Scandi Standard

Interim report, third quarter 2015

26 November 2015

- Net sales increased by 3 percent to MSEK 1,396.1 (1,358.9), and by 2 percent at constant exchange rates. Net sales increased by 5 percent in Sweden and Norway respectively and decreased by 2 percent in Denmark at constant exchange rates.
- Adjusted operating income increased by 8 percent to MSEK 71.7 (66.5), corresponding to an adjusted operating margin of 5.1 (4.9) percent.
- Income for the period amounted to MSEK 48.5 (32.1) and earnings per share were SEK 0.81 (0.53).
- Adjusted operating cash flow amounted to MSEK 41.4 (65.9).
- Deliveries to Coop Norway under the new supply agreement started in August.

MSEK	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Net sales	1,396.1	1,358.9	3%	4,047.0	4,015.2	1%
Operating income	71.4	57.7	24%	211.8	165.0	28%
Income for the period	48.5	32.1	51%	135.8	13.2	927%
EPS	0.81	0.53	50%	2.26	0.25	824%
Adjusted* EBITDA	119.7	112.0	7%	357.5	351.4	2%
Adjusted* operating income	71.7	66.5	8%	216.3	221.4	-2%
Adjusted* operating margin	5.1%	4.9%	-	5.3%	5.5%	-
Adjusted* income for the period	48.7	39.1	25%	139.1	97.0	43%
Adjusted* EPS	0.81	0.65	24%	2.32	1.80	29%
Adjusted* operating cash flow	41.4	66.0	-37%	277.7	373.4	-26%

*) Adjusted for non-comparable items in Q3 2015 of MSEK -0.3 (-8.8) in EBITDA and operating income and MSEK -0.2 (-7.1) in income for the period, and in the first 9m 2015 of MSEK -4.5 (-56.4) in EBITDA and operating income and MSEK -3.5 (-83.8) in income for the period. See page 3.

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

CEO Statement

Trends in sales and income for the Group were positive in the quarter. The adjusted operating margin improved from the previous year. I am pleased to see that our efforts in product development and to increase efficiency in production are paying off and contributing to income.

Net sales in Sweden showed strong growth driven by continued good market growth and successful product launches. We had a strong performance in chilled products, particularly within the barbeque segment, which is an important category during the summer months. The adjusted operating income and margin for the Swedish operation improved.

Net sales in Denmark were slightly down in local currency due to continued price pressure both in the local market and on exports. We expect that the pressure on prices will continue. The adjusted operating income improved, however, with a higher margin thanks to continued efficiency improvements in the supply chain.

It was also encouraging to see net sales in Norway increasing gradually during the quarter after the start of deliveries to Coop Norway in August under the new supply agreement. The new agreement also includes the stores acquired from ICA Norway, but the number of stores is today significantly lower than when they were part of the ICA Group. The Norwegian retail market for chilled chicken products showed some growth in the quarter year over year, after three consecutive quarters of decline. But we believe it will take some time before the market is fully recovered.

The integration of the newly acquired Finnish operation is proceeding according to plan. This operation reported MSEK -8.9 in operating income for the quarter. The factory is running at approximately 15 percent of total capacity and it will take time to reach profitability. Finland is an attractive market long-term with good opportunities for growth. The main focus is to increase volumes and new farming capacity will therefore be added during next year.

We will continue to strengthen cooperation between our operations in the different countries to further increase internal efficiency and to develop new and innovative product concepts.

Leif Bergvall Hansen
Managing Director and CEO

Net sales and income

Net sales in the third quarter 2015 increased by 3 percent to MSEK 1,396.1 (1,358.9) and by 2 percent at constant exchange rates compared to the corresponding period last year.

Net sales increased by 5 percent in Sweden and Norway respectively and decreased by 2 percent in Denmark in local currency. Net sales by product category increased by 11 percent for chilled products and by 1 percent for frozen products at constant exchange rates.

Operating income amounted to MSEK 71.4 (57.7) including non-comparable items of MSEK -0.3 (-8.8). For a description of the impact of non-comparable items, see table below. Adjusted for these items, operating income was MSEK 71.7 (66.5), corresponding to an adjusted operating margin of 5.1 (4.9) percent. Adjusted operating income increased strongly in both Sweden and Denmark, but declined in Norway.

