



# Atria Plc Interim Report

1 January - 30 September 2017

**ATRIA**

*Good food – better mood.*

## INTERIM REPORT OF ATRIA PLC 1 JANUARY - 30 SEPTEMBER 2017

Atria enjoyed a strong quarter - net sales and profitability increased in the third quarter

### July-September 2017

- The Group's net sales were EUR 360.8 million (EUR 339.1 million).
- The Group's EBIT was EUR 16.2 million (EUR 13.2 million), or 4.5 per cent (3.9%) of net sales.
- Atria initiated a development project to improve productivity at the Jyväskylä plant.
- Atria launched antibiotic-free chicken in Finland.
- The construction of new production lines at the poultry plant in Sweden has progressed in accordance with the investment programme.

### January-September 2017

- The Group's net sales amounted to EUR 1,061.7 million (EUR 994.9 million).
- The Group's EBIT was EUR 27.5 million (EUR 21.0 million), or 2.6 per cent (2.1%) of net sales.
- Exports to China began in May, and the first batches of meat arrived in China at the end of June.
- Work began on the construction of a solar power park at Atria's production plant in Nurmo in June, and the first part was taken into use at the end of July.

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2016
	2017	2016	2017	2016	
<b>Net sales</b>					
Atria Finland	245.0	227.0	725.7	685.7	932.3
Atria Scandinavia	90.7	90.6	265.0	255.1	343.4
Atria Russia	22.4	19.5	64.0	50.6	71.8
Atria Baltic	9.7	8.7	28.3	25.6	34.4
Eliminations	-7.0	-6.7	-21.3	-22.1	-30.1
<b>Total net sales</b>	<b>360.8</b>	<b>339.1</b>	<b>1,061.7</b>	<b>994.9</b>	<b>1,351.8</b>
<b>EBIT</b>					
Atria Finland	13.1	8.7	24.9	13.4	24.2
Atria Scandinavia	1.4	3.5	2.7	7.7	8.4
Atria Russia	1.3	0.5	0.1	-0.1	-0.7
Atria Baltic	0.8	0.5	2.2	0.1	0.7
Unallocated	-0.3	-0.1	-2.3	-0.1	-0.8
<b>EBIT, total</b>	<b>16.2</b>	<b>13.2</b>	<b>27.5</b>	<b>21.0</b>	<b>31.8</b>
<b>EBIT%</b>	<b>4.5%</b>	<b>3.9%</b>	<b>2.6%</b>	<b>2.1%</b>	<b>2.3%</b>
<b>Profit before taxes</b>	<b>14.3</b>	<b>11.8</b>	<b>23.3</b>	<b>16.3</b>	<b>26.1</b>
<b>Earnings per share, EUR</b>	<b>0.37</b>	<b>0.32</b>	<b>0.58</b>	<b>0.42</b>	<b>0.65</b>
<b>EBIT includes non-recurring items</b>					
Pig farm sale	-	-	-	-1.0	-1.0
Sale of the real estate company	-	-	-	1.4	1.4
<b>Adjusted EBIT</b>	<b>16.2</b>	<b>13.2</b>	<b>27.5</b>	<b>20.6</b>	<b>31.4</b>

## CEO Juha Gröhn

“Atria's net sales have continued to grow throughout the year. The growth is based on a balanced foundation and is a consequence of the acquisitions completed in 2016, as well as organic growth.

Atria's profit increased year-on-year. Productivity trends have been good in all business areas, and they are the main reason for the improved profitability. Profitability trends in Finland, Russia and the Baltic countries have been favourable - third-quarter profits in Russia and the Baltic countries were encouragingly strong. The Scandinavian business has had a difficult year in 2017. The following reasons have influenced the decreased profitability in Scandinavia: raw material prices started rising more sharply in the first half of the year, and the costs of production and marketing relating to the ramp-up of the poultry business increased.

The economic recovery in Finland and Russia has had a positive effect on consumer demand in the business areas concerned. The Russian retail sector has finally begun to recover following years of contraction. In the Baltic countries and Scandinavia, market demand has remained stable in recent years.

The most important new products this year have been antibiotic-free chicken, which was launched in Finland at the beginning of September, and delicatessen products sold under the Ridderheims brand, which were simultaneously brought to three markets - Sweden, Norway and Finland. In Estonia, new products and classics for the barbecue season sold well. Sibylla continued to grow in Russia. Exports of pork from Finland to China have begun, and we expect export volumes for the full year to be more than 3 million kilos.

