HKScan Group interim report 1 January - 31 March 2009

Published on 5 May 2009, at 8am

*** Group performance in Q1 in line with plans. EBIT rises to EUR 8.2 million.**
*** Net sales in euros come down slightly due to fluctuations in currencies but increase around 7% in fixed exchange rates.**
*** Despite the economic recession, HKScan achieves positive results in all market areas. As expected, business grows stronger, especially in Finland.**
*** Consumer demand for food is directed towards basic products, with sales up in all market areas.**

HKSCAN GROUP
(EUR million)

	Q1/2009	Q1/2008	2008
Net sales	492.1	510.1	2 294.6
EBIT	8.2	6.1	38.1
- EBIT margin, %	1.7	1.2	1.7
Profit/loss before taxes	1.7	-0.1	9.0
Earnings per share	0.00	-0.02	0.12

Q1, JANUARY–MARCH 2009

- Net sales were EUR 492.1 million, down EUR 18.0 million (or -3.5%) on Q1/2008. The reduction was due to a major decline in the Group's central currencies since autumn 2008. Using fixed exchange rates, the increase in net sales was ca. 7%. The growth was entirely organic.
- EBIT rose to EUR 8.2 million (Q1/2008: EUR 6.1m) despite non-recurring expense items (EUR 3.6m) arising mainly from personnel arrangements. The year-on-year growth in EBIT was 34.4%.
- Finland performed particularly well, with EBIT up to EUR 6.2 million (Q1/2008: EUR 4.1m) or 51.2% on the figure a year earlier. EUR 1.1 million non-recurring cost provision is included in EBIT.
- In Sweden EBIT rose considerably, totalling EUR 2.1 million (EUR 0.6m). EUR 1.2 million non-recurring cost is included in EBIT.
- In the Baltics the financial situation was reflected in consumer purchasing power and, as expected, in HKScan's business performance in the area. EBIT was EUR 1.0 million (Q1/2008: EUR 1.4m).
- In Poland Q1 was stable, with EBIT coming in at EUR 1.6 million (EUR 0.9m).
- The company estimates that EBIT for the current year will surpass that for 2008.

CEO MATTI PERKONOJA:

"The positive development of HKScan's business experienced since late 2008 continued as anticipated in the early months of 2009.

In Finland, stronger performance, improved market standing and higher sales of HK Ruokatalo's basic products in Q1 contributed towards an increase in Group EBIT.

In Sweden, Scan's market standing continued to grow stronger. Consumer confidence in Scan's brand and selection has not been affected by the recession.

In the Baltics, economies declined further and consumer purchasing power weakened. HKScan's Baltic Group is among the meat sector players doing well in its market area, despite a slight drop in EBIT.

Considerable increase in volume and improved earnings was reported in Poland. In the export market Sokolów's competitiveness was boosted by the decline of the Polish zloty. Improved earnings achieved by Sokolów's subsidiaries helped reach positive development.

Group EBIT for the period was cut by non-recurring costs arising from senior management arrangements in Finland and Sweden, totalling EUR 2.5 million, and a cost provision amounting to EUR 1.1 million made due to a labour dispute in Finland. This means the Group's performance improved at a rate exceeding the reported EBIT.

Major movements in exchange rates of the Group's central currencies - the Swedish krona and Polish zloty - continued in Q1. The weaker exchange rates resulted in the Group's euro-denominated net sales dropping below the corresponding figure a year earlier. The fluctuations also had a slight adverse impact on earnings. Net sales in local currency developed well in Sweden and particularly in Poland.

The Group's financing situation remained stable throughout the period under review.

Food safety and ethically sustainable production became a subject of debate during the period under review, especially in Sweden and Finland. The discovery of salmonella in the Finnish production animal feed chain also necessitated extra measures throughout the production chain. Consumer confidence in HKScan Group companies has not been affected by this but, to further boost confidence, Group companies have reviewed their guidelines and stepped up control in the various stages of production.

