HKSCAN GROUP INTERIM REPORT 1 JANUARY - 31 MARCH 2010
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HKScan's success abroad compensates for challenges in Finnish market

*** The HKScan Group maintained or improved its standing in all market areas in spite of the challenging market conditions in the early part of the year.**

*** Despite stronger performance in the market segments of Sweden, the Baltics and Poland, the profitability of the HKScan Group's business in Q1 did not reach the level seen in 2009. EBIT came in at EUR 5.5 million (EUR 8.2m).**

*** Group net sales were EUR 483.6 million (EUR 492.1m). The key factors underlying the fall in net sales were the lower pork volumes in the Group's export markets and the sales prices of poultry meat in Finland.**

*** Progress as envisaged was made on the Group's business development projects.**

*** Earnings development at the end of the first quarter bears out the view held by management that the difficult market conditions seen in the early part of the year, especially in Finland, will improve in the important summer season and bolster profitability development.**

*** The company estimates that full-year EBIT exclusive of non-recurring items will not quite reach the level seen in 2009.**

HKSCAN GROUP
(EUR million)

	Q1/2010	Q1/2009	2009
Net sales	483.6	492.1	2 124.7
EBIT	5.5	8.2	55.1
- EBIT margin, %	1.1	1.7	2.6
Profit/loss before taxes	3.9	1.7	37.3
Earnings per share, EUR	0.06	0.00	0.64

Per-share data has been adjusted for the share offering in 2009.

Q1, JANUARY-MARCH 2010

- The Group's net sales in the first quarter of the year were EUR 483.6 million (EUR 492.1m), i.e. 1.7 percent lower than in the comparison period in 2009.

- EBIT came in at EUR 5.5 million (EUR 8.2m). In Finland, EBIT for the quarter was EUR -0.6 million (EUR 6.2m in 2009) whereas EBIT improved from the previous year in Sweden, the Baltics and Poland.

- Exceptionally sharp fluctuations were seen in volume and profitability development in customer and product groups in the Group's various market areas.

CEO MATTI PERKONOJA:

"The HKScan Group has maintained its strong position in the market and grown its pre-tax earnings in the first few months of the year. It proved clearly more of a challenge than anticipated to project the first-quarter development of business and its profitability, especially in Finland. Although business in Sweden, the Baltics and Poland performed strongly, the HKScan Group as a whole failed to deliver the level of EBIT seen in Q1 of 2009.

The lacklustre profitability development achieved in Finland will speed up the launch of development projects in the Group's business chain. The amended EU marketing standard for poultry meat that took effect in early May will in the long run strengthen the market standing of locally produced fresh poultry meat. The new standard is of especially great significance to the HKScan Group, as it is the market leader in fresh poultry meat in both Finland, under the Kariniemen brand, and in the Baltics, under the Tallegg brand.

Maintaining HK Ruokatalo's position in the market in Finland has proved a particular challenge in the early part of the year.

In Sweden, the business restructuring and streamlining programme at Scan has progressed in line with plans and on schedule.

In the Baltics, Rakvere Lihakombinaat and Tallegg were able to further enhance their profitability in a tight business environment.

In Poland, Sokolów grew stronger in both its domestic market and exports and clearly boosted its earnings.

The fundamental objective for the HKScan Group is to grow its profitability. Several development projects have been launched in the Group towards this end, one example being the introduction of responsibility schemes across the entire chain of operations, from primary production through to finished products. The areas of emphasis in the responsibility schemes in 2010 have been designated as nutrition, the environment, and the wellbeing of production animals.

The greatest challenge in respect of locally produced foods is adequate profitability. The maintenance and sustained enhancement of the entire production chain's competitiveness provide the foundation for continued local production. Profitable business is developed in the chain on the terms of customers and consumers alike."

MARKET AREA: FINLAND
(EUR million)

	Q1/2010	Q1/2009	2009
Net sales	167.8	175.3	732.5
EBIT	-0.6	6.2	27.0
- EBIT margin, %	-0.4	3.6	3.7

The price competition caused by defending market position brought EBIT in Finland into the red by EUR -0.6 million (EUR 6.2m in 2009). The comparison figure for the previous year includes non-recurring expenses of EUR 1.1 million.

The most severe market disruption was seen in respect of poultry meat, where stepped-up price competition in anticipation of the amended EU marketing standard for poultry meat that took effect in May 2010 temporarily depressed the profitability of the poultry business. In Finland, the destocking to the consumer market of frozen poultry meat inventories accumulating up to the end of the year gave rise to exceptional price competition. The situation also cut into the volumes of fresh poultry meat.

