HKScan Group interim report 1 January – 30 September 2008

*** Meat market levels off in Q3**
*** Profitability improves on early months of the year but remains too low, particularly in Finland where the Group has potential for growth and improved profitability following a successful restructuring**
*** Strong market position in all market areas creates a sound platform for the Group's business development despite gloomy prospects for the global economy**

Published 5 November 2008, at 8am

GROUP
(EUR million)

	Q3/2008	Q3/2007	Q1-Q3/08	Q1-Q3/07	2007
Net sales	600.4	532.1	1 702.3	1 555.0	2 107.3
EBIT	12.3	18.7	22.8	43.2	55.3
- EBIT margin, %	2.0	3.5	1.3	2.8	2.6
Profit/loss before taxes	5.4	13.3	3.1	29.4	36.3
Earnings per share, EUR	0.05	0.26	-0.05	0.57	0.72

Q3, JULY-SEPTEMBER 2008

- Net sales were up 12.8 percent to EUR 600.4 million (Q3/2007: EUR 532.1m).
- EBIT was EUR 12.3 million (Q3/2007: EUR 18.7m).
- EBIT in Finland (EUR 4.5m) improved slightly on the poor level seen in Q2. Sales volume and earnings were still burdened by destocking of frozen meat, overlaps in logistics expenditure and the fact that delivery reliability was not restored to normal until late Q3.
- In Sweden EBIT (EUR 5.5m) improved on the previous quarters but was below 2007 levels (Q3/2007: EUR 8.5m). Performance fell short of targets in processed meats in particular. Now completed, negotiations on price conditions took products off the shelves for several weeks across a significant retail chain.
- In the Baltics EBIT (EUR 1.7m) was down on the year before due to a general drop in consumer demand (Q3/2007: EUR 3.4m).
- In Poland EBIT (EUR 1.6m) improved on the previous quarter and on last year (Q3/2007: EUR 1.4m). This improvement in earnings resulted from improved performance achieved by the loss-making units.
- HKScan maintains its view of this year's EBIT falling clearly short of that seen in 2007.

CEO KAI SEIKKU:

"The company's EBIT improved on the first two quarters but, as anticipated in a stock exchange bulletin of 4 July 2008, remained short of targets in Q3 too.

The restructuring performed in Finland enables profitable growth after a long period of losing market positions. The launch of the new logistics centre resolved persisting problems with delivery reliability, bringing it to a competitive level.

Sweden saw a raise of sales prices in October which, coupled with improvements in the pork market situation, will boost profitability.

July sales in the Baltics were as planned, but a sharp downturn in national economies cut consumer demand down in August and September, which was reflected in a rapid decrease in profitability. The poor economic outlook in the Baltics will continue to affect the company's earnings development in the last quarter.

The Group's market position in the Baltics still remains good. The market is undergoing a rapid process of consolidation, with the company's market share growing in every Baltic state during the period under review.

In Poland Sokolów's sales and earnings development continued on a steady track, with fewer losses reported by Agro-Sokolów and Pozmeat as anticipated. Pozmeat is expected to turn profitable in the last quarter.

This has been an exceptionally challenging year. Earnings development has been slowed down by the hard economic trend, high restructuring costs, losses made by Polish business units, general increase in input costs and higher interest rates.

Nevertheless, as soon as the trend reverses, following current and future price increases and achieved cost savings the company has what it takes to achieve positive future development in accordance with the long-term targets set. EBIT in Q4 is expected to be up on the Q3 level.

The crisis in the financial market that is now also hitting the real economy is not likely to have a major impact on food demand, although there may be some movement in consumption habits and the focus between product groups. HKScan's extensive product range provides excellent opportunities to respond to consumption trends in each market."

MARKET AREA: FINLAND
(EUR million)

	Q3/2008	Q3/2007	Q1-Q3/08	Q1-Q3/07	2007
Net sales	183.7	171.3	543.2	497.9	674.3
EBIT	4.5	6.7	8.0	19.6	22.8
- EBIT margin, %	2.4	3.9	1.5	3.9	3.4

The oversupply persisting in the international pork market for a long time eased a little in Q3, but the long-standing profitability crisis in the pork meat production was still clearly reflected in the company's profitability. EBIT in Finland improved slightly on the poor level seen in Q2 but was still far too low.

