				648
Total financial liabilities	648			647,058	647,706

The fair values of financial assets and liabilities do not deviate significantly from their balance sheet values.

*) Do not include VAT or income tax assets.
**) Do not include VAT or income tax liabilities.

EUR 1,000 2007 balance sheet item	Financial assets and liabilities at fair value through profit or loss	Loans and other receivables	Financial assets for sale	Financial liabilities	Balance sheet value in total
Non-current assets					
Other financial assets			2,959		2,959
Loan assets		11,744			11,744
Other receivables		346			346
Current assets					
Trade receivables		166,358			166,358
Loan assets		4,496			4,496
Other receivables *)		1,819			1,819
Accrued credits and deferred charges *)		6,487			6,487
Derivative instruments	2,244				2,244
Cash and cash equivalents					35,592
Total financial assets	2,244	191,250	2,959		232,045
Non-current liabilities					
Interest-bearing financial liabilities				194,081	194,081
Current liabilities					
Interest-bearing financial liabilities				127,789	127,789
Trade payables				79,315	79,315
Other liabilities **)				18,904	18,904
Accrued liabilities **)				52,448	52,448
Derivative instruments	101				101
Total financial liabilities	101			472,537	472,638

*) Do not include VAT or income tax assets.
**) Do not include VAT or income tax liabilities.

29. OTHER LEASES, EUR 1,000

Group as lessor	2008	2007
Minimum lease payments based on non-cancellable leases		
Within one year	4,949	3,445
Within more than one year and a maximum of five years	11,408	8,379
After more than five years	20,658	17,991
Total	37,015	29,815

30. CONTINGENT LIABILITIES, EUR 1,000

Debts with mortgages or other collateral given as security	2008	2007
Loans from financial institutions	9,557	13,521
Pension fund loans	3,867	4,603
Total	13,424	18,124
Mortgages and other securities given as comprehensive security		
Real estate mortgages	6,651	21,957
Corporate mortgages	7,884	2,225
Total	14,535	24,182
Guarantee engagements not included in the balance sheet		
Guarantees	886	907

