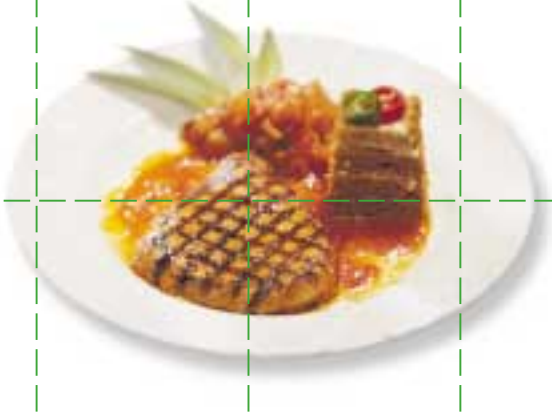




ANNUAL REPORT 2000



**ATRIA OYJ**

## ANNUAL GENERAL MEETING

Atria Oyj's Annual General Meeting will be held at 14:00 on 9 May 2001 in Kuopio on the company's premises at the address Ankkuritie 2, 70460 Kuopio, Finland.

The matters specified as being the business of Annual General Meetings in Article 16 of the Articles of Association will be dealt with at the meeting. The Board of Directors' proposed dividends, which will be decided upon by the Annual General Meeting, amount to 15% of the nominal value of shares, that is, FIM 1.50 per share. According to the proposal, the dividends decided upon by the Annual General Meeting can be withdrawn from a bank account registered as a book-entry securities account from 21 May 2001 onwards by shareholders recorded on 14 May 2001 in the share register maintained by Finnish Central Securities Depository Ltd. Payment of dividends to shareholders who have not transferred their shares into the book-entry securities system will be made after they have done so.

In order to have the right to attend the Annual General Meeting, shareholders must notify the company of their intention to do so by 16:00 on 4 May 2001 at the latest. Shareholders may register by mailing or telephoning the company's head office (P.O. Box 117, 60101 Seinäjoki, Finland, +358 6 416 8111/Liisa Liuku) or by mailing or telephoning the company's office in Kuopio (P.O. Box 147, Ankkuritie 2, 70101 Kuopio, tel. +358 17 156 111/Anja Pitkänen) before the registration deadline. Any proxies should be submitted to the place of registration within the registration period.

## SHAREHOLDER REGISTER

Atria Oyj joined the book-entry securities system on 10 June 1994. The company's shareholder register is maintained by Finnish Central Securities Depository Ltd.

## FINANCIAL INFORMATION

Atria Oyj's Annual Report is published in April and its Interim Reports will be published on a quarterly basis on 9 May, 27 August and 12 November 2001.

## CONTACT INFORMATION ATRIA OYJ

### HEAD OFFICE

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tel. +358 6 416 8111, fax +358 6 416 8232  
[www.atria.fi](http://www.atria.fi)

### Other business locations:

Ankkuritie 2, P.O. Box 147, 70101 Kuopio, Finland  
tel. +358 17 156 111, fax +358 17 262 7776

Soidinkuja 4-6 A, 00700 Helsinki, Finland  
tel. +358 9 6135 3251, fax +358 9 6135 3277

Rahikkatie 95, 61850 Kauhajoki as, Finland  
tel. +358 6 416 8680, fax +358 6 231 3377

Tesomanvaltatie 24, 33310 Tampere, Finland  
tel. +358 3 344 1555, fax +358 3 345 1297

Atria Oyj's subsidiaries  
which engage in business operations:

### LITHELLS AB

S-69780 Sköllersta, Sverige  
tel. +46 19 300 300, fax +46 19 230 858

### LIHA JA SÄILYKE OY

Pusurinkatu 48, 30100 Forssa, Finland  
Factory department: Rantapuisto 47,  
30100 Forssa, Finland  
tel. +358 3 41 541, fax +358 3 415 4244

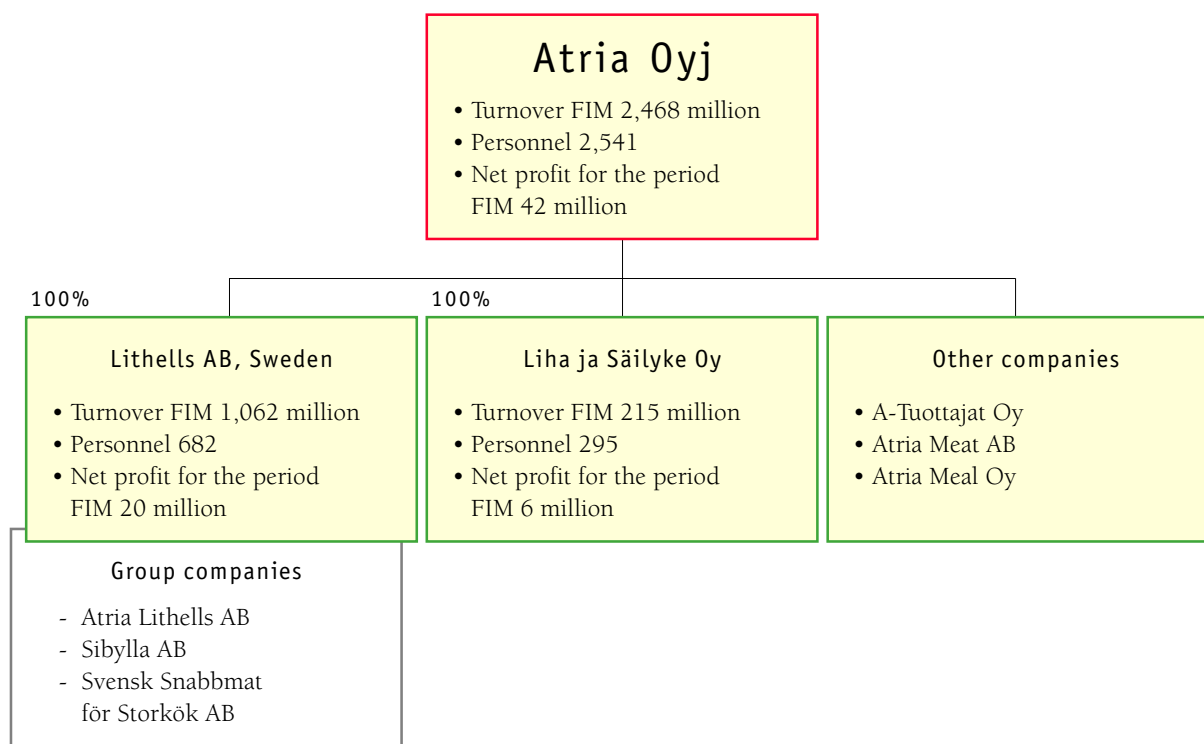
### ATRIA MEAT AB

Palmfeltsvägen 21, 1 tr.  
Box 5141, S-121 17 Johanneshov, Sverige  
tel. +46 8 725 8490, fax +46 8 725 8495

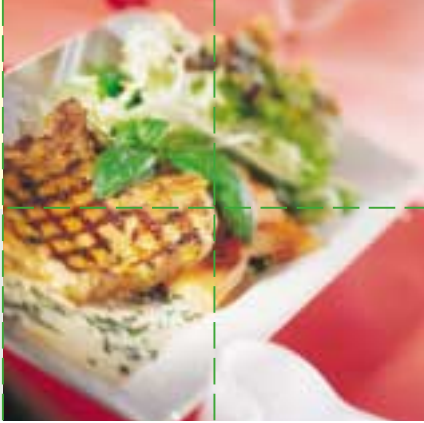
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## GROUP STRUCTURE



## ATRIA OYJ IN BRIEF



- *The logistics centre was inaugurated.*
- *Atria Meal went into business.*
- *A-Tuottajat Oy, a new meat procurement company, was founded.*
- *Co-operation in bovine slaughtering and cutting was started up with HK Ruokatalo.*

### ATRIA OYJ IN BRIEF

Atria Oyj is a Finnish meat processing company with a wide shareholder base. The company's core business concept is to develop, manufacture and market meat, meat products and foods and to provide related services to meet the needs of customers and consumers while relying on Finnish meat production.

Atria Corporation's goal is to be the leading marketer of food products, meat and convenience foods in the Nordic countries. Its objective is to further increase the degree of raw material processing and to be even better capable of meeting the expectations of customers and consumers in its home markets, Finland and Sweden, as well as those of export customers. Products sold under Atria Corporation's Atria brand are made of 100% Finnish meat.

Atria Oyj's operations in the whole of the 90s were characterised by investments in its main production plants – particularly the Nurmo production plant – and centralising and increasing the efficiency of production. Competitiveness has also been improved by the development of the product range and the strengthening of

*Atria's core business concept is to develop, manufacture and market meat, meat products and foods and to provide related services to meet the needs of customers and consumers while relying on Finnish meat production.*

brands. The latest investment to be completed was the cutting-edge logistics centre that incorporates new technology which was completed next to the Nurmo production plant; it was inaugurated in November 2000.

Atria Corporation's operations have gone international vigorously during Finland's membership of the EU. The internationalisation trend was boosted by an acquisition carried out at the end of 1997, when Atria Oyj assumed ownership of the Swedish meat company Lithells AB. Business operations in Sweden now account for about one-third of the entire Corporation's turnover.

As from summer 1999, the Forssa-based Liha ja Säilyke Oy has also been part of Atria Corporation. This company's product range includes processed meats, pre-mixed salads and pies.

### ATRIA MEAL IS SPUN OFF

At its meeting on 28 December, Atria Oyj's Board of Directors decided to spin off its Atria Meal business operations as a limited company effective 1 January 2001. Atria Meal Oy operates as a Nordic company in Finland and Sweden, and its products are marketed under the Buffet brand. Atria Meal's business operations had developed favourably during its first year in business, and thus incorporation was seen as a viable option.

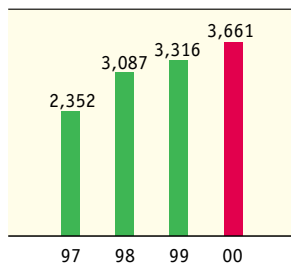
### A NEW MEAT PROCUREMENT COMPANY A-TUOTTAJAT OY

Atria Oyj has an interest in A-Tuottajat Oy with its stake of five per cent (52% of the votes). The other owners are Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative, which have previously been responsible for the procurement of the meat raw materials required by Atria Oyj. Meat procurement will now be transferred into the hands of this jointly-owned company. The aim of this reorganisation is to upgrade the quality of advisory work and the controllability of the production chain, eliminate overlapping functions and achieve cost-savings by merging resources.

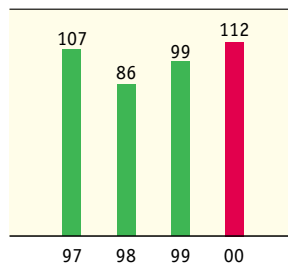
ATRIA CORPORATION'S FUNCTIONS BY BUSINESS AREA

Business areas	Subsidiaries
<p><b>MEAT INDUSTRIES DIVISION</b> -slaughtering and meat-cutting</p> <p><b>MEAT PRODUCT INDUSTRIES</b> - further processing of meat raw materials: sausages, grilling and ring sausages, frankfurters (skinless and with casing), cold cuts and whole meat products</p> <p><b>CONVENIENCE FOODS</b> - pre-made meals, cooked minced meat products, casseroles and jellies, bakery products, pancakes, pizzas and pre-mixed salads - manufacture of Atria Meal brand cooked meal components and sous vide products for institutional catering</p> <p><b>RETAIL-PACKED MEAT</b> - retail-packed beef and pork products, marinated products, ready-to-cook steaks</p> <p><b>CHICK POULTRY</b> - Chick broiler and turkey products</p>	<p><b>LITHELLS AB</b> - The Lithells Group includes Atria Lithells AB, Sibylla AB, Svensk Snabbmat AB and Atria Meal AB. Atria Lithells AB is responsible for the manufacture of food products, Sibylla AB is specialised in the fast food business and Svensk Snabbmat AB is engaged in the local wholesale business.</p> <p><b>ATRIA MEAL OY AND ATRIA MEAL AB</b> (AS OF 1 JANUARY 2001) - Atria Meal is Atria's HMR (Home Meal Replacement), a business based on offering goods. - Atria Meal products are pre-cooked meals and components. The customers are retail stores, institutional caterers and restaurants and various public and large-scale events. - In addition to its highly processed products, Atria Meal sells expertise. The whole Atria Meal package includes easy-to-implement sales and portioning solutions and strong brand support.</p> <p><b>ATRIA MEAT AB</b> - a company specialising in meat exports</p>
<p>Concept companies</p>	<p><b>LIHA JA SÄILYKE OY</b> - The product range marketed under the Forssa brand includes meat products, pre-mixed salads and pies. The company's business concept hinges on the good quality and taste of the products and efficient production. Liha ja Säilyke Oy has achieved a good market share in the convenience food market in the retail sector.</p>
<p>- <b>ATRIA MEAL OY AND ATRIA MEAL AB</b> - <b>SIBYLLA AB</b></p>	

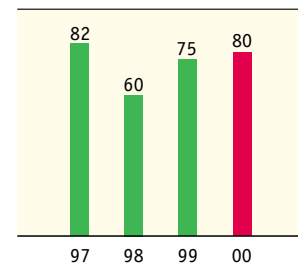
Turnover



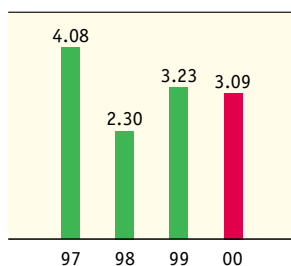
Net operating profit



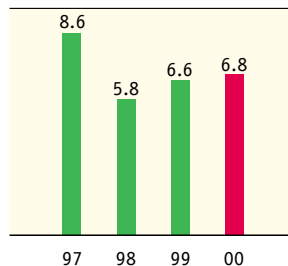
Profit before extraordinary items



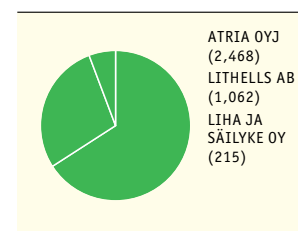
EPS



Return on investment, %



Breakdown of turnover by company, FIM million



*In 2001, Atria aims to rack up turnover of FIM four billion and achieve higher business profitability – and it is well poised to do so.*

For Atria Oyj, the year now ended could be called the Year of Logistics. A new logistics centre was constructed at the Nurmo unit while a considerable part of the retail sector changed over to the use of an electronic ordering system. The number of orders grew vigorously, distribution density increased and the average delivery volumes declined. The newly-constructed logistics centre will meet the requirements ushered in by this trend with its high degree of automation as well as enable us to achieve even higher flexibility in our operations at a lower cost.