The functional problems in logistics and delivery reliability seen in early months of the year were still reflected in summer sales volumes. In practice, sales to retailers in the summer period took place within the limits set by the restricted delivery capacity prevailing in the first quarters.

Excluding a machinery breakdown in August, disturbances in the logistics centre were practically eliminated in Q3, and delivery reliability reached the level expected by customers.

Sales prices are yet to recover to the level required due to major increases in production input costs, making further price increases necessary in the future.

Meat export prices took an upward turn in the period under review.

The company's poultry business performed in line with targets. Launched towards the end of the period, outsourcing to Ruoka-Saarioinen improves the competitiveness of HK Ruokatalo's poultry business.

HK Ruokatalo also reformed its operative organisation and management model. From August, HK Ruokatalo's core business functions are sales, marketing, the order/supply process and industrial processes.

MARKET AREA: SWEDEN
(EUR million)

	Q3/2008	Q3/2007	Q1-Q3/08	Q1-Q3/07	2007
Net sales	315.4	279.2	877.7	816.2	1 111.9
EBIT	5.5	8.5	9.4	14.8	23.0
- EBIT margin, %	1.7	3.0	1.1	1.8	2.1

In Sweden Q3 saw a slight improvement on Q2 but remained clearly below the 2007 level.

Production input costs continued to rise in the quarter, with sales price increases scheduled for October.

The period under review saw price negotiations with a significant retail chain. During the process, a considerable share of Scan's product range was not included in the chain's selection, which took both sales and profitability down. The price negotiations were completed successfully by the end of the period, and the situation is back to normal in all respects.

The commissioning of the extension at the Swinoujscie bacon plant in Poland progressed to the final phase.

September saw the closedown of the Kävlinge plant in southern Sweden and the slaughtering facility in Uppsala.

MARKET AREA: THE BALTICS
(EUR million)

	Q3/2008	Q3/2007	Q1-Q3/08	Q1-Q3/07	2007
Net sales	44.2	38.0	125.2	107.7	145.3
EBIT	1.7	3.4	5.8	9.8	10.7
- EBIT margin, %	3.8	8.9	4.6	9.1	7.4

The Group's net sales increased considerably in the Baltics, while EBIT was down on the figure a year earlier.

Evident for a long time, the cooling down of the Baltic market accelerated towards the end of the summer. The Estonian and Latvian national economies slipped into the red and Lithuania only achieved zero growth.

Faced with increasingly tough competition, risen costs could only in part be passed on to sales prices, which is reflected in depressed sales margin levels. Demand for less expensive products is growing strongly, and in consumer goods trade volumes and values are going down.

Despite the changes in the operating environment, the company has a strong position in the Baltics, proof of which can be seen in the positive market share development in every Baltic state. The slowing down of growth in the Baltic economies will continue, and the trend is not expected to reverse very soon. In these circumstances, consolidation in the industry can be anticipated.

MARKET AREA: POLAND
(EUR million)

*)	Q3/2008	Q3/2007	Q1-Q3/08	Q1-Q3/07	2007
Net sales	74.2	59.5	204.6	166.1	220.9
EBIT	1.6	1.4	2.3	3.6	3.7
- EBIT margin, %	2.2	2.4	1.1	2.2	1.7

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

Sokolów's meat and processed meat and convenience food production progressed further in line with targets. Net sales and earnings saw positive development. Overall EBIT in the Polish market improved on the early months of the year.

Poor profitability of livestock production continued to burden Agro-Sokolów's performance, while the subsidiary Pozmeat saw an increase in sales although earnings still remained slightly in the red. Pozmeat is expected to turn profitable in the last quarter.

The area with biggest growth in Sokolów was deliveries to modern retail chains, which in nine months have become the number one sales channel. The significance of retail chains as partners to industry will increase in Poland too.