31. RELATED PARTY TRANSACTIONS, EUR 1,000

Group companies by business area	Domestic	Ownership interest (%)	Share of votes (%)
Atria Finland:			
Ab Botnia-Food Oy	Finland	100.0	100.0
A-Logistics Ltd	Finland	100.0	100.0
A-Pekoni Nurmo Oy	Finland	100.0	100.0
A-Pihvi Kauhajoki Oy	Finland	100.0	100.0
A-Pihvi Kuopio Oy	Finland	100.0	100.0
A-Rehu Oy	Finland	51.0	51.0
A-Sikateurastamo Oy	Finland	100.0	100.0
Atria Concept Oy	Finland	100.0	100.0
Atria Meat AB	Sweden	100.0	100.0
Atria Finland Ltd	Finland	100.0	100.0
Atria Plc	Finland		
Atria-Chick Oy	Finland	100.0	100.0
Atria-Lihavalmiste Oy	Finland	100.0	100.0
Atria-Meetvursti Oy	Finland	100.0	100.0
Atria-Tekniikka Oy	Finland	100.0	100.0
Atria-Tuoreliha Oy	Finland	100.0	100.0
Atria-Valmisruoka Oy	Finland	100.0	100.0
A-Farmers Ltd	Finland	97.9	99.0
F-Logistiikka Oy	Finland	100.0	100.0
Itikka-Lihapolar Oy	Finland	100.0	100.0
Kiinteistö Oy Tievapolku 3	Finland	100.0	100.0
Liha ja Säilyke Oy	Finland	100.0	100.0
Liha-Pouttu Oy	Finland	100.0	100.0
Rokes Oy	Finland	100.0	100.0
Suomen Kalkkuna Oy	Finland	100.0	100.0
Atria Scandinavia:			
3-Stjernet A/S	Denmark	100.0	100.0
AB Ridderheim & Grönwall	Sweden	100.0	100.0
AB Sardus	Sweden	100.0	100.0
Atria Chark & Deli AB	Sweden	100.0	100.0
Atria Concept AB	Sweden	100.0	100.0
Atria Concept SP Z.o.o	Poland	100.0	100.0
Atria Foodservice & Concept AB	Sweden	100.0	100.0
Atria Foodservice AB	Sweden	100.0	100.0
Atria Lätta Måltider AB	Sweden	100.0	100.0
Atria Lätta Måltider Halmstad AB	Sweden	100.0	100.0
Atria Lätta Måltider Holding AB	Sweden	100.0	100.0
Atria Lätta Måltider Östersund AB	Sweden	100.0	100.0
Atria Meat & Fast Food AB	Sweden	100.0	100.0
Atria Scandinavia AB	Sweden	100.0	100.0
Falbygdens Ostnederlag AB	Sweden	100.0	100.0
Gourmet Service i Årsta AB	Sweden	100.0	100.0
KB Joddlaren	Sweden	100.0	100.0
Lithells AB	Sweden	100.0	100.0
Nordic Fastfood AB	Sweden	51.0	51.0
Nordic Fastfood Etablerings AB	Sweden	51.0	51.0
Ridderheims Delikatesser AB	Sweden	100.0	100.0
Ridderheims Delikatesser i Norge AS	Norway	100.0	100.0
Samfood Fastighet AB	Sweden	100.0	100.0
Sardus Chark & Deli AB	Sweden	100.0	100.0
Sardus Foodpartner AB	Sweden	100.0	100.0
Sardus Inköp AB	Sweden	100.0	100.0
Sardus International A/S	Denmark	100.0	100.0
Sardus IT AB	Sweden	100.0	100.0
Smakfabriken i Göterborg AB	Sweden	100.0	100.0

Atria Russia:			
Atria-Invest Oy	Finland	100.0	100.0
OOO Atria Group	Russia	100.0	100.0
OOO CampoFerma	Russia	100.0	100.0
OOO CampoFoods Moscow	Russia	100.0	100.0
OOO CampoFoods St. Petersburg	Russia	100.0	100.0
OOO MPZ Campomos	Russia	100.0	100.0
OOO Pit-Product	Russia	100.0	100.0
Atria Baltic:			
AS Alle	Estonia	100.0	100.0
AS Valga Lihatööstus	Estonia	100.0	100.0
AS Vastse-Kuuste Lihatööstus	Estonia	100.0	100.0
AS Wõro Kommerts	Estonia	100.0	100.0
OÜ Atria	Estonia	100.0	100.0
OÜ Carmex Invest	Estonia	100.0	100.0
OÜ Linnamäe Peekon	Estonia	100.0	100.0
OÜ Puidukaubandus	Estonia	100.0	100.0
UAB Vilniaus Mesa	Lithuania	100.0	100.0

Group joint ventures and associates and other related parties	Domestic	Ownership interest (%)	Share of votes (%)
Group joint ventures:			
Best-In Oy	Finland	50.0	50.0
Länsi-Kalkkuna Oy	Finland	50.0	50.0
Group associates:			
Finnpig Oy	Finland	49.0	49.0
Findest Protein Oy	Finland	40.6	40.6
Foodwest Oy	Finland	33.5	33.5
Honkajoki Oy	Finland	47.8	47.8
OÜ LKT Invest	Estonia	26.0	26.0
Finnish Meat Research Institute, LTK Co-operative	Finland	40.7	40.7
Tuoretie Oy	Finland	33.3	33.3
Other related parties:			
Members of the Board of Directors and the Supervisory Board			
Itikka Co-operative Group			
Lihakunta			
Pohjanmaan Liha Co-operative Group			

