7 May 2013, at 8:00 am

HKScan Group's interim report 1 January — 31 March 2013:
Restructuring continued - financial performance remained flat

* Net sales were EUR 590.8 (596.2) million.

* Reported EBIT was EUR -1.1 (-0.2) million.
Comparable EBIT excluding non-recurring items came in at EUR 2.0 (-0.2) million.
The corresponding comparable EBIT margin was 0.3 (-0.0) per cent.

* Cash flow before debt service was EUR -20.9 (-20.2) million.

* Profit/loss for the period was EUR -5.9 (-7.3) million.

* EPS was EUR -0.08 (-0.09).

* Net financial expenses were EUR -5.8 (-7.9) million.

* Net debt was EUR 472.2 (489.6) million, and net gearing 118.0 (124.8) per cent.

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

HKSCAN GROUP

(EUR million)	Q1/2013	Q1/2012*)	2012*)
Net sales	590.8	596.2	2 503.1
EBIT	-1.1	-0.2	43.1
- EBIT margin, %	-0.2	-0.0	1.7
EBIT excluding non-recurring items	2.0	-0.2	36.7
- EBIT margin, %	0.3	-0.0	1.5
Profit/loss before taxes	-5.9	-7.3	14.3
Earnings per share, EUR	-0.08	-0.09	0.30

*) 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 JANUARY – MARCH

Hannu Kottonen, HKScan's CEO, comments on the first quarter:

- Net sales decreased slightly during the first quarter of 2013 compared to the corresponding period in 2012 due to lower sales volumes. Even though the comparable EBIT improved somewhat, the performance can be considered to be flat during the quarter. The best performing of the market areas was Poland.

- Due to the uncertainty in the overall economy, the market demand for higher-value meat products is developing more slowly than the trend over the long term. Demand in the first quarter was even lower than usually. As a result, the competition was tough in all the market areas. In addition, Russia closed its borders for some imports, which decreased alternatives for exports and created price pressure in other markets.

- The continued high costs of feed and grain put pressure on the quarter, and further sales price increases were made. Related to raw materials, there was a seasonal oversupply in pork and a continuing structural shortage of beef. In this view, poultry had the best balance. During the quarter, the European meat and food business in general was challenged in many ways related to horsemeat, food origin and labelling.

- The group-wide development programme launched last year targeting to improve annual profit by over EUR 20 million is being carried out, and several projects related to it are under way. The restructuring actions taken in Sweden and Finland are proceeding well, and the changes are to be implemented by the middle and end of 2013 delivering an annual profit improvement of approximately EUR 15 million.

- The Away from Home business started to optimise by-product sales. Cross-border knowledge is also being utilised, e.g. by sharing the best product concepts and preparing for group-wide product launches later this year. The export organisation was centralised under one management to deliver better customer service and find new market potential.

- In Finland, a model for cooperation with producers was developed during 2012 and its implementation started in the first quarter. The goal is to get cost advantage for primary production and to implement the best production practice. Specific development groups for pork, beef and poultry were set up, with representatives of both the producers and the Group. The groups are focusing on developing, maintaining and metering animal production and its competitiveness, following up the results and comparing them from an international perspective.

- This year, HKScan Group and the company's biggest owner, LSO Osuuskunta, are celebrating their 100th anniversary. The anniversary is visible in Group communications, marketing and product communication.

MARKET AREA: FINLAND

(EUR million)	Q1/2013	Q1/2012*)	2012*)
Net sales	194.2	191.2	813.8
EBIT	-1.3	2.7	18.4
- EBIT margin, %	-0.7	1.4	2.3
EBIT excluding non-recurring items	1.8	2.7	18.4
- EBIT margin, %	0.9	1.4	2.3

*) Restated in accordance with the changed reporting principle for marketing support expenses.

For Finland, net sales in January-March amounted to EUR 194.2 (191.2) million. Comparable EBIT for the period excluding non-recurring items was EUR 1.8 (2.7) million. Non-recurring items in the first quarter of 2013 consist of restructuring expenses related to agreed redundancies and production setup changes amounting to EUR 3.1 million.

The total market volume decreased during the quarter. Profit was affected negatively by the oversupply in pork and undersupply in beef, as well as by decreased volumes in some categories. Sales price increases were made but they did not cover the higher costs in all segments.

The restructuring and reorganising of the Finnish organisation continued. As a result, the organisations and responsibility distribution of different functions were clarified to match the Group's new operating model. The roles of production units were clarified further, and the number of personnel was adjusted. These actions aim to develop the productivity and efficiency of the business to improve profit by approximately EUR 5 million annually.

