Annual Report 2015

Scandi Standard

Contents

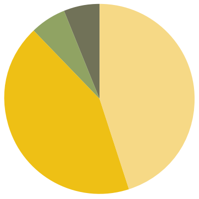
Scandi Standard in brief

Scandi Standard is the leading supplier of chicken-based food products in the Nordic region. We offer a broad range of chilled and frozen products under well-known brands such as Kronfågel in Sweden, Danpo in Denmark and Den Stolte Hane in Norway, as well as for private label. Our customers are found in the retail, food service and food industry sectors. Our products are exported to more than 40 countries.

	SWEDEN	DENMARK	NORWAY	FINLAND	GROUP TOTAL
NET SALES, MSEK	2,231	2,284	1,178	44	5,423[1)]
SHARE OF NET SALES, %	39	39	21	1	
ADJUSTED OPERATING INCOME, MSEK	160	144	60	−24	292[2)]
MARKET POSITION	1	1	3	Niche position	1
MAJOR BRAND	Kronfågel	Danpo	Den Stolte Hane, Jæren		Scandi Standard

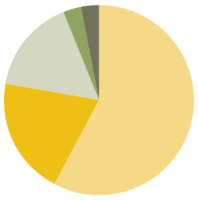
[1)] After elimination of internal sales.
[2)] Adjusted for non-comparable items of MSEK −32.0 and before corporate expenses and amortisation.

NET SALES BY PRODUCT CATEGORY



- 45% FROZEN PRODUCTS
- 43% CHILLED PRODUCTS
- 6% EGG
- 6% OTHER

NET SALES BY SALES CHANNEL



- 58% RETAIL
- 20% FOOD SERVICE
- 16% EXPORT
- 3% INDUSTRY
- 3% OTHER

Our vision is to inspire people to eat chicken once more per week.

MAJOR REASONS TO EAT CHICKEN

Chicken is low in calories and low in saturated fat, which is good for the health.

MAJOR REASONS TO EAT CHICKEN

Chicken is rich in high-grade protein. One portion corresponds to about half of the daily recommended intake of protein.

Superior environmental efficiency

Chicken is one of the most environmentally efficient sources of meat protein. Due to a lower feed to meat conversion ratio and lower use of energy and water, primary production of chicken generates substantially lower green house gas emissions per kg meat produced as compared to pork and beef.

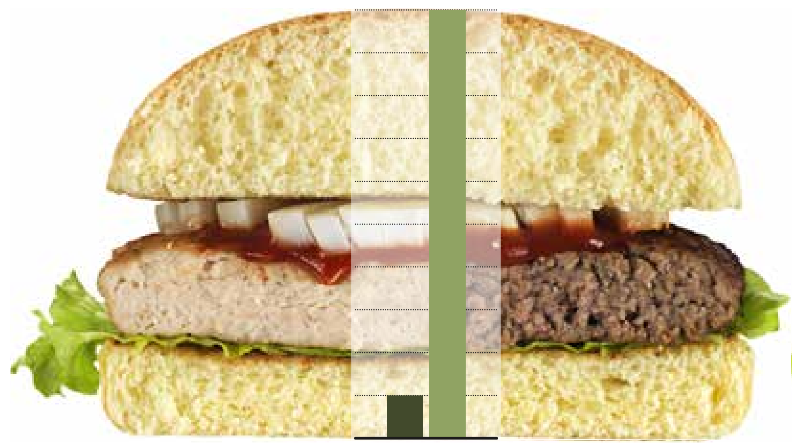
Chicken is also considered to have clear health benefits compared to red meat.

CHICKEN VS BEEF

CHICKEN GENERATES

$1/10^{th}$

OF GREENHOUSE GAS EMISSIONS (CO_2e) COMPARED TO BEEF



Chicken
0.4kg CO_2e/kg*

Beef
4kg CO_2e/kg*

*The environmental effect is indicated in carbon dioxide per meal, CO_2e/kg.

THE BURGERS CONTENT
1 hamburger bread (50g), sliced onion (15g), 2 tsp ketchup (20g), 100g cooked minced chicken/beef per portion (equivalent to 142g raw mince), 1 salad leaf (15g).

The analysis of the environmental effect of the ingredients in both hamburgers is based on data from SP Food and Bioscience climate database (all ingredients are assumed to be of Swedish origin). The environmental effect is determined for cooked meals (eg. 100g cooked burger has used 142g raw meat). The estimation of environmental impact does not account for production or packaging.

Positioned for profitable growth

We strengthened the Group in a number of areas during the year. Our efforts in product development generated a number of successful product launches, and efficiency in production was significantly improved. The Group's market shares improved in both Sweden and Norway. We also took a first step to build a position in Finland through the acquisition of the Huttulan operation.

A strong improvement in both net sales and adjusted operating income in Sweden and Denmark more than compensated for a continued weak performance in Norway. Both net sales and adjusted operating income for the Norwegian operation improved in the latter part of the year following the start of deliveries to Coop under the new supply agreement, improved market demand and efficiency gains in production.

Overall, Group net sales increased by 3 percent at constant exchange rates. 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 related to investments in new processing capacity for ready-to-eat products. Adjusted income for the period and earnings per share improved benefitting from substantially lower finance expenses. The net debt/adjusted EBITDA ratio improved to 2.7x from 3.0x in 2014.

The market for chicken is growing

The market for chicken in the Nordic region continued to grow during the year. As the per capita consumption of poultry in the Nordic countries is considerably lower than in other parts of

"We strengthened the Group in a number of areas during the year."

Europe and the developed world, we expect this positive trend to continue. The per capita consumption in the US is for example more than twice as high as in the Nordics.

Demand is to a large extent driven by the fact that chicken is considered to be healthier than red meat. It is also a more affordable source of protein as production cost is lower, and has less impact on the climate. OECD[1)] estimates that by 2023 half of the world's consumption of meat protein will be poultry.

Increased focus on innovation

It is our vision to inspire the Nordic consumers to eat chicken once more per week. In order to achieve this we must put more focus on product innovation to drive the category, and better meet consumers' demand for tasty, convenient and healthy food products.

The number of product launches in 2015 was higher in all countries than in the previous year. In Sweden we launched several new and innovative barbeque products and an extension of the Minutfilé line with ready-to-cook slices and stripes of the fillet. We also launched the first free-range chicken on the Swedish market, a breed that grows slower than traditional chicken but not as slow as organic chicken and can move freely outdoors. A range of tasty chicken sausages, corn chicken and minced products in Denmark are other good examples.

During the year we managed to increase coordination and sharing of ideas and product concepts between our business units in the different countries. This is important in order to share best practice and utilize the benefits of being a Group. A good example of this is the launch of chicken bacon that will be made in all Nordic markets during 2016. But we need to do more in terms of improving the process and make it truly consumer-driven based on in-depth consumer insight.

1) OECD-FAO Agricultural Outlook 2014, OECD Publishing.

In order to better coordinate our efforts within consumer insight and brand-building, we have decided to establish a business development function at Group level during 2016.

Bosarpkyckling a successful acquisition

Bosarpkyckling, the first supplier of organic chicken in Sweden, was acquired in September 2014. The acquisition added a new platform for growth in this fast growing, premium segment.

During 2015 we relaunched Bosarpkyckling under the Kronfågel brand and managed to both significantly increase production capacity and broaden distribution.

Building a position in Finland

In May 2015 we acquired Huttulan's operation in Finland as a first step in building a position in this market. Finland is an attractive market with premium products and good long-term opportunities for growth.

Huttulan started operations in 2014 with a newly built factory that is geographically well located in relation to both farmers and customers. Volumes are still small and the factory is running at approximately 15 percent capacity. The operation was loss making in 2015.

During the year we made further investments to improve efficiency in the factory. We have also signed additional contracts for the supply of birds. We expect to be able to increase volumes during 2016, and to gradually build our position and improve profitability.

Norway starting to recover

The trends in net sales and adjusted operating income in Norway have been negative since the loss of a major contract with ICA Norway in April 2014 and a significant drop in demand after media coverage regarding bacteria in chicken.

In May 2015 we signed a new supply agreement with Coop Norway, which also includes the stores Coop acquired from ICA Norway. Deliveries under the new agreement started in August and we have since then seen a gradual increase in net sales and operating income, although from a low level. I expect this positive trend to continue as a result of higher volumes, ongoing initiatives to broaden the customer base, increased focus on product development and other efforts to strengthen the brand position.

Progress towards our financial targets

We significantly strengthened the Group's position in 2015. The adjusted EBITDA margin was 8.8 percent compared to 8.9 percent in 2014, despite the weak performance in Norway and the consolidation of the Finnish operation. For comparable units, the adjusted EBITDA margin improved to 9.3 percent. Our goal is to reach an EBITDA margin exceeding 10 percent in the medium term.

The improvements in 2015 would not have been achieved without the passionate and dedicated contributions by all our team members. 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

ACHIEVEMENTS IN 2015

- Strong increase in net sales and adjusted operating income in Sweden and Denmark more than compensated for a weak performance in Norway.
- The adjusted EBITDA margin was stable at 8.8 (8.9) percent.
- A new supply agreement was signed with Coop Norway in May, which includes the stores acquired from ICA Norway.
- Positive trends in in net sales and adjusted operating income for the Norwegian operation in the latter part of the year.
- Huttulan Kukko Oy's operation in Finland was acquired in May as a first step into the Finnish market.
- Relaunch of Bosarpkyckling under the Kronfågel brand with broader distribution.
- Increased number of product launches compared to last year.
- Improved production efficiency in particularly Sweden and Denmark.

MAJOR REASONS TO EAT CHICKEN

It is easy to create a tasty and nourishing meal with chicken.

Strategy

Scandi Standard is well positioned to take advantage of the growth in the market for chicken products.

The Group's strategy remains consistent based on three pillars:

1. DRIVE ORGANIC SALES GROWTH

- Increase efforts in product development.
- Further utilize the Group's strong brands to take advantage of market trends for healthy and convenient food.
- Develop the chicken category together with retailers.
- Grow presence in food service segment.
- Optimise export efforts.

2. IMPROVE PRODUCTION EFFICIENCY AND REDUCE COSTS

- Continue investments to improve productivity in the main facilities, i.e.:
  - Increase productivity per employee.
  - Increase yield per bird.
- Further drive synergies from being a Group in all parts of the supply chain, including production and sourcing.

3. STRATEGIC ACQUISITIONS AND PARTNERSHIPS

- Expand product offering.
- Enter new, adjacent segments and markets.
- Build on capabilities as a preferred supplier and form new partnerships.

SCANDI STANDARD'S COMPETITIVE ADVANTAGES

Leading position in the Nordic region	Strong presence in the local markets	Economies of scale	Broad product offering	Strong brands	Preferred supplier to major retailers and food service customers

1. DRIVE ORGANIC SALES GROWTH

"Sharing of product ideas and concepts between the different countries is increasing to utilize the advantage of being one Group."

Focus on product development

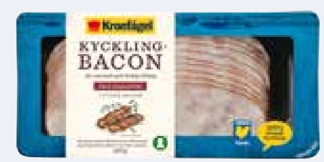
Product development is crucial to drive sales and margins. The Group is now increasing its efforts in this area. Major trends driving the development work are the demand for healthy, fresh and easy to cook products based on locally produced chicken. The demand for organically raised chicken shows particularly strong growth.

The Group has a product development plan covering the next 18-36 months with major releases two to three times per year in each country. The development process is based on segmentation modelling and consumer insight. Product innovation can also come from innovations in production, such as new processes or equipment that enables production of products that were previously not possible.

Product development is generally conducted by country teams as taste and product preferences to some extent differ between markets. But coordination and sharing of ideas and concepts between the local companies is increasing.

Higher number of launches 2015

A number of successful product launches were made in the respective local markets in 2015. The most important include free-range chicken and an extension of the Minut product line with ready-to-cook fillet slices and stripes in Sweden, minced chicken and sausages in Denmark, as well as a line of ready-to-eat products in Norway. The number of launches was higher than in the previous year and this trend will continued in 2016.



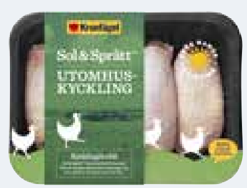
Chicken bacon – a healthier alternative

In early 2016, the Group launched the first chicken bacon on the Swedish market. Chicken bacon contains 7.3 percent fat per 100 grammes compared to approximately 27 percent in traditional bacon from pork, but still has great taste.

Bacon will be launched in all Nordic markets during 2016.

Minutstrimlor and Minutskivor – quick and easy to prepare

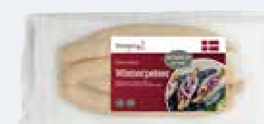
Minutfilé, a flattened chicken fillet featuring greater tenderness and shorter cooking time was launched in Sweden, Denmark and Norway in 2014 and was a great success. In 2015, the Minut product line was extended to include ready-to-fry fillet stripes and slices. In early 2016 the Minut product line was further extended with three different ready-to-eat products; Classic, Ceasar and BBQ chicken that can be served quickly and easily in for example a salad or with pasta.



The first free-range chicken on the Swedish market

In November 2015, Kronfågel launched Sol&Sprätt™, Sweden's first free-range chicken in the segment between traditionally grown chicken and organic chicken. Free-range chickens live in small groups, have more room indoors and can move freely outdoors. They also grow slower than traditional chickens.

Kronfågel now offers three different choices of chicken; traditionally grown chicken, free-range chicken and organic chicken.



Low fat sausages – perfect on the grill

In 2015, Danpo in Denmark launched two classic-style chicken sausages for the summer grill season, when most Danish households put sausages on the grill. Another two with different taste were launched after the summer to maintain demand. These sausages contain only 17 percent fat, which is substantially lower than ordinary sausages.

Utilize the Group's strong brands

The Group sells its products under proprietary brands as well as through retailers' private labels. The share of net sales under own brands was approximately 56 percent in 2015.

The Kronfågel brand in Sweden and the Danpo brand in Denmark have leading positions in their respective markets. Awareness surveys show that both these brands have higher brand awareness than key competitors. Unaided awareness in 2015 was 63 percent for Kronfågel and 51 percent for Danpo.

Den Stolte Hane has a number three position in the Norwegian market.

The Group's brand portfolio also includes a number of brands focused on specific product segments, including Bosarpkyckling for organic chicken, Stinas and Ivars in Sweden, Chicky World in Sweden and Denmark and Vestfold Fugl in Norway.

Various activities, including increased efforts in product development, are being implemented to strengthen the brand position in all countries.

The sales under private label enable the Group to build strong relationships with retailers and to realise scale advantages.

MAJOR BRANDS

SWEDEN	DENMARK	NORWAY
BRAND LEADER	BRAND LEADER	RETAIL BRAND FOR CHICKEN AND EGGS

EXAMPLES OF CUSTOMERS, RETAIL SECTOR

Dansk Supermarked

LIDL

ALDI

REMA 1000

axfood

ICA

coop

NorgesGruppen

Develop the category together with retailers

The retail sector is Scandi Standard's largest sales channel representing more than half of total sales. The Group has longstanding relationships as a major supplier to a number of large retailers in Sweden, Denmark and Norway.

The Group currently has a number of ongoing projects together with key customers regarding in-store changes to stimulate demand for chicken and drive the category. Several pilot projects were carried out during 2015 with good results. Important in-store factors are location in the store, store fixtures, shelf space allocated, sizes of portions and packaging etc.

Grow within the food service segment

The food service sector includes fast food restaurants, hotels, restaurants and public services. Sales to this sector have increased in recent years driven by the trend for eating out more frequently and the fact that consumers regard chicken as healthier than other types of meat. Chicken is also more affordable and considered more convenient to prepare than other types of meat. In addition, chicken extends the customer base of fast food retailers to include more health conscious consumers.

The Group is since many years one of only five suppliers to McDonald's in Europe. Based on its size and long experience as a preferred supplier, the Group has good opportunities to grow further within food service. In order to drive sales in the Swedish market, a separate in-house sales force of chicken specialists dedicated to this sector was established in the beginning of 2016.

EXAMPLES OF CUSTOMERS, FOOD SERVICE SECTOR

i'm lovin' it®

Scandi Standard is since many years one of only five suppliers to McDonald's in Europe.

MAX®

Sveriges godaste hamburgare

The Group is the main supplier to Max, a leading hamburger restaurant chain in Sweden.

martin&servera

Martin & Servera is the leading wholesaler and specialist for the catering industry in Sweden.

2. IMPROVE PRODUCTION EFFICIENCY AND REDUCE COSTS

Productivity in the main facilities continued to improve in 2015. The total number of chickens processed per employee per day increased by 6 percent in 2015 as compared to the previous year.

It is expected that efficiency levels can be further improved in the major facilities, mainly through investments in greater automation and optimisation of cutting techniques to increase production yield. In 2015, production yield increased by 2–4 percent.

Capital expenditure in 2015 amounted to MSEK 206.5, of which approximately 57 percent related to productivity improvement projects and approximately 28 percent to maintenance. The payback period of most projects is less than three years on average.

Extension of the Valla facility

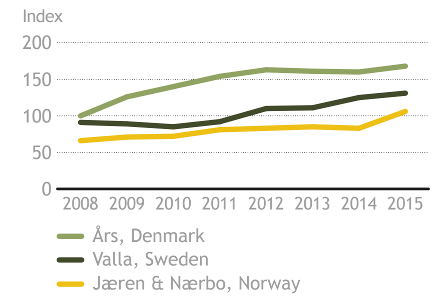
An extension of the Valla facility in Sweden with a new slaughtering line and a new processing section will be finalised during 2016, corresponding to a total investment of MSEK 130. Production at the site will thereafter include further processed chicken products such as fried Minutstrips. The slaughtering capacity will be increased by 15 percent to 60 million slaughtered chickens annually.

Reduce sourcing costs

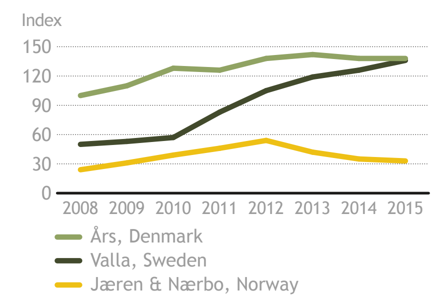
The work to improve efficiency and competitiveness in other parts of the value chain, including all external sourcing, continued during the year. Total external sourcing amounted to MSEK 3,200 in 2015, of which approximately 70 percent referred to live chickens. Other main procurement categories are transport, ingredients, spices and packaging.

"The number of chickens processed in the main facilities in Sweden and Denmark increased by 15 % and 20 % respectively in 2015."

TOTAL NUMBER OF PROCESSED CHICKENS PER EMPLOYEE AND DAY



TOTAL NUMBER OF SLAUGHTERED CHICKENS PER DAY



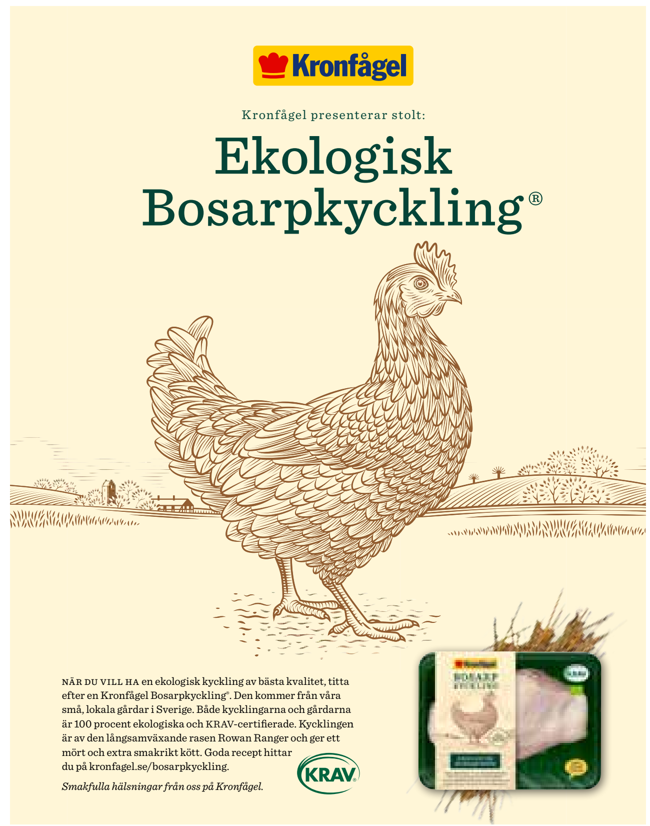
3. STRATEGIC ACQUISITIONS AND PARTNERSHIPS

Scandi Standard is continuously evaluating opportunities for acquisitions and partnerships aimed at either expanding the product offering into adjacent categories, entering into new geographical markets or consolidating the position in existing markets.

The Group has made two acquisitions since the listing in June 2014. The first was Bosarpkyckling AB in September 2014. Bosarpkyckling was the first producer of organic chicken in Sweden. The acquisition has created a new platform for growth in this premium and rapidly growing market segment.

In May 2015, the Group acquired Huttulan's operations in Finland. Huttulan, now renamed Kronfågel Oy, started operations in 2014 in a newly built facility. The acquisition is the first step in building a position in the attractive Finnish market.

The newly acquired facility in Lieto, Finland, was built in 2014 and is well located in relation to both farmers and customers.



The acquisition of Bosarpkyckling created new opportunities for growth in the rapidly growing market for organic chicken.

> *"The Group has made two acquisitions since the listing in June 2014."*

MAJOR REASONS TO EAT CHICKEN

Chicken is one of the most environmentally efficient sources of meat protein.

Market overview

Global demand for chicken-based food products has shown steady growth over recent decades driven mainly by population growth, economic expansion in developing economies and more efficient farming making meat protein affordable to a larger share of the population. Considerations regarding health and the environment have also contributed.

Nordic market

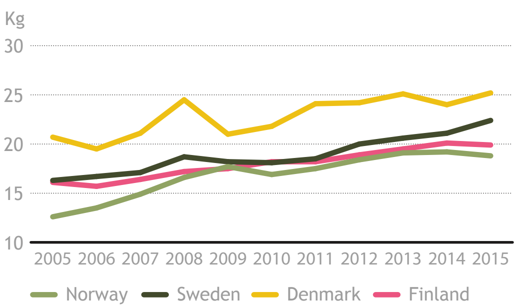
The Nordic market for chicken products has shown annual average growth of approximately 4 percent over the last decade. This trend is expected to continue as the per capita consumption of chicken in the Nordic region is lower than in other parts of Europe and the developed world. Trends supporting growth in the region include an increased focus on health and the environment, a preference for chicken over other types of meat, affluence and more eating out.

In 2015, the retail markets for chicken products in Sweden and Denmark grew by approximately 6 percent and 5 percent respectively in value, while the markets in Norway and Finland declined by 2 percent and 1 percent respectively.

The growth refers mainly to chilled products, which are associated with higher quality than frozen and also more convenient to cook. This trend is particularly notable in Sweden where the retail market for chilled products grew by 15 percent in 2015, but still represents a lower portion of the total market than frozen products.

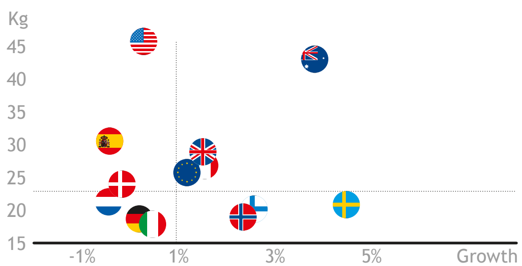
CONTINUED GROWTH IN DEMAND

Consumption of poultry per capita, kg



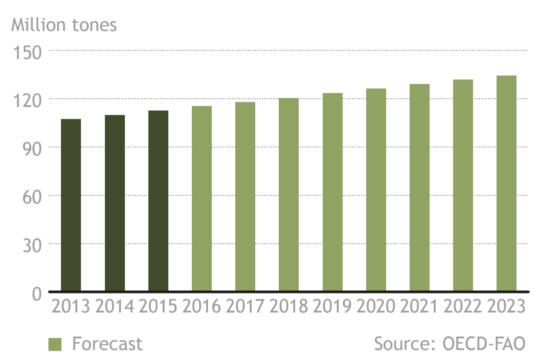
GROWTH POTENTIAL IN THE NORDIC REGION

Consumption of poultry per capita, kg



Source: Association of Poultry Processors and Poultry Trade in the EU, the Swedish Board of Agriculture and others, and Company estimates.

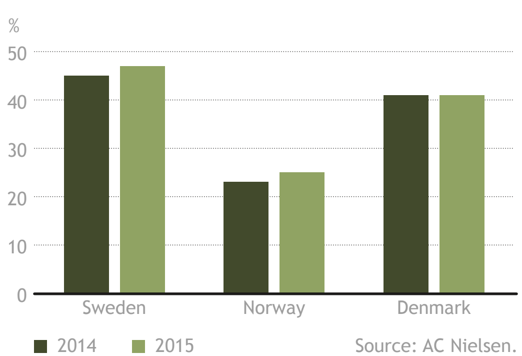
GLOBAL CONSUMPTION OF POULTRY



Source: OECD-FAO

SCANDI STANDARD'S MARKET SHARES – RETAIL

Sweden, Norway and Denmark



Source: AC Nielsen.

Trends and drivers

Factors supporting the growth in demand for chicken:

Population growth, higher standard of living and urbanisation

The world's population is growing with higher life expectancy. The developing countries show strong economic growth, and a stronger economy tends to be accompanied by increased demand for better food. At the same time, urbanisation is accelerating, resulting in greater demand for various types of ready-made food.

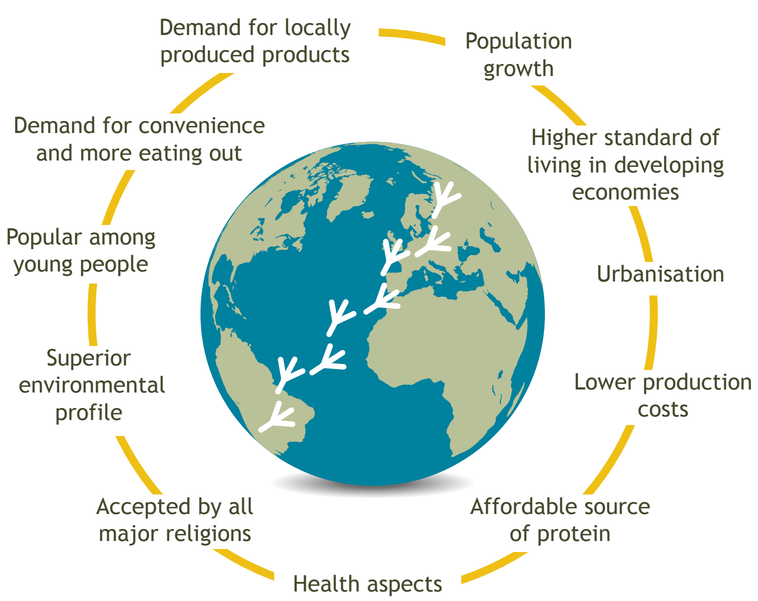
Lower production costs

The short growing period of chicken implies a lower feed and energy usage than for other types of meat, which translates into lower production costs. This makes chicken available to a broad range of consumers.

Health aspects

Chicken is relatively low in calories, high in protein and is considered to be a healthier alternative than red meat. Chicken is also accepted for eating by all major religions.

MANY TRENDS SUPPORT GROWTH IN CHICKEN PRODUCTS



Superior environmental profile

As a result of the low feed to meat conversion ratio, chicken is one of the most environmentally friendly sources of meat protein in terms of greenhouse gas emissions per kg meat produced.

Popular among young people

Demand for chicken is higher among younger segments of the population, which will support market growth as these generations grow older.

Demand for convenience and more eating out

The growth of the convenience food market and increased eating out support chicken consumption, as chicken is more affordable and considered more convenient to prepare than other types of meat.

Demand for locally produced products

Nordic chicken is unusual in the world as there is no use of growth promotors in the feed and no use of preventive medication. Strict hygiene controls ensure a very low incidence of salmonella. Nordic consumers have a strong preference for these high quality standards.

MAJOR REASONS TO EAT CHICKEN

Chicken is popular among all ages and cultures.

Our value chain

"The Group works closely with the farmers to continuously monitor and improve animal welfare, efficiency and quality."

Scandi Standard focuses on parts of the value chain where the Group has core competences. This includes production, as well as sales and marketing and product development. Non-core operations such as growing broilers are to a large extent outsourced.

Hatching and rearing

Fertile eggs are laid by hens and hatched in a hatchery. The hatching process takes about three weeks.