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The following transactions were completed with related parties:	2008	2007
Sale of goods		
Joint ventures/Associates	772	644
Other related parties	4,669	3,904
Total	5,441	4,548
Sale of services		
Associates	419	350
Other related parties	26	
Total	445	350
Rental income		
Joint ventures/Associates	273	264
Purchase of goods		
Joint ventures/Associates	20,402	17,643
Other related parties	5,029	4,056
Total	25,431	21,699
Purchase of services		
Joint ventures/Associates	32,684	28,497
Rent costs		
Joint ventures/Associates	2,259	2,096
Trade receivables		
Joint ventures/Associates	60	47
Other related parties	1,441	1,469
Total	1,501	1,516
Trade payables		
Joint ventures/Associates	3,045	1,881
Debts to related parties		
Other related parties (debts to owners)	893	10,723

The sale of goods and services to related parties is based on the Group's valid price lists. The majority of services purchased were the logistics services of Tuoretie Oy. Debts to related parties are loans that can be called in immediately; their interest rate is tied to the 6-month Euribor rate.

Management employee benefits	2008	2007
Salaries and other short-term employee benefits	3,802	2,934

The retirement age for the CEO and Deputy CEO is 62 years.

Management salaries, benefits and other employee benefits	2008	2007
CEO, Member of the Board		
Tikkakoski Matti, CEO since 1 Feb 2006	863	616
Deputy CEO		
Gröhn Juha	461	305
Members of the Board of Directors		
Selin Martti, Chairman	57	54
Komulainen Timo, Deputy Chairman	72	71
Heikkilä Tuomo	28	28
Lillandt Runar	35	34
Tikkakoski Matti, CEO		
Saarinen Leena, member until Oct 2007		23
Yliluoma Ilkka	47	48
Members of the Supervisory Board		
Pirkola Ari, Deputy Chairman since July 2008	20	
Vornanen Ahti-Pekka, Chairman until June 2008	29	46
Kaarto Esa, Deputy Chairman since July 2007	32	18
Panula Heikki, Deputy Chairman until June 2007		15
Other members of the Supervisory Board, total	25	37

32. BIOLOGICAL ASSETS, EUR 1,000

	2008	2007
Biological assets are included in the following items:		
Tangible assets (productive animals)	1,742	807
Inventories (other biological assets)	6,156	2,872
Total	7,898	3,679
Biological assets:		
At the beginning of the period	3,679	3,075
Business combinations	3,009	
Change during the period	1,210	604
At the end of the period	7,898	3,679
Production:		
Chicken chicks/1,000	20,008	19,416
Young chickens and turkeys/1,000		156
Pork/1,000 kg	6,252	4,947
Beef/1,000 kg	2,370	1,797
Milk/1,000 kg	4,319	2,837

33. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Company management is not aware of any significant events affecting the financial statement.

BALANCE SHEET, EUR 1,000

Assets	Note	31 Dec 2008	31 Dec 2007
FIXED ASSETS			
Intangible assets	2.1		
Intangible rights		140	186
Other long-term expenditure		4,816	5,302
Intangible assets, total		4,956	5,488
Tangible assets	2.1	269,182	262,597
Investments	2.2		
Interests in Group companies		181,067	132,662
Interests in associates		2,805	2,805
Other shares and interests		1,983	1,024
Investments, total		185,855	136,491
TOTAL FIXED ASSETS		459,993	404,576
CURRENT ASSETS			
Long-term receivables	2.3	231,393	167,071
Short-term receivables	2.3	118,320	88,262
Cash in hand and at bank		983	1,461
TOTAL CURRENT ASSETS		350,696	256,794
Total assets		810,689	661,370

Liabilities	Note	31 Dec 2008	31 Dec 2007
SHAREHOLDERS' EQUITY	2.4		
Share capital		48,055	48,055
Share premium		138,502	138,502
Own shares		-542	0
Invested untied equity fund		110,228	110,228
Retained earnings		51,781	46,488
Profit for the period		23,293	25,080
TOTAL SHAREHOLDERS' EQUITY		371,316	368,353
ACCRUED APPROPRIATIONS	2.5		
Depreciation difference		52,440	52,440
BORROWED CAPITAL			
Long-term borrowed capital	2.6	275,492	129,951
Short-term borrowed capital	2.7	111,440	110,626
TOTAL BORROWED CAPITAL		386,932	240,577
Total liabilities		810,689	661,370

