



Scandi Standard

First quarter report 2016

10 May 2016

- Net sales increased by 6 percent to MSEK 1,386.3 (1,309.6), and by 8 percent at constant exchange rates. Net sales rose by 6 percent in Sweden, while net sales in local currency decreased by 6 percent in Denmark and increased by 32 percent in Norway. The increase in Norway was due to a recovery of the market and new customer contracts.
- Adjusted operating income* increased by 1 percent to MSEK 68.3 (67.6), corresponding to a margin of 4.9 (5.2) percent.
- Income for the period amounted to MSEK 42.4 (41.6) and earnings per share were SEK 0.71 (0.69).
- Adjusted operating cash flow* amounted to MSEK 36.7 (100.3).
- At the end of the quarter, a majority shareholding was acquired in Sødams Øko Fjerkræslagteri ApS, a Danish producer of organic and free-range chicken with annual sales of approximately MDKK 18.

MSEK	Q1 2016	Q1 2015	Change	LTM	2015
Net sales	1,386.3	1,309.6	6%	5,499.7	5,422.9
Operating income	67.2	67.6	-1%	259.0	259.5
Income for the period	42.4	41.6	2%	164.7	163.9
EPS, SEK	0.71	0.69	3%	2.75	2.73
Adjusted EBITDA*	115.1	114.0	1%	478.4	477.4
Adjusted operating income*	68.3	67.6	1%	292.2	291.5
Adjusted operating margin*	4.9%	5.2%	-	5.3%	5.4%
Adjusted income for the period*	43.3	41.6	4%	190.4	188.7
Adjusted EPS*, SEK	0.73	0.69	5%	3.18	3.15
Adjusted operating cash flow*	36.7	100.3	-63%	260.4	324.1

*) Adjusted for non-comparable items in Q1 2016 of MSEK -1.1 (-) in EBITDA and operating income and MSEK -0.9 (-) in income for the period, for LTM of MSEK -33.1 in EBITDA and operating income and MSEK -25.7 in income for the period, and for the full year 2015 of MSEK -32.0 in EBITDA and operating income and MSEK -24.8 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 for private labels. In Norway, eggs are also packed and sold under the brand Den Stolte Hane and for private labels. For more information, see www.scandistandard.com

CEO Statement

The year has started with strong growth in net sales driven by continued good demand in Sweden and a recovery of the market in Norway. In Norway, we also benefitted from new customer contracts. We had a particularly strong development in chilled products with a growth of 16 percent at constant exchange rates. The adjusted operating margin was somewhat lower than last year due to the consolidation of the Finnish operation, which was effective as of the second quarter last year. The adjusted margin for comparable units improved to 5.7 percent.

The Swedish operation showed a continued positive trend in both net sales and adjusted operating income with a higher margin. This was achieved through product innovation, an improved product mix and efficiency gains in production. Our newly introduced products sold well including the ready-to-eat Minutkyckling products that are produced in the new processing section in the Valla facility. We also launched the first chicken bacon on the Nordic market. Chicken bacon contains substantially less fat than traditional bacon and still has great taste. As a result of the cancellation of the acquisition of Lagerbergs in Sweden and the need for further capacity to meet the demand in the Swedish market, we have signed a long-term lease contract for an industrial facility close to Kristianstad in the south of Sweden. We are now evaluating to invest in this facility to reach an annual capacity of 20 million chickens in the first phase.

The market in Denmark continued to be very competitive with price pressure both locally and on exports. Net sales and the adjusted operating income for the Danish operation declined, and the margin was lower than last year. At the end of the quarter, we acquired a majority shareholding in Sødams Øko Fjerkræslagteri in Denmark, a producer of organic and free-range chicken with annual sales of approximately MDKK 18. The acquisition is in line with our strategy to broaden the product portfolio and expand our presence in the premium segment of the Danish market.

Net sales for the Norwegian operation increased substantially as a result of strong growth in market demand compared to a weak first quarter last year. The retail market for chilled chicken products grew by approximately 22 percent in value in the quarter. We also benefitted from increased volumes to Coop Norway and the start of deliveries to Norgesgruppen. Adjusted operating income rose substantially, although from a low level, and the margin improved.