The lacklustre profitability development achieved will speed up the launch of development projects in the Group's business chain in Finland. The plans announced in April seeking to bolster business profitability extend across the entire chain of operations and are envisaged to deliver annual earnings improvements of EUR 12 million.

Preliminary plans have HK Ruokatalo centralizing its production activities and markedly scaling back production outsourced to subcontractors. The plans are intended to concern all of HK Ruokatalo's production plants as well as all its employees and subcontractors in Finland. Tentative plans have implementation of the programmes translating into a reduction of roughly 200 person-years in HK Ruokatalo's business chain. The appropriate negotiations with the employees of companies in the business segment of Finland will be started once the specifics of the plans have been worked out.

As a part of its responsibility scheme, HK Ruokatalo announced early in the year that it would launch on the market in 2011 a new, tastier and more healthful pork meat in which the fat content has been naturally modified to conform to nutrition recommendations. The innovation is accomplished with a new pig-feeding concept where the quality and administration method of vegetable oil play a key role. In the new Rapeseed Pork, the share of saturated fat has been reduced to less than one third of total fat as required under nutrition recommendations. At the same time, the amount of essential omega 3 fatty acids, obtained through diet, has been increased by a factor of 3.5 in Rapeseed Pork.

The industrial action which started in April in the food industry is projected to have a clear depressive impact on sales and earnings in the business segment of Finland.

MARKET AREA: SWEDEN
(EUR million)

	Q1/2010	Q1/2009	2009
Net sales	230.5	238.4	1 037.4
EBIT	2.7	2.1	16.7
- EBIT margin, %	1.2	0.9	1.6

Net sales in Sweden declined to EUR 230.5 million (EUR 238.4 m in 2009). Net sales measured in euro fell by 4 percent and in crowns by 12 percent. The decline was due to a planned reduction in exports.

EBIT, on the other hand, increased to EUR 2.7 million (EUR 2.1m in 2009). The comparison figure for the previous year includes non-recurring expenses of EUR 1.2 million.

Sales were especially good in March and the company performed ahead of targets in respect of e.g. sandwich meats sold under the Pärsons brand.

The industrial restructuring launched in September 2009 at Scan is proceeding on schedule and according to plans. The first quarter of the year has seen beef slaughter centralized to Linköping and pork cutting to Kristianstad as well as hamburger patty production transferred from Linköping to Skara.

The new logistics centre rising in Linköping has moreover progressed to the trial operation phase and will come online in full in autumn 2010.

The measures are envisioned to deliver annual streamlining benefits of EUR 30 million by the end of 2012.

The restructuring continues to give rise to some additional production expenditure.

Scan's investment in the production and marketing of consumer-packed meat resulted in the company concluding a cooperation agreement in March to supply Swedish central retail organization Coop with consumer-packed meat. This agreement, which is of national significance, enables a consumer-packed meat plant investment in Linköping creating roughly 60 jobs.

MARKET AREA: THE BALTICS
(EUR million)

	Q1/2010	Q1/2009	2009
Net sales	35.8	37.3	156.9
EBIT	1.1	1.0	9.8
- EBIT margin, %	3.0	2.7	6.3

In the market area of the Baltics, AS Rakvere Lihakombinaat and AS Tallegg continued to enhance their profitability and solidify their position in the market despite the difficult state of the Baltic national economies, the decline in consumption due to higher unemployment, and intensifying competition. Although net sales in the Baltics fell short of the previous year's level, adaptation of the product range and successful cost control nonetheless delivered higher EBIT.

The Rakvere Group's Latvia-based subsidiary AS Rigas Miesnieks announced in March that it had signed a letter of intent on acquiring a holding in excess of 90 percent in the Latvian AS Jelgavas Galas Kombinats, a company specializing in smoked meat products. The planned acquisition will strengthen the position of the HKScan Group as industry leader in Latvia.

MARKET AREA: POLAND
(EUR million)

*)	Q1/2010	Q1/2009	2009
Net sales	63.9	56.4	251.7
EBIT	4.2	1.6	9.3
- EBIT margin, %	6.6	2.9	3.7

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

In Poland, Sokolów's Q1 net sales grew by 13 percent from the corresponding period in 2009 when measured in euro and by one percent when measured in zloty.
The profitability of the business has improved markedly.

Successful Easter sales, robust progress in modern retail chains, accomplished cost control, good subsidiary performance and momentum in exports brought Sokolów's first-quarter earnings to EUR 4.2 million (EUR 1.6m in 2009), the best first-quarter performance in the company's history.

The European economic recession is not markedly evident in food consumption or consumer buying decisions in Poland.