INCOME STATEMENT, EUR 1,000

	Note	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007
NET SALES	3.1	46,503	40,991
Other operating income	3.2	2,398	2,334
Staff expenses	3.3	-2,712	-1,689
Depreciation and impairment	3.4		
Planned depreciation		-25,950	-23,396
Other operating expenses	3.5	-5,006	-6,204
EBIT		15,233	12,036
Financial income and expenses	3.6	8,342	197
PROFIT BEFORE EXTRAORDINARY ITEMS		23,575	12,233
Extraordinary items	3.7	5,500	19,950
PROFIT BEFORE APPROPRIATIONS AND TAXES		29,075	32,183
Income taxes	3.8	-5,782	-7,103
NET PROFIT FOR THE ACCOUNTING PERIOD		23,293	25,080

CASH FLOW STATEMENT, EUR 1,000

	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007
CASH FLOW FROM OPERATING ACTIVITIES		
Sales income	46,580	40,934
Payments on operating expences	-8,567	-6,797
Cash flow from operating activities before financial items and taxes	38,013	34,137
Financial income and expences, net	10,293	-1,851
Tax paid	-7,590	-6,933
Cash flow from operating activities	40,716	25,353
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets and in investments	-85,717	-16,326
Cash flow from investments	-85,717	-16,326
CASH FLOW FROM FINANCING		
Issue of shares liable to charge	0	119,025
Loan payments	59,312	-134,721
Dividends paid	-19,787	-13,740
Own shares	-502	0
Group contribution	5,500	19,950
Cash flow from financing	44,523	-9,486
CASH FLOW FROM OPERATING ACTIVITIES	40,716	25,353
CASH FLOW FROM INVESTMENTS	-85,717	-16,326
CASH FLOW FROM FINANCING	44,523	-9,486
TOTAL	-478	-459
Change in cash and equivalents		
Cash and equivalents 1.1.	-1,461	-1,920
Cash and equivalents 31.12.	983	1,461
Change	-478	-459

1. PRINCIPLES APPLIED IN PREPARING THE FINANCIAL STATEMENTS

General principles

Atria Plc's financial statements have been prepared in accordance with Finnish bookkeeping legislation as well as other applicable rules and regulations (FAS).

Group information

The parent company of Atria Plc Group is Atria Plc, domicile Kuopio, Finland. Copies of the consolidated financial statements of Atria Plc are available from the Group parent company's head office at Atriantie 1, Nurmo, postal address: P. O. Box 900, FI-60060 ATRIA. .

Valuation principles

Tangible and intangible assets have been recorded in the balance sheet at their direct acquisition cost, less the depreciations according to plan and impairment bookings. Depreciations are carried out as even depreciations for the time of use. Subsidies received for the acquisition of tangible assets have been booked as depreciations of the acquisition cost. The subsidies received are not relevant in amount. Financial instruments are valued in the balance sheet at the acquisition cost, less the impairment bookings. Derivative instruments are originally booked at fair value and later valued at the fair value. Any gains and losses due to valuation at fair value are treated according to the intended use of the derivative instrument in the bookkeeping.

Depreciation times:

Buildings	Nurmo	40 years
	other locations	25 years
Machinery and equipment		
	Nurmo	10 years
	other locations	7 years
Computer programs		5 years
Other long-term assets		10 years

Shares of listed companies included in the Group's fixed assets are valuated at acquisition cost. On 31 Dec 2008, the bookkeeping value of such shares was EUR 31,913.66 and the current value EUR 82,907.30.

Foreign currencies

Items in foreign currencies have been noted as Finnish currency according to the exchange rate of the European Central Bank on the closing date. Realised exchange rate differences from foreign currency denominated loans are included in the financial items.

