

ANNUAL REPORT
1995



ATRIA OY



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Atria Oy in Brief

Atria Oy is a company engaged in the slaughtering and meat cutting industry, and in the manufacturing and marketing of meat products and convenience foods.

The company was formed on 28 June 1991, when the merger of Itikka Lihabotnia Oy from Seinäjoki and Lihapolar Oy from Kuopio was entered in the trade register. After the merger, the company was named Itikka-Lihapolar Oy, and it was renamed Atria Oy on 28 December 1994.

The merger enabled an extensive improvement in the efficiency of operations and production centralisation. Significant investments were made in 1991 and 1992 in connection with these improvement measures.

Finland's accession to the European Union on 1 January 1995 clearly changed the company's competitive position. At the same time, the company will have to take measures to improve its efficiency. Within the next few years, these measures will require annual investments of approximately FIM 50-70 million.

(Figures in FIM million)	1995	1994	1993	1992	1991*
Turnover	2,140	2,561	2,494	2,644	2,682
Operating profit	97	164	149	116	111
% of turnover	4.5	6.4	6.0	4.4	4.1
Profit before extraordinary items	67	119.0	46.0	3.0	36.0
% of turnover	3.1	4.7	1.9	0.1	1.3
Balance sheet total	1,436	1,517	1,596	1,724	1,780
Earnings per share, EPS	5.23	9.08	3.81	0.09	3.09
Dividend/profit %	**20.6	14.6	24.9	-	48.5
Return on investment % ROI	8.8	13.3	11.6	9.4	6.8
Return on equity % ROE	7.7	14.0	6.1	0.1	4.8
Equity ratio %	56.1	50.3	46.1	31.7	31.4

*) The figures are combinations of the merged companies' financial statements and interim reports excluding intercompany transactions.

***) The proposal of the Board of Directors.
The figures for 1991-1993 are for the parent company. As of 1994, sales commissions, sales freight charges and credit losses are included in other expenditure and not in turnover.

Annual General Meeting

The Annual General Meeting of Atria Oy will be held on 22 April 1996 at 2 p.m. at the Company's premises in Kuopio. The address is Likolahti, 70460 Kuopio. In order to attend the Annual General Meeting, the shareholders must register with the Company by 12 a.m. on 17 April 1996. Registration can also take place by mail to the company's head office, address P.O. Box 117, FI-60101 Seinäjoki, or by telephone tel. +358 64 416 8111/Liisa Liukku; or by mail to the company's office in Kuopio, address P.O. Box 147, Likolahti, FI-70101 Kuopio, or by telephone, tel +358 71 156 111/Anja Pitkänen. Registration must take place within the given registration period. Shareholders are requested to submit any powers of attorney to the place of registration within the period of registration.

The Board of Directors proposes that the dividend be 12% of the share's nominal value, that is FIM 1.20 per share. From 30 April 1996, the dividends proposed at the Annual General Meeting can be withdrawn by shareholders entered in the share register on 25 April 1996, from an account registered with the share value account. Payment of dividends to shareholders who have not transferred their shares to the share value system will be made after the transfer.

Shareholders

Atria Oy implemented the value share system on 10 June 1994. The Central Share Register of Finland maintains the company's register of shareholders.

Financial Information

Atria Oy's annual report will be published in April, and an interim report on 26 August 1996.

Convertible Bond 1992-1999

Interest on the Bond

Annual interest of 11.5 percent is paid on bond capital annually in arrears on 26 June.

The interest payment is made against the presentation of coupons attached to the bond certificate at the securities departments of branches of The Merita Bank Ltd. in Finland as well as at the offices of OKOBANK Osuuspankkien Keskuspankki Oy, and at the offices of the members of the Cooperative Banks group.

Terms of Conversion

Bonds can be converted into shares by converting a bond with a nominal value of FIM 1,000 into seventeen Series KI shares of Atria Oy, each with a nominal value of FIM 10.

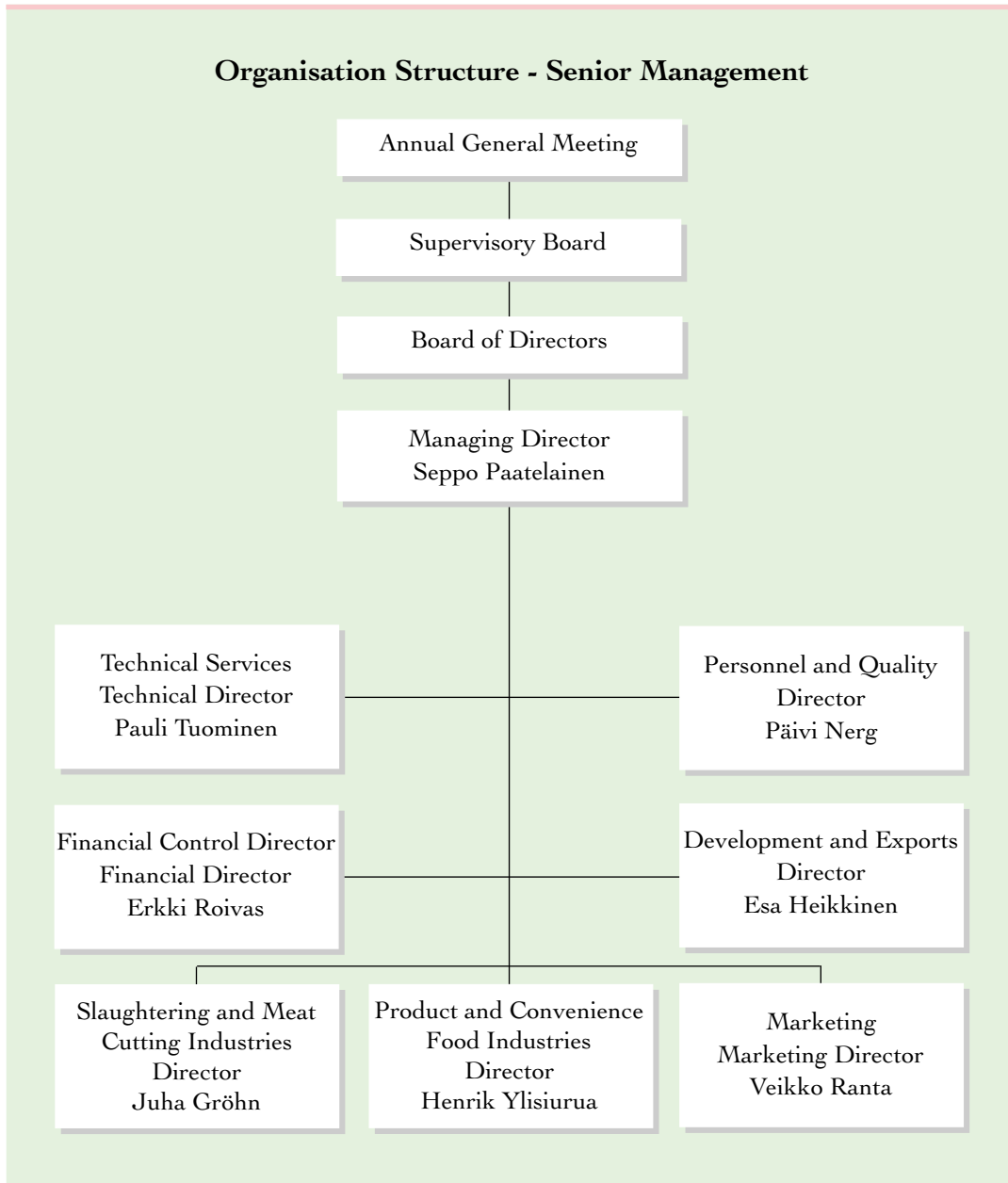
Thus the converted share price will be approximately FIM 58.85.