The construction of the logistics centre during the report year caused overlapping expenses, as both the former and new systems were in use concurrently. In 2001, many of these expenses will fall substantially.

Atria Corporation's net operating profit hit FIM 112 million, whereas it was FIM 98.8 million in the previous year. Profit before appropriations and taxes amounted to FIM 80.5 million, compared with FIM 74.8 million in the previous year. The result for the year's last quarter was exceptionally good; at that point, the major changes in the logistics chain had been implemented.

Atria Corporation's turnover was up 10.4 per cent. The largest growth was registered by Lithells AB, Atria's Sweden-based subsidiary. The decline in pork production in Finland caused a slight contraction in Atria's aggregate meat volume in spite of the growth in beef processing. Large stocks of poultry were cut all over Finland as sales grew, but production was kept at a slightly lower level than last year.

Atria's exports registered the highest increase in the case of Sweden, Spain and Japan. The total value of exports was FIM 294.9 million. Foreign operations, including the Sweden-based Lithells AB, were valued at FIM 1,108.9 million, representing 30.3 per cent of consolidated turnover.

The operations of the parent company, Atria Oyj, did not meet all of the goals set for it, earnings among them. Its dispatching capacity was underdimensioned in the spring and summer while the new logistics centre was being tested. This caused extraordinary expenses. Outlays on new products and the start-up of the new Atria Meal business also caused higher-than-normal development expenses. At the beginning of 2001, Atria Meal will commence operations as a company in its own right, marketing meal components in Finland and Sweden.

Raising the selling prices of foods has turned out to be difficult during the entire EU era. Atria's selling prices rose reasonably towards the end of the year, but at the beginning of the year the prices did not match the rise in raw material costs – a cost increase that was large relative to the exceptionally low cost levels preceding the increase.

#### FIVE-YEAR INDICATORS

	2000	1999	1998	1997	1996
Turnover, FIM million	3,661	3,316	3,087	2,352	2,254
Net operating profit, FIM million	112	99	86	107	103
% of turnover	3.1	3.0	2.8	4.5	4.6
Profit before extraordinary items, FIM million	80	75	60	82	74
% of turnover	2.2	2.3	1.9	3.4	3.3
Balance sheet total, FIM million	2,161	2,133	1,804	1,816	1,402
Earnings per share (EPS), FIM	3.09	3.23	2.30	4.08	4.76
Dividend/profit, %	48.54	46.44	65.22	36.76	28.57
Return on investment (ROI), %	6.8	6.6	5.8	8.6	8.7
Return on equity (ROE), %	4.9	5.3	3.8	7.2	8.1
Equity ratio, %	46.7	46.3	52.6	52.3	52.6

In Sweden, Lithells AB's companies, Sibylla and Svensk Snabbmat AB in particular, grew and improved their profitability. Atria honed its ownership strategies with respect to these companies and decided to develop each company as an independent unit in its own strong areas. In the year now ended, the entire Lithells Group achieved all the objectives that had been set for it. Liha ja Säilyke Oy operates in Forssa and Karkkila as an independent subsidiary with its own brands and business strategy. The company consolidated its position, especially as a marketer of fresh convenience foods. At the end of the year, the Karkkila unit was spun off and in future it will operate as a meat processor and vendor under the name of Kruunuliha Oy. Liha ja Säilyke Oy met all of its goals in the report year while strengthening its resources in order to develop its operations to meet the demands of the future. During the year now ended, Atria Oyj entered into a significant partnership with HK Ruokatalo Oyj. Atria slaughters and cuts HK Ruokatalo's beef at its Kauhajoki unit. Co-operation has enabled both companies to achieve the cost-savings they have been seeking. In February 2001, Atria's logistics centre in Nurmo will be in full operation. It has been assessed that its completion will lead to annual savings of FIM 35 million. The centre will enable us to provide faster and more flexible customer service and will fulfil our requirements far into the future. The establishment of an ordering centre in Seinäjoki in spring 2001 is also expected to lead to annual savings of FIM seven million as electronic ordering systems become more widely used.

Last year, together with Itikka Co-operative, Liha-kunta and Pohjanmaan Liha, Atria Oyj set up the procurement company A-Tuottajat Oy. This company is expected to increase efficiency in farmer counselling, primary production and other co-operative efforts and, by virtue of its own efficient operations, bring about sizeable savings compared with the previous operating model. These savings will be realised from the second half of 2001 onwards.

During the report year, Atria Oyj set up a new organisation in accordance with the division of its business areas. At the same time, the operating models of both sales and marketing were changed. The aim is for the entire organisation to operate in a more flexible and efficient manner in line with the new needs of customers.



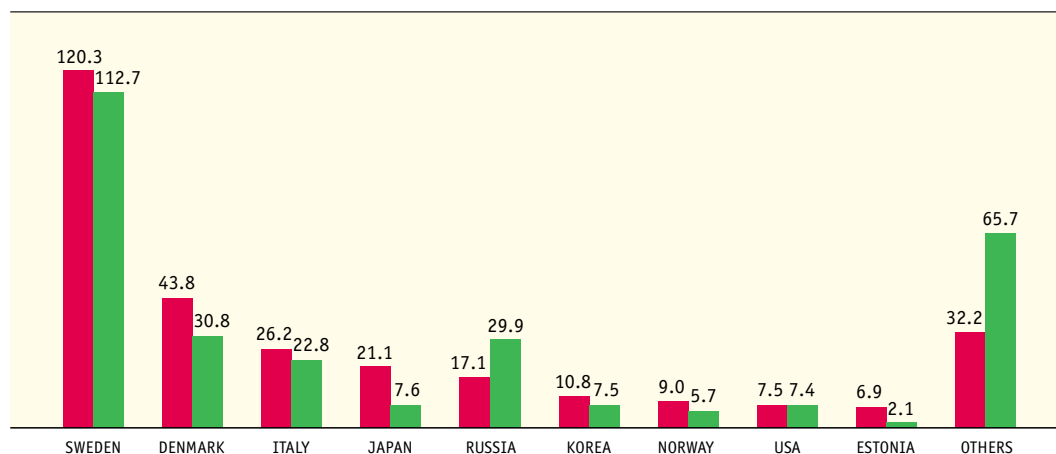
In 2001, Atria aims to rack up turnover of FIM four billion and achieve higher business profitability – and it is well poised to do so. At this stage, it is difficult to assess the impacts of the BSE crisis on business operations, but stacked up against the entire Atria Corporation, they are expected to be limited to only a narrow part of our operations. Earnings will vary greatly during the financial quarters of the year; earnings in the first quarter of 2001 are expected to be weak, but we anticipate that earnings will improve from the second quarter onwards.

The financial difficulties of many large Nordic meat companies are indications of the types of problems companies in this field can run into. With its investment programme of over FIM two billion and its vigorous implementation of changes in the 1990s, Atria Oyj has steered itself on to a different kind of development path. I believe that the differences in the operating procedures and profitability of companies will come increasingly to the fore in the future. Atria is confident that it will succeed in its field.

Seppo Paatelainen  
Managing Director

EXPORTS, 2000-1999, FIM MILLION

■ 2000 (FIM 294.9 mill.) ■ 1999 (FIM 292.2 mill.)





## *Meat production down, consumption remains almost unchanged.*

In 2000, aggregate meat production declined, whereas almost no changes took place in the level of consumption. Production contracted by three per cent and consumption by 0.5 per cent compared with the previous year. Production fell in all meat types; the greatest decline was seen in pork production, down five per cent. Consumption of pork slid by four per cent. Beef production remained at the same level as in 1999 and consumption grew by one per cent. Aggregate production of poultry declined by three per cent compared with the previous year. Turkey production rose, while broiler production contracted. The reason behind the decline in broiler production was that the accumulated broiler stocks were cut substantially. Consumption of poultry grew, especially in the case of turkey products. Broiler consumption was up three per cent and turkey consumption shot up 53%.

In Finland, 330 million kg of meat were produced and 341 million kg were consumed, or 66 kg per person. Compared to the beginning of the EU era, production has increased by slightly under 20 million kg and consumption by 56 million kg, that is, by 10 kg per

### MEAT VOLUMES PROCESSED BY ATRIA OYJ

(1,000 kg)	2000	1999
Pork	52,749.8	55,943.1
Beef + others	32,665.3	32,311.5
Poultry	20,691.7	22,030.6
Total	106,106.8	110,285.2

The figures do not include the beef processed by HK Ruokatalo.





capita. In recent years, the increase in the rate of consumption has been two per cent in Finland and one per cent on average in the EU countries.

The amount of meat imported to Finland matched last year's figure, about 31 million kg, corresponding to nine per cent of meat consumption on average. Exports contracted by about 10% to 26 million kg. The price level of meat in retail stores remained unchanged for the most part with the exception of pork, which saw an average price increase of about seven per cent. The growth phase of pork production tailed off in 2000. The growth phase was kicked off by investments in 1996 and ended in 1999, when the decline in producer prices was followed by the curtailment of production. At present, production is being expanded once again.

Exports of pork fell to 18 million kg, that is, about three million kg less pork were exported than in 1999. Imports of pork have remained unchanged compared with the previous year and represented about nine per cent of the amount of pork consumed in Finland.

In 2000, the beef production volume remained at the previous year's level (+0.5%). The supply level was

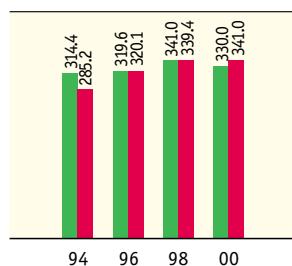
steadier than in the previous year, when the first months were affected by scarcity and a glut hit in the autumn. A steadier supply has been assured by means of co-operation between producers and slaughterhouses.

Beef production in Finland has kept in step with the trend in the number of milk cows such that production has declined by almost 10 million kg since the first years of Finland's membership of the EU. The share accounted for by mother cows allocated for meat production remains small, representing only about seven per cent of the production volume.

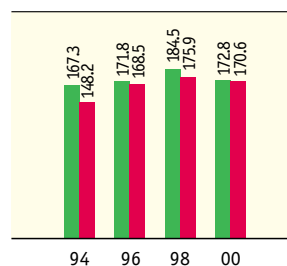
Beef consumption grew somewhat compared with the previous year, amounting to 98 million kg, or slightly in excess of 19 kg per head. Approximately 10 million kg of beef were imported to Finland, representing about 10 per cent of consumption. The trend in export sales was favourable, as exports of beef increased by one-quarter to six million kg. It is still difficult to assess the impact of the BSE crisis on the market for beef in Finland and Europe as a whole. Finland's beef self-sufficiency ratio remained at the same level as in 1999 and was 93 per cent.

**MEAT PRODUCTION AND CONSUMPTION BAR DIAGRAMS**      Production ■  
1994–2000      Consumption ■

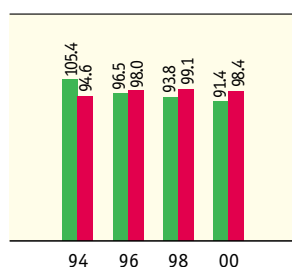
*Aggregate production and consumption*



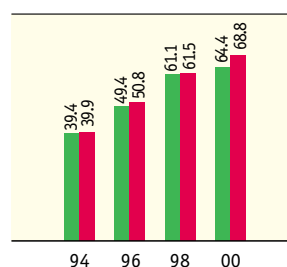
*Pork production and consumption*

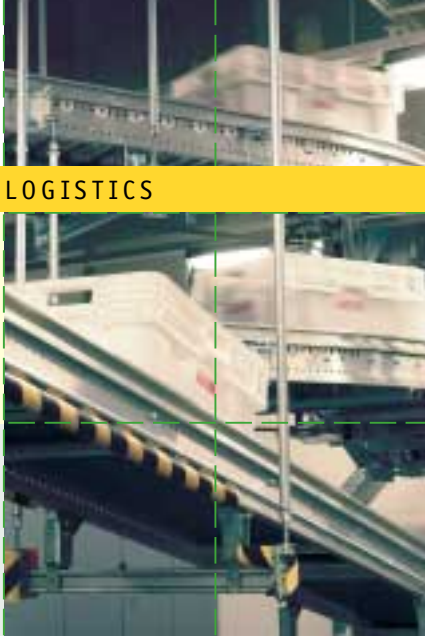


*Beef production and consumption*



*Poultry production and consumption*

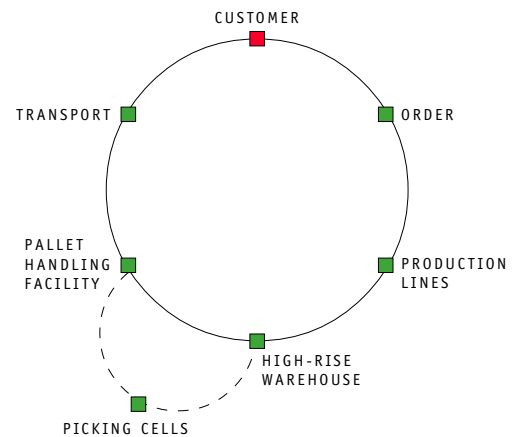




*A customer-focused approach underpinned the design of the systems and functions of the logistics centre: that is, the reliability, safety, speed, ease, individuality and cost-effectiveness of deliveries.*

## *Atria's logistics functions for the new millennium.*

The new logistics centre built as an adjunct to Atria's production plant in Nurmo was formally opened in November 2000, when President of the Republic Tarja Halonen inaugurated the plant. The new logistics centre sees to it that Atria's products are delivered even faster and fresher to stores and consumers' tables. It also serves to improve productivity in the entire logistics chain and dispatching capacity as well as opens up new avenues for customer service. The decision to invest in the centralisation of logistics functions at the new centre was made in September 1998. The investment was valued at FIM 230 million. By building a completely new logistics centre, Atria can achieve higher cost-savings than it could have by investing in the three previously-used dispatch centres. The design fundamentals of the centre were increasing





*The new logistics centre sees to it that Atria's products are delivered even faster and fresher to stores and consumers' tables. It also serves to improve productivity in the entire logistics chain and dispatching capacity as well as opens up new avenues for customer service.*

*President of the Republic Tarja Halonen inaugurated the new logistics centre. Present at this ceremony were Seppo Paatelainen, Atria Oyj's managing director, and Chairman of the Board Reino Penttilä.*

production volumes, achieving larger product ranges in retail stores and fulfilling the turnover rate and freshness requirements set on products. Logistics functions change in step with changes in consumers' behaviour and expectations and the operating procedures of the retail sector. The setting up of electronic ordering and delivery systems also plays a part in shaping logistic operations.