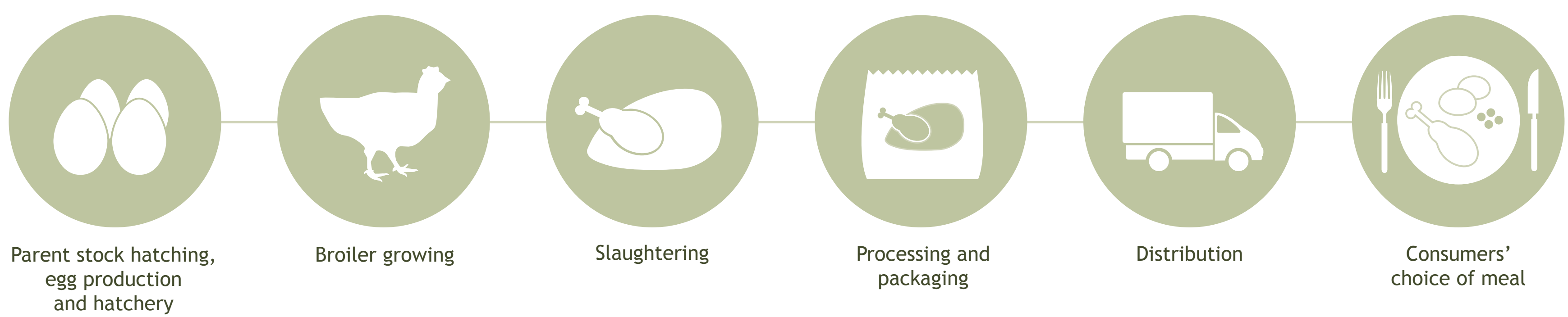
In Sweden the Group operates SweHatch AB, which operates breeding farms and a network of contracted breeders/egg layers as well as two hatcheries.

Broiler growing

Day old chickens are transported from the hatchery to growing farms. The farms are mainly operated by external and independent farmers.

The Group works closely with the farmers to continuously monitor and improve animal welfare as well as efficiency and quality. All Nordic countries have high levels of regulation and controls. Antibiotics are for example not used as a preventive measure in the Nordic countries. The use of antibiotics is limited as a result of strict and frequent disease controls. Very strict animal welfare regulations stipulate density in animal flocks, and the chicken houses meet the highest standards when it comes to feeding and drinking water systems, climate and air quality etc.

THE VALUE CHAIN INCLUDES THE FOLLOWING STEPS:



Slaughtering, processing and packaging

After breeding the Group purchases the broilers and they are transported to processing facilities for slaughtering. The birds might be kept whole or cut into their constituent parts before being further processed, marinated or turned into meal solutions and then packed for distribution.

The Group operates four main slaughtering and processing facilities, in Valla, Sweden, in Års, Denmark, in Jæren, Norway and in Lieto, Finland. There is also a facility for further processed products in Farre, Denmark and a smaller slaughtering facility in Skåne, Sweden.

In 2015 the Group produced approximately 174,000 tonnes of chicken products.

Certified processes

Great focus is placed on safeguarding high standards of hygiene and safety in production and to ensure that all manufacturing processes, methods and equipment meet the Good Manufacturing Practices (GMP) requirements. The Group's products and facilities are certified according to certain standards including the BRC (British Retail Consortium), HACCP (Hazard Analysis Critical Control Point), OHSAS (Occupational Health & Safety Advisory Services), as well as specific customer requirements including McDonald's certificates.

Distribution

Most of the finished products are delivered to the customer on the same day or the day after slaughtering and processing, or frozen for later distribution.

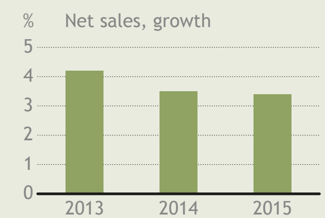
MAJOR REASONS TO EAT CHICKEN

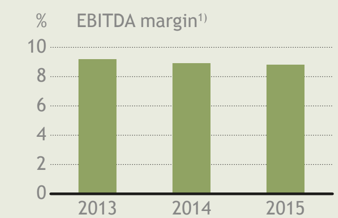
Chicken contains only 2–9 grams of fat per portion, depending on which part of the chicken is used.

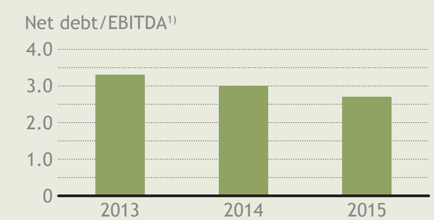
Financial targets

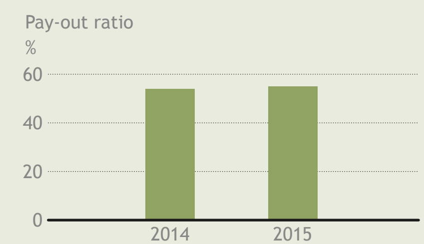
	MEDIUM-TERM TARGET	OUTCOME 2015
NET SALES	Annual average organic sales growth in line with or above market growth.	+3.4% (CAGR)
EBITDA MARGIN	Exceeding 10 percent in the medium term.	8.8%[1)]
NET DEBT/EBITDA	Within the range of 2.0–2.5x LTM EBITDA, but may temporarily exceed this level to allow for capturing opportunities for organic growth and acquisitions.	2.7×[1)]
PAY-OUT RATIO	Approximately 60 percent of adjusted income for the period.	57%

OUTCOME 2013–2015









1) Based on EBITDA adjusted for non-comparable items.

MAJOR REASONS TO EAT CHICKEN

To produce 1 kg of live chicken requires about 1.6 kg of feed compared to about 7.4 kg for beef.

Sustainable development

Taking responsibility for the way we produce and market our products is inherent in our business philosophy. During 2015, a process was started to implement a more formalized and strategy-based way of working with sustainable development.

As the Group has just started to develop these strategies and establish the necessary management systems, goals will be set over time.

Food safety

As a food producing company, an integral part of our market promise is to deliver safe-to-eat products. We consider food safety to be the most important factor in what we call objective food quality. We constantly challenge working processes and quality management systems to improve in this area.

In order to be at the forefront of sophisticated food quality management systems, we have conducted vulnerability analyses starting in the facility in Aars, Denmark. The project was designated to prevent our customers from food fraud, and we also looked at a set-up for food defence. Once the analyses were carried out in Aars, all other facilities were reviewed. Training was also conducted by external consultants specialised in food safety, in order to build up internal competence.

We constantly work to deliver chicken which is free from the pathogenic Salmonella bacteria, a unique quality that takes a lot of accumulated expertise, discipline and intensive management to maintain. We also constantly monitor and test for Campylobacter in order not only to maintain the extremely low incidence of this bacteria in our chicken, but also as an effort to further decrease the incidence.

"As a food producing company, an integral part of our market promise is to deliver products that are safe to eat."

Inspiring consumption of white meat

The Nordic Nutrition Recommendations (NNR) that form the basis of national dietary recommendations in the Nordic countries, as well as advice given by for example the World Health Organisation, unanimously urge people to eat less red meat and relatively more white meat to have a healthier and more balanced diet. Furthermore, the production of animal protein to an increasingly larger global population demands vast inputs of resources and calls for a reduction in the human consumption of red meat.

A change to a more balanced and healthier diet requires not only public advice and campaigning, but also needs to be supported by industry and retail initiatives.

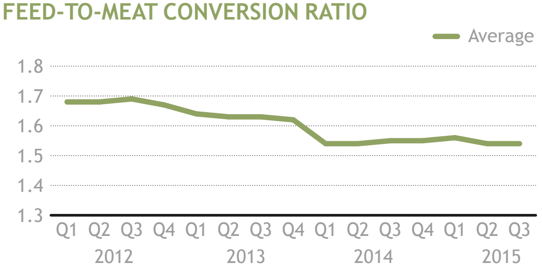
Scandi Standard's vision is to inspire people to eat chicken once more per week. Based on this vision, the Group is continuously launching new and improved products that are convenient to cook in order to inspire an increased consumption of chicken and to drive the category at the retail level.

Feed-to-meat conversion

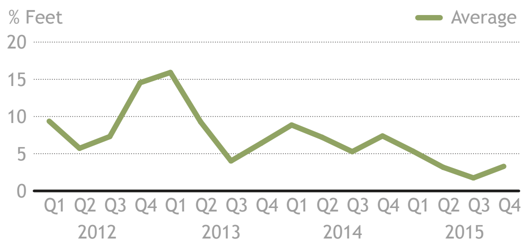
It is widely recognised that production of chicken meat has a lower impact on the environment than production of red meat. From a life-cycle assessment perspective, the most important difference is to be found in the feed-to-meat conversion ratio, i.e. the animal's ability to efficiently convert feed into meat. We constantly work closely with the farmers to reduce feed consumption per kg in order to further reduce the land used for feed production.

One of the most important projects initiated in 2015 was the establishment of a common database for the registration of chicken production data across the Group. Good progress has already been made as a result of a closer collaboration between our grower advisors and the farmers regarding the management of chicken flock-by-flock progress based on historical production data.

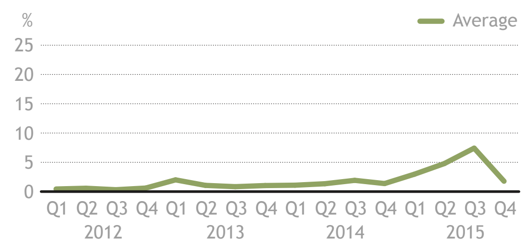
FEED-TO-MEAT CONVERSION RATIO



FOOT PAD LESIONS, %



SHARE OF FLOCKS TREATED WITH ANTIBIOTICS



Continuously improving chicken health

As a buyer of more than 110 million live chickens every year from about 160 farmers, the Group has the responsibility to demand and also to facilitate a conscious and balanced progress in matters of animal welfare.

Based on a common Nordic platform for raising chicken, which includes requirements for the chickens to be able to move around freely in the chicken house, no use of antibiotic growth promoters, no use of beak trimming and no use of preventive medication, Scandi Standard's grower advisors collaborate closely with farmers and veterinary authorities.

One of the parameters in focus is the state of the bedding. Keeping the bedding dry requires a combination of managing the growing conditions and keeping the chickens comfortable. If the bedding becomes humid, the condition of the chickens' feet will be affected – shown by foot pad lesions (FPL). The condition of the footpads is therefore closely monitored and registered from every single chicken house on arrival at the slaughterhouse.

During 2015, the Group's Swedish farmers succeeded in cutting back the registered number of chicken with footpad lesions to less than half of what it was in 2014. The result has been obtained through a combination of pricing, increased use of production data and improved chicken house management. As a positive economic spin-off, the volume of high-quality chicken feet for export was increased – a volume that would otherwise have been used for animal food production.

Scandi Standard has always focused on animal welfare. A good indicator of our efforts is the very low usage of antibiotics in the chicken flocks, as shown in the graph to the left. However, during 2015, a high level of illness was registered among one-day-old chickens at the Danish farms. It appears to have been a combination of factors beyond the Group's control. In order to improve the health of these specific flocks, we have during a limited period of time registered a use of prescripted antibiotics normally not seen in the Danish chicken production. As a result of several measures taken across the entire value chain, a reduction in the use of medication was registered by the end of the year returning to the normal very low level.

"A good indicator of our efforts is the very low usage of antibiotics in the chicken flocks."

Further reductions in energy consumption

Continuous reductions and more efficient management of energy across the Group's production facilities is key in reducing the environmental impact. A thorough investigation of all facilities has been made with the aim of identifying the five most critical and potentially most beneficial areas for optimising the use of electricity. These initiatives will be presented during the first half of 2016 as part of the work to comply with the European Energy Directive.

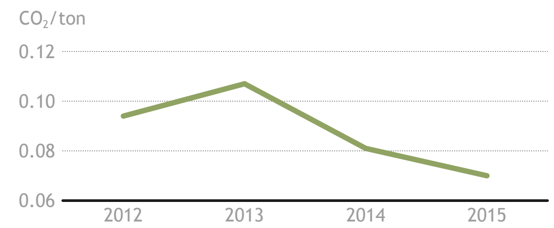
One example is a new heating agreement made for Valla, the main facility in Sweden. Valla is now heated by the local district heating plant, which is fuelled by wood chips from the nearby forestry industry making it CO2 neutral. Valla used to generate heating and hot water from old-fashioned oil boilers and the change to the carbon dioxide neutral district heating resulted in a reduction of 3,350 tons of CO2 emissions in 2015.

Water usage and treatment

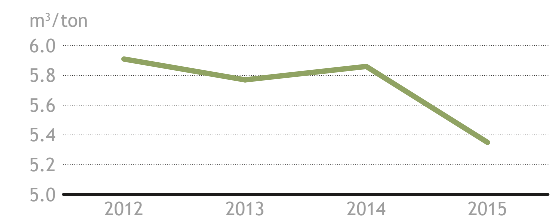
The Group is also continuously working on reducing the use of fresh water and to optimise the treatment of wastewater. Two important indicators that are constantly monitored throughout the Group regarding the ability to manage wastewater quality are the BOD content (Biological Oxygen Demand) and the content of nitrogen.

A major reconstruction and extension of the Valla plant in Sweden was initiated in the second half of 2015. This also includes new installations for the reduction of the use of fresh water and optimisation of the treatment of wastewater. Plans have also been approved for the building of an in-house wastewater treatment facility in one of the plants in Norway. In addition to the recently opened water treatment facility at Skånefågel, Sweden, the Group now operates four facilities where full responsibility is taken for the pollution of the water used in the slaughtering and processing of the chickens.

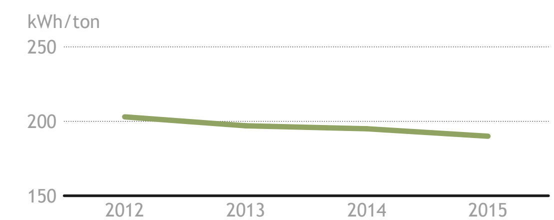
CO_2 EMISSIONS PER SLAUGHTERED TON



WATER CONSUMPTION PER SLAUGHTERED TON



ELECTRICITY CONSUMPTION PER SLAUGHTERED TON



EMPLOYEE SURVEY RESULTS, %

SATISFACTION & MOTIVATION	**70**[1)]
SATISFACTION	67
MOTIVATION	73
LOYALTY	**77**[2)]
FAITHFULNESS	75
DEDICATION	79

1) Medium score (60-74).
2) High score (75-100).

Employee engagement and motivation

Maintaining and growing strong employee engagement is crucial to reach the Group's targets and vision.

A Group-wide employee survey, ScandiPuls, was carried out in 2015. The survey covered various parameters regarding engagement and motivation, and had a response rate of 88 percent.

The results of the survey have been presented to all employees and open dialogues at department level have resulted in action plans to be carried out during 2016. The ambition is to improve employee satisfaction and motivation to reach a score of 72 in the next survey, compared to 70 in 2015.

Code of conduct

The Group has a Code of Conduct that defines high standards for all Group employees in all countries and business units.

MAJOR REASONS TO EAT CHICKEN

Chicken is rich in essential vitamins and minerals such as vitamin B and D, selenium, magnesium, zinc and iron.

The Scandi Standard share

"The share price has increased by more than 35% since the listing."

The Scandi Standard share was listed on Nasdaq Stockholm on June 27, 2014. The share price has increased by more than 35 percent since the listing.

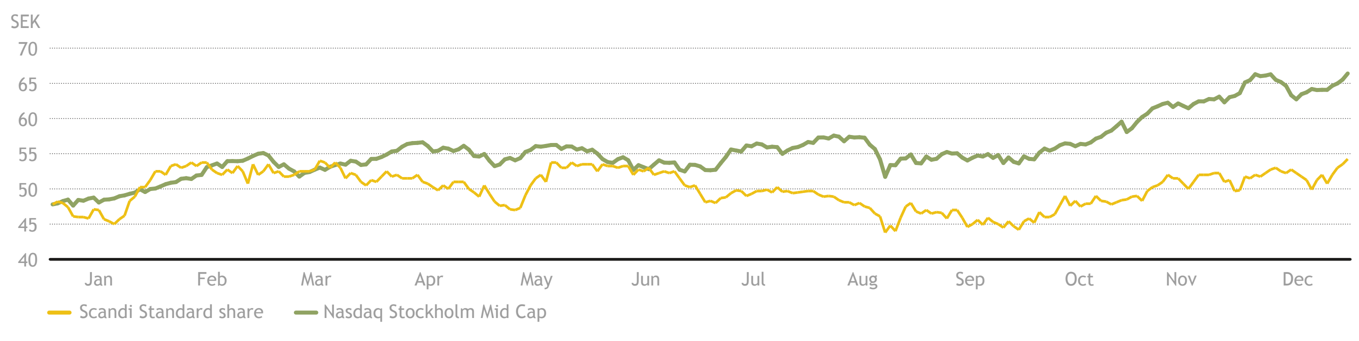
Share price and average volumes

A total of 41.8 (33.4) million shares were traded during 2015. The share price closed at SEK 54.25 per share on the last day of trading in 2015. The average daily volume in 2015 was 166,456 shares per day compared to 171,697 shares per day in 2014, excluding the day of listing.

LARGEST SHAREHOLDERS PER DECEMBER 31, 2015

Name	No. of shares	Capital, %
Carnegie Funds	5,794,223	9.6
Lantmännen Kycklinginvest AB	3,890,903	6.5
Fourth Swedish National Pension Fund (AP4)	3,814,821	6.4
Kvalitena AB	3,502,436	5.8
Investment AB Öresund	2,941,981	4.9
UBS AG	1,723,970	2.9
Swedbank Robur	1,704,004	2.8
Crux Asset Management	1,355,240	2.3
Allianz Global Investors	1,324,100	2.2
State Street Bank & Trust	1,322,573	2.2
Other	32,686,639	54.4
Total	**60,060,890**	**100.0**

SCANDI STANDARD SHARE PRICE DEVELOPMENT, 2015



CHANGES IN SHARE CAPITAL

Registered	Transaction	No. of shares: Change	No. of shares: After transaction	Share capital: Quota value SEK	Share capital: Change	Share capital: After transaction
Feb 1. 2013	Incorporation	50,000	50,000	1.000000	50,000	50,000
Jun 26. 2013	New share issue	500,716,726	500,766,726	0.000500	200,287	250,287
Jun 26. 2013	Reduction of share capital	–	500,766,726	0.000200	–150,215	100,072
Jun 26. 2013	Reduction of share capital	–50,000	500,766,726	0.000100	–50,000	50,072
May 19. 2014	Bonus issue	–	500,766,726	0.000999	449,928	500,000
May 19. 2014	Reclassification of shares	–	500,766,726	0.000999	–	500,000
May 20. 2014	New share issue	4,569,376	505,286,102	0.000999	4,563	504,563
Jun 27. 2014	Reclassification of shares	–	505,286,102	0.000999	–	504,563
Jun 27. 2014	Reversed split 1:10	–454,757,492	50,528,610	0.009986	–	504,563
Jun 27. 2014	New share issue	95,186	50,623,796	0.011847	95,186	599,749
Jun 27. 2014	Set-off of shareholder loans	9,437,094	60,060,890	0.009986	–	599,749

OWNERSHIP STRUCTURE PER DECEMBER 31, 2015

Holding	No. of shareholders	No. of shares	Voting rights and share capital %
1–500	4,428	619,771	1.0
501–1,000	505	430,150	0.7
1,001–10,000	524	1,689,796	2.8
10,001–20,000	58	904,566	1.5
20,001–	162	56,416,607	93.9
Total	**5,677**	**60,060,890**	**100.0**

PER SHARE DATA, SEK

	2015	2014
Adjusted earnings per share[1]	3.15	2.63
Earnings per share	2.73	1.02
Adjusted cash flow from operating[1] activities, per share	5.40	7.29
Equity per share	15.40	14.76
Average no of shares	59,932,408[2]	55,238,260[3]
Number of shares at the end of period	60,060,890	60,060,890[3]

[1] Adjusted for non-comparable items, see page 35.
[2] 448,712 shares were repurchased in 2015.
[3] Adjusted for the reversed split.

MAJOR REASONS TO EAT CHICKEN

Chicken is considered to have clear health benefits to red meat.

Contents

Report by the Board of Directors

- 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.
- Operating income amounted to MSEK 259.5 (238.5), including non-comparable items of MSEK −32.0 (−62.5).
- Adjusted operating income decreased to MSEK 291.5 (301.0), corresponding to an adjusted operating margin of 5.4 (5.7) percent, due to the consolidation of the newly acquired Finnish operation.
- Adjusted operating income showed a strong increase in Sweden and Denmark, but declined in Norway.
- Income for the period increased to MSEK 163.9 (56.1), and earnings per share rose to SEK 2.73 (1.02).
- The net debt/adjusted EBITDA ratio improved to 2.7x (3.0x).
- The operations of Huttulan Kukko Oy in Finland were acquired in May 2015.
- The Board of Directors proposes a dividend for 2015 of SEK 1.80 (1.30) per share.

Key figures

MSEK	2015	2014
Net sales	5,422.9	5,267.2
EBITDA	445.4	407.7
Operating income	259.5	238.5
Income for the period	163.9	56.1
Earnings per share, SEK	2.73	1.02
Dividend, SEK	1.80[4]	1.30
Return on capital employed, %	12.7	12.9
Return on operating capital, %	12.9	13.6
Equity/asset ratio, %	29.5	28.6
Average number of employees	1,670	1,660

Adjusted for non-comparable items

MSEK	2015	2014
Adjusted EBITDA[1]	477.4	470.2
Adjusted EBITDA margin[1], %	8.8	8.9
Adjusted operating income[1]	291.5	301.0
Adjusted operating margin[1],%	5.4	5.7
Adjusted income after finance net[1] [2]	247.5	189.8
Adjusted income for the period[1] [2] [3]	188.7	145.1
Adjusted earnings per share, SEK[1] [2] [3]	3.15	2.63
Adjusted operating cashflow[1]	324.1	438.1

1–3) See table showing non-comparable items on page 35.

4) Proposed.

Net sales and income

Net sales in 2015 increased by 3 percent to MSEK 5,422.9 (5,267.2), and by 3 percent at constant exchange rates. Net sales increased by 9 percent in Sweden and by 1 percent in Denmark in local currency. Net sales in Norway declined by 3 percent in local currency.

Net sales by product category increased by 7 percent for chilled products and by 1 percent for frozen products at constant exchange rates.

Operating income amounted to MSEK 259.5 (238.5), including non-comparable items of MSEK −32.0 (−62.5). For a description of non-comparable items, see table on page 35 and 78. 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, which was acquired in May 2015, is included in the accounts as a new segment with net sales of MSEK 43.7 (–) and adjusted operating income of MSEK −24.1 (–).

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).

Non-comparable items

Non-comparable items in 2015 related to deal fees for completed and non-completed acquisitions as well as financial support to an associated company, and in 2014 to costs related to the Initial Public Offering and the formation of the new Group.

Non-comparable items in EBITDA and operating income

MSEK	2015	2014
IPO costs[a]	–	–36.5
Transition costs[b]	–	–13.9
Monitoring fees[c]	–	–5.8
Transaction costs[d]	–25.0	–2.3
Financial support to associated company[e]	–7.0	–
Pension revaluation[f]	–	–4.0
[1]**Total**	**–32.0**	**–62.5**

Non-comparable items in finance net and tax effects

MSEK	2015	2014
[2]Refinancing[g]	–	–51.0
[3]Tax effect on adjustments	7.2	24.5
Non-comparable items in income for the period	**–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 the associated company Farmfood A/S.

[f] Pension revaluation related to the closure of the defined benefit scheme.

[g] Non-recurring write-off arrangement fees related to the old credit facility.

Cash flow and investments

Adjusted cash flow from operating activities amounted to MSEK 324.1 (438.1). Cash flow was negatively affected by higher capital expenditure than in 2014, as well as an increase of inventories compared to a significant decrease last year.

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

Capital expenditure

Capital expenditure in 2015 amounted to MSEK 206.5 (141.3). Major projects included an extension of the Valla facility in Sweden and new fillet packing robots in Norway at a total of MSEK 45. Approximately 57 percent of the capital expenditure in 2015 referred to productivity improvement projects, mostly in Sweden and Norway, and approximately 28 percent to maintenance.

Adjusted operating cash flow

MSEK	2015	2014
Adjusted EBITDA[1]	477.4	470.2
Capital expenditure	–206.5	–141.3
Change in inventories	–10.7	91.6
Change in other working capital	63.9	17.6
Adjusted operating cash flow	**324.1**	**438.1**

[1] Adjusted for non-comparable items in 2015 of MSEK –32.0 and MSEK –62.5 in 2014. For a description of adjustments, see table to the left and page 78.

Financial position

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

Net interest-bearing debt as of December 31, 2015 declined to MSEK 1,313.0 compared to MSEK 1,405.5 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.

Transactions with related parties

Scandi Standard has agreements with Lantmännen, a major shareholder, for the rental of the facility in Åsljunga, Sweden. Rental costs in 2015 under this agreement were MSEK 1.6 (13.1). The figure for 2014 include the facility in Valla, Sweden.

In the beginning of 2015 Lantmännen sold the Valla premises to a third-party. The divestment has had no impact on the terms of the leasing contract, which expires in 2026.

Segment information

Sweden

MSEK	2015	2014	Change
Net sales	2,231.1	2,055.2	9%
Adjusted operating income[1]	159.9	113.8	41%
Adjusted operating margin[1]	7.2%	5.5%	–

[1] Adjusted for non-comparable items of MSEK –5.3 in 2015 and MSEK –13.9 in 2014. For a description of adjustments to operating income for the segments, see page 78.

Net sales for the Swedish operation in 2015 increased by 9 percent to MSEK 2,231.1 (2,055.2). The increase was driven by continued market growth for particularly chilled products and successful product launches.

The retail market for chicken products in Sweden grew by approximately 6 percent in value compared to 2014. Chilled products grew by 15 percent and frozen products by 1 percent in value. The Group's market share increased to approximately 47 (45) percent.

The adjusted operating income rose by 41 percent to MSEK 159.9 (113.8) as a result of higher volumes and an improved product mix with a higher proportion of chilled products. The adjusted operating margin improved to 7.2 (5.5) percent.

Denmark

MSEK	2015	2014	Change
Net sales	2,283.7	2,209.2	3%
Adjusted operating income[1)]	143.9	104.3	38%
Adjusted operating margin[1)]	6.3%	4.7%	–

MDKK	2015	2014	Change
Net sales	1,820.5	1,810.4	1%
Adjusted operating income[1)]	114.7	85.5	34%
Adjusted operating margin[1)]	6.3%	4.7%	–

1) Adjusted for non-comparable items of MSEK –4.4 in 2015 and MSEK –1.4 in 2014. For a description of adjustments to operating income for the segments, see page 78.

Net sales for the Danish operation in 2015 increased by 3 percent to MSEK 2,283.7 (2,209.2) or by 1 percent in local currency.

The retail market in Denmark increased by 5 percent in value compared to 2014. Chilled products rose by 7 percent, while frozen products declined by 3 percent in value. The Group's market share was unchanged at 41 (41) percent.

The adjusted operating income rose by 38 percent to MSEK 143.9 (104.3) or by 34 percent in local currency. The adjusted operating margin improved to 6.3 (4.7) percent. The improvement in income and margin was mainly achieved through continued efficiency gains in production and other parts of the supply chain.

Norway

MSEK	2015	2014	Change
Net sales	1,178.3	1,270.0	–7%
Adjusted operating income[1)]	60.3	119.8	–50%
Adjusted operating margin[1)]	5.1%	9.4%	–

MNOK	2015	2014	Change
Net sales	1,125.9	1,165.7	–3%
Adjusted operating income[1)]	57.7	110.0	–48%
Adjusted operating margin[1)]	5.1%	9.4%	–

1) Adjusted for non-comparable items of MSEK –4.4 in 2015 and MSEK –0.7 in 2014. For a description of adjustments to operating income for the segments, see page 78.

Net sales for the Norwegian operation in 2015 decreased by 7 percent to MSEK 1,178.3 (1,270.0) or by 3 percent in local currency. The decline was due to the loss of a major contract with ICA Norway in April 2014, as well as a drop in market demand after extensive media coverage regarding bacteria in chicken.

The retail market in Norway decreased by 2 percent in value compared to 2014. Chilled products declined by 1 percent and frozen products by 9 percent in value. The total market share for Den Stolte Hane increased to 25 (23) percent.

A new supply agreement with Coop Norway was signed in May 2015, which also includes the stores acquired from ICA Norway. Net sales gradually improved in the latter part of the year following the start of deliveries under the new agreement and a recovery of market demand.

The adjusted operating income in 2015 decreased by 50 percent to MSEK 60.3 (119.8) or by 48 percent in local currency. The adjusted operating margin was 5.1 (9.4) percent. The decline in income and margin was mainly attributable to lower volumes, a less favourable product mix and stock clearance.