During the labour negotiations, some illegal strikes broke out in Finland. The strikes hampered the whole slaughtering and deboning chain decreasing production efficiency and increasing direct and indirect costs. The labour negotiations were taken into account by reducing the campaign activities. The estimated negative impact on profit due to the strikes was EUR 1-2 million (included in the figures). The impact of the strike on pork supply was evened out by using the Group’s plants in Estonia and Sweden.

In January, HKScan’s spot “100 years of Finnish favourites” was chosen as the best TV commercial.

MARKET AREA: BALTICS

(EUR million)	Q1/2013	Q1/2012	2012
Net sales	41.9	40.5	176.7
EBIT	0.8	0.7	8.9
- EBIT margin, %	1.9	1.8	5.1

In the Baltics, net sales in January-March were EUR 41.9 (40.5) million. EBIT was EUR 0.8 (0.7) million.

Net sales improved slightly. EBIT was somewhat better than in the same period in 2012 in spite of the increased costs of feed, grain, personnel, energy and transportation. Efficiency improvement projects and the implementation of Group’s operating model continued in the market area neutralising the cost impact.

Domestic demand in the market area was stable but exports struggled. The Latvian subsidiaries Rīgas Miesnieks and Jelgavas Gaļas Kombināts were merged to form Rīgas Miesnieks as of 1 March, 2013. Both the Jelgava and Rīgas Miesnieks brands will be maintained and developed further. In addition, Lithuanian logistics were integrated into the Latvian logistics operations in Riga.

MARKET AREA: SWEDEN

(EUR million)	Q1/2013	Q1/2012*)	2012*)
Net sales	228.9	243.5	1 025.7
EBIT	-2.6	-5.1	-5.9
- EBIT margin, %	-1.1	-2.1	-0.6
EBIT excluding non-recurring items	-2.6	-5.1	1.5
- EBIT margin, %	-1.1	-2.1	0.1

*) 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 January-March were EUR 228.9 (243.5) million. EBIT was EUR -2.6 (-5.1) million. Net sales declined due to a severe shortage of Swedish beef raw material. As for pork, there was seasonal oversupply vs. demand and purchase prices were still high. In addition, import volumes put pressure on sales prices. Actions within the development programme have taken effect, and can be seen in the improved results. Nevertheless, EBIT still remained in the red. The development programme measures and actions continue.

Branded products were being developed further, e.g. the Svensk Rapsgris® (Swedish rapeseed pork) business developed well and delivered encouraging results. The strategic review is also continuing in Sweden.

MARKET AREA: DENMARK

(EUR million)	Q1/2013	Q1/2012	2012
Net sales	56.3	57.8	211.7
EBIT	-0.1	0.3	15.4
- EBIT margin, %	-0.2	0.5	7.3
EBIT excluding non-recurring items	-0.1	0.3	1.5
- EBIT margin, %	-0.2	0.5	0.7

For Denmark, net sales in January-March were EUR 56.3 (57.8) million. EBIT was EUR -0.1 (0.3) million. Profit stayed below the corresponding period in 2012 as a consequence of heavier cost structure in both raw materials and production, as well as lower volumes in sales. The sales price pressure continued to be tough and the increases in sales prices did not cover all cost increases.

The Vinderup plant could be operated after the fire last year but not yet at full production levels. The last production lines were taken into use during the quarter. The rebuild is planned to be fully completed during the second quarter.

Preparations for the re-launch and sales of fresh poultry products on the Swedish market under the Pärsons brand were made with good initial listings.

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 rebuild is planned to be completed for the authorities' approval with regard to the construction work no later than the end of the second quarter. The accumulated posted capital expenditure related to the fire did not change materially in the first quarter from the amount at the end of 2012. The insurance cases are not yet closed.

MARKET AREA: POLAND *)

(EUR million)	Q1/2013	Q1/2012	2012
Net sales	85.5	80.4	343.7
EBIT	5.4	3.4	15.8
- EBIT margin, %	6.3	4.3	4.6

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

In Poland, net sales for January-March totalled EUR 85.5 (80.4) million. EBIT for the period was EUR 5.4 (3.4) million. The EBIT margin increased significantly, being 6.3 (4.3) per cent. The performance improvement was attributable to successful product-mix management, active meat sourcing and production cost control.

The high recognition of the Sokolów brand and increased sales of processed products secured the good development. Export volumes stayed at a low level. The weakening European economic activity will also have an impact on Poland as well as on the demand and purchase volumes. During the quarter, new packaging and processing lines were taken into use in the Sokolów Podlaski, Jaroslaw and Robakowo plants.