CHANGES IN GROUP STRUCTURE

HKScan Corporation transitioned to a holding company structure in its Finnish business. The reorganization, which streamlines financial reporting and internal supervision, was accomplished as a business transfer on 1 January 2010 by transferring HKScan Corporation's production-related property, plant and equipment in Finland as well as its holdings in subsidiaries and associates to HKScan Finland Oy, a holding company wholly owned by HKScan Corporation.

The reorganization was technical and legal in nature and it has no effect on operational activities. HK Ruokatalo Oy and LSO Foods Oy, the companies responsible for the Group's Finnish business, carry on their activities as before. The arrangement had no effect on jobs or the standing of the parent company or its shareholders. Managing director Jari Leija of HK Ruokatalo Oy also serves as managing director of HKScan Finland Oy.

In a bid to secure demand for Finnish meat raw material, HK Ruokatalo Oy entered into cooperation in the early part of the year with Kivikylän Kotipalvaamo Oy, a family business based in western Finland. The cooperation is accomplished in the form of a minority holding in the company, with the current operators continuing to carry on the company's business proper.
The company will be consolidated as a subsidiary based on control.

CHANGES IN ORGANIZATION

In January 2010, the Board of Directors and HKScan Corporation CEO Matti Perkonoja agreed that he would stay on as CEO for longer than initially announced. The appointment is effective until the end of February 2012, at which time Mr Perkonoja is to retire. He had earlier planned to retire after 2010.

Effective 1 January 2010, Olli Antniemi, MSc (Econ & Bus Admin), was appointed senior vice president in charge of strategy and development. He also joined the Management Team. Mr Antniemi is responsible for strategic business planning with an emphasis on Group synergies and management of the Group's strategy process. He previously served as executive vice president of the HKScan Group's Baltic Group, managing director of Scan AB and most recently as development director at HK Ruokatalo Oy.

HKScan Corporation's Management Team as of 1 January 2010 consists of CEO Matti Perkonoja as Chairman along with CFO Irma Kiilunen, senior vice president for strategy and development Olli Antniemi, HKScan Finland Oy managing director Jari Leija and Scan AB managing director Denis Mattsson. Management Team meetings are also attended by managing directors Anne Mere of AS Rakvere Lihakombinaat and Teet Soorm of AS Tallegg. VP and Management Team member Tero Hemmilä left HKScan at the beginning of 2010. CFO Irma Kiilunen serves as deputy to the CEO of HKScan Corporation.

CAPITAL EXPENDITURE AND FINANCE

Gross consolidated investments totalled EUR 18.9 million (EUR 12.7m) in Q1 of 2010 and were divided among production-related investment in the market areas as follows: Finland EUR 8.9 million (EUR 4.0m), Sweden EUR 6.0 million (EUR 4.2m) and the Baltics EUR 2.1 million (EUR 1.1m). In Poland, HKScan's share of Sokolów investments was EUR 1.9 million (EUR 3.4m).

The Group's interest-bearing debt at the end of March stood at EUR 435.0 million (EUR 517.8m). The marked decline in debt from the corresponding period a year earlier is attributable to the EUR 78.0 million share offering executed in December 2009. The company allocated EUR 20 million of the proceeds of the offering to repaying its hybrid bond. The remaining proceeds of the offering were used to pay other interest-bearing debts.

Since the turn of the year, the considerable strengthening of the Swedish crown and the Polish zloty along with an increased need for working capital have added EUR 17.6 million to the company's interest-bearing debt.

Net financing expenses have fallen clearly from the previous year owing to lower interest rates and the reduction in total loans. Financing expenses remain burdened by equity hedging costs in respect of EEK-denominated equity. Untapped credit facilities at 31 March 2010 stood at EUR 212.3 million (EUR 155.4m). In addition, the Group had other untapped overdraft and other facilities of EUR 42.0 million (EUR 36.6m). The EUR 100 million commercial paper programme had been drawn in the amount of EUR 18.0 million (EUR 8.0m).

At the end of the period under review, the equity ratio was 37.2 percent (29.5%). A material contributor to the stronger equity ratio was the share offering executed in December 2009. The equity ratio at the turn of the year was 37.1 percent.

TREASURY SHARES

At 31 March 2010, HKScan held a total of 51 982 of its A Shares. These had a market value of EUR 0.52 million (EUR 9.93 each) and accounted for 0.10% of all shares and 0.03% of all votes. No dividend is paid on treasury shares.

BOARD OF DIRECTORS' EXISTING AUTHORIZATIONS

See "Events taking place after the end of the review period".

