


Scandi Standard

Interim report, first quarter 2015

29 May 2015

- Net sales decreased by 3 percent to MSEK 1,309.6 (1,353.4), and by 6 percent at constant exchange rates. Net sales from Sweden increased by 6 percent, Denmark increased by 1 percent and Norway decreased by 27 percent at constant exchange rates. The decline in Norway was due to the termination of the ICA Norway contract as of 1 April last year. Excluding this contract, net sales for the Group increased by 2 percent at constant exchange rates.
- Operating income decreased to MSEK 67.6 (78.6 adjusted), also because of the termination of the ICA contract, corresponding to an operating margin of 5.2 percent (5.8 adjusted).
- Finance expenses were significantly lower than last year as a result of the refinancing of the bank loans in July 2014.
- Income for the period increased to MSEK 41.6 (35.7 adjusted) and earnings per share was SEK 0.69 (0.71 adjusted).
- Operating cash flow amounted to MSEK 100.3 (120.9 adjusted).
- A new supply agreement was signed with Coop Norway on 22 May, including the stores acquired from ICA Norway, with deliveries to be phased in gradually from 1 August 2015.
- The acquisition of Huttulan Kukko Oy's factory and business in Finland was completed as of 25 May.

MSEK	Q1 2015	Q1 2014	Change	LTM	2014
Net sales	1,309.6	1,353.4	-3%	5,223.4	5,267.2
EBITDA	114.0	120.1*	-5%	464.1*	470.2*
Operating income	67.6	78.6*	-14%	290.0*	301.0*
Operating margin	5.2%	5.8%*	-	5.6%*	5.7%*
Income for the period	41.6	35.7*	17%	151.0*	145.1*
EPS	0.69	0.71*	-3%	2.62*	2.63*
Operating cash flow	100.3	120.9*	-17%	417.5*	438.1*

*Adjusted for non-comparable items in Q1 2014 of MSEK -8.2 in EBITDA and operating income, and -6.4 MSEK in income for the period. For further information on the impact of non-comparable items, see page 4.

Scandi Standard is the largest producer of chicken in the Nordic region with leading positions in Sweden, Denmark and Norway. The company produces, markets and sells chilled and frozen chicken-based food products to private labels and under the brands Kronfågel, Danpo, Den Stolte Hane, Vestfold Fugl, Ivars and Chicky World. In Norway, eggs are also packed and sold to private labels and under the brand Den Stolte Hane. For more information, see www.scandistandard.com

CEO Statement

The year has started similar to last year with good sales growth in Sweden, largely unchanged sales in Denmark and lower sales in Norway. The decline in Norway was due to the termination of the ICA Norway contract and weak market demand in the quarter, but this was partly offset by new sales and product listings with existing and new customers. Excluding the ICA Norway contract, net sales in Norway in the quarter increased by 3 percent.

The market in Sweden continued its positive development, with customers appreciating the health benefits of eating chicken, with higher sales of chilled products over frozen and with good performance of recently launched products. The Danish operation benefitted from a better export market, but the domestic market continued to be characterised by customer focus on price and by competitive pressure. The market in Norway was weak throughout the quarter and every month was below last year as adverse media stories regarding chicken continued. We do believe that the impact of these stories will pass and the market will recover, but timing is uncertain.

Operating income increased substantially in Sweden and Denmark benefitting from higher operational efficiency and an improved sales mix in both countries compared to last year when we were clearing out excess inventory. The decline in the Group's operating income and margin was due to the termination of the ICA Norway contract.

On 19 May, we signed an agreement to acquire Huttulan Kukko Oy's factory and business in Finland. The agreement was conditional on receiving certain bank and supplier consents, and was completed on 25 May. The purchase price was MEUR 10, of which MEUR 5 is assumed debt. The price may increase to MEUR13m over five years depending on future performance.

Finland is an attractive market that shares many of the features of quality, health and welfare of chicken with the other Nordic countries. Huttulan started operations last year and has developed a premium concept which is sold to retail and foodservice customers. The acquisition brings an established team in Finland to the Group and a newly built facility currently processing approximately 1.4 million chickens on an annual basis. This is a good first step into this market and is in line with the strategy for developing our business that was established last year.

