



Scandi Standard

Interim report, third quarter 2014

28 November 2014

Underlying sales growth, but lower margins

Third quarter compared to the same period 2013 pro forma

- Net sales increased by 3 percent to 1,358.9 (1,313.7) MSEK, with strong growth in Sweden offsetting lower sales in Norway. Net sales were flat in constant FX.
- Adjusted* operating income decreased to 66.5 (75.5) MSEK and adjusted operating margin decreased to 4.9 (5.7) percent, mainly due to the termination of a major contract in Norway as of 1 April 2014.
- Significantly lower finance costs following the refinancing of the bank loans in July 2014.
- Adjusted* income for the period increased to 39.1 (21.7) MSEK, and adjusted* earnings per share were 0.65 (0.43) SEK.
- Adjusted* operating cash flow improved to 65.9 (35.9) MSEK, including a further reduction of inventories.
- Acquisition of Bosarpskyckling AB, the leading producer of organic chicken in Sweden, was completed during the quarter.
- Outlook for the full year 2014 has been raised for net sales and lowered for adjusted operating income. See page 3.

MSEK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change
Net sales	1,358.9	1,313.7	3%	4,015.2	3,885.6	3%
Operating income	57.7	74.1	-22%	165.0	105.7	56%
Income for the period	32.1	19.0	69%	13.2	-32.9	N.A
Adjusted* EBITDA	112.0	116.4	-4%	351.4	362.0	-3%
Adjusted* operating income	66.5	75.5	-12%	221.4	240.2	-8%
Adjusted* operating margin	4.9%	5.7%	-	5.5%	6.2%	-
Adjusted* income for the period	39.1	21.7	80%	97.0	72.7	33%
Adjusted* EPS	0.65	0.43	50%	1.80	1.45	24%
Adjusted* operating cash flow	65.9	35.9	84%	373.4	229.3	63%

*) Adjusted for non-comparable items of -8.8 (-1.4) MSEK in operating income in Q3 and -56.4 (-134.6) MSEK for the nine-month period. For further details on the effect of the 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, frozen and chicken-based food products under the brands Kronfågel, Danpo, Den Stolte Hane, Vestfold Fugl, Ivars and Chicky World. In Norway eggs are also packed and sold under the brand Den Stolte Hane. The company has sales of approximately SEK 5 billion and about 1,700 employees. For more information, visit www.scandistandard.com

CEO Statement

Overall, the Group's performance in the quarter was encouraging in terms of sales. Strong growth in sales in Sweden offset the reduction in sales in Norway from the termination of the ICA Norway contract as of 1 April 2014. Excluding that contract, net sales increased by 12 percent.

Operating income and margin declined because of the termination of the ICA Norway contract. The growth in sales in Sweden has been at lower margins than the lost sales in Norway. We also had some non-recurring costs related to the IPO (Initial Public Offering), although much smaller than in the previous quarter, and have now taken almost all transition costs for the formation of the new Group.

Income for the period and earnings per share grew year on year, benefitting from lower finance costs after the refinancing of the loans in early July. Cash flow showed a strong improvement including the benefit of a further reduction in inventories.

The Swedish operation showed strong growth in net sales and adjusted operating income in comparison to a weak third quarter last year. Margins were, however, affected by higher production costs caused by uneven bird-weight due to slower broiler growth in the unseasonably hot summer weather. The acquisition of Bosarpskyckling AB was finalised during the quarter, and integration has proceeded according to plan. The acquisition complements Kronfågel's product offering and will further strengthen our position in the premium segment.

Trends in Denmark showed some signs of improvement compared to previous quarters. Net sales showed a good increase within chilled products. Adjusted operating income and margin remained below last year, partly impacted by the Russian import ban which has caused lower prices on some products in export markets in Europe.

The decline in net sales and adjusted operating income in Norway was due to the termination of the ICA contract. This has been offset to some extent by new product listings and sales, although at a slower pace than anticipated. As recently announced, Fredrik Strømmen will be joining as new country manager in Norway from March next year. He has 20 years of experience from several senior positions within branded foods sales and joins us from Orkla. I am delighted to welcome Fredrik to Scandi and I am sure he will contribute to driving further sales growth.

We continue to focus on improving product innovation by capitalising on our strengths in brand and product development. The successful launch of *Minutfilé* in Sweden earlier in the year was followed by launches of this product in both Denmark and Norway in the quarter. The collaboration with the MAX restaurant chain, which has only just started, has been very successful so far and our co-branded nuggets have become the best-selling product in this category in the Swedish retail market.

On the basis of sales growth year to date, we have raised the outlook for net sales for the full year to be in line with 2013 pro forma. The impact of the termination of the ICA Norway contract and the slower than anticipated replacement of these sales will continue to affect us in the fourth quarter. We have therefore lowered the outlook for adjusted operating income for the full year to be in line with or lower than 2013 pro forma.