2 . NOTES TO THE BALANCE SHEET, EUR 1,000

2.1. INTANGIBLE AND TANGIBLE ASSETS	31 Dec 2008	31 Dec 2007
Intangible rights		
Acquisition cost 1 Jan	1,443	1,437
Increases	1	6
Decreases	0	0
Acquisition cost 31 Dec	1,444	1,443
Accumulated depreciation 1 Jan	-1,256	-1,209
Depreciation on decreases	0	0
Depreciation for the accounting period	-48	-47
Accumulated depreciation 31 Dec	-1,304	-1,256
Book value 31 Dec	140	187
Other long-term expenditure		
Acquisition cost 1 Jan	11,873	10,395
Increases	1,396	1,478
Decreases	0	0
Acquisition cost 31 Dec	13,269	11,873
Accumulated depreciation 1 Jan	-6,572	-4,698
Depreciation on decreases	0	0
Depreciation for the accounting period	-1,881	-1,874
Accumulated depreciation 31 Dec	-8,453	-6,572
Book value 31 Dec	4,816	5,302
Intangible assets total	4,956	5,488
Tangible assets:		
Land and water		
Acquisition cost 1 Jan	2,182	2,147
Increases	0	35
Acquisition cost 31 Dec	2,182	2,182
Buildings and constructions		
Acquisition cost 1 Jan	264,816	243,758
Increases	6,567	21,059
Decreases	0	0
Acquisition cost 31 Dec	271,383	264,816
Accumulated depreciation 1 Jan	-102,970	-96,786
Depreciation on decreases	0	0
Depreciation for the accounting period	-6,541	-6,184
Accumulated depreciation 31 Dec	-109,510	-102,970
Book value 31 Dec	161,872	161,846
Machinery and equipment		
Acquisition cost 1 Jan	238,942	205,347
Increases	25,569	33,595
Decreases	0	0
Acquisition cost 31 Dec	264,511	238,942
Accumulated depreciation 1 Jan	-145,524	-130,310
Depreciation on decreases	0	0
Depreciation for the accounting period	-17,403	-15,214
Accumulated depreciation 31 Dec	-162,927	-145,524
Book value 31 Dec	101,584	93,418

Other tangible assets		
Acquisition cost 1 Jan	1,182	1,102
Increases	114	80
Decreases	0	0
Acquisition cost 31 Dec	1,295	1,182
Accumulated depreciation 1 Jan	-552	-476
Depreciation on decreases	0	0
Depreciation for the accounting period	-77	-76
Accumulated depreciation 31 Dec	-629	-552
Book value 31 Dec	666	630
Advance payments and acquisitions in progress		
Acquisition cost 1 Jan	4,521	33,540
Changes +/-	-1,643	-29,019
Acquisition cost 31 Dec	2,878	4,521
Tangible assets total	269,182	262,597
Non-depreciated acquisition cost of machinery and equipment	101,584	93,418

The share of items other than production machinery and equipment is not significant in amount.

2.2. INVESTMENTS	Ownership % of the parent company 2008	Ownership % of the parent company 2007
Group companies		
Ab Botnia-Food Oy, Seinäjoki	100	100
A-Farmers Ltd, Seinäjoki	97.9	97.9
Atria Concept Oy, Seinäjoki	100	100
Atria Meat AB, Tukholma	100	100
Atria Finland Ltd, Kuopio	100	100
Atria-Invest Oy, Seinäjoki	100	100
Itikka-Lihapolar Oy, Seinäjoki	100	100
Kiinteistö Oy Tievapolku 3, Helsinki	100	100
Liha ja Säilyke Oy, Forssa	63.2	63.2
Atria Scandinavia AB, Sköllersta	100	100
Rokes Oy, Forssa	100	100
Suomen Kalkkuna Oy, Seinäjoki	100	100
AS Valga Lihatööstus, Valga	100	100
OU Atria, Tallinn	100	100
UAB Vilniaus Mesa, Vilnius	100	100
Associates		
Best-In Oy, Kuopio	50.0	50.0
Foodwest Oy, Seinäjoki	33.5	33.5
Honkajoki Oy, Honkajoki	47.8	47.8
Finnish Meat Research Institute, LTK co-operative, Hämeenlinna	40.7	40.7
Länsi-Kalkkuna Oy, Säkylä	50.0	50.0
Tuoretie Oy, Helsinki	33.3	33.3