I am also pleased that we on 22 May signed a new supply agreement with Coop Norway, which includes the stores recently acquired from ICA Norway. This is expected to lead to additional sales of approximately MNOK 250 annually, phased in gradually from August 2015.

Leif Bergvall Hansen
Managing Director and CEO

Net sales and income

Net sales for the first quarter of 2015 decreased by 3 percent to MSEK 1,309.6 (1,353.4) and by 6 percent at constant exchange rates compared to the corresponding period last year. Excluding the ICA Norway contract last year, Group net sales increased by 2 percent at constant exchange rates.

Net sales in Sweden increased by 6 percent, while net sales in local currency increased by 1 percent in Denmark and declined by 27 percent in Norway.

Net sales by product category at constant exchange rates increased by 1 percent for chilled products and declined by 2 percent for frozen products.

Operating income amounted to MSEK 67.6 compared to MSEK 78.6 (adjusted for non-comparable items of MSEK -8.2) in the first quarter last year, corresponding to an operating margin of 5.2 (5.8 adjusted) percent. For a description of non-comparable items last year, see table on page 4. Operating income increased strongly in both Sweden and Denmark but this was more than offset by a decrease in Norway because of the termination of the ICA Norway contract.

Finance expenses were significantly lower than last year due to the refinancing of the bank loans in July 2014. The tax rate was standard at approximately 23 percent, but was higher than last year, which benefited from adjustments related to 2013.

Income for the period increased to MSEK 41.6 (35.7 adjusted), corresponding to earnings per share of SEK 0.69 (0.71 adjusted).

Financial summary

MSEK	Q1 2015	Q1 2014	Change	LTM	2014
Net sales	1,309.6	1,353.4	-3%	5,223.4	5,267.2
EBITDA	114.0	111.9	2%	409.8	407.7
EBITDA margin	8.7%	8.3%	-	7.8%	7.7%
Operating income	67.6	70.4	-4%	235.7	238.5
Operating margin	5.2%	5.2%	-	4.5%	4.5%
Income after finance net	54.1	35.1	54%	95.3	76.3
Income for the period	41.6	29.3	42%	68.4	56.1
EPS	0.69	0.59	18%	1.19	1.02
Adjusted EBITDA ¹⁾	-	120.1	-5%*	464.1	470.2
Adjusted EBITDA margin ¹⁾	-	8.9%	-	8.9%	8.9%
Adjusted operating income ¹⁾	-	78.6	-14%*	290.0	301.0
Adjusted operating margin ¹⁾	-	5.8%	-	5.6%	5.7%
Adjusted income after finance net ^{1,2)}	-	43.3	25%*	200.6	189.8
Adjusted income for the period ^{1,2,3)}	-	35.7	17%*	151.0	145.1
Adjusted EPS ^{1,2,3)}	-	0.71	-3%*	2.62	2.63

*) Actual figures in Q1 2015 compared to adjusted figures in Q1 2014.

1-3) See table next page.

MSEK

Non-comparable items in EBITDA and operating income	Q1 2015	Q1 2014	LTM	2014
IPO costs ^{a)}	-	-3,5	-33,0	-36,5
Transition costs ^{b)}	-	-1,3	-12,6	-13,9
Monitoring fees ^{c)}	-	-	-5,8	-5,8
Transaction costs ^{d)}	-	-	-2,3	-2,3
Pension revaluation ^{e)}	-	-3,4	-0,6	-4,0
¹⁾ Total	-	-8,2	-54,3	-62,5
Non-comparable items in finance net and tax effects				
²⁾ Refinancing ^{f)}	-	-	-51,0	-51,0
³⁾ Tax effect on adjustments	-	1,8	22,7	24,5
Non-comparable items in income for the period	-	-6,4	-82,6	-89,0

- a) Non-recurring costs related to the IPO.
- b) Transition costs related to the carve-out of the Swedish and Danish operations from Lantmännen, e.g IS/IT costs, which are complete.
- c) Monitoring fees charged by prior owners, which ceased at the time of the IPO.
- d) Revaluation of acquired stock and contracts (PPA) and deal fees following the acquisitions in 2013/2014 by Scandi Standard. These costs are non-recurring.
- e) Non-comparable items regarding pension revaluation arose from the closure of the defined benefit scheme. These are complete.
- f) Non-recurring write-off arrangement fees related to the old credit facility.

