9 August 2013, at 8:00 am

HKScan Group’s interim report 1 January — 30 June 2013:
Mixed performance in challenging business environment

* Net sales were EUR 1 214.5 (1 228.5) million in January–June, and EUR 623.7 (632.2) million in the second quarter.

* In January–June, reported EBIT was EUR 4.8 (5.7) million, comparable EBIT excluding non-recurring items was EUR 7.9 (5.7) million, and the corresponding EBIT margin was 0.6 (0.5) per cent. For the second quarter, reported and comparable EBIT were EUR 5.8 (5.9) million, and the EBIT margin was 0.9 (0.9) per cent.

* Cash flow before debt service was EUR -0.7 (2.3) million in January–June, and EUR 20.1 (22.5) million in the second quarter.

* Profit/loss before taxes was EUR -4.8 (-8.5) million in January–June, and EUR 1.1 (-1.2) million in the second quarter.

* EPS was EUR -0.07 (-0.08) in January–June, and EUR 0.01 (0.01) in the second quarter.

* Net financial expenses were EUR -11.4 (-16.0) million in January–June, and EUR -5.6 (-8.0) million in the second quarter.

* Net debt was EUR 451.2 (483.4) million, and net gearing was 115.7 (126.8) per cent in January–June.

* Outlook for 2013 (unchanged): EBIT is estimated to improve from 2012.

HKSCAN GROUP

(EUR million)	Q2/2013	Q2/2012*)	Q1-Q2/2013	Q1-Q2/2012*)	2012*)
Net sales	623.7	632.2	1 214.5	1 228.5	2 503.1
EBIT	5.8	5.9	4.8	5.7	43.1
- EBIT margin, %	0.9	0.9	0.4	0.5	1.7
EBIT excluding non-recurring items	5.8	5.9	7.9	5.7	36.7
- EBIT margin, %	0.9	0.9	0.6	0.5	1.5
Cash flow before debt service	20.1	22.5	-0.7	2.3	65.8
Profit/loss before taxes	1.1	-1.2	-4.8	-8.5	14.3
Earnings per share, EUR	0.01	0.01	-0.07	-0.08	0.30
Net financial expenses	-5.6	-8.0	-11.4	-16.0	-31.7
Net debt			451.2	483.4	440.9
Net gearing, %			115.7	126.8	109.2

*) The 2012 figures have been restated in accordance with the revised IAS 19 standard for employment benefit plans and the changed reporting principle for marketing support expenses.

GROUP OVERVIEW APRIL-JUNE 2013

Hannu Kottonen, HKScan's CEO, comments on the second quarter:
- Consumer and customer demand in Europe and also in northern Europe during the first half of the year was lower than pig and poultry production, which kept stock levels high and sales prices low, especially in exports. Therefore, net sales did not quite reach the previous year's figures. Overall, the financial performance was modest during the second quarter, though. Poland was yet again the market area showing excellent results, and Sweden improved compared to the previous year and the first quarter. In Finland, the Baltics and Denmark, the second quarter was difficult.

- Pork stocks were high throughout Europe for several reasons, such as weakened purchasing power and increased regulation, which has led to production adjustments accelerating slaughtering and leading to a short-term increase in the amount of meat on the market. Additionally, poor weather conditions during spring and early summer in Europe resulted in the barbeque season starting later and at a lower level than usual. The structural shortage of beef continued.

- It can be expected that animal production volumes of pork and beef will become lower, which may result in a shortage of raw material later this year and next year.

- Consumers' growing concerns about the origin of meat and animal welfare, and an increasing interest in health, continue to affect the European meat and food industry. Private labels increased their share of the market as a whole, thus impacting supply chain management.

- Raw material prices of pork and poultry stabilised or came somewhat down towards the end of the second quarter, but beef prices stayed high. The outlook looks positive for better crops and lower feed prices.

- In Finland, the restructuring and development programme, including production line transfers and investments, has been progressing as planned. There were, however, some temporary challenges in daily operations. The restructuring actions proceeding in Sweden and Finland are to bring an annual profit improvement of approximately EUR 15 million.

- The Group's sourcing organisation was established during the first half of the year, and it started to deliver results by consolidating purchases. In the animal sourcing area, closer integration with primary production has progressed in Finland and also started in Sweden. Despite the good progress of the Group development programme, lower sales margins have partly deteriorated the financial performance.

- The strategy review completed in June brought some adjustments, such as the sharpening of the Group's brand strategy, as well as the roadmap to enhance HKScan's operational and technological footprint. Additionally the Group's financial targets were updated and communicated in a stock exchange release on 9 August.

MARKET AREA: FINLAND

(EUR million)	Q2/2013	Q2/2012*)	Q1-Q2/2013	Q1-Q2/2012*)	2012*)
Net sales	199.4	204.9	393.5	396.1	813.8
EBIT	0.5	2.7	-0.8	5.4	18.4
- EBIT margin, %	0.2	1.3	-0.2	1.4	2.3
EBIT excluding non-recurring items	0.5	2.7	2.3	5.4	18.4
- EBIT margin, %	0.2	1.3	0.6	1.4	2.3

*) The 2012 figures have been restated in accordance with the changed reporting principle for marketing support expenses.