HKScan's business and profitability have developed in the right direction since Q3 of 2008. This is evident in the improvement of many figures. When making comparisons with 2008 figures it should, however, be remembered that early 2008 was a particularly difficult period. The long-term financial targets are still far away.

During its internationalisation process, HKScan has acquired stakes in companies that are market leaders and have the leading brands in their country. These strategic choices have also proved correct in the current financial situation."

MARKET AREA: FINLAND
(EUR million)

	Q1/2009	Q1/2008	2008
Net sales	175.3	165.0	740.4
EBIT	6.2	4.1	14.4
– EBIT margin, %	3.6	2.5	1.9

Experienced since late 2008, the strengthening of HK Ruokatalo's business and market standing continued in the early months of 2009. Net sales were up 6.2% on Q1 of 2008.

The delivery reliability of the new Vantaa logistics centre has remained high and restored wholesale and retail customer confidence in the company. Other reasons behind this positive development include improved efficiency and cost savings, particularly in logistics, brought about by industrial restructuring as well the success of the commercial measures taken and the strengthening of the company's position as a supplier in all business areas. HK Ruokatalo will continue to develop operations and increase their efficiency to achieve its long-term financial objectives.

The economic recession can be seen in consumer choices. Fewer meals are eaten outside the home and consumption has moved towards products sold by retailers, with the demand for basic products such as minced meat and traditional processed meats growing during the first three months of the year. An increase in the demand for basic products is highly suitable for a high-volume producer like HK Ruokatalo.

A cost provision totalling EUR 1.1 million and relating to personnel cuts at HK Ruokatalo's Forssa production facilities in 2006 has been made for Q1. A total of EUR 1.3 million in severance pay to HKScan Corporation's former CEO is included in Group administration costs.

MARKET AREA: SWEDEN
(EUR million)

	Q1/2009	Q1/2008	2008
Net sales	238.4	257.4	1 179.3
EBIT	2.1	0.6	18.0
– EBIT margin, %	0.9	0.2	1.5

In the Swedish market, net sales in Swedish crowns were up 7.8% year-on-year, but the weaker exchange rate resulted in euro-denominated net sales totalling EUR 238.4 million (down 7.4% on Q1/2008).

Scan's market standing in Sweden continued to grow stronger in Q1. The company's meat business remained on a steady track and volumes were high. Sales of meat products were on the increase and profitability was also improving.

The planning of a new programme to streamline the business of Scan AB began in early March. This efficiency programme is needed because programmes implemented earlier or currently underway have not been able to bring the company's profitability up to the desired level.

The key factor to improve competitiveness is adopting a considerably leaner cost structure at Scan AB over the next three years while raising the value-added of products and reorganising commercial functions.

New executives and a new management organisation were introduced at Scan to bolster the planning and execution of the programme. From 4 March 2009 Scan AB has had a new managing director, Olli Antniemi, who before that had been responsible for HKScan Group's Baltic operations.

These personnel arrangements resulted in a non-recurring expense item totalling EUR 1.2 million, which affected the figures for the Swedish market area.

MARKET AREA: THE BALTICS
(EUR million)

	Q1/2009	Q1/2008	2008
Net sales	37.3	38.0	168.2
EBIT	1.0	1.4	6.4
– EBIT margin, %	2.7	3.7	3.8

The Baltic meat industry is undergoing a restructuring where strong companies enjoy an advantage. HKScan's Baltic operations retained their position as the leading meat industry player and continued to report positive results, albeit at a level clearly lower than a year earlier.

As the economic recession in the Baltic states was deepening with purchasing power decreasing, people continued to prefer less expensive food items. The Baltics was the HKScan Group's only market area reporting a drop in net sales on Q1 of 2008.

The decrease in net sales further emphasises the role of cost control and the flexible adaptation of product ranges in response to changes in demand.

