



Scandi Standard

Fourth quarter and year-end report 2015

26 February 2016

Fourth quarter

- Net sales increased by 10 percent to MSEK 1,376.0 (1,252.0), and by 12 percent at constant exchange rates, with strong growth in Sweden and Norway and a decline in Denmark.
- Adjusted* operating income decreased to MSEK 68.1 (79.6), corresponding to an adjusted operating margin of 5.0 (6.4) percent, due to the consolidation of the newly acquired Finnish operation which reported a loss of MSEK -11.7.
- Income for the period declined to MSEK 28.1 (42.9), including non-comparable items of MSEK -15.9 (-5.2), and earnings per share were SEK 0.47 (0.71).
- Adjusted* operating cash flow amounted to MSEK 39.4 (64.5).

Full year 2015

- Net sales increased by 3 percent to MSEK 5,422.9 (5,267.2), and by 3 percent at constant exchange rates, with higher net sales in Sweden and Denmark more than offsetting lower net sales in Norway.
- Adjusted* operating income decreased to MSEK 291.5 (301.0), corresponding to an adjusted operating margin of 5.4 (5.7) percent.
- Income for the period increased to MSEK 163.9 (56.1), including non-comparable items of MSEK -24.8 (-89.0), and earnings per share were SEK 2.73 (1.02).
- Adjusted* operating cash flow decreased to MSEK 324.1 (438.1) MSEK, negatively affected by higher capital expenditure and an increase in inventories compared to last year.
- The Board of Directors proposes a dividend for 2015 of SEK 1.80 (1.30) per share.

| MSEK | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---------------------------------|---------|---------|--------|---------|---------|--------|
| Net sales | 1,376.0 | 1,252.0 | 10% | 5,422.9 | 5,267.2 | 3% |
| Operating income | 47.6 | 73.5 | -35% | 259.5 | 238.5 | 9% |
| Income for the period | 28.1 | 42.9 | -35% | 163.9 | 56.1 | 192% |
| EPS | 0.47 | 0.71 | -34% | 2.73 | 1.02 | 168% |
| Adjusted* EBITDA | 112.8 | 118.8 | -5% | 477.4 | 470.2 | 2% |
| Adjusted* operating income | 68.1 | 79.6 | -14% | 291.5 | 301.0 | -3% |
| Adjusted* operating margin | 5.0% | 6.4% | | 5.4% | 5.7% | |
| Adjusted* income for the period | 44.0 | 48.1 | -9% | 188.7 | 145.1 | 30% |
| Adjusted* EPS, SEK | 0.74 | 0.80 | -8% | 3.15 | 2.63 | 20% |
| Adjusted* operating cash flow | 39.4 | 64.5 | -39% | 324.1 | 438.1 | -26% |

*) Adjusted for non-comparable items in Q4 2015 of MSEK -20.5 (-6.1) in EBITDA and operating income and MSEK -15.9 (-5.2) in income for the period, and for the full year 2015 of MSEK -32.0 (-62.5) in EBITDA and operating income and MSEK -24.8 (-89.0) in income for the period. See page 4.

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, and Chicky World, 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

We saw a substantial increase in net sales in the fourth quarter driven by strong growth in both Sweden and Norway. Adjusted operating income and margin declined, however, due to the consolidation of the newly acquired Finnish operation.

The growth in net sales in Sweden was achieved on the basis of continued strong market growth and successful product launches. Adjusted operating income for the Swedish operation increased substantially as a result of a higher volumes. The adjusted operating margin was in line with last year.

Net sales in Norway have increased gradually since deliveries to Coop under the new supply agreement started in August. It was also gratifying to see a recovery of the Norwegian market after several quarters of decline. Adjusted operating income and operating margin for the Norwegian operation declined, however, due to a less favourable product mix and stock clearance.

The price pressure in Denmark continued in the quarter both in the local market and on exports, and net sales for the Danish operation were lower than last year. We managed to improve both adjusted operating income and margin through continued efficiency gains in the supply chain.

Sales volumes in Finland were still small in the quarter. Finland is an attractive market and we expect to be able to increase volumes during 2016. We are also focusing on improving efficiency in the facility.

For the full year 2015, higher net sales in Sweden and Denmark more than compensated for a decline in Norway. The adjusted operating margin declined to 5.4 percent from 5.7 percent in 2014, due to the consolidation of the Finnish operation. For comparable units, the adjusted operating margin increased to 5.8 percent. Cash flow was strong although lower than last year due to higher capital expenditure and an increase in inventories compared to a significant decrease in 2014. The increase in capital expenditure relates to investments in new processing capacity for ready to eat products. Adjusted income for the period and adjusted earnings per share improved, benefitting from substantially lower finance expenses. The net debt/adjusted EBITDA ratio improved to 2.7 from 3.0 in 2014.