The 75 production lines of the Nurmo production plant have been linked to the logistics centre by means of conveyors such that the products are automatically transported in plastic boxes from the production lines to the centre's high-rise warehouse. The logistics centre is linked to the production plant by a conveyor bridge that makes the centre an integral part of the production plant. The 20 metre-high automated high-rise warehouse is an important part of the centre. Customer-specific order picking is performed at multi-purpose

workstations and the product boxes are loaded into transport vehicles in the pallet handling facility. At the new centre, both order picking and the operations of the pallet handling facility have been planned with a view to providing optimal service for the customer, and not on the basis of the routes employed. The logistics centre incorporates a high degree of information technology and its operations are extensively automated.

Ergonomic factors and environmental considerations were taken into consideration during the design and implementation stages of the centre. A customer-focused approach underpinned the design of the systems and functions of the logistics centre.

The logistic solutions are geared towards ensuring that our customers are satisfied with the reliability, safety, speed, ease, individuality and cost-effectiveness of deliveries, and other aspects affected by logistics.






*The focus areas of Atria's brand advertising in 2000 were Atria, Kytösavu, Chick, Laatuliha and Atria convenience foods.*

*The Atria brand has retained its strong profile and status among consumers as one of Finland's best known food brands.*

#### CONSUMER MARKETING AND BRANDS

The Atria brand has retained its strong profile and status among consumers as one of Finland's best known food brands. Atria has held on to its position as the market for the entire field of industry has increased. The food product industry as a whole has grown by over seven per cent.

The product groups which have seen the strongest growth are retail-packed meat (+15%), retail-packed broiler and turkey (+13%) and meat products (+5%), in which the fastest-growing product subgroups are whole-meat cold cuts (+12%) and salamis (+6%). Growth in the convenience food product group was three per cent. Atria Oyj's aggregate market share in 2000 amounted to 21.9%.<sup>\*)</sup>

The focus areas of Atria's brand advertising in 2000 were Atria, Kytösavu, Chick, Laatuliha and Atria convenience foods; in the case of single product series, Atria Wilhelm and Atria Gotler received the greatest advertising push. Atria Wilhelm was highly successful in the grilling sausage market in the summer, claiming the number one spot in A-class grilling sausages. Among meat products, Kevyt Gotler was also successful – its launch in the product range consisting of low-fat cold cuts was a resounding success.

<sup>\*)</sup> Market share and market development figures are presented in terms of value.

The Chick brand has steadily consolidated its position in the market, which is evident not only in the positive trend in its market share but also in consumers' impressions of the brand. In the field of convenience foods, Atria has overhauled its product range and in the autumn launched new high-quality microwave meals on the buoyantly-growing market for such products.

The Atria Corporation is present in the Swedish retail sector through the products sold by its subsidiary Lithells AB under the Lithells brand and in the fast food market under the Sibylla brand. Of Atria's Finnish brands, Atria and Chick are sold in the Swedish market. Atria Meal Oy's products are marketed under the Buffet brand.

When Atria's new microwave meals were launched in autumn 2000 on the Finnish market, they were also successfully introduced in the Swedish retail market. Several Atria brand products also have a good foothold in Sweden: Atria has a nine per cent market share in the meals and components product group and holds market leadership in pies with its 55% market share and in pancakes with its 75% share.

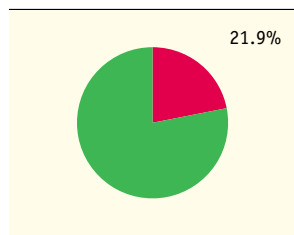


ATRIA CORPORATION'S BRAND PORTFOLIO

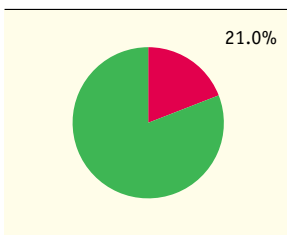


ATRIA OYJ'S AGGREGATE MARKET SHARE AND MARKET SHARES BY PRODUCT GROUP, 2000 (in terms of value)

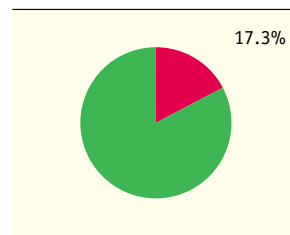
Aggregate market share



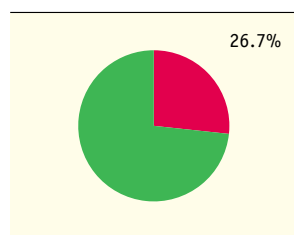
Meat products



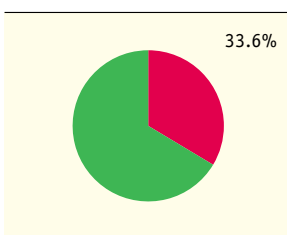
Convenience foods



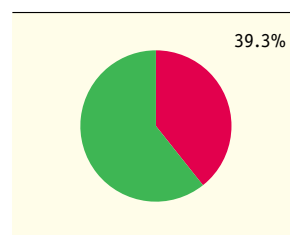
Retail-packed meat



Chick poultry products



Pet food





## *2000: a year of vigorous product development.*

### MEAT INDUSTRIES DIVISION

In 2000, Atria Oyj retained its position as the largest processor of Finnish meat. The trend in the meat volumes processed by Atria was as follows in 2000: the volume of processed beef grew by 1.1%, while the volume of pork declined by 5.7% and poultry by 6.1%. The total volume of processed meat fell by 3.8% compared with the previous year. The business year in meat products was distinguished by the starting up of co-operation with HK Ruokatalo Oyj in bovine slaughter and cutting. In accordance with the co-operation agreement, Atria slaughters and cuts HK Ruokatalo's beef at its Kauhajoki unit. This slaughtering and meat-cutting partnership began in spring 2000 and has progressed according to plan. The companies' co-operative arrangement enables them to achieve significant cost-savings and improves the efficient utilisation of their capital. The new meat-cutting facility of the Nurmo pork line was put into full operation in 2000. The meat-cutting facility makes it possible to cut meat on a more customer-specific basis, including speciality meat cuts and the separation of meats.

The Kuopio unit has stepped up its cutting capacity, modernised its packaging line and built a hide storage facility.

The precautions required as a consequence of BSE have caused additional expenses for the slaughtering industry. The total impact of these expenses will only become clear during 2001. Exports of Atria's meat were on the rise, as measured in terms of value, and exports of beef in particular developed favourably. Atria exports pork and beef to over 20 countries. The trend in

exports of certain beef parts to Spain and exports to the Far East, for example, was favourable in 2000. The stronger dollar and yen improved the competitiveness of European meat exporters in the international market.

### 2001

Atria anticipates that in 2001 slaughtering volumes will grow slightly compared with the previous year. The volume of processed beef is expected to remain at the same level as in 2000 and the company is aiming to achieve growth in its pork volume. The effects of the BSE crisis on the consumption and market for beef in Europe cannot be foreseen as yet. In 2001, the slaughtering and meat-cutting partnership with HK Ruokatalo will make it necessary to invest in the Kauhajoki unit.

### MEAT PRODUCTS

The consumption of meat products – sausages, all-meat cold cuts and salamis – continued to grow in 2000 (+5%). The consumption of sausages, measured in terms of kilograms, remained almost at the same level as in the previous year, while growth in terms of value amounted to three per cent due to the increase in the popularity of more expensive A-class grilling sausages. The consumption of traditional ring sausages and frankfurters also grew, thanks to factors such as new low-fat alternatives. In the product groups comprising whole-meat products, salamis and sausage cold cuts, consumers preferred products sold in slice packs.

Sales of Atria's meat products developed favourably in 2000 and for the most part followed the general consumption trend in this product group. Atria achieved the highest increase in its market share in its strongest product groups: grilling sausages and sausage cold cuts. The growth in the market share of A-class grilling sausages amounted to 11% thanks to the highly successful Atria Wilhelm series, which took over first place in the market for A-class grilling sausages in the summer. Among Atria's meat products, Kevyt Gotler also became successful – its launch in the low-fat cold cuts product range went well and played a role in strengthening Atria's position as the market leader in sausage cold cuts. Atria retained its market position in the traditional ring sausage and frankfurter product groups. The trend in Atria's pet food product group in the daily consumer goods trade was above average for the product group. Atria's market share rose by over four percentage points and totalled over 39%.

### 2001

The upgrading of production efficiency will continue in 2001. Efficiency will be improved by means such as automating production lines. Packaging will also be redesigned in 2001.



## CONVENIENCE FOODS

Convenience foods comprise one of the fastest-growing product groups. Measured in terms of value, the aggregate market for convenience foods is increasing by about three per cent annually. The strongest growth is seen in microwave foods, pancakes and salads.

The growth in sales of Atria's convenience foods in 2000 kept pace with the general growth trend in the consumption of convenience foods. The aggregate market share of convenience foods remained at the previous year's level.

2000 was a year of vigorous product development for Atria's convenience foods business. The product range was modernised by launching products such as high-quality microwave meals, low-fat and meat salads and microwave soups. Marketing focused on the Atria brand, and the new products were launched under this brand. Investments in production were earmarked for a new microwave meal manufacturing line that covers all stages of production from portioning to packaging. The salad packaging line was also overhauled. The start-up of the manufacture of Atria Meal Oy's Buffet products also led to investments in production and the deployment of new functions in the convenience foods unit.

### 2001

In 2001, the convenience foods unit will continue to engage in intensive product development work to overhaul its product range. Concurrently, more attention will be paid to the profitability of the product range.

The growth in the consumption of and the aggregate market for convenience foods is expected to remain at the same level as in previous years. In small households, the increase in consumption is especially evident in the buoyant growth in the consumption of microwave meals. Trends in family dining set new challenges for convenience food product development.

## RETAIL-PACKED MEAT

The growth in the market for retail-packed fresh meat products has been extremely strong. In recent years, annual growth has averaged around 10%. In 2000, growth was about 15%. This means that consumers' purchasing behaviour has changed such that they are more frequently purchasing their meat in a pre-packed form, and that purchases from meat counters have decreased.

Atria Oyj sees the vigorous expansion of the market for retail-packed meat as a challenge. At present, Atria is the market leader in retail-packed meat products with its market share of 27%.

Atria's retail-packed fresh meat products are mainly marketed under the Laatulihä brand. Laatulihä is by far the most widely-known brand of fresh meat on

the market. The characteristics consumers associate with Laatulihä products are reliability, quality and freshness. The retail-packed minced meat packaging line was modernised in spring 2000, and the minced meat package was also revamped. The new packaging line is more efficient, which makes it possible to increase capacity. Ensuring a sufficiently high capacity is important, because, in terms of volume, minced meat represents a large share of the unit's aggregate sales volume.

### 2001

The growth in the consumption of retail-packed fresh meat will most likely continue in 2001. Atria's goal is to maintain its current market share and its market leadership in this product group. The unit's cost-efficiency and expertise are both at a good level, thereby laying a solid foundation for development efforts in 2001.

## CHICK POULTRY

The growth in the consumption of poultry continued in 2000. The increase in the consumption of broiler meat slid slightly from the previous year's level and amounted to three per cent. The growth in the consumption of turkey was very high, which is due to the fact that the initial consumption figures remain low. Growth in turkey consumption amounted to 53% in 2000.

In poultry products, consumption has steadily shifted from on-the-bone products to boneless products.

The product development of Chick broiler and turkey products places the accent on low-fat raw materials and ease of use. Broiler products are especially rapid to cook as a meal.

The market share of Atria's Chick products has risen steadily. Atria's aggregate market share in poultry products was 37%, while it was 36% in turkey products.

The packaging of the Chick products was redesigned in autumn 2000. The new package protects the product and is well suited for storage in the refrigerated food shelves of stores. At the same time, the packaging was resized to better suit the needs of modern households.

In fact, the investments made in the poultry business area in 2000 focused on the packaging lines.

### 2001

In 2001, the growth in the consumption of poultry and their markets is expected to continue as it has in previous years. Atria's goal is to meet the challenges posed by the growing markets by augmenting its capacity and developing its product range. The volume of broilers and turkeys processed by Atria will grow in 2001.



## ATRIA'S SUBSIDIARIES



### *Home market thinking – Sweden and Finland together.*

#### LITHELLS AB

Lithells AB's earnings developed favourably in 2000. Profit before taxes amounted to SEK 46.8 million (SEK 21.3 million in 1999), representing growth of 120%. Turnover was up 14% and was SEK 1,578 million (SEK 1,385 million in 1999). The earnings trend validated Lithells AB's chosen approach, which is summed up in our vision: together with its parent company Atria Oyj, Lithells AB aims to lead the way in the meat processing and meal solutions sector in Northern Europe. However, the home markets always have a priority and we are constantly assigning higher significance to home market thinking – Sweden and Finland together. Our customers are on a growth tangent and some have already become Nordic players. This trend will continue on the same vector over the next few years. In order to be better able to meet the challenges posed by the home markets, we have realigned our organisations to be more market-focused. We have also located synergy benefits between the parent company and Lithells AB in matters such as marketing, information administration, logistics, production and purchasing operations.