There are no major investment projects in the pipeline in HKScan’s Baltic Group. Careful financial management and the matching selection of consumer products will help the company restore operations to a more even keel while riding out the recession.

MARKET AREA: POLAND
(EUR million)

*)	Q1/2009	Q1/2008	2008
Net sales	56.4	61.1	270.9
EBIT	1.6	0.9	4.2
– EBIT margin, %	2.9	1.4	1.6

*) The figures refer to HKScan’s share (50%) of the Sokolów Group’s figures.

In the Polish market, Q1 net sales in zloty were up 16.2% year-on-year but, with the zloty weaker, the figure in euros only came to EUR 56.4 million (down 7.7% on Q1/2008).

Strengthening since autumn 2008, Sokolów's profitability continued to grow stronger in Q1 2009. During the period under review Sokolów nearly doubled its EBIT.

In the domestic market sales developed as anticipated, and the profitability of exports was high. Overall performance in the Polish market area was also improved by Sokolów's subsidiary Pozmeat remaining in the black and by the strengthening of the performance of its primary production business Agro-Sokolów, despite it still remaining slightly in the red.

As in the Baltics, the Polish market area is also undergoing a restructuring where strong players are best equipped to succeed during the economic recession.

CHANGES IN COMPANY MANAGEMENT

A change took place in company management on 12 January 2009 when Matti Perkonoja was appointed CEO. He had been the CFO of HKScan since 2000 and served in commercial and industrial executive positions since joining the Group in 1993. Mr Perkonoja has agreed to serve for a term extending until 31 December 2010, at which time he will retire.

CEO since 1 April 2006, Kari Seikku, was relieved of his duties by the Board of Directors on 5 January 2009. Earnings in Q1 were eroded by the non-recurring expense of some EUR 1.3 million relating to the termination of his employment. The 27 000 A Shares assigned to the CEO based on the share incentive scheme reverted to the company in January 2009.

CFO Irma Kiilunen and senior vice president of strategic business planning Tero Hemmilä were appointed as new members of the Group's Management Team during the period under review, while CMO Antti Lauslahti and CEO of Scan AB Magnus Lagergren left the Management Team.

INSIDER INVESTIGATION RELATING TO SHARE PURCHASES BY LSO OSUUSKUNTA

On 17 March and 7 April 2009 HKScan Corporation announced that five persons who have acted on behalf of LSO Osuuskunta cooperative and belong to the management of the company have been heard as suspects in a case concerning abuse of insider information and relating to the purchase of the company's shares by LSO Osuuskunta in August 2006.

The hearings were based on the respective persons' positions at the time as representatives of LSO Osuuskunta and do not relate to their roles in HKScan Corporation.

All persons heard in the investigation deny the suspicions as ungrounded. The company will follow the progress of the investigation.

CAPITAL EXPENDITURE AND FINANCE

Gross consolidated investments totalled EUR 12.7 million (Q1/2008: EUR 27.8m) in Q1 of 2009. The amount was divided among production-related investment in the market areas as follows: Finland EUR 4.0 million, Sweden EUR 4.2 million and the Baltics EUR 1.1 million. In Poland, HKScan's share of Sokolów investments was EUR 3.4 million.

No major investments were underway in Finland or Estonia during the period under review, while in Linköping, Sweden, installation of machinery and equipment was taking place at the new distribution centre.

The Group’s interest-bearing debt at the end of March stood at EUR 517.8 million (Q1/2008: EUR 533.0m). Net financial expenses remained at the same level as in Q1 2008. Although interest rates have dropped considerably, the average margin on loans is higher than a year ago and hedging costs have also gone up. Untapped credit facilities at 31 March 2009 stood at EUR 155.4 million (EUR 174m). In addition, the Group had other untapped overdraft and other facilities of EUR 36.6 million (EUR 32m). The EUR 100 million commercial paper programme had been drawn upon in the amount of EUR 8 million (EUR 26m).