CAPITAL EXPENDITURE AND FINANCE

Gross investments in Q3 totalled EUR 17.0 million (Q3/2007: EUR 33.8m). Gross investments in the first nine months of the year totalled EUR 70.6 million (Q1–Q3/2007: EUR 92.9m) and were divided among production-related investment in the market areas as follows: Finland EUR 24.1 million, Sweden EUR 24.1 million and the Baltics EUR 11.6 million. In Poland, HKScan's share of Sokolów investments was EUR 10.8 million.

No major investments were underway in Finland during the period under review. In Sweden the construction of a distribution centre continued in Linköping, while in Estonia a new frankfurter line was launched at Rakvere Lihakombinaat in September.

The Group's interest-bearing debt, excluding the hybrid bond issued on 23 September 2008, stood at EUR 541.0 million (EUR 505.2m) at 30 September 2008. Underlying the increase in debt is an insufficient cash flow from operations. Group net financial expenses totalled EUR 20.7 million (EUR 14.4m). The increase resulted from a rise in liabilities and interest rates during the first nine months of 2008 on the corresponding period a year earlier.

Group funding is based on a EUR 550 million syndicated credit facility signed in June 2007, comprising a EUR 275 million seven-year amortising term loan and a EUR 275 million five-year credit limit with two one-year extension options. Untapped credit facilities at 30 September 2008 stood at EUR 183 million (EUR 182m). In addition, the Group had other untapped overdraft and other facilities of EUR 40 million (EUR 34m). The EUR 100 million commercial paper programme had been drawn upon in the amount of EUR 39 million (EUR 13m). With adverse impacts caused by the current financial market crisis on the commercial paper market, the company has not issued new commercial papers. Where necessary, untapped facilities have been employed to refinance maturing commercial papers.

At the end of September, the equity ratio was 30.0 percent (30.4%). The Group will focus on achieving a stronger cash flow and reducing net liabilities.

HYBRID BOND ISSUE

On 23 September 2008 HKScan issued a EUR 20 million hybrid bond aimed at its majority shareholders, LSO Osuuskunta cooperative and Swedish Meats ek.för. The bond has a coupon rate of 8.5% p.a. The bond has no maturity but the company may call it after six years. The bond will be treated as equity in HKScan's IFRS financial statements. The dates of interest payment are at the discretion of the company. The payment can be made either in cash or as HKScan's Series A shares. The right of exchange only applies in the first six years. The payment of interest as new shares will dilute the shareholding of the company's current shareholders over six years by no more than 1,190,160 A Shares, equal to 3.5% of all A Shares and 3.0% of all shares. The rate of exchange is calculated according to a share price of EUR 8.57.

The hybrid bond issue supports the aim of increasing the equity ratio announced by the company and also reduces gearing ratio and financing expenses.

TREASURY SHARES

Pursuant to an authorisation granted by the Annual General Meeting on 20 April 2007, the company acquired in March its own A Shares in public trading on OMX Nordic Exchange for use in its share incentive scheme. At 30 September 2008, the company held a total of 9 472 of its A Shares. These had a market value of EUR 0.01 million and accounted for 0.02% of all shares and 0.01% of all votes.

NOTICE OF CHANGE IN OWNERSHIP

Pursuant to Chapter 2, Section 9 of the Securities Market Act, Artio Global Management LLC reported that a share acquisition performed on 30 September 2008 reduced the stake of Julius Baer International Equity Fund in HKScan to 4.999 per cent of the shares. At the same time, however, the total shareholding of Julius Baer International Equity Fund and other Artio Global Management LCC clients in HKScan rose from 8.21% to 8.77%.

BOARD OF DIRECTORS' EXISTING AUTHORISATIONS

(1) The Board holds the authorisation granted by the AGM on 22 April 2008 to decide on acquiring a maximum of 3 500 000 Series A shares as treasury shares, equivalent to ca. 8.9% of total registered shares and 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 2009. To date, the Board of Directors has not exercised this authorisation.

(2) The Board of Directors also holds an authorisation to resolve on an issue of shares, options as well as other instruments entitling to shares as referred to in Chapter 10, Section 1 of the Companies Act. The original authorisation allowed a maximum issue of 5 500 000 A Shares. On 23 September 2008 the Board exercised the authorisation and issued a hybrid bond with option rights, entitling to a maximum of 1,190,160 A Shares, corresponding to ca. 3.0% of all registered shares in the company.