Segment information

Sweden

MSEK	Q1 2015	Q1 2014	Change	LTM	2014
Net sales	530.9	498.5	6%	2,087.6	2,055.2
Operating income (vs. adjusted last year)	33.0	19.5*	69%	127.3*	113.8*
Operating margin (vs. adjusted last year)	6.2%	3.9%*	-	6.1%*	5.5%*

*) Adjusted for non-comparable items of MSEK -5.7 in Q1 2014, MSEK -8.2 in LTM and MSEK -13.9 in 2014. For a description of adjustments, see page 9.

Net sales in Sweden in the first quarter increased by 6 percent to MSEK 530.9 (498.5) driven by continued market growth and positive sales trends for recently launched products. Net sales increased in both chilled and frozen products.

Product launches during the quarter included marinated chilled chicken fillet and *Pulled Chicken Taco Style* as well as a re-launch of *Stinas*.

Operating income rose by 69 percent to MSEK 33.0 (19.5 adjusted) as compared to a weak first quarter last year, which was impacted by inventory reductions of frozen products sold at discounted prices. The operating margin improved to 6.2 (3.9 adjusted) percent, supported by higher production efficiency and a better sales mix.

Denmark

MSEK	Q1 2015	Q1 2014	Change	LTM	2014
Net sales	584.8	547.0	7%	2,247.0	2,209.2
Operating income (vs. adjusted last year)	32.8	23.9*	37%	113.2*	104.3*
Operating margin (vs. adjusted last year)	5.6%	4.4%*	-	5.0%*	4.7%*

*) Adjusted for non-comparable items of MSEK -0.1 in Q1 2014, MSEK -1.3 in LTM and MSEK -1.4 in 2014. For a description of adjustments, see page 9.

MDKK	Q1 2015	Q1 2014	Change	LTM	2014
Net sales	464.4	460.8	1%	1,814.0	1,810.4
Operating income (vs. adjusted last year)	26.9	20.1	34%	92.2	85.5
Operating margin (vs. adjusted last year)	5.6%	4.4%	-	5.0%	4.7%

Net sales in Denmark in the first quarter increased by 7 percent to MSEK 584.8 (547.0) and by 1 percent in local currency.

Key commercial activities in the quarter included the launch of a home-delivery service for Danpo products, as well as the launch of the first product on the market in a twin-tray together with vegetables.

Operating income increased by 37 percent to MSEK 32.8 (23.9 adjusted) and the operating margin improved to 5.6 percent (4.4 adjusted). The margin improvement was a result of higher production efficiency and a better sales mix with a higher proportion of chilled products and firmer export prices, while price pressure continued in the Danish retail market.

Norway

MSEK	Q1 2015	Q1 2014	Change	LTM	2014
Net sales	275.7	374.9	-26%	1,170.8	1,270.0
Operating income (vs. adjusted last year)	13.2	42.4	-69%	90.6*	119.8*
Operating margin (vs. adjusted last year)	4.8%	11.3%	-	7.7%*	9.4%*

*) Adjusted for non-comparable items of MSEK 0 in Q1 2014, MSEK -0.7 in LTM and MSEK -0.7 in 2014. For a description of adjustments, see page 9.

MNOK	Q1 2015	Q1 2014	Change	LTM	2014
Net sales	256.7	353.5	-27%	1,068.9	1,165.7
Operating income (vs. adjusted last year)	12.1	40.0	-70%	82.1	110.0
Operating margin (vs. adjusted last year)	4.8%	11.3%	-	7.7%	9.4%

Net sales in Norway in the first quarter declined by 26 percent to MSEK 275.7 (374.9) and by 27 percent in local currency. The decrease was due to the termination of the ICA Norway contract as of 1 April 2014 as well as a decline in the retail market for chilled chicken products of 13 percent (AC Nielsen) in the quarter following continued negative media stories regarding chicken. This was partly offset by new sales and product listings with existing and new customers. Excluding the ICA contract last year, net sales increased by 3 percent in local currency.

Operating income amounted to MSEK 13.2 (42.4), corresponding to an operating margin of 4.8 (11.3) percent. The decrease in income and margin is attributable to lower volumes and to selling excess inventories of frozen products at discounted prices.