Leif Bergvall Hansen
Managing Director and CEO

Net sales and income

Net sales for the third quarter of 2014 increased by 3 percent to 1,358.9 (1,313.7 pro forma) MSEK and were flat at constant exchange rates compared to the corresponding period last year pro forma. Excluding ICA Norway last year, net sales increased by 12 percent. The termination of the ICA Norway contract was effective as of 1 April 2014.

Net sales in Sweden increased by 15 percent, while net sales in local currency increased by 3 percent in Denmark and declined by 20 percent in Norway.

In terms of net sales by product category, frozen products showed the strongest growth and increased overall by 11 percent, while sales of chilled products grew by 2 percent. Excluding ICA Norway last year, Group net sales of chilled products increased by 17 percent and sales of chilled products in Norway rose by 9 percent.

Operating income amounted to 57.7 (74.1 pro forma) MSEK, including non-comparable items of 8.8 (1.4) MSEK. For a description of non-comparable items, see table on page 4. Adjusted for these items operating income was 66.5 (75.5 pro forma), corresponding to an adjusted operating margin of 4.9 (5.7 pro forma) percent. The decline in income and margin was mainly attributable to the termination of the ICA Norway contract.

Adjusted income for the period increased by 80 percent to 39.1 (21.7 pro forma) MSEK, benefitting from significantly lower finance costs as a result of the refinancing of the loans post the IPO. Adjusted earnings per share were 0.65 (0.43 pro forma) SEK.

Change of outlook for the full year 2014

The outlook for the full year 2014 has been raised for net sales and lowered for adjusted operating income.

Net sales for the full year 2014 are now expected to be in line with 2013 pro forma.

Adjusted operating income for the full year 2014 is now expected to be in line with or lower than 2013 pro forma.

The previous outlook, which was first published on 30 May 2014, stated:

Net sales for the full year 2014 are expected to be in line with or lower than 2013 pro forma. Adjusted operating income for the full year 2014 is expected to be in line with or higher than 2013 pro forma as further production efficiencies are expected to support profit margins in the second half of 2014.

MSEK	Pro forma			Pro forma			Pro forma	
	Q3 2014	Q3 2013	Change	9M 2014	9M 2013	Change	LTM ¹⁾	2013
Net sales	1,358.9	1,313.7	3%	4,015.2	3,885.6	3%	5,322.0	5,192.4
Operating income	57.7	74.1	-22%	165.0	105.7	56%	222.2	162.9
Income for the period	32.1	19.0	69%	13.2	-32.9	N.A.	16.1	-30.0
Adjusted EBITDA ²⁾	112.0	116.4	-4%	351.4	362.0	-3%	468.4	479.0
Adjusted EBITDA margin ²⁾	8.2%	8.9%	-	8.8%	9.3%	-	8.8%	9.2%
Adjusted operating income ²⁾	66.5	75.5	-12%	221.4	240.2	-8%	298.4	317.2
Adjusted operating margin ²⁾	4.9%	5.7%	-	5.5%	6.2%	-	5.6%	6.1%
Adjusted income after finance net ^{2,3)}	51.5	35.5	45%	128.6	127.8	1%	167.1	166.3
Adjusted income for the period ^{2,3,4)}	39.1	21.7	80%	97.0	72.7	33%	113.5	89.2
Adjusted EPS ^{2,3,4)}	0.65	0.43	50%	1.80	1.45	24%	2.12	1.78
Adjusted return on operating capital	-	-	-	-	-	-	12.8%	-
Adjusted return on capital employed	-	-	-	-	-	-	12.1%	-

1) Last Twelve Months (LTM) pro forma refers to the period 1 October 2013 - 30 September 2014

2-4), see table below.

The ROC and ROCE figures for 2013 pro forma have not been prepared due to the complete change of the Group's capital structure.

Non-comparable items

Non-comparable items in EBITDA and operating income	Q3 2014	Pro forma Q3 2013	9M 2014	Pro forma 9M 2013	Pro forma LTM	Pro forma 2013
IPO costs*	-3.5	-	-36.5	-	-36.5	-
Transition costs**	-3.7	-1.4	-12.5	-1.9	-20.4	-9.7
Monitoring fees***	-	-	-5.8	-	-7.6	-1.8
Transaction costs****	-1.6	-	-1.6	-147.1	-5.3	-150.8
Pension revaluation	-	-	-	14.4	-6.4	8.0
²⁾ Total	-8.8	-1.4	-56.4	-134.6	-76.2	-154.3
Non-comparable items in finance net						
³⁾ Refinancing****	-	-	-51.0	-	-51.0	-
⁴⁾ Tax effect on adjustments	1.7	-1.3	23.6	28.9	29.8	35.1
Non-comparable items in income for the period	-7.1	-2.7	-83.9	-105.6	-97.4	-119.2

*) Non-recurring costs related to the IPO.

**) Transition costs related to the carve-out of the Swedish and Danish operations from Lantmännen, e.g IS/IT costs, which process is largely complete.

***) Monitoring fees charged by prior owners, which ceased at the time of the IPO.

****) Revaluation of acquired stock and contracts (PPA) and deal fees following the acquisitions in 2013/2014 by Scandi Standard. These costs are non-recurring.