The bond conversion period commenced on 28 June 1993. The annual conversion period is from 2 January to 31 October, except in 1999, when the conversion period will be from 2 January to 26 June 1999. The right to convert expires on 26 June 1999.

Conversion of bonds into shares can be done by presenting the bonds and the coupons falling due after the time of conversion at the securities department of a branch of The Merita Bank Ltd. in Finland, at the offices of OKOBANK Osuuspankkien Keskuspankki Oy, or offices of members of the Cooperative Banks group for registration into the value share system.



Overview of the Company



Functional Divisions

The company's field of operation is the meat processing industry. The industrial operations consist of two areas:

- slaughterhouse and meat cutting industry
- meat processing industry

The objective of the development within the company is to increase the turnover generated from sales of meat products while decreasing the sales of slaughterhouse and meat cutting products for raw material for the industrial market.

Organisation of the Company

Board of Directors

Reino Penttilä, (55),
Farmer, *Chairman of the Board of Directors, 1991-*
Risto Aula, (61),
farmer,
Member of the Supervisory Board, 1991-
Martti Selin, (49),
farmer,
Member of the Supervisory Board, 1995-
Veikko Kullas, (64),
farmer,
Deputy Chairman of the Board of Directors, 1991-
Martti Tolonen, (48),
farmer, *Member of the Supervisory Board, 1991-*

Managing Director

Seppo Paatelainen, (51),
M.Sc. (Agriculture and Forestry),
1991-
Tapio Vaismaa, (63),
farmer,
Member of the Board of Directors, 1991-
Kalle Pietikäinen, (46),
farmer, *Member of the Supervisory Board, 1991-*

Executive Board

Seppo Paatelainen, (51),
M.Sc. (Agriculture and Forestry),
Managing Director, 1991-
Hannu Helaakoski, (47),
B.Sc. (Agriculture),
Managing Director, Member of the Board of Directors, 1994-
Tarmo Joensuu, (55),
farmer,
Member of the Supervisory Board, 1991-
Veikko Ranta, (52),
Marketing Director, 1991-
Tom Weckström, (52),
B.Sc. (Economics),
Managing Director, Member of the Board of Directors, 1991-
Paavo Hylkilä, (50),
farmer,
Member of the Supervisory Board, 1991-
Henrik Ylisiurua, (47),
Director of Product and Convenience Food Industries, 1992-

Seppo Paatelainen, (51),
M.Sc. (Agriculture and Forestry),
Managing Director, Member of the Board of Directors, 1991-
Olavi Kangasniemi, (59),
farmer,
Member of the Supervisory Board, 1991-
Esa Heikkinen, (51),
M.Sc. (Agriculture and Forestry),
Director of Development and Export, 1991-
Timo Komulainen, (42),
farmer, *Member of the Board of Directors, 1995-*
Martti Ylitalo, (52),
farmer,
Member of the Supervisory Board, 1991-
Juha Grön, (32),
M.Sc. (Agriculture and Forestry),
Director of Slaughtering and Cutting Industries, 1993-

Vice Members of the Board of Directors

Antero Ristiluoma, (53),
farmer, 1994-
Heikki Kuoppamäki, (53), farmer,
Member of the Supervisory Board, 1991-
Erkki Roivas, (50),
M.Sc. (Economics), CPA, *Financial Director, 1991-*
Hannu Uusitalo, (49),
farmer, 1991-
Aimo Kivelä, (52),
farmer, *Member of the Supervisory Board, 1991-*
Kerttu Mömmö, (45),
Personnel Representative, 1991-
Antero Rytönen, (58),
Director, 1991-1995
Reijo Kuusisto, (61),
Member of the Supervisory Board, 1991-
Tenho Talso, (48),
Personnel Representative, 1995-
Erkki Roivas, (50),
Financial Director, 1991-
Anna Alajoki, (56),
farmer,
Member of the Supervisory Board, 1991-1995
Jussi Granlund, (44),
Vice Personnel Representative, 1991-
Raimo Tapaninmäki, (48), farmer,
1995-1995
Runar Lillandt, (51),
farmer, *Member of the Supervisory Board, 1992-*

Mauno Ylisiurua, (50),
Vice Personnel Representative, 1991-
Urpo Salopuro, (61),
Director, 1995-
Ilkka Yliluoma, (49),
farmer,
Member of the Supervisory Board, 1992-

Auditors

Eero Suomela,
Authorised Public Accountant
Tauno Tapojärvi, (60),
farmer, 1995-
Juha Koponen, (50),
farmer,
Member of the Supervisory Board, 1995-
Seppo Sulkakoski,
Authorised Public Accountant

Supervisory Board

Lauri Laitinen, (54),
farmer,
Chairman of the Supervisory Board, 1995-
Kauko Kakko, (38),
farmer,
Member of the Supervisory Board, 1995-
Erkki J Jussila,
farmer
Juhani Mäki, (53),
farmer,
Deputy Chairman of the Supervisory Board, 1991-1995
Ossi Pouta, (49),
farmer,
Member of the Supervisory Board, 1995-
Martti Karppinen,
farmer
Arvo Peltoniemi, (64),
farmer,
Member of the Supervisory Board, 1991-1995
Leevi Koskela, (54), farmer,
Member of the Supervisory Board, 1995-

External Auditors

KPMG Wideri Oy Ab SVH
Coopers & Lybrand Oy
Paavo Reuhkala, farmer
Pirkko Rytönen, Housekeeper

Interim Audit

KPMG Wideri Oy Ab
Raimo Wiklund,
Authorised Public Accountant

The Share Capital of the Company

Share capital and shares

The share capital is divided into series KI and KII as follows:

Series KI	2,343,632 shares	20.5 %
Series KII	9,203,981 shares	79.7 %
Total	11,547,613 shares	100.0 %

Number of shares in accordance with the Articles of Association:

	minimum	maximum
Series KI	1,700,000	25,700,000
Series KII	6,300,000	29,500,000

Both series of shares have a nominal value of FIM 10. Both series of shares have one vote per share.

Series KI shares have been listed on the Helsinki Stock Exchange since 28 June 1991. Series KII has redemption and approval clauses. Series KI has priority for a 10 percent dividend over dividend payments on Series KII shares.

The shares of Series KI have a subscription right to the shares of Series KII in a share issue. The shares of Series KII have a subscription right to the shares of Series KI only if the share issue applies exclusively to the shares of Series KI.

Shareholders Lihakunta and Itikka cooperatives have a mutual agreement which stipulates that both parties ensure that the proportion of representation in the Supervisory Board is equal to the proportion of shares held by the parties in Atria Oy, and that the Chairman of the Supervisory Board is nominated by one party, while the Chairman of the Board of Directors is nominated by the other.

In 1992, the Company issued a bond of FIM 231 million through which the share capital can be increased by a maximum of FIM 13,588,235. The conversion terms of the convertible bond are on page 3 under Financial information.

Increase in Share Capital etc.