Cash flow and investments

Operating cash flow in the first quarter 2015 amounted to MSEK 100.3 (120.9 adjusted). Cash flow was negatively impacted by an increase in inventories compared to a reduction of inventories in the first quarter last year. This was offset by an increase in trade and other payables compared to a decrease last year.

Working capital as of 31 March 2015 declined to MSEK 335.6 (481.6), corresponding to 6.4 percent of net sales compared to 6.6 percent at year-end 2014.

Capital expenditure was MSEK 22.5 (14.3), mainly relating to productivity improvement projects in Sweden and Norway.

MSEK				
	Q1 2015	Q1 2014	LTM	2014
EBITDA (vs. adjusted EBITDA last year)	114.0	120.1*	464.1*	470.2*
Capital expenditure	-22.5	-14.3	-149.5	-141.3
Change in inventories	-13.6	44.4	33.6	91.6
Change in other working capital	22.4	-29.3	69.3	17.6
Operating cash flow	100.3	120.9	417.5	438.1

*) For a description of adjustments in EBITDA in 2014, see page 4.

Financial position

Total equity increased to MSEK 892.6 (466.3), mainly due to the conversion of shareholder loans in connection with the Initial Public Offering (IPO) last year. The equity to assets ratio as of 31 March 2015 was 27.9 (14.3) percent.

Net interest-bearing debt as of 31 March 2015 declined to MSEK 1,329.8 from MSEK 1,550.1 as of 31 March 2014 and 1,405.5 at year-end 2014 (excluding shareholders loans on which interest was accrued but not paid and which were converted to equity in connection with the IPO). Net debt/EBITDA amounted to 2.9x (3.2x) adjusted EBITDA. Cash and cash equivalents amounted to MSEK 161.6 (120.7).

Personnel

The average number of employees (FTE) in the quarter was 1,597 (1,609).

Transactions with related parties

Scandi Standard has an agreement with Lantmännen, a major shareholder, for the rental of the facility in Åsljunga. In the first quarter 2015, rental costs under this agreement were MSEK 0.4 (0.4).

The parent company had interest income of MSEK 3.8 (11.3) from its subsidiaries.

Events after the close of the period

Annual General Meeting

The Annual General Meeting (AGM) 2015 was held on 21 May in Stockholm. The proposed dividend of SEK 1.30 per share and 25 May as record day were approved by the AGM. In accordance with the proposal of the Nomination Committee, Per Harkjaer was re-elected Chairman of the Board of Directors. Kate Briant, Ulf Gundemark, Michael Parker, Karsten Slotte and Helene Vibbleus were re-elected to the Board and Asbjorn Reinkind was elected new Board member. The AGM also approved the Board of Directors' proposal for Long Term Incentive Program (LTIP 2015) for key employees. For further details, see the press release from the AGM at www.scandistandard.com.

Acquisition in Finland

On 19 May, Scandi Standard signed an agreement to acquire Huttulan Kukko Oy's business in Finland, which was conditional on receiving certain bank and supplier consents. The agreement was completed on 25 May.

The acquisition is structured as an asset deal. The purchase price was MEUR 10, including assumed bank debt of MEUR 5. The price may increase to MEUR 13m over five years, depending on future performance. Huttulan started operations last year in a newly built facility and has developed a premium concept based on Finnish chicken which is sold to retail and foodservice customers. Since February 2015, Huttulan has also sold limited quantities of the Swedish Kronfågel brand to its customers in Finland. There are 42 employees and the facility is currently processing approximately 1.4 million chicken on an annual basis, but has the capacity for up to 10 million chicken annually.

New agreement with Coop Norway

On 22 May, a new supply agreement was signed with Coop Norway, which includes the stores recently acquired from ICA Norway. The agreement is expected to lead to additional sales of approximately MNOK 250 annually, phased in gradually from 1 August 2015.

Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 25-27 and pages 50-52 in the Annual Report 2014, which is available on www.scandistandard.com.

Stockholm, 29 May 2015

Leif Bergvall Hansen
Managing Director and CEO

The report has not been subject to review by the Company's auditors.

This is a translation of the original Swedish version published on www.scandistandard.com.