INVESTMENTS

The Group’s investments in January-March totalled EUR 9.1 (19.8) million. They were divided by market area as follows:

(EUR million)	Q1/2013	Q1/2012	2012
Finland	1,1	3,3	11,8
Baltics	4,0	2,4	10,5
Sweden	0,6	2,9	7,4
Denmark [1)]	0,3	5,5	33,0
Poland [2)]	3,1	5,7	14,0
Total	**9,1**	**19,8**	**76,6**

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

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

During the first quarter 2013 the investments remained at a low level as planned. In Finland, Sweden and Denmark, the investments were normal repair and maintenance of production lines. In the Baltics, the investments involved the programme for restructuring of poultry production and primary production in Estonia. In Poland, the investments focused on packaging and processing lines in several units.

FINANCING AND TAXES

Group interest-bearing debt at the end of March 2013 stood at EUR 500.4 (527.9) million. At the year end, gross interest bearing debts were EUR 499.7 million. Compared to the previous year, the gross debt decreased clearly, although the strong Swedish krona increased debt by EUR 9.5 million. Net debt decreased compared to previous year by EUR 17.4 million, but increased from the year end by EUR 31.3 million.

The Group’s liquidity was good. Undrawn committed credit facilities at 31 March 2013 were EUR 175.7 (200.2) million. In addition, the Group had other undrawn overdraft and other facilities of EUR 33.2 (26.4) million. The EUR 200 million commercial paper programme had been drawn to the amount of EUR 125.5 (130.5) million.

Net financial expenses were at EUR -5.8 (-7.9) million due to the decreased lower loan amount and lower interest level. Group taxes were EUR 1.8 (2.4) million positive in the first quarter.

SHARES

At the end of March, 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 March stood at EUR 206.9 (293.8) million. It breaks down as follows: Series A shares had a market value of EUR 186.6 (265.0) million and the unlisted Series K shares a calculational market value of EUR 20.3 (28.8) million.

In January-March, a total of 2 149 111 (2 390 022) of the company's shares with a total value of EUR 8 590 899 (14 003 005) were traded. The highest price quoted in the period under review was EUR 4.28 (6.40) and the lowest EUR 3.67 (5.23). The middle price was EUR 3.99 (5.90). At the end of March, the closing price was EUR 3.76 (5.34).

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

BOARD OF DIRECTORS' AUTHORISATIONS

During January-March 2013, the Board did not exercise the authorisations received from the Annual General Meeting (AGM) on 25 April 2012. The new authorisations granted to the Board by the AGM 2013 are described in the section "Events after the review period".

PERSONNEL

In the first quarter, HKScan, excluding Sokolów in Poland, had an average of 7 332 (7 913) personnel.

The number of personnel decreased in Finland, the Baltics and Sweden due to the on-going efficiency programmes. In Denmark the personnel increased temporarily due to the rebuild and production restart after the fire at the Vinderup plant the previous year.

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

	Q1/2013	Q1/2012	2012
Finland	2 574	2 621	2 794
Baltics	1 685	1 783	1 742
Sweden	2 210	2 690	2 428
Denmark	863	819	799
Total	**7 332**	**7 913**	**7 763**

In addition, the Sokolów Group employed during the period an average of 6 343 (6 142) persons and in 2012 the average number of personnel was 6 310.

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

	31.3.2013	31.3.2012	31.12.2012
Finland	2 605	2 696	2 592
Baltics	1 679	1 744	1 700
Sweden	2 210	2 676	2 339
Denmark	896	834	844
Total	**7 390**	**7 950**	**7 475**

Additionally, the Sokolów Group had 6 354 (6 332) employees at the end of March and 6 491 employees at the end of 2012.

CLAIM BY OY PRIMULA AB'S BANKCRUPTY ESTATE

According to a stock exchange release of 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 are going to dispute the claim in its entirety. 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 the price development and 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

The Annual General Meeting of HKScan Corporation held on 24 April 2013 in Turku adopted the parent company's and consolidated financial statements and discharged the members of the Board of Directors and the CEO from liability for the year 2012. The AGM resolved that a dividend of EUR 0.10 per share be paid for 2012.

The AGM resolved on amending the Articles 8 and 9 in the company's Articles of Association so that the Board of Directors may include one to three deputy members when necessary, and that the number of Board members can be increased to a maximum of eight.