EMPLOYEES

In the first three months of the year, the Group had an average workforce of 6 825 employees (6 968 in Q1/2009). The average number of employees in each market area was as follows:

	Q1/2010	Q1/2009
Finland	2 183	2 218
Sweden	2 862	2 954
Baltics	1 780	1 796

Sokolów employed an average of 5 586 (5 700) persons.

Analysis of employees by country at 31 March is as follows:

	31.3.2010	31.3.2009
Sweden	37.6%	39.2%
Finland	32.0%	31.9%
Estonia	23.0%	21.6%
Poland (Scan)	3.2%	2.8%
Latvia	2.6%	3.1%
Other countries	1.6%	1.4%

RISKS AND UNCERTAINTY FACTORS IN THE NEAR FUTURE

The most significant uncertainty factors faced by the HKScan Group involve developments in the price of raw materials, in future possibly their availability as well. Market area-specific uncertainty factors have to do especially with the success of the business development programmes in Finland and Sweden.

The international economic situation is stabilizing. 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 owing to the economic climate, for instance rising unemployment, may occur in the Group's market areas or its export markets. These may erode Group net sales and earnings.

The possibility of animal diseases can never be fully excluded in the food industry.

Protracted collective bargaining negotiations in Finland will have an adverse effect on the development of sales and profitability.

The Group is currently involved in certain legal proceedings and civil litigation. The cases remain pending but are estimated to have no significant impact on the Group's financial standing.

EVENTS TAKING PLACE AFTER THE END OF THE REVIEW PERIOD

(1) On 9 April 2010 the company announced that it was bringing forward development measures pertaining to the business chain in Finland. The aim is to strengthen HK Ruokatalo’s position in Finland and to achieve annual earnings improvements of roughly EUR 12 million.

Preliminary plans have HK Ruokatalo centralizing its production activities and scaling back production outsourced to subcontractors. The plans are intended to concern all of HK Ruokatalo’s production plants as well as all its employees and subcontractors in Finland. Tentative plans have implementation of the programmes translating into a reduction of roughly 200 person-years in HK Ruokatalo’s business chain. The appropriate negotiations with the employees of companies in the business segment of Finland will be started once the specifics of the plans have been worked out.

(2) The Annual General Meeting of Shareholders (AGM) held on 23 April 2010 adopted the parent company's and consolidated financial statements and discharged the members of the Board of Directors and the CEO from liability for 2009. It was decided to pay a dividend of EUR 0.22 per share, i.e. a total of EUR 11.9 million, as recommended by the Board of Directors.

The number of members of the Board of Directors was confirmed as six. Markku Aalto, Tiina Varho-Lankinen, Matti Karppinen and Matti Murto were re-elected, with Pasi Laine and Otto Ramel elected to the Board as new members. The Board re-elected Markku Aalto and Tiina Varho-Lankinen to serve as chairman and deputy chairman, respectively.

(3) The AGM resolved to elect Authorized Public Accountants PricewaterhouseCoopers Oy, with APA Johan Kronberg as principal auditor, and APA Petri Palmroth to serve as auditors as well as APA Mika Kaarisalo and APA Pasi Pietarinen to serve as deputy auditors until the end of the next AGM.

(4) The AGM authorized the Board to resolve on acquiring the company’s Series A shares as follows: The number of Series A shares to be acquired shall not exceed 3 500 000, equal to approximately 6.5% of all shares and roughly 7.2% of Series A shares in the company.

Pursuant to the authorization, own 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 utilized 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 authorization is valid until 30 June 2011.

This authorization cancels the authorization granted to the Board by the AGM of 23 April 2009 to resolve on acquiring the company's own A Shares.

(5) The Board of Directors was authorized to resolve on an issue of shares, option rights as well as other special rights entitling to shares as referred to in Chapter 10:1 of the Limited Liability Companies Act as follows:

This authorization concerns the issue of Series A shares. The Board was authorized to decide on the number of shares to be issued. However, no more than 5 500 000 Series A shares may be issued pursuant to this authorization. The maximum number under the authorization equals approximately 10.2% percent of total registered shares and approximately 11.3% percent of total Series A shares.

The Board is authorized to resolve on all of the terms governing the share issue and the issue of special rights entitling to shares. The authorization to issue shares shall cover the issuing of new shares as well as the transfer of the Company's treasury shares. The issue of shares and other special rights entitling to shares may be implemented as a directed issue. The authorization is valid until 30 June 2011.

This authorization cancels the authorization granted to the Board by the AGM of 23 April 2009 on resolving on an issue of shares, option rights as well as other special rights entitling to shares.