*****) Non-recurring write-off of arrangement fees related to the old credit facility.

Segment information

Sweden

MSEK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Net sales	543.8	473.7	15%	1,567.2	1,409.9	11%	2,040.7	1,883.4
Adjusted operating income*	29.8	11.6	157%	79.9	58.0	38%	96.8	74.9
Adjusted operating margin*	5.5%	2.4%	-	5.1%	4.1%	-	4.7%	4.0%

*) For a description of adjustments, see page 11.

Net sales for the Swedish operation in the third quarter increased by 15 percent to 543.8 (473.7 pro forma) MSEK. Bosarpskyckling AB, which was acquired during the quarter, is included as of 1 September. Sales were driven by continued good growth in the market. The increase in sales referred mainly to frozen products but chilled products also showed an upturn.

The cooperation with the MAX restaurant chain developed well. The deliveries of chicken burgers and nuggets started in September. The co-branded nuggets are now the best-selling nuggets in the Swedish retail market.

The adjusted operating income rose by 157 percent to 29.8 (11.6 pro forma) MSEK as compared to a weak third quarter last year. The adjusted operating margin improved to 5.5 (2.4 pro forma) percent. Income and margin were adversely affected by slower broiler growth caused by the unseasonably hot summer weather, leading to lower and uneven bird-weight and inefficiencies in the production process. Adjusted operating income for the previous year included inventory write-downs and costs for temporary disruptions from facility production upgrades.

Denmark

MSEK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Net sales	584.9	535.4	9%	1,654.9	1,553.0	7%	2,168.4	2,066.5
Adjusted operating income*	24.4	26.4	-8%	72.0	71.9	-	95.4	95.3
Adjusted operating margin*	4.2%	4.9%	-	4.4%	4.6%	-	4.4%	4.6%

MDKK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Net sales	473.1	459.9	3%	1,365.2	1,349.4	1%	1,797.5	1,781.7
Adjusted operating income*	20.1	22.9	-12%	59.4	62.5	-5%	79.1	82.2
Adjusted operating margin*	4.2%	4.9%	-	4.4%	4.6%	-	4.4%	4.6%

*) For a description of adjustments, see page 11.

Net sales increased by 9 percent to 584.9 (535.4 pro forma) MSEK and by 3 percent in local currency. The increase was mainly within chilled products, both branded and for private label. Sales of frozen products to the export markets were lower than last year but increased in the local market.

Product launches during the quarter included *Minutfileté*, *Lørdagskylling* and *Deli Chicken*, which were all well received by the market.

The adjusted operating income declined by 8 percent to 24.4 (26.4 pro forma) MSEK and the adjusted operating margin declined to 4.2 percent (4.9 pro forma), mainly due to continued price pressure. Margin was also impacted by the Russian import ban which caused lower prices on some products in export markets in Europe.

Norway

MSEK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Net sales	309.3	377.1	-18%	991.2	1,149.3	-14%	1,380.5	1,538.6
Adjusted operating income*	24.3	40.8	-40%	94.8	126.6	-25%	130.9	162.7
Adjusted operating margin*	7.9%	10.8%	-	9.6%	11.0%	-	9.5%	10.6%

MNOK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Net sales	277.0	345.2	-20%	907.8	1,025.5	-12%	1,269.1	1,386.8
Adjusted operating income*	22.3	36.4	-39%	86.8	113.0	-23%	120.5	146.6
Adjusted operating margin*	7.9%	10.8%	-	9.6%	11.0%	-	9.5%	10.6%

*) For a description of adjustments, see page 11.

Net sales in the quarter declined by 18 percent to 309.3 (377.1 pro forma) MSEK and by 20 percent in local currency. The decline was due to the termination of the contract with ICA Norway effective as of 1 April 2014. The impact of the termination of this contract has been partly offset by new sales and product listings with existing and new customers, although at a slow rate. Excluding ICA Norway, net sales increased by 11 percent in the quarter mainly referring to chilled products.

Product launches during the quarter included *Premium Panneklar Kyllingfilet* and *Grovkvernet kyllingfilet*.

The adjusted operating income declined by 40 percent to 24.3 (40.8 pro forma) MSEK, corresponding to an adjusted operating margin of 7.9 (10.8 pro forma) percent. The decline in income and margin is attributable to the termination of the ICA contract.

Cash flow and investments

Adjusted operating cash flow increased to 65.9 (35.9 pro forma) MSEK in the third quarter and to 373.4 (229.3 pro forma) MSEK for the nine months period. The improvement includes a continued reduction in inventory compared to an increase last year.

Working capital as of 30 September 2014 amounted to 339.1 (379.9 pro forma) MSEK, corresponding to 6.4 percent of net sales (LTM) compared to 9.4 percent at year-end 2013 pro forma.

Capital expenditure of 36.3 (24.5 pro forma) MSEK in the quarter was higher than in the third quarter last year. Capital expenditure in 2014 refers mainly to productivity improvement projects and is phased towards the latter part of the year.

The change in other working capital in the third quarter was largely an effect of the payment of deal fees and transition costs accrued in the second quarter.