2.3. RECEIVABLES	31 Dec 2008	31 Dec 2007
Long-term receivables		
Receivables from group companies		
Loan receivables	231,393	167,071
Short-term receivables		
Loan receivables	441	441
Trade receivables	110	312
Other receivables	17	7
Accrued credits and deferred charges	9,061	1,826
Receivables from group companies		
Trade receivables	407	283
Other receivables	106,218	84,088
Accrued credits and deferred charges	2,067	1,306
Total short-term receivables	118,321	88,262
Material items included in the accrued credits and deferred charges:		
- amortised interests	3,492	1,410
- exchange rate difference of forward contracts	6,609	1,557
- amortised taxes	873	0
- other	154	164
Total	11,128	3,131

2.4. EQUITY	31 Dec 2008	31 Dec 2007
Share capital 1 Jan	48,055	39,258
Share issue 5 June 2007	0	7,650
Share issue 11 June 2007	0	1,148
Share capital 31 Dec	48,055	48,055
Share premium 1 Jan	138,502	138,502
Share premium 31 Dec	138,502	138,502
Treasury shares 1 Jan	0	0
Acquisition of own shares	-542	0
Treasury shares 31 Dec	-542	0
Restricted equity total	186,015	186,557
Invested unrestricted equity fund 1 Jan	110,228	0
Share issue 5 June 2007	0	95,850
Share issue 11 June 2007	0	14,378
Invested unrestricted equity fund 31 Dec	110,228	110,228
Retained earnings 1 Jan	71,568	60,229
Dividend distribution	-19,787	-13,740
Retained earnings 31 Dec	51,781	46,489
Profit for the period	23,293	25,080
Retained earnings 31 Dec	75,074	71,568
Unrestricted equity total	185,301	181,796
Equity total	371,316	368,353

Calculation of funds appropriate for distribution as dividends		
Retained earnings	51,781	46,489
Profit for the period	23,293	25,080
Treasury shares	-542	0
Total	74,532	71,568

The breakdown of the share capital is as follows:

	2008 amount	EUR	2007 amount	EUR
A series shares (1 vote/share)	19,063,747	32,408	19,063,747	32,408
KII series shares (10 votes/share)	9,203,981	15,647	9,203,981	15,647
Total	28,267,728	48,055	28,267,728	48,055

2.5. ACCRUED APPROPRIATIONS	31 Dec 2008	31 Dec 2007
Depreciation difference	52,440	52,440

2.6. LONG-TERM BORROWED CAPITAL		
Bonds	80,000	90,000
Loans from financial institutions	181,146	39,896
Pension fund loans	14,300	0
Total	275,446	129,896
Debts to group companies		
Other long-term liabilities	46	55
Total long-term borrowed capital	275,492	129,951
Loans maturing later than in five years		
Bonds	40,000	80,000
Loans from financial institutions	7,143	4,286
Other long-term liabilities	55	55
Total	47,198	84,340

2.7. CURRENT LIABILITIES		
Bonds	10,000	10,000
Loans from financial institutions	91,355	90,013
Advance payments received	51	45
Trade payables	2,506	3,428
Other payables	1,604	837
Accruals and deferred income	5,628	4,136
Liabilities to group companies		
Trade payables	0	2
Other payables	293	2,163
Accruals and deferred income	3	2
Total current liabilities	111,440	110,626
Material items included in accruals and deferred income:		
- amortisation of salaries and social security payments	682	527
- share incentives	0	105
- personnel fund	5	4
- interest accruals	4,236	2,453
- tax accruals	0	936
- others	707	113
Total	5,631	4,138

3. NOTES TO THE INCOME STATEMENT, EUR 1,000

	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007
3.1. NET SALES	46,503	40,991

The company's rental income is presented as net sales because it corresponds with the present nature of the company's operations.