The newly acquired Finnish operation is included in the accounts as a new segment with net sales in the third quarter 2015 of MSEK 19.6 and operating income of MSEK -8.9.

Income for the period amounted to MSEK 48.5 (32.1), corresponding to earnings per share of SEK 0.81 (0.53). Adjusted income for the period increased to MSEK 48.7 (39.1), corresponding to adjusted earnings per share of SEK 0.81 (0.65).

Financial summary

MSEK	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Net sales	1,396.1	1,358.9	3%	4,047.0	4,015.2	1%
EBITDA	119.4	103.2	16%	353.0	295.0	20%
Operating income	71.4	57.7	24%	211.8	165.0	28%
Income for the period	48.5	32.1	50%	135.8	13.2	927%
EPS	0.81	0.53	50%	2.26	0.25	824%
Adjusted EBITDA[1)]	119.7	112.0	7%	357.5	351.4	2%
Adjusted EBITDA margin[1)]	8.6%	8.2%	-	8.8%	8.8%	-
Adjusted operating income[1)]	71.7	66.5	8%	216.3	221.4	-2%
Adjusted operating margin[1)]	5.1%	4.9%	-	5.3%	5.5%	-
Adjusted income after finance net[1,2)]	59.0	51.5	15%	177.2	128.6	38%
Adjusted income for the period[1,2,3)]	48.7	39.1	24%	139.3	97.0	43%
Adjusted EPS[1,2,3)]	0.81	0.65	24%	2.32	1.80	29%

[1-3)] See table below.

Non-comparable items in EBITDA and operating income	Q3 2015	Q3 2014	9m 2015	9m 2014
IPO costs [a)]	-	-3.5	-	-36.5
Transition costs [b)]	-	-3.7	-	-12.5
Monitoring fees [c)]	-	-	-	-5.8
Transaction costs [d)]	-0.3	-1.6	-4.5	-1.6
[1)]Total	**-0.3**	**-8.8**	**-4.5**	**-56.4**
Non-comparable items in finance net and tax effects				
[2)]Refinancing [e)]	-	-	-	-51.0
[3)]Tax effect on adjustments	0.1	1.7	1.0	23.6
Non-comparable items in income for the period	**-0.2**	**-7.1**	**-3.5**	**-83.8**

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) Deal fees related to acquisitions.
e) Non-recurring write-off arrangement fees related to the old credit facility.

Segment information

Sweden

MSEK	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Net sales	572.5	543.8	5%	1,659.6	1,567.2	6%
Adjusted operating income *	39.2	29.8	32%	118.9	79.9	49%
Adjusted operating margin*	6.9%	5.5%	-	7.2%	5.1%	-

*) Adjusted for non-comparable items in Q3 2015 of MSEK -0.3 (-4.2) and in the first 9m 2015 of MSEK -1.8 (-9.7). For a description of adjustments, see page 10.

Net sales for the Swedish operation in the third quarter 2015 increased by 5 percent to MSEK 572.5 (543.8). The increase was driven by continued market growth and successful launches of seasonal products.

Adjusted operating income in the quarter increased by 32 percent to MSEK 39.2 (29.8) as a result of higher volumes and an improved product mix with a higher proportion of chilled products. The adjusted operating margin rose to 6.9 (5.5) percent.

Denmark

MSEK	Q3 2015	Q3 2014	Change	9m	9m 2014	Change
Net sales	589.1	584.9	1%	1,744.4	1,654.9	5%
Adjusted operating income*	38.0	24.4	56%	106.2	72.0	48%
Adjusted operating margin*	6.5%	4.2%	-	6.1%	4.4%	-

*) Adjusted for non-comparable items in the first 9m 2014 of MSEK -1.4. For a description of adjustments, see page 10.