Some of the electrical energy required by the Nurmo plant is generated by the solar power park on the plant site. The project will be complete next autumn.”

## July-September 2017

Atria Group's net sales for July-September amounted to EUR 360.8 million (EUR 339.1 million). EBIT amounted to EUR 16.2 million (EUR 13.2 million). Net sales grew in all business areas. The acquisitions made in Finland and Sweden in 2016 supported growth. The increase in EBIT was due to good cost management and productivity improvements. Retail prices in Russia and Estonia were increased.

Atria Finland initiated a project to improve the profitability of production and increase productivity at the Jyväskylä production plant. The project identified overlaps in Atria's current operations and the necessary reorganisation measures. Negotiations with the personnel concerning the reorganisation were initiated immediately. Atria estimates that centralising operations will result in annual savings of approximately EUR 1.2 million, most of which will be realised from June 2018 onwards. This would result in the reduction of approximately 25 man-years of work at the Jyväskylä production plant.

## January-September 2017

Atria Group's net sales for January-September amounted to EUR 1,061.7 million (EUR 994.9 million). EBIT was EUR 27.5 million (EUR 21.0 million).

In January, Atria Finland Ltd. made an agreement to deliver its first batch of meat to China. Atria will deliver over 3 million kilos of frozen pork products to China in 2017. The first batch of products arrived in China at the end of June.

Atria is working with Nurmon Aurinko Oy to build a solar power park next to Atria's Nurmo production plant. The construction project for Finland's largest solar power park reached a phase where the first solar panels could be taken into use in July. The first phase was commissioned according to plan.

Atria launched antibiotic-free chicken in August. The consumer packages bear the marking, "antibiotic-free", which shows that no antibiotics of any kind were used when the chickens were raised. An equivalent concept for pork will be launched at the start of 2018.

The construction of new production premises at the poultry plant in Sweden has progressed in accordance with the investment programme. The new production plant will be taken into use at the end of 2018.

**Key indicators**

<b>EUR million</b>	<b>30.9.17</b>	<b>30.9.16</b>	<b>31.12.16</b>
Shareholders' equity per share EUR	14.55	14.28	14.49
Interest-bearing liabilities	244.9	230.2	217.8
Equity ratio, %	46.0 %	46.3 %	46.5 %
Net gearing, %	56.6 %	55.7 %	50.5 %
Gross investments in fixed assets	38.5	54.0	82.9
% of net sales	3.6 %	5.4 %	6.1 %
Average FTE	4,447	4,291	4,315

The principles for calculating key indicators were presented in the 2016 annual financial statements.

## Business development by area January-September 2017

### Atria Finland

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2016
	2017	2016	2017	2016	
Net sales	245.0	227.0	725.7	685.7	932.3
EBIT	13.1	8.7	24.9	13.4	24.2
EBIT, %	5.4%	3.8%	3.4%	2.0%	2.6%
Non-recurring items	-	-	-	-	-
Adjusted EBIT	13.1	8.7	24.9	13.4	24.2

Atria Finland's net sales for July-September totalled EUR 245.0 million (EUR 227.0 million). Net sales grew in all sales channels. The consolidation of Well Beef's businesses into Atria also increased net sales. EBIT amounted to EUR 13.1 million (EUR 8.7 million). The growth in EBIT was due to increased net sales and good cost management.

Net sales for January-September totalled EUR 725.7 million (EUR 685.7 million). In the second and third quarters, net sales were higher than in the previous year in all sales channels. In addition, the consolidation of Well Beef's businesses into Atria at the end of 2016 increased net sales. EBIT amounted to EUR 24.9 million (EUR 13.4 million). Good cost management and profitable growth in net sales were reflected in increased EBIT.

From January to September, the market for the product groups represented by Atria in Finland grew slightly, both in retail and in the Food Service market. The retail market share of Atria's products rose to 25 per cent from July to September. (Source: Atria)

In January, Atria Finland Ltd. made an agreement to deliver its first batch of meat to China. Atria will deliver approximately 3 million kilos of frozen pork products to China in 2017. The first batch of products arrived in China at the end of June.

The investment in the pig cutting plant project at the Nurmo production plant will be completed on schedule. The project will be completed by the end of 2017. The value of the investment is EUR 36 million, and the savings will begin to materialise in early 2018.