In Finland, net sales in the second quarter amounted to EUR 199.4 (204.9) million. EBIT for the period was EUR 0.5 (2.7) million.

Net sales fell short of the previous year, mainly because of the planned lower level of campaign and seasonal activities. The overall sales volumes were lower in the quarter than in the corresponding period in 2012. A reduced number of campaigns was also related to production line transfers and investments scheduled for the second quarter. Consumer demand has been shifting between meat qualities and product categories, causing changes in the product mix. Overall price competition in the domestic market remained high. Additionally, export sales continued to face challenges due to the overall surplus of meat raw material in Europe and globally. Pork procurement prices came down slightly late July, whereas beef and poultry prices remained high.

The restructuring and development programme, including production line transfers and investments, caused temporary challenges in daily operations. The actions based on the programme will improve the productivity and efficiency of the business, as well as bringing benefits from centralising operations and technologies. In the second quarter, production rationalisation actions took place between the Vantaa, Mikkeli and Säkylä plants. This announced rationalisation programme will continue until the end of 2013. New investments will be made in the Mikkeli and Eura plants. The restructuring actions are intended to improve profit by approximately EUR 5 million annually from the end of 2013 onwards.

MARKET AREA: BALTICS

(EUR million)	Q2/2013	Q2/2012	Q1-Q2/2013	Q1-Q2/2012	2012
Net sales	43.8	46.8	85.7	87.3	176.7
EBIT	1.3	3.1	2.1	3.8	8.9
- EBIT margin, %	2.9	6.7	2.4	4.4	5.1

In the Baltics, net sales in the second quarter were EUR 43.8 (46.8) million. EBIT was EUR 1.3 (3.1) million.

The surplus in the European meat supply also put pressure on the Baltic meat market, causing competition and shrinking the margins in sales of unprocessed meat. This development hit especially the profitability of non-branded, away from home and commodity products. In any event, branded sales in Baltics developed well and spring novelties contributed favourably to sales.

The domestic demand in the market area was relatively good during the second quarter, but increased raw material costs in primary production had a negative impact on profit. Feed prices were high, though soya prices continued their slowly decreasing trend. Efficiency improvement projects related to the consolidation of poultry production at the Ranna plant continued according to plan. The new innovative Kiev Cutlet product line was launched in late June.

Both Tallegg Yoghurt Fillet Shashlik and Rakvere Lihakombinaat Children's Grill Sausage were awarded "the Best Meat Product in Estonia 2013" title in an annual nationwide competition.

MARKET AREA: SWEDEN

(EUR million)	Q2/2013	Q2/2012*)	Q1-Q2/2013	Q1-Q2/2012*)	2012*)
Net sales	241.8	262.7	470.7	506.3	1 025.7
EBIT	2.0	-3.7	-0.6	-8.8	-5.9
- EBIT margin, %	0.8	-1.4	-0.1	-1.7	-0.6
EBIT excluding non-recurring items	2.0	-3.7	-0.6	-8.8	1.5
- EBIT margin, %	0.8	-1.4	-0.1	-1.7	0.1

*) The 2012 figures have been restated in accordance with the revised IAS 19 standard for employment benefit plans and the changed reporting principle for marketing support expenses.

In Sweden, net sales in the second quarter were EUR 241.8 (262.7) million. EBIT was EUR 2.0 (-3.7) million. All product categories improved their performance somewhat. The decrease in net sales was caused by discontinuing non-profitable sales and the shortage of beef raw material.

Branded products, such as Svensk Rapsgris® (Swedish rapeseed pork), were developed further. Sales of Pärsons cold cuts continued well, and new Pärsons fresh chicken products were launched as planned.

Continuously low levels of beef raw material resulted in tougher competition and higher purchase prices. As for pork, imports to Sweden continued to be high, especially by non-Swedish actors who normally do business in the Far East and Russia, as they currently could not export to those regions the same volumes as earlier.

The development programme continued in Sweden during the second quarter with result improvements. The actions within the programme aim to improve profit by approximately EUR 10 million annually, reaching their full effect as of the middle of 2013.

In June, additional redundancies due to operational efficiency actions were announced, affecting around 20 persons at the Skara plant. Also in June, a new branch organization - "Sveriges Köttföretag" (Swedish Meat Companies) – was established with other large Swedish meat companies. The aim is to actively take the initiative and participate in the public discussion on relevant meat industry issues.

In May, HKScan acquired exclusive rights to Nordic Genetics' NG Hampshire genetics, which form the basis for the well-known Swedish "Scan Piggham" pork.