#### LITHELLS AB

PROFIT AND LOSS ACCOUNT (SEK million)			BALANCE SHEET (SEK million)			
	2000	1999		2000	2000	
Turnover	1,578	1,385	ASSETS		LIABILITIES	
Expenses	-1,500	-1,329	Fixed assets	201	Share capital	9
Depreciation	-29	-30	Inventories	93	Other equity	130
Net operating profit	49	26	Receivables	144	Long-term liabilities	117
Profit before taxes	47	21	Cash in hand and at bank	18	Short-term liabilities	200
			Total	456	Total	456

#### Atria Lithells AB

The change in customer structures is especially evident in Atria Lithells AB's clientele. The spread of retail chains has remained rapid, and in addition the structures of the retail sector have changed. This has been mirrored in Atria Lithells' organisation as well. Its retail sales organisation was thoroughly overhauled in 2000. In the field of institutional catering, we introduced the new Easy product series, which carries on the traditions of the unique Lithells Menu Sous Vide product family. The Easy product series emphasises the ease and speed of cooking, and is a comprehensive and profitable solution for our customers.

In the autumn, we introduced the new Lätt 9% Lithells series of low-fat sausages, a major newcomer in the Lithells product family. The synergies of product and concept development were furthered in association with Sibylla AB and Atria Meal AB. Investments focused on upgrading the efficiency of the basic refrigerated foods chain and the implementation of the fresh products strategy. The aim is to ensure future growth potential in the markets for fresh convenience foods, meat products and Chick products. The parent company's logistics centre investment also serves to open up new opportunities for us in the marketing of Atria and Chick products in Sweden.

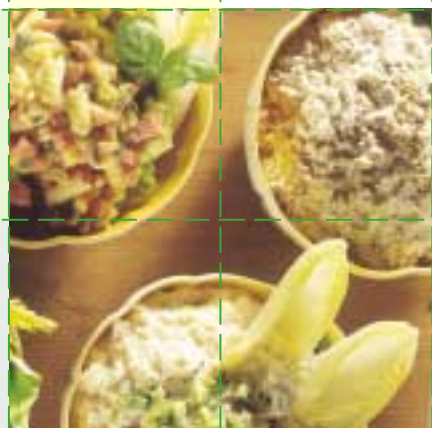
#### Sibylla AB

Sibylla AB shifted the focus of its operations on its home market and Northern Europe, which improved the company's profitability. It withdrew from Southern Europe. Sibylla substantially increased its marketing outlays on the Sibylla brand, further bolstering its position as one of Sweden's best-known brands. The Gatukök and MiniShop concepts strengthened their market position in Sweden. The expansion of the former – the Sibylla Cafe sandwich concept – continued all over Sweden. In Finland, there were 112 MiniShop grills at the end of the year.

#### Svensk Snabbmat AB

Svensk Snabbmat AB's turnover amounted to SEK 886 million (SEK 647 million in 1999), up 37%. At the beginning of the year, Svensk Snabbmat began to implement its independent business strategy. Snabbmat set up its tenth office in 2000, signifying that Svensk Snabbmat AB and the Kisak/Matsäljarna i Sundsvall company jointly comprise the fastest-growing partner for restaurant and fast food customers in particular in the field of local wholesale operations all over Sweden.





*The business strategy focuses on reinforcing strong areas and specialisation.*

#### LIHA JA SÄILYKE OY

The trend in Liha ja Säilyke Oy's operations was favourable in 2000. Turnover grew by five per cent to FIM 215 million.

The salient feature of the year now ended was the establishment of a new business model on the company's solid foundation of expertise. The business strategy focuses on bolstering areas which are already strong (salads, pies and convenience foods) and specialisation in the meat and meat products sector. The year's most important investments went for the expansion of business premises and the modernisation of the Forssa production plant's energy centre.

A limited company named Kruunuliha Oy was founded during the report year; it will continue Liha ja Säilyke Oy's meat-cutting and cut meat sales effective 1 January 2001. The company will seek to increase the degree of processing by means of product development. The company's main market area will be the daily consumer goods trade, especially in the Greater Helsinki area. As a small meat-cutting outfit, it can engage in customer-focused service operations and make speed and flexibility its competitive advantages.

The goods of the Product Industry are sold under the Forssa brand and the stores' own brands. Salads are the largest product group. In this area, Liha ja Säilyke Oy is the market leader and has increased its market share to close to 30 per cent. In addition, the company manufactures salads that are sold under the stores' own brands. The new low-fat salads and fresh salads have been successful in the salad group. In the case of convenience foods, the company is the largest manufacturer and vendor of liver casseroles and other foods baked in aluminium tins, boasting a market share of about 30%.

#### 2001

In 2001, the company will continue to seek market growth. Consumption of convenience foods and salads is expected to grow further. Turnover is expected to grow thanks to the company's objective of increasing its market share and the development measures targeted at cut meat.

**FORSSAN**

#### LIHA JA SÄILYKE OY

PROFIT AND LOSS ACCOUNT (FIM million)			BALANCE SHEET (FIM million)			
	2000	1999		2000	2000	
Turnover	215	205	ASSETS		LIABILITIES	
Expenses	-198	-191	Fixed assets	53	Share capital	1
Depreciation	-9	-7	Inventories	10	Other equity	72
Net operating profit	8	7	Receivables	48	Long-term liabilities	6
Profit before taxes	9	7	Cash in hand and at bank	3	Short-term liabilities	35
			Total	114	Total	114

## *Report by the Board of Directors for the financial period from 1 January to 31 December 2000*

### THE ATRIA CORPORATION

The Atria Corporation comprises the parent company Atria Oyj, the Sweden-based Lithells Group and Atria Meat AB and the Forssa-based Liha ja Säilyke Group. Atria Meal, which went into business under an auxiliary name, was turned into a limited company, Atria Meal Oy, as from 1 January 2001. Under its meal concept, Atria Meal Oy sells pre-made meals to retail stores and institutional caterers in Finland and Sweden. Likewise during the report year, Kruununliha Oy, which acts as a subsidiary of Liha ja Säilyke Oy, was established in Karkkila; this company went into business as a local meat wholesale unit on 1 January 2001.

The founding of A-Tuottajat Oy in association with Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative was a significant corporate realignment. This measure aims to centralise the procurement of the domestic meat needed for Atria Oyj's industrial operations. The new company will increase the efficiency of co-operation between meat producers in order to develop primary production and is capable of using new operating methods to generate significant cost-savings.

The Lithells Group comprises three subsidiaries: Atria Lithells AB, Sibylla AB and Svensk Snabbmat AB. During the year now ended, Sibylla withdrew from its Southern European business locations and centralised its operations not only in Sweden and Finland but also in the UK, Poland, the Baltic countries and Denmark. The company's profitability improved significantly thanks to the implementation of cost-cutting measures and the positive evolution of the Swedish functions.

Svensk Snabbmat AB increased its turnover by over SEK 200 million, a trend which was bolstered by the inclusion of three new business locations into the company's organisation. At present, Svensk Snabbmat AB has 10 offices that, in practice, cover all of Sweden. Atria Lithells AB reorganised its sales field. Likewise, synergy benefits were sought by means of co-operation between Finnish and Swedish functions.

The industrial structure of Atria Oyj's parent company in Finland is centralised in three business locations that have high capacity utilisation ratios. During the report year, the construction of a logistics centre was seen to completion, leading to the termination of the three dispatch centres located in Kuopio, Oulu and Nurmo. This reorganisation imparts significant cost-savings and also streamlines the goods flows of the entire corporate group.

### MARKETING

During the report year, Atria Oyj's market share in retail and institutional catering sales in Finland remained at the previous year's level. Aggregate sales in the retail and institutional catering sector amounted to 96.5 million kg. A significant number of major retail chain customers changed over to the use of an electronic ordering system during the review period, and during the running-in phase this led to many operational problems as the number of orders grew rapidly in a short period of time. Concurrently, average order volumes contracted and the number of deliveries made per customer grew, which increased the logistics expenses of goods suppliers. In these respects, Atria Oyj's

new logistics centre is expected to facilitate the management of expenses in the future.

Atria Oyj's exports amounted to FIM 294.9 million. Exports were made to 29 countries. The largest export country was Sweden with exports valued at FIM 120.3 million. Exports of beef to Spain and pork to Japan developed especially favourably.

#### **FINANCE**

The funding of the final part of the logistics centre investment comprised the largest single financing item. Investments in the entire Corporation totalled FIM 190.7 million. Net profit for the period and depreciation amounted to a total of FIM 166.5 million, and thus the net financing need came in at FIM 24.2 million. The Corporation's equity ratio remained at the same level as it was at the beginning of the financial year.

#### **EARNINGS**

Earnings were especially burdened by the expenses caused by the start-up of the logistics centre and the problems brought on by the implementation of special arrangements. The Corporation's profit before taxes was FIM 80.5 million (FIM 74.8 million in 1999). The parent company's profit before taxes minus dividends received from subsidiaries amounted to FIM 47.3 million. In the case of the subsidiaries, Liha ja Säilyke Oy racked up earnings of FIM 9.0 million and Lithells AB FIM 31.5 million.

#### **PERSONNEL**

During the report year, the Corporation had an average of 3,519 employees, of whom 683 were employed in Sweden, 295 by Liha ja Säilyke Oy and 2,541 by the parent company. When examining the payroll figures, it must be taken into consideration that, on account of the start-up of the logistics centre, the phased-out dispatch centres were in use for six months while the new logistics centre was also manned, and that in 1999 Liha ja Säilyke Oy's personnel was fully included in the personnel figures for only half a year.

#### **OUTLOOK FOR 2001**

The previously used dispatch centres will be closed down, thereby eliminating the expenses caused by them. The operations of the new logistics centre are more efficient than those of the dispatch centres; the centre will go into operation in spring 2001.

The BSE crisis that began towards the end of 2000 will have an impact on 2001. The BSE crisis is a problem that affects the entire EU area; it is most likely that a solution which is reasonable in view of our operations and profitability will be found for it in 2001.

The subsidiaries Lithells AB and Liha ja Säilyke Oy racked up good earnings during the report year and will most likely perform equally well in 2001. All in all, 2001 seems to be a year of good opportunities.

#### **EURO**

Atria Oyj will change over to the euro on 31 December 2001 in accordance with the "overnight model".

In autumn 2000, a euro project was started up within the company with the aim of determining what needs to be done to handle the changeover in a controlled manner. It is our intention to use Finnish markka in the retail sector until the end of 2001; in 2002 we will, in all likelihood, accept payments in Finnish markka and give the change in the form of euros. This means that as a goods supplier, we must adopt the same operating procedures as our customers.

#### **PROPOSAL FOR THE DISTRIBUTION OF PROFITS**

The parent company's distributable equity amounts to FIM 179,506,069.52 and the Corporation's to FIM 162,519,125.20. The Board of Directors proposes that a dividend of 15 per cent, or FIM 1.50 per share, be paid on the share capital of FIM 158,195,460.00 to a total of FIM 23,729,319.00.

## PROFIT AND LOSS ACCOUNTS

## CONSOLIDATED PROFIT AND LOSS ACCOUNTS

(FIM 1,000)	Note	GROUP		PARENT COMPANY	
		1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
TURNOVER	2.1	3,660,582	3,316,279	2,467,647	2,281,180
Increase (+) or decrease (-) in stocks of finished and unfinished products		-49,742	+27,923	-55,448	+26,224
Other operating income	2.2	10,243	3,253	4,040	2,867
Income, total		3,621,083	3,347,455	2,416,239	2,310,271
Materials and services	2.3	-2,007,416	-1,890,887	-1,304,094	-1,267,783
Personnel expenses	2.4	-733,758	-658,386	-508,250	-481,788
Depreciation and value adjustments	2.5				
Depreciation according to plan		-117,578	-115,486	-75,423	-79,853
Other operating expenses	2.6	-650,341	-583,853	-452,157	-395,652
NET OPERATING PROFIT	2.7	111,990	98,843	76,315	85,195
Financial income and expenses	2.8	-31,539	-24,023	-18,203	-20,271
PROFIT BEFORE EXTRAORDINARY ITEMS		80,451	74,820	58,112	64,924
Extraordinary items	2.9				
Extraordinary income		0	0	0	0
PROFIT BEFORE APPROPRIATIONS AND TAXES		80,451	74,820	58,112	64,924
Appropriations	2.10				
Increase (-) or decrease (+) in depreciation difference		0	0	0	+223
Increase (-) or decrease (+) in voluntary provisions		0	0	0	0
Income taxes	2.11	-31,135	-22,029	-15,976	-17,699
Minority interest		-429	-180	0	0
NET PROFIT FOR THE FINANCIAL YEAR		48,887	52,611	42,136	47,448