Together with Nurmon Aurinko Oy, Atria will build the largest solar power park in Finland next to the Nurmo production plant. The construction of the first phase of the project, partly financed by the Finnish Ministry of Economic Affairs and Employment, started at the beginning of June. The first sections of the solar power park were connected to Atria's power grid at the end of July. The solar power park is expected to be fully ready for commissioning in autumn 2018.

In August, Atria initiated a project to improve the profitability of production and increase productivity at the Jyväskylä production plant. The project identified overlaps in Atria's current operations and the necessary reorganisation measures. Negotiations with the personnel concerning the reorganisation were initiated immediately. Atria estimates that centralising operations will result in annual savings of approximately EUR 1.2 million, most of which will be realised from June 2018 onwards.

Atria's new minced meat packaging won the Scanstar award in this year's Nordic packaging competition. In addition, Atria's minced meat packaging won the "First choice" accolade, meaning that it was named the best packaging in the entire competition. This time, the packaging competition's panel of judges selected one recipient of the Scanstar above all others. In the judges' opinion, the vacuum-packed "minced-meat-sized packaging" represents an entirely new packaging solution in its area.

In August, Atria launched antibiotic-free chicken. The consumer packages bear the marking, "antibiotic-free", which shows that no antibiotics of any kind were used when the chickens were raised. An equivalent concept for pork will be launched at the beginning of 2018.

### Atria Scandinavia

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2016
	2017	2016	2017	2016	
Net sales	90.7	90.6	265.0	255.1	343.4
EBIT	1.4	3.5	2.7	7.7	8.4
EBIT, %	1.5%	3.9%	1.0%	3.0%	2.4%
Non-recurring items					
Sale of the real estate company	-	-	-	1.4	1.4
Adjusted EBIT	1.4	3.5	2.7	6.2	7.0

Atria Scandinavia's net sales for July-September totalled EUR 90.7 million (EUR 90.6 million). EBIT amounted to EUR 1.4 million (EUR 3.5 million). The decrease in EBIT was due to reduced demand for poultry in Sweden and the commissioning costs of the revamped poultry plant, as well as higher raw-material prices.

Net sales for January-September totalled EUR 265.0 million (EUR 255.1 million). EBIT amounted to EUR 2.7 million (EUR 7.7 million). Adjusted EBIT was EUR 2.7 million (EUR 6.2 million). The decrease in EBIT was due to reduced demand for poultry products and the commissioning costs of the poultry plant. In addition, EBIT was brought down by higher prices for beef and pork raw materials.

Consumer demand for poultry in Sweden was reduced by cases of campylobacter, and export restrictions due to avian influenza have disrupted the Swedish poultry market. The prevailing oversupply of poultry has forced prices down.

The construction of new production premises at the poultry plant has progressed in accordance with the investment programme. The value of the investment is EUR 14 million. The new production plant will be taken into use at the end of 2018.

Atria's market share in cold cut products has remained steady in both Sweden and Denmark. The market share of Atria's own-brand poultry products has increased in 2017.

**Atria Russia**

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2016
	2017	2016	2017	2016	
Net sales	22.4	19.5	64.0	50.6	71.8
EBIT	1.3	0.5	0.1	-0.1	-0.7
EBIT, %	5.7%	2.4%	0.1%	-0.2%	-0.9%
Non-recurring items	-	-	-	-	-
Adjusted EBIT	1.3	0.5	0.1	-0.1	-0.7

Atria Russia's net sales for July-September totalled EUR 22.4 million (EUR 19.5 million). In the local currency, net sales grew by 8.6 per cent. EBIT amounted to EUR 1.3 million (EUR 0.5 million). The growth in net sales is due to successful sales in all sales channels. Price rises also contributed to the increase in net sales. The growth in EBIT accelerated the improvement of the profitability of the product selection.

Net sales for January-September totalled EUR 64.0 million (EUR 50.6 million). In the local currency, net sales grew by 7.5 per cent. Net sales grew in all sales channels. EBIT was EUR 0.1 million (EUR -0.1 million). Price rises and improved profitability of the product selection contributed to the growth in EBIT.

Russian retail development began to recover in the third quarter, with the first period of growth since 2014. Macroeconomic indicators have continued to develop positively, the national economy has returned to growth and inflation is low.