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 2009. A minimum of 4 309 840 A Shares of the authorisation remain unexercised.

EMPLOYEES

In the first nine months of the year, the Group had an average workforce of 7 526 employees (7 949 in Q1-Q3/2007). The average number of employees in each market area was as follows: Finland 2 423, Sweden 3 248 and the Baltics 1 855. In addition, Sokolów had an average of 5 468 employees.

Analysis of employees by country at the end of the financial year: Sweden 39.6%, Finland 31.3%, Estonia 21.6%, Latvia 3.4%, Poland (Scan) 2.7%, other countries 1.4%.

RISKS AND UNCERTAINTY FACTORS IN THE NEAR FUTURE

The most significant business risks faced by HKScan Group in all market areas involve developments in the price of raw materials and pork in particular, in future possibly the availability of these as well, and raising sales prices to correspond to rising costs. There are also country-specific uncertainties relating to the success of the business development programme in Sweden and the development of the national economies in the Baltics.

The current international financial market crisis increases the risk of credit loss. Changes in risk premiums and exceptionally strong exchange rate movement may affect financial expenses and equity.

EVENTS TAKING PLACE SINCE 30 SEPTEMBER 2008

In October, Scan AB acquired a minority holding in Matfabriken i Skandinavien AB, a convenience food producer, and Bertil Erikssons Slakteri AB, a smallish slaughtering business. Both agreements include an option for Scan to acquire the remaining shares at a later date.

FUTURE OUTLOOK

The company maintains its view of full-year 2008 EBIT falling clearly short of that seen in 2007.

Vantaa, 5 November 2008

HKScan Corporation
Board of Directors

Consolidated financial statements
1 January – 30 September 2008

CONSOLIDATED INCOME STATEMENT
(EUR million)

	Q3/2008	Q3/2007	Q1-Q3/08	Q1-Q3/07	2007
NET SALES	600.4	532.1	1 702.3	1555.0	2 107.3
Operating income and expenses	-573.1	-500.2	-1 637.5	-1471.4	-2 000.4
Depreciation and impairment	-15.0	-13.3	-42.1	-40.5	-51.6
EBIT	12.3	18.7	22.8	43.2	55.3
Financial income	7.5	1.3	10.9	3.4	9.1
Financial expenses	-14.9	-7.0	-31.6	-17.8	-28.5
Share of associates' results	0.6	0.4	1.0	0.6	0.4
PROFIT/LOSS BEFORE TAXES	5.4	13.3	3.1	29.4	36.3
Income taxes	-2.2	-2.9	-3.5	-5.9	-6.8
PROFIT/LOSS FOR THE FINANCIAL PERIOD	3.2	10.4	-0.4	23.5	29.5
PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO:					
Equity holders of the parent	2.1	10.1	-2.1	22.2	27.8
Minority interests	1.1	0.3	1.7	1.3	1.7
Total	3.2	10.4	-0.4	23.5	29.5
Earnings per share calculated on profit attributable to equity holders of the parent:					
EPS, EURundiluted/diluted	0.05	0.26	-0.05	0.57	0.72

CONSOLIDATED BALANCE SHEET
(EUR million)

	30.9.2008	30.9.2007	31.12.2007
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	64.5	18.6	65.5
Goodwill	84.8	106.1	85.1
Tangible assets	503.9	481.5	476.6
Holdings in associates	18.7	17.6	20.3
Trade and other receivables	14.1	10.6	18.0
Available-for-sale investments	11.0	11.8	11.4
Deferred tax asset	8.7	2.7	8.3
NON-CURRENT ASSETS	705.7	648.8	685.1
CURRENT ASSETS			
Inventories	151.9	138.9	140.2
Trade and other receivables	239.9	247.3	244.9

