



Interim Report 1 January - 31 March 2017

Juha Gröhn, CEO, 27 April 2017

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Atria Group 1 January - 31 March 2017

EUR million	Q1		2016
	2017	2016	
Net sales	332.5	314.5	1,351.8
EBIT	1.2	1.6	31.8
EBIT %	0.4 %	0.5 %	2.3 %
Profit/loss before taxes	0.8	-0.3	26.1
Earnings per share, €	-0.02	-0.03	0.65
Adjusted EBIT	1.2	1.6	31.4

- Atria's net sales grew year-on-year in all business areas. Net sales grew in all business areas, mainly due to the acquisitions made last year in Finland and Sweden.
- The first pork deliveries to China will take place in May. Atria's poultry units in Nurmo and Sahalahti have been granted export authorisations to Japan. The commercial effects will be evaluated later.
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.46 (EUR 0.40) be paid per share.

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Atria Finland 1 Jan - 31 March 2017

EUR million	Q1		2016
	2017	2016	
Net sales	228.2	224.7	932.3
EBIT	4.1	1.7	24.2
EBIT %	1.8 %	0.8 %	2.6 %
Adjusted EBIT	4.1	1.7	24.2

- The increase of Atria Finland's net sales was due to the consolidation of Well-Beef's operations into Atria late last year.
- EBIT was up from the year before due to improvements in category profitability and sales structure.
- Atria Finland Ltd signed a delivery agreement for exporting the first meat batch to China. The first delivery batch will be sent at the beginning of May.
- Atria Finland's pig cutting plant project is progressing according to plan. The entire project will be completed in 2017.

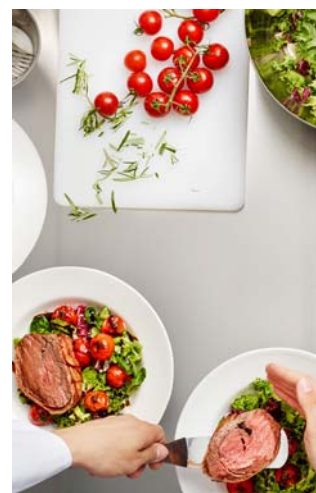
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Atria Finland

- The total market for the product groups represented by Atria showed a positive trend in January-March, increasing by about 2 per cent. Increased convenience food sales boosted the market. Atria's producer market share in retail trade was slightly more than 23 per cent. (Source: Atria)
- Next autumn, a label will be added to the retail packages of Atria Family Farm Chicken to show that no antibiotics have been given to the chickens during their lifetime. Antibiotics have not been used for years in Atria's chicken production chain.
- In cooperation with contract producers of pork, Atria has also launched the systematic production of antibiotic-free pork on the Ab-free Pork Line. As of the beginning of next year, Atria will bring to the market batches of meat bearing the marking "Antibiotic-free". These pigs have not been given any antibiotics during their lifetime.

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Atria Scandinavia 1 Jan - 31 March 2016

EUR million	Q1		2016
	2017	2016	
Net sales	84.1	75.7	343.4
EBIT	0.0	0.7	8.4
EBIT %	0.0 %	0.9 %	2.4 %
Non-recurring items:			
Sale of the real estate company	-	-	1.4
Adjusted EBIT	0.0	0.7	7.0

- In the local currency, Atria Scandinavia's net sales grew by 12.6 per cent due to the poultry company acquired last year.
- EBIT was brought down by an unfavourable sales structure.
- Last summer, Atria initiated a long-term investment programme in order to develop the newly acquired poultry business. The programme is progressing according to plan, and aims to improve the entire production chain: chicken rearing, slaughtering and processing.

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Atria Scandinavia

- The total market for the core product groups represented by Atria (sausages, cold cuts, fresh chicken) in the Swedish retail trade contracted during the period under review.
- The market for meat-based snacks and vegetarian products was on the rise.
- In Sweden, Atria's main brands lost some market share, whereas in Denmark, the 3-Stjernet brand strengthened its position as the market leader in cold cuts. (Source: AC Nielsen)
- Due to increased demand for poultry products, Atria launched a chicken pâté. In the Food Service market, Atria introduced 13 new Lagerbergs chicken products. In addition, Atria was the first player in Sweden to launch a vegetarian pâté.