**Atria Baltic**

EUR million	Q3	Q3	Q1-Q3	Q1-Q3	2016
	2017	2016	2017	2016	
Net sales	9.7	8.7	28.3	25.6	34.4
EBIT	0.8	0.5	2.2	0.1	0.7
EBIT, %	7.8%	6.2%	7.8%	0.2%	2.0%
Non-recurring items					
Pig farm sale	-	-	-	-1.0	-1.0
Adjusted EBIT	0.8	0.5	2.2	1.1	1.7

Atria Baltic's net sales for July-September amounted to EUR 9.7 million (EUR 8.7 million). EBIT amounted to EUR 0.8 million (EUR 0.5 million). Atria's sales grew in terms of volume and value. Atria's retail market share strengthened. Sales of new minced meat products have remained good.

Net sales for January-September totalled EUR 28.3 million (EUR 25.6 million). EBIT amounted to EUR 2.2 million (EUR 0.1 million). EBIT for the comparison period included a sales loss of EUR -1.0 million due to the sale of a pig farm. EBIT grew thanks to increased net sales, higher sales prices and better productivity than in the previous year.

Sales were good in the barbecue season. The focal point in the consumption of meat products has switched to products in more expensive price brackets.



## Average personnel (FTE)

Personnel by Business Area (FTE)	Q1-Q3 2017	Q1-Q3 2016	2016
Atria Finland	2,323	2,207	2,214
Atria Scandinavia	988	973	980
Atria Russia	858	806	819
Atria Baltic	278	305	302
<b>Total</b>	<b>4,447</b>	<b>4,291</b>	<b>4,315</b>

## Financial position

During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -14.8 million (EUR -17.5 million). Operating cash flow was EUR +21.6 million (EUR +24.2 million), and the cash flow from investments was EUR -36.4 million (EUR -41.7 million). Operating cash flow was weakened by the financing expenses paid out and higher taxes than in the comparison period.

The Group's investments during the period totalled EUR 38.5 million (EUR 54.0 million).

The equity ratio was 46.0 per cent (31 December 2016: 46,5 %). The total translation differences with the Russian rouble and the Swedish krona recognised in equity reduced equity by EUR 3.5 million (EUR +1.8 million) in January-September. Interest-bearing net liabilities amounted to EUR 240.8 million (31 December 2016: EUR 213.3 million). On 30 September 2017, the Group had undrawn committed credit facilities worth 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 2 years 11 months (31 December 2016: 3 years 9 months).

## Events after the period under review

In August, Atria initiated a project to improve the profitability of production and increase productivity at the Jyväskylä production plant. Negotiations with the personnel were completed on 17 October 2017. The negotiations resulted in the decision to centralise pig slaughtering and cutting at Atria's Nurmo plant. Beef processing in Jyväskylä will be unaffected.

The restructuring will result in annual savings of approximately EUR 1.2 million, which will be realised from June 2018 onwards. This means 17 redundancies and temporary lay-offs affecting every member of personnel at the Jyväskylä production plant. Every redundant member of personnel has been offered the opportunity to transfer to a different Atria unit.

## Business risks in the review period and short-term 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 short-term risks in Atria's business environment. Price trends for raw

materials, the general economic climate, market development and competitors' operations can give rise to uncertainty in the demand for Atria's products.

Other potential short-term uncertainties in Atria's operations are related to implementing the strategy, maintaining or improving the financial results of business areas and integrating acquired businesses.

African swine fever continues to cause disruption in Estonia. There is a risk of it spreading 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. A more detailed description of the risks related to the company's operations was provided in the 2016 annual report.

## 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.

## Financial calendar 2018

Atria Plc's financial statement release for 2017 will be published on 15 February 2018 at 8:00 am. The Annual General Meeting will be held in Helsinki on 26 April 2018. 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 demand will be considered to have arrived in time if the Board of Directors has been notified by 15 February 2018. 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 2017 will be published in week 13/2018.

Atria Plc will publish two interim reports and one half-year report in 2018:

- Interim report January-March: 26 April 2018 at approximately 8:00 am
- Half-year report January-June: 19 July 2018 at approximately 8:00 am
- Interim report January-September: 25 October 2018 at approximately 8:00 am

Financial releases can also be viewed on the company's website at [www.atria.com](http://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 the acquisition of a maximum of 2,800,000 of the company's own series A shares, on one or more occasions, 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 Ltd. 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 2016 to the Board of Directors to decide on the acquisition of the company's own shares and be valid until the closing of the next Annual General Meeting or until 30 June 2018, 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 5,500,000 new series A shares or on the disposal of any series A shares held by the company through a share issue and/or by granting option rights or other special rights entitling people 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 plan or for other purposes at the Board's discretion.