In addition, concerning Article 12 of the Articles of Association, the AGM resolved to amend the number of auditors, so that the company has at least one and a maximum of two auditors who must be auditors accepted by the Central Chamber of Commerce (CPA) or auditing firms. If only one auditor is appointed for the Company, and it is not an auditing firm approved by the Central Chamber of Commerce, one deputy auditor must be appointed.

The AGM also resolved on the annual remuneration of the Board's members, deputy members and the chairs of the committees. In addition, compensation per meeting will be paid for each Board and Board committee meeting attended.

The current Board members, Juha Kylämäki, Niels Borup, Teija Andersen, Gunilla Aschan, Tero Hemmilä and Henrik Treschow, were re-elected 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.

PricewaterhouseCoopers Oy, an audit firm chartered by the Central Chamber of Commerce, with APA Johan Kronberg as the main auditor, was appointed as the auditor until the end of the next AGM.

The AGM authorised the Board to decide on an issue of shares, option rights as well as other special rights entitling to shares, on acquiring and/or accepting as pledge treasury A Shares and on the transfer of treasury acquired for the company. The authorisations will be effective until 30 June 2014, replacing the authorisations given by the AGM 2012.

The resolutions of the AGM have been published in full in the stock exchange release of 24 April 2013, and they are also available on the company's website at www.hkscan.com.

OUTLOOK FOR 2013

The Group keeps unchanged the outlook given in the financial statements bulletin on 15 February 2013:

HKScan expects the business environment to remain tough as both animal supply and consumer purchasing power are estimated to tighten further. At the same time, demand for meat in general is expected to develop steadily. The Group focuses on managing future business dynamics by tight control on costs and capital spending, balancing demand and supply, and being more proactive in sales pricing.

The revised strategy, new operating model and organisation will contribute to profit improvement. The financial benefits of the development and the profitability improvement programmes are estimated to accelerate the profit aggregation towards the latter part of the year 2013 and onwards. Group EBIT for the entire year is estimated to improve from 2012.

CONSOLIDATED INTERIM REPORT 1 JANUARY – 31 MARCH 2013

CONSOLIDATED INCOME STATEMENT

(EUR million)	Note	Q1/2013	Q1/2012	2012
NET SALES		590.8	596.2	2 503.1
Operating income and expenses	1.	-573.8	-578.2	-2 374.1
Share of associates' results		0.0	-0.1	-0.1
Depreciation and amortization	1.	-18.1	-18.1	-85.9
EBIT		-1.1	-0.2	43.1
Financial income		1.2	1.4	5.4
Financial expenses		-7.0	-9.4	-37.1
Share of associates' results		0.9	0.8	3.0
PROFIT/LOSS BEFORE TAXES		-5.9	-7.3	14.3
Income tax		1.8	2.4	3.4
PROFIT/LOSS FOR THE PERIOD		-4.1	-4.9	17.7
PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
Equity holders of the parent		-4.2	-4.8	16.4
Non-controlling interests		0.1	-0.1	1.3
Total		-4.1	-4.9	17.7

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

	Q1/2013	Q1/2012	2012
EPS, undiluted, continuing operations, EUR/share	-0.08	-0.09	0.30
EPS, diluted, continuing operations, EUR/share	-0.08	-0.09	0.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY – 31 MARCH

(EUR million)	Q1/2013	Q1/2012	2012
Profit/loss for the period	-4.1	-4.9	17.7
OTHER COMPREHENSIVE INCOME (after taxes):			
Exchange differences on translating foreign operations	0.0	4.0	7.6
Cash flow hedging	1.3	0.6	0.2
Revaluation	0.0	0.1	0.0
Actuarial gains or losses	-	-	1.2
TOTAL OTHER COMPREHENSIVE INCOME	1.2	4.7	8.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-2.9	-0.1	26.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the parent	-3.0	-0.1	25.2
Non-controlling interests	0.1	-0.0	1.4
Total	-2.9	-0.1	26.7