Income tax receivable	5.8	4.0	2.5
Other financial assets	3.4	3.9	3.7
Cash and cash equivalents	33.6	32.9	53.2
CURRENT ASSETS	434.6	427.1	444.5
ASSETS	1 140.3	1 075.9	1 129.6
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	66.8	66.8	66.8
Share premium reserve	74.8	74.6	73.4
Treasury shares	-0.1	-1.8	-0.7
Fair value reserve and other reserves	101.9	77.0	80.6
Translation differences	-0.6	3.6	3.0
Retained earnings	93.8	104.2	105.5
Equity attributable to equity holders of the parent	336.6	324.3	328.5
Minority interest	5.2	2.5	2.9
SHAREHOLDERS' EQUITY	341.8	326.8	331.5
NON-CURRENT LIABILITIES			
Deferred tax liability	35.6	17.6	34.0
Non-current interest-bearing liabilities	426.9	446.8	421.6
Non-current non-interest bearing liabilities	6.1	5.8	6.9
Pension obligations	3.0	5.1	4.7
Non-current provisions	0.4	5.5	0.0
NON-CURRENT LIABILITIES	472.0	480.9	467.2
CURRENT LIABILITIES			
Current interest-bearing liabilities	114.1	58.4	92.9
Trade payables and other liabilities	210.9	206.9	236.6
Income tax liability	0.1	2.9	0.1
Current provisions	1.4	0.0	1.3
CURRENT LIABILITIES	326.6	268.1	330.9
SHAREHOLDERS' EQUITY AND LIABILITIES	1 140.3	1 075.9	1 129.6

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

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
SHAREHOLDERS' EQUITY 1.1.08	66.8	73.4	3.0	66.7	0.0	10.8	3.0	-0.7	105.5	328.5
Cash flow hedging										
Gains and losses recognised in shareholders' equity			2.1							2.1
Change in translation difference		0.1				0.3	-3.6		0.6	-2.6
Other change					20.0	-1.1				18.9
Direct recognition in retained earnings									1.5	1.5
Transfers between items		0.9							-0.9	0.0
Net gains and losses recognised directly in shareholders' equity	0.0	1.0	2.1	0.0	20.0	-0.7	-3.6	0.0	1.1	19.8
Profit for the period									-2.2	-2.2
Total gains and losses	0.0	1.0	2.1	0.0	20.0	-0.7	-3.6	0.0	-1.1	17.7
Dividend distribution									-10.6	-10.6
Share issue										
Purchase of treasury shares								-0.1		-0.1
Payments made in treasury shares								0.8		0.8
Share options exercised		0.4								0.4
SHAREHOLDERS' EQUITY 30.9.08	66.8	74.8	5.1	66.7	20.0	10.0	-0.6	-0.1	93.8	336.6

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

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
SHAREHOLDERS' EQUITY 1.1.2007	58.6	72.9	0.1	0.0	0.0	8.9	5.4	0.0	90.5	236.4
Cash flow hedging										
- Amount transferred to shareholders' equity during the period			1.3							1.3
Change in translation difference							-2.0			-2.0
Other change									2.1	2.1
Transfers between items		1.0							-1.0	0.0
Net gains and losses recognised directly in shareholders' equity	0.0	1.0	1.3	0.0	0.0	0.0	-2.0	0.0	1.1	1.4
Profit for the period									22.2	22.2
Total gains and losses	0.0	1.0	1.3	0.0	0.0	0.0	-2.0	0.0	23.3	23.6
Dividend distribution									-9.3	-9.3
Share issue	8.2			66.7						74.9
Purchase of treasury										
shares								-1.8		-1.8
Share-based transactions payable										
in equity		0.6							-0.1	0.5
SHAREHOLDERS' EQUITY 30.9.2007	66.8	74.5	1.4	66.7	0.0	8.9	3.4	-1.8	104.4	324.3

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

CASH FLOW STATEMENT
(EUR million)