At the end of the period under review, the equity ratio was 29.5% (29.6%). The Group will continue to focus on achieving a stronger cash flow and reducing net liabilities. More effective working capital management and extremely careful consideration of which investments to implement will be among the tools of choice in this undertaking.

TREASURY SHARES

40 500 A Shares acquired earlier in public trading on Nasdaq OMX for use in the company's share incentive scheme reverted gratuitously to the company in January 2009. No assignments of shares took place in the period under review. At 31 March 2009, the company held a total of 44 974 of its A Shares. These had a market value of EUR 0.167 million and accounted for 0.11% of all shares and 0.03% of all votes.

BOARD OF DIRECTORS’ EXISTING AUTHORISATIONS

See “Events taking place since 31 March 2009”.

EMPLOYEES

In the first three months of the year, the Group had an average workforce of 6 968 employees (7 285 in Q1/2008). The average number of employees in each market area was as follows: Finland 2 218, Sweden 2 954 and the Baltics 1 796. In addition, Sokolów had an average of 5 700 employees.

Analysis of employees by country at 31 March is as follows: Sweden 39.2%, Finland 31.9%, Estonia 21.6%, Latvia 3.1%, Poland (Scan) 2.8%, other countries 1.4%.

RISKS AND UNCERTAINTY FACTORS IN THE NEAR FUTURE

The most significant business risks faced by the HKScan Group involve developments in the price of raw materials and pork in particular, in future possibly the availability of these as well. There are also country-specific uncertainties relating to the success of the business development programmes in Sweden and the development of the national economies in the Baltics.

The current crisis in the international financial markets increases the risk of customer credit losses. The problems experienced by customers are due to the state of the economy in their country of operation as well as the availability of financing. Ongoing major fluctuations in the Group's central currencies may affect the Group's net sales, earnings and balance sheet. Any devaluation of local currencies in particular may have a negative effect on the Group's Baltic operations.

Changes in demand attributable to the financial climate may occur in the Group's market areas or its export markets, which may erode Group net sales and earnings.

Issues related to food safety and ethical production have received media attention, especially in Sweden and Finland. Possible consumer reactions to these are difficult to anticipate.

The Group is currently involved in certain legal proceedings and civil litigation. The matters are still pending, but it is estimated that these will not have any significant impact on the Group's financial standing.

EVENTS TAKING PLACE SINCE 31 MARCH 2009

The Annual General Meeting held on 23 April 2009 adopted the parent company’s and consolidated financial statements and discharged the members of the Board of Directors and the CEO from liability for 2008. It was decided to pay a dividend of EUR 0.24 per share, i.e. a total of EUR 9.4 million, as recommended by the Board of Directors.

The number of members of the Board of Directors was confirmed as five. Markku Aalto, Tiina Varho-Lankinen, Matti Murto and Matti Karppinen were re-elected, with Lars Hultström joining the Board in April 2009 as new member. The Board re-elected Markku Aalto as chairman and Tiina Varho-Lankinen as deputy chairman.

(1) The AGM authorised the Board to decide on acquiring a maximum of 3 500 000 Series A shares as treasury shares, equal to ca. 8.9% of total registered shares and ca. 10.3% of total A Shares.

Treasury shares may only be acquired using unrestricted shareholders' equity. The company’s own shares may be purchased for a price quoted in public trading on the purchase day or for a price otherwise determined by the market.

The Board of Directors shall resolve upon the method of purchase. Among other means, derivatives may be utilised in purchasing the shares. The shares may be purchased in a proportion other than that of the shares held by the shareholders (directed purchase). The authorisation is valid until 30 June 2010.

(2) The AGM also authorised the Board of Directors to resolve on an issue of shares, option rights as well as other special rights entitling to shares as referred to in Chapter 10, section 1 of the Limited Liability Companies Act. The Board was authorised to resolve on the issue of a maximum of 5 500 000 A Shares, corresponding to ca. 14.0% of all registered shares in the company and ca. 16.2% of all A Shares.