We made progress in a number of areas during the year. Our efforts in product development generated an increased number of product launches in all countries, and efficiency in production was improved. The market position was strengthened in both Sweden and Norway. The operation in Finland is in a start up phase and we will gradually build our position and improve profitability. I believe the Group is well positioned for continued profitable growth, and we will continue to strengthen operations during 2016.

Leif Bergvall Hansen
Managing Director and CEO

Net sales and income

Fourth quarter

Net sales for the fourth quarter of 2015 increased by 10 percent to MSEK 1,376.0 (1,252.0) and by 12 percent at constant exchange rates, compared to the corresponding period last year.

Net sales increased by 17 percent in Sweden and by 24 percent in Norway in local currency, while net sales in Denmark declined by 3 percent in local currency. The newly acquired Finnish operation had net sales of MSEK 15.9.

Net sales by product category increased by 13 percent for chilled products and by 8 percent for frozen products in local currency.

Operating income decreased to MSEK 47.6 (73.5), including non-comparable items of MSEK -20.5 (-6.1) relating to deal fees for completed and non-completed acquisitions. For a description of the non-comparable items, see page 4 and 10. Adjusted for these items operating income amounted to MSEK 68.1 (79.6), corresponding to an adjusted operating margin of 5.0 (6.4) percent. Adjusted operating income increased in both Sweden and Denmark, but declined in Norway. The Finnish operation reported a loss of MSEK -11.7 in the quarter.

Income for the period declined to MSEK 28.1 (42.9) including non-comparable items of MSEK -15.9 (-5.2). Adjusted income for the period amounted to MSEK 44.0 (48.1). Adjusted earnings per share decreased to SEK 0.74 (0.80).

Full year

Net sales for the full year 2015 increased by 3 percent to MSEK 5,422.9 (5,267.2), and by 3 percent at constant exchange rates compared to last year.

Net sales increased by 9 percent in Sweden and by 1 percent in Denmark in local currency, while net sales in Norway declined by 3 percent in local currency. Net sales for the Finnish operation amounted to MSEK 43.7.

Net sales by product category increased by 7 percent for chilled products and by 1 percent for frozen products in local currency.

Operating income amounted to MSEK 259.5 (238.5), including non-comparable items of MSEK -32.0 (-62.5). For a description of the non-comparable items, see page 4 and 10. Adjusted for these items, operating income was MSEK 291.5 (301.0), corresponding to an adjusted operating margin of 5.4 (5.7) percent. Adjusted operating income showed a strong increase in both Sweden and Denmark, but declined in Norway. The Finnish operation reported a loss of MSEK -24.1 for the full year.

Income for the period increased to MSEK 163.9 (56.1), mainly as a result of significantly reduced finance expenses and lower non-comparable items. Earnings per share were SEK 2.73 (1.02). Adjusted income for the period increased to MSEK 188.7 (145.1), corresponding to adjusted earnings per share of SEK 3.15 (2.63).

Financial summary

| MSEK | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---|---------|---------|--------|---------|---------|--------|
| Net sales | 1,376.0 | 1,252.0 | 10% | 5,422.9 | 5,267.2 | 3% |
| EBITDA | 92.3 | 112.7 | -18% | 445.4 | 407.7 | 9% |
| Operating income | 47.6 | 73.5 | -35% | 259.5 | 238.5 | 9% |
| Income for the period | 28.1 | 42.9 | -35% | 163.9 | 56.1 | 192% |
| EPS | 0.47 | 0.71 | -34% | 2.73 | 1.02 | 168% |
| Adjusted EBITDA ¹⁾ | 112.8 | 118.8 | -5% | 477.4 | 470.2 | 2% |
| Adjusted EBITDA margin ¹⁾ | 8.2% | 9.5% | | 8.8% | 8.9% | |
| Adjusted operating income ¹⁾ | 68.1 | 79.6 | -14% | 291.5 | 301.0 | -3% |
| Adjusted operating margin ¹⁾ | 5.0% | 6.4% | - | 5.4% | 5.7% | - |
| Adjusted income after finance net ^{1,2)} | 63.2 | 61.2 | 3% | 247.5 | 189.8 | 30% |
| Adjusted income for the period ^{1,2,3)} | 44.0 | 48.1 | -9% | 188.7 | 145.1 | 30% |
| Adjusted EPS ^{1,2,3)} | 0.74 | 0.80 | -8% | 3.15 | 2.63 | 20% |
| Adjusted return on operating capital | - | - | - | 12.9% | 13.6% | - |
| Adjusted return on capital employed | - | - | - | 12.7% | 12.9% | - |