## BALANCE SHEETS

## CONSOLIDATED BALANCE SHEET

(FIM 1,000)	Note	GROUP		PARENT COMPANY	
		31.12.2000	31.12.1999	31.12.2000	31.12.1999
<b>ASSETS</b>					
<b>FIXED ASSETS</b>					
Intangible assets	3.1				
Intangible rights		8,832	11,766	8,276	11,334
Consolidated goodwill		231,516	248,674	0	0
Other capitalised expenditure		20,988	16,960	20,988	12,817
Intangible assets, total		261,336	277,400	29,264	24,151
Tangible assets	3.1	1,250,587	1,167,941	1,099,099	1,018,625
Investments	3.2				
Shares in group companies		0	0	362,218	348,791
Participating interests		14,689	12,156	11,596	11,136
Other investments		6,320	6,464	5,860	5,860
Other receivables		4,615	0	0	0
Investments, total		25,624	18,620	379,674	365,787
<b>CURRENT ASSETS</b>					
Inventories	3.3	179,167	232,090	106,527	158,824
Short-term receivables	3.4	399,541	381,853	274,566	257,129
Cash in hand and at bank		44,922	54,835	25,592	40,021
<b>ASSETS, TOTAL</b>		<b>2,161,177</b>	<b>2,132,739</b>	<b>1,914,722</b>	<b>1,864,537</b>
<b>LIABILITIES</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	3.5	158,195	158,195	158,195	158,195
Share premium fund		516,985	516,985	516,985	516,985
Reserve fund		8,565	5,635	0	0
Retained earnings		276,578	253,805	137,370	113,651
Profit for the financial year		48,887	52,611	42,136	47,448
Shareholders' equity, total		1,009,210	987,231	854,686	836,279
MINORITY INTEREST		1,126	719	0	0
ACCUMULATED APPROPRIATIONS	3.6				
Depreciation difference		0	0	210,662	210,662
<b>CREDITORS</b>					
Deferred tax liabilities	3.7	80,658	80,668	0	0
Long-term	3.7	446,456	447,223	374,880	377,451
Short-term	3.8	623,727	616,898	474,494	440,145
<b>LIABILITIES, TOTAL</b>		<b>2,161,177</b>	<b>2,132,739</b>	<b>1,914,722</b>	<b>1,864,537</b>

## FUNDS STATEMENTS

## FUNDS STATEMENTS

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>CASH FLOW FROM OPERATIONS</b>				
Sales income	3,635,332	3,265,691	2,431,431	2,309,843
Other business revenue	8,002	3,253	4,041	2,867
Operating expenses	-3,403,439	-3,057,410	-2,267,420	-2,144,591
Cash flow from operations before financial items and taxes	239,895	211,534	168,052	168,119
Net financial expenses	-31,011	-26,230	-17,369	-22,641
Taxes paid	-3,746	-21,578	-5,621	-17,698
Cash flow from operations	205,138	163,726	145,062	127,780
<b>Cash flow from investments:</b>				
Investments in tangible and intangible assets	-190,673	-336,428	-174,437	-297,189
Cash flow from investments	-190,673	-336,428	-174,437	-297,189
<b>Cash flow from financing:</b>				
Loans drawn down	4,601	216,359	15,922	211,706
Dividends paid	-23,729	-23,729	-23,729	-23,729
Change in intra-group receivables	0	0	17,469	0
Change in other receivables	-5,251	0	2,814	0
Change in intra-group liabilities	0	0	2,470	0
Cash flow from financing	-24,379	192,630	14,946	187,977
CASH FLOW FROM OPERATIONS	205,138	163,726	145,062	127,780
CASH FLOW FROM INVESTMENTS	-190,673	-336,428	-174,437	-297,189
CASH FLOW FROM FINANCING	-24,379	192,630	14,946	187,977
TOTAL	-9,914	19,928	-14,429	18,568
<b>Change in liquid funds</b>				
Liquid funds, 1 Jan.	-54,836	-34,907	-40,021	-21,453
Liquid funds, 31 Dec.	44,922	54,835	25,592	40,021
Change	-9,914	19,928	-14,429	18,568

## *Notes to the financial statements, 1 January–31 December 2000*

### 1. ACCOUNTING PRINCIPLES

#### GENERAL ACCOUNTING PRINCIPLES

The financial statements were prepared in accordance with the new bookkeeping regulations that entered into force on 31 December 1997 and in accordance with the provisions of the Companies Act. Furthermore, the requirements set forth in the Securities Act, and the relevant decision taken by the Ministry of Finance, the regulations of the Helsinki Exchanges and the general instructions of the Finnish Accounting Standards Board regarding public companies' duty of disclosure have been taken into consideration.

#### INFORMATION REGARDING THE CORPORATION

Corporate entity owning the largest number of companies: Atria Oyj, domiciled in Kuopio, the parent company of the group comprising the companies listed in section 3.2.

Corporate entity owning the smallest number of companies: Lithells AB, domiciled in Sköllersta, Sweden, the parent company of the sub-group comprising the companies listed in section 3.2.

Copies of Atria Oyj's consolidated financial statements are available from the head office, address: Vaasantie 1, P.O. Box 117, 60101 SEINÄJOKI, FINLAND.

#### VALUATION PRINCIPLES

##### Valuation of fixed assets

In the balance sheet, fixed assets are valued at their direct acquisition cost less planned depreciation and value adjustments. Depreciation is carried out on a straight-line basis over the economic life of the assets. Contributions received for the acquisition of fixed assets are booked as a decrease in acquisition costs. The contributions received are not of significant value.

Depreciation periods:

Buildings	Nurmo, 40 years, other facilities, 25 years
Machinery and equipment	Nurmo, 10 years, other facilities, 7 years
Computer software	5 years
Other long-term items	10 years and 5 years
Consolidated goodwill	20 years and 10 years

##### Valuation of inventories

In the financial statements, inventories are valued at the variable cost of acquisition or manufacture, at the lower replacement value or at the probable sales price.

##### Research and development costs

Research and development costs of FIM 34.6 million have been recorded as annual expenses for the financial year.

##### Comparability of the financial results

The financial statements do not include income or expense items that would essentially affect the comparability of the financial results.

##### Items denominated in foreign currencies

Items denominated in foreign currencies have been converted into Finnish markka at the exchange rate quoted by the European Central Bank on the balance sheet date. The parent company's foreign currency receivables from outside the euro zone totalled FIM 26,090,881.86 at the end of the financial year. The company had no foreign currency debts at year's end. Capitalised translation differences are booked under financial items.

##### Deferred tax liabilities and assets

Since there are no significant differences between booked taxes and actual taxes, deferred tax liabilities and assets have not been taken into account in the financial statements, with the exception of accumulated appropriations.

## ACCOUNTING POLICY APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

### Scope of the consolidated financial statements

The consolidated financial statements include the parent company as well as all of its subsidiaries and associated companies. More detailed information on group companies is provided in section 3.2 under the heading, "Group companies, associated companies and other companies".

### Changes in the group structure

A-Tuottajat Oy is a company that was founded in 2000. In addition to Atria, its owners are Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative. Atria owns 5.1% of this company's shares (51.6% of the votes). The company is included in Atria's consolidated balance sheet as an associated company.

### Intra-group transactions and profit margins

All intra-group transactions, debts and receivables as well as internal distribution of profit have been eliminated. Non-capitalised profit margins from internal sales transactions have not been eliminated due to their slight significance.

### Minority interest

Minority interests have been separated from the consolidated shareholders' equity and result for the financial year.

## PRINCIPLES OF CONSOLIDATION

### Intra-group shareholding

The consolidated financial statements have been prepared using the acquisition cost method. The difference between the acquisition cost of subsidiaries and the proportion of shareholders' equity that corresponds to the acquired holding has been booked as consolidated goodwill, which will be depreciated within the framework of an income waiting period. In the case of Sweden, the depreciation period is 20 years, because the acquisition of Lithells AB provided, with a single deal, a strong and stable market position for the group in Sweden. In connection with the acquisition of Finnish companies, the depreciation period is 10 years, because these deals constitute an expansion of business operations.

### Translation differences

The profit and loss accounts and balance sheets of foreign group companies have been converted into Finnish markka at the exchange rate on the closing date. Translation differences in shareholders' equities arising from translation have been shown under non-restricted shareholders' equity.

### Associated companies

Associated companies have been consolidated using the equity method. The share of the associated companies' profits for the financial year corresponding to the group's holdings in these associated companies has been recorded under other operating income. The difference between the price paid for holdings in Lihateollisuuden Tutkimuskeskus LTK Osuuskunta and the shareholders' equity corresponding to the group's holding amounted to about FIM 10 million. The expected value of the holdings will be booked as income in equal instalments over a period of 10 years.



## 2. NOTES TO THE PROFIT AND LOSS ACCOUNT

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>2.1. Turnover</b>	3,660,582	3,316,279	2,467,647	2,281,180
<b>2.1.1. Distribution of turnover by the degree of processing</b>				
			FIM million	%
Retail-packed meat and other meat products and convenience foods			3,143	86
Slaughterhouse and meat-cutting plant products sold as industrial raw material			518	14
	2000	1999	1998	1997
	12 months	12 months	12 months	12 months
	%	%	%	%
Products	86.0	86.0	85.0	77.5
Industrial raw materials	14.0	14.0	15.0	22.5
Total	100.0	100.0	100.0	100.0

(FIM 1,000)		GROUP		PARENT COMPANY	
		2000	1999	2000	1999
<b>2.1.2. Distribution of turnover by geographical area</b>					
Finland	FIM million	2,399	2,136	2,185	2,122
	%	65.5	64.5	88.5	93.0
Sweden	FIM million	1,089	1,022	120	107
	%	29.7	30.8	4.9	4.7
EU countries	FIM million	85	69	78	36
	%	2.3	2.1	3.2	1.6
Other countries	FIM million	89	89	85	16
	%	2.4	2.7	3.4	0.7
<b>2.2. Other operating income</b>					
Rental income		2,540	3,182	3,567	2,867
Share of the earnings of the associated company, and the income recognition of consolidated reserves		2,240	71	0	0
Other		1,051	0	0	0
Total		5,463	0	473	0
		10,243	3,253	4,040	2,867
<b>2.3. Materials and services</b>					
Raw materials and consumables					
Purchases during the financial year		2,004,235	1,886,854	1,307,246	1,268,243
Change in stocks		3,181	4,033	-3,152	-460
Total		2,007,416	1,890,887	1,304,094	1,267,783

## NOTES TO THE FINANCIAL STATEMENTS

## (2. NOTES TO THE PROFIT AND LOSS ACCOUNT)

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>2.4. Personnel expenses</b>				
Average number of personnel				
Salaried employees	752	681	467	438
Non-salaried employees	2,767	2,583	2,074	2,032
Total	3,519	3,264	2,541	2,470
Finland	2,835	2,631	2,540	2,469
Sweden	683	631	0	0
EU countries	1	2	1	1
Total	3,519	3,264	2,541	2,470
Personnel expenses				
Salaries and wages				
Managing Director, Deputy Managing Director and members of the Board of Directors	6,138	5,835	2,411	1,936
Members of the Supervisory Board	422	337	422	337
Other salaries and wages	543,243	487,206	395,098	367,965
Total	549,803	493,378	397,931	370,238
Pension costs	123,376	108,200	66,246	66,348
Other staff-related costs	60,579	56,808	44,073	45,202
Total	183,955	165,008	110,319	111,550
Personnel expenses, total	733,758	658,386	508,250	481,788
Pension commitments to Board members and the Managing Director.				
The company's statutory pensions have been handled via insurance companies. The company does not have pension commitments on behalf of the Managing Director and the members of the Board of Directors and the Supervisory Board.				
Loans to closely associated parties				
The group companies had no loan receivables from closely associated parties.				
<b>2.5. Depreciation and value adjustments</b>				
Depreciation on tangible and intangible assets	117,578	115,486	75,423	79,853
of which depreciation of consolidated goodwill, and the income recognition of consolidated reserves	15,970	15,218	0	0
	0	1,051	0	0
<b>2.6. Other operating expenses</b>				
Other operating expenses	650,341	583,853	452,157	395,652
Including marketing, transport, energy, cleaning, operation, administration and other expenses.				
<b>2.7. Net operating profit</b>				
Breakdown of net operating profit by geographical area				
Finland	77,967	80,690	76,315	85,195
Sweden	34,023	18,153	0	0
Total	111,990	98,843	76,315	85,195

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>2.8. Financial income and expenses</b>				
Return on long-term investments				
Dividends received				
From group companies	0	0	10,826	384
From others	1,017	275	479	274
Total	1,017	275	11,305	658
Interest receivable and other financial income				
From group companies	0	0	0	0
From others	3,650	4,392	1,594	1,584
Total	3,650	4,392	1,594	1,584
Interest payable and other financial expenses				
To group companies	0	0	579	152
To others	36,206	28,690	30,523	22,361
Total	36,206	28,690	31,102	22,513
Financial income and expenses, total	-31,539	-24,023	-18,203	-20,271
Interest receivable and other financial income includes currency conversion differences (net)	-422	1,324	-388	1,491
<b>2.9. Extraordinary items</b>				
Extraordinary income and expenses	0	0	0	0
<b>2.10. Appropriations</b>				
Difference between depreciation according to plan and depreciation reported in taxation	0	0	0	223
<b>2.11 Income taxes</b>				
Income taxes on operations	29,282	21,578	15,976	17,637
Change in deferred tax liabilities	1,853	451	0	62
Total	31,135	22,029	15,976	17,699
<b>3. NOTES TO THE BALANCE SHEET</b>				
<b>3.1. Intangible and tangible assets</b>				
<b>Intangible rights</b>				
Acquisition cost, 1 Jan.	34,095	31,016	35,990	35,990
Changes +/-	893	3,079	569	0
Acquisition cost, 31 Dec.	34,988	34,095	36,559	35,990
Accumulated depreciation, 1 Jan.	-22,329	-18,730	-24,656	-21,057
Depreciation for the period	-3,827	-3,599	-3,627	-3,599
Accumulated depreciation, 31 Dec.	-26,156	-22,329	-28,283	-24,656
Book value, 31 Dec.	8,832	11,766	8,276	11,334
<b>Consolidated goodwill</b>				
Acquisition cost, 1 Jan.	292,348	255,643	0	0
Translation difference	-1,366	6,955	0	0
Changes +/-	107	29,750	0	0
Acquisition cost, 31 Dec.	291,089	292,348	0	0
Accumulated depreciation, 1 Jan.	-43,674	-26,608	0	0
Translation difference	71	-1,848	0	0
Depreciation for the period	-15,970	-15,218	0	0
Accumulated depreciation, 31 Dec.	-59,573	-43,674	0	0
Book value, 31 Dec.	231,516	248,674	0	0