Segment information

Net sales

MSEK	Q1 2015	Q1 2014	Change	LTM	2014
Sweden	530.9	498.5	6%	2,087.6	2,055.2
Denmark	584.8	547.0	7%	2,247.0	2,209.2
Norway	275.7	374.9	-26%	1,170.8	1,270.0
Intra-group eliminations	-81.8	-67.0	22%	-282.0	-267.2
Total net sales	1 309.6	1 353.4	-3%	5,223.4	5,267.2

Local currency	Q1 2015	Q1 2014	Change	LTM	2014
Denmark	464.4	460.8	1%	1,814.0	1,810.4
Norway	256.7	353.5	-27%	1,068.9	1,165.7
Group	-	-	-6%	-	-

Net sales by product category

MSEK	Q1 2015	Q1 2014	Change	LTM	2014
Chilled	566.9	567.6	0%	2,234.2	2,234.9
Frozen	577.2	574.7	0%	2,363.3	2,360.8
Eggs	89.1	104.9	-15%	342.6	358.4
Other*	76.4	106.2	-28%	283.3	313.1
Total net sales	1,309.6	1,353.4	-3%	5,223.4	5,267.2

*) The decline in sales in the quarter was principally due to reduced market prices for by-products.

Change in local currency	Q1'15 vs. Q1'14
Chilled	1%
Frozen	-2%
Eggs	-16%

Exchange rates

	Q1 2015	Q1 2014	2014
SEK/NOK	1.07	1.06	1.09
SEK/DKK	1.26	1.19	1.22

Operating income in Q1 2015 and adjusted operating income in Q1 2014, LTM and 2014

MSEK	Q1 2015 (actual, non-adjusted)	Q1 2014 (adjusted)	LTM (adjusted)	2014 (adjusted)
Sweden	33.0	19.5	127.3	113.8
Denmark	32.8	23.9	113.2	104.3
Norway	13.2	42.4	90.6	119.8
Group	-6.5*	-2.8	-21.5	-17.8
Amortisation	-4.9	-4.4	-19.6	-19.1
Total	67.6	78.6	290.0	301.0

*) The increase in Group costs is due to higher overhead costs as a public company.

Adjustments to operating income

MSEK	Q1 2015	Q1 2014	LTM	2014
Sweden	-	-5.7	-8.2	-13.9
Denmark	-	-0.1	-1.3	-1.4
Norway	-	0.0	-0.7	-0.7
Group	-	-2.4	-44.1	-46.5
Amortisation	-	0.0	0.0	0.0
Total	-	-8.2	-54.3	-62.5

Operating income

MSEK	Q1 2015	Q1 2014	LTM	2014
Sweden	33.0	13.8	119.1	99.9
Denmark	32.8	23.8	111.9	102.9
Norway	13.2	42.4	89.9	119.1
Group	-6.5	-5.2	-65.6	-64.3
Amortisation	-4.9	-4.4	-19.6	-19.1
Total operating income	67.6	70.4	235.7	238.5
Finance net	-13.5	-35.3	-140.4	-162.2
Income tax expense	-12.5	-5.8	-26.9	-20.2
Income for the period	41.6	29.3	68.4	56.1

Consolidated income statement

MSEK	Q1 2015	Q1 2014	2014
Net sales	1,309.6	1,353.4	5,267.2
Other operating revenues	4.8	3.8	19.0
Changes in inventories of finished goods and work in progress	13.6	-37.0	-100.8
Raw materials and consumables	-765.0	-768.2	-3 014.9
Cost of personnel	-245.5	-233.4	-947.4
Depreciation, amortisation and impairment	-45.7	-41.5	-171.5
Other operating expenses	-203.5	-206.7	-815.3
Share of income of associates	-0.7	-	2.2
Operating income	67.6	70.4	238.5
Finance income	0.1	0.1	3.1
Finance expenses	-13.6	-35.4	-165.3
Income after finance net	54.1	35.1	76.3
Income tax expense	-12.5	-5.8	-20.2
Income for the period	41.6	29.3	56.1
Whereof attributable to shareholders of the Parent Company	41.6	29.3	56.1
Average number of shares ¹	60,060,890	50,071,673 ²	55,238,260 ²
Earnings per share, SEK	0.69	0.59	1.02
Number of shares at the end of the period	60,060,890	50,071,673 ²	60,060,890 ²

