



Atria Plc Interim Report

1 January - 30 September 2016

ATRIA

Good food – better mood.

INTERIM REPORT OF ATRIA PLC 1 JANUARY - 30 SEPTEMBER 2016**Acquisitions support Atria's growth strategy****July-September 2016**

- Consolidated net sales totalled EUR 339.1 million (EUR 337.1 million).
- Consolidated EBIT was EUR 13.2 million (EUR 15.1 million), which equates to 3.9% (4.5%) of net sales.
- The acquisition of the Lagerbergs poultry company provided Atria with growth.
- The Sibylla business showed strong growth in Russia; there are now more than 2,700 outlets.
- EBIT was held back by lower sales prices than in the comparison period, the costs related to commissioning a new pig cutting plant in Finland, and the costs of taking over Lagerbergs in Sweden.

January-September 2016

- Consolidated net sales totalled EUR 994.9 million (EUR 989.2 million).
- Consolidated EBIT was EUR 21.0 million (EUR 24.2 million), which equates to 2.1% (2.4%) of net sales.
- The business operations of the Lagerbergs poultry company were transferred to Atria as of the beginning of May. Annual net sales are expected to grow by about EUR 30 million. In June, Atria decided to invest EUR 14 million in the poultry business in Sweden.
- Atria acquires a majority stake in Well-Beef Kaunismaa Ltd. The Finnish Competition and Consumer Authority approved the transaction in September and the acquisition was confirmed on 3 October 2016. Annual net sales are expected to grow by about EUR 40 million.
- Atria sold a pig farm in Estonia and real estate that it no longer needed in Estonia and Sweden.
- EBIT growth was slowed by decreased sales prices, the costs of commissioning the new pig cutting plant and the costs incurred in taking over new businesses.

	Q3	Q3	Q1-Q3	Q1-Q3	
EUR million	2016	2015	2016	2015	2015
Net sales					
Atria Finland	227.0	235.1	685.7	681.0	929.0
Atria Scandinavia	90.6	81.3	255.1	246.7	330.5
Atria Russia	19.5	19.1	50.6	56.5	75.1
Atria Baltic	8.7	8.4	25.6	24.9	32.9
Eliminations	-6.7	-6.9	-22.1	-20.0	-27.4
Total net sales	339.1	337.1	994.9	989.2	1,340.2
EBIT					
Atria Finland	8.7	9.5	13.4	16.1	29.8
Atria Scandinavia	3.5	5.2	7.7	9.6	12.8
Atria Russia	0.5	0.5	-0.1	0.2	-0.2
Atria Baltic	0.5	0.0	0.1	0.1	-9.0
Unallocated	-0.1	-0.2	-0.1	-1.8	-4.4
EBIT, total	13.2	15.1	21.0	24.2	28.9
EBIT, %	3.9%	4.5%	2.1%	2.4%	2.2%
Profit before taxes	11.8	13.0	16.3	17.3	20.1
Earnings per share, EUR	0.32	0.27	0.42	0.38	0.49
EBIT includes items affecting comparability:					
Goodwill impairment	-	-	-	-	-9.1
Pig farms sale	-	-	-1.0	1.9	1.9
Sale of the real estate company	-	-	1.4	-	-
Adjusted EBIT	13.2	15.1	20.6	22.3	36.1

Juha Gröhn, CEO

“Price competition has been unusually fierce for the entire year and it has weakened Atria’s results in comparison with the previous year. Cost management is very important in the prevailing market environment. The cost level and activities of Atria’s standard operations are in good order. Actions related to company acquisitions and commissioning the Nurmo pig cutting plant have temporarily increased costs but, in time, these increases will turn into savings, growth and profit.

At the end of the third quarter, the price level began to rise in several of Atria’s key product groups. This influenced - and will continue to influence - the balancing of supply and demand on EU meat market. The balancing factor is the increase in exports from the EU to East Asia.

The decrease in sales prices has also affected Atria’s growth rate. An active approach to company acquisitions in line with the strategy has been a prerequisite for maintaining growth. This year, Atria has made 2 major acquisitions: the Lagerbergs poultry company in Sweden and Well-Beef Kaunismaa Ltd, a Finnish company that processes beef. The acquired companies have combined annual net sales of approximately EUR 70 million. Atria’s financial position is strong and enables the implementation of its growth strategy.

However, it is essential that Atria is also able to grow organically within its current businesses. Everything is in place to enable this and several of the businesses have demonstrated their ability to grow this year. Expanding export opportunities to markets such as China will play a part in underpinning organic growth.”

July-September 2016

Atria Group’s net sales for July-September totalled EUR 339.1 million (EUR 337.1 million). EBIT amounted to EUR 13.2 million (EUR 15.1 million). The increase in net sales was due to the acquisition of the Lagerbergs poultry company in Sweden and the increase in sales of Sibylla products in Russia. In Finland, net sales were held back by fierce price competition. EBIT was weakened by lower sales prices, the costs related to ramping up the new pig cutting plant, and the costs of taking over the poultry business that was acquired in Sweden.

