



Atria Plc

Half-year financial report

1 January - 30 June 2017

ATRIA

Good food – better mood.

ATRIA PLC HALF-YEAR FINANCIAL REPORT 1 JANUARY - 30 JUNE 2017

Atria Group's EBIT increased and net sales grew in all business areas.

April-June 2017

- Consolidated net sales totalled EUR 368.4 million (EUR 341.3 million).
- Consolidated EBIT was EUR 10.0 million (EUR 6.1 million), or 2.7% (1.8%) of net sales.
- Exports to China began in May, and the first shipments of meat arrived in China at the end of June.
- The construction of the solar power park at Nurmo production plant began.

January-June 2017

- Consolidated net sales totalled EUR 701.0 million (EUR 655.8 million).
- Consolidated EBIT was EUR 11.2 million (EUR 7.8 million), which is 1.6 per cent (1.2%) of net sales.
- Atria Finland Ltd signed an agreement to begin exporting pork to China.

EUR million	Q2	Q2	H1	H1	2016
	2017	2016	2017	2016	
Net sales					
Atria Finland	252.4	233.9	480.6	458.6	932.3
Atria Scandinavia	90.2	88.8	174.3	164.5	343.4
Atria Russia	22.9	17.6	41.6	31.2	71.8
Atria Baltic	10.1	9.2	18.6	16.9	34.4
Eliminations	-7.3	-8.3	-14.2	-15.5	-30.1
Total net sales	368.4	341.3	701.0	655.8	1,351.8
EBIT					
Atria Finland	7.7	3.0	11.8	4.7	24.2
Atria Scandinavia	1.2	3.5	1.3	4.2	8.4
Atria Russia	0.5	0.1	-1.2	-0.6	-0.7
Atria Baltic	0.9	-0.3	1.5	-0.5	0.7
Unallocated	-0.4	-0.2	-2.0	0.0	-0.8
EBIT, total	10.0	6.1	11.2	7.8	31.8
EBIT%	2.7 %	1.8 %	1.6 %	1.2 %	2.3 %
Profit before taxes	8.3	4.8	9.1	4.5	26.1
Earnings per share, EUR	0.23	0.13	0.21	0.10	0.65
EBIT includes non-recurring items:					
Atria Baltic: Pig farm sale	-	-1.0	-	-1.0	-1.0
Atria Scandinavia: Sale of the real estate company	-	1.4	-	1.4	1.4
Adjusted EBIT	10.0	5.7	11.2	7.4	31.4

Juha Gröhn, CEO

“Atria’s net sales have increased during the first half of the year, and profits have improved compared to last year. The growth is based on both organic growth and on acquired operations. The strategy of healthy growth is being implemented, and it is especially delightful that net sales have grown in all business areas.

Atria's profits increased in Q2 in Finland, the Baltic countries, and Russia. In part, this has been influenced by the recuperation of the meat market, but also by our modernised product line and the successful execution of several projects improving productivity. In Estonia, production was centralised at a single plant last year. In Finland, the investment in the Nurmo pig cutting plant is at its final phase, and the plant's performance was significantly improved during the spring. The Russian meat product market situation has improved slightly, and the Sibylla concept continues to grow.

Scandinavian profits fell short of last year's levels. This was caused by increases in raw material costs and the costs incurred in taking over poultry operations. Investments at the poultry plant proceed according to plans.

Pork exports to China have begun, and the first shipments of meat from the Atria Nurmo plant arrived in China at the end of June. The demand is good, and the previously estimated amount of 3 million kilos during this year will most likely be surpassed.”

April-June 2017

Atria Group's net sales for April-June totalled EUR 368.4 million (EUR 341.3 million). EBIT amounted to EUR 10.0 million (EUR 6.1 million). Net sales increased in all business areas. Sales volumes grew in all business areas. The acquisitions made in Finland and Sweden also supported growth. The positive development of EBIT was due to the better profitability in the business areas of Finland, Russia and the Baltic countries. The sales structure was better than during the corresponding period last year. High production costs at the poultry unit weighed down Atria Scandinavia's EBIT.