Adjusted operating cash flow	Q3 2014	Pro forma Q3 2013	9M 2014	Pro forma 9M 2013
MSEK				
Adjusted EBITDA*)	112.0	116.4	351.4	362.0
Capital expenditure	-36.3	-24.5	-78.3	-117.5
Change in inventories	43.0	-54.0	127.2	-68.4
Change in other working capital	-52.7	-2.0	-26.9	53.2
Adjusted operating cash flow	65.9	35.9	373.4	229.3

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

Financial position

Net interest-bearing debt as of 30 September 2014 amounted to 1,473.7 MSEK compared to 1,593.9 MSEK at year-end 2013 (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 3.1x EBITDA (LTM) compared to 3.3x EBITDA pro forma at year-end 2013. Cash and cash equivalents amounted to 207.6 MSEK compared to 71.8 MSEK at year-end. Total equity increased to 848.7 MSEK from 432.4 MSEK at year-end, mainly due to the conversion of the shareholder loans. The equity to assets ratio as of 30 September 2014 was 25.5 percent compared to 13.3 percent at year-end 2013.

Refinancing

As of 2 July 2014, a new five-year loan arrangement with a coalition of banks was available consisting of a term loan of 750 MSEK, a revolving credit facility of 750 MSEK and an overdraft facility of 400 MSEK. The covenants on the new credit facility require net debt/EBITDA to be less than 3.5x EBITDA until March 2015 and then dropping to less than 3x EBITDA by September 2015. Interest coverage ratio has to be above 4x finance cost.

The average interest rate on the bank loans in 2013 was 6.5 percent. The interest rates on the new loans are based on STIBOR plus a margin. The average interest cost on the bank loans in the quarter was 2.6 percent. For more details see note 4 on page 24.

Personnel

The average number of employees (FTE) was 1,718 (1,667) in the quarter and 1,657 (1,610) in the first nine months.

Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 13-20 in the IPO prospectus which is available on www.scandistandard.com. No significant changes have taken place that have changed the view of the risks and uncertainties.

Transactions with related parties

Scandi Standard has agreements with Lantmännen, a major shareholder, for the rental of the facilities in Valla and Åsljunga. In the third quarter 2014, rental costs under these agreements were 3.2 (3.2) MSEK.

The parent company had purchases from its subsidiaries in the amount of 0 (0) MSEK.

Acquisition of Bosarpskyckling AB

The acquisition of Bosarpskyckling AB, the leading producer of organic chicken in Sweden was completed on 1 September. The company had sales of 25 MSEK in 2013. The acquisition will complement Kronfågel's existing product range and will further strengthen the position in the premium segment. There will be synergy benefits and the acquisition will be accretive to income from the outset. The purchase price amounted to 30 MSEK, on a cash-free and debt-free basis, and the net effect on cash flow in the quarter was -30.7 MSEK. The goodwill will be determined in the fourth quarter based on the valuation of contracts acquired.

New country manager in Norway

Fredrik Strømmen will take up the position as country manager for the Norwegian operations on 25 March 2015. Fredrik Strømmen has almost 20 years of experience from various senior positions within branded convenience goods, and joins Scandi Standard from Orkla.

Nomination Committee

The nomination committee for the Annual General Meeting 2015 comprise:

Kate Briant, representing CapVest and Chairman of the Committee
Per Olof Nyman, representing Lantmännen
Hans Hedström, representing Carnegie Fonder

The Nomination Committee will prepare proposals for the Annual General Meeting in 2015 regarding Chairman of the Annual General Meeting, Board members, Chairman of the Board, remuneration for Board members and proposal regarding the establishment of a Nomination Committee and instructions for its work.

The Annual General Meeting will be held on 27 April 2015 at 4 pm at Bryggarsalen, Norrtullsgatan 12N in Stockholm.

Shareholders who wish to submit proposals to the Nomination Committee should send an email to corporategovernance@scandistandard.com by 23 February, 2015.

Stockholm, 28 November 2014

Leif Bergvall Hansen
Managing Director and CEO

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

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January 2014 to 30 September 2014 for Scandi Standard AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 28 November 2014

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant

Segment information compared to pro forma 2013

Net sales								
MSEK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Sweden	543.8	473.7	15%	1,567.2	1,409.9	11%	2,040.7	1 883.4
Denmark	584.9	535.4	9%	1,654.9	1,553.0	7%	2,168.4	2 066.5
Norway	309.3	377.1	-18%	991.2	1,149.3	-14%	1,380.5	1 538.6
Intra-group eliminations	-79.1	-72.5	9%	-198.1	-226.6	-13%	-267.6	-296.1
Total net sales	1,358.9	1,313.7	3%	4,015.2	3,885.6	3%	5,322.0	5 192.4

Net sales								
Local currency	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Denmark	473.1	459.9	3%	1,365.2	1,349.4	1%	1,797.5	1 781.7
Norway	277.0	345.2	-20%	907.8	1,025.5	-12%	1,269.1	1 386.8
Group			-			2%		

Net sales by product category								
MSEK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Chilled	561.0	551.9	2%	1,707.4	1,662.5	3%	2,107.9	2 063.0
Frozen	630.4	568.0	11%	1,796.7	1,707.8	5%	2,493.7	2 404.8
Eggs	81.5	110.6	-26%	272.1	336.4	-19%	386.2	450.5
Other*	86.0	83.2	3%	239.0	178.9	34%	334.2	274.1
Total net sales	1,358.9	1,313.7	3%	4,015.2	3,885.6	3%	5,322.0	5 192.4

*Relates mainly to Swehatch sales of day old chickens to farmers.