Lihapolar Oy began its operations on 1 July 1988. During the first accounting period, the share capital was increased from FIM 40,000,000 to FIM 50,000,000 by means of a public share issue between 22 August and 5 September 1988. 1,000,000 shares with a nominal value of FIM 10 were issued for a subscription price of FIM 66 per share. The shares were entitled to a full dividend for the accounting period closing on 30 June 1989.

Itikka Lihabotnia Oy began its operations on 5 April 1988. During the first accounting period, the share capital was increased from FIM 30,015,000 to FIM 37,518,800 through a public issue between 12 and 30 September 1988, when 750,380 shares with a nominal value of FIM 10 were issued for a subscription price of FIM 82 per share. The shares were entitled to a full dividend for the accounting period closing on December 31, 1988. In another issue from 12 June to 14 July 1989, one new share with a nominal value of FIM 10 could be subscribed for seven old shares for a subscription price of FIM 90. The shares were entitled to a full dividend for the accounting period closing on 31 December 1989. After this issue, the share capital totalled FIM 42,788,620.

After the merger of Lihapolar Oy and Itikka-Lihabotnia Oy on 28 June 1991, the conversion ratio for the shares of the new Itikka-Lihapolar Oy was as follows:

Conversion of shares for shareholders of Itikka Lihabotnia Oy:

- for each full ten (10) A shares twelve (12) KI shares of Itikka-Lihapolar Oy
- for 3,001,500 K shares 3,247,481 KII shares of Itikka-Lihapolar Oy

Conversion of shares for shareholders of Lihapolar Oy:

- for each full ten (10) KI shares eight (8) KI shares of Itikka-Lihapolar Oy
- for each full ten (10) KII shares eight (8) KII shares of Itikka-Lihapolar Oy
- for 200,000 B shares 80,000 KII shares of Itikka-Lihapolar Oy

1992 Convertible Bond Loan:

In 1993, a total of FIM 151 million have been converted to 2,567,000 KII shares.

Shares of the Company

Distribution of shares

Number of shares	Shareholders	%	Shares in thousands	%
1-99	5,872	81.25	146	1.27
100-999	1,190	16.47	319	2.76
1,000-9,999	147	2.03	294	2.54
10,000-99,999	10	0.14	198	1.71
100,000-999,999	6	0.08	1,111	9.62
1,000,000-9,999,999	2	0.03	9,397	81.38
Unendorsed			83	0.72
Total	7,227	100.00	11,548	100.00

Shareholders by category

Category	Shareholders	%	Shares in thousands	%
Companies	286	3.96	9,964	86.28
Financial institutions	36	0.50	878	7.60
Public institutions	1	0.01	9	0.08
Households	6,857	94.88	578	5.01
Private associations	45	0.62	36	0.31
Foreign	2	0.03	-	-
Unendorsed			83	0.72
Total	7,227	100.00	11,548	100.00

Major shareholders

	KII	KI	Total	%
Itikka Co-op	4,530,981	462,444	4,993,425	43.24
Lihakunta	4,403,500		4,403,500	38.13
Pohjanmaan Liha Co-op	269,500		269,500	2.33
Investment Fund Alfred Berg Finland		258,670	258,670	2.24
The Merita Bank Ltd.		220,300	220,300	1.90
Tapiola General Mutual Insurance Company		135,572	135,572	1.17
Investment Fund Kansallis-Tuotto		123,000	123,000	1.06
Pension Insurance Company Ilmarinen		103,812	103,812	0.89
Aktia-Fond AB		44,000	44,000	0.38
Oy Leimark-Invest		30,000	30,000	0.25
Cooperative Banks' Pension Fund		30,000	30,000	0.25

On 31 December 1995, the members and vice-members of the Supervisory Board and the Board of Directors and the Managing Director held a total of 14,028 series KI shares, representing 0.12% of the voting rights.

Financial Ratios

Performance and Financial Ratios (in FIM millions)

	1995	1994	1993	1992	1991*
Turnover	2,140	2,561	2,494	2,644	2,682
Operating margin	197	271	250	204	176
% of turnover	9.2	10.6	10.0	7.7	6.6
Operating profit	97	164	149	116	111
% of turnover	4.5	6.4	6.0	4.4	4.1
Income/Expenses from Financing Activities	-30	-45	-103	-113	-74
% of turnover	-1.4	-1.8	-4.1	-4.3	-2.8
Profit before extraordinary items	67	56	46	3	36
% of turnover	3.1	4.7	1.9	0.1	1.3
Profit before appropriations and taxes	67	56	46	3	37
% of turnover	3.1	2.2	1.9	0.1	1.4
Return on equity (ROE) %	7.7	14.0	6.1	0.1	4.8
Return on investment (ROI) %	8.8	13.3	11.6	9.4	6.8
Equity ratio %	56.1	50.3	46.1	31.7	31.4
Gross investments in fixed assets	54.6	44.7	34.8	531.2	149.4
% of turnover	2.6	1.8	1.4	20.1	5.6
Number of personnel	2,174	2,092	2,195	2,146	2,474

*) The figures are combinations of the merged companies' financial statements and interim reports excluding intercompany transactions.
The figures for 1991-1993 are for the parent company.
As of 1994, sales commissions, sales freight charges and credit losses are included in other expenditure and not in turnover.

Share Capital Ratios

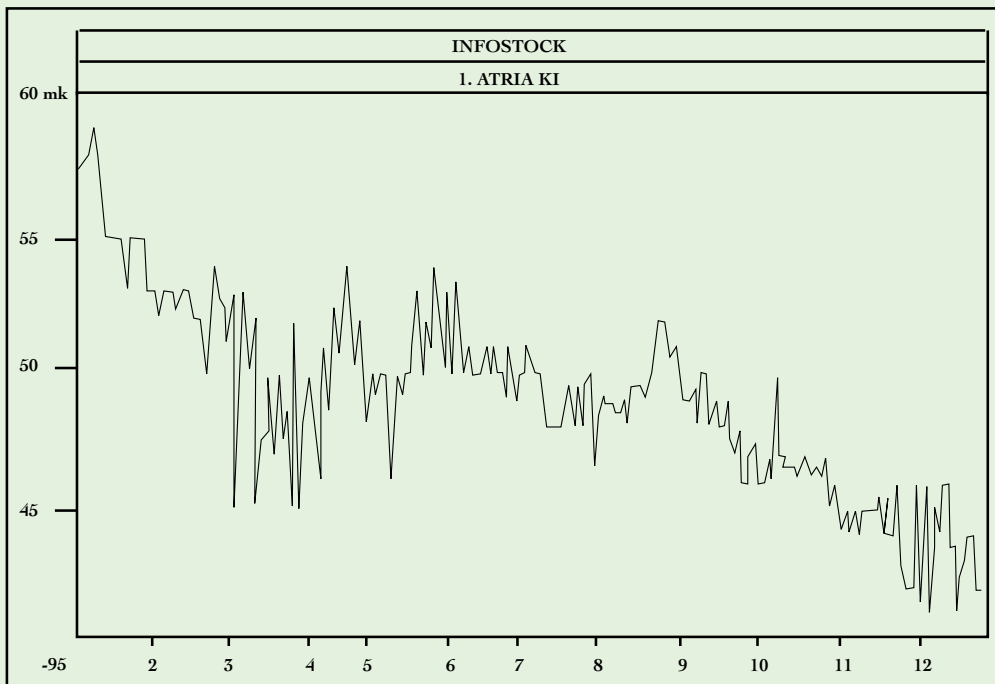
	1995	1994	1993	1992	1992
	12	12	12	12	6
	months	months	months	months	months
Earnings per share (EPS), FIM	5.23	9.08	3.81	0.09	*3.09
Shareholders equity per share, FIM	69.79	66.01	63.72	60.77	64.11
Dividend per share, FIM	**1.20	1.50	1.00	-	1.50
Dividend per profit %	**20.64	14.59	24.90	-	*48.50
Effective dividend yield	**2.9	2.7	2.0	-	4.7
Price per earnings (P/E)	8.03	6.06	13.20	-	*10.40
Market capitalisation, FIM mill.	485.0	635.1	582.0	323.3	278.8
Volume of shares traded/1000 shares	427.7	1,061.8	976.2	312.8	64.8
Number of shares, millions	11.5	11.5	11.5	9.0	8.7

*) 1 January - 31 December 1991

***) As proposed by the Board of Directors. 1991 - 1993 figures are for the parent company.

Calculation of financial ratios is presented on page 25.