On 12 September 2016, the Finnish Competition and Consumer Authority unconditionally approved Atria’s acquisition of a 70% stake in Well-Beef Kaunismaa Ltd. The purchase price is approximately EUR 16 million. The agreement between Atria and Well-Beef Kaunismaa to conclude the acquisition was confirmed on 3 October 2016, after the review period.

Well-Beef Kaunismaa’s product range complements Atria’s selections of beef products. The company’s customers are mainly fast-food chains and other Food Service customers. Well-Beef Kaunismaa holds a strong position in the Finnish market as a manufacturer of high-quality hamburger patties and kebab products. Atria’s annual net sales are expected to grow by about EUR 40 million. Well-Beef Kaunismaa has a production plant in Turku with approximately 50 employees.

The Sibylla concept has continued to show strong growth in Russia. The number of Sibylla sales outlets has increased to more than 2,700.

January-September 2016

Atria Group’s net sales for January-September totalled EUR 994.9 million (EUR 989.2 million). EBIT amounted to EUR 21.0 million (EUR 24.2 million). Adjusted EBIT was EUR 20.6 million (EUR 22.3 million). EBIT growth was slowed by decreased sales prices, the costs of ramping up the pig cutting plant and the costs incurred in taking over the poultry business acquired in Sweden.

Once completed, Atria Finland’s pig cutting plant will be one of Europe’s most modern cutting plants. The first phase of the cutting plant will be commissioned in 2016, after which the old cutting plant will be modernised. The entire project will be complete in 2017. The value of the investment is approximately EUR 36 million, and it is expected to generate annual cost savings of some EUR 8 million in the plant’s operations. These savings will be realised in full as of the beginning of 2018. Employer-employee negotiations concerning the project have been concluded. The cutting plant’s operations will be reorganised and, as a result of these arrangements, staffing will be reduced by 80 person-years by the end of 2016.

In April, the Swedish Competition Authority and Consumer Agency unconditionally approved Atria’s acquisition of the entire share capital of Lagerberg i Norjeby AB (Lagerbergs), a Swedish poultry company. The agreement between Atria and Lagerbergs was confirmed at the end of April and the business operations were transferred to Atria as of the start of May. The purchase price was EUR 18.7 million, and

it was paid in cash. Atria's annual net sales are expected to grow by about EUR 30 million. The transaction expands Atria's business in Sweden into the poultry market.

In June, Atria's Board of Directors approved a long-term investment programme worth EUR 14 million for the development of the poultry business in Sweden. The investments will be devoted to improving the entire production chain, from chicken rearing and industrial production to product marketing. The investments will take place in the period from 2016 to 2018.

Atria centralised its logistics operations in Sweden by moving them from Gothenburg to the Malmö plant. The logistics centre in Gothenburg was sold for a profit of EUR 1.4 million.

Atria sold the Linnamäe pig farm located in Northern Estonia. The sale of the Linnamäe pig farm gave rise to a sales loss of approximately EUR 1 million. The pig farm was transferred into new ownership as of 29 April 2016.

Atria centralised its industrial operations in Estonia at the Valga factory. Production of meat products was transferred from the Vastse-Kuuste factory to Valga and the real estate was sold. The sale had no impact on the company's results. Production rearrangements were concluded by the end of the second quarter. The measures are expected to generate annual savings of approximately EUR 0.5 million.

Key indicators

EUR million

	30.9.16	30.9.15	31.12.15
Equity/share, EUR	14.28	14.07	14.16
Interest-bearing liabilities	230.2	225.5	199.6
Equity ratio, %	46.3%	46.0%	47.4%
Net gearing, %	55.7%	55.8%	48.3%
Gross investments in fixed assets	54.0	39.0	56.9
Gross investments, % of net sales	5.4%	3.9%	4.2%
Average personnel (FTE)	4,291	4,304	4,271

The principles for calculating key indicators were presented in the 2015 annual financial statements.

Business development by area January-September 2016

Atria Finland

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2015
	2016	2015	2016	2015	
Net sales	227.0	235.1	685.7	681.0	929.0
EBIT	8.7	9.5	13.4	16.1	29.8
EBIT, %	3.8%	4.0%	2.0%	2.4%	3.2%
Items affecting comparability	-	-	-	-	-
Adjusted EBIT	8.7	9.5	13.4	16.1	29.8

Atria Finland's net sales for July-September totalled EUR 227.0 million (EUR 235.1 million). EBIT amounted to EUR 8.7 million (EUR 9.5 million). Atria did not take part in the intensified price competition in the retail and Food Service markets and, as a result, sales volumes decreased in comparison with the comparable period of last year. The costs of the transitional phase related to commissioning the new pig cutting plant had a negative effect on EBIT.

Net sales for January-September totalled EUR 685.7 million (EUR 681.0 million). Increased sales volumes at the beginning of the year enabled net sales to grow. EBIT amounted to EUR 13.4 million (EUR 16.1 million). A decline in sale prices and the costs of the transitional phase related to commissioning the new pig cutting plant had a negative effect on EBIT.