Net sales by product category		
Change in local currency	Q3 2014 Vs pro forma Q3 2013	9M 2014 vs Pro forma 9M 2013
Chilled	0%	2%
Frozen	7%	2%
Eggs	-27%	-17%

Exchange rates				
	Q3 2014	Q3 2013	9m 2014	9m 2013
SEK/NOK	1.13	1.10	1.09	1.12
SEK/DKK	1.24	1.16	1.21	1.15

Adjusted operating income								
MSEK	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Sweden	29.8	11.6	157%	79.9	58.0	38%	96.8	74.9
Denmark	24.4	26.4	-8%	72.0	71.9	-	95.4	95.3
Norway Group and amortisation	24.3	40.8	-40%	94.8	126.6	-25%	130.9	162.7
	-12.0	-3.3	264%	-25.3	-16.3	55%	-24.7	-15.7
Total	66.5	75.5	-12%	221.4	240.2	-8%	298.4	317.2

Adjusted operating income								
Local currency	Q3 2014	Pro forma Q3 2013	Change	9M 2014	Pro forma 9M 2013	Change	Pro forma LTM	Pro forma 2013
Denmark	20.1	22.9	-12%	59.4	62.5	-5%	79.1	82.2
Norway	22.3	36.4	-39%	86.8	113.0	-23%	120.5	146.6

Adjustments to operating income								
MSEK	Q3 2014	Pro forma Q3 2013		9M 2014	Pro forma 9M 2013		Pro forma LTM	Pro forma 2013
Sweden	-4.2	-0.8		-9.7	-1.2		-14.1	-5.6
Denmark	-	-0.6		-1.4	-0.6		-3.1	-2.3
Norway Group and amortisation	-	-		-0.7	-14.0		-4.0	-17.3
	-4.6	-		-44.6	-118.7		-55.0	-129.1
Total	-8.8	-1.4		-56.4	-134.6		-76.2	-154.3

Operating income								
MSEK	Q3 2014	Pro forma Q3 2013		9M 2014	Pro forma 9M 2013		Pro forma LTM	Pro forma 2013
Sweden	25.6	10.8		70.2	56.8		82.7	69.3
Denmark	24.4	25.8		70.6	71.3		92.3	93.0
Norway Group and amortisations	24.3	40.8		94.1	112.6		126.9	145.4
	-16.6	-3.3		-69.9	-135.0		-79.7	-144.8
Total	57.7	74.1		165.0	105.7		222.2	162.9

Finance net	-15.0	-40.0		-143.8	-112.4			
Income tax expense	-10.6	-15.1		-8.0	-26.2			
Income for the period	32.1	19.0		13.2	-32.9			

Consolidated income statement compared to pro forma 2013

MSEK	Q3 2014	Pro forma Q3 2013	9M 2014	Pro forma 9M 2013
Net sales	1,358.9	1,313.7	4,015.2	3,885.6
Other operating revenues	5.0	3.5	14.8	15.2
Changes in inventories of finished goods and work in progress	-37.7	27.6	-118.0	59.6
Raw materials and consumables	-781.0	-818.1	-2,287.2	-2,439.1
Cost of personnel	-240.1	-224.3	-704.5	-642.1
Depreciation, amortisation and impairment	-44.4	-40.9	-128.9	-122.0
Other operating expenses	-201.9	-187.2	-625.3	-651.5
Share of income of associates	-1.1	-0.2	-1.1	-
Operating income	57.7	74.1	165.0	105.7
Finance income	0.1	1.3	0.3	1.3
Finance expenses	-15.1	-41.3	-144.1	-113.7
Income after finance net	42.7	34.1	21.2	-6.7
Income tax expense	-10.6	-15.1	-8.0	-26.2
Income for the period	32.1	19.0	13.2	-32.9
Whereof attributable to shareholders of the Parent Company	32.1	19.0	13.2	-32.9
Average number of shares ¹⁾	60,060,890	50,071,673 ²⁾	54,008,719 ²⁾	50,071,673 ²⁾
Earnings per share, SEK	0.54	0.38	0.24	-0.66
Number of shares at the end of the period	60 060 890	50 071 673 ²⁾	60 060 890 ²⁾	50 071 673 ²⁾
1) No dilution effect in number of shares				
2) Adjusted for the reversed split 27 June 2014				