Atria Plc donated a total of EUR 60,000 to two Finnish universities and a fund for higher education. The University of Eastern Finland, the University of Vaasa and the South Ostrobothnian University Fund received EUR 20,000 each.

Atria will build the largest solar power park in Finland at the Atria Nurmo production plant, in co-operation with Nurmon Aurinko Oy. 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 power park will be connected to the power grid by the end of July. Ground-mounted 4 MWh solar panel fields will be built by autumn. The largest solar power park in Finland is estimated to be fully commissionable by autumn 2018.

January-June 2017

Atria Group's net sales for January-June totalled EUR 701.0 million (EUR 655.8 million). EBIT amounted to EUR 11.2 million (EUR 7.8 million). Sales volumes grew in all business areas. The acquisitions made in Finland and Sweden also supported growth. Atria Finland's, Atria Baltic's and Atria Russia's profitability was better than during the corresponding period last year.

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

Key indicators

EUR million	30.6.17	30.6.16	31.12.16
Shareholders' equity per share, EUR	14.17	13.95	14.49
Interest-bearing liabilities	251.2	235.9	217.8
Equity ratio, %	45.0 %	44.8 %	46.5 %
Net gearing, %	59.6 %	58.1 %	50.5 %
Gross investments in fixed assets	24.9	42.8	82.9
Gross investments, % of net sales	3.6 %	6.5 %	6.1 %
Average personnel (FTE)	4,505	4,340	4,315

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

Business development by area January-June 2017

Atria Finland

EUR million	Q2	Q2	H1	H1	2016
	2017	2016	2017	2016	
Net sales	252.4	233.9	480.6	458.6	932.3
EBIT	7.7	3.0	11.8	4.7	24.2
EBIT, %	3.1 %	1.3 %	2.5 %	1.0 %	2.6 %
Non-recurring items:	-	-	-	-	-
Adjusted EBIT	7.7	3.0	11.8	4.7	24.2

Atria Finland's net sales for April-June totalled EUR 252.4 million (EUR 233.9 million), up by 8 per cent from the corresponding period previous year. Net sales grew in all sales channels. Additional growth was due to the consolidation of Well Beef's operations into Atria. EBIT amounted to EUR 7.7 million (EUR 3.0 million). The EBIT growth was due to the growth of net sales and improved sales structures.

Net sales for January-June totalled EUR 480.6 million (EUR 458.6 million). Net sales were increased by the consolidation of Well Beef's operations into Atria in late 2016 and by positive sales development in the second quarter. EBIT amounted to EUR 11.8 million (EUR 4.7 million). Investments in sales structures and product group profitability can be seen in the improved EBIT.

In January-June, the total market of the product groups represented by Atria increased by 3 per cent in terms of value compared to the corresponding period last year. Atria products' market share in retail was approximately 24 per cent during January-June. (Source: Atria)

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

The pig cutting plant project at the Nurmo production plant has progressed on schedule. The entire project will be completed by the end of 2017. The value of the investment is EUR 36 million, and it is expected to generate annual cost savings of approximately EUR 8 million in the plant's operations. These savings will be realised in full as of the beginning of 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 will be connected to the Atria power grid by the end of July. Ground-mounted 4 MWh solar panel fields will be built by autumn. The largest solar power park in Finland is estimated to be fully commissionable by autumn 2018.

Atria Family Farm Chicken and Pork retail packages will include a label to show that no antibiotics were given to the animals during their lifetime. The chicken packages will be labelled in the autumn and the pork packages at the beginning of 2018.