As expected, capacity utilization in the Finnish facility was low in the quarter. We have signed additional contracts for the supply of birds and will be able to increase volumes during 2016.

To summarize, we continued to deliver on our strategy, i.e. to achieve organic growth in line with our vision to inspire the Nordic consumers to eat chicken once more per week, to improve operational efficiency and to strengthen the Group through acquisitions.

Leif Bergvall Hansen
Managing Director and CEO

Net sales and income

Net sales for the first quarter of 2016 increased by 6 percent to MSEK 1,386.3 (1,309.6) and by 8 percent at constant exchange rates, compared to the corresponding period last year.

Net sales increased by 6 percent in Sweden, while net sales in local currency decline by 6 percent in Denmark and increased by 32 percent in Norway. The Finnish operation had net sales of MSEK 20.7 (-).

Net sales by product category increased by 16 percent for chilled products and by 3 percent for frozen products at constant exchange rates.

Operating income amounted to MSEK 67.2 (67.6) including non-comparable items of MSEK -1.1 (-) referring to costs related to the acquisition of Lagerbergs, which was cancelled in the quarter.

Adjusted for these items, operating income amounted to MSEK 68.3 (67.6), corresponding to an adjusted operating margin of 4.9 (5.2) percent. Adjusted operating income increased in both Sweden and Norway but declined in Denmark. Operating income for the Finnish operation amounted to MSEK -9.2 (-).

Income for the period increased to MSEK 42.4 (41.6), corresponding to earnings per share of SEK 0.71 (0.69).

Financial summary

MSEK	Q1 2016	Q1 2015	Change	LTM	2015
Net sales	1,386.3	1,309.6	6%	5,499.7	5,422.9
EBITDA	113.9	114.0	-0%	445.3	445.4
Operating income	67.2	67.6	-1%	259.0	259.5
Income for the period	42.4	41.6	2%	164.7	163.9
EPS, SEK	0.71	0.69	3%	2.75	2.73
Adjusted EBITDA ¹⁾	115.1	114.0	1%	478.4	477.4
Adjusted EBITDA margin ¹⁾	8.3%	8.7%	-	8.7%	8.8%
Adjusted operating income ¹⁾	68.3	67.6	1%	292.2	291.5
Adjusted operating margin ¹⁾	4.9%	5.2%	-	5.3%	5.4%
Adjusted income after finance net ^{1,2)}	55.1	54.1	2%	248.5	247.5
Adjusted income for the period ^{1,2)}	43.3	41.6	4%	190.4	188.7
Adjusted EPS ^{1,2)} SEK	0.73	0.69	5%	3.18	3.15
Adjusted return on operating capital	12.8%	12.7%	-	13.0%	12.9%
Adjusted return on capital employed	12.5%	12.0%	-	13.2%	12.7%

1-2) See table below

Non-comparable items in EBITDA and operating income

	Q1 2016	Q1 2015	LTM	2015
Transaction costs ^{a)}	-1.1	-	-26.1	-25.0
Financial support to associate company ^{b)}	-	-	-7.0	-7.0
¹⁾ Total	-1.1	-	-33.1	-32.0

Non-comparable items in finance net and tax effects

²⁾ Tax effect on adjustments	0.2	-	7.4	7.2
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Non-comparable items in income for the period

	-0.9	-	-25.7	-24.8
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a) Deal fees related to acquisitions.

b) Financial support to associate company Farmfood A/S during 2015.

Segment information

Sweden

MSEK	Q1 2016	Q1 2015	Change	LTM	2015
Net sales	563.9	530.9	6%	2,264.1	2,231.1
Adjusted operating income*	43.7	33.0	32%	170.6	159.9
Adjusted operating margin*	7.7%	6.2%	-	7.5%	7.2%

*) Adjusted for non-comparable items in Q1 2016 of MSEK -1.1 (-), for LTM of MSEK -9.6, and for the full year 2015 of MSEK -8.5. For a description of adjustments, see page 8.

Net sales in Sweden in the first quarter 2016 increased by 6 percent to MSEK 563.9 (530.9) driven by product innovation and strong market growth in particularly chilled products.