## NOTES TO THE FINANCIAL STATEMENTS

## (3. NOTES TO THE BALANCE SHEET)

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
Other capitalised expenditure				
Acquisition cost, 1 Jan.	37,987	30,041	33,450	30,029
Changes +/-	8,612	7,946	12,755	3,421
Acquisition cost, 31 Dec.	46,599	37,987	46,205	33,450
Accumulated depreciation, 1 Jan.	-21,027	-17,365	-20,633	-17,365
Depreciation for the period	-4,584	-3,662	-4,584	-3,268
Accumulated depreciation, 31 Dec.	-25,611	-21,027	-25,217	-20,633
Book value, 31 Dec.	20,988	16,960	20,988	12,817
Intangible assets, total	261,336	277,400	29,264	24,151
Tangible assets:				
Land and water				
Acquisition cost, 1 Jan.	13,614	12,510	11,331	11,653
Translation difference	-18	59	0	0
Changes +/-	28	1,045	0	-322
Acquisition cost, 31 Dec.	13,624	13,614	11,331	11,331
Buildings and structures				
Acquisition cost, 1 Jan.	1,077,364	1,032,831	991,326	981,547
Translation difference	-1,201	4,802	0	0
Changes +/-	137,090	39,731	125,401	9,779
Acquisition cost, 31 Dec.	1,213,253	1,077,364	1,116,727	991,326
Accumulated depreciation, 1 Jan.	-412,215	-380,197	-380,313	-353,373
Translation difference	486	-2,625	0	0
Depreciation for the period	-31,801	-29,393	-28,112	-26,940
Accumulated depreciation, 31 Dec.	-443,530	-412,215	-408,425	-380,313
Book value, 31 Dec.	769,723	665,149	708,302	611,013
Machinery and equipment				
Acquisition cost, 1 Jan.	989,036	901,330	778,618	747,255
Translation difference	-2,949	16,450	0	0
Changes +/-	97,811	71,256	77,165	31,363
Acquisition cost, 31 Dec.	1,083,898	989,036	855,783	778,618
Accumulated depreciation, 1 Jan.	-721,588	-647,227	-593,929	-548,829
Translation difference	1,255	-10,726	0	0
Depreciation for the period	-60,214	-63,635	-38,136	-45,099
Accumulated depreciation, 31 Dec.	-780,547	-721,588	-632,065	-593,928
Book value, 31 Dec.	303,351	267,448	223,718	184,690
Other tangible assets				
Acquisition cost, 1 Jan.	16,135	15,187	14,546	13,749
Translation difference	-45	151	0	0
Changes +/-	1,291	797	863	797
Acquisition cost, 31 Dec.	17,381	16,135	15,409	14,546
Accumulated depreciation, 1 Jan.	-9,126	-8,097	-8,814	-7,868
Translation difference	0	-83	0	0
Depreciation for the period	-1,182	-946	-964	-946
Accumulated depreciation, 31 Dec.	-10,308	-9,126	-9,778	-8,814
Book value, 31 Dec.	7,073	7,009	5,631	5,732
Advance payments and acquisitions in progress				
Acquisition cost, 1 Jan.	214,721	52,828	205,859	49,654
Changes +/-	-57,905	161,893	-55,742	156,205
Acquisition cost, 31 Dec.	156,816	214,721	150,117	205,859
Tangible assets, total	1,250,587	1,167,941	1,099,099	1,018,625
Carrying value of machinery and equipment	303,351	267,448	223,718	184,690
The share of items other than production machinery and equipment is not material in amount.				

### 3.2. Investments

Group, associated and other companies

Group companies	Group's holding, %	Parent company's holding no.	FIM %	Book value, value	Nominal
Shares in subsidiaries owned by the parent company					
Ab Botnia-Food Oy, Seinäjoki	100	800	100	404	400 FIM
Atria Meat AB, Stockholm	100	500	100	32	100 FIM
Itikka Lihapolar Oy, Seinäjoki	100	1,000	100	15	10 FIM
Kiinteistö Oy Tievapolku 3, Helsinki	100	280	100	2,497	15 FIM
Lithells AB, Sköllersta	100	900,000	100	256,227	9,000 SEK
Poropalvelu PP Oy, Rovaniemi	100	15	100	26	15 FIM
TLK Trading Ltd Oy, Helsinki	100	1,980	100	998	99 FIM
Liha ja Säilyke Oy, Forssa	100	418	63.3	56,024	109 FIM
Rokes Oy, Forssa	100	100	100	45,864	87 FIM
Atria Meal Oy, Helsinki	100	100	100	131	59 EURO
Shares in subsidiaries, total				362,218	
Owned by subsidiaries					
Atria Ab, Stockholm	100	500	100	43	100 SEK
Boss AB, Sköllersta	100	1,800	100	36	90 SEK
Lithells Detaljhandel AB, Sköllersta	100	10,000	100	313	1,000 SEK
Lithells Meat & Fast Food AB, Sköllersta	100	300,000	100	123,922	45 SEK
Atria Lithells AB, Sköllersta	100	30,000	100	51,770	30,000 SEK
Atria Meal Ab, Sköllersta	100	2,000	100	330	200 SEK
Sibylla AB, Sköllersta	100	20,000	100	2,816	2,000 SEK
Svensk Snabbmat för Storkök AB, Sköllersta	93.75	9,375	93.75	5,014	9,375 SEK
Allybis Marknadsförings AB, Sköllersta	41	410	41	26	41 SEK
Liha ja Säilyke Oy, Forssa	100	242	36.7	6,482	73 FIM
Kruunuliha Oy, Forssa	100	160	100	1,721	16 EURO
Associated companies					
A-Tuottajat Oy, Seinäjoki	5.1	5,800	5.1	460	58 FIM
Foodwest Oy, Seinäjoki	27.2	427	27.2	427	427 FIM
Tuoretie Oy, Helsinki	33.3	75	33.3	1,778	1,500 FIM
ZAO Polar, St. Petersburg	34.9	-	-	100	-
Honkajoki Oy, Honkajoki	47.8	430	-	7,160	430 FIM
Lihateoll. Tutkimuskeskus	-	-	-	-	-
LTk osuuskunta, Hämeenlinna	40.7	20,350	-	1,671	-
Shares in associated companies, total				11,596	
Consolidation method: the equity method					
Other shares and participations		Holding no.	%	Book value, FIM	Nominal value, FIM
Kiinteistö Oy Itikanmäen teollisuustalo, Seinäjoki					
		367	12.6	4,185	7 FIM
Evijärven Peruna Oy, Evijärvi					
		4,000	9.1	600	400 FIM
Asunto Oy Tursola, Helsinki					
		39	-	508	-
Helsinki Telephone Corporation, Helsinki					
		360	-	173	-
Transbox Oy					
		10	8	110	100 FIM
Other companies					
				284	
Other shares, total				5,860	
(FIM 1,000)		Group 2000	1999	Parent company 2000	1999
Other receivables		4,615	0	0	0

## NOTES TO THE FINANCIAL STATEMENTS

## (3. NOTES TO THE BALANCE SHEET)

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>3.3 Inventories</b>				
Materials and supplies	58,337	61,518	33,619	30,468
Finished products/goods	120,830	170,572	72,908	128,356
Total	179,167	232,090	106,527	158,824
The difference between repurchase costs and capitalised acquisition costs is not material in amount.				
<b>3.4. Receivables</b>				
Short-term receivables				
Accounts receivable	358,464	333,215	238,281	217,894
Receivables from group companies				
Accounts receivable	0	0	15,944	17,583
Loan receivables	0	0	0	0
Total	0	0	15,944	17,583
Loan receivables	160	2,448	160	370
Other receivables	20,570	21,557	11,286	14,349
Prepayments and accrued income	20,347	24,633	8,895	6,933
Receivables, total	399,541	381,853	274,566	257,129
Significant items included in prepayments and accrued income:				
- advance portions of accounts payable	13,663	18,061	2,092	2,486
- unpaid income on sales of fixed assets and compensation received	6,682	6,434	6,803	4,447
- rental revenue and insurance indemnities receivable	2	138	0	0
Total	20,347	24,633	8,895	6,933
<b>3.5. Shareholders' equity</b>				
Share capital, 1 Jan.	158,195	158,195	158,195	158,195
Share capital, 31 Dec.	158,195	158,195	158,195	158,195
Share premium fund, 1 Jan.	516,985	516,985	516,985	516,985
Share premium fund, 31 Dec.	516,985	516,985	516,985	516,985
Reserve fund, 1 Jan.	5,635	1,776	0	0
Transfer of retained earnings	2,930	3,859	0	0
Reserve fund, 31 Dec.	8,565	5,635	0	0
Retained earnings, 1 Jan.	306,416	271,791	161,099	137,380
Dividends paid	-23,729	-23,729	-23,729	-23,729
Transfer into reserve fund	-3,137	-3,671	0	0
Other changes	-2,972	9,414	0	0
Retained earnings, 31 Dec.	276,578	253,805	137,370	113,651
Profit for the period	48,887	52,611	42,136	47,448
	325,465	306,416	179,506	161,099
Shareholders' equity, total	1,009,210	987,231	854,686	836,279

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
Calculation of distributable funds				
Retained earnings	275,850	253,805	137,370	113,651
Profit for the period	48,887	52,611	42,136	47,448
Portion of accumulated depreciation difference entered in shareholders' equity	-162,217	-164,313	0	0
Total	162,519	142,103	179,506	161,099

The parent company's share capital is divided into share series as follows:	2000		1999	
	no.	FIM	no.	FIM
Series A Shares (1 vote/share)	6,615,565	66,155	6,615,565	66,155
Series KI Shares	0	0	0	0
Series KII Shares (10 votes/share)	9,203,981	92,040	9,203,981	92,040
Total	15,819,546	158,195	15,819,546	158,195

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>3.6. Accumulated appropriations</b>				
Depreciation difference	0	0	210,662	210,662
<b>3.7. Long-term liabilities</b>				
Deferred tax liabilities				
From appropriations	80,658	80,668	0	0
Loans from financial institutions	373,927	371,510	345,000	340,000
Pension loans	68,788	75,713	29,880	37,451
Other liabilities	3,741	0	0	0
Total	446,456	447,223	374,880	377,451
Liabilities falling due in five years or later				
Loans from financial institutions	25,000	30,000	25,000	30,000
Pension loans	15,619	16,794	15,619	16,794
Total	40,619	46,794	40,619	46,794
<b>3.8. Short-term liabilities</b>				
Loans from financial institutions	131,747	143,932	125,014	130,044
Pension loans	7,571	7,690	7,571	7,690
Advances received	629	0	0	0
Accounts payable	140,947	130,736	71,536	64,798
Other liabilities	178,811	161,767	162,015	138,373
Accruals and deferred income	164,022	172,773	93,911	87,728
Amounts owed to group companies				
Accounts payable	0	0	464	522
Other liabilities	0	0	13,983	10,990
Accruals and deferred income	0	0	0	0
	0	0	14,447	11,512
Short-term liabilities, total	623,727	616,898	474,494	440,145
Significant items included in accruals and deferred income:				
- periodisation of wages and salaries	80,840	97,571	54,541	59,771
- interest periodisation	8,123	6,986	7,657	6,824
- unpaid portions of accounts payable	75,059	68,216	31,713	21,133
Total	164,022	172,773	93,911	87,728

(FIM 1,000)	GROUP		PARENT COMPANY	
	2000	1999	2000	1999
<b>4. OTHER NOTES</b>				
<b>4.1. Pledges, guarantees and other contingent liabilities</b>				
Loans with mortgages or other collateral as security				
Loans from financial institutions	457,267	515,397	420,000	470,000
Pension loans	54,120	59,263	15,000	21,000
Total	511,387	574,660	435,000	491,000
Contingent liabilities and commitments not included in the balance sheet				
Unused limits				
Company	414,448	316,914	394,250	274,250
Group companies	0	0	0	42,664
Total	414,448	316,914	394,250	316,914
Guarantees				
Company	5,789	5,054	3,350	350
Group companies	0	0	0	4,000
Total	5,789	5,054	3,350	4,350
The Lithells Group has carried out a share option arrangement covering the wholesale company (Svensk Snabbmat för Storkök Ab), in which salaried employees are entitled to purchase 6% of this company's shares in 2002.				
Leasing liabilities				
Payments due in the following year	15,912	21,964	6,486	7,520
Payments due later	23,540	46,370	8,159	14,355
Total	39,452	68,334	14,645	21,875
Mortgages and other collateral lodged as security				
Mortgages on real-estate	370,051	373,274	347,100	350,100
Corporate mortgages	133,129	133,541	120,000	120,000
Other collateral	377,680	340,622	244,551	203,244
Total	880,860	847,437	711,651	673,344