Finland

MSEK	2015	2014	Change
Net sales	43.7	–	–
Adjusted operating income[1)]	–24.1	–	–
Adjusted operating margin[1)]	–55.1%	–	–

MEUR	2015	2014	Change
Net sales	4.7	–	–
Adjusted operating income[1)]	–2.6	–	–
Adjusted operating margin[1)]	–55.1%	–	–

1) Adjusted for non-comparable items of MSEK –9.0 in 2015. For a description of adjustments to operating income for the segments, see page 78.

Net sales for the Finnish operation in 2015 amounted to MSEK 43.7 (–). The adjusted operating income was MSEK –24.1 (–). The factory runs at approximately 15 percent of total capacity. The main focus is to increase volumes, and additional contracts for the supply of birds have been signed for 2016.

Acquisition of Finnish operation

The operations of Huttulan Kukko Oy in Finland was acquired in May 2015. The operation has been renamed Kronfågel Oy and constitutes the Finland segment in the Group's financial reporting.

The acquisition was structured as an asset deal. The purchase price was MEUR 10, including assumed bank debt of MEUR 5. The price may increase to MEUR 13 over five years, depending on future performance.

Huttulan started operations in 2014 in a newly built facility. The number of employees is 42. The facility is processing approximately 1.4 million chickens on an annual basis, but has the capacity for up to 10 million annually.

Agreement to acquire Lagerbergs

An agreement was signed on 15 June 2015 to acquire Lagerbergs, a producer of chicken products in Sweden with sales of approximately MSEK 300 and 120 employees.

The Swedish Competition Authority announced in January 2016 that it opposed the acquisition and went to court claiming that the acquisition violated Swedish Competition Law. The agreement was cancelled by the seller in March 2016.

Purchase of own shares

In accordance with the authorization by the Annual General Meeting 2015, the Group purchased 448,712 own shares during the second half of 2015 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. The number of purchased shares corresponds to 0.7 percent of the total number of outstanding shares.

The Scandi Standard share

At year-end the share capital in Scandi Standard amounted to SEK 599,749 (599,749), comprising 60,060,890 shares. Each share carries one vote. All shares have equal rights to the Company's assets and profits.

There are no restrictions on the transfer of shares, voting rights or the right to participate in the AGM, nor is the Company party to any significant agreements which might be affected, changed or terminated if control of the Company were to change as a result of a public bid for acquisition of shares in the Company. The Company is not aware of any agreements between shareholders which might limit the right to transfer shares. In addition, there are no stipulations in the Articles of Association regarding appointment or dismissal of Board members or agreements between the Company and Board members or employees which require remuneration if such persons leave their posts, or if employment is terminated as a result of a public bid to acquire shares in the Company.

As of December 31, 2015, the three largest shareholders were Carnegie Fonder, Lantmännen and The Fourth Swedish National Pension Fund (AP4), with 9.6 percent, 6.5 percent and 6.4 percent of the capital respectively. For information on major shareholders, see page 30.

CapVest, a leading European private equity firm headquartered in London, was together with Lantmännen the principal owners prior to the Initial Public Offering and listing of Scandi Standard in 2014. CapVest, Lantmännen, Board members and Group management had agreements not to sell shares until June 27, 2015. CapVest thereafter sold its entire holding and Lantmännen reduced its holding from 13.5 percent to 6.5 percent.

Environmental activities

Scandi Standard operates 9 production units, of which three in Sweden, three in Norway, two in Denmark and one in Finland. Permits and notification requirements in accordance with environmental legislation are required for all units. The main direct environmental impacts are noise, emissions into the air and water, and temporary storage of hazardous waste. There was no non-compliance reported in 2015.

Employees

The average number of employees (FTE) in 2015 was 1,670 (1,660), of which 637 (661) in Sweden, 729 (705) in Denmark, 262 (294) in Norway and 42 (0) in Finland. 41 (42) percent of the total workforce were women.

Changes in Group Management

Fredrik Strømmen took up the position as country manager in Norway in March 2015. Jonny Mason, Chief Financial Officer, left his position at the end of September 2015.

Annual General Meeting 2016

The Annual General Meeting (AGM) 2016 will be held on April 25, 2016 at 1 pm in Wallenbergsalen, IVA Conference Center, Grev Turegatan 16, Stockholm, Sweden. For more information regarding the AGM and how to register attendance, see page 92 and http://investors.scandistandard.com/en/agm

Dividend for 2015

The Board of Directors proposes a dividend for 2015 of SEK 1.80 (1.30) per share for a total dividend payment of MSEK 107.3 (78.1) based on the number of outstanding shares at the end of 2015. The proposed dividend corresponds to approximately 57 (54) percent of adjusted income for the period.

Scandi Standard's policy for the dividend is to distribute approximately 60 percent of adjusted income for the period on average over time. The pay-out ratio shall take into account the financial position and future growth opportunities.

April 27, 2016 is proposed as record date. The last day of trading in Scandi Standard shares including the right to dividend for 2015 is April 25, 2016.

Proposal regarding guidelines for remuneration for senior management

The Board of Directors proposes that the AGM resolves to approve the following guidelines for remuneration for senior management, which shall apply until the AGM 2017. Senior management means the CEO of Scandi Standard and the executives in Scandi Standard and other group companies who, from time to time, are reporting to the CEO or the CFO and who are also members of the senior management, as well as members if the board of directors of Scandi Standard to the extent employment or consulting agreements are entered into.

Remuneration principles
Salaries and other terms and conditions of employment shall be sufficient for Scandi Standard to recruit and retain skilled senior managers at a reasonable cost to the Company. Remuneration shall be based on principles of performance, competitiveness and fairness, and consists of a fixed salary, variable salary, pension and other benefits.

Fixed and variable salary
All senior managers shall be offered a fixed salary in line with market conditions based on responsibility, expertise and performance. All senior managers may, from time to time, be offered variable salary (cash bonuses). The variable salary shall be based on achievement of a set of financial and personal objectives determined in advance by the Board. The variable salary may not amount to more than 75 percent of the fixed annual salary. Fixed annual salary means fixed cash salary earned during the year, excluding pension, supplements, benefits and similar.

To the extent a Board member performs work for the Company, in addition to the Board work, a market-based consulting fee may be paid.

Long-term incentive programs
In addition, the AGM may resolve on long-term incentive programs such as share and share price-related incentive programs. These incentive programs shall be intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees.

Pensions
Agreements regarding pensions shall, where applicable, be premium based and shall be designed in accordance with the level and practice applicable in the country in which the member of senior management is employed.

Notice of termination and severance payment
Fixed salary during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate not exceed an amount equivalent to the fixed salary for two years. The total severance payment shall for all members of senior management be limited to the existing monthly salary for the remaining months up to the age of 65.

Individual remunerations and other terms of employment for all employees earning more than MSEK 2 per annum are approved by the Board of Directors.

Deviations from guidelines for remuneration for senior management
The Board of Directors may resolve to deviate from these guidelines if the Board of Directors, in an individual case, is of the opinion that there are special circumstances justifying that.

Proposal for long-term incentive program
The Board of Directors has decided to propose to the AGM a long-term incentive program 2016 (LTIP 2016) for key employees. The program is intended to contribute to long-term value growth and provide a shared interest in value growth between shareholders and employees. The program is of the same type as LTIP 2015, which was approved by the AGM in 2015.

The program comprises a maximum of 19 participants. Performance share rights shall be allotted free of charge to the participants in relation to a fixed percentage of their fixed salary.

After a three-year vesting period commencing in connection with the implementation of LTIP 2016 and provided that certain conditions are fulfilled, the participants may exercise their performance share rights through which they will be allotted shares in the Company free of charge. Each performance share right is entitled to allotment of up to one share.

In order for performance share rights to entitle to allotment of shares, it shall be required that the participant remains employed and has not given or been given notice of termination of employment within the Group during the vesting period.

Performance requirement
In addition, allotment of shares shall be conditional upon satisfaction of a financial target set by the Board of Directors, being the compound annual growth rate of earnings per share ("EPS CAGR"). The EPS CAGR shall be calculated on the basis of the Group's quarterly financial statements, which are adjusted for non-comparable items. EPS for the financial year 2015 shall be SEK 3.27.

In order for full allotment of shares to occur, the average EPS CAGR during the period January 1, 2016 - December 31, 2018 must be at least 12.5 percent. If the average EPS CAGR during the period January 1, 2016 - December 31, 2018 is 5 percent, the participants shall be allotted shares for 25 percent of their performance share rights. If the average EPS CAGR during the period January 1, 2016 - December 31, 2018 is more than 5 percent but less than 12.5 percent, the participants shall receive linear allotment. If the average EPS CAGR during the period January 1, 2016 - December 31, 2018 is less than 5 percent, no shares shall be allotted.

Hedging of commitments according to LTIP 2016
In order to secure the delivery of shares under LTIP 2016 and for the purpose of securing and covering hedging social security charges under LTIP 2016, the Board of Directors proposes that the AGM authorize the Board to acquire a maximum of 269,598 shares in the Company on Nasdaq Stockholm. In addition, the Board of Directors proposes that the AGM resolves to transfer a maximum of 209,076 own shares to the participants in accordance with the terms of the program.

Value and estimated costs for LTIP 2016
Assuming 100 percent vesting, full fulfilment of the EPS requirement and a share price at the time of exercise of the performance share rights of SEK 57.58, LTIP 2016 will result

in the allocation of 209,076 shares in the Company, representing a value of SEK 14,237,604.

The social security charges are expected to amount in average to approximately 18 percent of the market value of the shares allocated upon exercise of the performance share rights. The Board of Directors has proposed that the effect on cash flow that may arise as a result of social security charges payable when the performance share rights are exercised be hedged by way of acquisitions of own shares in the market.

In addition, the performance share rights will give rise to accounting costs in accordance with IFRS 2. These costs shall be determined on the allotment date and be allocated over the Vesting Period. In accordance with IFRS 2, the theoretical value of the performance share rights shall form the basis of the calculation of these costs. The theoretical value shall not be re-valued in subsequent reporting periods, although adjustments shall be made in conjunction with every financial report for the performance share rights that have not been vested. In this manner, the accumulated costs at the end of the vesting period will correspond to the number of performance share rights that fulfil the conditions.

Dilution and effects on key ratios

No new shares will be issued due to LTIP 2016. However, the Company will need to acquire 269,598 own shares, corresponding to approximately 0.4 percent of the outstanding shares and votes in order to secure delivery of shares and to secure and cover social security charges.

The costs for LTIP 2016 are expected to have a marginal effect on the Group's key ratios.

Apart from the LTIP 2015 program approved by the AGM in 2015, the Group has no other share and share price-related incentive programs. The intention is that a program similar to LTIP 2015 and LTIP 2016 will be proposed annually to the AGM in the coming years.

Full details of the program are included in the notice to the AGM 2016.

RISKS AND RISK MANAGEMENT

Scandi Standard's ability to reach its financial and other targets is dependent on a number of fundamental factors such as maintaining its strong local market shares and brand positions, cost-efficient and flexible production, and the ability to continuously launch new and innovative products.

As all business activities involve risks, effective risk management is required to realize the Group's potential and to protect its assets. Risks that are effectively managed may lead to opportunities and value creation, while risks that are not managed correctly could result in damage and value destruction.

During 2015 the Group initiated a risk-mapping process to identify high-level risks for the Group in a structured way. The purpose was to establish a formalised and proactive risk management process as an important part of the governance of the Company, with allocation of relevant roles and responsibilities.

Risks and uncertainty factors

Risks connected with Scandi Standard's operations can generally be divided into strategic risks, operational risks including reporting and compliance risks, and financial risks.

Some of the risks and uncertainty factors deemed to be of importance for the fulfilment of Scandi Standard's strategic objectives and future prospects, financial and operational results, financial position and cash flow are described below in no particular order of priority and without claiming to be exhaustive. Other risks and uncertainty factors presently unknown to the Company, or which the Company at present deems to be insignificant may in the future have a significant adverse impact on Scandi Standard.

Strategic risks

Strategic risks are linked to business development and long-term planning, as well as brand value. The most significant strategic risks include dependency on a few large customers, dependency on availability of birds to support current business and growth, the ability to adapt in the event of the introduction of new laws and regulations that change the conditions for operating the business, as well as the risk of damage to the Group's brands. Demand for the Group's products can be influenced by health, dietary, animal welfare and other trends that may also affect the cost of production.

Strategic risks are largely dealt with by the Board of Directors, and as part of the Group's annual strategy process. The Group's strategy process includes setting objectives and defining risks. Policies and actions are established to govern critical business decisions in the context of strategic risks.

Fast dissemination of appropriate information in the organisation is ensured through the Group's management structure with strong local management. Sales figures and results are reviewed by Group Management and other members of operational management on a weekly basis. Group Management holds video meetings every second week and meets once a month to review the monthly results, to update forecasts and plans and to discuss critical business issues.

Customer dependence

The Group's five largest customers represented approximately 41 percent of net sales in 2015, and the ten largest approximately 58 percent. This is partly due to the fact that the Scandinavian food retail market is consolidated with only a few major retailers in each country.

Retailers have significant influence on consumer demand as consumer behaviour is influenced by the way retailers present products for sale, position in store, shelf space and the quantity of promotional activity. The Group is the major supplier of chicken to a number of major retailers and works actively to ensure that demand for chicken products is facilitated in terms of store fixtures and shelf space allocated.

Loss of customers or volume with customers can have a substantial impact on the Group's sales and income.

New laws and regulations

The Nordic chicken markets are governed by extensive regulations and controls regarding hygiene, food safety and animal welfare. Changes in the legislative and fiscal frame-

EXAMPLES OF MAJOR RISKS FOR SCANDI STANDARD

STRATEGIC RISKS

- Business development
- Dependence on few, large customers
- Supply of birds
- New laws and regulations
- Damage to brand value
- New food trends that could reduce demand for the products

OPERATIONAL RISKS INCLUDING REPORTING AND COMPLIANCE RISKS

- Fluctuations in demand
- Price competition
- Procurement costs
- Product quality and safety
- Disease outbreak
- Disruptions in production or in the supply chain
- Retail merchandising policies
- Acquisitions
- Financial reporting

FINANCIAL RISKS

- Changes in exchange rates
- Interest-rate fluctuations
- Currency and interest-rate hedging
- Refinancing and liquidity risks
- Credit and counterparty risks

EXAMPLES OF MANAGEMENT OF RISKS

- Annual strategy process
- Meetings by Group Management every second week
- Policies, instructions and manuals

- Code of Conduct
- Supplier Code of Conduct
- Frequent inspections of facilities for safety by internal and external experts
- Monitoring of sales and results on a weekly basis
- Finance & Accounting Manual

- Finance policy
- Country risk policies

work can entail requirements for the Group to make new and significant investments in its operations that may negatively affect the financial results and financial position.

The Group's Swedish and Danish production facilities are certified according to the BRC (British Retail Consortium) global standards for food safety. BRC is the leading safety and quality certification program used for the food industry. The certification, which is carried out by Sai Global, covers everything from HACCP (Hazard Analysis Critical Control Point) systems, quality management and factory requirements to production control processes and human resources. HACCP systems are used to monitor the entire value chain.

Operational risks, including reporting and compliance risks

Operational risks arise in the course of the day-to-day running of the businesses and include among other things fluctuations in demand, price competition, changes of procurement costs, product quality and safety, outbreaks of livestock diseases, disruptions in production or in the supply chain, changes in retail merchandising policies, as well as integration of acquisitions. Operational risks also include risks regarding reporting in general and financial reporting in particular, as well as non-compliance with applicable laws and regulations.

Risks in the reporting cover for example errors in the internal or external reporting. Read more on financial reporting in the Corporate governance report on page 85–86.

The Group tries to minimize the total costs of damages through insurance solutions. Insurable risks are placed with large Swedish and international direct insurance companies that purchase reinsurance in the international reinsurance market.

Fluctuations in demand

Scandi Standard has a consolidated factory infrastructure with two or three facilities in each market. Production costs have a substantial impact on the Group's financial results. The main cost items are personnel, distribution, energy and property costs. Maximizing throughput in the least amount of time while minimizing waste, downtime and overtime are factors that are important for the profitability of a facility.

In the event of a sudden increase or decline in demand the Group may not be able to make an immediate adjustment of production, which can result in the build-up of stocks with a negative impact on cash flow and margins. To some extent, the negative effect can be limited for example by freezing products and selling them later as frozen products with longer shelf life.

Price competition and procurement costs
The domestic production of chicken-based food products in Scandinavia is consolidated to a few main producers in each country. There is strong competition to maintain and strengthen positions within the retail and food service markets. Some competitors offer not only chicken products, and competition is therefore also related to other product categories.

Total external procurement costs in 2015 amounted to approximately MSEK 3,200, of which the major part referred to the purchase of live chickens. The chickens are largely sourced from third party growing farms in each local market.

Business ethics risks, supply chain and commodity risks are mainly managed through implementation of the Group's Code of Conduct, as well as including the supplier Code of Conduct to all agreements and regular monitoring of compliance.

Disease outbreak
Scandi Standard is operating in the food business and deals with livestock. Careful handling of food safety and animal welfare are therefore of critical importance. Outbreaks of livestock diseases within the Group, its markets or other geographical markets or at competitors' facilities could have a negative impact on demand for chicken products.

Salmonella infection is a constant challenge for the entire poultry industry. Sweden has a track record in fighting salmonella and there are well-developed processes throughout the value chain, as well as restrictions on imports of chilled products to prevent any outbreaks. Nordic chicken products are generally regarded as being of the highest quality due to the strict standards applied on matters of animal health and welfare and the fact that neither antibiotics nor growth hormones are used in the feed process.

The greatest risk from a global perspective is a possible outbreak of bird flu or similar viruses. Historically such outbreaks or extensive media coverage regarding risks related to the consumption of chicken have led to declines in chicken consumption, but demand has recovered realtively quickly after the outbreaks subsided. This cannot however be anticipated in the future.

Disruptions in production or in the supply chain
Typically an order from a customer must be processed within one to three days. Even minor disturbances to production may make it difficult to fulfil obligations to customers, which could increase the risk of customers changing supplier. Customers may sometimes also be entitled to compensation.

A large proportion of the Group's products are sold as fresh food, which due to expiration dates must be distributed and sold to customers shortly after production.

Acquisitions
Integration of acquisitions always involves risks. Sales might be adversely affected, the cost of integration might be higher than anticipated and synergy effects may be lower than expected.

Financial risks

The Group is by the nature of its operations exposed to various types of financial risks. These refer to fluctuations in the Group's financial results, financial position and cash flow due to changes in exchange rates, interest-rate fluctuations, and currency and interest-rate hedging. The Group is also exposed to refinancing and liquidity risks, and to credit and counterparty risks.

Management of financial risks is based on the Group's finance policy and the risk policies specified to each country. The finance policy is adopted by the Board of Directors.

The Group's currency risk includes both transaction and translation exposure. Transaction exposure relates mainly to export sales. Translation exposure is the effect of changes in exchange rates when foreign subsidiaries' income statements in DKK, NOK and EUR respectively and statements of financial position are translated into SEK. The Group's currency risk is hedged to some extent by denominating some loans in local currencies. The Group's interest rate risk is hedged to some extent by the use of swaps.

Interest bearing liabilities expose the Group to interest rate risks. In July 2014, the Group entered into a new five-year loan agreement, which has led to substantially lower interest expense.

The Group's refinancing and liquidity risks and payment capacity include the risk of higher costs and limited financing opportunities when renewing loans and other credit arrangements and the risk of inability to meet payment obligations as a result of insufficient liquidity. The Group's credit and counterparty risks are the risks that a counterparty in a transaction will be unable to discharge its obligations. See note 20.

SENSITIVITY ANALYSIS

A sensitivity analysis of important factors affecting the Group's financial results is shown below. The analysis is based on values as of December 31, 2015 and assumes all other factors remain unchanged.

- A change in the average sales price of +/–5 percent would have an approximate impact on operating income of MSEK +/–260.
- A change in the costs of goods sold of +/–5 percent would have an approximate impact on operating income of MSEK +/–157.
- A change by +/–5 percent in the DKK, NOK and EUR exchange rates in relation to SEK would impact operating income by approximately MSEK +/–7, MSEK +/–2 and MSEK –/+2 respectively, on an annual basis.

Consolidated financial statements

Consolidated income statement

MSEK	Note	2015	2014
Net sales	4	**5,422.9**	**5,267.2**
Other operating revenues	4	29.8	19.0
Changes in inventories of finished goods and work in progress		–2.2	–100.8
Raw materials and consumables		–3,144.5	–3,014.9
Cost of personnel	5	–1,010.0	–947.4
Depreciation, amortisation and impairment	6	–187.2	–171.5
Other operating expenses	7	–850.6	–815.3
Share of income of associates	13	1.3	2.2
Operating income		**259.5**	**238.5**
Finance income	8	10.8	3.1
Finance expenses	8	–54.7	–165.3
Income after finance net		**215.5**	**76.3**
Income tax expense	10	–51.6	–20.2
Income for the period		**163.9**	**56.1**
Whereof attributable to shareholder´s of the Parent Company		163.9	56.1
Average number of shares		59,932,408[1)]	55,238,260[2)]
Earnings per share, SEK		2.73	1.02
Number of shares at the end of the period		60,060,890	60,060,890

1) 448,712 shares were repurchased in 2015.
2) Adjusted for the reversed split 27 June 2014.

Consolidated statement of comprehensive income

MSEK	Note	2015	2014
Income for the period		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	21	25.6	–19.2
Tax on actuarial gains and losses		–6.0	4.2
Total		**19.6**	**–15.0**
Items that will or may be reclassified to the income statement			
Cash flow hedges		–5.9	–5.5
Currency effects from conversion of foreign operations		–36.8	53.9
Income from currency hedging of foreign operations		–6.3	–31.4
Tax attributable to items that will be reclassified to the income statement		2.5	8.2
Total		**–46.5**	**25.2**
Other comprehensive income for the period, net of tax		**–26.9**	**10.2**
Total comprehensive income for the period		**137.0**	**66.3**
Whereof attributable to shareholder´s of the Parent Company		137.0	66.3

Consolidated statement of financial position

MSEK	Note	Dec 31, 2015	Dec 31, 2014
ASSETS			
Non-current assets			
Goodwill	12	596.5	611.3
Other intangible assets	12	489.9	528.7
Property plant and equipment	11	881.7	809.9
Participations in associated companies	13	41.4	42.7
Financial assets	14	0.4	1.8
Surplus in funded pension plans	21	16.4	–
Deferred tax assets	10	16.5	45.3
Other fixed assets		–	0.5
Total non-current assets		**2,042.8**	**2,040.2**
Current assets			
Inventory	15	530.3	546.6
Trade receivables and other receivables	16	427.5	417.4
Short term investments	17	0.5	1.4
Cash and cash equivalents	17	142.7	89.7
Total current assets		**1,101.0**	**1,055.1**
TOTAL ASSETS		**3,143.8**	**3,095.3**

MSEK	Note	Dec 31, 2015	Dec 31, 2014
EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital		0.6	0.6
Other contributed equity		810.0	888.1
Reserves		−16.8	29.7
Retained earnings		131.1	−32.0
Total equity	18	**924.9**	**886.4**
Liabilities			
Non-current liabilities			
Non-current interest bearing liabilities	19 20	1,394.9	1,460.2
Provisions for pensions	21	1.7	20.4
Deferred tax liabilities	10	86.0	75.5
Other non-current provisions	22	1.9	–
Total non-current liabilities		**1,484.5**	**1,556.1**
Current liabilities			
Current interest bearing liabilities	19 20	60.9	38.9
Trade payables and other current liabilities	20 23	653.0	589.8
Tax payables	10	20.5	24.3
Total current liabilities		**734.4**	**653.0**
TOTAL EQUITY AND LIABILITIES		**3,143.8**	**3,095.3**

Pledged assets and contingent liabilities, see note 28.

Consolidated statement of changes in equity

MSEK	Note	Share capital	Other con-tributed equity	Reserves	Retained earnings	Total equity
Opening balance, January 1, 2014	18	**0.0**	**500.7**	**4.5**	**–72.6**	**432.6**
Income for the period					56.1	56.1
Other comprehensive income, net after tax				25.2	–15.0	10.2
Total comprehensive income				25.2	41.1	66.3
Bonus issue		0.5			–0.5	0.0
New shares issue			6.2			6.2
Set off of shareholders' loans		0.1	381.2			381.3
Transactions with the owners		**0.6**	**387.4**		**–0.5**	**387.5**
Closing balance, December 31, 2014	18	**0.6**	**888.1**	**29.7**	**–32.0**	**886.4**
Opening balance, January 1, 2015		**0.6**	**888.1**	**29.7**	**–32.0**	**886.4**
Income for the period					163.9	163.9
Other comprehensive income, net after tax				–46.5	19.6	–26.9
Total comprehensive income				–46.5	183.5	137.0
Dividend			–78.1			–78.1
Repurchase own shares					–20.4	–20.4
Transactions with the owners			**–78.1**		**–20.4**	**–98.5**
Closing balance December 31, 2015		**0.6**	**810.0**	**–16.8**	**131.1**	**924.9**

Consolidated statement of cash flows

MSEK	Note	2015	2014
OPERATING ACTIVITIES			
Operating income		259.5	238.5
Adjustment for non-cash items		199.7	180.0
Paid finance items net	29:1	–51.6	–97.0
Paid current income tax		–22.1	–44.0
Cash flows from operating activities before changes in operating capital		**385.5**	**277.5**
Change in inventories		–10.7	91.6
Change in operating receivables		–27.9	45.0
Changes in operating payables		91.9	–27.4
Cash flows from operating activities		**438.8**	**386.7**
INVESTING ACTIVITIES			
Business combinations	29:2	–55.7	–30.7
Investment in property, plant and equipment		–206.5	–142.3
Sales of fixed assets		–	1.0
Cash flows used in investing activities		**–262.2**	**–172.0**
FINANCING ACTIVITIES			
New share issue		–	6.2
Net change in external loans		–20.4	–207.9
Paid dividend		–78.1	–
Repurchase own shares		–20.4	–
Cash flow in financing activities		**–118.9**	**–201.7**
Cash flows for the period		**57.7**	**13.0**
Cash and cash equivalents at beginning of the period		**89.7**	**71.8**
Currency effect in cash and cash equivalents		–4.7	4.9
Cash flows for the period		57.7	13.0
Cash and cash equivalents at end of the period	29:3	**142.7**	**89.7**

Parent Company financial statements

The Parent Company Scandi Standard AB (publ.) owns shares in the subsidiaries in which operations are conducted. These operations are shown in the section that describes the Group. No operations are conducted in the Parent Company and there are no employees.

Parent Company income statement

MSEK	Note	2015	2014
Net sales		**–**	**17.4**
Operating expenses	31	–0.1	–56.8
Operating income		**–0.1**	**–39.4**
Finance net		14.6	21.7
Income after finance net		**14.5**	**–17.7**
Group contribution		–3.9	
Tax expenses	33	–2.4	2.3
Income for the period		**8.3**	**–15.4**

Parent Company statement of comprehensive income

MSEK	Note	2015	2014
Income for the period		8.3	–15.4
Other comprehensive income		–	–
Total comprehensive income for the period		**8.3**	**–15.4**

Parent Company statement of financial position

MSEK	Note	Dec 31, 2015	Dec 31, 2014
ASSETS			
Non-current assets			
Investments in subsidiaries	34	532.7	532.7
Receivables from Group entities	35	358.7	358.7
Deferred tax assets	33	–	2.3
Total non-current assets		**891.4**	**893.7**
Current assets			
Receivables from Group entities		0.0	14.3
Cash and cash equivalents		0.0	–
Total current assets		**0.0**	**14.3**
TOTAL ASSETS		**891.4**	**908.0**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		0.6	0.6
Non-restricted equity			
Share premium account		810.0	888.1
Retained earnings		–36.8	–1.0
Income for the period		8.3	–15.4
Total equity		**782.1**	**872.3**
Non-current liabilities			
Non-current interest-bearing liabilities	35	27.5	–
Total non-current liabilities		**27.5**	**–**
Current liabilities			
Tax liabilities	33	–	2.2
Liabilities to Group entities		81.8	33.5
Total current liabilities		**81.8**	**35.7**
TOTAL EQUITY AND LIABILITIES		**891.4**	**908.0**

Pledged assets and contingent liabilities, see note 32.