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Atria Russia 1 Jan - 31 March 2017

EUR million	Q1		2016
	2017	2016	
Net sales	18.7	13.6	71.8
EBIT	-1.7	-0.7	-0.7
EBIT %	-9.2 %	-5.2 %	-0.9 %
Adjusted EBIT	-1.7	-0.7	-0.7

- In the local currency, Atria Russia's net sales grew by 4.6 per cent. The increase in net sales was due to increased sales to retail and in the Sibylla business. Food Service sales declined during the review period.
- The results were brought down by an increase in meat raw materials costs compared to the previous year and investments in marketing.
- Sales prices were raised so as to compensate for the higher raw material costs. The price increases had no impact on the results for the first quarter.
- In the retail sector, Atria's market position remained stable in the first quarter.

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Atria Baltic 1 Jan - 31 March 2017

EUR million	Q1		2016
	2017	2016	
Net sales	8.5	7.7	34.4
EBIT	0.5	-0.2	0.7
EBIT %	6.3 %	-2.4 %	2.0 %
Non-recurring items: Pig farm sale	-	-	-1.0
Adjusted EBIT	0.5	-0.2	1.7

- Atria Baltic's average sales prices were higher than in the same period last year.
- The profitability of industrial operations has improved.
- Atria's market share strengthened in the product groups represented by the company.
- During the review period, Atria brought to the market a new family of sausage products with a meat content of 77 per cent. Atria also launched a new fresh minced meat product containing carrot.

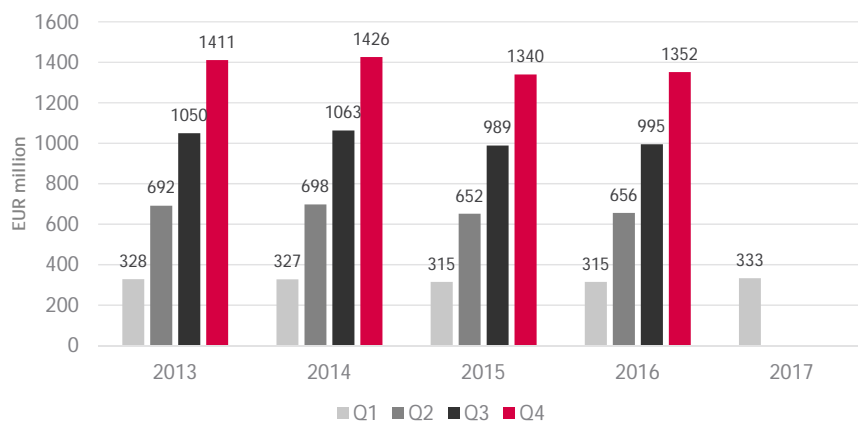
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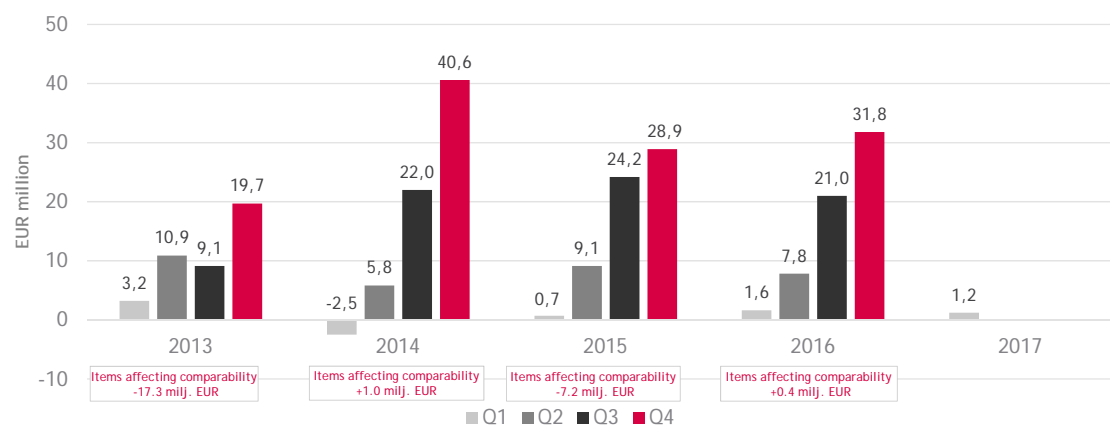
Financial development