The market for the product groups represented by Atria in Finland showed a year-on-year increase in Q3/2016 in the retail and Food Service markets. Market growth was driven by the poultry and convenience food product groups. Atria played a smaller role in grill sausage sales campaigns than in the previous summer, leading to a decrease in market share. (Source: Atria)

Once completed, Atria Finland's new pig cutting plant will be one of Europe's most modern cutting plants. Thanks to the new technology in the pig cutting plant, meat will become traceable all the way back to the farm in even smaller batches. The cutting plant's productivity and competitiveness will increase considerably. In addition, the new cutting plant takes better consideration of improvements to ergonomics and maintaining good production hygiene. The first phase of the cutting plant will be commissioned in 2016, after which the old cutting plant will be modernised. The entire project will be complete in 2017. The value of the investment is approximately EUR 36 million, and it is expected to generate annual cost savings of some EUR 8 million in the plant's operations. These savings will be realised in full as of the beginning of 2018.

Employer-employee negotiations concerning the project have been concluded. The cutting plant's operations will be reorganised and, as a result of these arrangements, staffing will be reduced by 80 person-years by the end of 2016.

On 12 September 2016, the Finnish Competition and Consumer Authority unconditionally approved Atria's acquisition of a 70% stake in Well-Beef Kaunismaa Ltd. The agreement between Atria and Well-Beef Kaunismaa to conclude the acquisition was confirmed on 3 October 2016. The purchase price is approximately EUR 16 million.

Well-Beef Kaunismaa's business focuses on beef processing and wholesaling. The company's customers are mainly fast-food chains and other Food Service customers. Well-Beef Kaunismaa holds a strong position in the Finnish market as a manufacturer of high-quality hamburger patties and kebab products. Well-Beef Kaunismaa's product range complements Atria's selections of beef products. Atria's annual net sales are expected to grow by about EUR 40 million. Well-Beef Kaunismaa has a production plant in Turku with approximately 50 employees.

Altia Plc's feed business was transferred to Atria as of 1 April 2016. The transfer did not include any significant assets or liabilities. Atria will be solely responsible for processing the raw-material fractions that are produced as a result of Altia's starch and ethanol processes and are used to make protein and fibre feeds for pigs and cattle.

Atria initiated a project to reduce raw material waste at all of the Group's production plants. The project aims to minimise meat raw material wastage in production. One of the project's tasks is to investigate the solutions that the newest technology can offer for tackling waste problems in the food industry.

Atria Scandinavia

	Q3	Q3	Q1-Q3	Q1-Q3	
EUR million	2016	2015	2016	2015	2015
Net sales	90.6	81.3	255.1	246.7	330.5
EBIT	3.5	5.2	7.7	9.6	12.8
EBIT, %	3.9%	6.4%	3.0%	3.9%	3.9%
Items affecting comparability					
Sale of the real estate company	-	-	1.4	-	-
Adjusted EBIT	3.5	5.2	6.2	9.6	12.8

Atria Scandinavia's net sales for July-September totalled EUR 90.6 million (EUR 81.3 million). EBIT amounted to EUR 3.5 million (EUR 5.2 million). The increase in net sales was mainly due to the Lagerbergs poultry company acquired in April 2016. EBIT was weighed down by increases in raw material prices, the sales structure and the costs incurred in taking over Lagerbergs.

Net sales for January-September totalled EUR 255.1 million (EUR 246.7 million). EBIT amounted to EUR 7.7 million (EUR 9.6 million). Adjusted EBIT was EUR 6.2 million (EUR 9.6 million). The increase in net sales was mainly due to the acquired poultry business. EBIT was weighed down by the effects of the sales structure and the costs incurred in taking over Lagerbergs.

The total market for sausages among Swedish retailers has grown slightly. The total market for cold cuts has contracted. Atria's market share in sausages and cold cuts in terms of value in the Swedish retail trade decreased somewhat. In the Danish retail trade, Atria strengthened its position as the market leader in cold cuts. (Source: AC Nielsen)

Demand for organic products is increasing in Sweden and Denmark. Atria launched new organic cold cuts under the Arbogapastej, Pastejköket and Aalbaek brands. Lithells Signature, a new family of additive-free products, was developed for Food Service customers.

Atria acquired the Lagerbergs poultry company at the end of April and the business operations were transferred to Atria as of the beginning of May. The purchase price was EUR 18.7 million, and it was paid in cash. The takeover of the business has proceeded as planned. In June, Atria's Board of Directors approved a long-term investment programme worth EUR 14 million for the development of the poultry business. The investments will be devoted to improving the entire production chain, from chicken rearing and industrial production to product marketing. The investments will take place from 2016 to 2018. Atria's annual net sales are expected to grow by about EUR 30 million.

Atria centralised its logistics operations in Sweden by moving them from Gothenburg to the Malmö plant. The logistics centre in Gothenburg was sold for a profit of EUR 1.4 million.

The Danish Competition and Consumer Authority (Konkurrence- og Forbrugerstyrelsen) has opened an investigation into Atria Scandinavia's subsidiary, Atria Danmark A/S, concerning sales of cold cuts to retail customers. Atria has provided the authorities with all of the requested documentation. Atria's view is that it has not been involved in activities that violate competition legislation.

There were approximately 30 different projects related to corporate responsibility underway within the Atria's Handprint programme. A key focus during the review period was on projects related to ensuring occupational safety.