Parent Company statement of changes in equity

MSEK	Share capital	Share premium account	Retained earnings	Total equity
Equity, January 1, 2014	**0.0**	**500.7**	**–0.5**	**500.2**
Income for the period			–15.4	–15.4
Bonus issue	0.5		–0.5	0
New share issue		6.2		6.2
Set-off of shareholders' loans	0.1	381.2		381.3
Equity, December 31, 2014	**0.6**	**888.1**	**–16.4**	**872.3**
Equity, January 1, 2015	**0.6**	**888.1**	**–16.4**	**872.3**
Income for the period			8.3	8.3
Dividend		–78.1		–78.1
Repurchase own shares			–20.4	–20.4
Equity, December 31, 2015	**0.6**	**810.0**	**–28.5**	**782.1**

For more information about the equity and the share, see note 18.

Parent Company statement of cash flows

MSEK	2015	2014
OPERATING ACTIVITIES		
Operating income	–0.1	–39.4
Paid finance items net	14.6	21.7
Paid current income tax	–2.3	–
Cash flows from operating activities before changes in operating capital	**12.2**	**–17.7**
Changes in operating payables	73.1	25.8
Cash flows from operating activities	**85.3**	**8.1**
INVESTING ACTIVITIES		
Lending to subsidiaries	13.2	–14.3
Cash flows used in investing activities	**13.2**	**–14.3**
FINANCING ACTIVITIES		
New share issue	–	6.2
Paid dividend	–78.1	–
Repurchase own shares	–20.4	–
Cash flows from financing activities	**–98.5**	**6.2**
Cash flows for the period		
Cash and cash equivalents at beginning of the period	**–**	**–**
Cash flows for the period	–	–
Cash and cash equivalents at end of the period	**–**	**–**

Notes to the consolidated financial statements

Amounts in MSEK unless otherwise stated.

The Board of Directors of Scandi Standard AB (publ.) is domiciled in Stockholm, Sweden.
The address of the main office is Franzéngatan 5. The corporate identity number is 556921-0627.
The Group's operations are described in the Board of Directors' report and in note 3, Segment reporting. The Group's and Parent Company's financial statements for 2015 will be presented for adoption by the AGM, on April 25, 2016.

Note 1 Accounting policies

The principal accounting policies applied in preparing this annual report are summarized in this note. The same policies are normally applied for both the Parent Company and the Group. Parent Company policies that differ from those of the Group are described under separate headings.

BASIS OF PREPARATION
Scandi Standard's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. IFRS includes international Accounting Standards (IAS) and interpretations of standards (IFRIC and SIC). In addition to the Annual Accounts Act and IFRS, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups, has also been applied.

The Parent Company's annual financial statements have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities.

Scandi Standard applies the cost method for measuring assets and liabilities, except for derivative instruments and the categories 'available for-sale financial assets' and 'financial assets and liabilities measured at fair value through profit or loss'. These financial assets and liabilities are not measured at fair value in the Parent Company. Non-current assets and non-current liabilities essentially consist only of amounts expected to be recovered or paid after more than twelve months reckoned from the closing date. Current assets and current liabilities essentially consist only of amounts that are expected to be recovered or paid within twelve months reckoned from the closing date.

Standards, amendments and interpretations that have been adopted by the EU entered into force in 2015 and are applied by the Group

IFRIC 21– Levies
The amendment which is an interpretation of IAS 37, Provisions, contingent liabilities and contingent assets, addresses the accounting of various types of fees that may be charged by a state company or body, through legislation and regulation. The amendment addresses at which time an obligating event occurs, which in turn causes the reporting of guilt, and clarifying the event which triggers the payment of a fee.

The amendment which applies from June 2015 is adopted by the Group and the assessment is that it do not have any material impact on the Group's financial statements.

Annual improvements to IFRSs – 2011–2013 cycle
The annual improvements cycle 2011–2013 entails amendments to IFRS 1, 3, and 13 and IAS 40. These amendments implies clarification of existing requirements in the standards above, and the assessment is that the implementation do not have any material impact on the Group's financial statements in the current situation.

Other standards, amendments and interpretations effective from January 1, is not expected to have any material impact on the Group's financial statements.

Standards, amendments and interpretations not yet adopted by the Group

Annual improvements to IFRSs – 2010–2012 cycle
The annual improvements cycle 2010–2012, effective and mandatory for annual reporting periods beginning 1 February 2015 or later, entails amendments to IFRS 2, 3, 8 and 13 respectively IAS 16, 24 and 38. These amendments implies clarification of existing requirements and additional disclosures in segment reporting. The assessment is that the amendments will not have any material impact on the Group's financial statements in the current situation.

IAS 19 – Defined benefit Plans: Employee Contributions - amendment
The amendment, which applies to fiscal years beginning after February 1, 2015, discusses and clarifies the reporting of contributions from employees or third parties (contributions paid) for defined benefit plans. The amendment makes a distinction between the charges related to the service only in the period in which they arise and charges related to the service for more than a period, and aims to simplify the presentation of charges that are independent of the number of years of service, such as employees' contributions calculated as a fixed percentage of salary. For this kind of charges the standard allows employee contributions deducted from the cost in the period in which the services are performed.

The assessment is that the amendment will not have any impact on the Group´s financial statements.

IFRS 9, Financial Instruments: Recognition and Measurement
This standard is part of a project to replace the existing standard IAS 39. A complete version of the standard was issued in 2014 and the standard will be effective in 2018. IFRS 9 is divided into three areas:1.Classification and measurement of financial assets and liabilities, 2. Impairment and 3. Hedge accounting and will replace IAS 39 Financial Instruments. The Group is assessing the impact of IFRS 9.

IFRS 10 and IAS 28 – sale or contribution of assets between an investor and its associate or joint venture-Amendment

The IASB has made limited scope amendment to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures, which clarifies accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. Accounting will depend on whether the non-monetary assets sold or contributed to an associate or joint venture will constitute a "business" (as defined in IFRS 3 Business Combinations) or not.

The amendments are effective from 1 January 2016 and will not have any material impact on the Group´s financial statements given the current situation.

IFRS 15, Revenue from contracts with customers

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

The standard is effective from 2018. The Group is assessing the impact of IFRS 15.

IFRS 16, Leases

IFRS 16 Leases was published in January 2016 and is replacing the former IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities relating to all the leases, with a few exceptions (short-term leases and those of minor value), are reported in the balance sheet. The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right.The accounting for lessors will in all material aspects be unchanged, however the accounting for lessees will change as there will no longer be a distinction between operating and finance lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted. The EU has not yet adopted the standard and the Group will assess the impact of IFRS 16.

Disclosure Initiative, Amendments to IAS 1

The IASB has published amendments to IAS 1 Presentation of Financial Statements, made in the context of the IASB's Disclosure Initiative, which explores how financial statements disclosures can be improved. The changes to the standard involves clarification on a number of issues including; materiality, disaggregation, subtotals and notes.

The EU has not yet adopted the standard. The Group has not yet evaluated the impact of the changes.

Annual improvements to IFRSs- 2012–2014 cycle

The annual improvements cycle 2012–2014 entails amendments to IFRS 5 and 7 respectively IAS 19 and 34. The amendments involve mainly clarifications but also a new requirement in IAS 34, Interim Financial reporting relating to cross-references in interim reports.

The Group is assessing the effect of amendments due to the cycle 2012–2014.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Groups financial reports.

Changes to the Parent Company's accounting policies

No standards, amendments and interpretations effective from January 1 2015, have been implemented that have had material impact on the Parent Company's financial statements.

ASSUMPTIONS AND ACCOUNTING ESTIMATES

To ensure preparation of the financial statements in accordance with IFRS, assumptions and estimates must be made which affect reported assets and liabilities and income and expenses, as well as other information disclosed. The actual outcome may differ from these estimates. The areas in which assumptions and accounting estimates have the greatest impact on carrying amounts are described in more detail in note 2.

CONSOLIDATED FINANCIAL STATEMENTS

The Group's financial statements comprise the financial statements for the Parent Company and all Group entities in accordance with the definitions below.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements are prepared according to the purchase method. The cost of an investment in a subsidiary is the cash amount and the fair value of any non-cash consideration paid for the investment. The value of the acquired net asset, the equity in the Company, is determined by measuring acquired assets and liabilities and contingent liabilities at their fair value on the date of acquisition. Those fair values constitute the Group's cost. If the cost of an investment in a subsidiary exceeds the fair value of the acquired Company's identifiable net assets, the difference is recognised as consolidated goodwill.

Whether a minority's share of goodwill should be measured and included as an asset is determined for each acquisition. If the cost is less than the final fair value of the net assets the difference is recognised directly in the income statement. Acquisition-related costs are recognised in profit and loss as they arise.

All intra-Group transactions, including receivables and liabilities, income and expenses as well as unrealized earnings, are eliminated in their entirety.

Associates

Associates are companies over which Scandi Standard has a significant, but not controlling, influence. This is normally the case when the Group holds between 20 and 50 percent of the voting rights.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Acquired assets and liabilities are measured in the same way as for subsidiaries and the carrying amount includes any goodwill and other Group adjustments. The Group's share of the associate's income after tax arising after the acquisition, adjusted for any depreciation/reversals of the consolidated value, is reported on a line in the income statement and is included in operating income. The share of income is calculated on the basis of Scandi Standard's share of equity in the associate. The equity method means that the consolidated carrying amount of investments in associates corresponds to the Group's share of the equity of associates plus the residual value of fair value adjustments.

Unrealized gains and losses that do not involve an impairment loss are eliminated in proportion to the Group's investment in the associate.

The Group does not have any joint arrangements reported according to IFRS 11.

Translation of foreign Group entities
Statements of financial position and income statements for all Group entities whose functional currency is not the presentation currency are translated into the Group's presentation currency using the following procedures:

- Assets and liabilities are translated at the closing rate on each reporting date reported in the statement of financial position.
- Revenues and expenses are translated at the average rate for each year reported in the income statement and statement of comprehensive income.
- All translation differences that arise are recognised as a separate item under other comprehensive income in the statement of comprehensive income.

In cases where net investments in foreign operations are hedged with financial instruments the foreign exchange differences arising on translation of these instruments are also recognised in the statement of comprehensive income. When a foreign operation is disposed of, the cumulative translation differences and exchange differences for any financial instruments held for hedging the net investment in the Company are recognised as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated according to the same principles as the entity.

Parent
The Parent Company recognises all investments in Group entities at cost, adjusted where applicable by accumulated impairment losses.

FOREIGN CURRENCY TRANSACTIONS AND BALANCE SHEET ITEMS

The various entities within the Group present their reports in the currency of the primary economic environment in which they operate (the functional currency).

The consolidated financial statements are prepared in Swedish kronor (SEK), which is the Parent Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date.

Foreign currency receivables and liabilities are remeasured at closing date rates at the end of each reporting period. Exchange differences arising on such remeasurement, and upon payment of the transaction, are recognised in the income statement. However, exchange differences arising on remeasurement of items that are hedging transactions, and that qualify for hedge accounting, are recognised in other comprehensive income. Gains and losses on operating receivables and liabilities are netted and reported within operating income. Gains and losses on borrowings and financial investments are reported as financial items.

Exchange differences on receivables which represent an extended investment in subsidiaries are recognised in other comprehensive income in the same way as translation differences relating to investments in foreign subsidiaries.

SEGMENT REPORTING

Reported operating segments are consistent with the internal reporting submitted to the chief operating decision maker, who is the person that allocates resources and evaluates the results of the operating segments. At Scandi Standard, this role is assumed by the Managing Director & CEO, who, on behalf of the Board, takes charge of day-to-day management and governance.

The business segments are consistent with the Group's operational structure in which activities are divided into Regions. The Regions, which are based on geographical areas, are Denmark, Norway, Sweden and Finland. Activities not included in a Region and corporate functions are reported as Other operations. A further description of the operating segments is provided in note 3.

The Regions are responsible for their operating income and the assets and liabilities used in their own operations, the operating capital. Financial items and taxes do not fall within the Regions' responsibility; these are reported centrally for the Group. The same accounting policies are used for the Regions as for the Group, apart from financial instruments (IAS 39 only at Group level).

Transactions between Regions and other operations are carried out on commercial terms.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment. Cost includes expenditure that can be directly attributed to the acquisition of the asset, including the effect of cash flow hedges relating to investment purchases in foreign currencies. Start-up and pre-production costs that are necessary for bringing the asset to its predetermined condition are included in the cost. For major investments, where the total investment value is at least MSEK 100 and the investment period lasts at least 12 months, interest during construction is included in the cost of the asset.

Subsequent expenditure on property, plant and equipment increases the cost only if it is probable that the Group will have future economic benefit from the subsequent expenditure. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation policies for property, plant and equipment
Land is assumed to have an indefinite useful life and is therefore not depreciated. Depreciation of other property, plant and equipment is based on cost less estimated residual value. Depreciation is straight-line over the asset's estimated useful life. Each component of a larger item of property, plant and equipment with a cost that is significant in relation to the asset's total cost and with a useful life significantly different from the rest of the asset, is depreciated separately.

The assets' residual values and useful lives are tested at least annually and adjusted as necessary.
The following depreciation schedules are applied:

Buildings	25–30 years
Property fixtures	10–25 years
Plant and machinery	5–20 years
Equipment, tools	5–15 years
Vehicles	5–10 years
Office equipment	5–10 years

INTANGIBLE ASSETS

An intangible asset is recognised when the asset is identifiable, the Group controls the asset, and it is expected to yield future economic benefits. Intangible assets such as goodwill, trademarks and customer and supplier relationships are identified and measured normally in connection with business combinations. Expenditures on internally generated trademarks, customer relationships and internally generated goodwill are recognised in the income statement as an expense when they are incurred.

Goodwill
Goodwill is the amount by which the cost of acquisition exceeds the fair value of the net assets acquired by the Group in a business combination. The value of the goodwill is allocated to the operating segment's cash generating units which are expected to benefit from the acquisition that gave rise to the goodwill item. Goodwill is carried at cost less accumulated impairment losses and is tested

annually for impairment. Goodwill impairment is not reversed.

Goodwill arising on acquisition of associates is included in the carrying amount of the associate and is tested for impairment as part of the value of the total investment in the associate.

Net gains or losses on the disposal of Group entities include the remaining carrying amount of the goodwill attributable to the divested entity.

Trademarks

The value of trademarks is carried at cost less any accumulated amortisation and impairment losses. Trademarks with an indefinite useful life are not amortised but are tested annually for impairment in the same way as goodwill. Trademarks that Scandi Standard intends to continue using for the foreseeable future and that have a cost of at least MSEK 10 are classified as trademarks with an indefinite useful life.

The relief from royalty method is used to measure trademarks identified in a business combination.

As all of the Group's trademarks have indefinite useful lives, no estimated useful lives have been defined.

Customer and supplier relationships

Intangible assets in the form of customer and supplier relationships are identified in connection with business combinations. The value of customer relationships is calculated using the multi-period excess earning method, together with any other relevant information, and is carried at cost less accumulated amortisation and impairment losses.

At present, existing customer relationships are considered to have a useful life of 10 or 20 years and existing supplier relationships a useful life of 5 or 10 years.

Research and development

No research is conducted within the Group. Expenditure on development is recognised as an intangible asset only if it is technically and financially feasible to complete the asset, it is expected to provide future economic benefits, the cost of the asset can be measured reliably and the development is substantial. Currently, this means that all expenditure on the development of commercial products and similar products is expensed as incurred. Expenditure on development of business-related IS/IT-systems is capitalized if the general preconditions according to the above are met and the total expenditure is estimated to exceed MSEK 3. Capitalized expenditure is amortised on a straight-line basis over the estimated useful life of 5 to 10 years.

IMPAIRMENT LOSSES

Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually or more frequently if there is an indication of impairment. The carrying amounts of assets that are amortised are regularly tested. At the end of each reporting period, an assessment is made as to whether there is any indication that the assets are impaired and need to be written down. The recoverable amount is estimated for these assets and for assets with indefinite useful lives. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised if the recoverable amount is less than the carrying amount. A previously recognised impairment loss is reversed if the reasons for the earlier impairment no longer exist. However, an impairment loss is reversed only to the extent that it does not increase the carrying amount of an asset above the amount that would have been determined had no impairment loss been recognised in prior years. Impairment of goodwill is never reversed.

For an asset that depends on other assets generating cash flows, the value in use of the smallest cash-generating unit to which the asset belongs is estimated. Goodwill is always allocated to the cash-generating units that benefit from the acquisition that generated the goodwill.

An asset's value in use is the present value of the estimated future cash flows that are expected from using the asset and its estimated residual value at the end of its useful life. When calculating the value in use, future cash flows are discounted at an interest rate before tax that takes into account a market assessment of risk-free interest rates and risk involved with the specific asset.

INVENTORIES

Inventories are measured at the lower of cost and net realizable value at the reporting date. The cost is estimated by applying the FIFO (first in/ first out) method or weighted average prices. The cost of self-produced goods includes raw materials, direct wages, other direct costs and production-related overhead costs, based on normal production capacity. Borrowing costs are not included in the measurement of inventories. Net realizable value is the estimated selling price in operating activities less the estimated costs to complete and sell the product.

FINANCIAL ASSETS AND LIABILITIES – FINANCIAL INSTRUMENTS

All financial instruments are recognised in the statement of financial position. Financial assets include cash and cash equivalents, trade receivables, shares, loan receivables, other interest-bearing instruments and derivatives. Financial liabilities include trade payables, loans and derivatives. Derivative instruments consist of forward contracts and swaps, which are used to cover risks of exchange rate fluctuations and exposure to interest-rate risks. Derivative instruments are recognised in the statement of financial position when the agreements are made. Trade receivables are recognised in the statement of financial position when the invoice is issued. Trade payables are recognised when an invoice is received. Other financial assets and financial liabilities are recognised in the statement of financial position on the settlement date. A financial asset or part of the asset is derecognised on the settlement date or when it expires. A financial liability or part of a financial liability is derecognised on the settlement date or when it is extinguished in another manner.

Classification of financial assets and liabilities

Measurement of financial assets and liabilities is based on how a particular financial instrument is classified. Classification takes place at the time the transaction is conducted. Scandi Standard classifies its financial instruments in the following categories:

Financial assets measured at fair value through profit or loss

A financial asset is assigned to this category if it is held for trading. Derivative instruments with a positive market value are assigned to this category if they have not been identified as hedging instruments. Changes in value in this category are recognised in profit or loss.

Loans and receivables

This category comprises non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are carried at amortised cost and are subject to impairment testing.

Impairment of a financial asset takes place if events occur that provide evidence that the future cash flows from the asset will be adversely affected.

Available-for-sale financial assets
Financial assets that have not been classified in any of the above categories and are not a derivative instruments, e.g. unlisted shares, are included in this category. Financial assets are carried at fair value, and the change in value is recognised in OCI and accumulated in equity until the asset is sold, unless an impairment loss requires a change in value to be reclassified to profit or loss before then.

Financial liabilities measured at fair value through profit or loss
Derivative instruments with a negative fair value are assigned to this category, unless the instrument has been identified as a hedging transaction. Changes in the values of these instruments are recognised in profit or loss.

Other liabilities
This category includes all liabilities except for derivative instruments. Other liabilities are carried at amortised cost.

Derivatives used in hedge accounting
This category includes derivatives used in hedge accounting in accordance with the description in the section on Derivative instruments and hedge accounting.

Non-current financial assets
Equities and interest-bearing securities acquired for permanent use in operations are reported under non-current financial assets. Listed equities are categorized as “available-for-sale financial assets”.

Short-term investments
Short-term investments are mainly short-term bank deposits with an original maturity of between 3 and 12 months or instruments that are immediately marketable. Short-term investments are included in the “loans and receivables” category.

Cash and cash equivalents
Cash and cash equivalents comprise cash, immediately available bank deposits as well as other money market instruments with an original maturity less than three months and are included in the “loans and receivables” category.

Interest-bearing liabilities
Interest-bearing liabilities are mainly loans from credit institutions. Interest-bearing loans are initially recognised at cost corresponding to the fair value of the performance received. Transaction costs are allocated by adding to the value of the loans and recognised as an interest expense over these loan terms in line with the effective interest method.

DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

Holdings of financial derivative instruments comprise interest rate swaps, interest rate caps and currency forward contracts.

Derivative instruments are carried at fair value and the result of the remeasurement 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.

Cash flow hedges
A cash flow hedge is a hedge held to reduce the risk of an impact on profit or loss from changes in cash flow relating to a highly probable forecast future transaction or in transactions associated with an asset or liability. In cash flow hedge accounting, the change in the derivative instrument’s fair value is recognised in other comprehensive income and accumulated in equity, while any ineffective portion is recognised in profit or loss. When the hedged position is recognised in profit or loss, the result of the revaluation of the derivative instrument is also transferred to profit or loss.

Cash flow hedging is applied for currency risks in commercial flows and for interest rate risks in the debt portfolio.

Hedging of net investments
Hedging of net investments refers to hedges held to reduce the effect of changes in the value of a net investment in a foreign operation owing to a change in foreign exchange rates. Foreign currency gains or losses arising from remeasurement of the fair value of the instruments used for these hedges are recognised in other comprehensive income and accumulated in equity. The result is reclassified from equity to profit or loss upon disposal of the foreign operation. Net investments are currently hedged by borrowing.

Currency risk
Currency derivatives are entered into with the aim of limiting the impact of short-term currency movements on Scandi Standard’s earnings and financial position.

Interest rate risk
Interest rate derivatives are used for the purpose of changing the fixed rate interest period of underlying financial assets and liabilities. Interest rate swaps and interest rate caps are used to hedge against interest rate risks.

Parent
In the Parent Company, financial instruments are accounted for using the cost method. As the interest-bearing assets and liabilities of the Parent Company are consistent in all material respects with those of the Group, no special disclosures are provided for the Parent Company.

DETERMINATION OF FAIR VALUE

For unlisted financial instruments, or if the market for a certain financial asset is inactive, the value is determined through the application of generally accepted valuation techniques, whereby the Group makes assumptions based on market conditions prevailing at the reporting date. 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. Market rates and current credit margins form the basis for determining the fair value of long-term borrowings.

For financial assets and liabilities with short maturities, the fair value is estimated at cost adjusted for any impairment. If the fair value of equity instruments cannot be determined, they are reported at cost adjusted for any impairment.

PROVISIONS

Provisions are recognised when Scandi Standard has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. The amount of the provision recognised is the best estimate of the expenditure required to settle the obligation at the reporting date. For long-term material amounts, provisions are measured at the present value of the expenditure required to settle the obligation, taking into account the time value of money. Provisions for restructuring measures are made when a detailed, formal plan for measures is in place and well-founded expectations have been created for those who will be affected by the measures. No provisions are made for future operating losses.

EMPLOYEE BENEFITS

Pensions

Scandi Standard has both defined contribution and defined benefit pension plans, most of which are funded.

With defined contribution plans, the Company pays fixed contributions to a separate legal entity and has no obligation to pay further contributions thereafter. The costs for these plans are charged to consolidated profit as the benefits are earned.

Defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement, based on factors such as salary, years of service and age. The Group's companies bear the risk associated with paying out promised benefits. Plan assets in funded plans can only be used to pay benefits under the pension agreement.

The liability recognised in the statement of financial position consists of the net of the estimated present value of the defined benefit obligation and the fair value of the plan assets associated with the obligation at the reporting date, either in a pension fund or in some other arrangement.

Pension costs and pension obligations for defined benefit plans are calculated according to the projected unit credit method. This method allocates the costs for pensions as the employees carry out services for the Company that increase their entitlement to future benefits. The Company's obligation is calculated annually by independent actuaries. The obligation comprises the present value of the expected future payments. The discount rate that is used corresponds to the interest rate for high-quality corporate bonds or treasury bonds with a maturity that corresponds to the average term for the obligations and the currency. An interest rate equivalent to the interest rates of high-quality mortgage bonds is used for Swedish plans, which represent the vast majority of the defined benefit plans. These bonds are considered equivalent to corporate bonds as they have a sufficiently deep market to be used as the basis for the discount rate.

Actuarial gains and losses may arise in determining the present value of the defined benefit obligation and fair value of plan assets. These arise either when the actual outcome diverges from the previously calculated assumption or the actuarial assumption changes. These actuarial gains and losses are recognised in Other comprehensive income.

A special payroll tax is calculated on the difference between the pension obligation determined according to IAS 19 and the pension obligation determined according to the rules applied in the legal entity. The calculated future payroll tax is included in the recognised pension liability. The present value of the provision is not calculated. The change in the provision is recognised in OCI to the extent that it relates to actuarial gains or losses.

Termination benefits

A provision for costs in connection with termination of personnel is recognised only if the Company is obligated to end employment before the normal retirement date or when benefits are provided as an incentive to encourage voluntary termination. Estimated termination benefits are recognised as a provision when a detailed plan for the measure is presented.

Long term incentive programs

Scandi Standard have annual long term incentive programs ("LTIPs") for key employees, which are intended to contribute to long-term value growth and provide a shared interest in value growth between shareholders and employees.

The LTIPs are equity-settled, share based and implies that performance rights shall be allotted free of charge to the participants in relation to a fixed percentage of their fixed salary.

The compensation plans are accounted for in accordance with IFRS 2, Share base payments.

The accounting costs that will arise in accordance with IFRS 2 are determined in connection with allotment date and are allocated 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 recognised as a cash-settled instrument.

Hedging of commitments according to LTIPs

No new shares will be issued due to LTIPs and in order to ensure the delivery of shares and for the purpose of hedging social security charges under LTIPs, the Company acquire own shares.The repurchased shares reduces the Group's equity and are considered in the calculations of earnings per share ("EPS").

Variable salary

Provisions for variable salary are expensed on an ongoing basis in accordance with the economic substance of current agreements.

INCOME TAX

The Group's tax expense consists of current tax and deferred tax. Taxes are recognised in the income statement, except when the underlying transaction is recognised in OCI, in which case the related tax effect is also recognised in OCI. Current tax is the tax payable or receivable for the current year. Current tax also includes adjustments to current tax attributable to prior periods.

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between the tax base of assets and liabilities and their carrying amount. Deferred tax is measured at the nominal amount and is calculated by applying the tax rates and regulations that have been enacted or substantively enacted by the reporting date. Deferred taxes relating to temporary differences attributable to investments in subsidiaries and associates are not recognised, as, in each case, Scandi Standard is able to control the date for their reversal and it is not considered probable that any such reversal will occur in the near future.

Deferred tax assets relating to deductible temporary differences and loss carryforwards are recognised only to the extent that it is considered probable that these will result in lower tax payments in the future.

Deferred tax assets and deferred tax liabilities are offset when they are attributable to the same tax authority and the companies in question have a legally enforceable right to offset current tax assets against current taxation liabilities.

REVENUE

Revenue is recognised net of value added taxes and, where relevant, the value of discounts provided.

Revenue from the sale of goods and services is recognised on delivery to the customer and in accordance with the terms of the sale, i.e., when the significant risks and rewards of ownership have been transferred to the customer. Interest income is recognised on a time-proportion basis using the effective interest method.

Royalties and similar revenues are recognised on an accruals basis in accordance with the substance of the relevant agreement.

Dividends are recognised when the right to receive a dividend has been established. Other revenue includes compensation for sales outside the Group's ordinary activities, such as insurance payments, external rental income and income from the sale of non-current assets.

LEASING

The Group acts only as a lessee. Leases are classified in the consolidated financial statements as finance leases or operating leases. A finance lease is a lease that transfers substantially all the financial risks and rewards incident to ownership. An operating lease is a lease other than a finance lease.

The lessee recognises a finance lease as a non-current asset and a corresponding interest-bearing liability in the statement of financial position at an amount equal to the value of the leased asset. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned. The lease payments are apportioned between interest and amortisation of the initially recognised liability.

The lessee does not recognise an operating lease as asset in the statement of financial position. The total lease payments are recognised as an expense on a straight-line basis over the lease term.

GOVERNMENT GRANTS

Government grants are recognised in the statement of financial position and the income statement when there is reasonable assurance that the Group will comply with any conditions attached to the grant and the grant will be received. Grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate If the government grant or assistance is neither related to the acquisition of assets nor to compensation of costs, it is recognised as other income.

BORROWING COSTS

Borrowing costs attributable to investments in assets that take more than 12 months to complete, and for which the investment amount is at least MSEK 100, are capitalized as part of the investment amount. Other borrowing costs are expensed in the period in which they are incurred.

BIOLOGICAL ASSETS

Biological assets are measured and carried at fair value less cost of sales in accordance with IAS 41. Scandi Standard has biological assets in the form of broiler parent stock within the operations of rearing day-old chicks as well as broilers kept at some contract broiler producers in Denmark. The lifespan of the parent stock is approximately one year and the lifespan of the broilers is about 30 days. During 2014, the Group revised the mesurement method from carried at cost to measure the assets of broiler parent stock at fair value less cost of sales.

The stock has been valued using cash flow projections from expected sales of day old chicks and the direct and indirect costs of keeping the stock. For costs, estimates have been made based on past experience. There is an observable market price for the day-old chicks and for number of chicks produced, the breeder norms for the variety kept have been used.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Scandi Standard only reclassifies assets as held for sale if their value is substantial. The current threshold is MSEK 5.