	1-9/2008	1-9/2007	1-12/2007
Operating activities			
EBIT	22.8	43.2	55.3
Adjustments to EBIT	-4.0	0.9	-1.6
Depreciation and amortisation	42.1	40.5	51.6
Change in provisions	-1.3	-5.9	-8.1
Change in net working capital	-31.2	11.4	50.1
Financial income and expenses	-20.6	-14.4	-19.3
Taxes	-3.5	-5.8	-6.8
Net cash flow from operating activities	4.3	69.9	121.2
Investing activities			
Gross investments in fixed assets	-68.8	-92.9	-131.6
Disposals of fixed assets	8.6	8.5	15.8
Investments in subsidiary		-70.1	-70.1
Loans granted	-0.2		-4.0
Current borrowings repaid	1.8		2.1
Net cash flow from investing activities	-58.6	-154.5	-187.8
Cash flow before financing activities	-54.3	-84.6	-66.5
Financing activities			
Capital loan payments received	20.0		
Current borrowings raised and repaid	23.5	-113,6	-102.6
Non-current borrowings raised and repaid	1.7	230,2	225.0
Dividends paid	-10.6	-9.3	-9.3
Purchase of treasury shares	-0.1	-1.8	-1.8
Net cash flow from financing activities	34.5	105.5	111.3
Change in cash and cash equivalents	-19.8	20.9	44.7
Cash and cash equivalents at 1.1.	56.8	12.1	12.1
Cash and cash equivalents at 30.9.	37.0	32.9	56.8
Change in cash and bank in balance sheet	-19.8	20.9	44.7

FINANCIAL INDICATORS

	30.9.2008	30.9.2007	31.12.2007
EPS, undiluted	-0.05	0.57	0.72
EPS, diluted	-0.05	0.57	0.72
Equity per share at 30 Sept, EUR 1)	8.57	8.27	8.36
Equity ratio, %	30.0	30.4	29.3
Adjusted average			
number of shares, mill.	39.3	38.7	38.8
Gross capital			
expenditure on PPE, EUR million	70.6	92.9	129.3
Employees, end of month			
average	7 526	7 949	7 840

1) Excluding minority's share of equity.

Notes to the Group's interim report

ACCOUNTING PRINCIPLES

HKScan Corporation's interim report for 1 January – 30 September 2008 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 2007. These accounting principles are explained in the financial statements for 2007.

EBIT
EBIT is presented in accordance with IFRS accounting principles. The concept of EBIT is not defined in IAS 1. The Group employs the following definition in the accounting principles of the 2007 financial statements: EBIT is the net sum arrived at by adding other operating income and the share of pre-determined associates' results to net sales, deducting from this purchase costs adjusted by change in stocks of finished and unfinished products and costs arising from production for own use as well employee benefit expenses, depreciation and impairment losses, if any, and other operating expenses. All other income statement items are presented below EBIT.

Where necessary, major gains and losses on disposal, impairment and recognitions of discontinuation of operations as well as EBIT excluding non-recurring items may be presented separately in reports.

In 2006 and 2007, the explanatory statements of HKScan interim reports and financial statement bulletins presented, in addition to EBIT (IFRS), EBIT from operations in order to improve clarity and eliminate the impacts of the major restructuring that took place in the Group's business in Finland. EBIT from operations has not been presented in reports since 1 April 2008 as the industrial restructuring was completed as planned.

Associates
As a rule, the share of associates' results is presented below EBIT. If a function important to the Group's business is managed by an associate, the share of the associate's results is presented above EBIT. Scan AB associates Siljans Chark AB (from 1 January 2007), Höglandsprodukter AB (from 1 January 2007), daka a.m.b.a (from 1 January 2008) and Conagri AB (from 1 January 2008) are associates of this kind. The status of Nyhléns & Hugosons Chark AB has changed from an associate presented above EBIT to a subsidiary, resulting in a change in its consideration on 30 September 2008 with cumulative effect from the beginning of the financial period.

Rounding of figures
Due to rounding of the figures presented in the tables, some totals may not agree with the sum of their constituent parts. Indicator figures have been calculated using exact figures.

The figures presented in the interim report are unaudited.