Atria Scandinavia

EUR million	Q2	Q2	H1	H1	2016
	2017	2016	2017	2016	
Net sales	90.2	88.8	174.3	164.5	343.4
EBIT	1.2	3.5	1.3	4.2	8.4
EBIT, %	1.4 %	4.0 %	0.7 %	2.5 %	2.4 %
Non-recurring items:					
Sale of the real estate company	-	1.4	-	1.4	1.4
Adjusted EBIT	1.2	2.1	1.3	2.8	7.0

Atria Scandinavia's net sales for April-June totalled EUR 90.2 million (EUR 88.8 million). The increase in net sales was mainly due to the poultry business acquired in April 2016. EBIT amounted to EUR 1.2 million (EUR 3.5 million). Adjusted EBIT was EUR 1.2 million (EUR 2.1 million). EBIT was brought down by the higher costs of meat raw material and an unfavourable sales structure. In addition, profits were decreased by high production costs at the poultry operations.

Net sales for January-June totalled EUR 174.3 million (EUR 164.5 million). EBIT amounted to EUR 1.3 million (EUR 4.2 million). Adjusted EBIT was EUR 1.3 million (EUR 2.8 million). In the first half of the year, EBIT was weighed down by an unfavourable sales structure. In the first half of the year, the Swedish poultry market has been disturbed by cases of campylobacter and avian influenza, decreasing the demand for domestic poultry in Sweden. This has also had a negative impact on Atria Scandinavia's profits.

The construction of new production premises at the poultry plant was initiated during the review period in accordance with the investment program.

Atria Scandinavia had about 30 ongoing corporate responsibility projects during the review period. The key focus of the projects is to ensure work safety and to implement Atria's Way of Leading training programme.

Atria Russia

	Q2	Q2	H1	H1	
EUR million	2017	2016	2017	2016	2016
Net sales	22.9	17.6	41.6	31.2	71.8
EBIT	0.5	0.1	-1.2	-0.6	-0.7
EBIT, %	2.2 %	0.8 %	-2.9 %	-1.8 %	-0.9 %
Non-recurring items:	-	-	-	-	-
Adjusted EBIT	0.5	0.1	-1.2	-0.6	-0.7

Atria Russia's net sales for April-June totalled EUR 22.9 million (EUR 17.6 million). In the local currency, net sales grew by 8,8 per cent. EBIT amounted to EUR 0.5 million (EUR 0.1 million). The increase in net sales was due to successful sales to retail and to the expansion of the Sibylla concept. Also implemented price increases helped to increase net sales. The growth of EBIT was due to price increases and improved sales structures.

Net sales for January-June totalled EUR 41.6 million (EUR 31.2 million). In the local currency, net sales grew by 6,9 per cent. EBIT was EUR -1.2 million (EUR -0.6 million). The increase in net sales was due to successful sales to retail and to the expansion of the Sibylla concept. At the moment, there are already more than 3,000 Sibylla sales outlets. The EBIT was weighed down by the high prices of meat raw materials and by implemented marketing investments.

Atria Baltic

	Q2	Q2	H1	H1	
EUR million	2017	2016	2017	2016	2016
Net sales	10.1	9.2	18.6	16.9	34.4
EBIT	0.9	-0.3	1.5	-0.5	0.7
EBIT, %	9.1 %	-3.1 %	7.8 %	-2.8 %	2.0 %
Non-recurring items:					
Pig farm sale	-	-1.0	-	-1.0	-1.0
Adjusted EBIT	0.9	0.7	1.5	0.5	1.7

Atria Baltic's net sales for April-June totalled EUR 10.1 million (EUR 9.2 million). EBIT was EUR 0.9 million (EUR -0.3 million). Adjusted EBIT was EUR 0.9 million (EUR 0.7 million). The market price of pork has increased, improving the profitability of Atria's primary production in Estonia. Average sales prices are also higher than in the corresponding period last year and market shares in retail have improved.

Net sales for January-June totalled EUR 18.6 million (EUR 16.9 million). EBIT was EUR 1.5 million (EUR -0.5 million). Adjusted EBIT was EUR 1.5 million (EUR 0.5 million). EBIT was strengthened by sales prices that increased over last year and by the improved productivity of operations.

Atria's traditional barbecue season products have gained additional shelf space in stores as a result of the increase in market share.