Atria Oy KI-series Share Price Trend



Atria Oy KI-series shares' monthly turnover

Month	Turnover FIM	Turnover no. of shares	Lowest	Highest
January	1,463,130.00	25,830	53.00	59.00
February	1,840,069.00	34,872	50.00	54.00
March	1,453,706.00	28,200	48.00	53.00
April	2,344,880.00	47,112	48.50	54.00
May	1,914,432.00	38,060	48.00	54.00
June	847,889.00	16,513	48.00	53.50
July	1,117,925.00	22,335	48.00	52.00
August	5,772,126.00	112,394	48.00	53.00
September	2,638,560.00	52,970	47.00	52.00
October	745,100.00	16,000	46.00	50.00
November	668,900.00	14,830	44.00	46.00
December	826,450.00	18,650	42.00	46.00
Total	21,633,166.00	427,766		

Managing Director's Statement, Company Operations and Future Outlook

The agreement on accession to the EU had a crucial impact on the Concern's year of operations. The decrease in prices to an even lower level than originally forecast weakened profitability. With regard to marketing and the balance sheet, the Concern experienced a favourable development, but the operating margin decreased from the prior year's FIM 271.1 million to FIM 197.0 million. Similarly, profit before extraordinary items and reserves dropped from the prior year's FIM 118.7 million to FIM 67.1 million.

The balance sheet showed further strengthening, and the shareholders' equity and reserves in the balance sheet amounted to FIM 805.9 million. Equity ratio increased to 56.1% from the previous year's 50.3%. Expenses from financing activities went down to FIM 30 million from FIM 45 million and accounted for 1.4% of turnover. The Concern has a sound capital structure, which will most likely strengthen even further.

Along with the abolishment of import restrictions, many stock lots were imported to Finland, the prices of which are not defined by the cost level of any country. This caused prices to fall to an even lower level than anticipated. In its marketing strategy, Atria Oy invests heavily in the strengths of domestic meat and the Atria quality meat. I believe that these are investments that will be worthwhile in the long run, even given the controversial debate on the treatment of animals and on animal diseases in Europe. As a country with previously restricted import, Finland is now virtually free of the problems that Europe has to deal with.

Atria has, during its five years of operations, gained an annually increasing market share in meat products in Finland. The trend remains the same. Our progress has been based on conscious investment in a fresh produce policy, state-of-the-art production machinery, and efficient logistics and marketing. At present, the company makes important investments in order to streamline the operations and to raise the degree of processing. In the future, an increasingly large part of the raw material will be used



to produce highly processed goods, which will not be touched by equally stiff price competition. Product development focuses on fresh, perishable goods whose manufacture requires know-how. The opening of international borders enabled substantial export from Finland. Last year, the company invested in making its Atria trademark known through its subsidiaries, Atria AB in Sweden

and Atria Oy in St. Petersburg. The future outlook for Atria Ab in Sweden looks particularly promising, and it has the potential of becoming Sweden's leading marketer of Finnish-style fresh products. As far as meat export is concerned, Atria Meat Ab has gained a stable position in the Swedish market and has attained the approval of the markets. The future prerequisites for the operations of Atria Oy St. Petersburg depend on the internal changes within Russia, but with the current volumes we can monitor the development of marketing without any significant risks. Atria Oy also has growth potential in export to Norway, Japan, and certain countries of Central Europe, particularly by taking advantage of Finland's purity in comparison with other European countries.

Atria Oy has a sharp competitive edge in the production of processed food over other European countries. We have modern production equipment and a high degree of capacity utilisation compared to other countries. Atria Oy's processed goods production plants already operate in several shifts. In addition, the capital structure with the current equity ratio and current expenses from financing activities is very strong compared to domestic and foreign competitors. The company will continue to invest in streamlining; the manufacture of meat products, for example, will be transferred to the modern Nurmo plant within this year. Other investments will also support increasing efficiency and raising the degree of processing. As a small meat producing country, Finland cannot match its best competitors in the efficiency of slaughtering industry, but nevertheless, Atria Oy will take all available measures to streamline operations in this area as well.

Last year, 21 million kilograms of meat was imported to Finland. The import of meat products, on the other hand, is still of small significance. The export and import prices of meat are the mechanisms that determine both the domestic selling prices, and the prices that producers get. For precisely this reason Atria Oy strives to acquire added value to domestic Atria quality meat. However, the producers' prices will in the future be determined by the day's selling price, which are largely affected by import prices. The shifting of the price mechanism into full EU mechanism as well as the formation of free competition within the entire EU took place gradually along 1995, but as we move on to 1996, the changes have to a large extent been completed.

The outlook for the future and future profitability

Atria Oy's fixed assets are, to a large extent, modern and efficient. As a result of the EU membership, the level of the operating margin declined compared with the level of the previous years. In order to maintain a good result level, it is essential that the need for capital expenditure diminish and that expenses from financing activities decrease. Atria has completed major

capital expenditures, and it has attained a high utilisation rate of its fixed assets. There is no urgent need for capital investments in rationalisation and increasing productivity, therefore the company's solvency is likely to further improve in the future.

1995 was marked by an emphasized concentration on domestic raw material. We believe that as consumers become increasingly aware of European problems, the raw material secured by the Finnish Atria quality meat system will give our products a competitive edge over import products. These quality factors play an important part in export, too. This role is reinforced by the ISO 9001 quality system that Atria Oy certified in 1995 to cover the operations of the entire company, and the certification of an environmental management system that will be implemented this year. A central objective for the future operations of the company will be to stress the genuine quality factors.

I wish to extend my thanks for the past year to shareholders, meat producers, our staff and most of all our customers. By buying our products, our customers have created the pre-conditions for meat production as well as for the operations of the entire company.

Seppo Paatelainen
Managing Director

Contribution to Turnover by Food Processing Categories

	FIM million		%		
Consumer packed and other meat products and convenience foods	1,759.6		82.2		
Slaughtering and meat cutting products for industrial raw material	380.5		17.8		
	1995	1994	1993	1992	1991
	12 months	12 months	12 months	12 months	6 months
	%	%	%	%	%
Products	82.2	68.3	68.3	63.6	62.8
Raw material for industry	17.8	31.7	31.7	36.4	37.2
Total	100.0	100.0	100.0	100.0	100.0

Report of the Board of Directors

1.1. - 31.12.1995

The Concern

In addition to the parent company Atria Oy, the Concern includes the sales firms Atria AB and Atria Meat AB in Sweden and Atria Oy St. Petersburg in Russia, the property firms Porokolmio Oy in Rovaniemi and Tievapolku 3 in Inari, and the practically non-operating companies Itikka-Lihapolar Oy, Ab Botnia Food Oy and ILP-Siivous Oy. TLK Trading Ltd Oy, Polar Fastfood Oy and Foodwest Oy are part-owned companies.