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 currently held by the shareholders under the conditions provided by law, the right to issue shares against or without payment and the right to decide on a share issue to the company itself without payment - subject to the provisions of the Limited Liability Companies Act regarding the maximum number of treasury shares to be held by a company.

The authorisation supersedes the share issue authorisation granted by the Annual General Meeting on 28 April 2016 to the Board of Directors, and is valid until the closing of the next Annual General Meeting or until 30 June 2018, whichever is first.

The General Meeting authorised the Board of Directors to decide on the donation of a maximum of EUR 100,000 to universities or other educational institutions.

## Composition of Atria Plc's Nomination Board

The following people were elected to Atria Plc's Nomination Committee, appointed by the Annual General Meeting:

- Jukka Kaikkonen, Farmer, representative of Lihakunta
- Henrik Holm, Farmer, representative of Pohjanmaan Liha
- Esa Kaarto, Farmer, representative of Itikka Co-operative
- Timo Sallinen, Investment Director (listed investments), representative of Varma Mutual Pension Insurance Company
- Seppo Paavola, Agrologist (expert member), Chairman of Atria Plc's Board of Directors

The Nomination Committee elects a Chairman from amongst its members at its first meeting. The Nomination Board prepares proposals to the next Annual General Meeting regarding the remuneration of the members of the Board of Directors and the Supervisory Board as well as the election of the members of the Board of Directors. The Nomination Committee must present its proposal to the company's Board of Directors by 1 February 2018.

Shareholders or their representatives who own Series KII shares are selected for the Nomination Committee, as well as the largest holder of Series A shares who does not own Series KII shares, or a representative of such a shareholder. Elections are made in accordance with the situation in early September preceding the next General Meeting. If the largest holder of Series A shares does not wish to exercise his or her right to nominate a member, the right will be transferred to the next largest Series A shareholder. Itikka Co-operative, Lihakunta and Pohjanmaan Liha Co-operative are Series KII shareholders.

Some shareholders are obligated to notify the company of certain changes in shareholding (flagging obligations) when necessary under the Finnish Securities Markets Act. Such shareholders may present a written request to the company's Board of Directors by the end of August for the holdings of corporations or foundations controlled by the shareholder, or the shareholder's holdings in several funds or registers, to be combined when calculating voting rights. An owner of shares on the nominee register will be taken into consideration when the membership of the Nomination Committee is decided if the owner of shares on the nominee register addresses a demand concerning the matter to the company's Board of Directors by the end of August preceding the Annual General Meeting.

## 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](http://www.atria.com).

**ATRIA GROUP**

**CONSOLIDATED INCOME STATEMENT**

EUR million	7-9/17	7-9/16	1-9/17	1-9/16	1-12/16
Net sales	360.8	339.1	1,061.7	994.9	1,351.8
Costs of goods sold	-314.8	-295.3	-934.2	-876.8	-1,187.4
<b>Gross profit</b>	<b>45.9</b>	<b>43.8</b>	<b>127.6</b>	<b>118.1</b>	<b>164.4</b>
Sales and marketing expenses	-20.4	-20.2	-69.4	-65.6	-89.4
Administrative expenses	-9.4	-9.9	-31.0	-32.1	-43.0
Other operating income	0.9	0.7	2.5	3.3	4.6
Other operating expenses	-0.9	-1.2	-2.3	-2.8	-4.8
<b>EBIT</b>	<b>16.2</b>	<b>13.2</b>	<b>27.5</b>	<b>21.0</b>	<b>31.8</b>
Finance income and costs	-2.1	-1.8	-5.6	-4.7	-6.3
Income from joint ventures and associates	0.1	0.5	1.4	0.0	0.7
<b>Profit/loss for before tax</b>	<b>14.3</b>	<b>11.8</b>	<b>23.3</b>	<b>16.3</b>	<b>26.1</b>
Income taxes	-2.9	-2.2	-5.1	-3.5	-6.6
<b>Profit/loss for the period</b>	<b>11.3</b>	<b>9.6</b>	<b>18.2</b>	<b>12.8</b>	<b>19.6</b>
<b>Profit attributable to:</b>					
Owners of the parent	10.5	9.1	16.5	11.9	18.2
Non-controlling interests	0.8	0.5	1.8	0.9	1.4
<b>Total</b>	<b>11.3</b>	<b>9.6</b>	<b>18.2</b>	<b>12.8</b>	<b>19.6</b>
Basic earnings per share, EUR	0.37	0.32	0.58	0.42	0.65
Diluted earnings per share, EUR	0.37	0.32	0.58	0.42	0.65