Product launches in the quarter included ready-to-eat Minutkyckling products and the first chicken bacon in the Nordic market.

Adjusted operating income improved by 32 percent to MSEK 43.7 (33.0), corresponding to a margin of 7.7 (6.2) percent. The increase in adjusted operating income and margin was a result of higher volumes, an improved product mix and efficiency gains in production.

Denmark

MSEK	Q1 2016	Q1 2015	Change	LTM	2015
Net sales	548.8	584.8	-6%	2,247.7	2,283.7
Adjusted operating income*	28.7	32.8	-13%	139.8	143.9
Adjusted operating margin*	5.2%	5.6%	-	6.2%	6.3%

MDKK	Q1 2016	Q1 2015	Change	LTM	2015
Net sales	439.0	464.4	-6%	1,795.1	1,820.5
Adjusted operating income*	22.9	26.9	-15%	110.7	114.7
Adjusted operating margin*	5.2%	5.6%	-	6.2%	6.3%

*) Adjusted for non-comparable items in Q1 2016 of MSEK - (-), for LTM of MSEK -4.4 and for the full year 2015 of MSEK -4.4. For a description of adjustments, see page 8.

Net sales in Denmark in the first quarter 2016 decreased by 6 percent to MSEK 548.8 (584.8), and by 6 percent in local currency. The decline was due to continued price pressure in both the local retail market and on export markets.

Adjusted operating income declined by 13 percent to MSEK 28.7 (32.8), corresponding to a margin of 5.2 (5.6) percent. The decline in adjusted operating income and margin was due to lower volumes and negative price/mix.

Norway

MSEK	Q1 2016	Q1 2015	Change	LTM	2015
Net sales	331.9	275.7	20%	1,234.5	1,178.3
Adjusted operating income*	20.1	13.2	53%	67.3	60.3
Adjusted operating margin*	6.1%	4.8%	-	5.4%	5.1%

MNOK	Q1 2016	Q1 2015	Change	LTM	2015
Net sales	338.9	256.7	32%	1,208.2	1,125.9
Adjusted operating income*	19.2	12.1	59%	64.8	57.7
Adjusted operating margin*	6.1%	4.8%	-	5.4%	5.1%

*) Adjusted for non-comparable items in Q1 2016 of MSEK - (-), for LTM of MSEK -4.4, and for the full year 2015 of MSEK -4.4. For a description of adjustments, see page 8.

Net sales in Norway in the first quarter 2016 increased by 20 percent to MSEK 331.9 (275.7) and by 32 percent in local currency. The increase was achieved on the basis of strong market growth compared to a weak first quarter last year, and to deliveries to Coop Norway. Deliveries to Norgesgruppen also started during the quarter.

Adjusted operating income improved by 53 percent to MSEK 20.1 (13.2), corresponding to a margin of 6.1 (4.8) percent. The increase in adjusted operating income and margin was mainly attributable to higher volumes.

Finland

MSEK	Q1 2016	Q1 2015	Change	LTM**	2015
Net sales	20.7	-	-	64.3	43.7
Adjusted operating income*	-9.2	-	-	-33.3	-24.1
Adjusted operating margin*	-44.6%	-	-	-51.7%	-55.1

MEUR	Q1 2016	Q1 2015	Change	LTM**	2015
Net sales	2.2	-	-	6.9	4.7
Adjusted operating income*	-1.0	-	-	-3.6	-2.6
Adjusted operating margin*	-44.6%	-	-	-51.7%	-55.1%

*) Adjusted for non-comparable items in Q1 2016 of MSEK - (-), for LTM of MSEK -9.0 and for the full year 2015 of MSEK -9.0. For a description of adjustments, see page 8.

***) Operations started 1 May 2015.

Net sales for the Finnish operation in the first quarter 2016 amounted to MSEK 20.7 (-). Adjusted operating income was MSEK -9.2 (-).

The negative adjusted operating income was due to low capacity utilization. Volumes will be increased during the remainder of the year.

Cash flow and investments

Adjusted operating cash flow in the first quarter 2016 amounted to MSEK 36.7 (100.3). The decline is due to higher capital expenditure this year and that cash flow last year was positively impacted by a significant increase in accounts payable.