MARKET AREA: DENMARK

(EUR million)	Q2/2013	Q2/2012	Q1-Q2/2013	Q1-Q2/2012	2012
Net sales	60.4	51.4	116.7	109.1	211.7
EBIT	0.0	1.5	-0.1	1.7	15.4
- EBIT margin, %	0.0	2.8	-0.1	1.6	7.3
EBIT excluding non-recurring items	0.0	1.5	-0.1	1.7	1.5
- EBIT margin, %	0.0	2.8	-0.1	1.6	0.7

For Denmark, net sales in the second quarter were EUR 60.4 (51.4) million. EBIT was EUR 0.0 (1.5) million. Sales volumes developed well during the quarter. Price competition remained tough, and was also visible in frozen as well as fresh poultry products.

Both volumes and prices for poultry sourcing had a somewhat positive trend, but animal purchase prices were still higher than in continental Europe. Sales of fresh chicken in Sweden under the Pärsons brand started well. Even though exports faced challenges, stock levels have decreased.

After the fire last year, the last production lines at the Vinderup plant were taken into use during the first quarter. The temporary set-ups and manning needed after the fire were removed for the most part during the second quarter. Operations at the Padborg plant were closed down in mid-June. At the end of June, around 100 persons were given notice at the Skovsgaard plant. Operational efficiency improvements will continue.

The insurance cases related to the fire are still in progress. The insurance is estimated to cover both the property damage and the loss of profit, as well as the additional costs caused by the interruption to the business. The rebuilt part of the plant started production in December. The rebuilding was approved by the authorities with regard to fire protection, production premises and work place at the end of the second quarter. However, some work is still under construction. The accumulated posted capital expenditure related to the fire amounted to EUR 22.9 million by the end of June 2013.

MARKET AREA: POLAND *)

(EUR million)	Q2/2013	Q2/2012	Q1-Q2/2013	Q1-Q2/2012	2012
Net sales	96.0	86.9	181.5	167.3	343.7
EBIT	5.7	4.5	11.2	7.9	15.8
- EBIT margin, %	6.0	5.1	6.1	4.7	4,6

*) Represents HKScan’s 50% share of Sokolów.

In Poland, net sales for the second quarter totalled EUR 96.0 (86.9) million. EBIT for the period was EUR 5.7 (4.5) million. The EBIT margin was at a very good level, being 6.0 (5.1) per cent.

The positive development was attributable to the high recognition of the Sokolów brand and focusing on sales of processed products. Good profit development in the market area was also supported by low meat prices for raw material. The weakening European economic activity will, however, have a general impact on Poland as well as on demand and purchase volumes.

During the second quarter, investments were made in processing and packing at the Sokolów Podlaski plant, in cooking at Czyżew and in packing at Jaroslaw.

INVESTMENTS

The Group’s investments in the second quarter were EUR 9.8 (13.8) million and divided by market area as follows:

(EUR million)	Q2/2013	Q2/2012	Q1-Q2/2013	Q1-Q2/2012	2012
Finland	3.4	3.2	4.5	6.5	11.8
Baltics	2.1	2.3	6.1	4.7	10.5
Sweden	1.3	2.1	1.9	5.0	7.4
Denmark [1)]	0.7	2.3	1.0	7.8	33.0
Poland [2)]	2.4	4.0	5.5	9.7	14.0
Total	**9.8**	**13.8**	**18.9**	**33.6**	**76.6**

[1)] The investments for full year 2012 include rebuilding the Vinderup plant.

[2)] HKScan's share (50%) of Sokolów investments.

A substantial share of the investments planned and executed focused on improvements in operational efficiency, which has been identified as a strategic focus area.

The main investments so far during 2013 have been the following. In Finland, transfers of production lines between the Vantaa, Mikkeli and Säkylä plants, supported by the production line and infrastructure investment for processed meat products in Mikkeli, as well as investments in poultry production by installation of weighers and slicers in Eura. As for the Baltics market area, respectively, in Estonia the consolidation of poultry production to the Ranna plant continued, and the new Kiev Cutlet production line was taken into use in Rakvere.

The investments in improving operational efficiency, the rationalisation of the operational footprint and the consolidation of production are expected to continue during 2013 and beyond.

FINANCING AND TAXES

Group interest-bearing debt at the end of June stood at EUR 483.6 (522.4) million, of which current interest-bearing debts amounted to EUR 334.5 (187.9) million. Negotiations concerning the refinancing of loans maturing in 2014 have been initiated. At year end, gross interest-bearing debts were EUR 499.7 million. Net debt decreased compared to the previous year by EUR 32.2 million, but increased from year end by EUR 10.3 million.

The Group’s liquidity was good during the second quarter. Undrawn committed credit facilities at 30 June were EUR 175.8 (176.8) million. In addition, the Group had other undrawn overdraft and other facilities of EUR 27.7 (28.1) million. The EUR 200 million commercial paper programme had been drawn to the amount of EUR 134.0 (142.5) million. In the second quarter, a total amount of EUR 5.4 million was paid as dividends for 2012.

Net financial expenses were EUR -5.6 (-8.0) million in the second quarter, and EUR -11.4 (-16.0) million in January–June. The decrease is attributable to the lower loan amount and lower interest level. Additionally, costs in the previous year include one-time refinancing arrangement expenses.