GROUP CONTRIBUTIONS AND SHAREHOLDER CONTRIBUTIONS

Parent Company

The Swedish Financial Reporting Board has introduced rules for reporting Group contributions in its recommendation RFR 2 Accounting for legal Entities. Scandi Standard is applying the alternative rule, which means that both Group contributions received and Group contributions made are reported as an appropriation.

The issuer capitalizes the shareholder contribution in shares and interests to the extent that impairment is not required. The recipient recognises the shareholder contribution directly in equity.

RELATED PARTIES

By virtue of its control, the Parent Company has a related party relationship with its subsidiaries and sub-subsidiaries. By virtue of their significant influence, the Group and Parent Company have a related party relationship with their associates, which include directly and indirectly owned companies.

"Lantmännens Gemensamma Pensionsstiftelse Grodden" is a post-employment benefit plan for employees of certain companies in the Group as such, the fund is considered to be a related party.

Intra-Group purchases and sales of goods and services are conducted at market prices.

By virtue of their right to participate in the decisions concerning the Group's strategies, members of the Group's Operational Board have significant influence over the Parent Company and Group are therefore considered to be related parties.

The Group's main currencies in addition to SEK, 2015

SEK	Average rate	Closing rate
DKK	1.25	1.22
NOK	1.05	0.96
EUR	9.36	9.14

SUBSEQUENT EVENTS

During March, Lagerberg terminated the share purchase agreement with Kronfågel Holding AB, a subsidiary of Scandi Standard.

Note 1
Note 2
Note 3
Note 4
Note 5
Note 6
Note 7
Note 8
Note 9
Note 10
Note 11
Note 12
Note 13
Note 14
Note 15
Note 16
Note 17
Note 18
Note 19
Note 20
Note 21
Note 22
Note 23
Note 24
Note 25
Note 26
Note 27
Note 28
Note 29
Note 30
Note 31
Note 32
Note 33
Note 34
Note 35

Note 2 Significant judgements, accounting estimates and assumptions

Preparation of annual financial statements in accordance with IFRS in many cases requires management to make judgments and use of accounting estimates and assumptions in determining the carrying amounts of assets and liabilities. These estimates are based on historical experience and assumptions that are considered reasonable and realistic in the current circumstances. The actual outcome may differ from the accounting estimates and assumptions.

The estimates and underlying assumptions are regularly reviewed. The effect of a change in an accounting estimate is recognised in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

A general description of the accounting policies where management's accounting estimates and assumptions are expected to have a material effect on Scandi Standard Group's financial position and financial statements is provided below. The carrying amounts at the reporting date can be found in the statement of financial position and associated notes.

Impairment of goodwill and other assets

Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually or whenever there are indications of possible impairment - in situations such as a changed business environment, a divestment decision or closure of operations. The Group's goodwill and other intangible assets amounted to MSEK 1,086.4 (1,140.0) at the end of the year, which corresponds to 35 (37) percent of the Group's total assets. Other assets are tested for impairment as soon as there is an indication that an asset's recoverable amount is lower than its carrying amount.

In most cases, an asset's value in use is estimated by reference to the present value of the future cash flows the Group expects to derive from the asset. The cash flow projection is based on assumptions that represent management's best estimate of the economic conditions that will exist over the remaining useful life of the asset, and are based on the latest financial plan. An impairment loss is recognised if the estimated value in use is lower than the carrying amount.

The discount rates used to calculate the present value of the expected future cash flows are estimated from the current weighted average cost of capital established within the Group for the markets in which the cash-generating units are active.

Other estimates regarding expected future results and the discount rates used can give different values of assets from those applied. Impairment is described in more detail in note 6.

Deferred tax assets and tax liabilities

Assessments are made to determine deferred tax assets and tax liabilities. Deferred tax assets are recognised as an asset when it is considered likely that they can be utilized and offset against future taxable profits. Other assumptions regarding the outcome of these future taxable profits, as well as changes in tax rates and rules can result in significant differences in the measurement of deferred taxes.

More detailed information about amounts can be found in note 10.

Pensions

The value of pension obligations for defined benefit pension plans is determined by using actuarial calculations based on assumptions about discount rates, future salary increases, inflation and demographics. The discount rate, which is the most critical assumption, is based on the market return on high-quality corporate bonds, namely mortgage bonds with long maturities. The rate is extrapolated to correspond to the pension plan's obligations. A lower discount rate increases the present value of the pension obligation and pension cost, while a higher discount rate has the reverse effect. A 0.25 percent change in the discount rate would change the pension obligation by approximately MSEK 6 (6).

More detailed information about amounts can be found in note 21.

Biological assets

The Group has biological assets in the form of broiler parent stock in the rearing of day old chicks as well as broilers kept at some contract broiler producers in Denmark. These assets are valued at fair value less cost of sales according to IAS 41. The value of those assets are dependent on assumptions. For broiler parent stock, the market price for day-old chicks as well as operational expenses for keeping the stock impacts the value of the assets. A 1 percent change in the price of day-old chicks impacts the value of the assets by about MSEK 2 (2).

During 2014 the Group changed measurement method from carried at cost to valued at fair value less cost of sales.

Detailed information about the amounts and changes can be found in note 30.

Note 3 Segment reporting

INFORMATION ABOUT OPERATING SEGMENTS

Financial year 2015, Jan 1–Dec 31 MSEK	Region Sweden	Region Denmark	Region Norway	Region Finland	Group-wide[1]	Eliminations	Total Group
Net sales							
External sales	2,095.2	2,105.7	1,178.3	43.7	–	–	5,422.9
Internal sales	135.8	178.0	–	–	68.7	–382.5	–
Total net sales	**2,231.1**	**2,283.7**	**1,178.3**	**43.7**	**68.7**	**–382.5**	**5,422.9**
Operating income	**151.1**	**136.0**	**56.0**	**–33.1**	**–50.5**	–	**259.5**
Of which share of income of associates	–	1.9	–0.6	–	–	–	1.3
Finance income							10.8
Finance expenses							–54.7
Income tax expenses							–51.6
Income for the period							**163.9**
Other disclosures							
Assets	966.9	1,275.4	679.0	131.7	123.6	–74.2	3,102.4
Holdings in associates	0.0	26.8	14.6	–	–	–	41.4
Total assets	**966.9**	**1,302.2**	**693.6**	**131.7**	**123.6**	**–74.2**	**3,143.8**
Liabilities	321.6	272.2	192.1	12.4	55.9	–74.2	780.0
Unallocated liabilities							1,438.9
Equity							924.9
Total liabilities and equity	**321.6**	**272.2**	**192.1**	**12.4**	**55.9**	**–74.2**	**3,143.8**
Investments	96.2	38.6	48.1	31.8	1.4	–	216.2
Depreciation, amortisation and impairment	74.6	62.5	45.3	3.9	0.9	–	187.2

[1] EBIT reported under Group-wide includes central corporate costs of MSEK –68.7.
Group-wide assets includes assets and liabilities relating to central functions.

Note 3 Segment reporting cont.

INFORMATION ABOUT OPERATING SEGMENTS

Financial year 2014, Jan 1–Dec 31 MSEK	Region Sweden	Region Denmark	Region Norway	Region Finland	Group-wide[1]	Eliminations	Total Group
Net sales							
External sales	1,941.2	2,056.0	1,270.0	–	0	0	5,267.2
Internal sales	114.0	153.2			37.6	–304.8	0
Total net sales	**2,055.2**	**2,209.2**	**1,270.0**	–	**37.6**	**–304.8**	**5,267.2**
Operating income	**99.9**	**102.9**	**119.1**	–	**–80.5**	**–**	**238.5**
Of which share of income of associates	–	2.2	–	–	–	–	2.2
Finance income							3.1
Finance expenses							–165.3
Income tax expenses							–20.2
Income for the period							**56.1**
Other disclosures							
Assets	911.7	1,094.4	919.6	–	64.4	–76.1	2,914.0
Holdings in associates	–	26.0	16.7	–	–	–	42.7
Unallocated assets							138.6
Total assets	**911.7**	**1,120.4**	**936.2**	–	**64.4**	**–76.1**	**3,095.3**
Liabilities	247.3	260.3	149.1	–	9.0	–76.1	589.6
Unallocated liabilities							1,619.5
Equity							886.4
Total liabilities and equity	**247.3**	**260.3**	**149.1**	–	**9.0**	**–76.1**	**3,095.3**
Investments	55.6	35.4	49.9	–	0.4	–	141.3
Depreciation, amortisation and impairment	66.7	61.8	23.8	–	19.2	–	171.5

[1] EBIT reported under Group-wide includes transaction costs of MSEK –73 from the year's company acquisitions and central corporate costs of MSEK –7. Group-wide assets includes assets and liabilities relating to central functions.

INFORMATION ABOUT GEOGRAPHIC AREAS, BASED ON CUSTOMER LOCATION

MSEK	External sales 2015	External sales 2014
Sweden	2,367.9	2,007.1
Norway	1,193.8	1,280.3
Denmark	1,163.5	1,209.2
Germany	307.4	284.8
United Kingdom	210.1	206.2
Russia	34.5	68.4
Rest of Europe	56.9	119.6
Rest of world	88.8	91.6
Total	**5,422.9**	**5,267.2**

One of Scandi Standard's customers accounts for more than 10 percent of the Group's total net sales. The net sales amount on a Full Year basis is MSEK 900.7 (819.7) and the location is Region Sweden.

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 geographic perspective. Those countries where business is operated equals the Group segments. The segments are managed on the basis of the operating result (EBIT) and operating capital.

The responsibility for the Group's financial assets and liabilities, provisions for taxes, gains and losses on the remeasurement of financial instruments (IAS 39) are dealt with by the corporate functions and are not allocated to each segment. All capital expenditure on property, plant and equipment and intangible assets, apart from expendable equipment, is included in the segments' investments.

Segment Sweden comprises the companies Kronfågel AB, SweHatch AB, Bosarpskyckling AB and AB Skånefågel. SweHatch engages in the rearing, production and hatching of day-old chicks for Kronfågel AB's contract broiler producers and other small players in the Swedish market. Kronfågel AB is the segment's largest business engaged in slaughtering, production and development of chilled and frozen chicken products, mainly for the Swedish market.

AB Skånefågel slaughters and sells chicken for the Swedish market and export.

Segment Denmark comprises Danpo A/S and the associate Farmfood A/S. Danpo slaughters, produces, develops and processes chicken products with heat treatment for both the Danish market and exports within Europe and to Asia. Farmfood processes slaughterhouse byproducts from the Group's different segments, mainly for use in pet food sold in the international markets.

Segment Norway comprises Den Stolte Hane Jæren AS, Den Stolte Hane Egg AS, Scandi Standard Norway AS and the associate Nærbo 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 product are sold in the Norwegian market. The segment also handles and sells small quantities of turkey and duck.

Segment Finland comprises Kronfågel Oy that includes the business and assets acquired from Huttulan Kukko Oy in May 2015. The segment includes slaughtering and processing of chicken for the Finnish market. The segment had no activities prior to May 2015.

Note 4 Breakdown of revenue

MSEK	2015	2014
Net sales		
Sales of goods	5,422.9	5,267.2
Total	**5,422.9**	**5,267.2**
Other operating income		
Capital gains	2.4	2.7
Government grants	0.5	0.3
Royalty	–	2.5
Canteen sales	5.8	5.3
Insurance compensation	1.7	0.3
Other	19.4	7.9
Total	**29.8**	**19.0**

Note 5 Employees and employee benefits expenses

Average number of employees	2015	of which women	2014	of which women
Group				
Sweden	637	40%	661	42%
Denmark	729	37%	705	36%
Norway	262	55%	294	55%
Finland	42	31%	–	–
Total, Group	**1,670**	**41%**	**1,660**	**42%**

The Parent Company has no employees.

Employee benefits MSEK	2015	2014
Salaries and benefits, Board of Directors and MDs	13.7	16.7
- of which variable salary	2.3	0.5
Salaries and benefits, other employees	794.3	755.1
Social security expenses	113.2	102.1
Pension expenses[1]	55.1	46.9
Other staff costs	33.7	26.6
Total	**1,010.0**	**947.4**

[1] MSEK 1.1 (2.6) of the Group's pension costs relate to boards and Managing Directors. There are no outstanding pension obligations for these individuals.

Gender representation in executive management

	Group		Parent Company	
Female representation, %	**2015**	**2014**	**2015**	**2014**
Board of Directors	4.7	4.4	28.6	28.6
Other senior executives	–	–	–	–

REMUNERATION OF SENIOR MANAGEMENT

Senior managers

Senior managers as referred to in this note are Scandi Standard's Group Management which consists of the Managing Director and CEO, the CFO, the COO, the Director of Group Live Operations and Country Managers in Sweden, Denmark and Norway.

Members of the Group Management team are employees of the different Group companies, although none of them are employees of the Parent Company.

Guidelines

Remuneration principles have been approved by the Board of Directors in accordance with guidelines for remuneration for senior management.

Remuneration principles

The objective of Scandi Standard's remuneration principles is to offer compensation that reflects the Company's commitment to attract and retain qualified expertise. The fundamental guidelines are to:

- ensure that employees at Scandi Standard receive market-based compensation that makes it possible to recruit and retain capable employees in line with Scandi Standard's common values of open dialogue, challenge and 'acting now'.
- offer a salary structure that is based on individual performance, duties, qualifications, experience and position, and is therefore neutral with regard to gender, ethnicity, disability, sexual orientation, etc.

Remuneration structure

Scandi Standard's remuneration structure has the following components:

- Fixed salary
- Variable salary
- Pension
- Termination and other benefits

Fixed salary

Members of Scandi Standard's senior management undergo an annual salary review on January 1. The review considers individual performance, market salary growth, changed areas of responsibility, Company performance and local agreements and regulations.

Variable salary

Scandi Standard has an overall variable salary program for a defined target group. The target group consists of Group Management, and senior management in the countries and other key personnel. The variable salary program may consist of both quantitative and qualitative targets. Decisions about target groups and guidelines for variable salary schemes are made annually by Scandi Standard's Board. Variable compensation is accrued for in line with expected pay-out.

Note 1
Note 2
Note 3
Note 4
Note 5
Note 6
Note 7
Note 8
Note 9
Note 10
Note 11
Note 12
Note 13
Note 14
Note 15
Note 16
Note 17
Note 18
Note 19
Note 20
Note 21
Note 22
Note 23
Note 24
Note 25
Note 26
Note 27
Note 28
Note 29
Note 30
Note 31
Note 32
Note 33
Note 34
Note 35

Pension
Scandi Standard offers its employees occupational pensions unless otherwise regulated in local agreements or other regulations. The Managing Director and CEO is entitled to a defined contribution pension scheme, with a premium of 15 percent of the pensionable salary, and has a retirement age of 65 years.

In Sweden, the majority of employees are covered by defined benefit pension plans (ITP) through PRI Pensionsgaranti. There are currently two different pension guidelines for Scandi Standard's senior management: occupational pension accrual in accordance with the ITP agreement, with a pensionable salary ceiling of 30 income base amounts and payment of sickness benefits as laid down in the ITP agreement, and a defined contribution pension scheme, with a premium equal to 25-30 percent of the pensionable salary where the individual employee decides on the split between old-age, survivor and sickness benefits.

In Denmark, the pension contribution corresponds to 10 or 15 percent of the pensionable salary.

In Norway, the pension contributions is based on individual defined contribution pension agreements with contributions of between 5 and 12 percent of the pensionable salary.

Termination and other benefits
Termination benefits/notice
The Managing Director and CEO has a notice period of six months for termination of employment at the Company's request and six months for termination at his own request. If employment is terminated at the Company's request, termination benefits corresponding to 12 months' salary (including fixed and variable salary, pension and other benefits) is payable after the notice period with a full deduction of any salary from a new employer.

Other senior managers have notice periods of between six and 12 months for termination of employment at the Company's request and between three and six months for termination at their own request. Certain senior managers have non-competition clauses with financial compensation to be paid to the Group if breached corresponding to between three and 12 months remuneration.

Other benefits
In addition to fixed and variable salaries and pensions, Scandi Standard offers occupational injury insurance and occupational group life insurance in accordance with local agreements and regulations. In addition, senior managers are entitled to private health insurance, telephone and car benefits.

Salaries and remuneration of senior management 2015, TSEK	Directors' fees[5]	Fixed salary[2]	Variable salary[3]	LTIP[6]	Pension[2]	Other benefits[4]	Total 2015
Board members, specified below	2,600						2,600
Managing Director and CEO Leif Bergvall Hansen		3,350	1,028	1,213	526	113	6,230
Group Management, other[1]		11,370	1,454	1,589	871	534	15,818
	2,600	**14,720**	**2,482**	**2,802**	**1,397**	**647**	**24,648**

Salaries and remuneration of senior management 2014, TSEK	Directors' fees[5]	Fixed salary[2]	Variable salary[3]	LTIP[6]	Pension[2]	Other benefits[4]	Total 2014
Board members, specified below	2,390						2,390
Managing Director and CEO Leif Bergvall Hansen		2,891		–	434	119	3,444
Group Management, other[1]		10,281	782	–	715	560	12,338
	2,390	**13,172**	**782**	**–**	**1,149**	**679**	**18,172**

1) Group management consists of 6 (7) individuals that are members of the Group management of the Scandi Standard Group.
2) Certain members of Group management is entitled to exchange fixed salary for pension contribution within the framework of current tax legislation.
3) Based on Group financial performance and individual targets.
4) Mainly car, phone and health insurance benefits.
5) In addition a consultancy fee of TSEK 0 (131) was decided by the Remuneration Committee.
6) The Group´s expense per December 31, 2015 referring to LTIP 2015.

Long term incentive program
At the end of 2015 the Group had one long term compensation plan, LTIP 2015, outstanding. The Board of Directors has decided to propose a new long-term incentive program, LTIP 2016, to the AGM 2016 based on the same terms as LTIP 2015 and comprising maximum 19 participants.

LTIP 2015, which at year-end 2015 comprised 18 participants, implies that performance share rights shall be allotted free of charge to the participants in relation to a fixed percentage of their fixed salary. The vesting period is three years and provided that certain conditions are fulfilled, the participants may exercise their performance share rights through which they will be allotted shares in the Company free of charge. Each performance share right is entitled to allotment of up to one share. In order for performance share rights to entitle to allotment of shares, it shall be required that the participant remains employeed and has not given or been given notice of termination of employment within the Group during the vesting period.

Performance requirement
In order for full allotment of shares under LTIP 2015, the average annual growth rate of earnings per share ("EPS CAGR") during the period January 1, 2015 - December 31, 2017 must be at least 12.5 percent. If the average EPS CAGR during the period is 5 percent, the participants shall be allotted shares for 25 percent of their performance share rights. If the average EPS CAGR during the period is more than 5 percent but less than 12.5 percent, the participants shall receive linear allotment. If the average EPS CAGR during the period is less than 5 percent, no shares shall be allotted.

Value and estimated costs for LTIP 2015
The compensation plan is accounted for in accordance with IFRS 2, Share based payments. The total cost for the program is initially estimated as; number of shares to be awarded multiplied with the share price at program start and social charges. The program is expensed linear over the vesting time (three years).

Assuming 100 percent vesting, full fulfilment of the EPS requirement and a share price at the time of exercise of the performance share rights of SEK 52.63, LTIP 2015 will result in allocation of 390,184 shares in the Company, representing a value of SEK 20,535,383. As per December 2015, accrued costs for LTIP 2015 amounted to MSEK 3.8 (0).

Social security charges are expected to amount in average to approximately 16 percent of the market value of the shares allocated upon exercise of the performance share rights. The average percentage of social charges is also depending on the mix of nationalities participating in the program. In order to ensure the delivery of shares and for purpose of hedging social charges under LTIP 2015, the Group repurchased 448,712 own shares during 2015.

Board of Directors' Fees TSEK	2015	2014
Per Harkjaer, chairman of the Board	600	465
Kate Briant	350	375
Ulf Gundemark	350	350
Michael Parker	275	275
Karsten Slotte	275	275
Heléne Vibbleus[1]	475	375
Alexander Walsh	–	275
Asbjörn Reinkind	275	–
Total	**2,600**	**2,390**

[1] In addition a consultancy fee of TSEK 0 (131) was decided by the Remuneration Committee.

Note 6 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

MSEK	2015	2014
Depreciation and amortisation		
Land and buildings	14.9	13.9
Plant and machinery	109.7	105.7
Equipment, tools, fixtures and fittings	38.3	32.7
Intangible assets	24.3	19.2
Total	**187.2**	**171.5**

Impairment

The Group tests intangible assets with indefinite useful lives for impairment annually. These assets include Goodwill and Brands with indefinite lives .The intangible assets are allocated to the cash generating units in which they generated cash flow.

The cash generating units are the Groups operating segments. Cash flow expectations for the segments are based on business plans agreed by Group management for the next five years and on 2 percent organic growth thereafter. The cash flows are discounted by a calculated WACC before tax at 8.4 (8.4) percent based on the estimated return requirement for the segments.

For the testing at the end of 2015, all cash generating units are expected to perform in line with the market with the exception of Norway which is expected to show a stronger growth in 2016 as the business recover from a weak 2015. EBITDA is expected to improve slightly over the forecasting period towards the Group's medium term target of 10 percent.

The test as of the end of the year shows that no need for impairment of the intangible assets in any of the cash generating units. The assumptions included in the calculations are forward looking and as such are inherently uncertain and based on management assumptions. To evaluate the risk that a change in any of the assumptions would have caused an impairment, sensitivity analyses have been performed.

The WACC used is based on long term variables and as such should be stable over time. Nevertheless, return requirements can change and testing for this variable shows no impairment when increasing the WACC three percentage points.

Cash flow expectations in the cash generating units are an important variable in the impairment test. The cash flows used are based on management's best estimate of the future cash flow in each cash generating unit. There is a risk that these cash flows will be lower than expected over time, especially in the long term. Long term assumptions are based on a growth rate below the expected market growth to be prudent. The cash flows for the coming five years have greater impact on the value of the assets and are more important to test.

The business plan for Norway assumes that the market for the Group's products will recover in 2016 and go back to historic growth rates in the years after. In the last quarter of 2015 market data shows that the market did start to recover with growth rates roughly similar to the decline the year before. Sensitivity analysis shows that there is no impairment need should the recovery stop and the growth rate stay at Nordic averages in the coming years.

Market growth is strong in Sweden and there is a change from frozen to chilled products which improves margins. This change is not reflected in the business plan used as basis for the impairment test thus understating expected cash flow. There is a risk that EBITDA in Sweden will be impacted by supply constraints in the short term which would affect cash flow negatively. The test show no impairment need even if EBITDA margin were to drop by three percentage points.

Denmark is assumed to show modest growth in line with the market. Denmark is exposed to fluctuating prices in the export markets since a large share of the sales is sold on export. Testing for this factor shows that there is no need for impairment even if prices on export markets would cause EBITDA margin to be reduces by more than three percentage points. No impairment test has been made for the cash generating unit Finland since the intangible assets were acquired during the year and the unit is roughly in line with the assumptions made at the time of the acquisition.

Note 7 Fees and reimbursement to auditors

MSEK	2015	2014
Öhrlings PricewaterhouseCoopers AB		
Audit services	2.4	3.1
Audit related services[1]	0.5	5.2
Tax services	0.5	3.3
Other services	1.9	0.3
Total	**5.4**	**11.9**

[1] Numbers for previos year principally related to the IPO.

Annual audit includes the audit of the financial statements of the Parent Company and the Group, the accounting records and the administration of the Board of Directors and the Managing Director. It also includes other duties incumbent on the auditor of the Company as well as advice and other assistance arising from observations made while performing the audit or carrying out such other duties.

Note 8 Finance income and finance expenses

	2015			2014		
MSEK	**Income**	**Expenses**	**Total**	**Income**	**Expenses**	**Total**
Financial assets at fair value through profit or loss						
Other income	–	–	–	–	–	–
			0.0			**0.0**
Loans and receivables						
Other interest income	3.6	–	3.6	3.1	–	3.1
			3.6			**3.1**
Derivatives used in hedging						
Interest and currency swaps	–	–0.5	–0.5	–	–0.2	–0.2
			–0.5			**–0.2**
Other financial liabilities						
Interest expense, pension plans	–	–0.4	–0.4	–	0.3	0.3
Interest expense, borrowing	–	–43.6	–43.6	–	–87.6	–87.6
Other borrowing expenses	–	–7.7	–7.7	–	–62.2	–62.2
Other interest expenses	–	–2.5	–2.5	–	–7.8	–7.8
Currency effects	7.2	–	7.2	–	–7.8	–7.8
			–47.0			**–165.1**
Total	**10.8**	**–54.7**	**–43.9**	**3.1**	**–165.3**	**–162.2**

Note 9 Exchange differences affecting income

MSEK	**2015**	**2014**
Exchange differences affecting operating income	0.0	1.0
Exchange differences, financial items	7.2	–4.5
Total	**7.2**	**–3.5**
Exchange differences in operating income are included in:		
Other operating income/expense	0.0	1.0
Total	**0.0**	**1.0**

Note 10 Taxes

Tax on income for the period, MSEK	**2015**	**2014**
Current tax expense (–) / tax income (+)		
Tax expense / income for the year	–14.7	–26.9
Adjustment of tax attributable to prior years	0.9	–4.4
Total current tax	**–13.8**	**–31.3**
Deferred tax expense (–) / tax income (+)		
Deferred tax from changes in temporary differences	–18.6	–5.5
Deferred tax income in capitalized losses carry forward	–	16.6
Deferred tax expense use of capitalized losses carry forward	–19.1	–
Total deferred tax	**–37.7**	**11.1**
Total recognised tax expense	**–51.6**	**–20.2**

	2015		2014	
Reconciliation of effective tax	**%**	**MSEK**	**%**	**MSEK**
Income after finance net		215.6		76.3
Anticipated tax according to enacted Swedish tax rate	22.0	–41.7	22.0	–16.8
Effect of other tax rates for foreign subsidiaries	2.1	–4.6	4.1	–3.1
Non-deductable expenses	1.5	–3.3	2.6	–2.0
Non-taxable income	–0.0	0.1	–0.4	0.3
Capitalization of previously not capitalized tax loss carry forward	–	–	–0.7	0.5
Effect of tax related to previous year	–0.0	0.9	–	–
Reversal of income of associates	–0.0	0.3	–0.7	0.5
Other	1.5	–3.3	–0.5	0.4
Recognised effective tax	**24.6**	**–51.6**	**26.5**	**–20.2**

Tax items recognised in equity through other comprehensive income, MSEK	**2015**	**2014**
Actuarial gains and losses on defined benefit pension plans	–6.0	4.2
Cash flow hedges	2.5	1.3
Hedges of net investments	–	6.9
Total tax effects in other comprehensive income	**–3.5**	**12.4**

Deferred tax assets/tax liabilities, MSEK	December 31, 2015 Deferred tax assets	Deferred tax liabilities	Net	December 31, 2014 Deferred tax assets	Deferred tax liabilities	Net
Buildings	32.9	3.7	29.2	39.5	–	39.5
Machinery and equipment	23.0	27.3	–4.3	29.7	18.4	11.3
Intangible assets	0.1	108.6	–108.5	–	120.1	–120.1
Other assets	–	4.1	–4.1	–	3.6	–3.6
Pension provisions	–	3.6	–3.6	4.0	–	4.0
Other liabilities	2.9	2.0	0.9	2.3	–	2.3
Losses carry forward	17.4	–	17.4	36.4	–	36.4
Other	4.9	1.4	3.5	–	–	–
Total	**81.2**	**150.7**	**–69.5**	**111.9**	**142.1**	**–30.2**
Netting of offsettable assets/liabilities by jurisdiction	–64.7	–64.7	0.0	–66.6	–66.6	0.0
Total net deferred tax liability	**16.5**	**86.0**	**–69.5**	**45.3**	**75.5**	**–30.2**

Deferred tax assets and liabilities nettable within the same jurisdiction was netted in 2015.