¹⁻³⁾ See table below

| Non-comparable items in EBITDA and operating income | Q4 2015 | Q4 2014 | 2015 | 2014 |
|--|---------|---------|-------|-------|
| IPO costs ^{a)} | - | - | - | -36.5 |
| Transition costs ^{b)} | - | -1.4 | - | -13.9 |
| Monitoring fees ^{c)} | - | - | - | -5.8 |
| Transaction costs ^{d)} | -20.5 | -0.7 | -25.0 | -2.3 |
| Financial support to associate company ^{e)} | - | - | -7.0 | - |
| Pension revaluation ^{f)} | - | -4.0 | - | -4.0 |
| ¹⁾ Total | -20.5 | -6.1 | -32.0 | -62.5 |
| Non-comparable items in finance net and tax effects | | | | |
| ²⁾ Refinancing ^{g)} | - | - | - | -51.0 |
| ³⁾ Tax effect on adjustments | 4.6 | 0.9 | 7.2 | 24.5 |
| Non-comparable items in income for the period | -15.9 | -5.2 | -24.8 | -89.0 |

^{a)} Non-recurring costs related to the IPO.

^{b)} Transition costs related to the carve-out of the Swedish and Danish operations from Lantmännen, e.g IS/IT costs.

^{c)} Monitoring fees charged by prior owners, which ceased at the time of the IPO.

^{d)} Deal fees related to acquisitions.

^{e)} Financial support to associate company Farmfood A/S during Q3

^{f)} Non-comparable items regarding pension revaluation arose from the closure of the defined benefit scheme.

^{g)} Non-recurring write-off arrangement fees related to the old credit facility.

Segment information

Sweden

| MSEK | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|----------------------------|---------|---------|--------|---------|---------|--------|
| Net sales | 571.5 | 488.0 | 17% | 2,231.1 | 2,055.2 | 9% |
| Adjusted operating income* | 37.5 | 33.9 | 11% | 159.9 | 113.8 | 41% |
| Adjusted operating margin* | 6.6% | 6.9% | - | 7.2% | 5.5% | - |

*) Adjusted for non-comparable items in Q4 2015 of MSEK -5.0 (-4.2) and for the full year 2015 of MSEK -8.5 (-13.9). For a description of adjustments, see page 10.

Net sales for the Swedish operation in the fourth quarter 2015 increased by 17 percent to MSEK 571.5 (488.0) as a result of continued strong market growth for particularly chilled products and successful product launches. Launches in the quarter included an extension of the Minute product line with Minute fillet slices and Minute fillet stripes as well as free range chicken and a re-launch of organic chicken under the Kronfågel Bosarp brand.

Adjusted operating income in the quarter increased by 11 percent to MSEK 37.5 (33.9) as a result of higher volumes. The adjusted operating margin was 6.6 (6.9) percent.

Denmark

| MSEK | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|----------------------------|---------|---------|--------|---------|---------|--------|
| Net sales | 539.2 | 554.3 | -3% | 2,283.7 | 2,209.2 | 3% |
| Adjusted operating income* | 34.2 | 32.3 | 6% | 143.9 | 104.3 | 38% |
| Adjusted operating margin* | 6.3% | 5.8% | - | 6.3% | 4.7% | - |

| MDKK | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|----------------------------|---------|---------|--------|---------|---------|--------|
| Net sales | 432.4 | 445.2 | -3% | 1,820.5 | 1,810.4 | 1% |
| Adjusted operating income* | 27.4 | 25.9 | 6% | 114.7 | 85.5 | 34% |
| Adjusted operating margin* | 6.3% | 5.8% | - | 6.3% | 4.7% | - |

*) Adjusted for non-comparable items in Q4 2015 of MSEK -0.9 (0.0) and for the full year 2015 of MSEK -4.4 (-1.4). For a description of adjustments, see page 10.

Net sales for the Danish operation in the fourth quarter 2015 decreased by 3 percent to MSEK 539.2 (554.3). Net sales in local currency declined by 3 percent, mainly as a result of continued price pressure particularly on exports.

Adjusted operating income in the quarter increased by 6 percent to MSEK 34.2 (32.3) and the adjusted operating margin improved to 6.3 (5.8) percent. The improvement in income and margin was achieved through continued efficiency gains in both production and other parts of the supply chain.

Norway

| MSEK | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|----------------------------|---------|---------|--------|---------|---------|--------|
| Net sales | 321.8 | 278.8 | 15% | 1,178.3 | 1,270.0 | -7% |
| Adjusted operating income* | 21.6 | 25.0 | -14% | 60.3 | 119.8 | -50% |
| Adjusted operating margin* | 6.7% | 9.0% | - | 5.1% | 9.4% | - |
| MNOK | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
| Net sales | 320.2 | 257.9 | 24% | 1,125.9 | 1,165.7 | -3% |
| Adjusted operating income* | 21.2 | 22.9 | -7% | 57.7 | 110.0 | -48% |
| Adjusted operating margin* | 6.7% | 9.0% | - | 5.1% | 9.4% | - |

*) Adjusted for non-comparable items in Q4 2015 of MSEK -4.4 (0.0) and for the full year 2015 of MSEK -4.4 (-0.7). For a description of adjustments, see page 10.