Group taxes were EUR -0.7 (1.7) million in the second quarter and EUR 1.1 (4.1) million positive in January–June.

SHARES

At the end of June, the HKScan Group's share capital stood at EUR 66 820 528. The Group's total number of shares issued, 55 026 522, was divided into two share series as follows: A Shares, 49 626 522 (90.19% of the total number of shares) and K Shares, 5 400 000 (9.81%). The A Shares are quoted on the NASDAQ OMX Helsinki. The K Shares are held by LSO Osuuskunta (4 735 000 shares) and Sveriges Djurbönder ek.för. (665 000 shares) and are not listed. The company held 1 053 734 A Shares as treasury shares.

HKScan’s market capitalization at the end of June stood at EUR 187.8 (208.6) million. It breaks down as follows: Series A shares had a market value of EUR 169.0 (188.1) million, and the unlisted Series K shares a calculational market value of EUR 18.8 (20.5) million.

In January-June, a total of 3 157 677 (5 702 100) of the company’s shares with a total value of EUR 12 367 456 (28 032 244) were traded. The highest price quoted in the period under review was EUR 4.28 (6.40), and the lowest was EUR 3.46 (3.17). The average price was EUR 3.91 (4.87). At the end of June, the closing price was EUR 3.48 (3.79).

HKScan has in place a market-making agreement with FIM Pankkiiriliike Oy which meets the requirements of NASDAQ OMX’s Liquidity Providing (LP) operation.

ANNUAL GENERAL MEETING AND BOARD OF DIRECTORS’ AUTHORIZATIONS

The Annual General Meeting of HKScan Corporation was held on 24 April 2013 in Turku. The resolutions of the AGM, including authorisations given to the Board, are reported in full in a stock release the same day. The Board has not exercised the authorisations given by the AGM.

The AGM re-elected the current Board members, Juha Kylämäki, Niels Borup, Teija Andersen, Gunilla Aschan, Tero Hemmilä and Henrik Treschow for a further term of office. Mikko Nikula and Per Nilsson were elected as deputy members. At the organisational meeting after the AGM, the Board re-elected Juha Kylämäki as Chairman and Niels Borup as Vice Chairman.

PERSONNEL

In January–June, HKScan, excluding Sokolów in Poland, had an average of 7 664 (8 257) personnel.

The personnel decreased in Finland, the Baltics and Sweden due to the on-going efficiency programmes.

The average number of personnel in each market area was as follows:

	Q1-Q2/2013	Q1-Q2/2012	2012
Finland	2 720	2 832	2 794
Baltics	1 673	1 783	1 742
Sweden	2 365	2 761	2 428
Denmark	886	881	872
Total	**7 644**	**8 257**	**7 836**

In addition, during the period the Sokolów Group employed an average of 6 334 (6 166) persons, and in 2012 the average number of personnel was 6 310.

Division of personnel by market area at the end of June was as follows:

	30.6.2013	30.6.2012	31.12.2012
Finland	3 107	3 254	2 592
Baltics	1 657	1 787	1 700
Sweden	2 464	3 115	2 339
Denmark	872	883	893
Total	**8 100**	**9 039**	**7 524**

Additionally, the Sokolów Group had 6 317 (6 491) employees at the end of the period under review, and 6 491 employees at the end of 2012.

CLAIM BY OY PRIMULA AB’S BANKCRUPTY ESTATE

According to a stock exchange release on 7 September 2012, HKScan Corporation and HK Ruokatalo Oy were notified that Oy Primula Ab's bankruptcy estate has submitted an action for damages to the District Court of Finland Proper concerning the companies. The claim amounts to about EUR 16.3 million, plus claims related to interest and legal process costs.

HKScan and HK Ruokatalo find the action to be unjustified, and the companies have disputed the claim in its entirety in the pending trial. Therefore, the action did not give raise to any provisions in the consolidated financial statements.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

The most significant uncertainty factors in the HKScan Group’s business are connected — through price increases for feed raw material in particular and other production inputs related to primary production — to price development and the availability of local meat raw material, as well as to the adequacy of increases in the sales prices for the products in relation to cost development.

The risks of animal diseases in the food industry’s raw meat supplies or eventual international or regional food scandals impacting the overall consumption outlook can never be fully excluded.

EVENTS AFTER THE REPORTING PERIOD

In a stock exchange release published on 2 July, HKScan introduced the first steps of the sharpened brand strategy of the Group: company names will be harmonised, and country-of-origin promises were reaffirmed for its key brands in Finland and Sweden, among other things. The Group additionally announced that it will increase in the volume of meat raw material sourced from its own slaughterhouses in its home markets.

On 9 August, HKScan issued a stock exchange release on the updated financial targets as follows: an EBIT (operating profit) of more than 4%, return on capital employed greater than 12%, and net gearing less than 100%. The dividend policy of at least 30% of net profit remains unchanged.