Consolidated statement of other comprehensive income compared to pro forma 2013

MSEK	Q3 2014	Pro forma Q3 2013	9M 2014	Pro forma 9M 2013
Income for the period	32.1	19.0	13.2	-32.9
Other comprehensive income				
Items that will not be reclassified to the income statement				
Actuarial gains and losses in defined benefit pension plans	-11.9	6.6	-15.4	21.8
Tax on actuarial gains and losses	2.6	-1.5	3.4	-4.8
Total	-9.3	5.1	-12.0	17.0
Items that will or may be reclassified to the income statement				
Cash flow hedges	-3.9	0.1	-4.7	2.2
Currency effects from conversion of foreign operations	16.2	-30.6	66.6	-24.8
Income from currency hedging of foreign operations	-12.4	25.2	-45.8	21.9
Tax attributable to items that will be reclassified to the income statement	3.7	-5.6	11.3	-5.4
Total	3.6	-10.9	27.4	-6.1
Other comprehensive income for the period, net of tax	-5.7	-5.8	15.4	10.9
Total comprehensive income for the period	26.4	13.2	28.6	-22.0
Whereof attributable to shareholders of the Parent Company	26.4	13.2	28.6	-22.0

Consolidated income statement compared to actual figures for 2013

MSEK	Q3 2014	Q3 2013	9M 2014	3 Jun - 30 Sep 2013
Net sales	1,358.9	1,313.7	4,015.2	1,724.8
Other operating revenues	5.0	3.5	14.8	5.6
Changes in inventories of finished goods and work in progress	-37.7	27.6	-118.0	50.5
Raw materials and consumables	-781.0	-839.8	-2,287.2	-1,137.0
Cost of personnel	-240.1	-224.3	-704.5	-273.8
Depreciation, amortization and impairment	-44.4	-41.0	-128.9	-54.8
Other operating expenses	-201.9	-187.1	-625.3	-335.8
Share of income of associates	-1.1	-0.4	-1.1	-0.2
Operating income	57.7	52.2	165.0	-20.7
Finance income	0.1	1.3	0.3	1.3
Finance expenses	-15.1	-41.4	-144.1	-52.2
Income after finance net	42.7	12.1	21.2	-71.6
Income tax expense	-10.6	-10.2	-8.0	-11.2
Income for the period	32.1	1.9	13.2	-82.8
Whereof attributable to shareholders of the Parent Company	32.1	1.9	13.2	-82.8
Average number of shares ¹	60,060,890	50,071,673 ²	53,613,051 ²	40,815,649 ²
Earnings per share, SEK	0.53	0.04	0.25	-2.03
Number of shares at the end of the period	60,060,890	50,071,673 ²	60,060,890 ²	50,071,673 ²
1) No dilution effect in number of shares				
2) Adjusted for the reversed split 27 June 2014				

Consolidated statement of other comprehensive income compared to actual figures 2013

MSEK	Q3 2014	Q3 2013	9M 2014	3 Jun - 30 Sep 2013
Income for the period	32.1	1.9	13.2	-82.8
Other comprehensive income				
Items that will not be reclassified to the income statement				
Actuarial gains and losses in defined benefit pension plans	-11.9	6.7	-15.4	6.7
Tax on actuarial gains and losses	2.6	-1.5	3.4	-1.5
Total	-9.3	5.2	-12.0	5.2
Items that will or may be reclassified to the income statement				
Cash flow hedges	-3.9	-	-4.7	2.3
Currency effects from conversion of foreign operations	16.2	-30.5	66.6	-23.1
Income from currency hedging of foreign operations	-12.4	25.2	-45.8	21.8
Tax attributable to items that will be reclassified to the income statement	3.7	-5.6	11.3	-5.4
Total	3.6	-10.9	27.4	-4.4
Other comprehensive income for the period, net of tax	-5.7	-5.7	15.4	0.8
Total comprehensive income for the period	26.4	-3.8	28.6	-82.0
Whereof attributable to shareholders of the Parent Company	26.4	-3.8	28.6	-82.0

Consolidated statement of financial position

MSEK	30 Sep 2014	31 Dec 2013	30 Sep 2013
Assets			
Non-current assets			
Goodwill	628.0	589.7	587.0
Other intangible assets	552.7	528.0	536.2
Property plant and equipment	776.2	798.0	783.8
Participations in associated companies	39.6	38.7	36.8
Deferred tax assets	128.5	90.0	118.7
Financial assets	5.3	6.7	16.0
Surplus in funded pension plans	-	4.9	6.0
Other fixed assets	-	-	-
Total non-current assets	2,130.3	2,056.0	2,084.5
Current assets			
Inventory	527.2	624.4	573.3
Trade receivables and other receivables	457.3	496.2	492.0
Tax receivables	4.8	-	-
Short term investments	1.0	1.0	1.4
Cash and cash equivalents	207.6	71.8	86.1
Total current assets	1,197.9	1,193.4	1,152.8
Total assets	3,328.2	3,249.4	3,237.3
Shareholder 's equity			
Share capital	0.6	-	-
Other contributed equity	888.7	500.7	500.7
Reserves	26.0	4.2	0.7
Retained earnings	-66.8	-72.5	-82.7
Total equity	848.5	432.4	418.7
Liabilities			
Non-current liabilities			
Non-current interest bearing liabilities	1,507.5	1,423.7	1,454.4
Shareholder loans	-	348.3	348.3
Provisions for pensions	6.6	3.0	3.0
Deferred tax liabilities	143.9	139.0	141.5
Other non-current provisions	2.6	2.0	2.5
Non-interest bearing liabilities	-	23.0	-
Total non-current liabilities	1,660.6	1,939.0	1,949.7
Current liabilities			
Current interest bearing liabilities	173.5	243.0	183.5
Trade payables and other current liabilities	597.1	595.0	606.9
Tax payables	48.3	40.0	78.5
Total current liabilities	818.9	878.0	868.9
Total equity and liabilities	3,328.2	3,249.4	3,237.3