Net sales for the Norwegian operation in the fourth quarter 2015 increased by 15 percent to MSEK 321.8 (278.8), and by 24 percent in local currency. The increase in net sales refers mainly to the start of deliveries to Coop Norway in August under the new supply agreement signed in May 2015. The retail market for chilled chicken products showed an increase of 15 percent compared to a weak fourth quarter last year.

Adjusted operating income in the quarter declined by 14 percent to MSEK 21.6 (25.0), corresponding to an adjusted operating margin of 6.7 (9.0) percent. The decline in income and margin was mainly attributable to a less favourable product mix and stock clearance.

Finland

| MSEK | Q4 2015 | Q4 2014 | Change | 2015** | 2014 | Change |
|----------------------------|---------|---------|--------|--------|------|--------|
| Net sales | 15.9 | - | - | 43.7 | - | - |
| Adjusted operating income* | -11.7 | - | - | -24.1 | - | - |
| Adjusted operating margin* | -73.6% | - | - | -55.1% | - | - |
| MEUR | Q4 2015 | Q4 2014 | Change | 2015** | 2014 | Change |
| Net sales | 1.7 | - | - | 4.7 | - | - |
| Adjusted operating income* | -1.3 | - | - | -2.6 | - | - |
| Adjusted operating margin* | -73.6% | - | - | -55.1% | - | - |

*) Adjusted for non-comparable items in Q4 2015 of MSEK -6.3 and for the full year 2015 of MSEK -9.0.

For a description of adjustments, see page 10.

**) Operations started 1 May 2015.

Net sales for the Finnish operation in the fourth quarter 2015 amounted to MSEK 15.9 (-). Adjusted operating income was MSEK -11.7 (-). The operation was acquired in May 2015.

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

Cash flow and investments

Adjusted operating cash flow declined to MSEK 39.4 (64.5) in the fourth quarter 2015 and to MSEK 324.1 (438.1) for the full year 2015. Cash flow for the full year was negatively impacted by higher capital expenditure than in 2014, mainly relating to the extension of the Valla facility in Sweden, as well as an increase of inventories compared with a significant decrease last year.

Working capital as of 31 December 2015 amounted to MSEK 270.7 (349.9), corresponding to 5.0 percent of full year net sales compared to 6.6 percent at year-end 2014.

| MSEK | Adjusted operating cash flow | | 2015 | 2014 |
|-------------------------------------|------------------------------|-------------|--------------|--------------|
| | Q4 2015 | Q4 2014 | | |
| Adjusted EBITDA*) | 112.8 | 118.8 | 477.4 | 470.2 |
| Capital expenditure | -121.4 | -63.2 | -206.5 | -141.3 |
| Change in inventories | -1.7 | -35.6 | -10.7 | 91.6 |
| Change in other working capital | 49.7 | 44.5 | 63.9 | 17.6 |
| Adjusted operating cash flow | 39.4 | 64.5 | 324.1 | 438.1 |

Adjusted for non-comparable items in Q4 2015 of MSEK -20.5 (-6.1) and for the full year 2015 of MSEK -32.0 (-62.5). For a description of adjustments, see page 4 and 10.

Financial position

Total equity as of 31 December 2015 increased to MSEK 924.9 (886.4). The equity to assets ratio improved to 29.5 (28.6) percent.

Net interest-bearing debt as of 31 December 2015 declined to 1,313.0 MSEK compared to 1,405.5 MSEK at year-end 2014. Net debt/adjusted EBITDA amounted to 2.7x (3.0x). Cash and cash equivalents amounted to MSEK 142.7 (89.7).

The refinancing of the Group's bank loans at lower interest rates in July 2014 led to a substantial reduction of finance expenses in 2015. The finance net in the fourth quarter 2015 was positively impacted by changes in exchange rates.

Personnel

The average number of employees (FTE) was 1,552 (1,622) in the quarter and 1,551 (1,627) for the full year.

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 0.4 (0.3) in the fourth quarter 2015 and MSEK 1.6 (1.3) for the full year 2015.

Dividend

The Board of Directors proposes a dividend for 2015 of 1.80 SEK per share, for a total dividend payment of approximately 107.3 MSEK. The proposed dividend corresponds to approximately 55 percent of adjusted income for the period. The company's dividend policy is to distribute a dividend of 60 percent of adjusted income for the period on average over time.

Annual General Meeting

The Annual General Meeting (AGM) 2016 will be held on 25 April at 1 pm in Wallenbergssalen, at the IVA Conference Center, Grev Turegatan 16 in Stockholm, Sweden. More information about the AGM will be available on: <http://investors.scandistandard.com/en/agm>.