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

	Q3/2008	Q3/2007	Q1-Q3/08	Q1-Q3/07	2007
NET SALES					
-Finland	183.7	171.3	543.2	497.9	674.3
-Sweden	315.4	279.2	877.7	816.2	1 111.9
-Baltics	44.2	38.0	125.2	107.7	145.3
-Poland	74.2	59.5	204.6	166.1	220.9
-Between segments	-17.1	-15.8	-48.4	-32.8	-45.0
Group total	600.4	532.1	1 702.3	1 555.0	2 107.3

EBIT					
-Finland	4.5	6.7	8.0	19.6	22.8
-Sweden	5.5	8.5	9.4	14.8	23.0
-Baltics	1.7	3.4	5.8	9.8	10.7
-Poland	1.6	1.4	2.3	3.6	3.7
-Between segments	0.0	0.0	0.0	0.0	0.0
-Group admin. costs	-1.0	-1.3	-2.7	-4.6	-5.0
Group total	12.3	18.7	22.8	43.2	55.3

CHANGES IN TANGIBLE AND INTANGIBLE ASSETS

	Q1-Q3/2008	Q1-Q3/2007	2007
Carrying value at 1 Jan	627.2	352.4	352.4
Translation differences	-3.4	2.4	3.3
Increase	68.6	92.9	131.0
Increase (acquisitions)	0.0	209.9	209.2
Decrease	-6.7	-10.9	-16.8
Depreciation and impairment	-42.0	-40.5	-51.9
Transfer to other balance sheet item	9.5	0.0	0.1
Carrying value at 30 Sept	653.2	606.2	627.2

INVENTORIES

	Q1-Q3/2008	Q1-Q3/2007	2007
Materials and supplies	92.9	91.9	85.5
Unfinished products	9.3	7.1	10.8
Finished products	34.1	25.9	28.5
Goods	0.1	0.1	0.0
Other inventories	5.0	1.5	3.9
Prepayments	0.9	1.0	0.6
Live animals, IFRS 41	9.6	11.4	10.9
Total inventories	151.9	138.9	140.2

NOTES TO SHAREHOLDERS' EQUITY

Share capital and share premium reserve	Number of outstanding shares	Share capital	Share premium reserve	RIUE	Treasury shares	Tot
1.1.2008	39 266 169	66.8	72.9	66.7	-0.7	205.7
Purchase of treasury shares	-15 000				-0.1	-0.1
Assignment of treasury shares	45 552				0.8	0.8
30.6.2008	39 296 721	66.8	72.9	66.7	-0.1	206.3

RIUE = Reserve for invested unrestricted equity

Financial risk management

The Group has not modified its financial risk management principles during the period under review. The principles remain the same as presented in the Group's 2007 Annual Report.

CONSOLIDATED CONTINGENT LIABILITIES
(EUR million)

	30.9.2008	30.9.2007	31.12.2007
Debts secured by			
pledges or mortgages			
- loans from financial institutions	45.0	39.6	36.0
Given as security			
- real estate mortgages	66.1	52.7	31.4
- pledges	9.7	7.9	19.1
- floating charges	26.7	13.7	10.9
For associates			
- guarantees	8.2	4.3	7.0
For others			
- guarantees and pledges	10.3	12.8	9.6
Other contingencies			
Leasing commitments	22.4	5.9	10.5
Rent liabilities	17.3	2.1	17.2
Other liabilities	5.9	0.0	2.2
Derivative instrument liabilities			
Nominal values of derivative instruments			
Foreign exchange contracts	69.4	58.0	64.9
Interest swap contracts	235.6	165.2	162.1
Electricity futures	7.6	5.1	5.1
Fair values of derivative instruments			
Foreign exchange contracts	-0.5	-0.4	0.0
Interest swap contracts	-0.9	0.3	0.1
Electricity futures	1.3	0.7	1.1

BUSINESS TRANSACTIONS WITH ASSOCIATES

	Q1-Q3/2008	Q1-Q3/2007	2007
Sales to associates	28.0	29.2	38.9
Purchases from associates	26.8	26.7	35.5
Trade and other receivables	2.0	0.6	1.9
Trade payables and other liabilities	9.7	5.0	11.1

HKScan Corporation

Kai Seikku
CEO

Further information is available from CEO Kai Seikku. Please leave any messages for him to call with Katja Backman on 010 570 2428 (Finland) or +358 10 570 2428 (international).

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 in excess of two billion euro.

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