1) No dilution effect in number of shares

2) Adjusted for the reversed split 27 June 2014

Consolidated statement of total comprehensive income

MSEK	Q1 2015	Q1 2014	2014
Income for the period	41.6	29.3	56.1
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Actuarial gains and losses in defined benefit pension plans	-27.4	-	-19.2
Tax on actuarial gains and losses	5.7	-	4.2
Total	-21.7	-	-15.0
Items that will or may be reclassified to the income statement:			
Cash flow hedges	-9.2	-1.0	-5.5
Currency effects from conversion of foreign operations	-10.1	14.5	53.9
Income from currency hedging of foreign operations	1.3	-11.8	-31.4
Fair value on financial instruments	2.2	-	-
Tax attributable to items that will be reclassified to the income statement	2.3	2.9	8.2
Total	-13.5	4.6	25.2
Other comprehensive income for the period, net of tax	-35.2	4.6	10.2
Total comprehensive income for the period	6.4	33.9	66.3

Consolidated statement of financial position

MSEK	31 Mar 2015	31 Mar 2014	31 Dec 2014
Assets			
Non-current assets			
Goodwill	613.5	598.2	611.3
Other intangible assets	525.2	529.2	528.7
Property plant and equipment	784.0	776.5	809.9
Participations in associated companies	41.6	39.4	42.7
Deferred tax assets	40.8	97.0	45.3
Financial assets	1.6	14.7	1.8
Other fixed assets	0.7	0.3	0.5
Total non-current assets	2,007.4	2,055.3	2,040.2
Current assets			
Inventory	555.9	582.4	546.6
Trade receivables and other receivables	472.5	491.6	417.4
Short term investments	-	-	1.4
Cash and cash equivalents	161.6	120.7	89.7
Total current assets	1,190.0	1,194.7	1,055.1
Total assets	3,197.4	3,250.0	3,095.3
Shareholder's equity			
Share capital	0.6	0.0	0.6
Other contributed equity	851.7	466.3	888.1
Reserves	20.4	33.9	29.4
Retained earnings	19.9	-33.9	-31.9
Total equity	892.6	466.3	886.2
Liabilities			
Non-current liabilities			
Non-current interest bearing liabilities	1,431.4	1,438.3	1,460.2
Shareholder loans	-	348.3	-
Provisions for pensions	45.0	4.2	20.4
Deferred tax liabilities	65.0	140.5	75.5
Non-interest bearing liabilities	2.4	38.0	-
Total non-current liabilities	1,543.8	1,969.3	1,556.1
Current liabilities			
Current interest bearing liabilities	68.3	222.0	38.9
Trade payables and other current liabilities	668.9	553.5	589.8
Tax payables	23.8	38.9	24.3
Total current liabilities	761.0	814.4	653.0
Total equity and liabilities	3,197.4	3,250.0	3,095.3

Consolidated statement of changes in equity

MSEK

Opening balance 1 January 2014	432.4
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Income for the period	56.1
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<u>Other comprehensive income</u>	<u>10.2</u>
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Total comprehensive income	66.3
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New share issue	6.2
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<u>Set-off of shareholder loans</u>	<u>381.3</u>
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Total transactions with the owners	387.5
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Closing balance 31 December 2014	886.2
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Opening balance 1 January 2015	886.2
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Income for the period	41.6
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<u>Other comprehensive income</u>	<u>-35.2</u>
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Total comprehensive income	6.4
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Total transactions with the owners	-
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Closing balance 31 March 2015	892.6
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Consolidated statement of cash flows

MSEK	Q1 2015	Q1 2014	2014
Operating activities			
Operating income	67.6	70.4	238.5
Adjustment for non-cash items	46.2	40.5	180.0
Paid finance items net	-13.5	-28.3	-97.0
Paid current income tax	-12.5	-18.7	-44.0
Cash flows from operating activities	87.8	63.9	277.5
before changes in operating capital			
Changes in inventories	-13.6	44.4	91.6
Changes in operating receivables	-52.9	8.0	45.0
Changes in operating payables	75.3	-37.3	-27.4
Cash flows from operating activities	96.6	79.0	386.7
Investing activities			
Business combinations	-	-	-30.7
Investment in property, plant and equipment	-22.5	-14.3	-142.3
Sale of fixed assets	-	-	1.0
Cash flows used in investing activities	-22.5	-14.3	-172.0
Financing activities			
New share issue	-	-	6.2
Net change in external loans	-	-16.9	-207.9
Cash used in financing activities	-	-16.9	-201.7
Cash flows for the period	74.1	47.8	13.0
Cash and cash equivalents at beginning of the period	89.7	71.8	71.8
Currency effect in cash and cash equivalents	-2.2	1.1	4.9
Cash flow for the period	74.1	47.8	13.0
Cash and cash equivalents at the end of the period	161.6	120.7	89.7