Of the sales firms, Atria AB Stockholm and Atria Oy St. Petersburg concentrate solely on selling the parent company's products. The new sales firm Atria Meat AB Stockholm will concentrate solely on the wholesale of meat in Sweden.

Negotiations concerning the purchasing of the part-owned company TLK Trading Ltd Oy's entire share capital started during the fiscal year. In January 1996, the negotiations led to the transfer of the company's entire share capital to the ownership of Atria Oy.

Industry

The industry has undergone major adaptations. The main objectives were an essentially higher utilisation rate of fixed assets, improved efficiency and consequent lower relative capital expenses and lower costs per unit.

A major set of investments worth over FIM 600 million was completed in 1992. These investments enabled the centralisation of the processed goods industry to a new and efficient unit. Now, in 1995, decisions have been made to further develop the processed goods industry with the aim to achieve a higher utilisation rate, to improve efficiency and to diminish costs per unit. The investment expenses of the current decisions are approximately FIM 150 million, most of which will be spent during 1996. The investments mainly cover new solutions for machinery, and, to a lesser extent, buildings in connection with the Nurmo food plant. With regard to the slaughterhouse industry, different plans were made to rationalise the production of the bovine slaughterhouses in Kauhajoki, Kuopio

and Ylivieska. It was decided to begin the investments in the processed goods industry in 1995, and to make the decisions concerning the bovine slaughterhouses once a better understanding of the effects of the EU on beef production had been gained.

Marketing

Marketing changed significantly from the previous year. In 1994, Finland was a closed market economy as far as the production and sales of foodstuffs were concerned. In 1995, after Finland had joined the EU, import to Finland was unrestricted, and Finland was able to export goods freely within the EU. At the same time, the state responsibility for exporting the surplus of produced foodstuffs was removed. Within the EU framework, there are methods for controlling overproduction, partly by means of export and partly by means of storage. In addition, within the framework of the GATT negotiations it has been agreed that the EU allows certain import to its area, and on the other hand it restricts its own subsidies allocated for the export of surplus foodstuffs. Import and export covered mainly carcass meat and assorted meat for industrial use. The import of meat products took place mainly at the end of the year, and was small in scale.

The market share for the entire year grew by two percentages in domestic retail and wholesale trade.

In export, Finland's meat surplus was smaller than during the previous year. In terms of quantities, the export of pork was approximately equivalent to import, and was not at any point a large-scale activity. The export of beef exceeded the import, and the export occurred during autumn's supply peak. However, there was less need for export than in 1994. As a result of the described EU mechanism, the export price remained low and weakened the result compared to the prior year.

In meat products export, Atria AB Stockholm gained a stable position in the sales of meat products in Sweden. The quantity of meat products exported to Sweden doubled compared to

the prior year, but it still remains rather small. With regard to the export of meat products to Russia, the quantities remained on the 1994 level.

Financing

Expenses from financing activities decreased during the fiscal year due to reduced liabilities and lower levels of interest rates.

Funds flow during the fiscal year was good. Of the FIM 197,017,409.52 operating margin, FIM 54,570,992.86 was used for investment and FIM 29,535,068.53 for financing expenses. The surplus in financing after taxes was FIM 106,183,552.23.

Profits

The operating margin of the Concern was FIM 197,107,409.52; a decrease of FIM 74,067,552.26 from the prior year. After depreciations and expenses from financing activities, the profit before other income and expenses, appropriations and taxes was FIM 67,143,584.25, which shows a decrease of FIM 51,590,167.78 from the previous year. The increase in reserves covers FIM 41,900,000.00 worth of development area depreciations in excess of plan.

Personnel

The Concern's personnel during the fiscal year averaged 2,174. At the end of the fiscal year, the parent company's personnel totalled 2,210, of

whom 475 were office/administration staff. Personnel in the parent company during the fiscal year averaged 2,149.

Prospects for 1996

The total sum of investments in 1996 will most likely amount to approximately FIM 150 million. This means that the depreciations according to plan will remain on the current level of roughly FIM 100 million.

Expenses from financing activities are also likely to remain on the current level.

The most significant changes caused by Finland's accession to the EU that affect the trend in the operating margin have already taken place:

- Unrestricted import of meat and meat products to Finland is allowed for all member countries of the EU
- The EU mechanisms will deal with the surplus of meat production
- The demand for meat products has shifted towards whole meat and convenience foods

In 1996, investments aimed at lowering unit costs and preparing for shifts in demand between different product groups are under way. The investments for 1992 proved to be the correct ones given what the accession to the EU involved. 1995 was a year for adapting to the EU mechanisms. In the future, this adaptation will also involve adapting to the EU's development.





Profit and Loss Account

PROFIT AND LOSS ACCOUNT (1000 FIM)	CONCERN		PARENT COMPANY	
	1995	1994	1995	1994
TURNOVER	2,140,142	2,560,562	2,134,856	2,550,650
Increase/decrease in inventory of finished goods	- 2,996	-17,201	-1,850	-18,443
Income from part-owned companies	-485	+796	-	-
Other income from business operations	+20,770	+1,194	+20,201	+1,257
EXPENSES				
Materials, supplies and stock				
Purchase	1,217,104	1,641,151	1,219,535	1,632,870
Increase/decrease in inventory	-1,323	-2,019	-1,323	-2,019
External services	68,590	64,776	68,590	64,768
Wages, salaries and social security	404,645	345,048	401,380	343,820
Rent	23,565	27,948	23,424	29,192
Other expenses	247,832	197,362	244,880	196,201
OPERATING MARGIN	197,018	271,085	196,721	268,633
DEPRECIATION OF FIXED ASSETS AND OTHER LONG-TERM ASSETS	100,339	107,068	99,438	106,094
OPERATING PROFIT	96,679	164,017	97,283	162,539
INCOME/EXPENSES FROM FINANCING ACTIVITIES				
Dividend income	353	532	1,345	1,372
Interest income	13,505	9,469	13,377	9,456
Interest expense	-39,681	-50,558	-39,741	-50,567
Exchange gain/loss	-661	+931	-661	+931
Other financing expenses	-3,051	-5,658	-3,033	-5,626
PROFIT BEFORE OTHER INCOME/ EXPENSES, RESERVES AND TAXES	67,144	118,734	68,570	118,106
OTHER INCOME AND EXPENSES:				
Other income	-	+11	-	-
Other expenses	-25	-63,151	-	-63,126
PROFIT BEFORE RESERVES AND TAXES	67,119	55,594	68,570	54,980
Increase in depreciation variance	-41,900	-	-41,900	-
Increase/decrease in voluntary reserves	-25	+264	-	+264
Direct taxes	-6,728	-13,831	-6,670	-13,623
Profit before minority interest	18,466	42,027	20,000	41,621
Minority interest	+13	-7	-	-
NET PROFIT	18,479	42,020	20,000	41,621