OUTLOOK FOR 2013

The Group keeps unchanged the outlook given in the financial statements bulletin on 15 February 2013: Group EBIT for the entire year is estimated to improve from 2012.

CONSOLIDATED INTERIM REPORT 1 JANUARY – 30 JUNE 2013

CONSOLIDATED INCOME STATEMENT

(EUR million)	Note	Q2/2013	Q2/2012	Q1-Q2/2013	Q1-Q2/2012	2 012
NET SALES		623.7	632.2	1 214.5	1 228.5	2 503.1
Operating income and expenses	1.	-599.7	-602.6	-1 173.5	-1 180.8	-2 374.1
Share of associates' results		-0.3	-0.2	-0.3	-0.3	-0.1
Depreciation and amortization	1.	-17.9	-23.5	-36.0	-41.7	-85.9
EBIT		5.8	5.9	4.8	5.7	43.1
Financial income		1.4	1.5	2.7	3.4	5.4
Financial expenses		-7.0	-9.5	-14.0	-19.3	-37.1
Share of associates' results		0.9	0.9	1.8	1.7	3.0
PROFIT/LOSS BEFORE TAXES		1.1	-1.2	-4.8	-8.5	14.3
Income tax		-0.7	1.7	1.1	4.1	3.4
PROFIT/LOSS FOR THE PERIOD		0.4	0.4	-3.7	-4.4	17.7

PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO:						
Equity holders of the parent		0.6	0.3	-3.6	-4.5	16.4
Non-controlling interests		-0.1	0.1	-0.1	0.0	1.3
Total		0.4	0.4	-3.7	-4.4	17.7

Earnings per share calculated on profit attributable to equity holders of the parent:

EPS, undiluted, continuing operations, EUR/share	0.01	0.01	-0.07	-0.08	0.30
EPS, diluted, continuing operations, EUR/share	0.01	0.01	-0.07	-0.08	0.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR million)	Q2/2013	Q2/2012	Q1-Q2/2013	Q1-Q2/2012	2012
Profit/loss for the period	0.4	0.4	-3.7	-4.4	17.7
OTHER COMPREHENSIVE INCOME (after taxes):					
Exchange differences on translating foreign operations	-6.4	-0.4	-6.4	3.6	7.6
Cash flow hedging	1.6	-0.9	2.8	-0.4	0.2
Revaluation	-	0.0	-	0.2	0.0
Actuarial gains or losses	-	-	-	-	1.2
TOTAL OTHER COMPREHENSIVE INCOME	-4.8	-1.3	-3.6	3.4	8.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-4.4	-0.9	-7.3	-1.0	26.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:					
Equity holders of the parent	-4.2	-1.0	-7.2	-1.1	25.2
Non-controlling interests	-0.2	0.1	-0.1	0.1	1.4
Total	-4.4	-0.9	-7.3	-1.0	26.7

CONSOLIDATED BALANCE SHEET

(EUR million)	Note	30.6.2013	30.6.2012	31.12.2012
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	2.	75.1	77.0	77.7
Goodwill	3.	100.7	101.6	101.5
Tangible assets	4.	482.2	513.0	504.6
Shares in associates		34.0	30.2	34.7
Trade and other receivables		4.7	5.4	6.0
Available-for-sale investments		12.5	13.4	12.9
Deferred tax asset		31.6	31.0	28.9
NON-CURRENT ASSETS		740.8	771.5	766.3

CURRENT ASSETS				
Inventories	5.	188.2	183.8	176.3
Trade and other receivables		219.8	234.0	216.5
Income tax receivable		0.4	2.3	0.9
Other financial assets		-	0.4	-
Cash and bank		32.4	38.7	58.9
CURRENT ASSETS		440.7	459.2	452.6
ASSETS		1 181.5	1 230.8	1 218.9
EQUITY AND LIABILITIES				
EQUITY				
Share capital	6.	66.8	66.8	66.8
Share premium reserve		73.4	73.4	73.4
Treasury shares		0.0	0.0	0.0
Fair value reserve and other reserves		163.2	154.6	155.0
Translation differences		-1.0	1.6	5.5
Retained earnings		79.5	73.4	93.7
Equity attributable to equity holders of the parent		381.9	369.8	394.4
Non-controlling interests		8.0	11.4	8.6
EQUITY		389.8	381.2	403.0
NON-CURRENT LIABILITIES				
Deferred tax liability		28.3	30.3	27.6
Non-current interest-bearing liabilities		149.0	334.6	312.9
Non-current non-interest bearing liabilities		2.1	2.3	2.0
Non-current provisions		0.1	0.1	0.1
Pension obligations		6.6	13.3	10.4
NON-CURRENT LIABILITIES		186.1	380.6	352.9
CURRENT LIABILITIES				
Current interest-bearing liabilities		334.5	187.9	186.8
Trade and other payables		268.8	280.0	275.0
Income tax liability		1.4	0.4	0.5
Current provisions		0.8	0.7	0.7
CURRENT LIABILITIES		605.6	468.9	463.0
EQUITY AND LIABILITIES		1 181.5	1 230.8	1 218.9