Events after the close of the period

On 22 January 2016, the Swedish Competition Authority announced that it opposes Scandi Standard's acquisition of Lagerbergs and was going to court claiming that the acquisition violates Swedish Competition Law. Scandi Standard disagrees with the Authority's assessment and has pursued the case in the district court to get a decision. Because of the uncertainty of the

transaction materialising, Scandi Standard is actively pursuing alternative manufacturing opportunities in the south of Sweden.

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 February 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 | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|--------------------------|---------|---------|--------|---------|---------|--------|
| Sweden | 571.5 | 488.0 | 17% | 2,231.1 | 2,055.2 | 9% |
| of which internal sales | 31.7 | 29.8 | 10% | 135.8 | 111.5 | 22% |
| Denmark | 539.2 | 554.2 | -3% | 2,283.7 | 2,209.2 | 3% |
| of which internal sales | 40.8 | 39.3 | 4% | 178.0 | 155.7 | 16% |
| Norway | 321.8 | 278.8 | 15% | 1,178.3 | 1,270.0 | -7% |
| of which internal sales | - | - | - | - | - | - |
| Finland | 15.9 | - | - | 43.7 | - | - |
| of which internal sales | - | - | - | - | - | - |
| Intra-group eliminations | -72.4 | -69.1 | - | -313.8 | -267.2 | - |
| Total net sales | 1,376.0 | 1,252.0 | 10% | 5,422.9 | 5,267.2 | 3% |
| Local currency | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
| Denmark | 432.4 | 445.2 | -3% | 1,820.5 | 1,810.4 | 1% |
| Norway | 320.2 | 257.9 | 24% | 1,125.9 | 1,165.7 | -3% |
| Finland | 1.7 | - | - | 4.7 | - | - |
| Group | 1,253.4 | 1,122.0 | 12% | 4,868.4 | 4,765.1 | 3% |

Net sales by product category

| MSEK | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|-----------------|---------|---------|--------|---------|---------|--------|
| Chilled | 592.4 | 545.3 | 9% | 2,344.5 | 2,195.4 | 7% |
| Frozen | 615.2 | 588.0 | 5% | 2,457.7 | 2,442.0 | 1% |
| Eggs | 81.2 | 86.3 | -6% | 330.7 | 358.4 | -8% |
| Other* | 87.2 | 32.3 | 170% | 290.0 | 271.3 | 7% |
| Total net sales | 1,376.0 | 1,252.0 | 10% | 5,422.9 | 5,267.2 | 3% |

Exchange rates**

| | Q4 2015 | Q4 2014 | 2015 | 2014 |
|---------|---------|---------|------|------|
| SEK/NOK | 1.02 | 1.08 | 1.05 | 1.09 |
| SEK/DKK | 1.25 | 1.25 | 1.25 | 1.22 |
| SEK/EUR | 9.34 | - | 9.36 | - |

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

**) Average exchange rates.

Adjusted operating income

| MSEK | Q4 2015 | Q4 2014 | 2015 | 2014 |
|--------------|---------|---------|-------|-------|
| Sweden | 37.5 | 33.9 | 159.9 | 113.8 |
| Denmark | 34.2 | 32.3 | 143.9 | 104.3 |
| Norway | 21.6 | 25.0 | 60.3 | 119.8 |
| Finland | -11.7 | - | -24.1 | - |
| Group | -8.9 | -6.5 | -29.6 | -17.8 |
| Amortisation | -4.6 | -5.1 | -19.0 | -19.1 |
| Total | 68.1 | 79.6 | 291.5 | 301.0 |

Adjustments to operating income

| MSEK | Q4 2015 | Q4 2014 | 2015 | 2014 |
|---------|---------|---------|-------|-------|
| Sweden | -5.0 | -4.2 | -8.5 | -13.9 |
| Denmark | -0.9 | - | -4.4 | -1.4 |
| Norway | -4.4 | - | -4.4 | -0.7 |
| Finland | -6.3 | - | -9.0 | - |
| Group | -3.9 | -1.9 | -5.7 | -46.5 |
| Total | -20.5 | -6.1 | -32.0 | -62.5 |

Operating income

| MSEK | Q4 2015 | Q4 2014 | 2015 | 2014 |
|------------------------|---------|---------|-------|--------|
| Sweden | 32.5 | 29.7 | 151.4 | 99.9 |
| Denmark | 33.3 | 32.3 | 139.5 | 102.9 |
| Norway | 17.2 | 25.0 | 56.0 | 119.1 |
| Finland | -18.1 | - | -33.1 | - |
| Group | -12.7 | -8.4 | -35.3 | -64.3 |
| Amortisation | -4.6 | -5.1 | -19.0 | -19.1 |
| Total operating income | 47.6 | 73.5 | 259.5 | 238.5 |
| Finance net | -4.9 | -18.4 | -44.0 | -162.2 |
| Income tax expense | -14.6 | -12.2 | -51.6 | -20.2 |
| Income for the period | 28.1 | 42.9 | 163.9 | 56.1 |