Change in deferred tax in temporary differences and loss carryforwards 2015 Group, MSEK	Amount at beginning of period	Recognised in income statement	Recognised in OCI	Changes in acquisition/ divestment of companies	Translation differences	Amount at end of period
Buildings	39.5	–9.2	–	–	–1.1	29.2
Machinery and equipment	11.3	–14.6	–	–	–1.0	–4.3
Intangible assets	–120.1	4.6	–	–	7.0	–108.5
Other assets	–3.6	0.5	–	–	–1.0	–4.1
Pension provisions	4.0	–1.7	–6.0	–	–	–3.7
Other liabilities	2.3	–1.4	2.5	–	–2.3	1.1
Losses carry forward	36.4	–19.1	–	–	–	17.3
Other	0.0	3.3	–	–	0.2	3.5
Total	**–30.2**	**–37.7**	**–3.5**	**–**	**1.9**	**–69.5**

Change in deferred tax in temporary differences and loss carryforwards 2014 Group, MSEK	Amount at beginning of period	Recognised in income statement	Recognised in OCI	Changes in acquisition/ divestment of companies	Translation differences	Amount at end of period
Buildings	35.4	1.7	–	–	2.4	39.5
Machinery and equipment	23.3	–12.8	–	–	0.8	11.3
Intangible assets	–120.6	4.2	–	–3.3	–0.4	–120.1
Other assets	–4.3	0.3	–	–	0.4	–3.6
Pension provisions	–1.0	0.8	4.2	–	–	4.0
Other liabilities	0.5	0.3	1.3	–	0.2	2.3
Losses carry forward	17.5	16.6	–	–	2.3	36.4
Other	0.0	–	–	–	–	–
Total	**–49.2**	**11.1**	**5.5**	**–3.3**	**5.7**	**–30.2**

Loss carry forward

At the end of the year, the Group had losses carry forward of MSEK 76.5 (165.4), all of which were recognised as deferred tax assets. All tax losses have indefinite lives.

Note 1 Note 2 Note 3 Note 4 Note 5 Note 6 Note 7 Note 8 Note 9 Note 10 Note 11 Note 12 Note 13 Note 14 Note 15 Note 16 Note 17 Note 18 Note 19 Note 20 Note 21 Note 22 Note 23 Note 24 Note 25 Note 26 Note 27 Note 28 Note 29 Note 30 Note 31 Note 32 Note 33 Note 34 Note 35

Note 11 Property, plant and equipment

MSEK	Land and land improvements 2015	2014	Buildings and land 2015	2014	Plant and machinery 2015	2014	Equipment, tools, fixtures and fittings 2015	2014	Construction in progress 2015	2014	Total property, plant and equipment 2015	2014
Accumulated cost	13.1	10.7	476.7	440.3	1,517.0	1,474.6	345.9	309.1	128.7	62.0	2,481.4	2,296.7
Accumulated depreciation	–5.6	–4.7	–208.1	–201.2	–1,060.3	–915.2	–200.9	–174.3	–	–	–1,474.9	–1,295.4
Accumulated impairment	–	–	–62.8	–65.6	–61.1	–124.9	–0.9	–0.9	–	–	–124.9	–191.4
Carrying amount	**7.5**	**6.0**	**205.8**	**173.5**	**395.6**	**434.5**	**144.1**	**133.9**	**128.7**	**62.0**	**881.7**	**809.9**
Balance at beginning of the period	6.0	5.0	173.5	171.4	434.5	474.5	133.9	55.6	62.0	91.1	809.9	797.6
Expenditure[1)]	–	–	12.6	0.2	9.8	1.9	47.8	49.6	136.2	90.7	206.4	142.4
Acquisitions	–	–	40.8	–	16.0	–	–	–	4.9	–	61.7	0.0
Sales and disposals	–	–	–	–	–1.4	–1.0	–	–	–	–	–1.4	–1.0
Depreciation for the period	–0.3	–0.2	–14.6	–13.6	–109.7	–105.7	–38.3	–32.7	–	–	–162.9	–152.2
Reclassifications	1.6	1.2	0.8	6.2	55.8	51.2	11.0	63.2	–69.2	–121.8	0.0	0.0
Translation differences	0.2	0.0	–7.3	9.3	–9.4	13.6	–10.3	–1.8	–5.2	2.0	–32.0	23.1
Book value	**7.5**	**6.0**	**205.8**	**173.5**	**395.6**	**434.5**	**144.1**	**133.9**	**128.7**	**62.0**	**881.7**	**809.9**
Leases, MSEK												
Carrying amount of assets held under finance leases	–	–	0.5	0.6	4.1	4.5	–	–	–	–	4.6	5.1

1) Expenditure does not include any capitalized interest.

No government grants affecting investment values were received in 2015 or 2014. At the end of the year there were contractual obligations related to expenditure for property, plant and equipment in the amount of MSEK 0 (10.1).

For further information about depreciation, amortisation and impairment, see note 6. For further information about leases, see note 24.

Note 12 Intangible assets

	Goodwill		Other intangible assets							
			Brands		Customer and supplier relationships		Capitalized expenditure on internal development work		Total other intangible assets	
MSEK	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Accumulated cost	596.5	611.3	310.6	322.9	196.4	208.9	33.8	26.4	540.8	558.2
Accumulated amortisation	–	–	–	–	–45.2	–29.0	–5.7	–0.5	–50.9	–29.5
Carrying amount	**596.5**	**611.3**	**310.6**	**322.9**	**151.2**	**179.9**	**28.1**	**25.9**	**489.9**	**528.7**
Balance at beginning of year	611.3	589.7	322.9	318.3	179.9	183.5	25.9	26.4	528.7	528.2
Additions	24.1	16.4	–	–	1.8	14.6	7.6	–	9.4	14.6
Amortisation for the year	–	–	–	–	–19.0	–18.7	–5.3	–0.5	–24.3	–19.2
Translation differences	–38.9	5.2	–12.3	4.6	–11.5	0.5	–0.1	–	–23.9	5.1
Book value	**596.5**	**611.3**	**310.6**	**322.9**	**151.2**	**179.9**	**28.1**	**25.9**	**489.9**	**528.7**

Allocation of goodwill, brands and customer/supplier relationships						
Sweden	120.7	120.7	144.0[1]	144.0[1]	28.6	29.1
Denmark	121.0	126.3	78.6[2]	82.1[2]	16.0	17.7
Norway	331.0	364.3	87.9[3]	96.8[3]	106.6	133.1
Finland	23.8	–	–	–	–	–
Total	**596.5**	**611.3**	**310.6**	**322.9**	**151.2**	**179.9**

[1] Brands with indefinite useful life (Kronfågel, Ivars, Vitafågeln, Bosarp).
[2] Brands with indefinite useful life (Danpo, BornholmerHanen).
[3] Brands with indefinite useful life (Den Stolte Hane).

Further information about amortisation, impairment and impairment testing, please see note 6.

Note 13 Participations in associated companies

Group, MSEK	Dec 31, 2015	Dec 31, 2014
Balance at the beginning of the year	42.7	38.7
Acquisitions	0.0	–
Share of income in associates	1.3	2.2
Translation difference	–2.6	1.8
Carrying amount	**41.4**	**42.7**

Information on associates in 2015

MSEK	Assets	Liabilities	Net sales	Income for the period
Farmfood A/S	141.8	57.7	28.3	5.8
Nærbø Kyllingslakt AS	27.9	17.5	56.3	0.6
UAB ScanEcoBalt	0.0	–	–	–

Information on associates in 2014

MSEK	Assets	Liabilities	Net sales	Income for the period
Farmfood A/S	198.5	120.4	27.6	6.6
Nærbø Kyllingslakt AS	29.4	18.9	54.8	–1.3

Any impairment and reversal of impairment is recognised in the income statement classified as Share of income of associates.

Note 13 Participations in associated companies cont.

Group holdings in associates, December 31, 2015

	Corp. identity no.	Domicile	Number of shares	Share of capital. %	Carrying amount in Group 2015, MSEK	Carrying amount in Group 2014, MSEK
Associates in the Group:						
Denmark, Farmfood A/S	27 121 977	Loegstoer	10,000	33.3	26.8	26.0
Norway, Naerbo Kyllingslakt AS	985 228 175	Nærbø, Hå	3,875	50.0	14.6	16.7
Lithuania, UAB ScanEcoBalt	303 919 855	Vilnius	100	49.0	0.0	–
Total					**41.4**	**42.7**

Note 14 Non-current financial assets

Group, MSEK	Dec 31, 2015	Dec 31, 2014
Receivables from associates	–	1.2
Other shares and interests	0.2	0.6
Other financial receivables	0.2	–
Total	**0.4**	**1.8**

Note 15 Inventory

Group, MSEK	Dec 31, 2015	Dec 31, 2014
Raw materials and consumables	78.9	78.8
Goods in progress	49.1	44.2
Finished goods and merchandise	402.3	421.3
Advances to suppliers	–	2.3
Total	**530.3**	**546.6**

MSEK 47.5 (32.9) of inventories this year were measured at net realizable value. Impairment losses of MSEK 5.4 (17.4) were recognised during the year, while previous impairment of MSEK 0 (2.5) were reversed. During the year, appreciations of MSEK 0 (8.5) has been recognised.

Note 16 Trade receivables and other receivables

MSEK	Dec 31, 2015	Dec 31, 2014
Trade receivables	308.3	336.7
Other current receivables	56.5	26.2
Prepayments and accrued income	62.7	54.5
Total	**427.5**	**417.4**

Age analysis of trade receivables MSEK	**31 dec 2015**	**31 dec 2014**
Receivables, not yet due	272.5	317.9
Receivables, past due		
< 31 days	34.3	16.1
31–60 days	1.0	0.3
61–90 days	0.1	0
> 90 days	0.4	2.4
Total	**308.3**	**336.7**
Provision for doubtful debts	0	0
Total	**308.3**	**336.7**

For information of assessment of trade receivables, see note 20.

Prepayments and accrued income MSEK	**31 dec 2015**	**31 dec 2014**
Prepaid rent	4.3	3.5
Prepaid insurance	2.9	2.0
Prepayments to contract broiler producers	16.8	16.1
Up front fee, financing	11.4	10.7
Other prepaid expenses	20.8	17.7
Other accrued income	6.7	4.5
Total	**62.9**	**54.5**

Note 17 Current interest-bearing assets and cash and cash equivalents

MSEK	Dec 31, 2015	Dec 31, 2014
Interest-bearing receivables	0.5	1.4
Total	**0.5**	**1.4**

Cash and cash equivalents MSEK	**2015**	**2014**
Cash and bank balances	142.7	89.7
Total	**142.7**	**89.7**

Receivables with a maturity of up to one year are recognised as current interest-bearing assets.

Note 18 Equity

MSEK	Share capital[1]	Other con–tributed equity	Hedge reserve	Translation reserve	Retained earnings	Equity attributable to owners of the parent
Total equity, opening balance January 1, 2014	**0.0**	**500.7**	**–5.5**	**10.0**	**–72.6**	**432.6**
Income for the period					56.1	56.1
Actuarial gains and losses on pension plans					–19.2	–19.2
Cash flow hedges						
- remeasurement for the year			–5.5			–5.5
- reclassified to income statement			0.0			0.0
Exchange differences on translation of foreign operations				53.9		53.9
Net gain on hedge of net investments in foreign operations			–31.4			–31.4
Tax relating to components of other comprehensive income			8.2		4.2	12.4
Other comprehensive income for the period, net of tax			**–28.7**	**53.9**	**–15.0**	**10.2**
Transactions with owners						
Bonus issue	0.5				–0.5	
New shares issue		6.2				6.2
Set-off of shareholder loans	0.1	381.2				381.3
Total equity, closing balance December 31, 2014	**0.6**	**888.1**	**–34.2**	**63.9**	**–32.0**	**886.4**

[1] The share capital in Scandi Standard AB amounted to 50,072 SEK.

MSEK	Share capital[1]	Other con–tributed equity	Hedge reserve	Translation reserve	Retained earnings	Equity attributable to owners of the parent
Total equity, opening balance January 1, 2015	**0.6**	**888.1**	**–34.2**	**63.9**	**–32.0**	**886.4**
Income for the period					163.9	163.9
Actuarial gains and losses on pension plans					25.6	25.6
Cash flow hedges						
- remeasurement for the year			–6.0			–6.0
- reclassified to income statement						
Exchange differences on translation of foreign operations				–36.7		–36.7
Net gain on hedge of net investments in foreign operations				–6.3		–6.3
Tax relating to components of other comprehensive income			2.5		–6.0	–3.5
Other comprehensive income for the period, net of tax			**–3.5**	**–43.0**	**19.6**	**–26.9**
Transactions with owners						
Dividend		–78.1				–78.1
Repurchase own shares					–20.4	–20.4
Total equity, closing balance December 31, 2015	**0.6**	**810.0**	**–37.7**	**20.9**	**131.1**	**924.9**

[1] The share capital in Scandi Standard AB amounted to SEK 599,749.

Note 1
Note 2
Note 3
Note 4
Note 5
Note 6
Note 7
Note 8
Note 9
Note 10
Note 11
Note 12
Note 13
Note 14
Note 15
Note 16
Note 17
Note 18
Note 19
Note 20
Note 21
Note 22
Note 23
Note 24
Note 25
Note 26
Note 27
Note 28
Note 29
Note 30
Note 31
Note 32
Note 33
Note 34
Note 35

During 2015 payment of the shareholder dividend decreased equity by MSEK –78.1. Repurchase of own shares also affected the equity by MSEK –20.4.

During 2014, Vendor Loan Notes held by the owners were repaid and PIK notes held by the owners (including accrued interest) were converted to equity in conjunction with the public offering. Other contributed equity includes premiums paid by owners of the Parent Company in relation to issues.

For cash flow hedges where the hedged transaction has not yet occurred, the hedge reserve comprises the cumulative effective portion of gains or losses arising from remeasuring the hedging instruments at fair value. The cumulative gain or loss recognised in the hedge reserve will be recycled to profit or loss when the hedged transaction affects profit or loss.

The translation reserve comprises all exchange differences arising on translation of financial statements of foreign operations to the Group's presentation currency (SEK). Gains and losses on hedging instruments that qualify as hedges of a net investment in a foreign operation are also included in the translation reserve and recognised there after deduction of tax.

	2014	
Share capital, total	**Number of shares**	**SEK**
Opening balance, Jan 1, 2014	500,716,726	50,072
Change during year	–440,655,736	549,677
Closing balance	**60,060,890**	**599,749**

	2015	
Share capital, total	**Number of shares**	**SEK**
Opening balance, Jan 1, 2015	60,060,890	599,749
Change during year	–	–
Closing balance	**60,060,890**	**599,749**

According to the articles of association for Scandi Standard AB, the share capital shall amount to a minimum of SEK 500,000 and a maximum of SEK 2,000,000. The quota value of the share is SEK 0.009986.

Earnings per share	2015	2014
Income for the period, MSEK	163.9	56.1
Earnings per share, SEK	**2.73**	**1.02**
Average number of shares, million	59.9	55.2
Equity per share, SEK	15.44	14.76

Note 19 Interest-bearing liabilities

Non-current interest-bearing liabilities

MSEK	Note	Dec 31, 2015	Dec 31, 2014
Non-current liabilities to credit institutions	20	1,378.7	1,448.5
Derivative instruments		13.6	5.6
Financial liabilities, leases	24	2.6	3.6
Other interest-bearing liabilities		–	2.5
Total		**1,394.9**	**1,460.2**

Current interest-bearing liabilities

MSEK	Note	31 dec 2015	31 dec 2014
Current liabilities to credit institutions	20	60.0	32.9
Accrued interest expenses		–	3.9
Financial liabilities, leases	24	0.9	2.1
Total		**60.9**	**38.9**

Financing of the Scandi Standard Group is mainly carried out through the group company Scandinavian Standard Nordic AB. External financing in the subsidiaries is only conducted if this is optimal for the Group.

SEK 1,500 Million Syndicated Multicurrency term and revolving facilities agreement

The Group has a syndicated multicurrency term loan facility, "Facility A" with a limit of SEK 750 Million and a multicurrency revolving credit facility, "Facility B" with a limit of SEK 750 Million. The facility A has a final maturity in July 2019 and facility B matures in July 2017 with an extension option of 1 year. The facilities are available to Scandinavian Standard Nordic AB and selected subsidiaries. Furthermore, the ability for the Group to take on new debt is regulated by the loan agreement.

Covenants

The syndicated loan agreement sets forth a covenant on *leverage* (quotaratio of net debt in relation to EBITDA on rolling twelve–months basis) and a covenant on *interest cover* (ratio of finance charges in relation to EBITDA on rolling twelve month basis). The leverage ratio is not to exceed 3.50 for any relevant period and the interest cover ratio has to be under 4.0 at all times. Scandi Standard complied with its covenants at the end of 2015.

Note 20 Financial instruments and financial risk management

Scandi Standard is exposed to different types of financial risk in the course of its international operations. Financial risk is the risk of fluctuations in the Group's financial results and position as a result of changes in exchange rates, interest rates and refinancing, and also includes liquidity risk and credit and counterparty risks.

CURRENCY RISK

In the course of its operations, Scandi Standard is exposed to currency risk, in the form of exchange rate fluctuations affecting the Group's financial results and position.

The Group's currency exposure includes both transaction exposure and translation exposure. The Group's currency risk management is aimed at minimizing the short-term effect of exchange rate fluctuations and their adverse impact on the Group's financial results and position.

Transaction exposure

Scandi Standard's goal is to avoid exposure to exchange rate fluctuations within Europe and worldwide in export trading.

Distribution of trade receivables by currency

Group, MSEK	Dec 31, 2015	Dec 31, 2014
SEK	82.2	64.9
DKK	88.5	141.9
NOK	71.7	59.8
EUR	56.7	47.2
Other currencies	9.2	22.9
Total	**308.3**	**336.7**

Distribution of trade payables by currency

Group, MSEK	Dec 31, 2015	Dec 31, 2014
SEK	147.2	128.1
DKK	95.6	109.2
NOK	69.6	75
EUR	40.1	39.9
Other currencies	0.0	0.0
Total	**352.5**	**352.2**

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 presentation 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 recognised at the closing rate on the reporting date. In the Parent Company, exchange differences attributable to these loans (net of tax) and translation differences from the net assets of subsidiaries are recognised in other comprehensive income and accumulated in consolidated equity. At present, net investments in DKK and NOK are hedged.

If the Swedish krona weakened against other currencies by 10 percent, equity would decrease by MSEK –110.9 (–119.9), not taking into account the equity hedge. If the equity hedge is taken into account, equity would decrease by MSEK –18.1 (–21.9), all other things being equal.

Exchange rate fluctuations also affect the translation of foreign subsidiaries' income statements to SEK. As this translation is not hedged, the translation difference is exposed to currency risk and as such is included in the sensitivity analysis below.

Foreign-exchange sensitivity in transaction and translation exposure

Scandi Standard is primarily exposed to the DKK, NOK and EUR. The different currencies represent both inflows and outflows against the Swedish krona.

If, on translation of operating income, the Swedish krona were to weaken against subsidiaries' currencies by 10 percent, this would have an adverse impact of MSEK –14.6 (–18.7) on operating income, all other things being equal. The impact is broken down as follows: DKK/SEK –13.9 (–9.4) MSEK and NOK/SEK –4.0 (–9.3) MSEK and EUR/SEK 3.3 (–) MSEK. The calculation does not take into account any changes in prices and customer behavior caused by the exchange rate movements.

INTEREST RATE RISK

Interest-bearing borrowing means that the Group is exposed to interest rate risk. Interest rate risk is the risk that changes in market interest rates will have an adverse effect on the Group's financial results and cash flows. How quickly a lasting change in interest rates is reflected in the Group's net financial items depends on the borrowing's fixed-rate period.

At December 31, 2015, the Group's outstanding liabilities to credit institutions, including outstanding interest rate swaps, had a weighted average fixed-rate period of 32 (28) months.

A +/–1 percentage point change in interest rates would affect the valuation of interest rate swaps outstanding on the closing date, which in turn would affect equity by MSEK +/–12.

REFINANCING RISK, LIQUIDITY RISK AND PAYMENT CAPACITY

Refinancing risk is the risk that costs will be higher and opportunities for financing limited when loans and other credit arrangements are renewed. Liquidity risk is the risk that the Group will encounter difficulty in discharging payment obligations. Scandi Standard limits its refinancing risk by having a well-diversified group of counterparties and maturities for its loans. The weighted average maturity of loans with credit institutions at the end of the year was 2.8 (4.1) years.

By constantly maintaining cash assets or unused credit facilities, the Group ensures it has sound payment capacity, thereby reducing the liquidity risk. Payment capacity, i.e. cash and cash equivalents and unused credit facilities, at December 31, 2015 was MSEK 547.2 (489.7).

Maturity structure of liabilities to credit institutions by currency 2015

MSEK	2016	2017	2018	2019	2020–	Total
EUR	0.1	0.1	0.1	0.1	60.2	60.6
DKK	27.4	257.4	27.4	177.4	–	489.6
NOK	32.3	262.3	32.3	182.3	–	509.2
SEK	27.4	257.4	27.4	177.4	–	489.6
Total	**87.2**	**777.2**	**87.2**	**537.2**	**60.2**	**1,549.0**
Of which interest	27.5	27.5	27.5	27.5	0.2	110.2

Maturity structure of liabilities to credit institutions by currency 2014

MSEK	2015	2016	2017	2018	2019–	Total
EUR	0.1	0.1	0.1	0.1	17.6	18.0
DKK	29.6	29.6	279.6	29.6	179.6	547.8
NOK	36.0	36.0	286.0	36.0	186.0	579.9
SEK	29.9	29.9	279.9	29.9	17.9	549.7
Total	**95.5**	**95.5**	**845.5**	**95.5**	**563.1**	**1,695.3**
Of which interest	35.5	35.5	35.5	35.5	35.5	177.7

Maturity structure of derivative instruments, nominal amounts December 31, 2015

MSEK	2016	2017	2018	2019–	Fair value
Currency derivatives	54.2	–	–	–	–0.9
Interest rate derivatives	–	–	–	967.0	–13.6
Total	**54.2**	**–**	**–**	**967.0**	**–14.5**

Maturity structure of derivative instruments, nominal amounts December 31, 2014

MSEK	2015	2016	2017	2018–	Fair value
Currency derivatives	31.4	2.2	–	–	–2.9
Interest rate derivatives	–	–	–	1,013.5	–5.6
Total	**31.4**	**2.2**	**–**	**1,013.5**	**–8.5**

CREDIT AND COUNTERPARTY RISK

Credit and counterparty risk is the risk that the counterparty in a transaction will be unable to discharge its obligations, thereby causing a financial loss for Scandi Standard. Counterparty risk is limited by only accepting counterparties with high credit-worthiness.

Customer credit risk

The credit risk associated with trade receivables is managed through special credit rating reviews. Scandi Standard has credit control procedures in place and obtains information about the financial position of customers from various credit-rating agencies.

Some of the trade receivables are sold to Nordea Finans AB and Nordea Finans Danmark A/S without recourse. At the end of the year, receivables sold amounted to MSEK 142.5 (113.3).

Financial assets and liabilities by measurement category December 31, 2015

December 31, 2015, MSEK	Loans and receivables	Financial assets at fair value through profit or loss	Derivatives used in hedge accounting	Other financial liabilities	Total carrying amount	Measured at amortised cost[2)]	Fair value by level[1)]
ASSETS							Level 2
Other non-current financial assets	0.4	–	–	–	0.4	0.4	–
Trade and other recievables	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**	**–**	**–**	**–**	**451.8**	**451.8**	**–**
LIABILITIES							Level 2
Non-current interest bearing liabilities	–	0.5	13.1	1,381.3	1,394.9	1,381.3	13.6
Current interest bearing liabilities	–	–	–	60.9	60.9	60.9	–
Trade and other payables	–	–	0.9	350.6	351.5	350.6	0.9
Total financial liabilities	**–**	**0.5**	**14.0**	**1,792.8**	**1,807.3**	**1,792.8**	**14.5**

Financial assets and liabilities by measurement category December 31, 2014

December 31, 2014, MSEK	Loans and recievables	Financial assets at fair value through profit or loss	Derivatives used in hedge accounting	Other financial liabilitie	Total carrying amount	Measured at[2)] amortised cost	Fair value[1)] by level
ASSETS							Level 2
Other non-current financial assets	1.8	–	–	–	1.8	1.8	–
Trade and other recievable	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							Level 2
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**

1) Fair value hierarchy with information on inputs used to measure fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices included in level 1 that are observable for the asset or liability, i.e. quoted prices or data derived therefrom. Derivative instruments in this level are interest rate swaps, interest rate caps, forward exchange rates and restricted placements.

Level 3: Unobservable inputs for measurement of the asset or liability.

2) For the Group´s long term borrowing fair value is considered to be equal to the amortised cost as the borrowings are held at floating market rates and hence the book value will be approximated as the fair value. For other financial instruments fair value is estimated at cost adjusted for any impairment.

Note 21 Pensions

Scandi Standard has both defined contribution and defined benefit pension plans. The defined benefit plans, as reported in the consolidated statement of financial position, are mainly funded and relate to PRI pensions in Sweden. These plans are funded in Lantmännen's 'Gemensamma Pensionsstiftelse Grodden' pension fund, which enables a number of companies that are part of, or have been part of, Lantmännen Group to safeguard their pension obligations. Each company has its own part of the fund's assets. There is no obligation for the companies in the fund to make additional contributions to the fund. The obligations are also credit insured via PRI Pensionsgaranti. PRI Pensionsgaranti is a mutual insurance company that guarantees employees' future pensions. Now that the assets are in a separate fund, the obligations can be reduced by the market value of the fund's assets when reported in the statement of financial position. Kronfågel AB and SweHatch AB are connected to the fund with regard to obligations accrued up to the end of May 2013. After this date, all new pension earnings within the Group are financed by direct charges.

Pension plans with surpluses are recognised as an asset in the statement of financial position under "Surplus in funded pension plans". Other pension plans that are unfunded or partially funded are recognised under "Provisions for pensions".

Defined benefit obligations and value of plan assets in the Group:

Defined benefit plans, MSEK	Dec 31, 2015	Dec 31, 2014
Funded plans		
Defined benefit obligations under Swedish PRI pensions-garanti plans	148.9	173.9
Fair value of plan assets	–165.3	–155.3
Total net value of funded plans	**–16.4**	**18.6**
Surplus in pension plan reported as asset	–16.4	–
Partially funded plan reported as liability	–	18.6
Unfunded plans		
Other unfunded obligations	1.7	1.8
Total unfunded plans	**1.7**	**1.8**
Provision for pensions, net value	**–14.6**	**20.4**

All defined benefit pension plans are in Sweden.

Pension cost in the income statement, MSEK	2015	2014
Defined benefit plans		
Incurred pension expense during the year	1.7	1.6
Interest income / expenses	–0.4	0.3
Cost of defined benefit plans	**1.3**	**1.9**
Cost of defined contribution plans	–56.8	–48.5
Total pension cost	**–55.5**	**–46.6**
The cost is recognised in the following lines in the income statement		
Employee benefits expenses, note 5	–55.1	–46.9
Finance expenses, note 8	–0.4	0.3
Total pension cost	*–55.5*	*–46.6*

Pension-related charges in other comprehensive income, MSEK	2015	2014
Defined benefit plans		
Return on plan assets in excess of what is recognised as interest income in the income statement	6.2	11.5
Experience based adjustment of obligation	2.0	–0.3
Effect of changes in demographic assumptions	–	–8.5
Effects of changes in financial assumptions	17.4	–21.9
Total actuarial gains (+) and losses (–)	**25.6**	**–19.2**
Tax in gain / loss	–6.0	4.2
Total recognised in other comprehensive income	**19.6**	**–15.0**

Note 21 Pensions cont.

Changes in obligations, assets and net amount:

	December 31, 2015			December 31, 2014		
MSEK	Defined benefit obligations	Plan assets	Net	Defined benefit obligations	Plan assets	Net
Opening balance	175.7	–155.3	20.4	147.9	–150.3	–2.4
Service cost	–1.7	–	–1.7	–1.6	–	–1.6
Interest recognised in income statement	4.7	–4.3	0.4	5.7	–6.0	–0.3
Payment of pension benefits	–7.0	–	–7.0	–7.0	–	–7.0
Compensation received[1)]	–	0.6	0.6	–	12.5	12.5
Curtailments and settlements	–2.2	–	–1.9	–	–	–
Return in plan assets in excess of recognised interest	–	–6.2	– 6.2	–	–11.5	–11.5
Remeasurement of pension obligations recognised in other comprehensive income	–19.0	–	–19.0	30.7	–	30.7
Closing balance, pension liability	**150.5**	**–165.2**	**–14.7**	**175.7**	**–155.3**	**20.4**
Of which funded plans	–	–	–16.4	–	–	18.6
Of which unfunded plans	–	–	1.7	–	–	1.8

1) Both Kronfågel AB and Swehatch AB have received compensation from the pension fund in 2015 and 2014.

Fair value of plan asset categories and share of total plan assets

	2015		2014	
	MSEK	%	MSEK	%
Property	97.0	58.7	90.3	58.1
Fixed-interest investments	17.2	10.4	14.1	9.1
Structured products	5.0	3.0	5.6	3.6
Equity investments	35.4	21.4	25.4	16.4
Hedge funds	5.4	3.3	14.3	9.2
Cash and cash equivalents	5.3	3.2	5.6	3.6
Total	**165.2**	**100.0**	**155.3**	**100.0**

Equity investments are all listed equity.