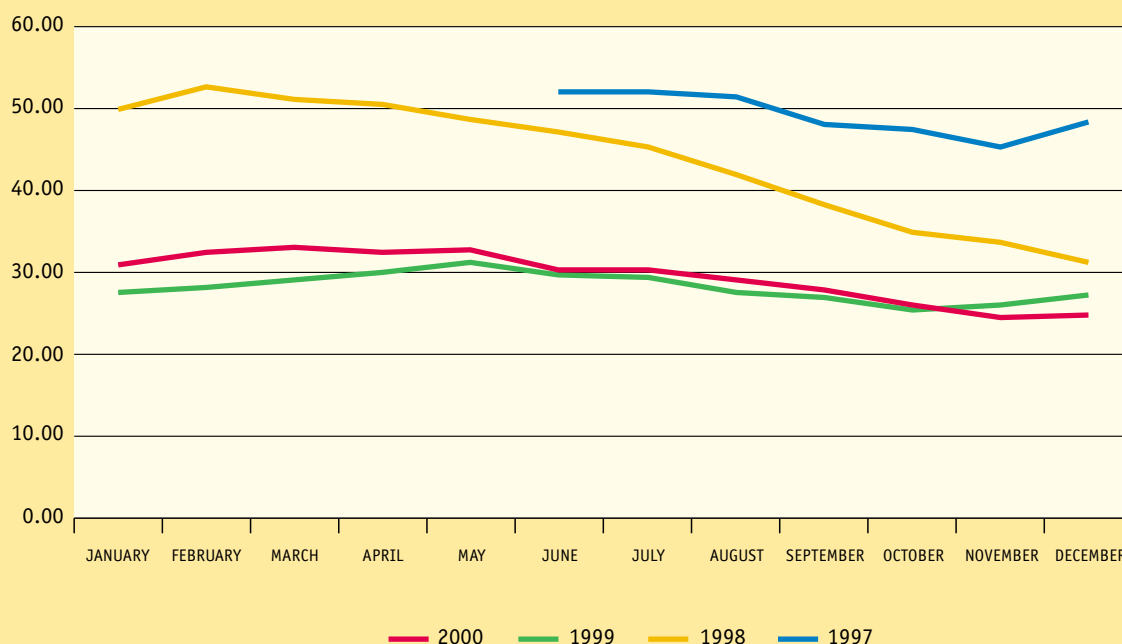


## SHARES AND SHAREHOLDERS

## MONTHLY TURNOVER OF ATRIA OYJ'S SERIES A SHARES

Month	Turnover, FIM	Turnover, no.	Monthly low	Monthly high
January	2,108,295	68,046	29.73	32.11
February	2,510,983	77,382	30.92	34.90
March	1,502,962	45,460	32.11	34.78
April	2,120,005	65,051	31.57	33.89
May	2,656,912	81,358	29.73	35.67
June	865,434	28,650	29.13	30.92
July	550,915	18,096	29.73	30.68
August	479,601	16,570	27.94	30.03
September	712,590	25,600	24.38	29.67
October	777,934	30,021	24.97	27.65
November	2,454,942	100,198	23.90	25.86
December	1,143,559	46,067	23.90	26.40
Total	17,884,132	602,499		

## TREND IN THE PRICE OF THE SERIES A SHARE, 1997-2000 (AVERAGE PRICE)



## 1. BREAKDOWN OF SHARE OWNERSHIP

### Shareholders according to the number of shares owned

Number of shares owned	Shareholders		Shares	
	no.	%	1,000 shares	%
1 - 100	4,232	67.40	135	0.86
101 - 1,000	1,709	27.22	597	3.77
1,001 - 10,000	304	4.84	823	5.20
10,001 - 100,000	23	0.37	775	4.90
100,001 - 1,000,000	9	0.14	3,466	21.91
1,000,001 - 999,999,999,999	2	0.03	9,988	63.14
Unendorsed			35	0.22
Total	6,279	100.00	15,819	100.00

### Shareholders by business sector

Business sector	Shareholders		Shares	
	no.	%	1,000 shares	%
Companies	246	3.92	10,891	68.84
Financial and insurance institutions	20	0.32	964	6.09
Public corporations	8	0.13	1,058	6.69
Households	5,940	94.59	1,283	8.12
Private associations	57	0.91	223	1.41
Foreign owners	8	0.13	1,365	8.63
Unendorsed			35	0.22
Total	6,279	100.00	15,819	100.00

## 2. INFORMATION ON SHAREHOLDERS

### Largest shareholders

	KII	A	Total	%
Lihakunta	4,020,200	1,052,232	5,072,432	32.06
Itikka Co-operative	4,914,281	1,741	4,916,022	31.08
Odin Norden		915,707	915,707	5.79
Pohjanmaan Liha Co-operative	269,500	250,130	519,630	3.28
Tapiola Mutual Pension Insurance Company		504,134	504,134	3.19
Odin Finland		448,000	448,000	2.83
Tapiola General Mutual Insurance Company		310,363	310,363	1.96
Tapiola Mutual Life Assurance Company		255,400	255,400	1.61
LEL Employment Pension Fund		220,000	220,000	1.39
Varma-Sampo Mutual Pension Insurance Company		182,600	182,600	1.15

### Largest shareholders in terms of voting rights

	KII	A	Total	%
Itikka Co-operative	49,142,810	1,741	49,144,551	49.81
Lihakunta	40,202,000	1,052,232	41,254,232	41.82
Pohjanmaan Liha Co-operative	2,695,000	250,130	2,945,130	2.99
Odin Norden		915,707	915,707	0.93
Tapiola Mutual Pension Insurance Company		504,134	504,134	0.51
Odin Finland		448,000	448,000	0.45
Tapiola General Mutual Insurance Company		310,363	310,363	0.31
Tapiola Mutual Life Assurance Company		255,400	255,400	0.26
LEL Employment Pension Fund		220,000	220,000	0.22
Varma-Sampo Mutual Pension Insurance Company		182,600	182,600	0.19

### 3. Management's shareholding

Members and deputy members of the Board of Directors, the Supervisory Board and the Managing Director held a total of 10,066 Series A Shares on 31 December, representing 0.01% of the voting rights.

## KEY FIGURES

## FINANCIAL INDICATORS

	2000	1999	1998	1997	1996
Turnover, FIM million	3,661	3,316	3,087	2,352	2,254
Operating profit, FIM million	230	214	219	201	199
% of turnover	6.3	6.5	7.1	8.5	8.8
Net operating profit, FIM million	112	99	86	107	103
% of turnover	3.1	3.0	2.8	4.5	4.6
Financial income and expenses, FIM million	-32	-24	-26	-25	-30
% of turnover	0.9	0.7	0.9	1.0	1.3
Profit before extraordinary items, FIM million	80	75	60	82	74
% of turnover	2.2	2.3	1.9	3.4	3.3
Profit before appropriations and taxes, FIM million	80	75	52	75	47
% of turnover	2.2	2.3	1.7	3.1	2.1
Return on equity (ROE), %	4.9	5.3	3.8	7.2	8.1
Return on investment (ROI), %	6.8	6.6	5.8	8.6	8.7
Equity ratio, %	46.7	46.3	52.6	52.3	52.6
Gross investments in fixed assets, FIM million	190.7	336.4	114.4	297.1	205.5
% of turnover	5.2	10.1	3.7	12.5	9.1
Number of personnel	3,519	3,264	3,045	2,346	2,266
Research and development expenses, FIM million <sup>*)</sup>	34.6	25.3	23.5	17.3	17.1
% of turnover	0.9	0.8	0.8	0.7	0.8
Volume of orders <sup>**)</sup>	-	-	-	-	-

<sup>\*)</sup> Booked in total as expenditure for the financial year

<sup>\*\*)</sup> Not a significant indicator, as orders are generally delivered on the day following the order

## SHARE-ISSUE ADJUSTED PER-SHARE INDICATORS

		2000	1999	1998	1997	1996
		12 months	12 months	12 months	12 months	12 months
Earnings per share (EPS), FIM		3.09	3.23	2.30	4.08	4.76
Shareholders' equity per share, FIM		63.80	62.40	59.97	59.83	58.14
Dividend per share, FIM		1.50 <sup>*)</sup>	1.50	1.50	1.50	1.36
Dividend per profit, %		48.54 <sup>*)</sup>	46.44	65.22	36.76	28.57
Effective dividend yield		5.9 <sup>*)</sup>	5.1	5.3	3.1	2.7
Price/earnings (P/E), %		8.26	9.11	12.25	11.9	10.54
Market capitalisation, FIM million		403.6	465.6	445.8	769.1	637.7
Share turnover/1,000 shares:	A	602	1,529	3,479.0	798.1	-
	K1	-	-	260.0	549.0	1,239.8
Share turnover, %	A	9.1	23.1	79.1	18.1	-
	K1	-	-	11.7	24.7	52.8
Number of shares, millions		15.8	15.8	15.8	15.8	11.5
Number of shares	A	6.6	6.6	4.4	4.4	-
	K1	-	-	2.2	2.2	2.3
Average share-issue adjusted number of shares		15.8	15.8	15.8	14.9	12.7
Share-issue adjusted number of shares on 31 Dec.		15.8	15.8	15.8	15.8	12.7
Share price development						
Lowest of the year	A	23.90	24.08	26.10	45.00	-
	K1	-	-	28.10	40.00	43.00
Highest of the year	A	35.67	32.58	54.00	55.00	-
	K1	-	-	55.00	73.00	56.00
At the end of the year	A	25.51	29.43	26.50	49.00	-
	K1	-	-	31.50	48.00	55.10
Average price during the year	A	29.67	27.94	38.66	50.30	-
	K1	-	-	44.48	60.43	48.51

<sup>\*)</sup> Proposal of the Board of Directors

Seinäjoki, 23 February 2001

Reino Penttilä  
Chairman of the Board of Directors

Timo Komulainen  
Vice Chairman of the Board of Directors

Juhani Mäki

Tuomo Heikkilä

Juha Junnila

Seppo Paatelainen  
Managing Director

Tom Weckström

## *Auditors' statement*

The financial statements presented above have been prepared in accordance with sound accounting principles. A report has been issued today on the audit performed by us.

Seinäjoki, 22 March 2001

Eero Suomela  
Authorised Public Accountant

Pekka Loikkanen  
Authorised Public Accountant

## *Auditors' report to the shareholders of Atria Oyj*

We have audited the accounting, the financial statements and the corporate governance of Atria Oyj for the financial period from 1 January to 31 December 2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on the audit, we express an opinion on these financial statements and on the corporate governance.

We have conducted the audit in accordance with Finnish Auditing Standards. Those standards require that we perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The purpose of the audit of corporate governance is to examine that the Board of Directors and the Managing Director have legally complied with the rules of the Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Supervisory Board and the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Seinäjoki, 22 March 2001

Eero Suomela  
Authorised Public Accountant

Pekka Loikkanen  
Authorised Public Accountant

## *Supervisory board's statement*

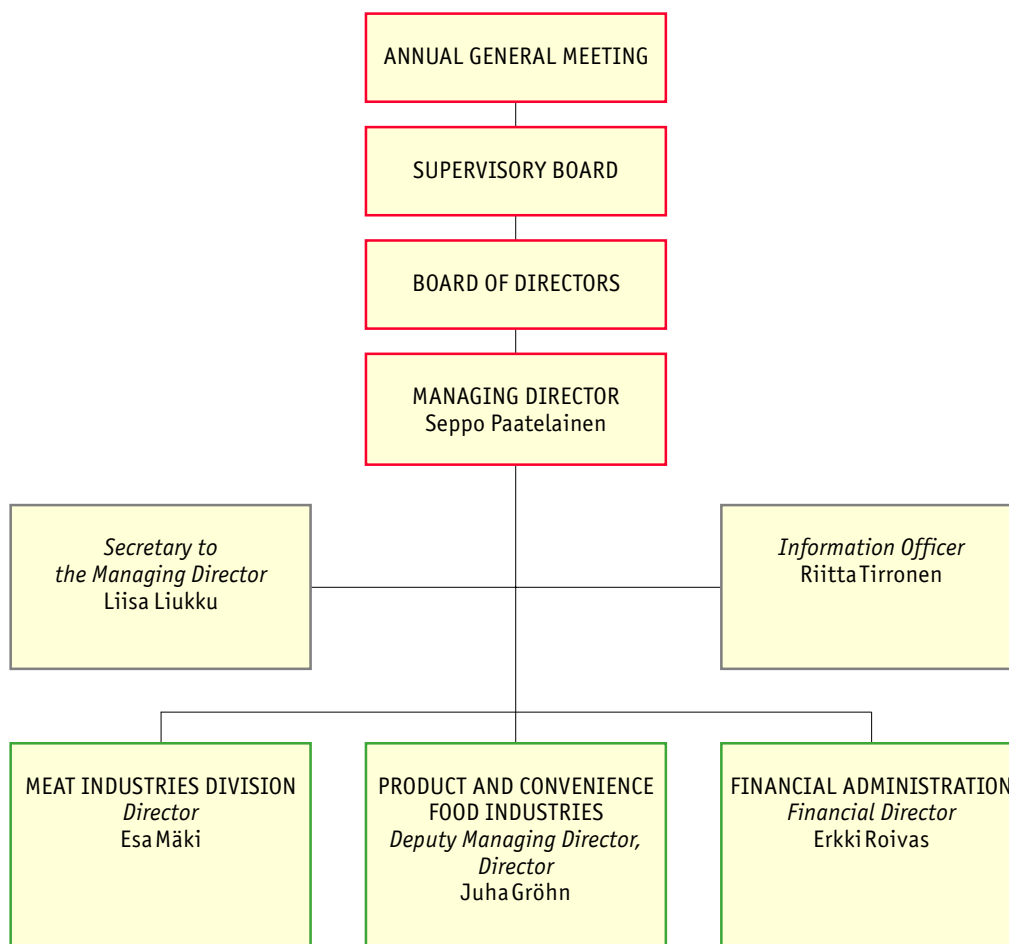
Having examined the financial statements prepared by the Board of Directors for the 1 January to 31 December 2000 period and the Auditors' Report, the Supervisory Board proposes that the financial statements be approved and that the profit be distributed as proposed by the Board of Directors.

The following members are due to resign from the Supervisory Board: Joensuu Tarmo, Kangasniemi Olavi, Selin Martti, Koskela Leevi, Vornanen Ahti-Pekka, Annala Pentti.

Kuopio, 17 April 2001

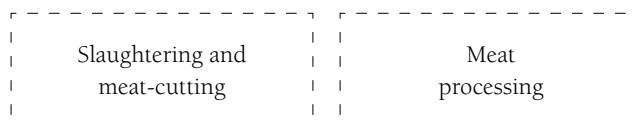
Ahti-Pekka Vornanen  
Chairman of the Supervisory Board

### ATRIA OYJ'S SENIOR MANAGEMENT



### THE COMPANY'S DIVISIONS

The company's field of business is meat processing.  
Its industrial operations fall into two processing areas:



Atria's development efforts aim to increase the share of turnover accounted for by meat processing while reducing sales of slaughterhouse and meat-cutting products for use as industrial raw material. In Sweden, the company owns Lithells AB, a company engaged in meat processing and meat-related trading, and in Finland, Atria owns Liha ja Säilyke Oy, a meat processing company.