Consolidated income statement

| MSEK | Q4 2015 | Q4 2014 | 2015 | 2014 |
|---|--------------------------|-------------|--------------------------|--------------------------|
| Net sales | 1,376.0 | 1,252.0 | 5,422.9 | 5,267.2 |
| Other operating revenues | 14.0 | 4.2 | 29.8 | 19.0 |
| Changes in inventories of finished goods and work in progress | -1.0 | 17.2 | -2.2 | -100.8 |
| Raw materials and consumables | -828.0 | -727.7 | -3,144.5 | -3,014.9 |
| Cost of personnel | -261.7 | -242.9 | -1,010.0 | -947.4 |
| Depreciation, amortization and impairment | -47.4 | -42.6 | -187.2 | -171.5 |
| Other operating expenses | -206.9 | -190.0 | -850.6 | -815.3 |
| Share of income of associates | 2.7 | 3.3 | 1.3 | 2.2 |
| Operating income | 47.6 | 73.5 | 259.5 | 238.5 |
| Finance income | 5.5 | 2.8 | 10.8 | 3.1 |
| Finance expenses | -10.4 | -21.2 | -54.8 | -165.3 |
| Income after finance net | 42.7 | 55.1 | 215.5 | 76.3 |
| Income tax expense | -14.6 | -12.2 | -51.6 | -20.2 |
| Income for the period | 28.1 | 42.9 | 163.9 | 56.1 |
| Whereof attributable to shareholders of the Parent Company | 28.1 | 42.9 | 163.9 | 56.1 |
| Average number of shares | 59,612,178 ¹⁾ | 60,060,890 | 59,932,408 ¹⁾ | 55,238,260 ²⁾ |
| Earnings per share, SEK | 0.47 | 0.71 | 2.73 | 1.02 |
| Earnings per share after dilution, SEK | 0.47 | 0.71 | 2.73 | 0.93 |
| Number of shares at the end of the period | 60,060,890 | 60,060,890 | 60,060,890 | 60,060,890 |

1) 444,168 shares were purchased in September 2015.

2) Adjusted for the reversed split 27 June 2014.

Consolidated statement of other comprehensive income

| MSEK | Q4 2015 | Q4 2014 | 2015 | 2014 |
|---|--------------|-------------|--------------|--------------|
| Income for the period | 28.1 | 42.9 | 163.9 | 56.1 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to the income statement: | | | | |
| Actuarial gains and losses in defined benefit pension plans | 7.6 | -3.8 | 25.6 | -19.2 |
| Tax on actuarial gains and losses | -1.7 | 0.8 | -6.0 | 4.2 |
| Total | 5.9 | -3.0 | 19.6 | -15.0 |
| Items that will or may be reclassified to the income statement | | | | |
| Cash flow hedges | -1.6 | -0.8 | -5.9 | -5.5 |
| Currency effects from conversion of foreign operations | -21.9 | -12.7 | -36.8 | 53.9 |
| Income from currency hedging of foreign operations | -0.7 | 14.4 | -6.3 | -31.4 |
| Tax attributable to items that will be reclassified to the income statement | 0.1 | -3.1 | 2.5 | 8.2 |
| Total | -24.1 | -2.2 | -46.5 | 25.2 |
| Other comprehensive income for the period, net of tax | -18.2 | -5.2 | -26.9 | 10.2 |
| Total comprehensive income for the period | 9.9 | 37.7 | 137.0 | 66.3 |
| Whereof attributable to shareholders of the Parent Company | 9.9 | 37.7 | 137.0 | 66.3 |

Consolidated statement of financial position

| MSEK | 31 Dec 2015 | 31 Dec 2014 |
|--|----------------|----------------|
| Assets | | |
| Non-current assets | | |
| Goodwill | 596.5 | 611.3 |
| Other intangible assets | 489.9 | 528.7 |
| Property plant and equipment | 881.7 | 809.9 |
| Participations in associated companies | 41.4 | 42.7 |
| Deferred tax assets | 16.5 | 45.3 |
| Financial assets | 0.4 | 1.8 |
| Surplus in funded pension plans | 14.6 | - |
| Other fixed assets | - | 0.5 |
| Total non-current assets | 2,041.0 | 2,040.2 |
| Current assets | | |
| Inventory | 530.3 | 546.6 |
| Trade receivables and other receivables | 413.9 | 417.4 |
| Current tax asset | 13.6 | - |
| Short term investments | 0.5 | 1.4 |
| Cash and cash equivalents | 142.7 | 89.7 |
| Total current assets | 1,101.0 | 1,055.1 |
| Total assets | 3,142.0 | 3,095.3 |
| Shareholder´s equity | | |
| Share capital | 0.6 | 0.6 |
| Other contributed equity | 888.1 | 888.1 |
| Reserves | -6.8 | 29.4 |
| Retained earnings | 43.0 | -31.9 |
| Total equity | 924.9 | 886.2 |
| Liabilities | | |
| Non-current liabilities | | |
| Non-current interest bearing liabilities | 1,395.7 | 1,460.2 |
| Provisions for pensions | - | 20.4 |
| Deferred tax liabilities | 86.0 | 75.5 |
| Other non-current provisions | 1.9 | - |
| Total non-current liabilities | 1,483.6 | 1,556.1 |
| Current liabilities | | |
| Current interest bearing liabilities | 60.0 | 38.9 |
| Trade payables and other current liabilities | 653.1 | 589.8 |
| Tax payables | 20.4 | 24.3 |
| Total current liabilities | 733.5 | 653.0 |
| Total equity and liabilities | 3,142.0 | 3,095.3 |