MDKK	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Net sales	465.9	473.1	-2%	1,388.1	1,365.4	2%
Adjusted operating income*	30.1	20.1	49%	84.5	59.4	42%
Adjusted operating margin*	6.5%	4.2%	-	6.1%	4.4%	-

Net sales for the Danish operation in the third quarter 2015 increased by 1 percent to MSEK 589.1 (584.9). Net sales in local currency declined by 2 percent, mainly as a result of continued price pressure particularly on exports.

Adjusted operating income in the quarter increased by 56 percent to MSEK 38.0 (24.4) and the adjusted operating margin improved to 6.5 (4.2) percent. The improvement in income and margin was achieved through continued efficiency gains in production and other parts of the supply chain.

Norway

MSEK	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Net sales	300.5	309.3	-3%	856.6	991.2	-14%
Adjusted operating income*	16.0	24.3	-34%	38.8	94.8	-59%
Adjusted operating margin*	5.3%	7.9%	-	4.5%	9.6%	-

*) Adjusted for non-comparable items in the first 9m 2014 of MSEK -0.7.
For a description of adjustments, see page 10.

MNOK	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Net sales	290.8	277.0	5%	805.8	907.8	-11%
Adjusted operating income*	15.3	22.3	-31%	36.5	86.8	-58%
Adjusted operating margin*	5.3%	7.9%	-	4.5%	9.6%	-

Net sales for the Norwegian operation in the third quarter 2015 declined by 3 percent to MSEK 300.5 (309.3), while net sales in local currency increased by 5 percent. The increase in local currency was mainly an effect of the start of deliveries to Coop Norway as of August under the new supply agreement signed in May 2015. The retail market for chilled chicken products, which has been weak in the past three quarters, showed some growth compared to the third quarter last year.

Adjusted operating income in the quarter declined by 34 percent to MSEK 16.0 (24.3), corresponding to an adjusted operating margin of 5.3 (7.9) percent. The decline in income and margin was mainly attributable to a less favourable product mix and stock clearance.

The decline in net sales and adjusted operating income in the first nine months 2015 was mainly an effect of the loss of the ICA Norway contract as of 1 April 2014 and a weak market.

Finland

MSEK	Q3 2015	Q3 2014	Change	9m 2015**	9m 2014	Change
Net sales	19.6	-	-	27.8	-	-
Adjusted operating income*	-8.9	-	-	-12.3	-	-
Adjusted operating margin*	-45.7%	-	-	-44.4%	-	-

*) Adjusted for non-comparable items in the first 9m 2015 of MSEK -2.7.
For a description of adjustments, see page 10.

MEUR	Q3 2015	Q3 2014	Change	9m 2015**	9m 2014	Change
Net sales	2.1	-	-	3.0	-	-
Adjusted operating income*	-1.0	-	-	-1.3	-	-
Adjusted operating margin*	-46.2'	-	-	-44.4%	-	-

**) Operations started 1 May 2015.

Net sales for the Finnish operation in the third quarter 2015 amounted to MSEK 19.6 (-). Operating income was MSEK - 8.9 (-).

Integration of the operation proceeded according to plan. The factory runs at approximately 15 percent of total capacity and the focus is now on increasing volumes.

Cash flow and investments

Adjusted operating cash flow for the third quarter 2015 declined to MSEK 41.4 from MSEK 66.0 in the third quarter last year. Cash flow was negatively affected by an increase of inventories compared with a decrease last year, while payables and receivables had a positive impact. Adjusted operating cash flow for the first nine months amounted to MSEK 277.7 (373.4).

Working capital as of 30 September 2015 amounted to MSEK 329.1 (339.1), corresponding to 6.3 (6.4) percent of net sales (LTM) compared to 6.6 percent at year-end 2014.

Capital expenditure in the quarter amounted to MSEK 36.1 (36.3), and related mainly to productivity improvement projects in production.

Adjusted operating cash flow

MSEK	Q3 2015	Q3 2014	9m 2015	9m 2014
Adjusted EBITDA*	119.7	112.0	357.5	351.4
Capital expenditure	-36.1	-36.3	-85.1	-78.3
Change in inventories	-12.1	43.0	-9.0	127.2
Change in other working capital	-30.1	-52.7	14.3	-26.9
Adjusted operating cash flow	**41.4**	**66.0**	**277.7**	**373.4**

*Adjusted for non-comparable items in Q3 2015 of MSEK -0.3 (-8.8) and in the first 9m of MSEK -4.5 (-56.4). For a description of adjustments, see page 10.