BALANCE SHEET (1000 FIM)	CONCERN		PARENT COMPANY	
	31.12.1995	31.12.1994	31.12.1995	31.12.1994
ASSETS				
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS				
Intangible assets				
Intangible rights	21,557	24,639	25,724	29,294
Membership fees	3,163	3,139	2,862	2,850
Other long-term assets	4,147	4,662	4,147	4,662
	28,867	32,440	32,733	36,805
Tangible assets				
Land and water property	11,868	11,853	11,647	11,632
Buildings and constructions	647,678	668,560	636,900	657,261
Equipment and machinery	202,110	238,412	201,247	237,633
Other tangible assets	4,936	5,484	4,850	5,389
Prepaid expenses and investments in progress	16,497	50	16,497	50
	883,089	924,358	871,141	911,965
Securities and other long-term investments				
Shares in subsidiaries	-	-	4,764	4,731
Shares in part-owned companies	1,429	2,354	1,922	1,495
Other shares and investments	5,053	5,053	5,053	5,053
	6,482	7,408	11,739	11,280
VALUATION ITEMS				
Pension fund	7,484	5,864	7,484	5,864
CURRENT ASSETS AND INVENTORIES				
Inventories				
Materials and supplies	29,946	28,623	29,946	28,623
Finished goods	75,414	78,135	74,902	76,752
	105,360	106,758	104,848	105,374
Receivables				
Trade receivables	220,271	357,026	222,235	355,828
Loan receivables	399	1,300	5,562	6,483
Deferred receivables	15,566	10,524	14,984	9,933
	236,236	368,850	242,781	372,244
Cash and bank receivables	168,294	71,007	165,515	69,266
TOTAL ASSETS	1,435,812	1,516,685	1,436,241	1,512,798



BALANCE SHEET (1000 FIM)	CONCERN		PARENT COMPANY	
	31.12.1995	31.12.1994	31.12.1995	31.12.1994
LIABILITIES				
SHAREHOLDERS' EQUITY				
Tied capital				
Share capital	115,476	115,476	115,476	115,476
Reserve fund	388,863	388,863	388,826	388,826
Distributable reserves				
Retained earnings	44,806	19,532	47,699	23,400
Net profit	18,479	42,020	20,000	41,621
	567,624	565,891	572,001	569,323
Minority interests	39	52	-	-
APPROPRIATIONS				
Accumulated depreciation	211,614	169,714	211,614	169,714
Voluntary reserves				
Transferable reserves	26,603	26,603	26,603	26,603
Operational reserves	25	-	-	-
	238,242	196,317	238,217	196,317
LIABILITIES				
Long-term liabilities				
Debentures	37,500	67,500	37,500	67,500
Convertible bond	80,000	80,000	80,000	80,000
Loans from financial institutions	68,969	124,726	68,969	124,726
Pension funds	111,577	190,514	111,577	189,101
Other long-term debt	3,000	3,000	-	-
	301,046	465,741	298,046	461,328
Current liabilities				
Trade payables	48,973	48,172	49,246	44,996
Accrued liabilities	148,880	200,126	146,839	198,011
Other current liabilities	131,008	40,386	131,892	42,823
	328,861	288,684	327,977	285,830
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,435,812	1,516,686	1,436,241	1,512,798

STATEMENT OF CASH FLOWS (1000 FIM)	CONCERN		PARENT COMPANY	
	1995	1994	1995	1994
CASH FLOWS FROM OPERATIONS				
Income				
Operating profit	96,679	164,017	97,283	162,539
Depreciation	100,339	107,068	99,438	106,094
Income/expenses from financing activities	-29,535	-45,283	-28,713	-44,433
Miscellaneous income/expenses	-25	-15	-	-
Taxes	-6,728	-13,831	-6,670	-13,623
	160,730	211,956	161,338	210,576
CHANGE IN WORKING CAPITAL				
Increase/decrease in inventories	+1,398	+15,203	+526	+16,424
Increase in current receivables	+132,613	-98,297	+129,462	-94,372
Increase in interest-free short-term liabilities	-50,445	+23,540	-46,922	+18,281
	+83,566	-59,553	+83,066	-59,667
	244,296	152,402	244,404	150,909
INVESTMENTS				
Investment in fixed assets	-54,571	-44,715	-55,000	-45,456
Change in valuation items	-1,620	+531	-1,620	+531
CASH FLOWS BEFORE FINANCING ACTIVITIES	188,105	108,218	187,784	105,984
FINANCING ACTIVITIES				
Increase/decrease in long-term debt	-164,694	-119,763	-163,282	-119,602
Increase/decrease in short-term debt	+90,622	-13,850	+89,068	-12,179
Dividends	-17,321	-11,548	-17,321	-11,548
Adjustments	+575	+224	-	-
CHANGE IN LIQUID FUNDS	+97,287	-36,719	+96,249	-37,345



Notes to the Financial Statements

1.1. - 31.12.1995

Accounting principles:

The financial statements have been prepared in accordance with generally accepted accounting principles and the Companies' Act. The financial statements of the Concern include the parent company, all the subsidiaries, and the part-owned companies TLK Trading Ltd Oy and Polar Fastfood Oy. The first fiscal year of Foodwest Oy will end on 31.12.1996. Since Itikka-Lihapolar Oy has not prepared an affiliate company's financial statement, its subsidiaries Atria Oy St. Petersburg and Atria AB have been grouped within Atria Oy. Intercompany share ownership has been eliminated by means of the acquisition cost method, and the part-owned companies have been incorporated by means of the share capital method. Only minor changes have taken place within the structure of the Concern: a new subsidiary, Atria Meat AB, was established in Stockholm, and Foodwest Oy became a part-owned company.

1. Method of depreciation

Buildings, Nurmo industrial site 40 years
Buildings, other industrial sites 25 years
Equipment and machinery, Nurmo industrial site 10 years
Other equipment and machinery 7 years
Computer software 5 years
Other long-term assets 10 years and 5 years
Straight line method of depreciation is followed, based on the useful life of the asset.

2. Wages and social security costs

have been accrued during the accounting period. The statutory pension schemes have been handled by an insurance company. Additional pensions have been managed by the pension trust. The pension trust liabilities are accounted for under valuation items in the balance sheet. The pension trust is closed.

3. Inventories

have been accounted for as an increase/decrease in expenses of procurement and manufacture.

4. Fixed assets

are valued at net after depreciation according to plan.

5. Foreign currencies

The parent company's foreign currency receivables totalled FIM 6,769,276 at the end of the fiscal year. Foreign currency liabilities totalled FIM 62,824,928 at the beginning of the fiscal year, and FIM 58,454,041 at the end of the fiscal year.

6. Research and development

costs totalled FIM 16.9 million, and they have been booked as expenses of the fiscal year.

7. Debentures and other loans

Loan:	Debenture 1994
	FIM 17.5 million
Due date:	20 May 1998
Guarantee:	Company

Loan:	Debenture 1/1991
	FIM 30 million
Due date:	16 September 1996
Guarantee:	Bank guarantee

Loan:	Debenture 1990
	FIM 20 million
Due date:	29 March 1997
Guarantee:	Bank guarantee

8. Convertible bond

In 1992, the company issued a bond, of which FIM 151 million had been converted into shares by 1993. FIM 80 million has been paid out as loan without conversion into shares.

A bond with a nominal value of FIM 1,000 can be converted into seventeen Atria Oy shares during the conversion period. The annual conversion period is from 2 January to 31 October, except in 1999 when the conversion period will be from 2 January to 26 June. The bond is due on 26 June 1999.