Parent company income statement

MSEK	Q1 2015	Q1 2014	2014
Net sales	-	-	17.4
Operating expenses	-	-	-56.8
Operating income	-	-	-39.4
Finance net	3.8	1.6	21.7
Profit before income tax	3.8	1.6	-17.7
Income tax expense	-0.8	-1.1	2.3
Income for the period	3.0	0.5	-15.4

Parent company statement of total comprehensive income

MSEK	Q1 2015	Q1 2014	2014
Income for the period	3.0	0.5	-15.4
Other comprehensive income	-	-	-
Total comprehensive income	3.0	0.5	-15.4

Parent company statement of financial position

MSEK	31 Mar 2015	31 Mar 2014	31 Dec 2014
Assets			
Investments in subsidiaries	532.7	532.7	532.7
Receivables on group entities	358.7	488.9	358.7
Deferred tax asset	2.3	-	2.3
Total non-current assets	893.7	1,021.6	893.7
Receivables on group entities	-	-	14.3
Other current receivables	6.2	-	-
Total current receivables	6.2	-	14.3
Cash and cash equivalents	0.0	1.0	-
Total current assets	6.2	1.0	14.3
Total assets	899.9	1,022.6	908.0
Equity			
Share capital	0.6	-	0.6
Share premium reserve	888.1	500.7	888.1
Retained earnings	-16.4	-1.1	-1.0
Income for the period	3.0	0.5	-15.4
Total equity	875.3	500.1	872.3
Liabilities			
Interest bearing liabilities	-	483.3	-
Total non-current liabilities	-	483.3	-
Tax liability	0.8	-	2.2
Liabilities to group entities	23.8	-	33.5
Accrued expenses	-	39.2	-
Total current liabilities	24.6	39.2	35.7
Total equity and liabilities	899.9	1,022.6	908.0

Parent company statement of changes in equity

MSEK

Opening balance 1 January 2014	500.2
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Income for the period	-15.4
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Other comprehensive income	-
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Total comprehensive income	-15.4
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New share issue	6.2
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Set-off of shareholder loans	381.3
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Total transactions with the owners	387.5
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Closing balance 31 December 2014	872.3
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Opening balance 1 January 2015	872.3
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Income for the period	3.0
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Other comprehensive income	-
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Total comprehensive income	3.0
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Total transactions with the owners	-
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Closing balance 31 March 2015	875.3
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Notes to the condensed consolidated financial information

Note 1. Accounting policies

Scandi Standard applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and ÅRL, the Swedish Annual Accounts Act and recommendation RFR 1, Accounting for legal entities, issued by the Swedish Financial Reporting Board. There are no changes in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2014.

Note 2. Segment reporting

Scandi Standard's business is operationally divided into the countries of Sweden, Denmark and Norway

Internal reporting to Group Management and the Board corresponds with the Group's operational structure. The division is based on the Group's operations from a geographic perspective. Those countries where business is operated equals the Group segments. The segments are managed on the basis of sales and operating results. The responsibility for the Group's financial assets and liabilities, provisions for taxes and pensions, gains and losses on the re-measurement of financial instruments according to IAS 39 and pension obligations according to IAS 19R are dealt with by the corporate functions and are not allocated to the segments. All capital expenditure on property, plant and equipment and intangible assets, apart from expendable equipment, is included in the segments' investments.

Segment Sweden comprises the companies Kronfågel AB, SweHatch AB, Bosarpskyckling AB and Skånefågel AB. SweHatch engages in the rearing, production and hatching of day-old chickens for Kronfågel AB's breeders and other players in the Swedish market. Kronfågel AB is the segment's largest business engaged in slaughtering, production and development of fresh and frozen chicken products, mainly for the Swedish market. AB Skånefågel slaughters and sells products for the Swedish market and export.