Working capital as of 31 March 2016 amounted to MSEK 303.9 (335.6), corresponding to 5.5 percent of net sales as compared to 5.0 percent at year-end 2015.

Capital expenditure amounted to MSEK 46.5 (22.5). The increase refers to continued investments in the Valla facility in Sweden and investments in Norway.

Adjusted operating cash flow

MSEK	Q1 2016	Q1 2015	LTM	2015
Adjusted EBITDA*	115.1	114.0	478.4	477.4
Capital expenditure	-46.5	-22.5	-230.5	-206.5
Change in inventories	3.5	-13.6	6.4	-10.7
Change in other working capital	-35.4	22.4	6.1	63.9
Adjusted operating cash flow	36.7	100.3	260.4	324.1

*Adjusted for non-comparable items in Q1 2016 of MSEK -1.1 (-), for LTM of MSEK -33.1 and for the full year 2015 of MSEK -32.0. For a description of adjustments, see page 3 and 8.

Financial position

Total equity as of 31 March 2016 increased to MSEK 969.2 (892.6). The equity to assets ratio improved to 29.2 (27.9) percent.

Net interest-bearing debt as of 31 March 2016 increased to MSEK 1,350.6 compared to MSEK 1,313.0 at year-end 2015. Net debt/adjusted EBITDA was 2.8x (2.9x). Cash and cash equivalents amounted to MSEK 149.6 (161.6).

Personnel

The average number of employees (FTE) in the quarter was 1,591 (1,597).

Change in Group Management

Mark Hemmingsen has been appointed Managing Director of the Danish subsidiary Danpo A/S as of 1 August 2016. He succeeds Jes Bjerregaard who will take up a position outside the Group.

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 in the first quarter 2016 amounted to MSEK 0.5 (0.4).

Events after the close of the period

Annual general meeting

The Annual General Meeting (AGM) 2016 was held on April 25 in Stockholm. The proposed dividend of SEK 1.80 per share and April 27 as record day were approved by the AGM. The number of Board members was increased from 7 to 8. In accordance with the proposal of the Nomination Committee, Per Harkjaer was re-elected Chairman of the Board of Directors. Ulf Gundemark, Michael Parker, Asbjorn Reinkind, Karsten Slotte and Helene Vibbleus were re-elected to the Board. Samir Kamal and Harald Pousette were elected new Board members.

The AGM also approved the Board of Directors' proposal for Long Term Incentive Program, LTIP 2016, for key employees, which is of the same type as LTIP 2015. For further details, see the press release from the AGM at www.scandistandard.com.

Acquisition of Sødams in Denmark

At the end of the first quarter 2016, the Group's Danish subsidiary Danpo A/s acquired a majority shareholding in Sødams Øko Fjerkræslagteri ApS in Denmark. The company has sales of approximately MDKK 18 and processes approximately 500 000 organic and free-range chickens on an annual basis.

New lease agreement in Sweden

The Group's Swedish subsidiary Kronfågel AB has signed a long-term lease contract for an industrial facility close to Kristianstad in the south of Sweden and is evaluating to invest in the facility to reach an annual capacity of 20 million chickens in the first phase.

Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 39-41 and pages 66-67 in the Annual Report 2015, which is available on www.scandistandard.com.

Stockholm, 10 May 2016

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 2016	Q1 2015	Change	LTM	2015
Sweden	563.9	530.9	6%	2,264.1	2,231.1
of which internal sales	41.1	52.0	-20%	124.9	135.8
Denmark	548.8	584.8	-6%	2,247.7	2,283.7
of which internal sales	37.9	29.8	27%	186.1	178.0
Norway	331.9	275.7	20%	1,234.5	1,178.3
of which internal sales	-	-	-	-	-
Finland	20.7	-	-	64.3	43.7
of which internal sales	-	-	-	-	-
Intra-group eliminations	-79.0	-81.8	-4%	-311.0	-313.8
Total net sales	1,386.3	1,309.6	6%	5,499.7	5,422.9
Local currency	Q1 2016	Q1 2015	Change	LTM	2015
Denmark	439.0	464.4	-6%	1,795.1	1,820.5
Norway	338.9	256.7	32%	1,208.2	1,125.9
Finland	2.2	-	-	6.9	4.7
Group	1,265.2	1,170.2	8%	4,963.4	4,868.4