Financial position

Total equity increased as of 30 September 2015 to MSEK 917.8 (848.5). The equity to assets ratio improved to 28.8 (25.5) percent.

Net interest-bearing debt as of 30 September 2015 declined to MSEK 1,361.6 from MSEK 1,473.7 as of 30 September 2014 and 1,405.5 at year-end 2014. Net debt/EBITDA amounted to 2.9x (3.1x) adjusted EBITDA (LTM). Cash and cash equivalents amounted to MSEK 157.0 (207.6).

The refinancing of the Group's bank loans at lower interest in July 2014 led to a substantial reduction of the finance expenses for the first nine months 2015.

Personnel

The average number of employees (FTE) was 1,559 in the quarter and 1,498 in the first nine months.

Transactions with related parties

Scandi Standard has an agreement with Lantmännen, a major shareholder, for the rental of the facility in Åsljunga, Sweden. Rental costs under this agreement amounted to MSEK 0.6 (0.4) in the quarter.

Acquisition of Lagerbergs

In June 2015 Scandi Standard signed an agreement to acquire Lagerbergs, the third largest producer of chicken products in Sweden. The acquisition is subject to approval by the Swedish Competition Authority, which after extension of the examination period has until 23 December to render its decision.

Lagerbergs had sales in 2014 of approximately MSEK 300, and has 120 employees.

Purchase of own shares

In accordance with the authorization by the Annual General Meeting 2015, the Group has purchased 448,712 own shares to secure the cost and delivery of shares to participants in the Company's Long Term Incentive Plan 2015 (LTIP 2015). The shares were purchased on Nasdaq Stockholm. A total of 444,168 shares were purchased in September and 4,544 in October. The number of purchased shares corresponds to 0.7 percent of the total number of outstanding shares.

Nomination Committee

The Annual General Meeting (AGM) will be held on 25 April 2016 in Stockholm.

The Nomination Committee consists of Per Olof Nyman (Chairman), Lantmännen Kycklinginvest AB, Seamus FitzPatrick, CapVest Associates LLP, Hans Hedström, Carnegie Fonder and Per Harkjaer, Chairman of the Board of Directors.

The Nomination Committee will prepare proposals to the AGM 2016 regarding election of Chairman of the AGM, Board members, Chairman of the Board, external auditor, as well as remuneration to the Board members and the external auditor. Shareholders who wish to submit proposals to the Nomination Committee can send them by email to corporategovernance@scandistandard.com or by mail to Scandi Standard AB, The Nomination Committee, c/o Group General Counsel, P. O. Box 30174, SE-104 25 Stockholm, Sweden. Proposals should be sent in due time before the AGM to ensure that the proposals can be considered by the Nomination Committee.

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, 26 November 2015

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 in accordance with IAS 34 and the Swedish Annual Accounts Act

Introduction
We have reviewed the condensed interim financial information (interim report) of Scandi Standard AB (publ), 556921-0627, as of 30 September 2015 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information 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, 26 November 2015

Öhrlings PricewaterhouseCoopers

Bo Lagerström

Authorized Public Accountant

Segment information

Net sales

MSEK	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Sweden	572.5	543.8	5%	1 659.6	1 567.2	6%
of which internal sales	43.0	30.3	42%	104.2	82.6	26%
Denmark	589.1	584.9	1%	1 744.4	1 654.9	5%
of which internal sales	42.6	49.4	-14%	137.2	113.9	21%
Norway	300.5	309.3	-3%	856.6	991.2	-14%
of which internal sales	-	-	-	-	-	-
Finland	19.6	-	-	27.8	-	-
of which internal sales	-	-	-	-	-	-
Intra-group eliminations	-85.6	-79.1	-	-241.4	-198.1	-
Total net sales	1 396.1	1 358.9	3%	4 047.0	4 015.2	1%