Consolidated statement of changes in equity

MSEK

Opening balance 3 June 2013	500.7
Income for the period	-82.8
Other comprehensive income net of tax	0.8
Total comprehensive income	-82.0
Total transactions with the owners	-
Closing balance 30 September 2013	418.7
Opening balance 1 January 2014	432.4
Income for the period	13.2
Other comprehensive income net of tax	15.4
Total comprehensive income	28.6
New share issue	6.2
Set-off of shareholder loans	381.3
Total transactions with the owners	387.5
Closing balance 30 September 2014	848.7

Consolidated statement of cash flows

MSEK	Q3 2014	9M 2014	3 June - 30 Sep 2013
Operating activities			
Operating income	57.7	165.0	-20.7
Adjustment for non-cash items	46.3	126.8	117.0
Paid finance items net	-25.9	-75.2	-39.4
Paid current income tax	-2.1	-40.1	-
Cash flows from operating activities before changes in operating capital	76.0	176.5	56.9
Changes in inventories	43.0	127.2	-69.3
Changes in operating receivables	-30.2	-11.8	-112.2
Changes in operating payables	-22.5	-15.1	118.5
Cash flows from operating activities	66.3	276.8	-6.1
Investing activities			
Acquisition or business combination	-30.7	-30.7	-1,940.6
Investment in property, plant and equipment	-36.3	-78.3	-50.8
Sales of fixed assets	0.2	0.2	0.3
Cash used in investing activities	-66.8	-108.8	-1,991.1
Financing activities			
New share issue	-	6.2	500.7
Net change in external loans	-23.3	-41.7	1,582.6
Cash flows from financing activities	-23.3	-35.5	2,083.3
Cash flows for the period	-23.8	132.5	86.1
Cash and cash equivalents at beginning of the period	231.9	71.8	-
Currency effect in cash and cash equivalents	-0.5	3.3	-
Cash flow for the period	-23.8	132.5	86.1
Cash and cash equivalents at the end of the period	207.6	207.6	86.1

The cash flow for Q3 2013 pro forma has not been prepared due to the complete change in the capital structure of the Group. An adjusted operating cash flow comparison is presented on page 6.

Parent company income statement

MSEK	9M 2014	Feb-Sep 2013
Net sales	-	-
Operating expenses	-5.8	-
Operating income	-5.8	-
Finance net	12.7	0.3
Profit before income tax	6.9	0.3
Total income tax expense	-3.1	-1.0
Income for the period	3.8	-0.7

Parent company statement of comprehensive income

MSEK	9M 2014	Feb-Sep 2013
Income for the period	3.8	-0.7
Other comprehensive income	-	-
Total comprehensive income for the period	3.8	-0.7

Parent company statement of financial position

MSEK	30 Sep 2014	31 Dec 2013	30 Sep 2013
Assets			
Investments in subsidiaries	532.7	532.7	532.7
Receivables on Group entities	358.7	477.7	451.3
Total non-current assets	891.4	1,010.4	984.0
Other current receivables	10.6	-	15.0
Cash and cash equivalents	-	-	-
Total current assets	10.6	-	15.0
Total assets	902.0	1,010.4	999.0
Equity			
Share capital	0.6	0.0	0.0
Share premium reserve	888.1	500.7	500.7
Retained earnings	-1.5	-	0.5
Income for the period	3.8	-1.0	-0.7
Total equity	891.0	499.7	500.5
Liabilities			
Interest bearing liabilities	-	483.3	483.3
Total non-current liabilities	-	483.3	483.3
Tax liability	5.3	2.2	2.1
Accrued expenses	5.7	25.2	13.1
Total current liabilities	11.0	27.4	15.2
Total equity and liabilities	902.0	1,010.4	999.0

Parent company statement of changes in equity

MSEK	
Opening balance 1 February 2013	501.2
Income for the period	-0.7
Other comprehensive income	-
Total comprehensive income	-0.7
Total transactions with the owners	-
Closing balance 30 Sep 2013	500.5
Opening balance 1 January 2014	499.7
Income for the period	3.8
Other comprehensive income	-
Total comprehensive income	3.8
New share issue	6.2
Set-off of shareholder loans	381.3
Total transactions with the owners	387.5
Closing balance 30 Sep 2014	891.0