The authorizations concerning purchases of own 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 authorization cannot be exercised in violation of the principle of shareholder equality.

(6) HKScan Corporation issued on 29 April 2010 a stock exchange release concerning the insider trading investigation into LSO Osuuskunta's share trading. HKScan Corporation had learned that the pre-trial investigation and consideration of charges in this case had been completed. In respect of HKScan CEO Matti Perkonoja and one company official, the Helsinki district prosecutor had resolved not to bring charges.

The Helsinki district prosecutor did decide that six persons who were part of LSO Osuuskunta's management in 2006 would be charged with aggravated abuse of insider information. Three of these persons are currently members of the Board of Directors of HKScan Corporation. The charge is based on the respective persons' positions at the time as representatives of LSO Osuuskunta and does not relate to their roles in HKScan Corporation.

HKScan will monitor the progress of the proceedings and revisit the issue at the latest when the outcome of the case has been determined.

FUTURE OUTLOOK

Consumer demand for food is still expected to remain steady in the Group's home markets and export markets are anticipated to pick up somewhat towards the end of the year. Business streamlining programmes, in particular the progress of the restructuring programme in Sweden and the launch of the streamlining programme planned in Finland, provide the foundation for the more favourable development of the Group's competitiveness and profitability.

In the Group's Finnish business, the industrial action which started in April is projected to have a clear depressive impact on the segment's sales and earnings. It is also projected to result in the Group's profitability in the second quarter not reaching the level of the previous year.

With performance in the first half of the year falling markedly short of the same a year ago, the Group's full-year EBIT exclusive of non-recurring items is estimated to be at a level somewhat lower than in 2009.

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PREVIOUS GUIDANCE
HKScan Corporation, financial statements bulletin of 19 February 2010:
The Group's full-year EBIT exclusive of non-recurring items is estimated to surpass that in 2009 despite the considerable challenges posed by the markets in the early part of the year.
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Consolidated financial statements 1 January - 31 March 2010

CONSOLIDATED INCOME STATEMENT
(EUR million)

	Q1/2010	Q1/2009	2009
NET SALES	483.6	492.1	2 124.7
Operating income and expenses	-464.1	-470.5	-2 013.3
Share of profit of associates	0.5	0.2	0.9
Depreciation and impairment	-14.6	-13.6	-57.2
EBIT	5.5	8.2	55.1
Financial income	2.2	1.9	5.2
Financial expenses	-4.8	-8.7	-24.9
Share of profit of associates	1.0	0.3	2.0
PROFIT/LOSS BEFORE TAXES	3.9	1.7	37.3
Income taxes	0.1	-1.3	-4.9
PROFIT/LOSS FOR THE PERIOD	4.0	0.4	32.5
PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the parent	3.4	0.1	29.9
Minority interests	0.6	0.3	2.6
Total	4.0	0.4	32.5

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

EPS, undiluted, continuing operations, EUR/share	0.06	0.00	0.64
EPS, diluted, continuing operations, EUR/share	0.06	0.00	0.64

Per-share data has been adjusted for the share offering in 2009.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY – 31 MARCH
(EUR million)

	Q1/2010	Q1/2009	2009
Profit/loss for the period	4.0	0.4	32.5
OTHER COMPREHENSIVE INCOME (after taxes):			
Exchange differences on translating foreign operations	7.2	-6.4	1.8
Available-for-sale investments	0.4	-0.2	0.4
Cash flow hedging	-2.8	-0.6	-7.1
TOTAL OTHER COMPREHENSIVE INCOME	4.8	-7.2	-4.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8.8	-6.8	27.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the parent	8.0	-6.9	24.8
Minority interests	0.8	0.1	2.8
Total	8.8	-6.8	27.6

In calculating EPS, the interest on the hybrid bond accrued in the period adjusted for taxes has been deducted from the earnings for the period. The bond has not affected the diluted number of shares.

Per-share data has been adjusted for the share offering in 2009.

CONSOLIDATED BALANCE SHEET
(EUR million)

	Note	31.3.2010	31.3.2009	31.12.2009
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	1.	68.3	57.0	65.7
Goodwill	2.	90.3	82.7	88.2
Tangible assets	3.	479.4	468.9	469.1
Holdings in associates		22.7	18.3	20.9
Trade and other receivables		21.0	18.5	18.2
Available-for-sale investments		11.1	9.8	10.5
Deferred tax asset		14.2	9.8	12.3
NON-CURRENT ASSETS		707.0	665.1	685.0
CURRENT ASSETS				
Inventories	4.	133.5	144.9	118.7
Trade and other receivables		199.6	194.6	194.3
Income tax receivable		0.3	1.5	0.2
Other financial assets		2.1	2.1	2.0
Cash and cash equivalents		49.5	67.5	73.9
CURRENT ASSETS		385.1	410.7	389.0
ASSETS		1 092.1	1 075.8	1 074.0

EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	5.	66.8	66.8	66.8
Share premium reserve		74.2	73.5	74.2
Treasury shares		-0.0	-0.0	-0.0
Fair value reserve and other reserves		146.7	95.5	149.7
Translation differences		-7.1	-20.7	-13.1
Retained earnings		115.7	96.3	111.6
Equity attributable to equity holders of the parent		396.2	311.5	389.3
Minority interest		9.5	5.5	9.4
SHAREHOLDERS' EQUITY		405.7	317.0	398.7
NON-CURRENT LIABILITIES				
Deferred tax liability		31.7	33.2	32.2
Non-current interest-bearing liabilities		335.6	428.1	329.9
Non-current non-interest bearing liabilities		5.0	5.3	5.9
Pension obligations		3.5	3.6	3.6
Non-current provisions		6.0	2.7	8.5
NON-CURRENT LIABILITIES		381.9	472.9	380.1
CURRENT LIABILITIES				
Current interest-bearing liabilities		99.4	89.7	87.5
Trade and other payables		199.0	193.1	202.0
Income tax liability		3.0	0.6	2.7
Current provisions		3.1	2.4	2.8
CURRENT LIABILITIES		304.5	285.8	295.1
EQUITY AND LIABILITIES		1 092.1	1 075.8	1 074.0

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

	1.	2.	3.	4.	5.*)	6.	7.	8.	9.	10.	11.	12.
SHAREHOLDERS' EQUITY at 1.1.2010	66.8	74.2	-8.4	143.5	0.0	14.6	-13.1	0.0	111.6	389.3	9.4	398.7
Income and expenses recognized during the period, total		0.1	-2.4			0.3	6.0	0.0	4.0	8.0	0.8	8.8
Share-based compensation expense		-0.2								-0.2		-0.2
Other change						-1.0				-1.0	0.0	-1.0
Direct recognition in retained earnings									0.1	0.1	-0.2	-0.1
Transfers										0.0		0.0

between items												
Purchase of own shares										0.0		0.0
Increase in holdings in subsidiaries										0.0		0.0
Dividend distribution										0.0	-0.6	-0.6
SHAREHOLDERS' EQUITY at 31.03.2010	66.8	74.2	-10.8	143.5	0.0	13.9	-7.1	0.0	115.7	396.2	9.5	405.7

	1.	2.	3.	4.	5.*)	6.	7.	8.	9.	10.	11.	12.
SHAREHOLDERS' EQUITY at 1.1.2009	66.8	73.5	-2.2	66.7	20.0	12.2	-15.8	0.0	97.0	318.2	5.4	323.7
Income and expenses recognized during the period, total		-0.1	-0.8			-0.4	-4.9		-0.7	-6.9	0.1	-6.8
Share-based compensation expense		0.2								0.2		0.2
Other change						0.0				0.0		0.0
Direct recognition in retained earnings**)										0.0		0.0
Transfers between items			0.3			-0.3				0.0		0.0
Purchase of own shares										0.0		0.0
Payments made in treasury shares										0.0		0.0
Dividend distribution										0.0		0.0
SHAREHOLDERS' EQUITY at 31.03.2009	66.8	73.5	-2.8	66.7	20.0	11.5	-20.7	0.0	96.3	311.5	5.5	317.0

COLUMNS: 1. Share capital, 2. Share premium reserve, 3. Revaluation reserve, 4. Reserve for invested unrestricted equity (RIUE), 5. Other equity item, 6. Other reserves, 7. Translation differences, 8. Treasury shares, 9. Retained earnings, 10. Equity holders of the parent, 11. Minority interest, 12. Total

*) Comprising a hybrid bond classified as equity
**) Comprising interest paid on hybrid bond

In the financial statements for 2009, the company reported re-measurement of net investment hedges in the revaluation reserve. In the financial statements for 2009, the manner of reporting was changed and hedging is recognized as an adjustment to translation differences. The figures for the comparison year have been modified to correspond to the current practice.