CONSOLIDATED BALANCE SHEET

(EUR million)	Note	31.3.2013	31.3.2012	31.12.2012
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	2.	78.7	76.6	77.7
Goodwill	3.	102.4	101.3	101.5
Tangible assets	4.	497.4	524.8	504.6
Shares in associates		35.6	30.0	34.7
Trade and other receivables		6.0	3.8	6.0
Available-for-sale investments		13.2	13.3	12.9
Deferred tax asset		32.7	27.7	28.9
NON-CURRENT ASSETS		766.0	777.6	766.3
CURRENT ASSETS				
Inventories	5.	190.7	200.9	176.3
Trade and other receivables		225.2	228.1	216.5
Income tax receivable		0.3	2.1	0.9
Other financial assets		-	0.4	-
Cash and bank		28.2	38.0	58.9
CURRENT ASSETS		444.3	469.4	452.6
ASSETS		1 210.3	1 246.9	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		156.3	153.9	155.0
Translation differences		5.4	2.1	5.5
Retained earnings		89.5	83.9	93.7
Equity attributable to equity holders of the parent		391.3	380.0	394.4
Non-controlling interests		8.4	11.8	8.6
EQUITY		399.7	391.8	403.0
NON-CURRENT LIABILITIES				
Deferred tax liability		28.5	30.2	27.6
Non-current interest-bearing liabilities		305.5	336.4	312.9
Non-current non-interest bearing liabilities		2.0	2.8	2.0
Non-current provisions		0.1	0.1	0.1
Pension obligations		9.3	14.9	10.4
NON-CURRENT LIABILITIES		345.4	384.4	352.9
CURRENT LIABILITIES				
Current interest-bearing liabilities		195.0	191.5	186.8
Trade and other payables		268.7	278.6	275.0
Income tax liability		0.9	-0.1	0.5
Current provisions		0.7	0.7	0.7
CURRENT LIABILITIES		465.2	470.8	463.0
EQUITY AND LIABILITIES		1 210.3	1 246.9	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	-	-	-	-	-	-	-	-4.2	-4.2	0.1	-4.1
Other comprehensive income (+) / expense (-)											
Transl. diff.	-	-	-	-	-	0.0	-	-	0.0	-	0.0
Cash flow hedging	-	-	1.3	-	-	-	-	-	1.3	-	1.3
Revaluat.	-	-	-	-	-	-	-	-	0.0	-	0.0

Actuarial gains or losses	-	-	-	-	-	-	-	-	-	-	0.0
Total compreh. income for the period	**-**	**-**	**1.3**	**-**	**-**	**0.0**	**-**	**-4.2**	**-3.0**	**0.1**	**-2.9**
Direct recognit. in retained earnings	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Transfers between items	-	-	-	-		-	-		0.0	-	0.0
Dividend distribut.	-	-	-	-	-	-	-	-0.1	-0.1	-0.3	-0.4
EQUITY AT 31.3.2013	**66.8**	**73.4**	**-12.4**	**143.5**	**25.2**	**5.4**	**0.0**	**89.5**	**391.3**	**8.4**	**399.7**

	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	-	-	-	-	-	-	-	-4.8	-4.8	-0.1	-4.9
Other comprehensive income (+) / expense (-)											
Transl. diff.	-	-	-	-	-	4.0	-	-	4.0	0.0	4.0
Cash flow hedging	-	-	0.6	-	-	-	-	-	0.6	-	0.6
Revaluat.	-	-	-	-	0.1	-	-	-	0.1	-	0.1
Actuarial gains or losses	-	-	-	-	-	-	-	-	0.0	-	0.0
Total compreh. income for the period	**-**	**-**	**0.6**	**-**	**0.1**	**4.0**	**-**	**-4.8**	**-0.1**	**-0.0**	**-0.1**
Direct recognit. in retained earnings	-	-	-	-	-	-	-	-	0.0	-	0.0
Transfers between items	-	-	-	-	-	-	-	-	0.0	-	0.0
Dividend distribut.	-	-	-	-	-	-	-	-	0.0	-0.3	-0.3
EQUITY AT 31.3.2012	**66.8**	**73.4**	**-13.3**	**143.5**	**23.7**	**2.1**	**0.0**	**83.9**	**380.0**	**11.8**	**391.8**

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)	Q1/2013	Q1/2012	2012
Operating activities			
Cash flow from operating activities	-12.7	1.7	140.5
Financial items and taxes	-7.8	-10.8	-33.7
Net cash flow from operating activities	-20.5	-9.0	106.8
Investments			
Gross investments in property, plant and equipment	-9.1	-20.3	-76.9
Disposals of property, plant and equipment	0.4	0.5	1.5
Investments in subsidiary	-	-	-
Shares in associates purchased	0.0	-0.1	-0.2
Shares in associates sold	0.4	0.6	3.9
Loans granted	0.0	-1.0	-1.9
Repayments of loans receivable	0.2	0.1	0.5
Net cash flow from investing activities	-8.2	-20.1	-73.1
Cash flow before financing activities	-28.7	-29.2	33.8
Financing activities			
Current borrowings raised	15.0	26.9	25.5
Current borrowings repaid	-6.2	-6.8	-52.7
Non-current borrowings raised	0.1	-1.4	125.0
Non-current borrowings repaid	-9.9	-0.1	-102.7
Dividends paid	-0.1	0.0	-9.9
Repurchase of own shares	-	-	-8.0
Net cash flow from financing activities	-1.0	18.5	-22.7
Change in cash and cash equivalents	-29.7	-10.7	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	-1.0	0.6	-0.6
Cash and cash equivalents at 31.3.	28.2	38.3	58.9