Average personnel (FTE)

Personnel by business area on average (FTE)	H1	H1	
	2017	2016	2016
Atria Finland	2,331	2,220	2,214
Atria Scandinavia	1,011	980	980
Atria Russia	881	822	819
Atria Baltic	282	318	302
Total	4,505	4,340	4,315

Financial position

During the period under review, the Group's free cash flow (operating cash flow - cash flow from investments) was EUR -20.5 million (EUR -21.8 million). Operating cash flow was EUR +1.2 million (EUR +9.7 million), and the cash flow from investments was EUR -21.8 million (EUR -31.5 million). Operating cash flow was mainly weakened by an increase in working capital items.

The Group's investments during the period totalled EUR 24.9 million (EUR 42.8 million).

The equity ratio was 45.0 per cent (31 December 2016: 46.5 %). The total translation differences with the Russian rouble and the Swedish krona recognised in equity decreased equity by EUR 2.7 million (EUR +2.9 million) in January-June. Interest-bearing net liabilities amounted to EUR 246.8 million (31 December 2016: EUR 213.3 million). On 30 June 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 review period was 3 years and 1 month (31 December 2016: 3 years 9 months).

Business risks in the review period and short-term risks

Possible risks in Atria's operations are related to the implementation of the strategy, the maintaining or improvement of the business areas' financial results and the integration of 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 common risks in Atria's business environment.

African swine fever continues to cause disruption in Estonia. There is a risk 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.

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 2017

In 2017, Atria Plc will publish interim reports as follows:

- Interim report for January to September on 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.

Decisions of Atria Group Plc's Annual General Meeting 27 April 2017

The General Meeting approved the financial statements and the consolidated financial statements for the financial year from 1 January to 31 December 2016, and discharged the members of the Supervisory Board and the Board of Directors as well as the CEO from liability for the financial year ended on 31 December 2016.

The AGM decided that a dividend of EUR 0.46 will be paid for each share for the financial year that ended on 31 December 2016. Dividends are paid to shareholders listed on the company's shareholder register, kept by Euroclear Finland Oy, on the record date for the payment of dividends. The record date for the payment of dividends is 2 May 2017 and the date of payment is 9 May 2017.

Composition and remuneration of the Supervisory Board

The AGM decided that the composition of the Supervisory Board will be as follows:

Member	Term ends
Juho Anttikoski	2019
Mika Asunmaa	2019
Reijo Flink	2020
Lassi-Antti Haarala	2018
Jussi Hantula	2018
Henrik Holm	2018
Hannu Hyry	2019
Veli Hyttinen	2020
Pasi Ingalsuo	2020
Jussi Joki-Erkkilä	2018
Marja-Liisa Juuse	2018
Jukka Kaikkonen	2019
Juha Kiviniemi	2020
Ari Lajunen	2018
Mika Niku	2018
Pekka Ojala	2020
Heikki Panula	2019
Ahti Ritola	2019
Risto Sairanen	2020
Timo Tuhkasaari	2020

A total of 20 members

The General Meeting decided that the remuneration of the members of the Supervisory Board would remain the same as in 2016. The remuneration is: compensation for meetings: EUR 250 per meeting; compensation for loss of working time for meeting and proceeding days: EUR 250; fee payable to the Chairman of the Supervisory Board: EUR 1,500 per month; and fee payable to the Deputy Chairman: EUR 750 per month, with compensation for travel expenses in accordance with the company's travel policy.

Composition and remuneration of the Board of Directors

The AGM decided that the number of the members of the Board of Directors will be eight (8). Seppo Paavola and Jukka Moisio, who were due to resign, were re-elected as members of the Board of Directors for the next three-year term. In addition, Nella Ginman-Tjeder, Esa Kaarto, Pasi Korhonen, Kjell-Göran Paxal, Jyrki Rantsi and Harri Sivula shall continue as members of the Board of Directors. The terms of Esa Kaarto, Kjell-Göran Paxal and Harri Sivula will expire at the closing of the AGM in 2018 and those of Nella Ginman-Tjeder, Pasi Korhonen and Jyrki Rantsi will expire at the closing of the AGM in 2019.