3.2. OTHER OPERATING INCOME		
Service charges to group companies	2,311	2,252
Service charges to others	2	0
Others	85	82
Total	2,398	2,334

3.3. PERSONNEL EXPENSES		
Average number of employees		
Clerical staff in Finland	10	7
Personnel expenses		
Salaries:		
CEO, Executive Vice President and Deputy CEO and members of the Board	910	627
Members of the Supervisory Board	95	131
Other salaries	891	543
Total	1,896	1,300
Pension costs	659	291
Other staff-related expenses	156	97
Total	815	388
Personnel expenses total	2,712	1,689

Pension commitments of the members of the Board and CEO

The company's statutory pensions are defined contribution plans and have been arranged through an insurance company. The company has no pension commitments towards the CEO and members of the Board or the Supervisory Board.

3.4. DEPRECIATION AND IMPAIRMENTS		
Depreciations of tangible and intangible assets	25,950	23,396

Depreciation specification per balance sheet item is included in Section 2.1.

3.5. OTHER OPERATING EXPENSES	1 Jan - 31 Dec 2008	1 Jan - 31 Dec 2007
Other operating expenses	5,006	6,204
Including administration, marketing, energy, cleaning, operational and other costs as well as fees paid to auditors.		
Fees paid to auditors		
Auditing fees	126	102
Certificates and statements	0	12
Tax consulting	11	12
Other remunerations	2	171
Total	139	297

3.6. FINANCIAL INCOME AND EXPENSES		
Return on long-term investments		
Dividend yield		
From group companies	13,621	6,569
From other companies	88	185
Total	13,710	6,754
Other interest and financial income		
From group companies	16,108	7,327
From other companies	40,683	2,821
Total	56,791	10,148
Interest expenses and other financial expenses		
To group companies	25	152
To other companies	55,380	16,552
Total	55,405	16,704
Impairment on fixed assets investments		
Impairment on group company shares	6,755	0
Financial income and expenses total	8,341	197
Interest expenses and other financial expenses include exchange rate losses (net)	927	1,160

3.7. EXTRAORDINARY ITEMS		
Group contributions received	12,500	20,800
Group contributions paid	-7,000	-850
Total	5,500	19,950

3.8. INCOME TAXES		
Income taxes on operations	5,782	7,103

4. OTHER NOTES, EUR 1,000

	31 Dec 2008	31 Dec 2007
4.1. SECURITIES GIVEN, CONTINGENT LIABILITIES AND OTHER LIABILITIES		
Contingent liabilities and other liabilities not included in the balance sheet		
Guarantees		
For group companies	72,533	86,931
Total	72,533	86,931
Leasing liabilities		
Maturing within the next 12 months	0	1,675
Maturing later	0	9,697
Total	0	11,373

Signatures to the financial statements and annual report

Seinäjoki, 19 March 2009

Martti Selin Chairman	Timo Komulainen
Tuomo Heikkilä	Runar Lillandt
Ilkka Yliluoma	Matti Tikkakoski President and CEO

Auditor's note

A report on the audit performed has been issued today.

Seinäjoki, 19 March 2009

Eero Suomela Authorised Public Accountant	Pekka Loikkanen Authorised Public Accountant

To the Annual General Meeting of Atria Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Atria Plc for the period 1.1.-31.12.2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the parent company's financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Supervisory Board and of the Board of Directors of the parent company as well as the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Seinäjoki, 19 March 2009

Eero Suomela Authorised Public Accountant	Pekka Loikkanen Authorised Public Accountant

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