FINANCIAL INDICATORS

	31.3.2013	31.3.2012	31.12.2012
Earnings per share (EPS), undiluted, EUR	-0.08	-0.09	0.30
Earnings per share (EPS), diluted, EUR	-0.08	-0.09	0.30
Equity per share, EUR	7.25	6.91	7.31
Equity ratio, %	33.0	31.4	33.1

Adjusted average number of shares, mill.	54.0	55.0	54.6
Gross capital expenditure on PPE, EUR mill.	10.4	19.8	76.6
Employees, end of month average	7 332	7 913	7 763

NOTES TO THE CONSOLIDATED INTERIM REPORT

ACCOUNTING POLICIES

HKScan Corporation's interim report for 1 January – 31 March 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.

ANALYSIS BY SEGMENT

Net sales and EBIT by market area

(EUR million)	Q1/2013	Q1/2012	2012
NET SALES			
- Finland	194.2	191.2	813.8
- Baltics	41.9	40.5	176.7
- Sweden	228.9	243.5	1 025.7
- Denmark	56.3	57.8	211.7
- Poland	85.5	80.4	343.7
- Between segments	-15.9	-17.2	-68.5
Group total	590.8	596.2	2 503.1
EBIT			
- Finland	-1.3	2.7	18.4
- Baltics	0.8	0.7	8.9
- Sweden	-2.6	-5.1	-5.9
- Denmark	-0.1	0.3	15.4
- Poland	5.4	3.4	15.8
- Between segments	-	-	-
Segments total	2.2	2.0	52.5
Group administration costs	-3.3	-2.2	-9.5
Group total	-1.1	-0.2	43.1

NOTES TO THE INCOME STATEMENT

1. NON-RECURRING ITEMS

(EUR million)	Q1/2013	Q1/2012	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)]	-	-	19.3
Impairment of fixed assets destroyed in the fire, Denmark [2)]	-	-	-5.5
Non-recurring items Total	-3.1	-	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 amortisation"

NOTES TO THE STATEMENT OF FINANCIAL POSITION

2. CHANGES IN INTANGIBLE ASSETS

(EUR million)	Q1/2013	Q1/2012	2012
Carrying amount at beginning of period	77.7	76.6	76.6
Translation differences	1.8	0.5	2.5
Increase	0.1	0.1	1.9
Increase (acquisitions)	-	-	-
Decrease	-	-	-0.2
Depreciation and impairment	-0.9	-1.1	-4.5
Transfer to other balance sheet item	0.1	0.5	1.4
Carrying amount at end of period	78.7	76.6	77.7

3. CHANGES IN GOODWILL

(EUR million)	Q1/2013	Q1/2012	2012
Carrying amount at beginning of period	101.5	101.0	101.0
Translation differences	0.9	0.3	1.3
Increase	-	-	-
Increase (acquisitions)	-	-	-
Decrease	-	-	-0.9
Depreciation and impairment	-	-	-
Transfer to other balance sheet item	-	-	-
Carrying amount at end of period	102.4	101.3	101.5

4. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

(EUR million)	Q1/2013	Q1/2012	2012
Carrying amount at beginning of period	504.6	516.5	516.5
Translation differences	0.6	7.3	10.8
Increase	10.2	19.7	72.7
Increase (acquisitions)	-	-0.3	-
Decrease	-0.3	-0.4	-11.5
Depreciation and impairment	-17.6	-17.5	-82.5
Transfer to other balance sheet item	-0.1	-0.5	-1.4
Carrying amount at end of period	497.4	524.8	504.6

5. INVENTORIES

(EUR million)	Q1/2013	Q1/2012	2012
Materials and supplies	99.9	91.0	82.6
Unfinished products	12.5	13.0	13.3
Finished products	54.5	76.8	55.7
Goods	0.0	0.0	0.0
Other inventories	9.8	7.9	7.7
Prepayments for inventories	1.1	3.7	8.0
Live animals, IFRS 41	12.8	8.5	9.0
Total inventories	190.7	200.9	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
31.3.2013	53 972 788	66.8	72.9	143.5	0.0	283.1