Segment Denmark comprises Danpo A/S and the associate Farmfood A/S. Danpo slaughters, produces, develops and processes chicken products for both the Danish market and exports within Europe and to Asia. Farmfood processes slaughterhouse by-products from the Group's different segments, mainly for use in pet food sold in the international markets.

Segment Norway comprises Den Stolte Hane Jæren AS, Den Stolte Hane Egg AS and Scandi Standard Norway AS. In addition there is an associate Naerbo kyllingslakt AB. The segment consists of two parts - the production, processing and sale of chicken products and the packing of eggs in the segment's own egg packing facility. Both types of product are sold in the Norwegian market. The segment also handles and sells small quantities of turkey and duck.

Note 3. The Group's financial assets and liabilities measured at fair value

Derivative instruments and hedge accounting

Holdings of financial derivative instruments comprise interest rate swaps and currency forward contracts. Derivative instruments are carried at fair value and the result of the re-measurement affects the income statement when the derivative does not qualify for hedge accounting. Hedge accounting may be applied if certain criteria are met with regard to documentation of the hedge relationship and the hedge effectiveness. Financial instruments that are hedging instruments hedge either an asset or a liability, a net investment in foreign operations or are a hedge of an actual or forecast transaction. IAS 39 defines three different hedging relationships: cash flow hedges, hedging of net investments and fair value hedges. Scandi Standard currently only applies cash flow hedging and hedging of net investments.

Equity hedging of translation exposure

Translation exposure is the effect of changes in exchange rates when foreign subsidiaries' income statements and statements of financial position are translated into the Group's reporting currency (SEK). Currency hedging of investments in foreign subsidiaries (net assets including goodwill on consolidation) is managed by means of loans in the subsidiaries' currencies, and is referred to as the equity hedge. These loans are recognized at the closing rate on the reporting date. In the company with the loans, exchange differences attributable to these loans (net of tax) are reported under other comprehensive income. The currency effect derived from the translation of the subsidiaries net assets that arises in the Group consolidation are also reported under other comprehensive income where it partly offsets the currency effect in the company with the loans. At present, net investments in DKK and NOK are hedged.

Measurement at fair value

Scandi Standard has financial liabilities, such as forward contracts and interest rate swaps, categorized in level 2 of the fair value hierarchy. These derivatives amount to MSEK 17.5 per 31 March 2015 and are recorded at fair value in the statement of financial position. The valuation is based on observable market data. There is no change in valuation technique from year-end 2014.

Scandi Standard's liabilities to credit institutions of MSEK 1,499.7 are in all material aspects related to the facilities agreement signed at the end of June 2014. An analysis of the interest rate margins has been made and it was concluded that the interest rate margin materially represents the fair value per 31 March 2015. It is consistent with the margin that would have been available should the agreement have been signed on the balance sheet date. Reported value is therefore consistent with fair value.

Definitions

Operating capital

Total assets less cash and cash equivalents and non-interest-bearing liabilities, including deferred tax liabilities.

Return on operating capital

Operating income last twelve months (LTM) divided by average operating capital.

Capital employed

Total assets less non-interest-bearing liabilities, including deferred tax liabilities.

Return on capital employed

Operating income plus interest income LTM divided by average capital employed.

Net interest-bearing debt

Interest-bearing debt excluding arrangement fees less cash and cash equivalents.

Conference call

A conference call for investors, analysts and media will be held on 29 May at 10:30 AM CET.

The dial-in numbers are:

UK: +44 20 300 924 55

SE: +46 8 5055 6453

US: +1 855 228 3719

Confirmation code: 681634#

Slides used in the conference call can be downloaded at www.scandistandard.com under Investor Relations. A replay of the conference call will be available on the web site afterwards.

Further information

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Financial calendar

- Interim report for the second quarter 2015: 28 August 2015.
- Interim report for the third quarter 2015: 26 November 2015.

This interim report comprises information which Scandi Standard is required to disclose under the Securities Markets Act and/or the Financial Instruments Trading Act. It was released for publication at 07:30 CET on 29 May 2015.

Forward looking statement

Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, disease outbreak, interruptions in supply, and major customer credit losses.

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