CASH FLOW STATEMENT
(EUR million)

	Q1/2010	Q1/2009	2009
Operating activities			
EBIT	5.5	8.2	55.1
Adjustments to EBIT	-0.7	2.3	-0.4
Depreciation and amortization	14.6	13.5	57.2
Change in provisions	-2.8	2.0	7.6
Change in net working capital	-27.2	-30.2	2.5
Financial income	2.2	1.9	5.2
Financial expenses	-4.8	-8.7	-24.9
Taxes	0.1	-1.3	-4.9
Net cash flow from operating activities	-13.1	-12.4	97.4
Investing activities			
Gross investments in property, plant and equipment	-16.1	-13.2	-43.7
Disposals of property, plant and equipment	1.5	0.5	2.9
Investments in subsidiary	0.0	-	-4.7
Shares in associates purchased	-0.3	0.0	-0.3
Loans granted	-0.7	0.0	-0.0
Repayments of loan receivables	0.1	0.1	5.1
Net cash flow from investing activities	-15.5	-12.7	-40.8
Cash flow before financing activities	-28.6	-25.1	56.6
Financing activities			
Proceeds from share offering	-	-	76.8
Repayments of hybrid bond	-	-	-20.0
Current borrowings raised	31.2	16.7	46.6
Current borrowings repaid	-22.5	-2.7	-82.3
Non-current borrowings raised	10.4	10.8	74.7
Non-current borrowings repaid	-16.0	-22.0	-160.8
Interest on hybrid bond	-	-	-2.1
Dividends paid	-	-	-9.4
Purchase of treasury shares	0.0	0.0	0.0
Net cash flow from financing activities	3.2	2.9	-76.5
Change in cash and cash equivalents	-25.5	-22.2	-19.9
Cash and cash equivalents at 1.1.	75.9	94.4	94.4
Effect of changes in exchange rates on cash and cash equivalents	1.2	-2.6	1.4
Cash and cash equivalents at 31.3.	51.6	69.6	75.9

FINANCIAL INDICATORS
Per-share data has been adjusted for the share offering in 2009.

	31.3.2010	31.3.2009	31.12.2009
EPS, undiluted, EUR	0.06	0.00	0.64
EPS, diluted, EUR	0.06	0.00	0.64

Equity per share, 31.3, EUR 1)	7.34	6.99	7.21
Equity ratio, %	37.2	29.5	37.1
Adjusted average			
number of shares, mill.	54.0	44.6	44.9
Gross capital expenditure			
on PPE, EUR million	18.9	12.7	41.3
Employees, end of month			
average	6 825	6 968	7 429

1) Excluding minority's share of equity.

Notes to the Group's interim report

ACCOUNTING POLICIES

HKScan Corporation's interim report for 1 January – 31 March 2010 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 2009. These accounting principles are explained in the financial statements for 2009.

As of 1 January 2010, the Group has adopted the following new IFRS standards and interpretations:

- Revised IAS 27. Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009). The revised standard requires the effects of changes in subsidiary ownership to be recognized directly in Group equity when the parent entity retains control. If control in the subsidiary is lost, any remaining investment is measured to fair value and any difference recognized in profit or loss. A corresponding accounting treatment will in future apply also to investments in associates (IAS 28) and interests in joint ventures (IAS 31) As a result of the revision, the losses of a subsidiary can be allocated to the minority also when the losses exceed the minority's investment.

The figures presented in the interim report are unaudited.

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

	Q1/2010	Q1/2009	2009
NET SALES			
- Finland	167.8	175.3	732.5
- Sweden	230.5	238.4	1 037.4
- Baltics	35.8	37.3	156.9
- Poland	63.9	56.4	251.7
- Between segments	-14.3	-15.3	-53.9
Group total	483.6	492.1	2 124.7
EBIT			
- Finland	-0.6	6.2	27.0
- Sweden	2.7	2.1	16.7
- Baltics	1.1	1.0	9.8
- Poland	4.2	1.6	9.3
- Between segments	0.0	0.0	0.0
Segments total	7.4	10.9	62.8

Group administration costs	-1.9	*)-2.8	*) -7.7
Group total	5.5	8.2	55.1

*) Includes EUR 1.3 million in non-recurring severance pay relating to the termination of the former CEO's employment and recognized in Q1.

Notes to the balance sheet

1. CHANGES IN INTANGIBLE ASSETS
(EUR million)

	Q1/2010	Q1/2009	2009
Carrying amount at beginning of period	65.7	57.8	57.8
Translation differences	3.2	-0.4	3.0
Increase	0.2	0.0	2.8
Increase (acquisitions)	0.0	0.0	2.0
Decrease	-0.0	-0.0	0.0
Depreciation and impairment	-0.8	-0.5	-2.7
Transfer to other balance sheet item	0.0	0.1	2.8
Carrying amount at end of period	68.3	57.0	65.7