Net sales by product category

MSEK	Q1 2016	Q1 2015	Change	LTM	2015
Chilled	620.4	546.6	14%	2,418.4	2,344.5
Frozen	614.1	597.5	3%	2,474.2	2,457.7
Eggs	77.6	89.1	-13%	319.2	330.7
Other*	74.2	76.4	-3%	287.9	290.0
Total net sales	1,386.3	1,309.6	6%	5,499.7	5,422.9

Exchange rates**

	Q1 2016	Q1 2015	LTM	2015
SEK/NOK	0.98	1.07	0.96	1.05
SEK/DKK	1.25	1.26	1.24	1.25
SEK/EUR	9.32	-	-	9.36

*) Relates mainly to Swehatch sales of day-old chicks to farmers and pet food.

**) Average exchange rates.

Adjusted operating income

MSEK	Q1 2016	Q1 2015	LTM	2015
Sweden	43.7	33.0	170.6	159.9
Denmark	28.7	32.8	139.8	143.9
Norway	20.1	13.2	67.3	60.3
Finland	-9.2	-	-33.3	-24.1
Group	-10.4	-6.5	-33.6	-29.6
Amortisation	-4.5	-4.9	-18.6	-19.0
Total	68.3	67.6	292.2	291.5

Adjustments to operating income

MSEK	Q1 2016	Q1 2015	LTM	2015
Sweden	-1.1	-	-9.6	-8.5
Denmark	-	-	-4.4	-4.4
Norway	-	-	-4.4	-4.4
Finland	-	-	-9.0	-9.0
Group	-	-	-5.7	-5.7
Total	-1.1	-	-33.1	-32.0

Operating income

MSEK	Q1 2016	Q1 2015	LTM	2015
Sweden	42.5	33.0	160.9	151.4
Denmark	28.7	32.8	135.4	139.5
Norway	20.1	13.2	62.9	56.0
Finland	-9.2	-	-42.3	-33.1
Group	-10.4	-6.5	-39.2	-35.3
Amortisation	-4.5	-4.9	-18.6	-19.0
Total operating income	67.2	67.6	259.0	259.5
Finance net	-13.2	-13.5	-43.6	-43.9
Income tax expense	-11.6	-12.5	-50.7	-51.6
Income for the period	42.4	41.6	164.7	163.9

Consolidated income statement

MSEK	Q1 2016	Q1 2015	2015
Net sales	1,386.3	1,309.6	5,422.9
Other operating revenues	11.9	4.8	29.8
Changes in inventories of finished goods and work in progress	-3.6	13.6	-2.2
Raw materials and consumables	-800.4	-765.0	-3,144.5
Cost of personnel	-262.0	-245.5	-1,010.0
Depreciation, amortization and impairment	-47.6	-45.7	-187.2
Other operating expenses	-218.3	-203.5	-850.6
Share of income of associates	0.9	-0.7	1.3
Operating income	67.2	67.6	259.5
Finance income	1.2	0.1	10.8
Finance expenses	-14.4	-13.6	-54.7
Income after finance net	53.9	54.1	215.5
Income tax expense	-11.6	-12.5	-51.6
Income for the period	42.4	41.6	163.9
Whereof attributable to shareholders of the Parent Company	42.4	41.6	163.9
Average number of shares	59,612,178 ¹	60,060,890	59,932,408
Earnings per share, SEK	0.71	0.69	2.73
Earnings per share after dilution, SEK	0.71	0.69	2.73
Number of shares at the end of the period	60,060,890	60,060,890	60,060,890

1) 448,712 shares were purchased during 2015.