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(EUR million)	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
EQUITY AT 1.1.2013	**66.8**	**73.4**	**-13.7**	**143.5**	**25.2**	**5.5**	**0.0**	**93.7**	**394.4**	**8.6**	**403.0**
Result for the financial period	-	-	-	-	-	-	-	-3.6	-3.6	-0.1	-3.7
Other comprehensive income (+) / expense (-)											
Transl. diff.	-	-	-	-	-	-6.4	-	-	-6.4	-	-6.4
Cash flow hedging	-	-	2.8	-	-	-	-	-	2.8	-	2.8
Revaluat.	-	-	-	-	-	-	-	-	0.0	-	0.0
Actuarial gains or losses	-	-	-	-	-	-	-	-	0.0	-	0.0
Total compreh. income for the period	**-**	**-**	**2.8**	**-**	**-**	**-6.4**	**-**	**-3.6**	**-7.2**	**-0.1**	**-7.3**
Direct recognit. in retained earnings	-	-	-	-	-	-	-	0.1	0.1	-	0.1
Transfers between items	-	-	-	-	5.3	-	-	-5.3	0.0	-	0.0
Dividend distribut.	-	-	-	-	-	-	-	-5.4	-5.4	-0.5	-5.9
EQUITY AT 30.6.2013	**66.8**	**73.4**	**-10.9**	**143.5**	**30.5**	**-1.0**	**0.0**	**79.5**	**381.9**	**8.0**	**389.8**

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
EQUITY AT 1.1.2012	**66.8**	**73.4**	**-13.9**	**143.5**	**23.5**	**-1.9**	**0.0**	**88.7**	**380.0**	**12.2**	**392.2**
Result for the financial period	-	-	-	-	-	-	-	-4.5	-4.5	0.0	-4.4
Other comprehensive income (+) / expense (-)											
Transl. diff.	-	-	-	-	-	3.6	-	-	3.6	0.1	3.6
Cash flow hedging	-	-	-0.4	-	-	-	-	-	-0.4	-	-0.4
Revaluat.	-	-	-	-	0.2	-	-	-	0.2	-	0.2

Actuarial gains or losses	-	-	-	-	-	-	-	-	0.0	-	0.0
Total compreh. income for the period	**-**	**-**	**-0.4**	**-**	**0.2**	**3.6**	**-**	**-4.5**	**-1.1**	**0.1**	**-1.0**
Direct recognit. in retained earnings	-	-	-	-	-	-	-	0.2	0.2	-	0.2
Transfers between items	-	-	-	-	1.6	-	-	-1.6	0.0	-	0.0
Dividend distribut.	-	-	-	-	-	-	-	-9.3	-9.3	-0.9	-10.2
EQUITY AT 30.6.2012	**66.8**	**73.4**	**-14.2**	**143.5**	**25.3**	**1.6**	**0.0**	**73.5**	**369.8**	**11.4**	**381.2**

COLUMNS: 1. Share capital, 2. Share premium reserve, 3. Revaluation reserve, 4. Reserve for invested unrestricted equity (RIUE), 5. Other reserves, 6. Translation differences, 7. Treasury shares, 8. Retained earnings, 9. Equity holders of the parent, 10. Non-controlling interests, 11. Total

CASH FLOW STATEMENT

(EUR million)	Q1-Q2/2013	Q1-Q2/2012	2012
Operating activities			
Cash flow from operating activities	16.7	36.4	140.5
Financial items and taxes	-8.0	-22.2	-33.7
Net cash flow from operating activities	8.7	14.2	106.8
Investments			
Gross investments in property, plant and equipment	-18.9	-32.7	-76.9
Disposals of property, plant and equipment	1.4	0.8	1.5
Investments in subsidiary	-	-	-
Shares in associates purchased	-	-0.1	-0.2
Shares in associates sold	0.4	0.6	3.9
Loans granted	-0.2	-0.4	-1.9
Repayments of loans receivable	0.6	0.3	0.5
Net cash flow from investing activities	-16.7	-31.5	-73.1
Cash flow before financing activities	-8.0	-17.3	33.8
Financing activities			
Current borrowings raised	29.2	43.8	25.5
Current borrowings repaid	-28.6	-26.8	-52.7
Non-current borrowings raised	0.8	103.6	125.0
Non-current borrowings repaid	-10.1	-102.5	-102.7
Dividends paid	-6.0	-9.9	-9.9
Repurchase of own shares	-	-	-8.0

Net cash flow from financing activities	-14.8	8.1	-22.7
Change in cash and cash equivalents	-22.8	-9.1	11.1
Cash and cash equivalents at 1.1.	58.9	48.4	48.4
Effect of changes in exchange rates on cash and cash equivalents	-3.7	-0.2	-0.6
Cash and cash equivalents at 30.6.	32.4	39.0	58.9