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR million	7-9/17	7-9/16	1-9/17	1-9/16	1-12/16
<b>Profit/loss for the period</b>	<b>11.3</b>	<b>9.6</b>	<b>18.2</b>	<b>12.8</b>	<b>19.6</b>
<b>Other comprehensive income after tax:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Actuarial gains/losses from benefit-based pension obligations	-	-	-	-	0.0
<b>Items reclassified to profit or loss when specific conditions are met</b>					
Cash flow hedges	0.9	1.1	1.5	0.7	1.8
Currency translation differences	-0.7	-1.0	-3.5	1.8	6.6
<b>Total comprehensive income for the period</b>	<b>11.5</b>	<b>9.7</b>	<b>16.3</b>	<b>15.4</b>	<b>27.9</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent	10.7	9.2	14.6	14.6	26.7
Non-controlling interests	0.8	0.5	1.7	0.8	1.3
<b>Total</b>	<b>11.5</b>	<b>9.7</b>	<b>16.3</b>	<b>15.4</b>	<b>27.9</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**Assets**

<b>EUR million</b>	<b>30.9.17</b>	<b>30.9.16</b>	<b>31.12.16</b>
<b>Non-current assets</b>			
Property, plant and equipment	407.6	397.4	404.0
Biological assets	0.7	0.6	0.6
Goodwill	168.9	156.9	169.9
Other intangible assets	90.2	85.2	93.6
Investments in joint ventures and associates	14.3	12.9	13.6
Other financial assets	1.2	1.1	1.1
Loans and other receivables	9.0	11.1	11.1
Deferred tax assets	6.0	7.2	7.4
<b>Total</b>	<b>697.8</b>	<b>672.5</b>	<b>701.3</b>
<b>Current assets</b>			
Inventories	95.8	86.8	89.8
Biological assets	3.1	3.2	3.2
Trade and other receivables	124.9	118.8	110.5
Cash and cash equivalents	4.1	2.4	4.6
<b>Total</b>	<b>227.9</b>	<b>211.1</b>	<b>208.1</b>
<b>Total assets</b>	<b>925.7</b>	<b>883.7</b>	<b>909.4</b>

**Equity and liabilities**

<b>EUR million</b>	<b>30.9.17</b>	<b>30.9.16</b>	<b>31.12.16</b>
<b>Equity attributable to the shareholders of the parent company</b>			
Non-controlling interests	14.0	5.4	12.4
<b>Total equity</b>	<b>425.3</b>	<b>409.0</b>	<b>422.2</b>
<b>Non-current liabilities</b>			
Interest-bearing financial liabilities	124.5	141.2	177.9
Deferred tax liabilities	48.3	46.8	49.2
Pension obligations	7.0	7.1	7.2
Other non-interest-bearing liabilities	8.2	5.1	10.8
<b>Total</b>	<b>188.0</b>	<b>200.1</b>	<b>245.0</b>
<b>Current liabilities</b>			
Interest-bearing financial liabilities	120.4	89.0	40.0
Trade and other payables	192.0	185.6	202.3
<b>Total</b>	<b>312.4</b>	<b>274.6</b>	<b>242.3</b>
<b>Total liabilities</b>	<b>500.4</b>	<b>474.7</b>	<b>487.3</b>
<b>Total equity and liabilities</b>	<b>925.7</b>	<b>883.7</b>	<b>909.4</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to the shareholders of the parent company								Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other funds	Inv. non-rest. equity fund	Trans lation diff.	Retained earnings	Total		
<b>Equity 1.1.16</b>	48.1	138.5	-1.3	-4.4	110.6	-51.4	160.2	400.2	4.6	404.8
Transfer between items		-138.5			138.5			0.0		0.0
<b>Comprehensive income for the period</b>										
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
<b>Transactions with owners</b>										
Dividends							-11.3	-11.3		-11.3
<b>Equity 30.9.16</b>	48.1	0.0	-1.3	-3.6	249.1	-49.4	160.8	403.5	5.4	409.0
<b>Equity 1.1.17</b>	48.1	0.0	-1.3	-2.5	249.1	-44.7	161.2	409.7	12.4	422.2
Share of non-controlling interest related to acquisition of subsidiary							-0.1	-0.1		-0.1
<b>Comprehensive income for the period</b>										
Profit for the period							16.5	16.5	1.8	18.2
Other comprehensive income										
Cash flow hedges				1.5				1.5		1.5
Currency translation differences						-3.4		-3.4	0.0	-3.5
<b>Transactions with owners</b>										
Dividends							-13.0	-13.0	-0.2	-13.1
<b>Equity 30.9.17</b>	48.1	0.0	-1.3	-1.0	249.1	-48.2	164.6	411.3	14.0	425.3