Consolidated statement of changes in equity

MSEK

| | |
|---|--------------|
| Opening balance 1 January 2014 | 432.4 |
| 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 | 886.4 |
| Opening balance 1 January 2015 | 886.4 |
| Income for the period | 163.9 |
| Other comprehensive income | -26.9 |
| Total comprehensive income | 137.0 |
| Dividend | -78.1 |
| Repurchase of own shares | -20.4 |
| Total transactions with the owners | -98.5 |
| Closing balance 31 December 2015 | 924.9 |

Consolidated statement of cash flows

| MSEK | Q4 2015 | Q4 2014 | 2015 | 2014 |
|---|---------------|---------------|---------------|---------------|
| Operating activities | | | | |
| Operating income | 47.6 | 73.5 | 259.5 | 238.5 |
| Adjustment for non-cash items | 26.9 | 53.2 | 199.7 | 180.0 |
| Paid finance items net | -7.3 | -21.8 | -51.6 | -97.0 |
| Paid current income tax | -0.4 | -3.9 | -22.1 | -44.0 |
| Cash flows from operating activities before changes in operating capital | 66.8 | 101.0 | 385.5 | 277.5 |
| Changes in inventories | -1.7 | -35.6 | -10.7 | 91.6 |
| Changes in operating receivables | 12.0 | 56.8 | -27.9 | 45.0 |
| Changes in operating payables | 37.7 | -12.3 | 91.9 | -27.4 |
| Cash flows from operating activities | 114.8 | 109.9 | 438.8 | 386.7 |
| Investing activities | | | | |
| Business combinations | - | - | -55.7 | -30.7 |
| Investment in property, plant and equipment | -121.4 | -64.0 | -206.5 | -142.3 |
| Sales of fixed assets | - | 0.8 | - | 1.0 |
| Cash used in investing activities | -121.4 | -63.2 | -262.2 | -172.0 |
| Financing activities | | | | |
| New share issue | - | - | - | 6.2 |
| Paid dividend | - | - | -78.1 | - |
| Repurchase of own shares | -2.8 | - | -20.4 | - |
| Net change in external loans | -4.3 | -166.2 | -20.4 | -207.9 |
| Cash used in financing activities | -7.1 | -166.2 | -118.9 | -201.7 |
| Cash flows for the period | -13.7 | -119.5 | 57.7 | 13.0 |
| Cash and cash equivalents at beginning of the period | 157.0 | 207.6 | 89.7 | 71.8 |
| Currency effect in cash and cash equivalents | -0.6 | 1.6 | -4.7 | 4.9 |
| Cash flow for the period | -13.7 | -119.5 | 57.7 | 13.0 |
| Cash and cash equivalents at the end of the period | 142.7 | 89.7 | 142.7 | 89.7 |

Parent company income statement

| MSEK | 2015 | 2014 |
|---------------------------------|-------------|--------------|
| Net sales | - | 17.4 |
| Operating expenses | -0.1 | -56.8 |
| Operating income | -0.1 | -39.4 |
| Finance net | 14.6 | 21.7 |
| Profit before income tax | 14.4 | -17.7 |
| Group contribution | -3.9 | - |
| Total income tax expense | -2.3 | 2.3 |
| Income for the period | 8.1 | -15.4 |

Parent company statement of comprehensive income

| MSEK | 2015 | 2014 |
|---|-------------|-------------|
| Income for the period | 8.1 | -15.4 |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | 8.1 | -15.4 |

Parent company statement of financial position

| MSEK | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------------------|--------------|--------------|
| Assets | | |
| Investments in subsidiaries | 532.7 | 532.7 |
| Receivables on Group entities | 358.7 | 358.7 |
| Deferred tax assets | - | 2.3 |
| Total non-current assets | 891.5 | 893.7 |
| Receivables on Group entities | - | 14.3 |
| Total current receivables | - | 14.3 |
| Cash and cash equivalents | - | - |
| Total current assets | - | 14.3 |
| Total assets | 891.5 | 908.0 |
| Equity | | |
| Share capital | 0.6 | 0.6 |
| Share premium reserve | 888.1 | 888.1 |
| Retained earnings | -114.8 | -1.0 |
| Income for the period | 8.1 | -15.4 |
| Total equity | 782.0 | 872.3 |
| Liabilities | | |
| Interest bearing liabilities | 27.5 | - |
| Total non-current liabilities | 27.5 | - |
| Tax liability | - | 2.2 |
| Liabilities to group entities | 82.0 | 33.5 |
| Total current liabilities | 82.0 | 35.7 |
| Total equity and liabilities | 891.5 | 908.0 |