The AGM decided that the remuneration of the members of the Board of Directors be raised. The new remuneration shall be as follows: compensation for meetings: EUR 300 per meeting; compensation for loss of working time for meeting and proceeding days; EUR 300; fee payable to the Chairman of the Board of Directors: EUR 4,700 per month; fee payable to the Deputy Chairman: EUR 2,500 per month; and fee payable to members of the Board of Directors: EUR 2,000 per month, with travel expense compensation in accordance with the company's travel policy.

Auditors

The General Meeting elected PricewaterhouseCoopers Oy as the company's auditor for the term ending at the closing of the next Annual General Meeting. According to the firm, the auditor in charge is Authorised Public Accountant Samuli Perälä. The AGM decided that the auditor's fee will be paid against an invoice approved by the company.

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, in one or several tranches, 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 shall supersede 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.

Shareholders' Nomination Committee Charter

The General Meeting decided to change the charter of the Shareholders' Nomination Committee and to confirm the written charter of the Shareholders' Nomination Committee. The charter was changed as follows:

- a) the right to nominate a representative to the Nomination Committee is determined on the same basis as before, but in accordance with the situation on the first banking day of the September preceding the Annual General Meeting, that is, two months earlier than according to the previous charter;
- b) accordingly, shareholders obligated to notify the company of certain changes in shareholding when necessary under the Finnish Securities Markets Act, or shareholders who have holdings in several funds or registers, must present a request to the company's Board of Directors to calculate their holdings when calculating their voting rights by the end of August, two months earlier than according to the previous charter;
- c) a note is added to the charter that a shareholder with nominee-registered shares is considered when defining the composition of the Shareholders' Nomination Committee, if the holder of nominee-registered shares presents a request regarding the matter to the company's Board of Directors by the end of August preceding the General Meeting; and that
- d) the charter is expanded by adding some rules mainly regarding the procedures of the internal operations of the Shareholders' Nomination Committee, including the tasks of the Chairman, the decision-making procedure of the Shareholders' Nomination Committee, confidentiality, and altering the charter.

Election of members to the Supervisory Board of Atria Plc

In its constitutive meeting following the Annual General Meeting, Atria Plc's Supervisory Board elected Jukka Kaikkonen as its new Chairman and re-elected Juho Anttikoski as Deputy Chairman.

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	4-6/17	4-6/16	1-6/17	1-6/16	1-12/16
Net sales	368.4	341.3	701.0	655.8	1 351.8
Costs of goods sold	-322.8	-300.3	-619.3	-581.4	-1 187.4
Gross profit	45.7	40.9	81.6	74.3	164.4
Sales and marketing expenses	-25.3	-24.2	-49.0	-45.3	-89.4
Administrative expenses	-10.5	-11.2	-21.6	-22.2	-43.0
Other operating income	0.8	2.0	1.6	2.6	4.6
Other operating expenses	-0.7	-1.4	-1.4	-1.6	-4.8
EBIT	10.0	6.1	11.2	7.8	31.8
Finance income and costs	-2.1	-1.4	-3.5	-2.8	-6.3
Income from joint ventures and associates	0.4	0.1	1.4	-0.5	0.7
Profit/loss for before tax	8.3	4.8	9.1	4.5	26.1
Income taxes	-1.3	-0.8	-2.2	-1.3	-6.6
Profit/loss for the period	7.0	4.0	6.9	3.2	19.6
Profit attributable to:					
Owners of the parent	6.5	3.8	6.0	2.8	18.2
Non-controlling interests	0.4	0.3	1.0	0.4	1.4
Total	7.0	4.0	6.9	3.2	19.6
Basic earnings per share, EUR	0.23	0.13	0.21	0.10	0.65
Diluted earnings per share, EUR	0.23	0.13	0.21	0.10	0.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/17	4-6/16	1-6/17	1-6/16	1-12/16
Profit/loss for the period	7.0	4.0	6.9	3.2	19.6
Other comprehensive income after tax:					
Items that will not be reclassified to profit or loss					
Actuarial gains/losses from benefit-based pension obligations	-	-	-	-	0.0
Items reclassified to profit or loss when specific conditions are met					
Cash flow hedges	0.6	0.7	0.6	-0.4	1.8
Currency translation differences	-6.2	1.0	-2.7	2.8	6.6
Total comprehensive income for the period	1.4	5.7	4.8	5.7	27.9
Total comprehensive income attributable to:					
Owners of the parent	1.0	5.5	3.9	5.4	26.7
Non-controlling interests	0.4	0.2	0.9	0.3	1.3
Total	1.4	5.7	4.8	5.7	27.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