Local currency	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Denmark	465.9	473.1	-2%	1 388.1	1 365.2	2%
Norway	290.8	277.0	5%	805.8	907.8	-11%
Finland	2.1	-	-	3.0	-	-
Group			2%			0%

Net sales by product category

MSEK	Q3 2015	Q3 2014	Change	9m 2015	9m 2014	Change
Chilled	625.4	538.1	16%	1 752.1	1 650.1	6%
Frozen	660.5	653.3	1%	1 842.5	1 854.0	-1%
Eggs	76.3	81.5	-6%	249.5	272.1	-8%
Other*	33.8	86.0	-61%	202.8	239.0	-15%
Total net sales	1 396.1	1 358.9	3%	4 047.0	4 015.2	1%

Exchange rates**

	Q3 2015	Q3 2014	9m 2015	9m 2014
SEK/NOK	1.04	1.09	1.06	1.09
SEK/DKK	1.26	1.21	1.26	1.21
SEK/EUR	9.38	-	9.37	-

*Other relates to SweHatch's sales of day-old chicks to farmers and by-products.

** Average exchange rates

Adjusted operating income

MSEK	Q3 2015	Q3 2014	9m 2015	9m 2014
Sweden	39.2	29.8	118.9	79.9
Denmark	38.0	24.4	106.2	72.0
Norway	16.0	24.3	38.8	94.8
Finland	-8.9	-	-12.3	-
Group	-7.5	-7.0	-20.8	-11.3
Amortisation	-5.0	-5.0	-14.4	-14.0
Total	71.7	66.5	216.3	221.4

Adjustments to operating income

MSEK	Q3 2015	Q3 2014	9m 2015	9m 2014
Sweden	-0.3	-4.2	-1.8	-9.7
Denmark	-	-	-	-1.4
Norway	-	-	-	-0.7
Finland	-	-	-2.7	-
Group	-	-4.6	-	-44.6
Total	-0.3	-8.8	-4.5	-56.4

Operating income

MSEK	Q3 2015	Q3 2014	9m 2015	9m 2014
Sweden	38.9	25.6	114.4	70.2
Denmark	38.0	24.4	106.2	70.6
Norway	16.0	24.3	38.8	94.1
Finland	-8.9	-	-12.3	-
Group	-7.5	-11.6	-20.8	-55.9
Amortisation	-5.0	-5.0	-14.4	-14.0
Total operating income	71.4	57.7	211.8	165.0
Finance net	-12.4	-15.0	-39.1	-143.8
Income tax expense	-10.5	-10.6	-37.0	-8.0
Income for the period	48.5	32.1	135.8	13.2

Consolidated income statement

MSEK	Q3 2015	Q3 2014	9m 2015	9m 2014
Net sales	1 396.1	1 358.9	4 047.0	4 015.2
Other operating revenues	4.8	5.0	15.8	14.8
Changes in inventories of finished goods and work in progress	10.9	-37.7	-1.2	-118.0
Raw materials and consumables	-818.6	-781.0	-2 316.6	-2 287.2
Cost of personnel	-251.3	-240.1	-748.3	-704.5
Depreciation. amortisation and impairment	-47.3	-44.4	-139.8	-128.9
Other operating expenses	-222.5	-201.9	-643.7	-625.3
Share of income of associates	-0.7	-1.1	-1.4	-1.1
Operating income	**71.4**	**57.7**	**211.8**	**165.0**
Finance income	4.2	0.1	5.3	0.3
Finance expenses	-16.7	-15.1	-44.6	-144.1
Income after finance net	**58.9**	**42.7**	**172.5**	**21.2**
Income tax expense	-10.5	-10.6	-37.0	-8.0
Income for the period	**48.5**	**32.1**	**135.8**	**13.2**
Whereof attributable to shareholders of the Parent Company	48.5	32.1	135.8	13.2
Average number of shares (1)	59 999 864	60 060 890	60 040 324 2)	54 008 719 2)
Earnings per share before dilution, SEK	0.81	0.53	2.26	0.25
Earnings per share after dilution, SEK	0.81	0.53	2.26	0.22
Number of shares at the end of the period	60 060 890	60 060 890	60 060 890	60 060 890

1) 444,168 own shares were purchased in September 2015, see page 6.