Atria Russia

	Q3	Q3	Q1-Q3	Q1-Q3	
EUR million	2016	2015	2016	2015	2015
Net sales	19.5	19.1	50.6	56.5	75.1
EBIT	0.5	0.5	-0.1	0.2	-0.2
EBIT, %	2.4%	2.8%	-0.2%	0.4%	-0.3%
Items affecting comparability:					
Pig farm sale	-	-	-	1.9	1.9
Adjusted EBIT	0.5	0.5	-0.1	-1.7	-2.1

Atria Russia's net sales for July-September totalled EUR 19.5 million (EUR 19.1 million). In the local currency, net sales grew by 5.4%. EBIT amounted to EUR 0.5 million (EUR 0.5 million). The growth in net sales was accelerated by a revamped product selection, a growth in sales to retailers and good sales of Sibylla products.

Net sales for January-September totalled EUR 50.6 million (EUR 56.5 million). In the local currency, net sales grew by 2.8%. EBIT was EUR -0.1 million (EUR 0.2 million). Adjusted EBIT was EUR -0.1 million (EUR -1.7 million). Adjusted EBIT was boosted by increased sales of Sibylla products, stabilisation of raw material prices and increased sales to retailers.

The Sibylla concept has continued to show strong growth. The number of Sibylla sales outlets has increased to more than 2,700.

The launch of the Atria brand in the retail sector has got off to a good start. The product selection contains grill sausages, convenience foods, hot dogs, hamburgers, and additive-free sausages and frankfurters based on Finnish recipes. The aim is to expand the Atria product selection further and develop entirely new products and product segments for the Russian market.

Atria Baltic

	Q3	Q3	Q1-Q3	Q1-Q3	
EUR million	2016	2015	2016	2015	2015
Net sales	8.7	8.4	25.6	24.9	32.9
EBIT	0.5	0.0	0.1	0.1	-9.0
EBIT, %	6.2%	0.3%	0.2%	0.4%	-27.3%
Items affecting comparability:					
Pig farm sale	-	-	-1.0	-	-
Goodwill impairment	-	-	-	-	-9.1
Adjusted EBIT	0.5	0.0	1.1	0.1	0.1

Atria Baltic's net sales for July-September amounted to EUR 8.7 million (EUR 8.4 million). EBIT amounted to EUR 0.5 million (EUR 0.0 million). Sales volumes were good. Sales of the new minced meat products launched at the beginning of the year increased rapidly, while sales of grill sausages were weaker than in the previous year. The price of pork began to rise during the review period, which boosted the profitability of the business.

Net sales for January-September totalled EUR 25.6 million (EUR 24.9 million). EBIT amounted to EUR 0.1 million (EUR 0.1 million). Adjusted EBIT was EUR 1.1 million (EUR 0.1 million). Atria's retail sales volumes showed positive development in the first half of the year. Sales of minced meat products and fresh meat showed particularly strong improvement. Long-term work to increase cost efficiency has led to improved profitability.

Atria centralised its industrial operations in Estonia at the Valga factory. Production of meat products was transferred from the Vastse-Kuuste factory to Valga and the real estate was sold. The sale had no impact on the company's results. Production rearrangements were concluded by the end of the second quarter. The measures are expected to generate annual savings of approximately EUR 0.5 million.

Atria sold the Linnamäe pig farm located in Northern Estonia in April. The sale of the Linnamäe pig farm gave rise to a sales loss of approximately EUR 1 million.

Financial position

In April, Atria Plc repaid bullet bank loans that totalled EUR 50 million and would have matured in April 2018, and replaced these with a seven-year bullet loan worth EUR 40 million. In June, the company refinanced a committed credit facility of EUR 25 million due to mature in June 2018 by taking out a new EUR 30 million committed credit facility with a maturity of five years.

During the review period, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -17.5 million (EUR 37.6 million). Cash flow from investments includes divested businesses worth EUR 5.2 million (EUR 34.1 million) and acquired businesses worth EUR -15.9 million (EUR -5.5 million). The Group's investments during the period totalled EUR 54.0 million (EUR 39.0 million).

Interest-bearing net liabilities amounted to EUR 227.8 million (31 December 2015: EUR 195.5 million). The equity ratio was 46.3 per cent (31 December 2015: 47,4 %). Netted translation differences with the Russian rouble and the Swedish krona recognised in equity increased equity by EUR 1.8 million (EUR -2.9 million) in the period from January to September.

On 30 September 2016, the Group had undrawn committed credit facilities worth EUR 105.0 million (31 December 2015: EUR 125.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 1 month (31 December 2015: 3 years 1 month).

Events after the period under review

In October, Atria Finland Ltd received official confirmation that it had obtained a permit to export pork to China. The Chinese authorities granted a plant-specific permit to Atria Finland's Nurmo production plant to export pork to China. Initiating exports to China is a major step in the development and expansion of Atria's businesses. Efforts will be made to initiate export operations as quickly as possible. The effect on Atria's net sales of exporting to China will become more apparent when commercial operations begin.