The Board may resolve upon all the terms and conditions of the issue of shares and other special rights entitling to shares. The authorisation to issue shares shall cover the issuing of new shares as well as the transfer of the company's own shares. The issue of shares and other special rights entitling to shares may be implemented as a directed issue. The authorisation is valid until 30 June 2010.

The authorisations concerning purchases of treasury shares and share issue were granted to provide the company's Board with flexibility in deciding on capital market transactions necessary to the company, e.g. to secure its financing needs or to execute mergers and acquisitions. A directed acquisition of own shares or directed share issue can only be executed for reasons of weighty financial consequence to the company and the authorisation cannot be exercised in violation of the principle of shareholder equality.

By a judgment of Turku District Court delivered on 20 April 2009, HK Ruokatalo was ordered to pay compensation for terminations of employment that took place at the Forssa production facilities in 2006. A cost provision totalling EUR 1.1 million was made for Q1. The decision will be appealed.

On 21 April 2009, Artio Global Management LLC announced that as a result of a share transaction its shareholding in HKScan Corporation had fallen to 0%.

FUTURE OUTLOOK

Consumer demand for food is anticipated to remain unchanged in Finland and in Sweden, which provides the foundation for stable business development in the Group's main market areas. Signs of sharp fluctuations in demand or even diminishing demand are visible in the company's other market areas as well as its export markets.

Despite the prevailing climate of exceptional uncertainty having to do with the global financial and economic crisis, the company estimates that Group EBIT for the current year will surpass that for 2008.

Consolidated financial statements
1 January - 31 March 2009

CONSOLIDATED INCOME STATEMENT
(EUR million)

	1-3/2009	1-3/2008	1-12/2008
NET SALES	492.1	510.1	2 294.6
Operating income and expenses	-470.3	-490.9	-2 202.5
Depreciation and impairment	-13.6	-13.1	-54.0
EBIT	8.2	6.1	38.1
Financial income	1.5	1.1	5.4
Financial expenses	-8.7	-7.5	-34.4
Currency exchange gains and losses and changes in fair values	0.4	0.0	-1.1
Share of associates' results	0.3	0.1	0.9
PROFIT/LOSS BEFORE TAXES	1.7	-0.1	9.0
Income taxes	-1.3	-0.6	-1.4
PROFIT/LOSS FOR THE PERIOD	0.4	-0.8	7.6
OTHER COMPREHENSIVE INCOME			
Exchange differences on translating foreign operations	-7.3	1.4	-28.9
Hedging of net investment in a foreign unit	0.9	-0.3	7.1
Available-for-sale investments	-0.2	0.2	-0.2
Cash flow hedges	-0.6	-0.5	-2.0
TOTAL OTHER COMPREHENSIVE INCOME	-7.2	0.8	-24.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-6.8	0.0	-16.5
PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the parent	0.1	-0.9	4.7
Minority interests	0.3	0.1	2.9
	0.4	-0.8	7.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the parent	-6.9	0.2	-19.0
Minority interests	0.1	-0.2	2.5
	-6.8	0.0	-16.5

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

EPS, undiluted (EUR), continuing operations	0.00	-0.02	0.12
EPS, diluted (EUR), continuing operations	0.00	-0.02	0.12

CONSOLIDATED BALANCE SHEET
(EUR million)