Parent company statement of cash flows

MSEK	Q3 2014	9M 2014	Feb - Sep 2013
Operating activities			
Operating income	-	-5.8	-
Adjustment for non-cash items			
Paid finance items net	9.3	13.6	0.5
Paid current income tax	-	-	-0.4
Cash flows from operating activities before changes in operating capital	9.3	7.8	0.1
Changes in operating receivables	-10.6	-10.6	-
Changes in operating payables	-8.2	19.5	-0.4
Cash flows from operating activities	-9.5	16.7	-0.3
Investing activities			
Acquisition of subsidiaries	-	-	-532.7
Lending to subsidiaries	-	-22.9	-451.3
Cash used in investing activities	-	-22.9	-984.0
Financing activities			
New share issue	-	6.2	501.0
Borrowing	-	-	483.3
Cash flows from financing activities	-	6.2	984.3
Cash flows for the period	-9.5	-	-
Cash and cash equivalents at beginning of the period	9.5	-	-
Cash flows for the period	-9.5	-	-
Cash and cash equivalents at the end of the period	-	-	-

Notes to the condensed consolidated financial information

Note 1. Principles of accounting

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 2013.

Note 2. Segment information

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 small 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 byproducts 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. Scandi Standard AB pro forma accounts 2013

The Scandi Standard group was created on 3 June 2013. The Group's first annual accounts provide financial figures for the development of the remaining part of that year and do not include a full twelve-month period. The purpose of the pro forma accounts 2013 is to show what the results would have been if the Group had been formed on 1 January 2013 instead. The pro forma accounts have been created as an illustration of:

- The individual companies (estimated) financial results for the period January – May 2013, i.e. to the period up until the actual creation of the Group.
- The real financial results for the period June – December 2013.
- The Group's balance sheet for 2013 is considered to be the same as shown in the company's annual account.

The pro forma accounts describe a hypothetical situation and have only been developed for illustrative purposes. Any potential synergy effects have not been considered and no further combination or transaction costs in addition to those described in the annual accounts have been added. The pro forma accounts shall not be seen as an indication of how the Group will perform going forward. All supportive financial information has been prepared according to IFRS as adopted by the EU. The pro forma accounts have also been prepared in accordance with the accounting principles as described in the company's annual account for 2013.

Pro forma adjustments

According to IFRS, the fair value of acquired assets and liabilities are measured on the acquisition date (purchase price allocation). Acquired values that do not relate to identifiable assets and liabilities are recognized as goodwill. In Scandi Standard's purchase price allocation, parts of the value have been attributed to customer and supplier relations, which are amortized over 10 years. In the pro forma financial

statements such as amortization has been made for the full year 2013 with the assumption that the value of the assets was the same as at actual acquisition date.

Adjustments in the financial statements according to IFRS have also been made regarding financial instruments (IAS39) and pensions (IAS19R) in accordance with applicable rules and practices.

As the financial situation of the Group changed significantly in conjunction with its establishment, adjustments for interest rates have been done in the financial statements. There, adjustments have also been made for actual interest rates existing during the period up until June 2013.

For a more detailed description of the Group as a whole and the establishment of the same, as well as the constituent companies, refer to the consolidated annual report for 2013.

Note 4. The Group's financial assets and liabilities measured at fair value

New credit facility

As of 2 July 2014, a new five-year loan arrangement with a coalition of banks (the "new credit facility") was available to refinance the existing debt in the Company and to ensure financing of the operations.

The new credit facility consists of a term loan of 750 MSEK in combination with a revolving credit facility of 750 MSEK and an overdraft facility of 400 MSEK. The new credit facility is conditional upon Scandi Standard fulfilling certain customary financial covenants, including that certain key financial indicators, such as net debt/EBITDA and interest coverage ratio, do not deviate negatively from certain levels specified in the agreement. The new credit facility is not secured, but is subject to customary negative undertakings, including not to pledge the Company's assets and restrictions regarding indebtedness in the Company's subsidiaries and divestments.

Other interest-bearing liabilities

A shareholder loan of 147.2 MSEK including accrued interest from Lantmännen was repaid out of a new credit facility on 2 July 2014.

As of 2 July, the company is financed by the new credit facility and shareholders' equity.

Derivative instruments and hedge accounting

Holdings of financial derivative instruments comprise interest rate swaps, interest rate caps 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 offset the currency effect in the company with the loans. At present, net investments in DKK and NOK are hedged.

Definitions

Operating capital

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

Return on operating capital

LTM operating income divided by average operating capital.

Capital employed

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

Return on capital employed

LTM operating income plus interest income 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 28 November at 10:00 AM CET.

The dial-in numbers are:

UK: +44 20 313 948 30

SE: +46 8 5059 6306

US: +1 866 928 7517

Confirmation code: 35440457#

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

For further information, please contact:

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Financial calendar

- Interim report for the fourth quarter 2014 25 February 2015.
- Annual General Meeting 27 April 2015.
- Interim report for the first quarter 2015 28 May 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 28 November 2014.

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, interruptions in supply, and major customer credit losses.

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