On 12 September 2016, the Finnish Competition and Consumer Authority unconditionally approved Atria's acquisition of a 70% stake in Well-Beef Kaunismaa Ltd. The agreement between Atria and Well-Beef Kaunismaa to conclude the acquisition was confirmed on 3 October 2016.

Average personnel (FTE)

Personnel by business area on average (FTE)	Q1-Q3 2016	Q1-Q3 2015	2015
Atria Finland	2,207	2,242	2,214
Atria Scandinavia	973	931	930
Atria Russia	806	813	812
Atria Baltic	305	318	315
Total	4,291	4,304	4,271

Business risks in the period under review and short-term risks

Unplanned and unforeseen incidents related to the quality and safety of raw materials and products in any part of the chain, from primary production to consumption, constitute a potential risk to Atria's operations. African swine fever continues to cause disruption in Estonia. It has a high risk of spreading. Atria has introduced several precautions in order to prevent the disease from spreading into its production facilities, and is thereby managing the existing risk.

Shifts in the balance between supply and demand in the global meat market pose a risk to Atria's business. Atria estimates that no significant changes have occurred in the uncertainties of the meat market compared to the situation described in the Annual Report 2015. Atria's exposure to the volatility of the Russian rouble and to the effects of Russia's import ban on EU meat continues. Additionally, weakening consumer purchasing power in Russia represents a risk in terms of net sales and EBIT.

Outlook for the future

Consolidated EBIT was EUR 28.9 million in 2015. In 2016, EBIT is expected to be better than in 2015. In 2016, net sales are expected to grow.

Financial calendar 2017

Atria Plc's financial statement release for 2016 will be published on 14 February 2017 at 8:00 am. The Annual General Meeting will be held in Helsinki on 27 April 2017. Under the Limited Liability Companies Act, a shareholder has the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting if the shareholder so demands in writing from the Board of Directors well in advance of the meeting, so that the matter can be mentioned in the notice. The Board of Directors must be notified of such a demand by 16 February 2017 in order for it to be dealt with at the General Meeting. The demand, with accompanying justification or proposed resolution, must be sent in writing to Atria Plc, Group Legal Affairs, Läkkipäntie 23, FI-00620 Helsinki.

Atria Plc's Annual Report 2016 will be published in week 13/2017.

Atria Plc will publish two interim reports and one half-year report in 2017:

- Interim report for January to March: 27 April 2017 at approximately 8:00 am
- Half-year report for January to June: 20 July 2017 at approximately 8:00 am
- Interim report for January to September: 26 October 2017 at approximately 8:00 am

Financial releases can also be viewed on the company's website at www.atria.com immediately after their release.

Shares

Atria Plc's share capital consists of a total of 28,267,728 shares, divided into 19,063,747 series A shares and 9,203,981 series KII shares. Each series A share entitles its holder to one (1) vote and each series KII

share to ten (10) votes at a General Meeting. Therefore, Atria Plc's shareholders are entitled to a total of 111,103,557 votes. The company holds 111,312 series A treasury shares.

Valid authorisations to purchase or issue shares, grant special rights and make donations

The General Meeting authorised the Board of Directors to decide, on one or several occasions, on the acquisition of a maximum of 2,800,000 of the company's own A shares with funds belonging to the company's unrestricted equity, subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company. The company's own series A shares may be acquired for use as consideration in any acquisitions or other arrangements relating to the company's business, to finance investments, as part of the company's incentive scheme, to develop the company's capital structure, to be otherwise further transferred, to be retained by the company or to be cancelled.

The shares shall be acquired in a proportion other than that of the shareholders' current shareholdings in the company in public trading arranged by Nasdaq Helsinki Ltd at the market price at the moment of acquisition. The shares shall be acquired and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Oy. The Board of Directors was authorised to decide on the acquisition of the company's own shares in all other respects.

The authorisation shall supersede the authorisation granted by the Annual General Meeting on 28 April 2015 to the Board of Directors to decide on the acquisition of the company's own shares and it shall remain valid until the closing of the next Annual General Meeting or until 30 June 2017, whichever is first.

The General Meeting authorised the Board of Directors to decide, on one or several occasions, on an issue of a maximum of 7,000,000 new series A shares or on an issue of any series A shares held by the company through a share issue and/or by granting option rights or other special rights entitling holders to shares as referred to in chapter 10, section 1 of the Limited Liability Companies Act. The authorisation may be exercised to finance or execute any acquisitions or other arrangements or investments related to the company's business, to implement the company's incentive programme or for other purposes subject to the Board of Directors' decision.

The Board of Directors is also authorised to decide on all terms and conditions of the share issue and of the granting of special rights as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act. The authorisation thus also includes the right to issue shares in a proportion other than that of the shareholders' current shareholdings in the company under the conditions provided by law, the right to issue shares against payment or without charge and the right to decide on a share issue without payment to the Company itself, subject to the provisions of the Companies Act on the maximum number of treasury shares.

The authorisation shall supersede the share issue authorisation granted to the Board of Directors by the Annual General Meeting on 28 April 2015 and it shall remain valid until the closing of the next Annual General Meeting or until 30 June 2017, whichever is first.