**CONSOLIDATED CASH FLOW STATEMENT**

<b>EUR million</b>	<b>1-9/17</b>	<b>1-9/16</b>	<b>1-12/16</b>
<b>Cash flow from operating activities</b>			
Operating activities before financial items and taxes	36.8	32.8	74.4
Financial items and taxes	-15.2	-8.6	-9.6
<b>Net cash flow from operating activities</b>	<b>21.6</b>	<b>24.2</b>	<b>64.8</b>
<b>Cash flow from investing activities</b>			
Tangible and intangible assets	-38.8	-31.1	-42.6
Acquired operations, net of cash acquired	-	-15.9	-30.2
Sold operations	-	5.2	5.2
Non-current receivables	1.9	1.0	1.4
Dividends and repayment of capital	0.7	0.1	0.1
Current receivables	-0.3	-1.1	-1.3
<b>Net cash used in investing activities</b>	<b>-36.4</b>	<b>-41.7</b>	<b>-67.3</b>
<b>Cash flow from financing activities</b>			
Proceeds from long-term borrowings	0.1	73.2	113.3
Repayment of long-term borrowings	-3.7	-85.2	-88.3
Changes in short-term borrowings	30.7	39.7	-9.6
Dividends paid	-13.1	-11.3	-11.3
<b>Net cash used in financing activities</b>	<b>13.9</b>	<b>16.5</b>	<b>4.1</b>
<b>Change in liquid funds</b>	<b>-0.9</b>	<b>-1.0</b>	<b>1.7</b>
Cash and cash equivalents at beginning of year	4.6	4.1	4.1
Effect of exchange rate changes	0.3	-0.8	-1.2
<b>Cash and cash equivalents at the end of period</b>	<b>4.1</b>	<b>2.4</b>	<b>4.6</b>



## INTERIM REPORT ACCOUNTING PRINCIPLES

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 interim report as in preparing the 2016 financial statements. However, as of 1 January 2017, the Group uses new or revised IFRS standards and IFRIC interpretations published by the IASB, included in the accounting principles of the 2016 financial statements. None of these new or revised standards or interpretations had any impact on the figures presented for the period under review.

IFRS 15, Revenue from Contracts with Customers, will enter into force on 1 January 2018. The new standard will replace the current IAS 11 and IAS 18 revenue recognition standards and related interpretations. Atria Group has assessed the effects of IFRS 15 over the course of 2016 and 2017. According to a final report received by the Board of Directors in March, the implementation of the standard has no significant impact on the Group's income statement, balance sheet or cash flow. The majority of the Group's customer contracts are about the sales of food products. Delivery is usually made within 24 hours, and control is transferred upon delivery. Customer contracts and Group-level instructions have been checked over. Processes or systems will not need to be changed. Atria will continue to assess the disclosure requirements under the revised IFRS.

IFRS 9, Financial Instruments, will be implemented 1 January 2018. The standard is mainly applied to the disclosure requirements and possibly to the hedge accounting of Atria Group. The impact of these changes is being investigated.

IFRS 16, Leases, will be implemented 1 January 2019. The IFRS 16 standard will change the methods of lease accounting in Atria so that all leases, apart from low-value and short-term leases, are recognised in the balance sheet as assets and as assets corresponding to the lease payment obligation. The standard also affects the profit levels of the income statement and key indicators, and it will increase disclosure requirements. Atria has begun preparing for the implementation, and lease contract information is currently being gathered from subsidiaries. The exact effect of the standard will be evaluated during the end of the year, but it is to be assumed that changes will not be significant.

The principles for calculating the indicators were set out in the 2016 financial statements. In the company's view, the indicators presented serve to clarify the view provided by the income statement and balance sheet of the business' operational result and financial position.

The figures presented in the release are rounded to EUR million, which is why the combined total of individual figures may differ from the total sum presented. The figures in this interim report are unaudited.