2. CHANGES IN GOODWILL
(EUR million)

	Q1/2010	Q1/2009	2009
Carrying amount at beginning of period	88.2	81.7	81.7
Translation differences	2.1	-0.2	1.6
Increase	0.0	1.2	1.9
Increase (acquisitions)	0.0	0.0	3.0
Decrease	0.0	0.0	0.0
Depreciation and impairment	0.0	0.0	0.0
Transfer to other balance sheet item	0.0	0.0	0.0
Carrying amount at end of period	90.3	82.7	88.2

3. CHANGES IN TANGIBLE ASSETS
(EUR million)

	Q1/2010	Q1/2009	2009
Carrying amount at beginning of period	469.1	479.3	479.3
Translation differences	10.0	-9.0	6.6
Increase	17.0	11.8	41.2
Increase (acquisitions)	0.0	0.3	3.8
Decrease	-2.3	-0.5	-3.3
Depreciation and impairment	-14.4	-12.9	-55.8
Transfer to other balance sheet item	0.0	-0.1	-2.6
Carrying amount at end of period	479.4	468.9	469.1

4. INVENTORIES
(EUR million)

	Q1/2010	Q1/2009	2009
Materials and supplies	82.6	94.9	73.9
Unfinished products	7.8	7.4	7.1
Finished products	29.6	29.0	23.7
Goods	0.1	0.1	0.0
Other inventories	3.9	4.1	4.1
Prepayments	2.4	1.8	2.1
Live animals, IFRS 41	7.2	7.7	7.6
Total inventories	133.5	144.9	118.7

5. NOTES TO SHAREHOLDERS' EQUITY

Share capital and share premium reserve	Number of outstanding shares	Share capital	Share premium reserve	RIUE	Treasury shares	Tot.
1.1.2010	53 974 540	66.8	72.9	143.5	0.0	283.2
31.3.2010	53 974 540	66.8	72.9	143.5	0.0	283.2

RIUE = Reserve for invested unrestricted equity

DERIVATIVE INSTRUMENT LIABILITIES
(EUR million)

	31.3.2010	31.3.2009	31.12.2009
Nominal values of derivative instruments			
Foreign exchange derivatives	* 136.5	106.8	104.6
Interest-rate derivatives	206.8	276.6	203.5
Electricity derivatives	11.1	8.7	10.8
Fair values of derivative instruments			
Foreign exchange derivatives	-0.7	-0.8	-1.1
Interest-rate derivatives	-14.7	-15.0	-11.3
Electricity derivatives	-1.0	-2.5	-0.6

* the figure includes EUR 35.5 million in foreign exchange derivatives maturing in early April 2010 and already extended

CONSOLIDATED OTHER CONTINGENT LIABILITIES
(EUR million)

	31.3.2010	31.3.2009	31.12.2009
Debts secured by			
pledges or mortgages			
- loans from financial institutions	35.6	37.9	33.9
Given as security			
- real estate mortgages	53.1	40.2	55.5
- pledges	32.4	20.1	30.4
- floating charges	21.4	15.9	20.7

For associates			
- guarantees	5.0	5.5	5.0
For others			
- guarantees and pledges	11.7	11.2	12.4
Other contingencies			
Leasing commitments	20.6	20.0	19.0
Rent liabilities	41.7	43.7	40.6
Other commitments	6.1	4.5	5.8

BUSINESS TRANSACTIONS WITH RELATED PARTIES
(EUR million)

	Q1/2010	Q1/2009	2009
Sales to associates	9.2	7.4	34.9
Purchases from associates	9.2	9.3	35.2
Trade and other receivables	2.0	1.8	2.5
Trade and other payables	9.1	8.7	8.5
Severance pay to the CEO	0.0	1.3	1.3

NON-RECURRING ITEMS
(EUR million)

	Q1/2010	Q1/2009	2009
Employee benefits expenses	-	-3.6	-10.8
Depreciation and impairment	-	0.0	-1.9
Total non-recurring items	-	-3.6	-12.7

The figures presented in the interim report are unaudited.

Vantaa, 4 May 2010

HKScan Corporation
Board of Directors

Further information is available from 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. It had net sales of 2.1 billion euro in 2009.

DISTRIBUTION:
NASDAQ OMX Helsinki
Financial Supervisory Authority FIN-FSA
Main media
www.hkscan.com

HKScan Corporation
tel: +358 10 570 100
fax: +358 10 570 6146
firstname.surname@hkscan.com
Business ID: 0111425-3
www.hkscan.com

Turku
PO Box 50 (Kaivokatu 18)
FI-20521 Turku, Finland

Vantaa
PO Box 49 (Väinö Tannerin tie 1)
FI-01511 Vantaa, Finland