The General Meeting decided, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to decide on the donation of a maximum of EUR 100,000 to universities or other educational institutions.

Share premium reductions

The General Meeting decided that the share premium belonging to restricted equity as stated on the parent company's balance sheet on 31 December 2015 will be reduced by transferring all of the assets - a total of EUR 138,502,108.85 - into the company's invested unrestricted equity fund. The share premium reduction will not give rise to costs and it will not affect the number of shares in the company, the rights conferred by the shares or the shareholders' relative ownership stakes.

The share premium was reduced on 31 August 2016 when all of the assets - a total of EUR 138,502,108.85 - were transferred into the company's invested unrestricted equity fund.

Corporate governance principles

Atria's corporate governance principles and deviations from the Finnish Corporate Governance Code are published on the company's website at www.atria.com.

ATRIA GROUP

CONSOLIDATED INCOME STATEMENT

EUR million	7-9/16	7-9/15	1-9/16	1-9/15	1-12/15
Net sales	339.1	337.1	994.9	989.2	1,340.2
Costs of goods sold	-295.3	-293.6	-876.8	-873.9	-1,176.9
Gross profit	43.8	43.5	118.1	115.3	163.3
Sales and marketing expenses	-20.2	-19.8	-65.6	-64.9	-87.6
Administrative expenses	-9.9	-9.7	-32.1	-30.2	-41.5
Other operating income	0.7	1.5	3.3	4.8	5.5
Other operating expenses	-1.2	-0.5	-2.8	-0.9	-10.7
EBIT	13.2	15.1	21.0	24.2	28.9
Finance income and costs	-1.8	-2.6	-4.7	-7.4	-9.2
Income from joint ventures and associates	0.5	0.4	0.0	0.5	0.4
Profit/loss for before tax	11.8	13.0	16.3	17.3	20.1
Income taxes	-2.2	-4.9	-3.5	-6.1	-5.5
Profit/loss for the period	9.6	8.1	12.8	11.2	14.6
Profit attributable to:					
Owners of the parent	9.1	7.6	11.9	10.6	13.8
Non-controlling interests	0.5	0.5	0.9	0.6	0.8
Total	9.6	8.1	12.8	11.2	14.6
Basic earnings per share, EUR	0.32	0.27	0.42	0.38	0.49
Diluted earnings per share, EUR	0.32	0.27	0.42	0.38	0.49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9/16	7-9/15	1-9/16	1-9/15	1-12/15
Profit/loss for the period	9.6	8.1	12.8	11.2	14.6
Other comprehensive income after tax:					
Items that will not be reclassified to profit or loss					
Actuarial gains/losses from benefit-based pension obligations	-	-	-	-	0.4
Items reclassified to profit or loss when specific conditions are met					
Available-for-sale financial assets	-	-	-	-0.2	-0.2
Cash flow hedges	1.1	-0.6	0.7	-0.5	0.2
Currency translation differences	-1.0	-9.1	1.8	-2.9	-4.6
Total comprehensive income for the period	9.7	-1.6	15.4	7.6	10.5
Total comprehensive income attributable to:					
Owners of the parent	9.2	-2.1	14.6	7.0	9.6
Non-controlling interests	0.5	0.5	0.8	0.6	0.9
Total	9.7	-1.6	15.4	7.6	10.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

EUR million	30.9.16	30.9.15	31.12.15
Non-current assets			
Property, plant and equipment	397.4	390.6	394.7
Biological assets	0.6	0.7	0.7
Goodwill	156.9	164.5	157.9
Other intangible assets	85.2	78.3	79.2
Investments in joint ventures and associates	12.9	13.1	13.1
Other financial assets	1.1	1.1	1.1
Loans and other receivables	11.1	10.4	11.2
Deferred tax assets	7.2	7.3	7.0
Total	672.5	666.0	665.0
Current assets			
Inventories	86.8	89.0	80.8
Biological assets	3.2	3.4	3.1
Trade and other receivables	118.8	113.9	102.3
Cash and cash equivalents	2.4	1.2	4.1
Total	211.1	207.5	190.4
Total assets	883.7	873.5	855.4