- “Profitability management is largely about the management of product pricing. The share of sales based on campaigns has increased in recent years and, correspondingly, the share of products sold at standard prices has decreased.”
(CEO Juha Gröhn)

Atria Group Net Sales cumulative, quarterly



Atria Group EBIT cumulative, quarterly



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Atria Group Financial indicators 1 Jan - 31 March 2017

EUR million	31 March 2017	31 March 2016	2016
Shareholder's equity per share, EUR	14.59	14.15	14.49
Interest-bearing liabilities	250.3	216.9	217.8
Equity ratio, %	46.0	47.2	46.5
Net gearing, %	57.7	53.1	50.5
Gross investments	12.2	10.3	82.9
Gross investments, % of net sales	3.7	3.3	6.1
Average number of employees	4,370	4,213	4,315

- During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -32.5 million (EUR -19.0 million). Due to the working capital items, operating cash flow decreased compared to the previous year.
- The Group's investments during the period totalled EUR 12.2 million (EUR 10.3 million).
- Total translation differences with the Russian rouble and the Swedish krona recognised in equity increased equity by EUR 3.5 million (EUR 1.9 million) in January-March.
- On 31 March 2017, the amount of the Group's undrawn committed credit facilities stood at EUR 105.0 million (31 December 2016: EUR 105.0 million). The average maturity of loans and committed credit facilities at the end of the period under review was 3 years 3 months (31 December 2016: 3 years 9 months).

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Atria Group Income Statement

EUR million	Q1		2016
	2017	2016	
NET SALES	332.5	314.5	1,351.8
Cost of goods sold	-296.6	-281.1	-1,187.4
GROSS PROFIT	36.0	33.4	164.4
% of Net sales	10.8 %	10.6 %	12.2 %
Other income	0.8	0.5	4.6
Other expences	-35.5	-32.3	-137.2
EBIT	1.2	1.6	31.8
% of Net sales	0.4 %	0.5 %	2.3 %
Financial income and expences	-1.4	-1.4	-6.3
Income from joint-ventures and associates	1.0	-0.5	0.7
PROFIT/LOSS BEFORE TAXES	0.8	-0.3	26.1
Income taxes	-0.8	-0.5	-6.6
PROFIT/LOSS FOR THE PERIOD	0.0	-0.8	19.6

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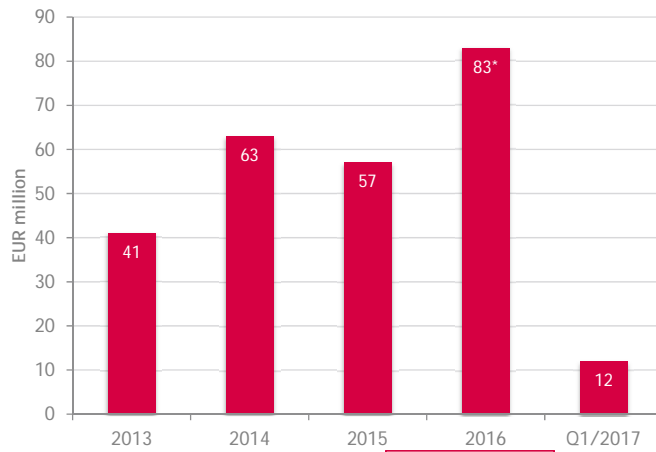
Atria Group Cash flow statement

EUR million	Q1		2016
	2017	2016	
Cash flow from operating activities	-15.4	-6.1	74.4
Financial items and taxes	-6.8	-2.8	-9.6
NET CASH FLOW FROM OPERATING ACTIVITIES	-22.2	-8.9	64.8
Investing activities, tangible and intangible assets	-12.5	-10.2	-42.6
Acquired operations	-	-	-30.2
Sold operations	-	-	5.2
Change in non-current receivables	0.0	0.7	1.4
Dividends received from investments	-	0.1	0.1
Change in other investments	2.2	-0.8	-1.3
NET CASH USED IN INVESTING ACTIVITIES	-10.3	-10.0	-67.3
FREE CASH FLOW	-32.5	-19.0	-2.5
Changes in interest-bearing liabilities	32.5	17.5	15.4
Dividends paid	-	-	-11.3
NET CASH USED IN FINANCING ACTIVITIES	32.5	17.5	4.1
CHANGE IN LIQUID FUNDS	0.1	-1.5	1.7