Notes to the profit and loss account and to the balance sheet (FIM 1000)	CONCERN		PARENT COMPANY	
	1995	1994	1995	1994
1) Turnover				
Sales revenue	2,517,731	3,132,908	2,511,074	3,120,390
Sales tax	-354,577	-542,174	-353,466	-539,597
Other adjustments	-23,012	-30,172	-22,752	-30,143
= turnover	2,140,142	2,560,562	2,134,856	2,550,650
Turnover by countries:				
Domestic, FIM million	2,075	2,509	2,075	2,509
%	96.9	98.0	97.2	98.4
EU, FIM million	57	20	52	10
%	2.7	0.8	2.4	0.4
Other countries	8	32	8	32
%	0.4	1.2	0.4	1.2
<p>The majority of export, FIM 88 million, has been routed via TLK Trading Ltd Oy and is included in the domestic sales figures. Other income from operations includes FIM 17.7 million worth of EU storage compensation.</p>				
2) Wages and salaries				
Managing Director, Members of the Board of Directors and the Supervisory Board	2,309	1,125	1,842	971
Production wages	133,820	116,901	133,820	116,901
Other wages and salaries	90,036	85,114	88,728	84,521
= Wages and salaries for the actual time at work	1,708	1,562	1,501	1,461
Paid annual leave, sick leave and other paid leave	227,874	204,702	225,892	203,854
= Total wages and salaries	76,355	69,076	76,182	68,974
= Total wages and salaries	304,229	273,778	302,073	272,828
3) Social security costs				
Social security payments	12,591	10,569	11,900	10,383
Pension contributions	56,041	34,173	55,920	34,154
Other statutory social costs	25,297	24,873	25,292	24,867
Discretionary social costs	8,195	3,217	7,696	3,050
= Total social security costs	102,124	72,833	100,808	72,453
4) Depreciation				
Depreciation according to plan:				
Buildings and constructions	29,700	32,752	29,051	31,806
Equipment and machinery	64,140	67,648	63,899	67,630
Other long-term assets	6,498	6,668	6,488	6,658
Total	100,338	107,068	99,438	106,094
Total depreciation:				
Buildings and constructions	29,922	86,498	29,272	85,552
Equipment and machinery	104,929	13,756	104,688	13,738
Other long-term assets	7,388	6,814	7,378	6,804
Total	142,239	107,068	141,338	106,094

	CONCERN		PARENT COMPANY	
	1995	1994	1995	1994
5) Interest income/expenses				
Interest payments to companies in the Concern	-	-	112	113
6) Direct taxes				
Taxes in the profit and loss account are booked on accrual basis.				
7) Intangible and tangible assets				
Intangible assets				
Acquisition costs	49,293	47,327	53,158	51,692
Accumulated planned depreciation	-20,425	-14,887	-20,425	-14,887
= Book value after planned depreciation	28,867	32,440	32,733	36,805
Variance between booked and planned depreciation	-1,254	-418	-1,254	-418
= Book value after depreciation	27,613	32,022	31,478	36,387
Tangible assets				
Acquisition costs	1,491,480	1,437,948	1,477,657	1,424,581
Accumulated planned depreciation	-608,390	-513,590	-606,516	-512,616
= Book value after depreciation	883,089	924,358	871,141	911,965
Variance between booked and planned depreciation	-210,359	-169,295	-210,359	-169,295
= Book value after depreciation	672,730	755,063	660,782	742,670
Property tax in Finland			194,147	200,765
Fire insurance in Finland:				
Buildings			1,163,737	1,173,180
Equipment and machinery			552,543	612,022
8) Receivables and loans				
Intercompany receivables			9,449	5,985
Receivables from part-owned companies			15,773	90,085
Intercompany payables			1,522	2,877
Payables to part-owned companies			16	12
9) Collateral and securities				
Collateral: Granted guarantees			22,970	29,104
Leasehold liabilities			57,156	54,136
Securities: Other pledges			140,683	194,934
Mortgages			513,470	629,840
Collateral granted on behalf of part-owned companies equals FIM 25,870.				

	CONCERN		PARENT COMPANY	
	1995	1994	1995	1994
10) Changes in shareholders' equity				
Shareholders' equity:				
1 January	115,476	115,476	115,476	115,476
31 December	115,476	115,476	115,476	115,476
Reserve fund:				
1 January	388,863	388,863	388,826	388,826
31 December	388,863	388,863	388,826	388,826
Distributable reserves:				
1 January	61,552	30,856	65,021	34,947
Dividends	-17,321	-11,547	-17,321	-11,547
Other adjustments	+575	+223	-	-
Net profit	+18,479	+42,020	+20,000	+41,621
31 December	63,285	61,552	67,699	65,021
Total shareholders' equity	567,624	565,891	572,001	569,323

The share capital of the parent company is divided into series as follows:

	Number of shares	FIM
Series KI (1 vote/share)	2,343,632	23,436,320
Series KII (1 vote/share)	9,203,981	92,039,810
	11,547,613	115,476,130

Calculation of financial ratios

$$\text{Return on equity (\%)} = \frac{\text{Profit after financing items - taxes}}{\text{Shareholders' equity + reserves (average for the year)}}$$

$$\text{Return on investments (\%)} = \frac{\text{Profit after financing items + interest and other financing expenses}}{\text{Balance sheet total - interest-free liabilities (average for the year)}}$$

$$\text{Equity ratio (\%)} = \frac{\text{Shareholders' equity + reserves}}{\text{Balance sheet total - advance payments received}}$$

$$\text{Earnings per share} = \frac{\text{Profit after financing items - taxes}}{\text{Average number of shares}}$$

$$\text{Shareholders' equity per share} = \frac{\text{Shareholders' equity + reserves}}{\text{Number of shares on 31.12.}}$$

$$\text{Dividend per share} = \frac{\text{Dividends for the accounting period}}{\text{Number of shares on 31.12.}}$$

$$\text{Dividend per profit (\%)} = \frac{\text{Dividend for the accounting period}}{\text{Profit after financing items}}$$

$$\text{Effective dividend yield} = \frac{\text{Dividend per share}}{\text{Share price on 31.12.}}$$

$$\text{P/E ratio} = \frac{\text{Adjusted share price on 31.12.}}{\text{Earnings per share}}$$

$$\text{Market value of shares} = \text{Number of shares} \times \text{share price as on 31.12.}$$

11) Shares and stocks

	No.	%	Book values	
			1995	1994
<u>Subsidiaries:</u>				
Owned by parent company:				
Ab Botnia-Food Oy	800	100.0	404	404
Itikka-Lihapolar Oy	1000	100.0	15	15
Kiinteistö Oy Tievapolku 3	280	100.0	2,196	2,196
ILP-Siivous Oy	15	100.0	15	15
Atria Meat AB	500	100.0	32	-
Porokolmio Oy	356300	97.9	2,101	2,101
Total shares in subsidiaries			4,763	4,731
<u>Owned by subsidiaries:</u>				
Atria Oy, St. Petersburg	-	100.0	39	39
Atria AB, Stockholm	500	100.0	43	43
<u>Part-owned companies:</u>				
TLK Trading Ltd Oy	990	50.0	495	495
Polar Fastfood Oy	-	34.97	1,000	1,000
Foodwest Oy	427	27.2	427	-
Total shares in part-owned companies			1,922	1,495
<u>Other shares:</u>				
Tuko Oy	45,000	-	1,500	1,500
Merita Ltd	52,083	-	1,000	1,000
Honkajoki Oy	170	18.9	1,295	1,295
Asunto Oy Tursola	39	-	508	508
Central share register	3	-	275	275
Helsingin Puhelin Oy	30	-	154	154
Transbox Oy	10	8.0	110	110
Other companies	-	-	212	212
Total other shares			5,053	5,053