Actuarial assumptions	**2015**	**2014**
Discount rate	3.30%	2.75%
Future pension increase	1.50%	1.50%
Inflation	1.50%	1.50%
Mortality table	DUS14	DUS14

A reduction of the discount rate by 0.25 percentage points would increase the pension obligation by MSEK 5.5 (6.6) while an increase would reduce the obligation by MSEK 5.2 (6.2). A change in the expected life span of one year would change the obligation by MSEK 5.5 (6.4). A change of the inflation rate of 0.25 percentage points would change the obligation by about MSEK 5.5 (6.3). The pension fund's return was 6 (6) percent and a change of 1 percentage point would change the value of plan assets by about MSEK 1.5 (1.4).

Funded plans cover to 60 (64) percent paid-up policy holders and to 40 (36) percent retired persons. Duration is 14.4 years.

Expected payments under defined benefit pension plans in 2016 are MSEK 7.0.

For certain employees in Sweden insurance premiums are paid to Alecta under the ITP plan (individual supplementary pension). The plan is a multi employer defined benefit plan. Alecta is currently unable to disclose the information required to recognise the plans as a defined benefit pension plan. Consequently, pension plans under Alecta are recognised as defined contribution plans. MSEK 3.7 (3.7) of total pension cost of MSEK 55.5 (48.5) for defined contribution plans are related to Alecta premiums for ITP plans. Alecta may distribute its surplus to policy holders and/or the insured. At the end of the year, Alecta's surplus defined as collective funding ratio was 153 percent (143). The collective funding ratio reflects the market value of the Assets of Alecta as a percentage of its pension obligations, calculated with Alecta's Actuarial assumptions, which do not follow IAS19.

Note 22 Other provisions

The entire provision as per 31 December 2015 of is related to the additional long term contingent consideration related to the acquisition of Cardinal Foods during 2013.

In corporate groups the size of Scandi Standard, there are normally a number of ongoing disputes. Scandi Standard assesses the most likely outcome of the disputes currently at issue, and where an outflow of financial resources is probable, a corresponding amount is recognised as a provision.

Note 23 Trade payables and other current liabilities

MSEK	Dec 31, 2015	Dec 31, 2014
Trade payables	352.5	352.2
Operating liabilities to associates	–	3.5
Other current liabilities	138.1	110.8
Derivative instruments	0.9	2.9
Accruals and deferred income	161.5	120.4
Total	**653.0**	**589.8**

Accruals and deferred income

MSEK	2015	2014
Accrued personnel-related costs	113.9	73.5
Bonuses and discounts	14.3	21.4
Other accruals	27.4	17.8
Deferred income	5.9	7.7
Total	**161.5**	**120.4**

Note 24 Leases

The Group's leases are mainly operating leases. Finance leases are used to a limited extent.

Operating leases are mainly property leases, representing more than 90 percent reported minimum lease obligations.

Operating leases
Recognised cost of operating leases

MSEK	2015	2014
Minimum lease payments	64.5	62.5
Total	**64.5**	**62.5**

Future committed lease obligations are disclosed below.

Minimum lease payments due

MSEK	Dec 31, 2015	Dec 31, 2014
Within one year	56.4	55.6
Between one and five years	190.7	184.8
Beyond five years	126.9	177.6
Total	**374.0**	**418.0**

One company in the Group are tenants in properties owned by Lantmännen ek för. The annual rent for this amounted to MSEK 1.6 (13.1).

Finance leases
Liabilities under finance leases are recognised as interest-bearing liabilities in the consolidated statement of financial position. Payments due within one year are recognised as current financial liabilities while payments due beyond one year are recognised as non-current financial liabilities.

Recognised costs and payment of finance leases

MSEK	2015	2014
Minimum lease payments		
- reported as interest	0.3	0.5
- reported as repayment of liability	2.2	1.3
Total payments under finance leases	**2.5**	**1.8**

The carrying amount of the leased assets at the reporting date is disclosed in note 11.

Future minimum lease payments by period

	Dec 31, 2015		
	Payment	Interest	Total charge
Within one year	0.9	0.2	1.1
Between one and five years	2.6	0.6	3.2
Total	**3.5**	**0.8**	**4.3**

	Dec 31, 2014		
	Payment	Interest	Total charge
Within one year	2.1	0.3	2.4
Between one and five years	3.6	0.5	4.1
Total	**5.7**	**0.8**	**6.5**

Note 25 Related party transactions

Salaries and benefits received by senior management are reported in note 5. No dividends from subsidiaries or associates have been received during the year.

Receivables from and liabilities to associates are shown in notes 14 and 23. Further information about associated companies can be found in note 13.

Owner transactions

MSEK	2015	2014
Paid rentals to Lantmännen	1.6	13.1

Monitoring fees

MSEK	2015	2014
Kansas Holding B.V (CapVest)	–	4.1
Lantmännen ek för	–	1.7

Other related party transactions

MSEK	2015	2014
Intra-group purchases, share of total purchases, %	9.0	9.0
Intra-group sales, share of total sales, %	7.0	7.0
Purchases of goods and services from associates, MSEK	48.4	51.9
Sales of goods and services to associates, MSEK	38.0	51.5
Transfer of capital from pension fund, credited, MSEK	0.6	12.6

In connection to the initial public offering of Scandi Standard, Vendor Loan Notes were canceled and interest accrued were paid. At the same time, PIK notes, including accrued interest, were converted to shares through a set-off issue. For more information, see note 18 and note 20.

Note 26 Government grants

MSEK	2015	2014
Grants recognised as revenue	0.5	0.3
Total	**0.5**	**0.3**

Note 27 Acquired operations

During 2015, the business and assets of Huttulan Kukko Oy were acquired for MEUR 11.0 including MEUR 1.0 of deferred compensation and MEUR 5.0 of assumed debt. No intangible assets have been identified and the difference between the purchase price and the book value of acquired assets has been allocated to Goodwill.

Finland is an interesting market for Scandi Standard with high growth level and a relatively good price level. Huttulan Kukko Oy invested in a new slaughtering facility in 2014 and started competing with the two main actors in the market. The production unit currently operates at about 15percent capacity. Full capacity is about 10 million birds annually. This facility is a good stepping stone to establish Scandi Standard in Finland at lower cost and risk than a pure new establishment.

Goodwill in the amount of MEUR 2.6 has indefinite life and will be tested for impairment within the cash generating unit Finland. The acquisition was paid with MEUR 5.0 in cash and by assuming MEUR 5.0 of bank debt. A further MEUR 1.0 is payable to the sellers in May 2016.

The acquired operation contributed to the sales of the Group by MSEK 43.7 and had a negative impact on adjusted operating profit of MSEK 24.1. In addition about MSEK 9.0 of transaction and start-up costs have been charged to the profit and loss.

MSEK	2015 Huttulan Kukko	2014 Bosarpskyckling AB
Acquisition price		
Cash payment	46.4	33.3
Deferred consideration, recognised liability	9.3	–
Total	**55.7**	**33.3**
Acquired assets and liabilities at fair value		
Other intangible assets	–	14.0
Property, plant and equipment	67.8	–
Inventories	10.2	0.2
Trade receivables	–	2.0
Other current and non current assets	–	0.7
Trade payables	–	–0.4
Other liabilities	–	–2.2
Net assets acquired, total	**78.0**	**14.3**
Cash and bank balances	–	2.6
Borrowing	–46.4	–
Net debt, acquired	**–46.4**	**2.6**
Goodwill	**24.1**	**16.4**
Total	**55.7**	**33.3**

The above values include fair value adjustments made to assets and liabilities in the acquired companies. Those adjustments are specified below.

MSEK	Huttulan Kukko Oy	Bosarpskyckling AB
Cash impact from acquisition		
Cash paid for acquired companies	55.7	33.3
Cash and cash equivalents in acquired companies	–	–2.6
Total	**55.7**	**30.7**

Note 28 Pledged assets and contingent liabilities

Pledged assets	For own liabilities	
MSEK	Dec 31, 2015	Dec 31, 2014
Real estate mortgages	60.5	19.8
Total	**60.5**	**19.8**

Contingent liabilities

MSEK	Dec 31, 2015	Dec 31, 2014
Guarantee multicurrency credit facilitiy	1,500.0	1,500.0
Rent guarantee	31.7	63.3
Guarantees for contract broiler producers	17.6	57.8
Capital adequacy guarantee	–	7.9
Other contingent liabilities	17.1	3.8
Total	**1,566.4**	**1,632.8**

Note 29 Notes to the statement of cash flows

1) Paid finance items net, MSEK	2015	2014
Interest received	3.6	2.9
Interest paid	–47.8	–91.1
Other paid financial items	–7.4	–8.8
Total	**–51.6**	**–97.0**

2) Business combinations	2015	2014
Acquired assets and liabilities		
Property, plant and equipment	67.8	–
Intangible assets	24.1	30.8
Inventories	10.2	0.2
Trade and other receivables	–	2.7
Cash and cash equivalents	–	2.6
	102.1	**36.3**
Operating liabilities	–	–3.0
Loans in acquired business combination	–46.4	–
Paid consideration	**55.7**	**33.3**
Cash and cash equivalents in acquired business combination	–	–2.6
Cash flow effect	**55.7**	**30.7**

3) Cash and cash equivalents, MSEK	2015	2014
Cash and bank deposits	142.7	89.7
Total	**142.7**	**89.7**

The Group's total liquidity, defined as cash, bank deposits and credit available under the provisions of applicable loan agreements, amounted to MSEK 547.2 (489.7) at the end of the year.

Note 30 Biological assets

MSEK	2015	2014
Balance at beginning of the period	36.2	26.7
Change to due to change of estimate	–	10.2
Change in number of hens	1.7	0.2
Change in revenue per hen	5.9	–6.9
Change in production cost	–5.9	5.8
Other	0.8	0.2
Balance at end of the period	**38.6**	**36.2**

The biological assets consists primarily of parent broiler stock that produces day-old chicks sold to contract broiler producers and broilers and certain contracted farmers in Denmark.

The lifespan of the parent broilers is about 60 weeks and the main source of revenue is sales of the day-old chicks that they produce. Each hen produces about 129 chicks between week 25 and week 60.

Production costs include direct and indirect costs such as feed, rent and energy used.

At the beginning of the comparison year, the parent broiler stock was valued at cost as an approximation of fair value less cost of sales. This estimate was changed during 2014. The effect of the change in accounting estimate was MSEK 10.2.

At the end of the year there were about 547 thousand (488) hens in stock with a total fair value less cost of sales of MSEK 38.6 (36.2).

Note 1 Note 2 Note 3 Note 4 Note 5 Note 6 Note 7 Note 8 Note 9 Note 10 Note 11 Note 12 Note 13 Note 14 Note 15 Note 16 Note 17 Note 18 Note 19 Note 20 Note 21 Note 22 Note 23 Note 24 Note 25 Note 26 Note 27 Note 28 Note 29 Note 30 Note 31 Note 32 Note 33 Note 34 Note 35

Notes to the Parent Company financial statements

Note 31 Fees and reimbursements to auditors

MSEK	2015	2014
Öhrlings Pricewaterhouse-Coopers AB		
Annual audit	0.5	0.4
Total	**0.5**	**0.4**

Note 32 Pledged assets and contingent liabilities

MSEK	31 dec 2015	31 dec 2014
Contingent liabilities		
Guarantor long-term multicurrency credit facilities	1,500.0	1,500.0
Total	**1,500.0**	**1,500.0**

Note 33 Taxes

Tax on income for the period MSEK	**2015**	**2014**
Current tax expense (–) /tax income (+)		
Tax expense for the period	–	–
Total current tax	**–**	**–**
Deferred tax expense (–) /revenue (+)		
Deferred tax related to losses carried forward recognised during the period	–2.3	2.3
Total deferred tax	**–2.3**	**2.3**
Total recognised tax expense	**–2.3**	**2.3**

Changes in deferred tax asset

	2015		
MSEK	**Amount at the beginning of the year**	**Recognised in the profit and loss**	**Amount at the end of the year**
Losses carried forward	2.3	–2.3	0.0
Total deferred tax asset	**2.3**	**–2.3**	**0.0**

Loss carry forward

At the end of the year, the Parent Company had losses carry forward of MSEK 0 (10.6), all of which were taken into account in the computation of deferred tax.

All tax losses have indefinite lives.

	2015		2014	
Reconciliation of effective tax	**%**	**MSEK**	**%**	**MSEK**
Income before tax		14.5		–17.7
Anticipated tax according to enacted Swedish tax rate	22.0	–3.2	22.0	3.9
Non-deductable expenses	–0.0	0.0	–9.1	–1.6
Group contribution paid	–6.0	0.9	–	–
Recognised effective tax	**–16.0**	**–2.3**	**12.9**	**2.3**

Note 34 Investments in subsidiaries

MSEK	2015	2014
Accumulated cost of acquisition	532.7	532.7
Carrying amount	**532.7**	**532.7**

MSEK	2015	2014
Balance at the beginning of the period	532.7	532.7
Carrying amount	**532.7**	**532.7**

Any impairment is recognised in the income statement under Income from investments in Group companies.

Parent Company and Group holdings of interests in Group companies, December 31, 2015
The table includes directly-owned subsidiaries and indirectly-owned companies.

Company name	Corporate identity no.	Domicile	Share, %	Carrying amount, MSEK
Scandinavian Standard Nordic AB	556921-0619	Stockholm	100	532.7
Scandi Standard ApS	25 710 029	Farre, Denmark	100	
AB Skånefågel	556056-1457	Örkelljunga, Sweden	100	
SweHatch AB	556033-3386	Flyinge, Sweden	100	
Kronfågel OY	2644740-9	Helsingfors	100	
Kronfågel Holding AB	556529-6372	Stockholm	100	
Kronfågel AB	556145-4223	Stockholm	100	
Danpo A/S	31 241 316	Farre, Denmark	100	
Bosarpskyckling AB	556673-6608	Stockholm	100	
Scandinavian Standard Norway AS (former Cardinal Foods Norway AS)	911 561 077	Oslo	100	
Scandi Standard Norway AS	977 228 820	Oslo	100	
Den Stolte Hane Egg AS	913 945 603	Ski, Norway	100	
Den Stolte Hane Jæren AS	980 403 715	Jæren, Norway	100	
Total, Parent Company				**532.7**

Note 35 Financial instruments

MSEK	31 dec 2015	31 dec 2014
Loans and receivables		
Non-current interest-bearing receivables from subsidiaries	358.7	358.7
Total	**358.7**	**358.7**
Financial liabilities measured at amortised cost		
Non-current interest-bearing liabilities	27.4	–
Total	**27.4**	**–**

There are no derivative instruments in the Parent Company. See note 20 for information on interest-bearing liabilities.

Proposed appropriation of earnings Scandi Standard AB (publ.)

The following earnings are at the disposal of the Annual General Meeting

	SEK
Share premium reserve	810,026,610
Accumulated deficit	–36,858,717
Income for the year	8,259,781
Total	**781,427,674**

	SEK
Dividend to shareholders of SEK 1.80 per share	107,301,920
To be carried forward	674,125,754
Total	**781,427,674**

The Board of Directors and the Managing Director and CEO hereby certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the Group's financial position and performance. The Parent Company's financial statements have been prepared in accordance with generally accepted accounting principles, and give a true and fair view of the Parent Company's financial position and performance.

The Board of Directors' Report for the Group and Parent Company provides a true and fair overview of the development, financial position and performance of the Group and Parent Company, and describes significant risks and uncertainties faced by the Parent Company and Group companies.

Stockholm, March 30, 2016

Per Harkjær
Chairman of the Board

Kate Briant
Board member

Ulf Gundemark
Board member

Michael Parker
Board member

Asbjorn Reinkind
Board member

Karsten Slotte
Board member

Heléne Vibbleus
Board member

Leif Bergvall Hansen
Managing Director and CEO

The Group's and Parent Company's annual financial statements will be presented for adoption by the Annual General Meeting on April 25, 2016.

Our audit report was submitted on March 30, 2016
Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant

Auditor’s report

To the annual meeting of the shareholders of Scandi Standard AB (publ), corporate identity number 556921-0627

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Scandi Standard AB (publ) for the year 2015. The annual accounts and consolidated accounts of the Company are included in the printed version of this document on pages 33–76.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the Company’s profit or loss and the administration of the Board of Directors and the Managing Director of Scandi Standard AB (publ) for the year 2015.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the Company’s profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor’s responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the Company’s profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors’ proposed appropriations of the Company’s profit or loss, we examined the Board of Directors’ reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the Company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the Company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, March 30, 2016
Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant

Segment information by quarter

Group MSEK	Q1 2015	2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	Full year 2015[1]	Full year 2014[1]
Net sales	1,309.6	1,353.4	1,341.3	1,302.9	1,396.1	1,358.9	1,376.0	1,252.0	5,422.9	5,267.2
Adjusted operating income	67.6	78.6	77.0	76.3	71.7	66.5	68.1	79.6	291.5	301.0
Adjusted operating margin, %	5.2	5.8	5.7	5.9	5.1	4.9	5.0	6.4	5.4	5.7
Adjustments to operating income	–	−8.2	−4.2	−39.4	−0.3	−8.8	−20.5	−6.1	−32.0	−62.5
Operating income	67.6	70.4	72.8	36.9	71.4	57.7	47.6	73.5	259.5	238.5

Sweden MSEK	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	Full year 2015[1]	Full year 2014[1]
Net sales	530.9	498.5	564.4	524.9	572.5	543.8	571.5	488.0	2,231.1	2,055.2
Adjusted operating income	33.0	19.5	46.7	30.6	39.2	29.8	37.5	33.9	156.4	113.8
Adjusted operating margin, %	6.2	3.9	8.4	5.8	6.9	5.5	6.6	6.9	7.2	5.5
Adjustments to operating income	–	−5.7	–	0.2	−0.3	−4.2	−5.0	−4.2	−5.3	−13.9
Operating income	33.0	13.8	46.7	30.8	38.9	25.6	32.5	29.7	151.1	99.9

Denmark MSEK	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	Full year 2015[1]	Full year 2014[1]
Net sales	584.8	547.0	570.5	523.0	589.1	584.9	539.2	554.3	2,283.7	2,209.2
Adjusted operating income	32.8	23.9	35.4	23.7	38.0	24.4	34.2	32.3	140.4	104.3
Adjusted operating margin	5.6	4.4	6.2	4.5	6.5	4.2	6.3	5.8	6.3	4.7
Adjustments to operating income	–	−0.1	–	−1.3	–	–	−4.4	–	−4.4	−1.4
Operating income	32.8	23.8	35.4	22.4	38.0	24.4	29.8	32.3	136.0	102.9

Norway MSEK	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	Full year 2015[1]	Full year 2014[1]
Net sales	275.7	374.9	280.4	307.0	300.5	309.3	321.8	278.8	1,178.3	1,270.0
Adjusted operating income	13.2	42.4	9.6	28.1	16.0	24.3	21.6	25	60.3	119.8
Adjusted operating margin, %	4.8	11.3	3.4	9.2	5.3	7.9	6.7	9	5.1	9.4
Adjustments to operating income	–	–	–	–	–	–	−4.4	−0.7	−4.4	−0.7
Operating income	13.2	42.4	9.6	28.1	16.0	24.3	17.2	24.3	56.0	119.1

Finland MSEK	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	Full year 2015[1]	Full year 2014[1]
Net sales	–	–	8.2	–	19.6	–	15.9	–	43.7	–
Adjusted operating income	–	–	−3.4	–	−8.9	–	−11.7	–	−24.1	–
Adjusted operating margin, %	–	–	−41.5	–	−45.7	–	−73.6	–	−55.1	–
Adjustments to operating income	–	–	−4.2	–	1.5	–	−6.3	–	−9.0	–
Operating income	–	–	−7.6	–	−7.4	–	−18.1	–	−33.1	–

1) For a description of adjustments, see page 35-36.

Definitions

Net sales
Net sales is gross sales less sales discounts and joint marketing allowances.

Other operating revenues
Other operating revenue is revenue not related to sales of chicken, such as rent of excess land/ buildings to other uses and payment by non-employees for use of the Company's canteens.

Raw materials and consumables
Costs of raw materials and other consumables include the purchase costs of live chicken and other raw materials such as packaging etc.

Production costs
Production costs include direct and indirect personnel costs related to production and other production-related costs.

Other operating expenses
Other operating expenses include marketing, Group personnel and other administrative costs.

EBITDA
Operating income before depreciation and amortisation.

Adjusted EBITDA
EBITDA adjusted for non-recurring items.

EBIT
Operating income.

Adjusted EBIT
Operating income adjusted for non-recurring items.

EBITDA margin
EBITDA as percent of net sales.

Adjusted EBITDA margin
Adjusted EBITDA as percent of net sales.

EBIT margin
Operating income (EBIT) as percent of net sales.

Adjusted EBIT margin
Adjusted operating income (adjusted EBIT) as percent of net sales.

Corporate governance report

Scandi Standard AB (publ) (Scandi Standard or the Company) is a Swedish Public Limited Liability Company with its registered office in Stockholm, and with operations in Sweden, Denmark, Norway and Finland. Scandi Standard's shares are listed on Nasdaq Stockholm. This report has been prepared by the Board of Directors and is a part of the Annual Report for 2015. No deviations from the Swedish Corporate Governance Code are reported. The report has been examined by Scandi Standard's auditor.

The governance of Scandi Standard is based on the Swedish Companies Act, the Swedish Annual Accounts Act, the Nasdaq Stockholm Rule Book for Issuers, the Swedish Corporate Governance Code, Articles of Association, as well as other applicable Swedish and foreign laws and regulations.

Responsibility for management and control of Scandi Standard is distributed between the shareholders at the general meetings, the Board of Directors with appointed committees, and the Managing Director, pursuant to applicable laws and regulations, Scandi Standard's Articles of Association, as well as internal codes, policies, instructions and manuals etc.

Share capital and shareholders

At year-end 2015, the share capital amounted to SEK 599,749, represented by 60,060,890 shares with a quota value of SEK 0.009986 per share. Each share carries one vote. All shares have equal rights to Scandi Standard's assets and profits. The total number of shareholders at year-end was 5,677. Approximately 41.9 percent of the share capital was owned by foreigners.

At year-end no shareholder held in excess of 10.0 per cent of the share capital. For more information on the share and shareholders, see pages 30-31.

General Meetings of shareholders

The General Meeting of shareholders is Scandi Standard's highest decision-making body through which shareholders exercise their voting rights.

The Annual General Meeting (AGM) in Scandi Standard shall be held in Stockholm, Sweden, within six months from the end of the financial year. Besides the AGM, extraordinary General Meetings may be convened.

Participation in the decision-making at the General Meetings requires the shareholder's presence at the meeting, either in person or through proxy. In addition, the shareholders must be registered directly in the share register kept by Euroclear five business days prior to the General Meeting, and must provide notice of participation at the latest by the date specified in the notice convening the General Meeting.

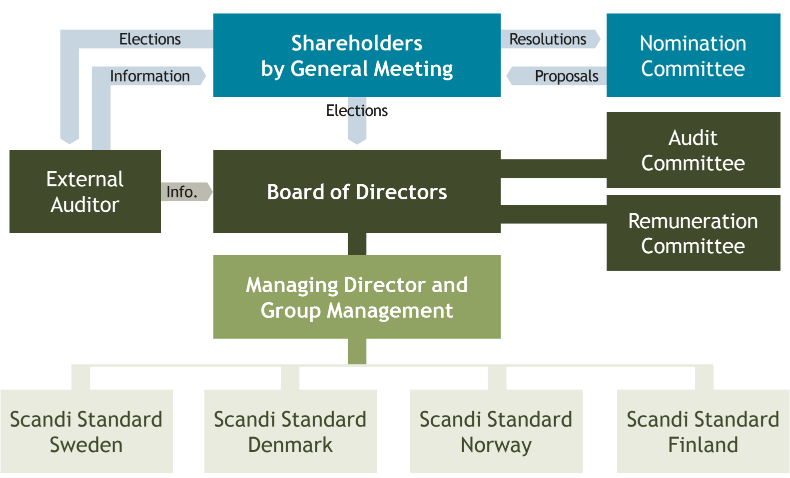
Shareholders who wish to have a matter considered at the General Meeting must submit a written request in that regard to the Board of Directors, at least seven weeks prior to the General Meeting, by email to; corporategovernance@scandistandard.com

Annual General Meeting 2015

The AGM 2015 was held in Stockholm, Sweden, on May 21. Decisions by the AGM included among other:

- Establishment of a Nomination Committee and adoption of an Instruction for its work.
- Re-election of Kate Briant, Ulf Gundemark, Per Harkjaer, Michael Parker, Karsten Slotte, Heléne Vibbleus and new election of Asbjörn Reinkind as Board members.
- Re-election of Per Harkjaer as Chairman of the Board.

GOVERNANCE STRUCTURE



Major external laws and regulations
- Swedish Companies Act.
- Swedish Annual Accounts Act.
- Nasdaq Stockhom Rule Book for Issuers.
- Swedish Corporate Governance Code.
- Other Swedish and foreign laws and regulations.

Major internal steering documents
- Articles of Association.
- Procedure for the Board of Directors, Instruction for the Managing Director, Instruction regarding financial reporting etc.
- Code of Conduct.
- Polices, instructions, manuals etc.

- Total fees to the Board for the period until the next AGM should amount to SEK 2,600,000, of which SEK 550,000 to the Chairman of the Board, SEK 275,000 each to the six other Board members, SEK 200,000 to the Chairman of the Audit Committee and SEK 50,000 each to the other two members of this Committee, and SEK 50,000 to the Chairman of the Remuneration Committee and SEK 25,000 each to the other two members of this Committee.
- Re-election of Öhrlings PricewaterhouseCoopers AB as Scandi Standard's external auditor until the end of the AGM 2016.
- Approval of Guidelines for remuneration for senior management, long-term incentive program 2015 (LTIP 2015) and authorization for the Board of Directors to acquire and transfer own shares to hedge the commitments under LTIP 2015 on the conditions set forth in the AGM 2015 minutes, available at http://investors.scandistandard.com/en/previous-general-meetings

Annual General Meeting 2016

The AGM 2016 will be held on April 25 at 1 pm. For more information regarding the AGM see page 92 and http://investors.scandistandard.com/en/agm

Nomination Committee

The Nomination Committee represents Scandi Standard's shareholders and proposes Chairman of the AGM, Chairman of the Board and other Board members, and when applicable external auditor. In addition, the Nomination Committee proposes fees to the Chairman of the Board and to other non-employed Board members and, when applicable, to the external auditor.

The AGM 2015 adopted an instruction for the Nomination Committee and its work, which is available on the Company's website. In accordance with this instruction, the Nomination Committee shall consist of no less than four members. One of these members shall be the Chairman of the Board or a Board member nominated by the Chairman of the Board. Based on the shareholding statistics as per the last bank day of August following the AGM, the four largest shareholders are requested to appoint a member each of the Committee.

The proposals of the Nomination Committee to the AGM are publicly announced no later than on the date of notification of the AGM.

Nomination Committee for the AGM 2016

The names of the members of the Nomination Committee were announced in a press release on October 19, 2015 and were updated in a press release on January 15, 2016 to reflect major changes in the ownership structure since August 30, 2015. The Nomination Committee consists of the following 7 members:

- Seamus FitzPatrick, representing CapVest Associates LLP.
- Per Harkjaer, Chairman of the Board of Directors of Scandi Standard.
- Hans Hedström, representing Carnegie Funds.
- Jannis Kitsakis, representing The Fourth National Pension Fund.
- Gustav Lindner, representing Investment AB Öresund.
- Per Olof Nyman, representing Lantmännen Kycklinginvest AB and Chairman of the Nomination Committee.
- Knut Pousette, representing Kvalitena.

MATTERS TO BE RESOLVED BY THE AGM:

- Adoption of the Annual Report and the Consolidated Financial Statements.
- Dividend.
- Discharge of liability for the Board members and the Managing Director.
- Election of Chairman of the Board, other Board members and external auditor.
- Fees to the Chairman of the Board, other non-employed Board members and the external auditor.
- Guidelines for remuneration of senior management.
- Long-term incentive program (LTIP).
- Authorization for the Board to acquire and transfer own shares to hedge commitments under LTIP.
- Other important matters.