**BOARD OF DIRECTORS****Chairman of the Board of Directors**

Reino Penttilä (60), *Agricultural Counsellor* 1991-

**Vice Chairman of the Board of Directors**

Timo Komulainen (47), *Agronomist, Farmer* 1996-  
Member of the Board of Directors 1993-

**Member of the Board of Directors**

Juhani Mäki (58), *Farmer* 1997-

Tom Weckström (57), *B.Sc. (Econ.),  
Managing Director* 1991-

Seppo Paatelainen (56)  
*M.Sc. (Agriculture and Forestry), Managing Director* 1991-

Tuomo Heikkilä (52), *Farmer* 1996-

Juha Junnila (36)  
*M.Sc. (Agriculture and Forestry), Managing Director* 1999-

**Deputy members of the board of directors**

Antero Ristiluoma (58), *Farmer* 1994-2000

Erkki Roivas (55), *Financial Director* 1991-

Jorma Lehto (57), *Farmer* 1996-

Esa Kolehmainen (54), *Financial Manager* 1997-

Tauno Tapojärvi (65), *Farmer* 1995-

Sakari Heikkilä (42), *Farmer* 1999-

Juhani Minni (40), *Farmer* 2000-

**SUPERVISORY BOARD****Chairman of the Supervisory Board**

Ahti-Pekka Vornanen (41) 1999-

*Commercial Institute Graduate, Farmer*  
Member of the Supervisory Board 1998-

**Vice Chairman of the Supervisory Board**

Martti Selin (54) 1998-

*Farmer*  
Member of the Supervisory Board 1995-

**Member of the Supervisory Board**

Olavi Kuja-Lipasti (43), *Agronomist, Farmer* 1997-

Pentti Annala (56), *Farmer* 1998-

Olavi Seppänen (62), *Farmer* 1998-

Kalle Pietikäinen (51), *Farmer* 1991-

Tarmo Joensuu (60), *Farmer* 1991-

Paavo Hylkilä (55), *Farmer* 1991-

Olavi Kangasniemi (64), *Financial Counsellor, Farmer* 1991-

Martti Ylitalo (57), *Farmer* 1991-

Jukka Lahti (58), *Farmer* 1998-

Aimo Kivelä (57), *Farmer* 1991-

Reijo Kuusisto (66), *Farmer* 1991-2000

Runar Lillandt (56), *Farmer* 1992-

Juha-Matti Alaranta (35), *Farmer* 2000-

Martti Eronen (56), *Farmer* 2000-

Ilkka Yliluoma (54), *Farmer* 1992-

Juha Koponen (55), *Farmer* 1993-2000

Leevi Koskela (59), *Farmer* 1995-

Pentti Pirhonen (46), *Farmer* 1999-

Juhani Savolainen (51), *Agronomist, Farmer* 1999-

**MANAGING DIRECTOR**

Seppo Paatelainen (56)  
*M.Sc. (Agriculture and Forestry)* 1991-

**SENIOR MANAGEMENT**

Seppo Paatelainen (56)  
*M.Sc. (Agriculture and Forestry), Managing Director* 1991-

Juha Gröhn (37)  
*M.Sc. (Food Sciences), Deputy Managing Director  
and the Managing Director's substitute* 1999-  
and Director, Product Industries 1999-

Esa Mäki (34)  
*MMM, M.Sc. (Agriculture and Forestry),  
Director, Slaughtering and Meat-Cutting Industries* 1999-

Erkki Roivas (55)  
*M.Sc. (Econ.),  
Financial Director* 1991-

**AUDITORS**

Eero Suomela, *Authorised Public Accountant*  
Pekka Loikkanen, *Authorised Public Accountant*

**DEPUTY AUDITORS**

Markku Tynjälä, *Authorised Public Accountant*  
SVH Pricewaterhouse Coopers Oy

The following members of the Board of Directors are due to resign: Juha Junnila, Tom Weckström and Timo Komulainen.

The following deputy members of the Board of Directors are due to resign: Tauno Tapojärvi and Esa Kolehmainen.

The senior management have no benefits other than their monthly salaries. The duties of the Supervisory Board include: supervising the administration conducted by the Board of Directors and the Managing Director; giving their opinion on the financial statements and the auditors' report to the Annual General Meeting; appointing and dismissing the Managing Director and the Deputy Managing Director and deciding upon their salaries; electing members and deputy members of the Board of Directors; electing the Chairman and Vice Chairman of the Board of Directors and deciding upon their remuneration and travelling compensation; advising the Board of Directors on matters of principle or significant consequence. The Annual General Meeting decides upon the number of members of the Supervisory Board and their remuneration.

## PROFIT AND LOSS ACCOUNTS (EUR)

## CONSOLIDATED PROFIT AND LOSS ACCOUNTS

(EUR 1,000)	Note	GROUP		PARENT COMPANY	
		1.1.-31.12.2000	1.1.-31.12.1999	1.1.-31.12.2000	1.1.-31.12.1999
TURNOVER	2.1	615,665	557,758	415,028	383,667
Increase (+) or decrease (-) in stocks of finished and unfinished goods		-8,366	+4,696	-9,326	+4,411
Other operating income	2.2	1,723	547	680	482
Income, total		609,022	563,001	406,383	388,560
Materials and services	2.3	-337,623	-318,024	-219,333	-213,226
Personnel expenses	2.4	-123,409	-110,733	-85,482	-81,031
Depreciation and value adjustments	2.5				
Depreciation according to plan		-19,775	-19,423	-12,685	-13,430
Other operating expenses	2.6	-109,379	-98,197	-76,047	-66,544
NET OPERATING PROFIT	2.7	18,836	16,624	12,835	14,329
Financial income and expenses	2.8	-5,305	-4,040	-3,061	-3,409
PROFIT BEFORE EXTRAORDINARY ITEMS		13,531	12,584	9,774	10,920
Extraordinary items	2.9				
Extraordinary income		0	0	0	0
PROFIT BEFORE APPROPRIATIONS AND TAXES		13,531	12,584	9,774	10,920
Appropriations	2.10				
Increase (-) or decrease (+) in depreciation difference		0	0	0	38
Increase (-) or decrease (+) in voluntary provisions		0	0	0	0
Income taxes	2.11	-5,236	-3,705	-2,687	-2,977
Minority interest		-72	-30	0	0
NET PROFIT FOR THE FINANCIAL YEAR		8,222	8,849	7,087	7,981



## BALANCE SHEETS (EUR)

## CONSOLIDATED BALANCE SHEET

(EUR 1,000)	Note	GROUP		PARENT COMPANY	
		31.12.2000	31.12.1999	31.12.2000	31.12.1999
<b>ASSETS</b>					
<b>FIXED ASSETS</b>					
Intangible assets	3.1				
Intangible rights		1,486	1,979	1,392	1,906
Consolidated goodwill		38,938	41,824	0	0
Other capitalised expenditure		3,530	2,852	3,530	2,156
Intangible assets, total		43,954	46,655	4,922	4,062
Tangible assets	3.1	210,334	196,434	184,855	171,320
Investments	3.2				
Shares in group companies		0	0	60,921	58,662
Participating interests		2,470	2,044	1,950	1,873
Other investments		1,063	1,087	986	986
Other receivables		776	0	0	0
Investments, total		4,309	3,131	63,857	61,521
<b>CURRENT ASSETS</b>					
Inventories	3.3	30,134	39,035	17,916	26,712
Short-term receivables	3.4	67,198	64,223	46,179	43,246
Cash in hand and at bank		7,555	9,223	4,304	6,731
<b>ASSETS, TOTAL</b>		<b>363,484</b>	<b>358,701</b>	<b>322,033</b>	<b>313,592</b>
<b>LIABILITIES</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital		26,606	26,606	26,606	26,606
Share premium fund		86,951	86,951	86,951	86,951
Reserve fund		1,441	948	0	0
Retained earnings		46,518	42,686	23,104	19,115
Profit for the financial year		8,222	8,849	7,087	7,980
Shareholders' equity, total		169,738	166,040	143,748	140,652
MINORITY INTEREST		189	121	0	0
ACCUMULATED APPROPRIATIONS	3.6				
Depreciation difference		0	0	35,431	35,431
<b>CREDITORS</b>					
Deferred tax liabilities	3.7	13,566	13,567	0	0
Long-term	3.7	75,088	75,218	63,050	63,482
Short-term	3.8	104,903	103,755	79,804	74,027
<b>LIABILITIES, TOTAL</b>		<b>363,484</b>	<b>358,701</b>	<b>322,033</b>	<b>313,592</b>

## FORMULAS FOR THE INDICATORS

<b>RETURN ON EQUITY (ROE), %</b>	=	$\frac{\text{Profit or loss before extraordinary items, provisions and taxes} - \text{taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{voluntary provisions and depreciation difference}^{\text{*)}} \text{ (average)}}$
<b>RETURN ON INVESTMENT (ROI), %</b>	=	$\frac{\text{Profit or loss before extraordinary items, provisions and taxes} + \text{interest and other financial expenses}}{\text{Balance sheet total} - \text{non-interest-bearing liabilities} \text{ (average)}}$
<b>EQUITY RATIO (%)</b>	=	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{voluntary provisions and depreciation difference}^{\text{*)}}}{\text{Balance sheet total} - \text{advance payments received}}$
<b>EARNINGS/SHARE</b>	=	$\frac{\text{Profit before extraordinary items, provisions and taxes} - \text{taxes} +/- \text{minority interest}}{\text{Average number of shares}}$
<b>EQUITY/SHARE</b>	=	$\frac{\text{Shareholders' equity} + \text{voluntary provisions and depreciation difference}^{\text{*)}}}{\text{Number of shares on 31 Dec.}}$
<b>DIVIDEND/SHARE</b>	=	$\frac{\text{Dividend paid for the financial year}}{\text{Number of shares on 31 Dec.}}$
<b>DIVIDEND/PROFIT (%)</b>	=	$\frac{\text{Dividend paid for the financial year}}{\text{Earnings per share}}$
<b>EFFECTIVE DIVIDEND YIELD (%)</b>	=	$\frac{\text{Dividend/share}}{\text{Average price on 31 Dec.}}$
<b>PRICE/EARNINGS (P/E)</b>	=	$\frac{\text{Average price on 31 Dec.}}{\text{Earnings/share}}$
<b>MARKET CAPITALISATION</b>	=	Number of shares x average price on 31 Dec.

<sup>\*)</sup> less deferred tax liabilities

## KEY FIGURES (EUR)

### FINANCIAL INDICATORS

	2000	1999	1998	1997	1996
Turnover, EUR million	616	558	519	396	379
Operating profit, EUR million	39	36	37	34	33
% of turnover	6.3	6.5	7.1	8.5	8.8
Net operating profit, EUR million	19	17	14	18	17
% of turnover	3.1	3.0	2.8	4.5	4.6
Financial income and expenses, EUR million	-5	-4	-4	-4	-5
% of turnover	0.9	0.7	0.9	1.0	1.3
Profit before extraordinary items, EUR million	14	12	10	14	12
% of turnover	2.2	2.3	1.9	3.4	3.3
Profit before appropriations and taxes, EUR million	14	12	9	13	8
% of turnover	2.2	2.3	1.7	3.1	2.1
Return on equity (ROE), %	4.9	5.3	3.8	7.2	8.1
Return on investment (ROI), %	6.8	6.6	5.8	8.6	8.7
Equity ratio, %	46.7	46.3	52.6	52.3	52.6
Gross investments in fixed assets, EUR million	32	57	19	50	34
% of turnover	5.2	10.1	3.7	12.5	9.1
Number of personnel	3,519	3,264	3,045	2,346	2,266
Research and development expenses, EUR million <sup>*)</sup>	6	4	4	3	3
% of turnover	0.9	0.8	0.8	0.7	0.8
Volume of orders <sup>**)</sup>					

<sup>\*)</sup> Booked in total as expenditure for the financial year

<sup>\*\*)</sup> Not a significant indicator, as orders are generally delivered on the day following the order

### SHARE-ISSUE ADJUSTED PER-SHARE INDICATORS

		2000	1999	1998	1997	1996
		12 months	12 months	12 months	12 months	12 months
Earnings per share (EPS), EUR		0.52	0.54	0.39	0.69	0.80
Shareholders' equity per share, EUR		10.73	10.49	10.09	10.06	9.78
Dividend per share, EUR		0.25 <sup>*)</sup>	0.25	0.25	0.25	0.23
Dividend per profit, EUR		48.54 <sup>*)</sup>	46.44	65.22	36.76	28.57
Effective dividend yield		5.9 <sup>*)</sup>	5.1	5.3	3.1	2.7
Price/earnings (P/E), %		8.26	9.11	12.25	11.90	10.54
Market capitalisation, EUR million		67.9	78.3	75.0	129.4	107.3
Share turnover/1,000 shares:	A	602	1,529	3,479	798	-
	K1	-	-	260	549	1,240
Share turnover, %	A	9.1	23.1	79.1	18.1	-
	K1	-	-	11.7	24.7	52.8
Number of shares, millions		15.8	15.8	15.8	15.8	11.5
Number of shares	A	6.6	6.6	4.4	4.4	-
	K1	-	-	2.2	2.2	2.3
Average share-issue adjusted number of shares		15.8	15.8	15.8	14.9	12.7
Share-issue adjusted number of shares on 31 Dec.		15.8	15.8	15.8	15.8	12.7
Share price development						
Lowest of the year	A	4.02	4.05	4.39	7.58	-
	K1	-	-	4.73	6.73	7.23
Highest of the year	A	6.00	5.48	9.08	9.25	-
	K1	-	-	9.25	12.28	9.42
At the end of the year	A	4.29	4.95	4.46	8.24	-
	K1	-	-	5.30	8.07	9.27
Average price during the year	A	4.99	4.70	6.50	8.46	-
	K1	-	-	7.48	10.16	8.16

<sup>\*)</sup> Proposal of the Board of Directors

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**ATRIA OYJ**