DERIVATIVE INSTRUMENT LIABILITIES

(EUR million)	31.3.2013	31.3.2012	31.12.2012
Nominal values of derivative instruments			
Foreign exchange derivatives	51.4	97.9	67.3
Interest rate derivatives	276.7	285.2	275.3
Electricity derivatives	10.8	11.3	10.7
Fair values of derivative instruments			
Foreign exchange derivatives	-0.4	-0.9	-1.1
Interest rate derivatives	-22.5	-21.7	-24.9
Electricity derivatives	-1.1	-1.4	-1.3
CONSOLIDATED OTHER CONTINGENT LIABILITIES			
(EUR million)			
	31.3.2013	31.3.2012	31.12.2012
Debts secured by			
pledges or mortgages			
- loans from financial institutions	365.2	362.3	370.3
Given as security			
- real estate mortgages	70.8	67.4	74.6
- pledges	5.1	5.2	5.2

- floating charges	16.7	23.7	16.7
For associates			
- guarantees	7.6	5.2	7.5
For others			
- guarantees and pledges	11.9	13.4	12.9
Other contingencies			
Leasing commitments	21.4	26.2	21.8
Rent liabilities	55.8	58.9	58.0
Other commitments	7.5	7.5	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

FAIR VALUES AT THE END OF REPORTING PERIOD:

	31.3.2013	**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	-	-	-	-
- Foreign exchange derivatives	0.0	0.0	0.0	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	**0.0**	**0.0**	**0.0**	**0.0**
Liabilities measured at fair value				
Financial liabilities recognised at fair value though profit or loss				
-Trading derivatives				
- Interest rate swaps	-22.5	0.0	-22.5	0.0
of which subject to cash flow hedging	-16.9	0.0	-16.9	0.0
- Foreign exchange derivatives	-0.4	0.0	-0.4	0.0

of which subject to net investment hedging	-	-	-	-
- Commodity derivatives	-1.1	0.0	-1.1	0.0
of which subject to cash flow hedging	-1.1	0.0	-1.1	0.0
Total	**-24.0**	**0.0**	**-24.0**	**0.0**

BUSINESS TRANSACTIONS WITH RELATED PARTIES

(EUR million)	Q1/2013	Q1/2012	2012
Sales to associates	25.7	19.6	75.4
Purchases from associates	12.6	9.9	36.9
Trade and other receivables	3.5	2.9	3.2
Trade and other payables	3.0	9.7	9.4

RESTATED CONSOLIDATED FINANCIAL STATEMENT 2012 BY QUARTER

As of 1 January 2013, HKScan has adopted the revised IAS 19 Employee Benefits standard and the accounting principles for marketing support have been changed. Quarterly Group and market area information for 2012 has been restated accordingly.

The adoption of the revised IAS 19 Employee Benefits standard concerns only the market area Sweden, and it results in higher EBIT, higher EPS and reduced equity in the financial figures for 2012. The Group's EBIT grew by EUR 1.7 million and EPS by EUR 0.02 due to adjustment of employee benefit expenses. The Group equity for 2012 decreased by EUR 29.5 million as a result of recognising actuarial gains and losses in other comprehensive income.

The changes in the accounting principles for marketing support concern the market areas of Finland and Sweden, and they reduced net sales by EUR 43.7 million in 2012. Previously, marketing support was reported as an operating expense, and according to the new principle, it is reported as a deduction of sales.

CONSOLIDATED INCOME STATEMENT (RESTATED)

(EUR million)	Q1/2012	Q2/2012	Q3/2012	Q4/2012	2 012
NET SALES	596.2	632.2	612.2	662.4	2 503.1
Operating income and expenses	-578.2	-602.6	-578.6	-614.7	-2 374.1
Share of associates' results	-0.1	-0.2	-0.3	0.5	-0.1
Depreciation and amortisation	-18.1	-23.5	-17.9	-26.3	-85.9
EBIT	-0.2	5.9	15.4	21.9	43.1
Financial income and expenses	-7.9	-8.0	-8.5	-7.3	-31.7
Share of associates' results	0.8	0.9	0.4	0.9	3.0
PROFIT/LOSS BEFORE TAXES	-7.3	-1.2	7.3	15.5	14.3
Income tax	2.4	1.7	-0.5	-0.1	3.4
PROFIT/LOSS FOR THE PERIOD	-4.9	0.4	6.8	15.4	17.7
PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO:					