**OPERATING SEGMENTS**

<b>EUR million</b>	<b>7-9/17</b>	<b>7-9/16</b>	<b>1-9/17</b>	<b>1-9/16</b>	<b>1-12/16</b>
<b>Net sales</b>					
Atria Finland	245.0	227.0	725.7	685.7	932.3
Atria Scandinavia	90.7	90.6	265.0	255.1	343.4
Atria Russia	22.4	19.5	64.0	50.6	71.8
Atria Baltic	9.7	8.7	28.3	25.6	34.4
Eliminations	-7.0	-6.7	-21.3	-22.1	-30.1
<b>Total</b>	<b>360.8</b>	<b>339.1</b>	<b>1,061.7</b>	<b>994.9</b>	<b>1,351.8</b>
<b>EBIT</b>					
Atria Finland	13.1	8.7	24.9	13.4	24.2
Atria Scandinavia	1.4	3.5	2.7	7.7	8.4
Atria Russia	1.3	0.5	0.1	-0.1	-0.7
Atria Baltic	0.8	0.5	2.2	0.1	0.7
Unallocated	-0.3	-0.1	-2.3	-0.1	-0.8
<b>Total</b>	<b>16.2</b>	<b>13.2</b>	<b>27.5</b>	<b>21.0</b>	<b>31.8</b>
<b>Investments</b>					
Atria Finland	5.3	7.8	17.3	24.1	46.6
Atria Scandinavia	6.6	2.6	16.3	26.9	30.9
Atria Russia	0.5	0.2	1.6	1.1	2.5
Atria Baltic	1.0	0.6	3.2	1.9	2.9
<b>Total</b>	<b>13.5</b>	<b>11.2</b>	<b>38.5</b>	<b>54.0</b>	<b>82.9</b>
<b>Depreciation and write-offs</b>					
Atria Finland	6.5	6.8	19.9	21.3	28.5
Atria Scandinavia	3.1	3.0	9.2	8.9	12.0
Atria Russia	1.1	1.1	3.6	3.0	4.1
Atria Baltic	0.6	0.5	1.7	1.7	2.3
<b>Total</b>	<b>11.2</b>	<b>11.4</b>	<b>34.5</b>	<b>34.8</b>	<b>46.9</b>

**FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES**

EUR million

Balance sheet items	30.9.17	Level 1	Level 2	Level 3
<b>Assets</b>				
Available-for-sale financial assets	1.2			1.2
Derivative financial instruments	2.0		2.0	
<b>Total</b>	<b>3.2</b>	<b>0.0</b>	<b>2.0</b>	<b>1.2</b>
<b>Liabilities</b>				
Bonds	50.0		50.0	
Derivative financial instruments	2.4		2.4	
<b>Total</b>	<b>52.4</b>	<b>0.0</b>	<b>52.4</b>	<b>0.0</b>
<hr/>				
Balance sheet items	31.12.16	Level 1	Level 2	Level 3
<b>Assets</b>				
Available-for-sale financial assets	1.1			1.1
Derivative financial instruments	1.0		1.0	
<b>Total</b>	<b>2.1</b>	<b>0.0</b>	<b>1.0</b>	<b>1.1</b>
<b>Liabilities</b>				
Bonds	50.0		50.0	
Derivative financial instruments	6.7		6.7	
<b>Total</b>	<b>56.7</b>	<b>0.0</b>	<b>56.7</b>	<b>0.0</b>

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:

	7-9/17	7-9/16	1-9/17	1-9/16	1-12/16
Sales of goods and services	2.6	2.8	7.6	8.1	11.1
Purchases of goods and services	20.7	20.4	60.4	59.6	79.7
			<b>30.9.17</b>	<b>30.9.16</b>	<b>31.12.16</b>
Receivables			0.7	2.3	1.7
Liabilities			4.2	4.2	5.3

**CONTINGENT LIABILITIES**

<b>EUR million</b>	<b>30.9.17</b>	<b>30.9.16</b>	<b>31.12.16</b>
<b>Debts with mortgages given as security</b>			
Loans from financial institutions	1.6	1.3	1.7
Pension fund loans	5.1	5.2	5.3
<b>Total</b>	<b>6.8</b>	<b>6.6</b>	<b>7.0</b>
<b>Mortgages given as comprehensive security</b>			
Real estate mortgages	2.7	3.7	2.8
Corporate mortgages	1.1	1.1	3.9
<b>Total</b>	<b>3.9</b>	<b>4.8</b>	<b>6.7</b>
<b>Guarantee engagements not included in the balance sheet</b>			
Guarantees	0.3	0.4	0.3

ATRIA PLC  
Board of Directors

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