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Atria Group Gross investments

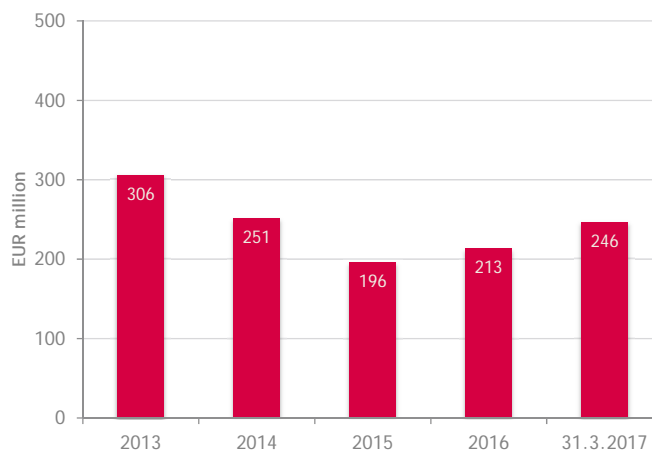


In 2016 the acquisitions increased the amount of gross investments by EUR 34.9 million.

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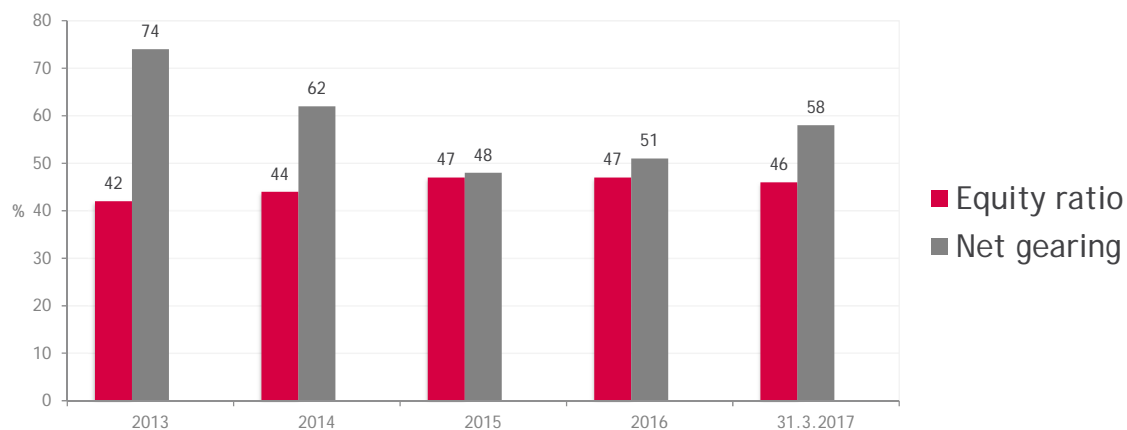
Atria Group Net debts



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Atria Group Equity ratio & Net gearing



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

- Possible risks in Atria's operations are related to implementing the strategy, maintaining or improving the financial results of business areas as well as integrating acquired businesses. The general economic climate, market development and competitors' operations also affect Atria's risks.
- Incidents related to the quality and safety of raw materials and products in any part of the chain, from primary production to consumption, are ordinary risks in Atria's business environment.
- African swine fever continues to cause disruption in Estonia. The risk is that African swine fever will spread to Finland. Atria has taken several precautionary measures to prevent the disease from spreading into its production facilities, and strives to manage the risk.
- Fluctuations in the value of the rouble influence the Group's euro-denominated net sales and result.

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Outlook for the future

- Consolidated EBIT was EUR 31.8 million in 2016. In 2017, EBIT is expected to be better than in 2016 and net sales are expected to grow.

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Board of Director's proposal for profit distribution

- The Board of Directors proposes that a dividend of EUR 0.46 be paid for each share for the financial year 2016.

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Thank you

- Q2/2017 will be published on 20 July 2017