

Press release 25 November 2016

Update on impact from bird flu

Reference is made to the release of 21 November 2016 regarding prevalence of bird flu (H5N8) in Denmark and possible trade restrictions which might be imposed as a consequence of the detection. Subsequent to the release a number of countries have been closed for export of poultry products from Denmark.

On 23 November 2016 the bird flu was detected in Sweden, and Sweden is therefore likely to be subject to similar trade restrictions.

Such temporary trade restrictions are typically imposed for a duration of 6-12 months following the last detection. Scandi Standard has carried out a review of its planned sales to the relevant countries from Denmark and Sweden as well as an analysis of alternative markets for these products.

As prevalence of H5N8 has also recently been detected in several other European countries, which in turn have become subject to similar trade restrictions, Scandi Standard expects prices in alternative export markets to be under pressure.

Based on the current status, the negative EBIT effect on its export volumes is expected to be in the range of SEK four to eight million per month. The impact may however be larger during the initial stages as new markets/channels needs to be identified and logistics adapted.

Scandi Standard will be working actively on a number of measures to minimize the net impact on its accounts and cash flow.

The bird flu has not been detected among any of Scandi Standard's suppliers. Scandi Standard is continuing to work closely with relevant authorities and has implemented elevated biosecurity measures.

The H5N8 is not considered to affect humans but is very contagious between birds. There is no reason for concern for the consumer, chicken is safe to eat.

Scandi Standard is monitoring the situation closely and will update the market in case of further material developments.

Scandi Standard is the largest producer of chicken-based food products in the Nordic region with leading positions in Sweden, Denmark, Norway and Finland. The company produces, markets and sells ready to eat, chilled and frozen products under the brands Kronfågel, Danpo, Den Stolte Hane and Naapurin Maalaiskana. For more information, see www.scandistandard.com



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