Equity holders of the parent	-4.8	0.3	6.1	14.8	16.4
Non-controlling interests	-0.1	0.1	0.7	0.6	1.3
Total	-4.9	0.4	6.8	15.4	17.7

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

EPS, undiluted, continuing operations, EUR/share	-0.09	0.01	0.11	0.27	0.30
EPS, diluted, continuing operations, EUR/share	-0.09	0.01	0.11	0.27	0.30

CONSOLIDATED BALANCE SHEET (RESTATED)

(EUR million)	31.3.2012	30.6.2012	30.9.2012	31.12.2012
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	76.6	77.0	78.7	77.7
Goodwill	101.3	101.6	102.0	101.5
Tangible assets	524.8	513.0	500.3	504.6
Shares in associates	30.0	30.2	35.3	34.7
Trade and other receivables	3.8	5.4	6.5	6.0
Available-for-sale investments	13.3	13.4	13.5	12.9
Deferred tax asset	27.7	31.0	27.6	28.9
NON-CURRENT ASSETS	777.6	771.5	763.9	766.3
CURRENT ASSETS				
Inventories	200.9	183.8	180.3	176.3
Trade and other receivables	228.1	234.0	226.7	216.5
Income tax receivable	2.1	2.3	7.9	0.9
Other financial assets	0.4	0.4	0.3	-
Cash and bank	38.0	38.7	50.0	58.9
CURRENT ASSETS	469.4	459.2	465.3	452.6
ASSETS	1 246.9	1 230.8	1 229.2	1 218.9
EQUITY AND LIABILITIES				
EQUITY				
Share capital	66.8	66.8	66.8	66.8
Share premium reserve	73.4	73.4	73.4	73.4
Treasury shares	0.0	0.0	0.0	0.0
Fair value reserve and other reserves	153.9	154.6	154.4	155.0
Translation differences	2.1	1.6	5.8	5.5
Retained earnings	83.9	73.4	79.5	93.7
Equity attributable to equity holders of the parent	380.0	369.8	379.9	394.4
Non-controlling interests	11.8	11.4	8.0	8.6
EQUITY	391.8	381.2	387.9	403.0

NON-CURRENT LIABILITIES				
Deferred tax liability	30.2	30.3	29.6	27.6
Non-current interest-bearing liabilities	336.4	334.6	357.8	312.9
Non-current non-interest bearing liabilities	2.8	2.3	2.3	2.0
Non-current provisions	0.1	0.1	0.1	0.1
Pension obligations	14.9	13.3	12.8	10.4
NON-CURRENT LIABILITIES	384.4	380.6	402.5	352.9
CURRENT LIABILITIES				
Current interest-bearing liabilities	191.5	187.9	166.5	186.8
Trade and other payables	278.6	280.0	271.1	275.0
Income tax liability	-0.1	0.4	0.2	0.5
Current provisions	0.7	0.7	0.9	0.7
CURRENT LIABILITIES	470.8	468.9	438.8	463.0
EQUITY AND LIABILITIES	1 246.9	1 230.8	1 229.2	1 218.9

ANALYSIS BY SEGMENT (RESTATED)

Net sales and EBIT by market area

(EUR million)	Q1/2012	Q2/2012	Q3/2012	Q4/2012	2012
NET SALES					
- Finland	191.2	204.9	198.5	219.2	813.8
- Baltics	40.5	46.8	44.3	45.1	176.7
- Sweden	243.5	262.7	245.0	274.5	1 025.7
- Denmark	57.8	51.4	51.6	50.9	211.7
- Poland	80.4	86.9	88.7	87.7	343.7
- Between segments	-17.2	-20.5	-15.9	-15.0	-68.5
Group total	596.2	632.2	612.2	662.4	2 503.1
EBIT					
- Finland	2.7	2.7	5.6	7.4	18.4
- Baltics	0.7	3.1	3.6	1.5	8.9
- Sweden	-5.1	-3.7	3.6	-0.8	-5.9
- Denmark	0.3	1.5	0.9	12.7	15.4
- Poland	3.4	4.5	3.6	4.3	15.8
- Between segments	-	-	-	-	-
Segments total	2.0	8.0	17.3	25.1	52.5
Group administration costs	-2.2	-2.1	-1.9	-3.2	-9.5
Group total	-0.2	5.9	15.4	21.9	43.1

NEXT FINANCIAL REPORT

The HKScan Group’s interim report for January–June 2013 will be published on 9 August 2013.

Vantaa, 7 May 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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