Equity and liabilities

EUR million	30.9.16	30.9.15	31.12.15
Equity attributable to the shareholders of the parent company	403.5	397.6	400.2
Non-controlling interests	5.4	4.3	4.6
Total equity	409.0	401.9	404.8
Non-current liabilities			
Interest-bearing financial liabilities	141.2	197.6	155.6
Deferred tax liabilities	46.8	44.4	45.3
Pension obligations	7.1	7.7	7.4
Other non-interest-bearing liabilities	5.1	5.5	5.9
Total	200.1	255.2	214.2
Current liabilities			
Interest-bearing financial liabilities	89.0	27.9	44.0
Trade and other payables	185.6	188.5	192.3
Total	274.6	216.4	236.3
Total liabilities	474.7	471.6	450.6
Total equity and liabilities	883.7	873.5	855.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to the shareholders of the parent company								Non-cont roll ing inte rests	Total equity
	Share capital	Share premium	Treasury shares	Other funds	Inv. non- rest. equity fund	Trans lation diff.	Retained earnings	Total		
Equity 1.1.15	48.1	138.5	-1.3	-4.4	110.6	-46.8	157.2	401.9	3.7	405.6
Comprehensive income for the period										
Profit for the period							10.6	10.6	0.6	11.2
Other comprehensive income										
Available-for-sale financial assets				-0.2				-0.2		-0.2
Cash flow hedges				-0.5				-0.5		-0.5
Currency translation differences						-2.9		-2.9	0.0	-2.9
Transactions with owners										
Dividends							-11.3	-11.3		-11.3
Equity 30.9.15	48.1	138.5	-1.3	-5.1	110.6	-49.7	156.6	397.6	4.3	401.9
Equity 1.1.16	48.1	138.5	-1.3	-4.4	110.6	-51.4	160.2	400.2	4.6	404.8
Transfer between accounts		-138.5			138.5			0.0		0.0
Comprehensive income for the period										
Profit for the period							11.9	11.9	0.9	12.8
Other comprehensive income										
Cash flow hedges				0.7				0.7		0.7
Currency translation differences						2.0		2.0	-0.1	1.8
Transactions with owners										
Dividends							-11.3	-11.3		-11.3
Equity 30.9.16	48.1	0.0	-1.3	-3.6	249.1	-49.4	160.8	403.5	5.4	409.0

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-9/16	1-9/15	1-12/15
Cash flow from operating activities			
Operating activities before financial items and taxes	32.8	46.2	96.4
Financial items and taxes	-8.6	-4.4	-8.2
Net cash flow from operating activities	24.2	41.9	88.2
Cash flow from investing activities			
Tangible and intangible assets	-31.1	-32.0	-50.2
Acquired operations, net of cash acquired	-15.9	-5.5	-5.5
Sold operations	5.2	34.1	33.7
Non-current receivables	1.0	0.2	0.2
Dividends received	0.1	0.6	0.6
Current receivables	-1.1	-1.6	-1.1
Net cash used in investing activities	-41.7	-4.2	-22.3
Cash flow from financing activities			
Proceeds from long-term borrowings	73.2	-	30.2
Repayment of long-term borrowings	-85.2	-6.3	-40.8
Changes in short-term borrowings	39.7	-22.3	-44.3
Dividends paid	-11.3	-11.3	-11.3
Net cash used in financing activities	16.5	-39.8	-66.2
Change in liquid funds	-1.0	-2.2	-0.3
Cash and cash equivalents at beginning of year	4.1	3.4	3.4
Effect of exchange rate changes	-0.8	0.0	1.0
Cash and cash equivalents at the end of period	2.4	1.2	4.1

The content of the cash flow statement items have been changed in 2016.

Comparative information has been changed to correspond to current year presentation.

NOTES TO THE INTERIM REPORT**INTERIM REPORT ACCOUNTING POLICIES**

This interim report has been prepared in accordance with the IAS 34 Interim Financial Reporting standard. Atria has applied the same principles in preparing this report as in preparing the 2015 annual financial statements. However, as of 1 January 2016, the Group uses new or revised IFRS standards and IFRIC interpretations published by the IASB, referred to in the accounting principles of the 2015 annual financial statements. These new or revised standards and interpretations did not have any impact on the figures presented for the review period.

Alternative indicators used in financial reporting

Atria has begun complying with the instructions issued by the European Securities and Market Authority (ESMA) concerning alternative indicators. In addition to reporting EBIT, the company publishes an adjusted EBIT indicator to describe the actual financial development of the business and to improve comparability between different periods. The adjusted EBIT is determined by adjusting the EBIT recognised in the income statement for items that affect comparability. These may include events that are not part of the company's ordinary business activities, such as capital gains and losses from the sale of operations, impairment, the costs of discontinuing significant operations and costs arising from the reorganisation of operations. The items that have affected the adjusted EBIT during the reporting period and in the comparison period are itemised in tables in the interim report.

The company also publishes certain other widely-used indicators, which can mostly be derived from the income statement and balance sheet. The principles for calculating these indicators were set out in the 2015 financial statements. In the company's view, the indicators that have been presented serve to clarify the view provided by the income statement and balance sheet of the business' operational result and financial position.

The figures given in this release are rounded to millions of euros, so the combined total of individual figures may differ from the total sum presented. The figures presented in this financial statement release are unaudited.

OPERATING SEGMENTS

EUR million	7-9/16	7-9/15	1-9/16	1-9/15	1-12/15
Net sales					
Atria Finland	227.0	235.1	685.7	681.0	929.0
Atria Scandinavia	90.6	81.3	255.1	246.7	330.5
Atria Russia	19.5	19.1	50.6	56.5	75.1
Atria Baltic	8.7	8.4	25.6	24.9	32.9
Eliminations	-6.7	-6.9	-22.1	-20.0	-27.4
Total	339.1	337.1	994.9	989.2	1,340.2
EBIT					
Atria Finland	8.7	9.5	13.4	16.1	29.8
Atria Scandinavia	3.5	5.2	7.7	9.6	12.8
Atria Russia	0.5	0.5	-0.1	0.2	-0.2
Atria Baltic	0.5	0.0	0.1	0.1	-9.0
Unallocated	-0.1	-0.2	-0.1	-1.8	-4.4
Total	13.2	15.1	21.0	24.2	28.9
Investments					
Atria Finland	7.8	6.3	24.1	21.5	33.0
Atria Scandinavia	2.6	3.1	26.9	14.6	19.3
Atria Russia	0.2	0.3	1.1	1.7	2.9
Atria Baltic	0.6	0.5	1.9	1.1	1.8
Total	11.2	10.2	54.0	39.0	56.9
Depreciation and write-offs					
Atria Finland	6.8	7.0	21.3	21.7	29.2
Atria Scandinavia	3.0	2.7	8.9	8.1	10.9
Atria Russia	1.1	1.0	3.0	3.3	4.2
Atria Baltic	0.5	0.6	1.7	1.7	11.4
Total	11.4	11.3	34.8	34.7	55.7

FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES:

EUR milloin

Balance sheet items	30.9.16	Level 1	Level 2	Level 3
Assets				
Available-for-sale financial assets	1.1			1.1
Derivative financial instruments	2.6		2.6	
Total	3.7	0.0	2.6	1.1
Liabilities				
Bonds	50.0		50.0	
Derivative financial instruments	5.8		5.8	
Total	55.8	0.0	55.8	0.0

Balance sheet items	31.12.15	Level 1	Level 2	Level 3
Assets				
Available-for-sale financial assets	1.1			1.1
Derivative financial instruments	1.0		1.0	
Total	2.1	0.0	1.0	1.1
Liabilities				
Bonds	50.0		50.0	
Derivative financial instruments	8.9		8.9	
Total	58.9	0.0	58.9	0.0

There were no transfers between Levels 1 and 2 during the period.

Level 1: Prices listed on active markets for identical assets and liabilities.

Level 2: Fair values can be determined either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Fair values are not based on verifiable market prices.

Fair values of financial instruments do not deviate significantly from balance sheet values.

RELATED PARTY TRANSACTIONS

EUR million

The following transactions were completed with related parties:

	7-9/16	7-9/15	1-9/16	1-9/15	1-12/15
Sales of goods and services	2.8	2.4	8.1	7.0	9.9
Purchases of goods and services	20.4	20.1	59.6	58.6	82.0
			30.9.16	30.9.15	31.12.15
Receivables			2.3	2.2	2.4
Liabilities			4.2	4.9	5.3

CONTINGENT LIABILITIES

EUR million	30.9.16	30.9.15	31.12.15
Debts with mortgages given as security			
Loans from financial institutions	1.3	2.7	2.7
Pension fund loans	5.2	5.4	5.5
Total	6.6	8.1	8.2
Mortgages given as comprehensive security			
Real estate mortgages	3.7	3.8	3.8
Corporate mortgages	1.1	1.3	1.2
Total	4.8	5.1	5.0
Guarantee engagements not included in the balance sheet			
Guarantees	0.4	0.4	0.4

DIVESTED OPERATIONS

On 29 April 2016 Atria sold a pig farm located in Northern Estonia. The sale of the pig farm gave rise to a sales loss of approximately EUR 1 million, which is recorded under other operating expenses.

In Sweden, Atria sold Kb Joddlaren, a real estate company, on 1 June 2016. The company owns a logistics property in Gothenburg. The transaction price was EUR 3.8 million and Atria Scandinavia recognised a EUR 1.4 million profit on the transaction under other operating income.

ACQUIRED SUBSIDIARIES

Atria purchased the entire share capital of Lagerberg i Norjeby AB, a poultry company. The deal was approved by the Swedish Competition Authority and Consumer Agency on 1 April 2016. The agreement between Atria and Lagerbergs was confirmed at the end of April and the business operations were transferred to Atria as of the start of May. The purchase price was EUR 18 million and it was paid in cash.

The transaction expands Atria's business into the Swedish poultry market. The company is the third largest supplier on the Swedish chicken market. Lagerbergs brand was included in the acquisition. In Sweden, demand for chicken has increased steadily in recent years. In 2015, the retail market for poultry increased by 7 per cent.

Lagerbergs has a production plant and its own chicken rearing facilities in Blekinge, Southern Sweden. In addition to the chickens produced at its own rearing facilities, Lagerbergs acquires chickens from the contract producers located near the production plant. The company employs 120 people. Atria's annual net sales are expected to grow by about EUR 30 million.

Lagerberg i Norjeby AB	Fair value used in the acquisition
Property, plant and equipment	6.4
Intangible assets	
Contracts of the operations	4.8
Brands	5.7
Goodwill	3.9
Non-current financial assets	0.9
Inventories	1.8
Current receivables	4.0
Cash in hand and at bank	2.8
Total assets	30.2
Non-current liabilities	3.0
Deferred tax liabilities	2.7
Current liabilities	5.8
Total liabilities	11.5
Net assets	18.7
Purchase price	18.7
Effect of the acquisition on cash flow	15.9

The calculation was updated after the original presentation, because the value of acquired assets and therefore the purchase price have been specified.

ATRIA*Good food – better mood.*

Interim Report 1 January –30 September 2016
27 October 2016, 8:00 am

ATRIA PLC
Board of Directors

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