EUR million

30.6.17 30.6.16 31.12.16

Non-current assets

Property, plant and equipment	404.6	399.3	404.0
Biological assets	0.7	0.6	0.6
Goodwill	169.0	158.7	169.9
Other intangible assets	91.6	87.2	93.6
Investments in joint ventures and associates	14.2	12.5	13.6
Other financial assets	1.2	1.1	1.1
Loans and other receivables	7.9	11.2	11.1
Deferred tax assets	6.3	7.4	7.4
Total	695.5	678.0	701.3

Current assets

Inventories	92.3	84.7	89.8
Biological assets	3.4	3.2	3.2
Trade and other receivables	124.5	121.3	110.5
Cash and cash equivalents	4.4	3.9	4.6
Total	224.6	213.0	208.1

Total assets

920.1 891.1 909.4

Equity and liabilities

EUR million

30.6.17 30.6.16 31.12.16

Equity attributable to the shareholders

of the parent company	400.6	394.3	409.7
Non-controlling interests	13.2	4.9	12.4
Total equity	413.8	399.3	422.2

Non-current liabilities

Interest-bearing financial liabilities	125.4	144.7	177.9
Deferred tax liabilities	48.5	47.4	49.2
Pension obligations	7.1	7.2	7.2
Other non-interest-bearing liabilities	9.8	5.9	10.8
Total	190.7	205.2	245.0

Current liabilities

Interest-bearing financial liabilities	125.8	91.2	40.0
Trade and other payables	189.7	195.5	202.3
Total	315.6	286.6	242.3

Total liabilities

506.3 491.8 487.3

Total equity and liabilities

920.1 891.1 909.4

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		
Equity 1.1.16	48.1	138.5	-1.3	-4.4	110.6	-51.4	160.2	400.2	4.6	404.8
Comprehensive income for the period										
Profit for the period							2.8	2.8	0.4	3.2
Other comprehensive income										
Cash flow hedges				-0.4				-0.4		-0.4
Currency translation differences							2.9	2.9	-0.1	2.8
Transactions with owners										
Dividends							-11.3	-11.3		-11.3
Equity 30.6.16	48.1	138.5	-1.3	-4.7	110.6	-48.5	151.7	394.3	4.9	399.3
Equity 1.1.17	48.1	0.0	-1.3	-2.5	249.1	-44.7	161.2	409.7	12.4	422.2
Comprehensive income for the period										
Profit for the period							6.0	6.0	1.0	6.9
Other comprehensive income										
Cash flow hedges				0.6				0.6		0.6
Currency translation differences							-2.7	-2.7	0.0	-2.7
Transactions with owners										
Dividends							-13.0	-13.0	-0.2	-13.1
Equity 30.6.17	48.1	0.0	-1.3	-2.0	249.1	-47.4	154.2	400.6	13.2	413.8