Consolidated statement of other comprehensive income

MSEK	Q1 2016	Q1 2015	2015
Income for the period	42.4	41.6	163.9
Other comprehensive income			
Items that will not be reclassified to the income statement			
Actuarial gains and losses in defined benefit pension plans	-12.1	-27.4	25.6
Tax on actuarial gains and losses	2.7	5.7	-6.0
Total	-9.4	-21.7	19.6
Items that will or may be reclassified to the income statement			
Cash flow hedges	-2.8	-7.0	-5.9
Currency effects from conversion of foreign operations	10.2	-10.1	-36.8
Income from currency hedging of foreign operations	3.1	1.3	-6.3
Tax attributable to items that will be reclassified to the income statement	0.7	2.3	2.5
Total	11.2	-13.5	-46.5
Other comprehensive income for the period, net of tax	1.8	-35.2	-26.9
Total comprehensive income for the period	44.2	6.4	137.0
Whereof attributable to shareholders of the Parent Company	44.2	6.4	137.0

Consolidated statement of financial position

MSEK	Note	31 Mar 2016	31 Mar 2015	31 Dec 2015
Assets				
Non-current assets				
Goodwill		683.6	613.5	596.5
Other intangible assets		490.1	525.2	489.9
Property plant and equipment		896.6	784.0	881.7
Participations in associated companies		42.9	41.6	41.4
Financial assets		0.4	1.6	0.4
Surplus in funded pension plans		3.7	-	16.4
Deferred tax assets		28.0	40.8	16.5
Other fixed assets		-	0.7	-
Total non-current assets		2,145.4	2,007.4	2,042.8
Current assets				
Inventory		532.0	555.9	530.3
Trade receivables and other receivables		485.7	472.5	427.5
Short term investments		2.9	-	0.5
Cash and cash equivalents		149.6	161.6	142.7
Total current assets		1,170.2	1,190.0	1,101.0
Total assets		3,315.6	3,197.4	3,143.8
Equity and liabilities				
Shareholder's equity				
Share capital		0.6	0.6	0.6
Other contributed equity		810.0	851.7	810.0
Reserves		-5.0	20.4	-16.8
Retained earnings		163.6	19.9	131.1
Total equity		969.2	892.6	924.9
Liabilities				
Non-current liabilities				
Non-current interest bearing liabilities		1,430.8	1,431.4	1,394.9
Provisions for pensions		1.2	45.0	1.7
Deferred tax liabilities		95.2	65.0	86.0
Other non-current liabilities	4	53.3	-	-
Non-current provisions		-	2.4	1.9
Total non-current liabilities		1,580.5	1,543.8	1,484.5
Current liabilities				
Current interest bearing liabilities		69.3	68.3	60.9
Trade payables and other current liabilities		669.2	668.9	653.0
Tax payables		27.4	23.8	20.5
Total current liabilities		765.9	761.0	734.4
Total equity and liabilities		3,315.6	3,197.4	3,143.8

Consolidated statement of changes in equity

MSEK

Opening balance 1 January 2015	886.4
Income for the period	163.9
Other comprehensive income, net after tax	-26.9
Total comprehensive income	137.0
Dividend	-78.1
Repurchase own shares	-20.4
Total transactions with the owners	-98.5
Closing balance 31 December 2015	924.9
Opening balance 1 January 2016	924.9
Income for the period	42.4
Other comprehensive income, net after tax	1.8
Total comprehensive income	44.2
Total transactions with the owners	-
Closing balance 31 March 2016	969.2

Consolidated statement of cash flows

MSEK	Q1 2016	Q1 2015	2015
Operating activities			
Operating income	67.2	67.6	259.5
Adjustment for non-cash items	56.5	46.2	199.7
Paid finance items net	-11.3	-13.5	-51.6
Paid current income tax	-12.8	-12.5	-22.1
Cash flow from operating activities before changes in operating capital	99.6	87.8	385.5
Changes in inventories	3.5	-13.6	-10.7
Changes in operating receivables	-31.7	-52.9	-27.9
Changes in operating payables	-3.7	75.3	91.9
Cash flow from operating activities	67.7	96.6	438.8
Investing activities			
Business combinations	-22.5	-	-55.7
Investment in property, plant and equipment	-46.5	-22.5	-206.5
Cash flow from investing activities	-69.0	-22.5	-262.2
Financing activities			
Net change in external loans	11.4	-	-20.4
Dividend	-	-	-78.1
Repurchase own shares	-	-	-20.4
Cash flow from financing activities	11.4	-	-118.9
Cash flow for the period	10.1	74.1	57.7
Cash and cash equivalents at beginning of the period	142.7	89.7	89.7
Currency effect in cash and cash equivalents	-3.2	-2.2	-4.7
Cash flow for the period	10.1	74.1	57.7
Cash and cash equivalents at the end of the period	149.6	161.6	142.7