	31.3.2009	31.3.2008	31.12.2008
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	57.0	65.6	57.8
Goodwill	82.7	85.2	81.7
Tangible assets	468.9	488.8	479.3
Holdings in associates	18.3	20.9	17.8
Trade and other receivables	18.5	18.2	17.4
Available-for-sale investments	9.8	11.5	9.9
Deferred tax asset	9.8	8.2	10.1
NON-CURRENT ASSETS	665.1	698.4	673.9
CURRENT ASSETS			
Inventories	144.9	153.8	128.3
Trade and other receivables	194.6	228.6	198.4
Income tax receivable	1.5	4.3	1.5
Other financial assets	2.1	3.7	2.2
Cash and cash equivalents	67.5	32.1	92.2
CURRENT ASSETS	410.7	422.4	422.6
ASSETS	1 075.8	1 120.8	1 096.5
SHAREHOLDERS’ EQUITY AND LIABILITIES			
SHAREHOLDERS’ EQUITY			
Share capital	66.8	66.8	66.8
Share premium reserve	73.5	73.5	73.5
Treasury shares	-0.0	-0.9	-0.0
Fair value reserve and other reserves	105.7	80.0	106.0
Translation differences	-30,9	3.9	-25.1
Retained earnings	96.3	105.5	97.0
Equity attributable to equity holders of the parent	311.5	328.8	318.2
Minority interest	5.5	2.7	5.4
SHAREHOLDERS’ EQUITY	317.0	331.6	323.7
NON-CURRENT LIABILITIES			
Deferred tax liability	33.2	34.0	33.6
Non-current interest-bearing liabilities	428.1	424.1	442.1
Non-current non-interest bearing liabilities	5.3	6.9	7.9
Pension obligations	3.6	3.1	3.7
Non-current provisions	2.7	0.0	1.4
NON-CURRENT LIABILITIES	472.9	468.2	488.7
CURRENT LIABILITIES			
Current interest-bearing liabilities	89.7	108.9	82.4
Trade payables and other liabilities	193.1	210.5	199.4
Income tax liability	0.6	0.3	0.5
Current provisions	2.4	1.3	1.9
CURRENT LIABILITIES	285.8	321.0	284.2

SHAREHOLDERS' EQUITY AND LIABILITIES	1 075.8	1 120.8	1 096.5

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY
(EUR million)

	1.	2.	3.	4.	5.*)	6.	7.	8.	9.	10.
SHAREHOLDERS' EQUITY 1.1.2009	66.8	73.5	8.1	66.7	20.0	11.2	-25.1	-0.0	97.0	318.2
Income and expenses recognised during the period, total		-0.1	0.3			-0.6	-5.8	0.0	-0.7	-6.9
Recognition of expenses relating to share-based schemes		0.2								0.2
Purchase of treasury shares										0.0
Dividend distribution										0.0
SHAREHOLDERS' EQUITY 31.3.2009	66.8	73.5	8.4	66.7	20.0	10.6	-30.9	-0.0	96.3	311.5

COLUMNS: 1. Share capital, 2. Share premium reserve, 3. Revaluation reserve, 4. Reserve for invested unrestricted equity, 5. Other equity items, 6. Other reserves, 7. Translation differences, 8. Treasury shares, 9. Retained earnings, 10. Total
*) Comprising a hybrid bond

	1.	2.	3.	4.	5.*)	6.	7.	8.	9.	10.
SHAREHOLDERS' EQUITY 1.1.2008	66.8	73.4	3.0	66.7	0.0	10.8	3.0	-0.7	105.5	328.5
Income and expenses recognised during the period, total		0.0	-0.8			0.2	0.9		-0.1	0.2
Recognition of expenses relating to share-based schemes		0.1								0.1
Purchase of treasury shares								-0.1		-0.1
Dividend distribution										0.0
SHAREHOLDERS' EQUITY 31.3.2008	66.8	73.5	2.2	66.7	0.0	11.0	3.9	-0.9	105.5	328.8

COLUMNS: 1. Share capital, 2. Share premium reserve, 3. Revaluation reserve, 4. Reserve for invested unrestricted equity, 5. Other equity items, 6. Other reserves, 7. Translation differences, 8. Treasury shares, 9. Retained earnings, 10. Total
*) Comprising a hybrid bond

CASH FLOW STATEMENT
(EUR million)