2) Adjusted for the reversed split 27 June 2014.

Consolidated statement of total comprehensive income

MSEK	Q3 2015	Q3 2014	9m 2015	9m 2014
Income for the period	**48.5**	**32.1**	**135.8**	**13.2**
Other comprehensive income				
Items that will not be reclassified to the income statement:				
Actuarial gains and losses in defined benefit pension plans	10.5	-11.9	18.1	-15.4
Tax on actuarial gains and losses	-2.3	2.6	-4.3	3.4
Total	**8.1**	**-9.3**	**13.7**	**-12.0**
Items that will or may be reclassified to the income statement:				
Cash flow hedges	-13,6	-3.9	-11,0	-4.7
Currency effects from conversion of foreign operations	2.2	16.2	-14.8	66.6
Income from currency hedging of foreign operations	7,6	-12.4	-5,6	-45.8
Fair value on financial instruments	0,9	0.0	6,5	
Tax attributable to items that will be reclassified to the income statement	0.1	3.7	2.4	11.3
Total	**-2.8**	**3.6**	**-22.5**	**27.4**
Other comprehensive income for the period. net of tax	**5.3**	**-5.7**	**-8.8**	**15.4**
Total comprehensive income for the period	**53.7**	**26.4**	**127.0**	**28.6**
Whereof attributable to shareholders of the Parent Company	53.7	26.4	127.0	28.6

Consolidated statement of financial position

MSEK	30 September 2015	30 September 2014	31 December 2014
Assets			
Non-current assets			
Goodwill	621.0	628.0	611.3
Other intangible assets	499.4	552.7	528.7
Property plant and equipment	825.2	776.2	809.9
Participations in associated companies	40.1	39.6	42.7
Deferred tax assets	30.4	128.5	45.3
Financial assets	0.9	5.3	1.8
Surplus in funded pension plans	0.7	-	-
Other fixed assets	0.7	-	0.5
Total non-current assets	**2 018.3**	**2 130.3**	**2 040.2**
Current assets			
Inventory	545.3	527.2	546.6
Trade receivables and other receivables	452.8	457.3	417.4
Tax receivables	10.8	4.8	-
Short term investments	0.7	1.0	1.4
Cash and cash equivalents	157.0	207.6	89.7
Total current assets	**1 166.5**	**1 197.9**	**1 055.1**
Total assets	**3 184.8**	**3 328.2**	**3 095.3**
Shareholder´s equity			
Share capital	0.6	0.6	0.6
Other contributed equity	888.1	888.7	888.1
Reserves	11.9	26.0	29.4
Retained earnings	17.3	-66.8	-31.9
Total equity	**917.8**	**848.5**	**886.2**
Liabilities			
Non-current liabilities			
Non-current interest bearing liabilities	1 459.8	1 507.5	1 460.2
Provisions for pensions	-	6.6	20.4
Deferred tax liabilities	77.0	143.9	75.5
Other non-current provisions	2.4	2.6	-
Total non-current liabilities	**1 539.2**	**1 660.6**	**1 556.1**
Current liabilities			
Current interest bearing liabilities	58.8	173.5	38.9
Trade payables and other current liabilities	640.2	597.3	589.8
Tax payables	28.7	48.3	24.3
Total current liabilities	**727.8**	**819.1**	**653.0**
Total equity and liabilities	**3 184.8**	**3 328.2**	**3 095.3**

Consolidated statement of changes in equity

MSEK	
Opening balance 1 January 2014	**432.7**
Income for the period	56.1
Other comprehensive income	10.2
Total comprehensive income	66.3
New share issue	6.2
Set-off of shareholder loans	381.3
Total transactions with the owners	387.5
Closing balance 31 December 2014	**886.5**
Opening balance 1 January 2015	**886.5**
Income for the period	135.8
Other comprehensive income	-8.8
Total comprehensive income	127,0
Dividend	-78.1
Repurchase of own shares	-17.6
Total transactions with the owners	-95.7
Closing balance 30 September 2015	**917.8**