12) Significant business operations between the company and shareholders

- The procurement of raw material, meat, from Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative will continue on the basis of a commission agreement made in 1991, the price of meat being equal to the prime cost to the co-operatives.
- Atria Oy will lease properties, mainly industrial sites, from Lihakunta, Itikka Co-operative and Pohjanmaan Liha Co-operative, for a current price in each respective town. (Total of FIM 4,177,156 in 1995)

Summary information for the year ended on 31.12.1995

	Turnover	Operating margin	Profit	Shareholders' Equity and reserves	Liabilities
Ab Botnia-Food Oy	-	-3	19	462	-
Itikka-Lihapolar Oy	-	-1	19	201	44
Kiint. Oy Tievapolku 3	122	-1	-1	1,700	9
ILP-Siivous Oy	-	0	0	14	0
Atria Meat AB, Tukholma	19,529	39	50	107	2,561
Porokolmio Oy	-	228	-606	1,864	8,081
Atria Oy, St. Petersburg	10,600	2,072	458	465	867
Atria AB, Stockholm	16,222	52	29	61	3,293
TLK Trading Ltd Oy	190,000	-3,073	-970	488	32,587
Polar Fastfood Oy	-	-	-	-	-

Board of Directors' Proposal for the Distribution of Profit

The distributable reserves, including the year's profit, total FIM 67,699,289.39 for the parent company and FIM 63,285,041.08 for the Concern. The Board of Directors proposes that a dividend of 12% be paid on the share capital of FIM 115,476,130.00, totalling FIM 13,857,135.60 at FIM 1.20 per share.

Seinäjoki, 22 February 1996

Reino Penttilä
Chairman of the Board of Directors

Veikko Kullas
Deputy Chairman of the Board of Directors

Timo Komulainen

Tapio Vaismaa

Hannu Helaakoski

Seppo Paatelainen
Managing Director

Tom Weckström

Auditors' Note

The above financial statements have been prepared in accordance with generally accepted accounting principles.

An auditors' report has been presented today on the completed audit.

Seinäjoki, 15 March 1996

Erkki J Jussila

Martti Karppinen

Eero Suomela
Authorised Public Accountant

Seppo Sulkakoski
Authorised Public Accountant

Auditors' Report to the Shareholders of Atria Oy

We have audited the accounts and the administration of Atria Oy for the fiscal year 1.1. - 31.12.1995. The financial statements presented by the Board of Directors and the Managing Director include, both for the Concern and the parent company, a report of operations, the profit and loss account, a balance sheet and notes to the financial statements. Based on our audits, we express our opinion on these financial statements and administration.

We concluded our audits in accordance with generally accepted auditing standards. An audit includes assessing the accounting principles used as well as evaluating the overall financial statement presentation, to obtain reasonable assurance about whether the financial statements are free of material misstatements. The purpose of the audit of administration is to examine that the Supervisory Board, Members of 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 generally accepted accounting principles and with other rules and regulations relevant to the preparation of financial statements. The financial statements present fairly, in all material respects, the financial position of the Concern and the parent company, and the results of their operations, in conformity with generally accepted accounting principles. The financial statements of the parent company and the concern can be approved, and the parent company's Supervisory Board, Members of the Board of Directors and Managing Director can be discharged from liability for the fiscal year audited by us. The Board of Directors proposal for the distribution of profits is in accordance with the Companies' Act.

We have also examined the company's interim accounts. In our opinion, the interim accounts have been prepared in accordance with generally accepted accounting principles.

Seinäjoki, 15 March 1996

Erkki J Jussila

Martti Karppinen

Eero Suomela
Authorised Public Accountant

Seppo Sulkakoski
Authorised Public Accountant

Supervisory Board's Statement

Having examined the financial statements and the auditors' report for the fiscal year 1.1. - 31.12. 1995, the Supervisory Board proposes that the financial statements be approved and the profit be distributed as proposed by the Board of Directors. Next to leave the Supervisory Board are Lauri Laitinen, Juhani Mäki, Risto Aula, Kalle Pietikäinen, Paavo Hylkilä and Martti Ylitalo.

Kuopio, 15 March 1996

Lauri Laitinen
Chairman of the Supervisory Board

Atria Oy obtained the ISO 9001 certificate on 30 June 1995

Atria Oy was faced with a very challenging situation when its quality project began. A new company had just been formed, comprising three companies from different parts of Finland: Ostrobothnia, Savo and the Swedish-speaking coastal region. A community spirit needed to be created amongst the representatives of three different kinds of business cultures and three different regions. At the same time, accession to the European Union drew closer, and the competition in Finland became stiffer as nationwide marketing started in the meat sector as well. In many ways, there were growing cost pressures.

We were aware of the severity of the challenges, therefore we decided to create a single consistent operational model for the company; a model that would ensure the improved competitiveness of Atria Oy in 2000. We decided to launch a comprehensive quality improvement project.

The guiding principle in creating a new operational model for Atria Oy was to build a comprehensive quality system that would comply with the ISO 9001 standard. Concrete measures to create a new operational model for Atria Oy included extensive training of the personnel, a reconsideration of the company's policies and of the goals and means of the units and departments, the preparation of work and method instructions for the entire organisation, customer satisfaction follow-up, complaint follow-up, delivery and security follow-up, and an in-house customer network.

While all this work was under way, significant rationalisations and organisational changes took place. The work within the organisation was carried out by the people responsible for the particular section or department to be developed.

Atria Oy now has an operational model that adapts and changes with the company. An external approval to our quality system was obtained on 30 June 1995, when the Finnish Standards Association SFS granted us a certificate proving that the quality system of the company in all places of production complies with the requirements of the ISO 9001 standard.

Maintaining the quality system requires constant monitoring and developing. The Finnish Standards Association SFS will perform a follow-up audit twice a year.

The operations of Atria Oy's subsidiaries Atria Oy St. Petersburg, Atria AB Stockholm and Atria Meat AB will be certified during spring 1996.

At present, the company is applying for a certification to its BS 7750:fi standard environmental system. When developing the environmental system, particular attention has been paid e.g. to the utilisation of packaging materials and to reducing the amount of effluents.



CERTIFICATE

No 1234-01

The Finnish Standards Association SFS has granted this certificate as proof that the quality system of

**Atria Oy
Seinäjoki**

complies with the requirements of the standard

SFS-EN ISO 9001

Certification covers

Slaughtering and cutting industries in Nurmo, Kauhajoki, Ylivieska and Kuopio, meat product and convenience food industries in Nurmo and Kuopio, poultry industry in Nurmo, pet food industry in Kuopio as well as product development, quality control, maintenance, sales and marketing, customer service and logistic functions related to these productional functions.

Certification is based on the following audit report

SFS95060

The certificate is awarded on the condition that the company's quality system remain in constant compliance with the aforementioned standard and the General Regulations ABC 200.

Helsinki 1995-06-30

Kari Kaartama, Managing Director



Finnish Standards Association SFS
Maistraatinportti 2, FIN-00240 Helsinki





Atria[®]



A white rectangular bag with a scalloped top and bottom edge, centered on a black background. The word "Atria" is written in a red, cursive font with a registered trademark symbol (®) to the upper right. A red swoosh underline is positioned below the text.

Atria[®]

ATRIA OY

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