Parent company income statement

MSEK	Q1 2016	Q1 2015	2015
Net sales	-	-	-
Operating expenses	-	-	-0.1
Operating income	-	-	-0.1
Finance net	3.6	3.8	14.6
Income after finance net	3.6	3.8	14.5
Group contribution	-	-	-3.9
Tax expenses	-0.8	-0.8	-2.3
Income for the period	2.8	3.0	8.3

Parent company statement of comprehensive income

MSEK	Q1 2016	Q1 2015	2015
Income for the period	2.8	3.0	8.3
Other comprehensive income	-	-	-
Total comprehensive income for the period	2.8	3.0	8.3

Parent company statement of financial position

MSEK	Note	31 Mar 2016	31 Mar 2015	31 Dec 2015
Assets				
Non-current assets				
Investments in subsidiaries		532.7	532.7	532.7
Receivables from Group entities		358.7	358.7	358.7
Deferred tax assets		-	2.3	-
Total non-current assets		891.4	893.7	891.4
Current assets				
Receivables from Group entities		-	6.2	-
Cash and cash equivalents		-	0.0	-
Total current assets		-	6.2	-
Total assets		891.4	899.9	891.4
Equity and liabilities				
Equity				
<i>Restricted equity</i>				
Share capital		0.6	0.6	0.6
<i>Non-restricted equity</i>				
Share premium account		810.0	888.1	810.0
Retained earnings		-28.6	-16.4	-36.8
Income for the period		2.8	3.0	8.3
Total equity		784.9	875.3	782.1
Non-current liabilities				
Non-current interest bearing liabilities		-	-	27.5
Total non-current liabilities		-	-	27.5
Current liabilities				
Tax liability		0.8	0.8	-
Liabilities to Group entities		27.6	23.8	81.8
Other current liabilities	4	78.1	-	-
Total current liabilities		106.5	24.6	81.8
Total equity and liabilities		891.4	899.9	891.4

Parent company statement of changes in equity

MSEK

Opening balance 1 January 2015	872.3
Income for the period	8.3
Other comprehensive income, net after tax	-
Total comprehensive income	8.3
Dividend	-78.1
Repurchase own shares	-20.4
Total transactions with the owners	-98.5
Closing balance 31 December 2015	782.1
Opening balance 1 January 2016	782.1
Income for the period	2.8
Other comprehensive income, net after tax	-
Total comprehensive income	2.8
Closing balance 31 March 2016	784.9

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.

The interim information on the pages 3-19 is an integral part of this financial report.

Acquisition in Denmark

On 30 March 2016, Scandi Standard's subsidiary Danpo A/S signed an agreement to acquire a majority shareholding in Sødams Øko Fjerkræslagteri ApS that processes approximately 500,000 organic and free-range chickens annually. The acquisition is made in order to broaden the product portfolio and expand the Group's presence in the premium segment of the Danish market.

The purchase price amounts to a maximum of MDKK 48 for 80 percent shareholding, including an initial payment of MDKK 18 in connection with signing of the agreement. The remaining payments will be performed partially over four years depending on achievement of certain criteria.

The purchase agreement includes a put/call option for acquisition and sale of the remaining 20 percent of the shares and the total price is estimated to increase to a maximum of MDKK 61 over four years including payment of MDKK 13 for the remaining shares.

A preliminary purchase price allocation has been performed per 31 March 2016. No intangible assets except for goodwill have been identified, and MDKK 60.5 was allocated to goodwill. The purchase price allocation will be finalized during the coming quarters. The financial effects of the transaction have been recognized per 31 March 2016 and the acquired company has been recognized as a wholly owned subsidiary.