Consolidated statement of cash flows

MSEK	Q3 2015	Q3 2014	9M 2015	9M 2014
Operating activities				
Operating income	**71.4**	**57,7**	**211.8**	**165.0**
Adjustment for non-cash items	29.5	46.3	168.7	126.8
Paid finance items net	-16.1	-25.9	-44.3	-75.2
Paid current income tax	0.0	-2.1	-21.7	-40.1
Cash flows from operating activities before changes in operating capital	**84.8**	**76.0**	**314.5**	**176.5**
Changes in inventories	-12.1	43.0	-9.0	127.2
Changes in operating receivables	-36.4	-30.2	-39.9	-11.8
Changes in operating payables	6.3	-22.5	54.2	-15.1
Cash flows from operating activities	**42.6**	**66.3**	**319.8**	**276.8**
Investing activities				
Acquisition of business combination	-2.2	-30.7	-98.2	-30.7
Investment in property. plant and equipment	-36.1	-36.3	-85.1	-78.3
Sale of fixed assets	-	0.2	-	0.2
Cash flows used in investing activities	**-38.3**	**-66.8**	**-183.3**	**-108.8**
Financing activities				
New share issue	-	-	-	6.2
Paid dividend	-	-	-78.1	-
Repurchase of own shares	-17.6	-	-17.6	-
Net change in external loans	25.2	-23.3	30.5	-41.7
Cash used in financing activities	**7.6**	**-23.3**	**-65.2**	**-35.5**
Cash flows for the period	**11.9**	**-23.8**	**71.3**	**132.5**
Cash and cash equivalents at beginning of the period	**146.9**	**231.9**	**89.7**	**71.8**
Currency effect in cash and cash equivalents	-1.7	-0.5	-3.9	3.3
Cash flow for the period	11.8	-23.8	71.2	132.5
Cash and cash equivalents at the end of the period	**157.0**	**207.6**	**157.0**	**207.6**

Parent company income statement

MSEK	Q3 2015	Q3 2014	9m 2015	9m 2014
Net sales	-	-	-	-
Operating expenses	0.0	0.0	-0.1	-5.8
Operating income	**0.0**	**0.0**	**-0.1**	**-5.8**
Finance net	3.6	9.0	11.0	12.7
Profit before income tax	**3.6**	**9.0**	**10.9**	**6.9**
Total income tax expense	-0.8	-2.0	-2.4	-3.1
Income for the period	**2.8**	**7.0**	**8.5**	**3.8**

Parent company statement of total comprehensive income

MSEK	Q3 2015	Q3 2014	9m 2015	9m 2014
Income for the period	2.8	7.0	8.5	3.8
Total comprehensive income	**2.8**	**7.0**	**8.5**	**3.8**

Parent company statement of financial position

MSEK	30 Sep 2015	30 Sep 2014	31 Dec 2014
Assets			
Investments in subsidiaries	532.7	532.7	532.7
Receivables on group entities	358.7	358.7	358.7
Deferred tax asset	2.3	-	2.3
Total non-current assets	**893.8**	**891.5**	**893.7**
Receivables on group entities	-	10.6	14.3
Total current receivables	**0.0**	**10.6**	**14.3**
Cash and cash equivalents	2.3	0.0	-
Total current assets	**2.3**	**10.6**	**14.3**
Total assets	**896.1**	**902.0**	**908.0**
Equity			
Share capital	0.6	0.6	0.6
Share premium reserve	888.1	888.1	888.1
Retained earnings	-112.1	-1.6	-1.0
Income for the period	8.5	3.8	-15.4
Total equity	**785.1**	**891.0**	**872.3**
Liabilities			
Tax liability	2.4	5.3	2.2
Liabilities to group entities	108.6*	-	33.5
Accrued expenses	0.0	5.7	-
Total current liabilities	**111.0**	**11.0**	**35.7**
Total equity and liabilities	**896.1**	**902.0**	**908.0**

* Dividend and share repurchase program paid by Group subsidiary.