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-6/17	1-6/16	1-12/16
Cash flow from operating activities			
Operating activities before financial items and taxes	13.0	17.1	74.4
Financial items and taxes	-11.7	-7.4	-9.6
Net cash flow from operating activities	1.2	9.7	64.8
Cash flow from investing activities			
Tangible and intangible assets	-25.4	-21.9	-42.6
Acquired operations, net of cash acquired	-	-15.5	-30.2
Sold operations	-	5.2	5.2
Non-current receivables	2.9	1.1	1.4
Dividends and repayment of capital	0.7	0.1	0.1
Current receivables	0.0	-0.6	-1.3
Net cash used in investing activities	-21.8	-31.5	-67.3
Cash flow from financing activities			
Proceeds from long-term borrowings	0.1	73.2	113.3
Repayment of long-term borrowings	-2.8	-81.5	-88.3
Changes in short-term borrowings	35.9	41.6	-9.6
Dividends paid	-13.1	-11.3	-11.3
Net cash used in financing activities	20.2	22.1	4.1
Change in liquid funds	-0.4	0.3	1.7
Cash and cash equivalents at beginning of year	4.6	4.1	4.1
Effect of exchange rate changes	0.2	-0.6	-1.2
Cash and cash equivalents at the end of period	4.4	3.9	4.6

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 of Atria Group. As for electricity derivatives, IFRS 9 will cause changes in hedge accounting. 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

EUR million	4-6/17	4-6/16	1-6/17	1-6/16	1-12/16
Net sales					
Atria Finland	252.4	233.9	480.6	458.6	932.3
Atria Scandinavia	90.2	88.8	174.3	164.5	343.4
Atria Russia	22.9	17.6	41.6	31.2	71.8
Atria Baltic	10.1	9.2	18.6	16.9	34.4
Eliminations	-7.3	-8.3	-14.2	-15.5	-30.1
Total	368.4	341.3	701.0	655.8	1,351.8
EBIT					
Atria Finland	7.7	3.0	11.8	4.7	24.2
Atria Scandinavia	1.2	3.5	1.3	4.2	8.4
Atria Russia	0.5	0.1	-1.2	-0.6	-0.7
Atria Baltic	0.9	-0.3	1.5	-0.5	0.7
Unallocated	-0.4	-0.2	-2.0	0.0	-0.8
Total	10.0	6.1	11.2	7.8	31.8
Investments					
Atria Finland	6.5	9.3	11.9	16.3	46.6
Atria Scandinavia	5.0	22.1	9.7	24.3	30.9
Atria Russia	0.4	0.5	1.1	0.9	2.5
Atria Baltic	0.7	0.7	2.2	1.3	2.9
Total	12.7	32.5	24.9	42.8	82.9
Depreciation and write-offs					
Atria Finland	6.6	7.2	13.5	14.5	28.5
Atria Scandinavia	3.0	3.0	6.1	5.8	12.0
Atria Russia	1.2	1.0	2.5	1.9	4.1
Atria Baltic	0.6	0.5	1.2	1.1	2.3
Total	11.5	11.8	23.3	23.4	46.9

FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

EUR million

Balance sheet items	30.6.17	Level 1	Level 2	Level 3
Assets				
Available-for-sale financial assets	1.2			1.2
Derivative financial instruments	1.4		1.4	
Total	2.6	0.0	1.4	1.2
Liabilities				
Bonds	50.0		50.0	
Derivative financial instruments	3.2		3.2	
Total	53.2	0.0	53.2	0.0

Balance sheet items	31.12.16	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	6.7		6.7	
Total	56.7	0.0	56.7	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:

	4-6/17	4-6/16	1-6/17	1-6/16	1-12/16
Sales of goods and services	2.4	2.8	5.1	5.3	11.1
Purchases of goods and services	19.4	20.1	39.7	39.2	79.7
			30.6.17	30.6.16	31.12.16
Receivables			1.1	2.6	1.7
Liabilities			4.8	4.0	5.3

CONTINGENT LIABILITIES

EUR million	30.6.17	30.6.16	31.12.16
Debts with mortgages given as security			
Loans from financial institutions	1.6	2.6	1.7
Pension fund loans	5.2	5.3	5.3
Total	6.9	8.0	7.0
Mortgages given as comprehensive security			
Real estate mortgages	2.7	3.7	2.8
Corporate mortgages	3.9	1.2	3.9
Total	6.6	4.9	6.7
Guarantee engagements not included in the balance sheet			
Guarantees	0.3	0.4	0.3

ATRIA PLC
Board of Directors

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