FINANCIAL INDICATORS

	30.6.2013	30.6.2012	31.12.2012
Earnings per share (EPS), undiluted, EUR	-0.07	-0.08	0.30
Earnings per share (EPS), diluted, EUR	-0.07	-0.08	0.30
Equity per share, EUR	7.08	6.73	7.31
Equity ratio, %	33.0	31.0	33.1
Adjusted average number of shares, mill.	54.0	55.0	54.6
Gross capital expenditure on PPE, EUR mill.	18.9	33.6	76.6
Employees, end of month average	7 644	8 257	7 836

NOTES TO THE CONSOLIDATED INTERIM REPORT

ACCOUNTING POLICIES

HKScan Corporation's interim report for 1 January – 30 June 2013 has been prepared in compliance with IAS 34 Interim Financial Reporting standards. The same accounting principles have been applied in the interim report as in the annual financial statements for 2012, with the exception of the revised IAS 19 Employee Benefits standard (effective as of 1 January 2013). In addition, the Group has changed the accounting principles for marketing support. The Group's financial reporting in 2013 will be in line with these changes. The quarterly Group and market area information for 2012 has been restated accordingly. Due to the rounding of the figures to the nearest million euros in the interim report, some totals may not agree with the sum of their constituent parts. These accounting principles are explained in the financial statements for 2012.

The interim report is unaudited.

ANALYSIS BY SEGMENT

Net sales and EBIT by market area

(EUR million)	Q2/2013	Q2/2012	Q1-Q2/2013	Q1-Q2/2012	2012
NET SALES					
- Finland	199.4	204.9	393.5	396.1	813.8
- Baltics	43.8	46.8	85.7	87.3	176.7
- Sweden	241.8	262.7	470.7	506.3	1 025.7
- Denmark	60.4	51.4	116.7	109.1	211.7
- Poland	96.0	86.9	181.5	167.3	343.7
- Between segments	-17.7	-20.5	-33.7	-37.6	-68.5
Group total	623.7	632.2	1 214.5	1 228.5	2 503.1

EBIT					
- Finland	0.5	2.7	-0.8	5.4	18.4
- Baltics	1.3	3.1	2.1	3.8	8.9
- Sweden	2.0	-3.7	-0.6	-8.8	-5.9
- Denmark	0.0	1.5	-0.1	1.7	15.4
- Poland	5.7	4.5	11.2	7.9	15.8
- Between segments	-	-	-	-	-
Segments total	9.5	8.0	11.7	10.1	52.5
Group administration costs	-3.6	-2.1	-6.9	-4.3	-9.5
Group total	5.8	5.9	4.8	5.7	43.1

NOTES TO THE INCOME STATEMENT

1. NON-RECURRING ITEMS

(EUR million)	Q2/2013	Q2/2012	Q1-Q2/2013	Q1-Q2/2012	2012
Restructuring redundancy expenses, Finland [1)]	-	-	-2.1	-	-
Restructuring expenses for production setup, Finland [1)]	-	-	-1.0	-	-
Restructuring redundancy expenses, Sweden [1)]	-	-	-	-	-4.0
Restructuring expenses for closed operations, Sweden [1)]	-	-	-	-	-3.4
Property insurance compensation, Denmark [1)]	-	5.4	-	5.4	19.3
Impairment of fixed assets destroyed in the fire, Denmark [2)]	-	-5.4	-	-5.4	-5.5
Non-recurring items Total	-	0.0	-3.1	0.0	6.4

[1)] Included in the Income Statement in the item ”Operating income and expenses”

[2)] Included in the Income Statement in the item ”Depreciation and amortization”

NOTES TO THE STATEMENT OF FINANCIAL POSITION

2. CHANGES IN INTANGIBLE ASSETS

(EUR million)	Q1-Q2/2013	Q1-Q2/2012	2012
Carrying amount at beginning of period	77.7	76.6	76.6
Translation differences	-1.5	1.0	2.5
Increase	0.5	0.6	1.9
Increase (acquisitions)	-	-	-
Decrease	0.0	0.0	-0.2
Depreciation and impairment	-1.8	-2.1	-4.5
Transfer to other balance sheet item	0.1	0.9	1.4
Carrying amount at end of period	75.1	77.0	77.7

3. CHANGES IN GOODWILL

(EUR million)	Q1-Q2/2013	Q1-Q2/2012	2012
Carrying amount at beginning of period	101.5	101.0	101.0
Translation differences	-0.8	0.6	1.3
Increase	-	-	-
Increase (acquisitions)	-	-	-
Decrease	-	-	-0.9
Depreciation and impairment	-	-	-
Transfer to other balance sheet item	-	-	-
Carrying amount at end of period	100.7	101.6	101.5

4. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

(EUR million)	Q1-Q2/2013	Q1-Q2/2012	2012
Carrying amount at beginning of period	504.6	516.5	516.5
Translation differences	-6.5	6.3	10.8
Increase	19.7	31.7	72.7
Increase (acquisitions)	0.0	-0.1	-
Decrease	-1.4	-0.5	-11.5
Depreciation and impairment	-34.1	-40.0	-82.5
Transfer to other balance sheet item	-0.1	-0.9	-1.4
Carrying amount at end of period	482.2	513.0	504.6