Long-term incentive program

The Annual General Meeting ("The AGM") 2016 decided on a Long-term incentive programme, LTIP 2016, for key employees intended to contribute to long-term value growth of the same type as LTIP 2015. LTIP 2015 and 2016 are equity-settled, share based compensation plans accounted for in accordance with IFRS 2, Share based payments. The programmes are expensed over the vesting period (3 years). At the end of each reporting period, the Company considers changes in the anticipated number of vested shares. Social charges related to the program are recognized as a cash-settled instrument. For more information about the Group's long-term incentive programmes, see Note 1 and 5 in the Annual Report 2015.

No changes have been made in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2015.

Note 2. Segment information

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

Internal reporting to Group Management and the Board of Directors 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, and Bosarpskyckling AB. 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, the associate Farmfood A/S and the newly acquired Sødams Øko Fjerkræslagteri ApS. 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. Sødams Øko Fjerkræslagteri processes organic and free-range chicken for the Danish market.

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's financial instruments, by classification and by level in the fair value hierarchy as per 31 March 2016 and for the comparison period, are shown in the tables below.

2016-03-31, MSEK	Loans and receivables	Financial assets at fair value through profit or loss	Derivatives used in hedge accounting	Other financial assets and liabilities	Total carrying amount	Measured at amortized cost	Fair value by level ¹
Assets							Level 2
Other non-current financial assets	0.4	-	-	-	0.4	0.4	-
Trade receivables and other receivables	358.0	-	-	-	358.0	358.0	-
Current interest bearing receivables	2.8	-	2.0	-	4.8	2.8	2.0
Cash and cash equivalents	149.6	-	-	-	149.6	149.6	-
Total financial assets	510.8	-	2.0	-	512.8	510.8	2.0
Liabilities							Level 2
Non-current interest bearing liabilities	53.3	0.5	19.1	1,411.2	1,484.1	1,464.5	19.6
Current interest bearing liabilities	-	-	-	69.3	69.3	69.3	-
Trade and other payables	374.3	-	-	-	374.3	374.3	-
Total financial liabilities	427.6	0.5	19.1	1,480.5	1,927.7	1,908.1	19.6

2015-03-31, MSEK	Loans and receivables	Financial assets at fair value through profit or loss	Derivatives used in hedge accounting	Other financial assets and liabilities	Total carrying amount	Measured at amortized cost	Fair value by level ¹
Assets							Level 2
Other non-current financial assets	2.3	-	-	-	2.3	2.3	-
Trade receivables and other receivables	384.0	-	-	-	384.0	384.0	-
Current interest-bearing receivables	0.9	-	-	-	0.9	0.9	-
Cash and cash equivalents	161.6	-	-	-	161.6	161.1	-
Total financial assets	548.8	-	-	-	548.8	548.8	-
Liabilities							Level 2
Non-current interest bearing liabilities	-	0.3	5.7	1,425.7	1,431.7	1,425.7	6.0
Current interest-bearing liabilities	-	-	-	68.3	68.3	68.3	-
Trade and other payables	383.3	-	11.9	-	395.2	383.3	11.9
Total financial liabilities	383.3	0.3	17.6	1,494.0	1,895.2	1,877.3	17.9

¹The 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 31 March 2016 and at the end of the comparison periods the Group had financial derivatives (level 2) and biological assets (level 3) 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 31 March 2016 the derivatives amounted to MSEK -17.6 (-17.6). 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 31 March 2016 those amounted to MSEK 37.5 (35.6). For the Group's long-term borrowing, which as of 31 March 2016 amounted to MSEK 1,498.3 (1,499.7), 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 fair value is estimated at cost adjusted for any impairment.

Note 4. Other liabilities

The entire other long-term liability per 31 March 2016 for the Group amounting to MSEK 53.3 (2.4) refers to additional purchase price related to acquisitions performed in 2015 and 2016. The entire other current liability in the Parent Company as per 31 March 2016 amounting to MSEK 78.1 (-) is related to dividend paid by another Group company.

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 10 May 2016 at 10:00 AM CET.

The dial-in numbers are:

UK: 020 3059 8125

Sweden: +46 8 50 510 036

Other countries: +44 20 3059 8125

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 2016: 24 August 2016
- Interim report for the third quarter 2016: 3 November 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 10 May 2016.

Forward looking statement

This report contains forward-looking statements and the actual outcome could be materially different. Factors that could have a material effect on the actual outcome 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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