Proposal by the Nomination Committee to the AGM 2016

The Nomination Committee's proposals include the following:

- Election of Sven Unger, Senior Counsel, Mannheimer Swartling, as Chairman of the AGM.
- Changed number of Board members from 7 to to 8.
- Re-election of, Ulf Gundemark, Per Harkjaer, Michael Parker, Asbjörn Reinkind, Karsten Slotte and Heléne Vibbleus as Board members. Kate Briant, has declined re-election.
- New election of Samir Kamal and Harald Pousette as Board members.
- Re-election of Per Harkjaer as Chairman of the Board.
- Total fees to the Board for the period until the next AGM shall amount to SEK 2,805,000, of which SEK 550,000 to the Chairman of the Board and SEK 275,000 to each of the other Board members. Total fees to committees of the Board for the period until the next AGM shall amount to SEK 330,000 of which SEK 130,000 to the Chairman of the Audit Committee and SEK 50,000 each to the other two members of this Committee, and SEK 50,000 to the Chairman of the Remuneration Committee and SEK 25,000 each to the other two members of this Committee.
- Re-election of Öhrlings PricewaterhouseCoopers AB as Scandi Standard's external auditor until the end of the AGM 2017 and that the fees shall be paid against approved accounts.
- Changes in the Instruction for the Nomination Committee.

The full proposal by the Nomination Committee can be found on Scandi Standard's website at http://investors.scandistandard.com/en/agm.

Shareholders who wish to submit proposals to the Nomination Committee should send an email to corporategovernance@scandistandard.com

Board of Directors

According to Scandi Standard's Articles of Association, the Board of Directors shall consist of not less than three and not more than eight members, without deputy members. The AGM elects the Board members and the Chairman of the Board.

In 2015, Scandi Standard's Board comprised seven ordinary members, elected by the AGM 2015, with no deputies and no employee representatives. All members are non-executive members. For more information on the Board of Directors, see pages 88-89.

In addition to the inaugural board meeting held in conjunction with the AGM, the Board shall meet at least 6 times a year.

Independence

The Board is considered to be in compliance with the independence requirements of the Swedish Corporate Governance Code in that the majority of the Board members are independent of Scandi Standard and its management and at least two of these Board members also are independent of Scandi Standard's major shareholders. See table to the right.

BOARD TASKS AND RESPONSIBILITIES INCLUDE:

- Establish the overall objectives and strategy.
- Decisions on investments, incl. acquisitions, divestments and financing arrangements in accordance with set approval procedures.
- Appoint, evaluate and, if necessary, dismiss the Managing Director.
- Ensure an effective system for follow-up and control of the Company's operations and the financial result and situation, and associated risks.
- Ensure that there is a satisfactory process for monitoring the Company's compliance with laws and other regulations, as well as the application of internal steering documents.
- Define necessary internal steering documents incl. the Code of Conduct.
- Ensure that the external communication is characterized by openness and is accurate, reliable and relevant in e.g. interim reports, annual reports and other documents.
- Approval of interim reports and annual reports.

BOARD OF DIRECTORS

				Attendance 2015				
Name		Nationality	Independence[1]	Board meetings	Audit Committee Meetings	Remuneration Committee Meetings	Authorized fees, SEK[2]	Shareholdings no. of shares[3]
Per Harkjaer	Chairman Committee Chairman	Danish	Yes/Yes	14/15		3/4	600,000	68,496
Kate Briant	Committee Member	British	Yes/No	13/15	8/8	4/4	350,000	0
Ulf Gundemark	Committee member	Swedish	Yes/No	14/15	8/8	4/4	350,000	31,779
Michael Parker		British	Yes/Yes	13/15			275,000	16,000
Asbjörn Reinkind[4]		Norwegian	Yes/Yes	9/15[4]			275,000	0
Karsten Slotte		Finnish	Yes/Yes	12/15			275,000	13,698
Heléne Vibbleus	Committee Chairman	Swedish	Yes/Yes	15/15	8/8		475,000	6,250
Total				**15**	**8**	**4**	**2,600,000**	**136,223**

1) Refers to independence in relation to the Company and its management, and to major shareholders respectively.

2) Fees exclude travel allowances.

3) As of December 31, 2015.

4) Elected in May 2015.

The Board's tasks and responsibilities

The Board of Directors is responsible for the organisation and management of Scandi Standard's affairs. The Board's responsibility and work is governed by laws, regulations and internal steering documents, including the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm Rule Book for Issuers, the Swedish Corporate Governance Code, directions given by the AGM, Articles of Association, and the Procedure for the Board of Directors of Scandi Standard adopted by the Board. In addition the General Meeting can provide instructions.

The Procedure for the Board of Directors, which is reviewed annually, describes the Board's tasks and responsibilities, the work of the Board including responsibility for the Chairman as well as responsibilities delegated to Committees appointed by the Board, Board meetings and information and reporting to the Board. The Board has established an Instruction for the Managing Director, including among other things specifications of issues requiring the Board's approval and an Instruction regarding financial reporting to the Board.

Evaluation of the Board's work

The Chairman of the Board is responsible for evaluating the Board's work with the aim of developing the Board's working methods and efficiency. The evaluation is performed annually and the results are communicated to the Board and reported to the Nomination Committee. In 2015, the Chairman procured an external evaluation of the Board's work, which was communicated to the Board and reported to the Nomination Committee.

Board activities in 2015

In 2015, the Board held 15 meetings, of which five were held by telephone and two per capsulam. For important agenda items for the Board in 2015, see the figure on page 83.

Board Committees

The Board has established an Audit Committee and a Remuneration Committee. The major tasks of these committees are preparatory and advisory, but the Board may delegate decision making authority to the Committees on specific matters. The Committees are subordinated to the Board and do not discharge the Board members from their obligations and general responsibilities as Board members. The issues considered at the Committee meetings shall be recorded in minutes which normally shall be submitted to the following Board meeting.

Audit Committee

The main task of the Audit Committee is to monitor Scandi Standard's financial reporting and in respect thereof monitor the effectiveness of the Company's internal control, internal audit and risk management, but also to monitor the effectiveness of internal control in general for the business activities. The task also includes to keep itself informed regarding the external audit of the annual report and consolidated financial statements.

The Audit Committee is also tasked to review and monitor the impartiality and independence of the external auditor and to assist in preparation of the proposal to the General Meeting regarding election of the external auditor.

The Audit Committee of Scandi Standard shall comprise no fewer than 3 Board members. The majority of the members shall be independent of Scandi Standard and its executive management. At least one of the members who are independent of Scandi Standard and its executive management shall also be independent of Scandi Standard's major shareholders. At least one of the independent members must have accounting or auditing proficiency.

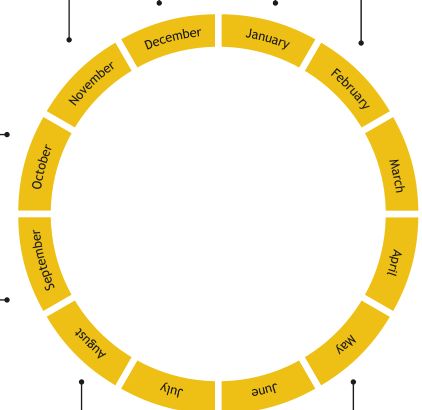
The Audit Committee in 2015 comprised the 3 Board members, Heléne Vibbleus (Chairman), Kate Briant and Ulf Gundemark. The CFO and the external auditor attend meetings with the Audit Committee.

In 2015, the Audit Committee held 8 meetings. The work was largely focused on critical accounting issues, the Annual Report 2014, fourth quarter report 2014 and the interim reports 2015, as well as review of internal steering documents. In 2015, the Committee also initiated a process to, in a structured way, map and identify the most important risks for the Group, including the risks related to the internal control over financial reporting.

Remuneration Committee

The main task of the Remuneration Committee is to prepare the Board's decisions on issues concerning guidelines for remuneration, remuneration and other terms of employment for executive management. The main task is also to monitor

MAJOR BOARD AGENDA ITEMS 2015



January
- Operational & financial review.
- Budget 2015.
- Dividend considerations.
- AGM matters.
- Risk map.
- M&A update.

February
- Operational & financial review.
- Report from Audit Committee.
- Report from external auditor.
- Approval of Q4 and year-end report 2014.
- Dividend proposal.
- Norway update.
- Feedback from Nomination Committee.
- AGM matters.
- M&A update.
- HR matters.

March
- AGM matters.
  - -Proposals on guidelines for remuneration for senior management and implementation of LTIP 2015.
  - -Proposal to acquire and transfer own shares.

April (3 meetings)
- Operational & financial review.
- Report from Audit Committee.
- Authorisation to make an offer to acquire Lagerbergs.
- Review of capex projects.
- Process for strategic plan.
- Approval of Annual Report 2014.
- M&A update.

May
- Inaugural meeting items.
- Election of Audit and Remuneration Committee members.
- Operational & financial review.
- Report from Audit Committee.
- Approval of Q1 report.
- Review and approval of capex projects.
- M&A update.
- HR matters.

June (2 meetings)
- Strategic plan.
- Operational & financial review.
- Review and approval of capex projects.
- M&A update.
- Authorisation for management to acquire own shares for delivery to LTIP 2015 participants.
- HR matters.

July
- M&A update

August
- Strategic plan.
- Operational & financial review.
- Report from Audit Committee.
- Approval of Q2 report.
- Review and approval of capex projects.
- M&A update.
- HR matters.
- Approval of internal steering documents.
- Decision on Internal Audit function.

September
- M&A update

October
- Operational & financial review.
- Budget 2016.
- Review and approval of capex projects.
- M& A update.
- HR matters.
- Approval of Crisis Management plan.

November
- Operational & financial review.
- Report from Audit and Remuneration Committees.
- Approval of Q3 report.
- Approval of Budget 2016.
- Review of capex projects.
- Board evaluation.
- Review of Annual Report 2015.
- M&A update.
- Approval of internal steering documents.

December
- M&A update

and evaluate programs for variable remuneration for executive management and to monitor and evaluate the application of the guidelines for remuneration that the AGM has established as well as the current remuneration structures and levels in Scandi Standard.

The Remuneration Committee of Scandi Standard shall comprise 3 Board members. The Chairman of the Board may chair the Committee. The other members are to be independent of Scandi Standard and its executive management.

The Remuneration Committee in 2015 comprised the 3 Board members Per Harkjaer (Chairman), Kate Briant and Ulf Gundemark.

In 2015, the Remuneration Committee held 4 meetings. Matters dealt with include salary review processes for remuneration to executive management, including bonus schemes, as well as preparation of proposal for a new long-term incentive program to be proposed to the AGM 2016.

Guidelines for remuneration for senior management

Salaries and other terms and conditions of employment shall be sufficient for Scandi Standard to recruit and retain skilled senior managers at a reasonable cost to the Company. Remuneration shall be based on principles of performance, competitiveness and fairness and consist of a fixed salary, variable salary, pension and other benefits.

All senior managers shall be offered fixed salary in line with market conditions based on responsibility, expertise and performance. All senior managers may from time to time be offered variable salary (cash bonuses). The variable salary shall be based on achievement of a set of financial and personal objectives determined in advance by the Board. The variable salary may not amount to more than 70 percent of the fixed annual salary. Fixed annual salary means fixed cash salary earned during the year, excluding pension, supplements, benefits and similar.

To the extent a Board member performs work for the Company, in addition to the Board work, a market-based consulting fee may be paid.

In addition, the AGM may resolve on long-term incentive programs such as share and share-price related incentive programs. These incentive programs shall be intended to contribute to long-term value growth and provide a shared interest in value growth for shareholders and employees.

Agreements regarding pensions shall, where applicable, be premium based and shall be designed in accordance with the level and practice applicable in the country in which the member of senior management is employed.

The Board decides on remuneration principles for senior management based on guidelines for remuneration for senior management established by the AGM.

Remuneration and other terms of employment for all employees earning more than MSEK 2 per annum are approved by the Board.

For information about salaries and remuneration for senior management comprising the Managing Director, other members of Group Management, executives in the Company and other Group companies who from time to time are reporting to the Managing Director and who are also members of senior management, as well as Board members of the Company to the extent employment or consulting agreements are entered into with the Company, see note 5.

External auditor

Scandi Standard's external auditor is Öhrling Pricewaterhouse-Coopers AB (PwC), elected at the 2015 AGM until the end of the AGM 2016. Bo Lagerström, Authorised Public Accountant, is Auditor in charge. For remuneration to the external auditor, see note 7.

Internal control over financial reporting

The Board is responsible for internal control and risk management in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code. Below is the Board's report on internal control and risk management over financial reporting.

The description of Scandi Standard's system of internal control and risk management with regards to financial reporting is based on the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework comprises five components; the control environment, risk assessment, control activities, information and communication, and monitoring, and 17 fundamental principles related to the five components. The description below is limited to internal control and risk management over financial reporting.

Internal control over financial reporting aims to provide reasonable assurance of the reliability of external financial reporting in the form of interim reports, full year reports and annual reports, and to ensure that external financial reporting is prepared in accordance with laws, accounting standards and other requirements applicable to listed companies.

Control environment

Internal control over financial reporting is based on the overall control environment. The control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across Scandi Standard. The Board and Group Management establish the tone at the top regarding the importance of internal control including expected standards of conduct of the employees. This involves the integrity and ethical values, the parameters enabling the Board to carry out its oversight responsibilities, the organizational structure and assignment of responsibility and authority, the process for attracting, developing, and retaining employees, and the rigor around performance measures, incentives and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal control and risk management. This is communicated in the form of internal steering documents such as Articles of Association, Procedure for the Board of Directors, Instruction for the Managing Director, Instruction regarding financial reporting, Code of Conduct, other policies, instructions and manuals. The control environment is also based on applicable external laws and regulations.

The Board has established a Procedure for its work and the work of the Audit Committee and the Remuneration Committee. The main task of the Audit Committee is to monitor Scandi Standard's financial reporting, and, in respect thereof, monitor the effectiveness of the Company's internal control, internal audit, and risk management. The task also includes to keep itself informed regarding the external audit of the annual report and consolidated financial statements. The work of the Audit Committee during the year is described on page 82–83.

Responsibility for implementing the Board's internal steering documents regarding internal control and risk management over financial reporting, maintaining an effective control environment as well as the day-to-day work on internal control and risk management over financial reporting is delegated to the Managing Director. This responsibility is in turn delegated to managers within their specific areas of responsibility at various levels in the Company.

Responsibility and authority are defined by the Board in, among others, internal steering documents such as Instruction for the Managing Director stipulating resolutions that are subject to decision by the Board or the General Meeting of shareholders, Authority to sign for the Company and Delegated Authorities. The Board also approves, among others, the following internal steering documents; Instruction regarding financial reporting, Code of Conduct, Information Policy, Insider Policy, IT Security Policy, and Finance Policy. The Managing Director approves the Finance and Accounting Manual, which is available to all personnel in finance and accounting. Based on the Board's internal steering documents, the Managing Director, the CFO and other managers establish instructions and manuals to be implemented within their specific areas of responsibility.

These internal steering documents are reviewed and updated regularly with reference to e.g. changes in legislation, accounting standards, listing requirements and internal risk assessment.

The work to make the financial reporting process, as well as the closing process, more efficient continued during the year.

Risk assessment

A risk-mapping process was initiated during 2015 to identify high-level risks for the Group in a structured way, including the risks related to internal control over financial reporting. Operational and functional management participated in workshops and identified a Risk Heat Map, which was presented to the Board. The overall aim was to establish a formalised and proactive risk management process for the Group including a plan for the continued work on improving the internal control. The plan includes activities for internal control over financial reporting with documented processes and internal controls and to ensure operational effectiveness.

Control activities

Risks over financial reporting are mitigated through control activities to ensure that the aims for internal control over financial reporting are met.

Control activities are performed at different levels of the Company and its processes including processes for financial reporting, closing and over the IT environment. They may be preventive or detective in nature and may encompass a range of manual and automated activities, such as approvals, verifications, reconciliations, and monitoring of the business performance. Segregation of duties is typically built into the selection and development of control activities.

Information and communication

The Group maintains information and communication processes to ensure adequate internal financial reporting, for monitoring of business performance and for decision support, as well as for providing accurate, reliable and relevant external financial reporting to the financial markets.

Internal information and communication

The internal steering documents relevant to internal control over financial reporting are for instance Instructions regarding financial reporting, Information Policy, Finance Policy and Finance and Accounting Manual. The documents can be accessed on the Group's intranet by all relevant personnel.

The Group CFO reports to the Audit Committee on the results, critical accounting issues and the quality of the financial reports at the Audit Committee meetings where the interim reports, full year report and annual report are dealt with. The Chairman of the Audit Committee reports on the Committee's work to the Board in the form of observations, recommendations and proposed decisions at the Board meeting following the Committee meetings and in the form of minutes from the Audit Committee meetings that are submitted to the Board.

Internal financial reporting for monitoring of performance and for decision support is submitted to Group Management and the Board on a regular basis.

External information and communication

The Group's process for external information and communication aim at providing the financial markets with accurate, reliable and relevant information regarding the development of the Group and its financial results and financial position in a timely manner.

The Group has an information policy meeting the requirements of a listed company.

Financial information is issued regularly in the form of:

- Interim reports and full year report published as press releases.
- Annual report.
- Press releases on all matters that could materially affect the share price.
- Presentations and telephone conferences on the day of publication of interim reports and full year report that are also webcasted.
- Meetings with financial analysts and investors in Sweden and abroad.

Interim reports, full year reports and annual reports are to be found on Scandi Standard's website at www.scandistandard.com, as well as press releases, presentations and relevant internal steering documents.

Monitoring

Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control is present and functioning. Ongoing evaluations are performed day-to-day by management at different levels of the Group and separate evaluations are conducted as deemed necessary for instance by the Group's internal audit function.

Financial reporting

Financial data is reported every month by the reporting units, being a business unit operating within a subsidiary of the Parent Company, in accordance with the routine stipulated in the Finance and Accounting Manual. All consolidation of the Group's financial reports is centralised to the Group Finance function. All financial reports are stored in a central database from which data is retrieved for analysis and monitoring.

The work to make the financial reporting process as well as the closing process more efficient, continued during the year.

Controller
Each business unit operating within a subsidiary of the Parent Company has a controller whose responsibilities include to ensure adequate internal control over financial reporting and to comply with the Group's internal steering documents such as the Finance and Accounting Manual. The responsibility also includes reporting complete, accurate and timely financial information to the Parent Company.

Country Managers
A Country Manager is appointed in each country where the Group operates subsidiaries of the Parent Company. The Country Manager's duties include to ensure adequate internal control over financial reporting and to comply with the Group's internal steering documents as well as to identify and report risks that can have an impact on the financial reporting and review the financial information for reasonableness.

Group Finance
The central Group Finance function is responsible for the consolidation of the Group's financial reports and to ensure adequate internal control over financial reporting and that the reporting by the business units and the Group are made in accordance with the Finance and Accounting Manual.

Group Management
Group Management, which includes the Managing Director, the CFO, the COO, the Director Group Live Operations and three Country Managers, receives sales figures and results indications on a weekly basis. Group Management holds video meetings every second week and meets once a month to review the monthly results, to update forecasts and plans and to discuss critical business issues. Group Management is responsible for implementing the strategic plan and budget for the Group.

Internal audit
Scandi Standard has during 2015 established an internal audit function, which is outsources to Deloitte.

Stockholm, March 30, 2016

Scandi Standard AB (publ)
The Board of Directors

Auditor's Report on the corporate governance statement

To the annual meeting of the shareholders of Scandi Standard AB (publ), corporate identity number 556921-0627

Engagement and responsibility
We have audited the corporate governance statement for the year 2015 on pages 80-86. It is the board of directors who is responsible for the corporate governance statement and that it has been prepared in accordance with the Annual Accounts Act. Our responsibility is to express an opinion on the corporate governance statement based on our audit.

The scope of the audit
We conducted our audit in accordance with Fars auditing standard RevU 16 The auditor's examination of the corporate governance statement. That standard require that we have planned and performed the audit to obtain reasonable assurance that the corporate governance statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the information included in the corporate governance statement. We believe that our audit procedures provide a reasonable basis for our opinion set out below.

Opinion
In our opinion, the corporate governance statement has been prepared and is consistent with the annual accounts and the consolidated accounts.

Stockholm, March 30, 2016
Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant

Board of Directors

PER HARKJÆR

Chairman

Born 1957.

Bachelor's degree in International Marketing, Copenhagen Business School, Denmark.

Elected 2014. Chairman of the Remuneration Committee.

Other major assignments: Chairman of Make-A-Wish Foundation. Board member Partner in Pet Foods.

Previous assignments: Group CEO of United Coffee, Findus Group and Toms Confectionery Group.

Holdings in Scandi Standard: 68,496 shares.

KATE BRIANT

Board member

Born 1971.

Bachelor of Commerce and Accounting Honours, University of Cape town, South Africa. Chartered Accountant.

Elected 2013. Member of the Audit Committee and the Remuneration Committee.

Main occupation: Partner and investment committee member of funds advised by CapVest. Chairman of GLO Holdings SCA. Board member and Chairman of Audit Committee RenoNorden ASA. Board member, Mater Private and Valeo Foods.

Previous assignments: Auditor, Board member Vaasan & Vaasan.

Holdings in Scandi Standard: 0 shares.

ULF GUNDEMARK

Board member

Born 1951.

Master of Science in Electrical Engineering, Chalmers University of Technology, Sweden.

Elected 2013. Member of the Audit Committee and the Remuneration Committee.

Main occupation: Chairman of Ripasso Energy AB and Nordic Waterproofing Group. Board member AQ Group AB, Constructor Group AS, Lantmännen, Papyrus Holding AB, Solar AS. Board member and owner of Gumaco AB.

Previous assignments: CEO of Elektroskandia/Hagemeyer Nordics, General Manager, IBM, various positions at ASEA/ABB. Chairman Lindab International, Bridge to China AB and Lönne International AS.

Holdings in Scandi Standard: 31,779 shares.

MICHAEL PARKER

Board member

Born 1953.

Bachelor of Science hons in Business Administration, University of Bath, UK, and a Booker Senior Management Certificate from INSEAD.

Elected 2014.

Main occupation: Board member Brookes Parker Ltd, Lodestone (Oxford) Ltd and Prospect Publishing Ltd.

Previous assignments: Deputy CEO of Young's Bluecrest Seafood (now Findus Group). Board member of Marine Harvest ASA.

Holdings in Scandi Standard: 16,000 shares.

ASBJØRN REINKIND

Board member

Born 1960.

Bachelor of Science in Economics and Business Administration, Norges Handelshoyskole, Bergen. Advanced Management Programme, INSEAD.

Elected 2015.

Main occupation: Chairman of Grilstad AS and Ecopole AS. Deputy chairman of Grieg Seafood ASA and BioMar Group. Board member of Midt Norsk Havbruk AS and Fana Sparebank. Senior advisor to two private equity companies.

Previous assignments: CEO Rieber & Son ASA, Group Managing Director of Toro and Denja.

Holdings in Scandi Standard: 0 shares.

KARSTEN SLOTTE

Board member

Born 1953.

Bachelor of Science (econ), Hanken School of Economics, Finland.

Elected 2014.

Main occupation: Chairman of Onninen Oy. Board member Fiskars Oyj Abp, Onvest Oy, Ratos AB, Royal Unibrew A/S, Finnish-Swedish Chamber of Commerce.

Previous assignments: President and CEO, Fazer Group, various leading position at Cloetta/Fazer. Board member of Oriola-KD Corporation.

Holdings in Scandi Standard: 13,698 shares.

HELÉNE VIBBLEUS

Board member

Born 1958.

Bachelor of Science in Business Administration, Economics and Statistics, University of Linköping, Sweden.

Elected 2014. Chairman of the Audit Committee.

Main occupation: Vice President Internal Audit CAE, Autoliv Inc. Board member of Marine Harvest ASA, Nordic Growth Market NGM AB, Trelleborg AB and Tyréns AB.

Previous assignments: Board member of Orio AB, Renewable Energy Corporation ASA, Swedbank Sjuhärad AB, and Tradedoubler AB. Board member and Vice Chairman of Sida. Group Vice President, CAE, Elekta AB. Senior Vice President, Group Controller, AB Electrolux. Authorized Public Accountant, Partner and member of the Board of Directors of PwC Sweden.

Holdings in Scandi Standard: 6,250 shares.

EXTERNAL AUDITOR

Öhrlings Pricewaterhouse-Coopers AB

Bo Lagerström, Born 1966, chief auditor.

Holdings in Scandi Standard: 0 shares.

Group Management

LEIF BERGVALL HANSEN

Managing Director and Chief Executive Officer

In Group Management since 2013.
Born 1966.

Master of Science, Copenhagen Business School, Denmark, including a period at Stanford Business School, USA.

Previous assignments: Head of division, Nestle. CEO of Bisca A/S.

Holdings in Scandi Standard: 1,142,663 shares.

JES BJERREGAARD[1)]

Country Manager, Denmark

In Group Management since 2014.
Born 1958.

Diploma in Marketing Management, Copenhagen Business School, Denmark.

Other major assignments: Board member DKI A/S and Farmfood A/S.

Previous assignments: General Manager Denmark and Export, Findus D/K. General Manager, Valloe Saft A/S. General Manager, Denmark, Abba Seafood A/S. Sales & Marketing Director, Denmark and Norway, Mars Inc.

Holdings in Scandi Standard: 291,169 shares.

PER ALAN JENSEN

Chief Operating Officer

In Group Management since 2013.
Born 1962.

Bachelor of Science in Technology, University of Odense, Denmark.

Other major assignments: Board member Farm Food A/S.

Previous assignments: Factory manager Rose Poultry A/S.

Holdings in Scandi Standard: 432,266 shares.

MAGNUS LAGERGREN

Country Manager, Sweden

In Group Management since 2014.
Born 1960.

Master of Science in Economics and Technology, University of Agriculture, Sweden.

Other major assignments: Board member Svenska Retursystem AB and Dagligvaruleverantörernas Förbund (DLF).

Previous assignments: Chairman and Managing Director, Dalsjöfors Holding AB. Managing Director, Swedish Meats cooperative/Scan AB/HKScan. Management positions within Swedish Meats and Scan AB.

Holdings in Scandi Standard: 204,522 shares.

[1)] Will leave the Group in May 2016.

TOMMI SAKSALA

Director, Group Live Operations

In Group Management since 2014.
Born 1969.

Master of Science in Agricultural Economics & Management, University of Helsinki, Finland.

Previous assignments: International broiler industry supply chain management consultant, Pomicon Oy Ltd. Director, poultry meat supply chain live operations, A-Touttajat Oy (Atria Group plc)

Holdings in Scandi Standard:
61,690 shares.

FREDRIK STRØMMEN

Country Manager, Norway

In Group Management since 2015.
Born 1971.

Master of Science, Norwegian School of Economics, Norway.

Previous assignments: Director, Orkla Commercial Excellence ASA. Country manager, Sætre AS. Management positions within Sætre AS and KiMs AS.

Holdings in Scandi Standard:
5,000 shares.

Annual General Meeting

The Annual General Meeting 2016 will be held on Monday, April 25, 2016 at 1 pm in Wallenbergsalen, IVA Conference Center, Grev Turegatan 16, Stockholm. For more information, see http://investors.scandistandard.com/en/agm

Participation

Shareholders who intend to participate in the Annual General Meeting must:

- Be registered in the share register kept by the Swedish central securities depositary, Euroclear Sweden AB on Tuesday, April 19, 2016.
- Give notice of intent to participate to Scandi Standard no later than 4 pm on Tuesday, April 19, 2016.

Notice of participation

Notice of intent to participate can be given:

- on the Group's website; http://investors.scandistandard.com/en/agm
- by telephone at +46 8 402 90 55.
- by mail to Scandi Standard AB, c/o Euroclear Sweden AB, P.O Box 191, SE-101 23 Stockholm, Sweden.

Notice should include the shareholder's name, personal or company registration number, if any, address and telephone number, and the number of assistants attending, if any.

Shareholders may vote by proxy, in which case a power of attorney should be submitted to Scandi Standard well in advance of the AGM. Proxy forms are available in English and Swedish on the Group's website.

Shares registered by nominees

Shareholders who have their shares registered in the name of nominees must have their shares temporarily registered in their own name on Tuesday, April 19, 2016 in order to participate in the AGM. To ensure that such registration is made prior to this date, the nominee must be informed well in advance.

Dividend

The Board of Directors has proposed a dividend of SEK 1.80 per share, and Wednesday, April 27, 2016 as record date. With this record date, it is expected that dividends will be paid from Euroclear on Monday, May 2, 2016. The last day for trading in Scandi Standard's shares with right to dividend for 2015 is Monday, April 25, 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. For further information see the sections on Risks and risk management on page 39–41 and on page 66–67.

Information about markets, market shares, market growth etc. are based on established independent external sources, internal sources and Company estimates.

Franzéngatan 5
Box 30174
SE-104 25 Stockholm
Sweden

info@scandistandard.com

www.scandistandard.com
www.kronfagel.se
www.danpo.dk
www.denstoltehane.no