Parent company statement of changes in equity

MSEK	
Opening balance 1 January 2014	**500.2**
Income for the period	-15.4
Other comprehensive income	-
Total comprehensive income	-15.4
Directed new share issue	6.2
Set-off of shareholder loans	381.3
Total transactions with the owners	387.5
Closing balance 31 December 2014	**872.3**
Opening balance 1 January 2015	**872.3**
Income for the period	8.5
Other comprehensive income	-
Total comprehensive income	8.5
Dividends	-78.1
Repurchase of own shares	-17.6
Total transactions with the owners	-95.7
Closing balance 30 September 2015	**785.1**

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 the Swedish Annual Accounts Act and recommendation RFR 1, supplementary accounting principles for Group, issued by the Swedish Financial Reporting Board. The parent company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR2, Accounting for legal entities.

Long-term incentive program
The Annual General Meeting 2015 decided on a Long-term incentive programme, LTIP 2015, for key employees intended to contribute to long-term value growth. LTIP 2015 is an equity-settled, share based compensation plan accounted for in accordance with IFRS 2, Share based payments. The programme is expensed over the vesting period (3 years). At the end of each reporting period, the Company considers changes in anticipated number of vested shares. Social charges related to the program are recognized as a cash-settled instrument.

With the exception of LTIP, there are no other 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, Norway and Finland
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 geographical 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 19 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, AB Skånefågel, Bosarpskyckling AB, and Kronfågel Oy. 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. SweHatch engages in the rearing, production and hatching of day-old chickens for Kronfågel AB's breeders and other players in the Swedish market. AB Skånefågel slaughters and sells products for the Swedish market and export. Bosarpskyckling AB is the leading producer of organic chicken in Sweden.

Segment Denmark comprises Danpo A/S and the associate Farmfood A/S. Danpo A/S slaughters, produces, develops and processes chicken products for both the Danish market and exports within Europe and to Asia. Farmfood A/S 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 AS. 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 products are sold in the Norwegian market. The segment also handles and sells small quantities of turkey and duck.

Segment Finland comprises the former Huttulan-operation, which was acquired in May 2015 and renamed Kronfågel Oy. Operations include slaughtering, production and development of fresh and frozen chicken products for the Finnish market.

Note 3. Accounting and valuation of financial instruments

Scandi Standard classifies its financial instruments in the following categories:
1. Financial assets measured at fair value through profit or loss
2. Loans and receivables
3. Available-for-sale financial assets
4. Financial liabilities measured at fair value through profit or loss and
5. Other liabilities

Measurement at fair value
The valuation of the Groups financial assets and liabilities is performed in accordance with the fair-value hierarchy:

Level 1. Quoted prices (unadjusted) in active markets for identical instruments
Level 2. Data other than quoted prices included within level 1 that are observable for the asset or liability either directly as prices or indirectly as derived from prices.
Level 3. Non-observable data for the asset or liability.

As of September 30 2015 and at the end of the comparison periods the Group had financial derivatives (level 2) and biological assets measured at fair value on the balance sheet. The fair value of forward exchange contracts is estimated based on current forward rates at the reporting date, while interest rate swaps are valued using estimates of future discounted cash flows. As of 30 September 2015 the derivatives amounted to MSEK 14.1.The biological assets (parent animals in the rearing of day old chicks, as well as broilers) are measured in accordance with IAS 41 at fair value less selling costs and as of 30 September 2015 those amounted to MSEK 50.2. For the Group's long-term borrowing (level 1), which as of 30 September 2015 amounted to MSEK 1,501.0, fair value is considered to be equal to the amortized cost as the borrowings are held at floating market rates and hence the booked value will be approximated as the fair value. For other financial instruments assigned to Level 1 fair value is estimated at cost adjusted for any impairment.

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.

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 26 November at 10:00 AM CET.

The dial-in numbers are:
UK: 020 3059 8125
Other countries: +44 20 3059 8125
Sweden: +46 8 50 510 036

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

Fourth quarter and year-end report 2015: 26 February 2016

Interim report for the first quarter 2016: 10 May 2016

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 26 November 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, commercialisation and technological difficulties, disease outbreak, interruptions in supply, and major customer credit losses.

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