5. INVENTORIES

(EUR million)	Q1-Q2/2013	Q1-Q2/2012	2012
Materials and supplies	103.2	81.7	82.6
Unfinished products	12.1	11.9	13.3
Finished products	51.8	70.7	55.7
Goods	0.0	0.0	0.0
Other inventories	7.6	7.9	7.7
Prepayments for inventories	0.7	3.2	8.0
Live animals, IFRS 41	12.7	8.4	9.0
Total inventories	188.2	183.8	176.3

6. NOTES TO EQUITY

Share capital and share premium reserve	Number of outstanding shares	Share capital	Share premium reserve	Reserve for invested unrestricted equity	Treasury	Total
1.1.2013	53 972 788	66.8	72.9	143.5	0.0	283.1
30.6.2013	53 972 788	66.8	72.9	143.5	0.0	283.1

DERIVATIVE INSTRUMENT LIABILITIES

(EUR million)	30.6.2013	30.6.2012	31.12.2012
Nominal values of derivative instruments			
Foreign exchange derivatives	56.5	95.5	67.3
Interest rate derivatives	271.7	285.2	275.3
Electricity derivatives	10.5	11.0	10.7
Fair values of derivative instruments			
Foreign exchange derivatives	0.9	-1.3	-1.1
Interest rate derivatives	-18.8	-23.2	-24.9
Electricity derivatives	-2.0	-1.4	-1.3
CONSOLIDATED OTHER CONTINGENT LIABILITIES			
(EUR million)			
	30.6.2013	30.6.2012	31.12.2012
Debts secured by			
pledges or mortgages			
- loans from financial institutions	347.0	367.9	370.3
Given as security			
- real estate mortgages	68.7	76.0	74.6
- pledges	5.1	5.1	5.2
- floating charges	15.9	23.5	16.7
For associates			
- guarantees	7.5	5.1	7.5
For others			
- guarantees and pledges	11.9	13.4	12.9
Other contingencies			
Leasing commitments	20.8	23.9	21.8
Rent liabilities	51.5	57.9	58.0
Other commitments	7.2	7.8	7.8

The parent company has pledged the shares of its subsidiaries, HK Ruokatalo Oy and Scan AB, as security for its loans.

THE FAIR VALUE DETERMINATION PRINCIPLES APPLIED BY THE GROUP ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Derivatives

The fair values of currency derivatives are determined by using the market prices for contracts of equal duration at the reporting date. The fair values of interest rate swaps are determined using the net present value method supported by the market interest rates at the reporting date. The fair value of commodity derivatives are determined by using publicly quoted market prices.

FAIR VALUE HIERARCHY FOR FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

	30.6.2013	Level 1	Level 2	Level 3
Assets measured at fair value				
Financial assets recognised at fair value				
through profit or loss				
- Trading securities	-	-	-	-
- Trading derivatives				
- Interest rate swaps	0.1	0.0	0.1	0.0
- Foreign exchange derivatives	0.9	0.0	0.9	0.0
- Commodity derivatives	0.0	0.0	0.0	0.0
Available-for-sale financial assets				
- Investments in shares	0.0	0.0	0.0	0.0
Total	1.0	0.0	1.0	0.0
Liabilities measured at fair value				
Financial liabilities recognised at fair value				
through profit or loss				
-Trading derivatives				
- Interest rate swaps	-18.9	0.0	-18.9	0.0
of which subject to cash flow hedging	-14.2	0.0	-14.2	0.0
- Foreign exchange derivatives	0.0	0.0	0.0	0.0
of which subject to net investment hedging	-	-	-	-
- Commodity derivatives	-2.0	0.0	-2.0	0.0
of which subject to cash flow hedging	-2.0	0.0	-2.0	0.0
Total	-20.9	0.0	-20.9	0.0

BUSINESS TRANSACTIONS WITH RELATED PARTIES

(EUR million)	Q1-Q2/2013	Q1-Q2/2012	2012
Sales to associates	53.7	43.7	99.9
Purchases from associates	24.5	19.7	54.9
Trade and other receivables	3.1	3.7	3.2
Trade and other payables	2.7	9.3	3.5

NEXT FINANCIAL REPORT

The HKScan Group’s interim report for January–September 2013 will be published on 6 November 2013.

Vantaa. 9 August 2013

HKScan Corporation
Board of Directors

Further information is available from HKScan Corporation's CEO, Hannu Kottonen and CFO, Tuomo Valkonen. Please leave any messages for them to call with Communications Manager Elina Hollo, tel. +358 40 570 4030 or +358 10 570 2133.

HKScan is one of the leading food companies in northern Europe, with home markets in Finland, Sweden, Denmark, the Baltic countries and Poland. HKScan manufactures, sells and markets pork and beef, poultry products, processed meats and convenience foods under strong brand names. Its customers are the retail, food service, industrial and export sectors. In 2012, it had net sales of EUR 2.5 billion and some 11 000 employees.

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