Parent company statement of changes in equity

MSEK

Opening balance 1 January 2014 500.2

Income for the period -15.2

Other comprehensive income -

Total comprehensive income -15.2

New share issue 6.2

Set-off of shareholder loans 381.3

Closing balance 31 December 2014 872.3

Opening balance 1 January 2015 872.3

Income for the period 8.1

Other comprehensive income -

Total comprehensive income 8.1

Dividend -78.1

Repurchase of own shares -20.4

Total transactions with the owners -98.5

Closing balance 31 December 2015 782.0

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 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 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's financial instruments, by classification and by level in the fair value hierarchy as per 31 December 2015 and for the comparison period, are shown in the tables below.

| 2015-12-31, MSEK | Loans and receivables | Financial assets at fair value through profit or loss | Derivatives used in hedge accounting | Other financial assets | Total carrying amount | Measured at amortized cost | Fair value by level |
|---|-----------------------|---|--------------------------------------|------------------------|-----------------------|----------------------------|----------------------|
| | | | | | | | Level 2 ¹ |
| Assets | | | | | | | |
| Other non-current financial assets | 0,4 | - | - | - | 0,4 | 0,4 | - |
| Trade receivables and other receivables | 308,2 | - | - | - | 308,2 | 308,2 | - |
| Current interest bearing receivables | 0,5 | - | - | - | 0,5 | 0,5 | - |
| Cash and cash equivalents | 142,7 | - | - | - | 142,7 | 142,7 | - |
| Total financial assets | 451,8 | - | 0,0 | 0,0 | 451,8 | 451,8 | - |

| 2015-12-31, MSEK | Loans and receivables | Financial assets at fair value through profit or loss | Derivatives used in hedge accounting | Other financial assets | Total carrying amount | Measured at amortized cost | Fair value by level |
|--|-----------------------|---|--------------------------------------|------------------------|-----------------------|----------------------------|----------------------|
| | | | | | | | Level 2 ¹ |
| Liabilities | | | | | | | |
| Non-current interest bearing liabilities | - | 0,5 | 13,1 | 1 382,1 | 1 395,7 | 1 382,1 | 13,6 |
| Current interest bearing liabilities | - | - | - | 60,1 | 60,1 | 60,1 | - |
| Trade and other payables | - | - | 0,9 | 350,6 | 351,5 | 350,6 | 0,9 |
| Total financial liabilities | - | 0,5 | 14,0 | 1 792,8 | 1 807,2 | 1 792,8 | 14,5 |

| 2014-12-31, MSEK | Loans and receivables | Financial assets at fair value through profit or loss | Derivatives used in hedge accounting | Other financial assets | Total carrying amount | Measured at amortized cost | Fair value by level |
|--|-----------------------|---|--------------------------------------|------------------------|-----------------------|----------------------------|----------------------|
| | | | | | | | Level 2 ¹ |
| Assets | | | | | | | |
| Other non-current financial assets | 1,8 | - | - | - | 1,8 | 1,8 | - |
| Trade receivables and other receivables | 336,7 | - | - | - | 336,7 | 336,7 | - |
| Current interest-bearing receivables | 1,4 | - | - | - | 1,4 | 1,4 | - |
| Cash and cash equivalents | 89,7 | - | - | - | 89,7 | 89,7 | - |
| Total financial assets | 429,6 | - | - | - | 429,6 | 429,6 | - |
| Liabilities | | | | | | | |
| Non-current interest bearing liabilities | - | - | 5,6 | 1 454,6 | 1 460,2 | 1 454,6 | 5,6 |
| Current interest-bearing liabilities | - | - | - | 38,9 | 38,9 | 38,9 | - |
| Trade and other payables | - | - | 2,9 | 352,2 | 355,1 | 352,2 | 2,9 |
| Total financial liabilities | - | - | 8,5 | 1 845,7 | 1 854,2 | 1 845,7 | 8,5 |

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 December 31 2015 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 December 31 2015 the derivatives amounted to MSEK 14.5. 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 December 31 2015 those amounted to MSEK 38.6. For the Group's long-term borrowing, which as of December 31 2015 amounted to MSEK 1.455.7, 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.

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 February 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

- Annual Report: to be published on the website: week 13 2016
- Annual General Meeting: 25 April 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 February 2016.

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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