	1-3/2009	1-3/2008	1-12/2008
Operating activities			
EBIT	8.2	6.1	38.1
Adjustments to EBIT	2.3	3.3	-1.3
Depreciation and amortisation	13.5	13.1	54.0
Change in provisions	2.0	-1.5	1.4
Change in net working capital	-30.2	-30.0	1.3
Financial income and expenses	-6.9	-6.2	-29.9
Taxes	-1.3	-0.6	-1.4
Net cash flow from operating activities	-12.4	-15.8	62.2
Investing activities			
Gross investments in PPE	-13.2	-24.4	-84.1
Disposals of PPE	0.5	2.8	12.0
Loans granted	0.0	-1.1	-0.2
Repayments of loans receivable	0.1	0.0	2.0
Net cash flow from investing activities	-12.7	-22.6	-70.3
Cash flow before financing activities	-25.1	-38.4	-8.1
Financing activities			
Capital loan payments received	-	-	20.0
Current borrowings raised	16.7	39.0	187.9
Current borrowings repaid	-2.7	-19.3	-164.2
Non-current borrowings raised	10.8	1.8	27.4
Non-current borrowings repaid	-22.0	-4.3	-7.3
Dividends paid			-10.6
Purchase of treasury shares	0.0	-0.1	-0.1
Net cash flow from financing activities	2.9	17.1	53.0
Change in cash and cash equivalents	-22.2	-21.4	44.9
Cash and cash equivalents at 1.1.	94,4	56.8	56.8
Effect of changes in exchange rates of cash and cash equivalents	-2.6	0.3	-7.3
Cash and cash equivalents at 31.3.	69.6	35.7	94.4

KEY INDICATORS

	31.3.2009	31.3.2008	31.12.2008
EPS, diluted	0.00	-0.02	0.12
Equity per share at 31 Mar, EUR 1)	7.93	8.37	8.10
Equity ratio, %	29.5	29.6	29.5
Adjusted average			
number of shares, mill.	39.3	39.3	39.3
Gross capital			
expenditure on PPE, EUR million	12.7	27.8	84.0
Employees, end of month			
average	6 968	7 285	7 421

1) Excluding minority’s share of equity.

Notes to the Group's interim report

ACCOUNTING PRINCIPLES

HKScan Corporation's interim report for 1 January – 31 March 2009 has been prepared in compliance with IAS 34 Interim Financial Reporting. The same accounting principles have been applied in the interim report as in the annual financial statements for 2008. These accounting principles are explained in the financial statements for 2008.

On 1 January 2009 the Group adopted the following new IFRS standards and interpretations:

– IAS 1 (revised) Presentation of Financial Statements. The revision is aimed at improving users' ability to analyse and compare the information given in financial statements. The means to achieve this include separating changes in a company's equity resulting from transactions with owners in their capacity as owners from other changes in equity. Non-owner-related changes are presented in the statement of comprehensive income. The Group will in future present both an income statement and statement of comprehensive income.

– IAS 23 (revised) Borrowing Costs. The standard requires that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, such as a production facility, are included in the cost of that asset. The Group has previously recognised borrowing costs as an expense during the period in which they are incurred, in the manner permitted. The revised standard means that borrowing costs concerning construction projects undertaken after 1 January 2009 are allocated to the project and capitalised in the balance sheet.

– IFRS 8 Operating Segments. The standard replaces IAS 14 and requires adoption of the 'management approach' to presenting segment information, meaning that information is reported in the same manner as in internal reporting. The standard does not alter the Group's segment reporting breakdown.

The figures presented in the interim report are unaudited.

ANALYSIS BY SEGMENT (EUR million)
Net sales and EBIT by main market area

	Q1/2009	Q1/2008	2008
NET SALES			
-Finland	175.3	165.0	740.4
-Sweden	238.4	257.4	1 179.3
-Baltics	37.3	38.0	168.2
-Poland	56.4	61.1	270.9
-Between segments	-15.3	-11.4	-64.3
Group total	492.1	510.1	2 294.6
EBIT			
-Finland	6.2	4.1	14.4
-Sweden	2.1	0.6	18.0
-Baltics	1.0	1.4	6.4
-Poland	1.6	0.9	4.2
-Between segments	0.0	0.0	0.0
-Group admin. costs	*) -2.8	-0.9	-4.9
Group total	8.2	6.1	38.1

*) Includes non-recurring severance pay relating to the termination of the former CEO's employment.

CHANGES IN TANGIBLE AND INTANGIBLE ASSETS

	Q1/2009	Q1/2008	2008
Carrying value at 1 Jan	618.8	627.2	627.2
Translation differences	-9.6	2.3	-36.0
Increase	13.4	25.1	80.9
Increase (acquisitions)	0.0	0.0	0.0
Decrease	-0.5	-1.8	-11.9
Depreciation and impairment	-13.4	-13.2	-50.3
Transfer to other balance sheet item	0.0	0.0	8.9
Carrying value at 31 Mar	608.7	639.6	618.8

INVENTORIES

	Q1/2009	Q1/2008	2008
Materials and supplies	94.9	97.8	80.9
Unfinished products	7.4	8.0	7.1
Finished products	29.0	33.2	25.6
Goods	0.1	0.0	0.0
Other inventories	4.1	4.4	4.2
Prepayments	1.8	1.2	2.2
Live animals, IFRS 41	7.7	9.2	8.2
Total inventories	144.9	153.8	128.3

NOTES TO SHAREHOLDERS' EQUITY

Share capital and share premium reserve	Number of outstanding shares	Share capital	Share premium reserve	RIUE	Treasury shares	Tot.
1.1.2009	39 306 719	66.8	72.9	66.7	0.0	206.4
Revert of treasury shares	40 500				0.0	0.0
31.3.2009	39 261 219	66.8	72.9	66.7	0.0	206.4

RIUE = Reserve for invested unrestricted equity

CONSOLIDATED CONTINGENT LIABILITIES
(EUR million)

	31.3.2009	31.3.2008	31.12.2008
Debts secured by			
pledges or mortgages			
- loans from financial institutions	37.9	40.8	41.3
Given as security			
- real estate mortgages	40.2	32.0	36.0
- pledges	15.9	19.4	15.4
- floating charges	20.1	11.0	19.7
For associates			
- guarantees	5.5	8.1	5.5

For others			
- guarantees and pledges	11.2	9.6	9.6
Other contingencies			
Leasing commitments	20.0	8.2	23.0
Other rent liabilities	43.7	17.2	42.4
Other liabilities	4.5	3.3	4.7
Derivative instrument liabilities			
Nominal values of derivative instruments			
Foreign exchange contracts	106.8	55.9	84.4
Interest swap contracts	276.6	162.7	276.8
Electricity futures	8.7	6.3	8.6
Fair values of derivative instruments			
Foreign exchange contracts	-0.8	-1.1	-2.0
Interest swap contracts	-15.0	-0.5	-11.5
Electricity futures	-2.5	0.3	-1.9

BUSINESS TRANSACTIONS WITH ASSOCIATES

	Q1/2009	Q1/2008	2008
Sales to associates	7.4	10.3	37.6
Purchases from associates	9.3	10.0	37.0
Trade and other receivables	1.8	1.9	2.2
Trade payables and other liabilities	8.7	10.4	9.0

Vantaa, 5 May 2009

HKScan Corporation
Board of Directors

Further information is available from HKScan CEO Matti Perkonoja. Please leave any messages for him to call with Marjukka Hujanen on +358 (0)10 570 6218.

HKScan is one of the leading food companies in northern Europe with home markets in Finland, Sweden, the Baltics and Poland. HKScan manufactures, sells and markets pork and beef, poultry products, processed meats and convenience foods under several well-known local brand names. Its customers are retail, the HoReCa sector, industry and export customers. HKScan is active in nine countries and has some 10,000 employees. Annual net sales are 2.3 billion euro.

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