6 November 2012 at 8:00 AM

HKSCAN GROUP'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2012:
Modest recovery continues

- Group net sales in January-September 2012 totalled EUR 1 873.3 million (EUR 1 841.4 m for the corresponding period in 2011), growing by 2 per cent.

- Group EBIT came to EUR 19.9 million (EUR 22.1 m) and was 1.1 per cent (1.2%) of net sales. The EBIT shortfall compared to the corresponding period in 2011 relates to losses during the first six months in the Swedish business. In Denmark the fire at the Vinderup plant in early June slowed sales and good business development. The businesses in Finland, Baltics and Poland recorded positive progress and they improved their performance compared to the previous year.

- Group cash flow before debt service was EUR 26.1 million (EUR 9.6 million), and group net financial expenses stood at EUR -24.4 million (EUR -21.9 m) based mainly on higher loan margins.

HKScan maintains the outlook for 2012 which stated that due to the weak development of business in Sweden, there is a risk that the Group's EBIT will come out below the level of 2011. However, including the estimated non-recurring income of fire insurance compensation is very likely to improve the reported EBIT compared to 2011.

HKSCAN GROUP

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
Net sales	623.0	618.1	1 873.3	1 841.4	2 491.3
EBIT	15.0	14.0	19.9	22.1	39.6
- EBIT margin, %	2.4	2.3	1.1	1.2	1.6
Profit/loss before taxes	6.9	5.6	-2.5	2.2	11.3
Earnings per share, EUR	0.11	0.09	0.01	0.05	0.18

GROUP OVERVIEW: JULY-SEPTEMBER 2012

The HKScan Group's business during the third quarter of 2012 developed positively. The businesses in Denmark, Finland, the Baltics and Poland improved their EBITs compared to the corresponding period in 2011. Business in Sweden also recovered from the losses in the first six months and reported a small profit. As for the market area Denmark, the fire at the Vinderup plant at the beginning of June caused a disturbance in sales, production and business development. The rebuilding work after the fire has been proceeding according to plan and full production is expected to be started in early December.

Group volumes were slightly lower than during the previous year due to lower demand because of rainy weather and shortage of cattle. Raw material prices kept rising driven by the bad crops and significantly higher feed prices.

At the beginning of August, the Group announced its revised strategy, in which the focus is to improve profitability by building up brand value and demand, improving operational efficiency, actively managing the dynamics of future business and developing its capital structure and Group reporting. HKScan also announced changes in the Group's management and operating model in order to harmonise, simplify and enhance internal processes.

The organisations of the Away from Home (AfH) Business associated with the new operating model announced by HKScan in August and the Group-level functions, such as Technology & Operations Development, were established during the third quarter. Away from Home (AfH) looks after the Business-to-Business (B2B), Food Service, industrial, export and import businesses in all HKScan's markets. Technology & Operations Development is responsible for raw material and other material purchases, quality processes, development of the order-supply chain and production technology, investments, IT systems, coordination and development of innovation operations, as well as responsibility issues.

At the beginning of April, the Group launched an extensive development programme to be implemented by the end of 2013. The target is to achieve annual profit improvements exceeding EUR 20 million and a considerable reduction in invested capital. The programme covers the Group's business and operations in Finland, the Baltics, Sweden and Denmark. The identified profitability improvement opportunities are mainly focused on reaping group synergies in group-wide cooperation in product mix and offerings, economies of scale in sourcing, restructuring and simplifying processes and organisations, fixed cost savings, improving demand and supply planning, management of trade receivables and payables as well as divestments of non-core business related assets.

As a part of the Group development programme, a specific plan concerning restructuring of the business in Sweden was published in August. The Swedish restructuring plan was further specified in early October. Overall the Group development programme is moving ahead as planned.

MARKET AREA: FINLAND

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
Net sales	205.5	199.0	615.9	594.9	812.4
EBIT	5.6	4.8	11.0	4.9	12.1
- EBIT margin, %	2.7	2.4	1.8	0.8	1.5

The profitability in Finland continued to improve in the third quarter compared with the corresponding period in 2011. Net sales in the quarter were EUR 205.5 million (EUR 199.0 m). EBIT was EUR 5.6 million (EUR 4.8 m).

The seasonal sales in summer succeeded well, though the cool and rainy weather hampered the demand. Supply of Finnish beef continued to be scarce, affecting especially the production volumes of minced meat.

In Finland HK Rypsiporsas®, the Rapeseed Pork, has continued to sell well. There are currently already more than 130 different products, meats and processed meats made from Rypsiporsas® available for consumers. One example of the new Rypsiporsas based products is the A class HK Sininen Lenkki® launched on the market this autumn.

Measures to increase operating efficiency have advanced according to plan in Finland. The contract reform concerning pork procurement was finalised during the third quarter.

In August the company announced that Järvi-Suomen Portti would adjust its operations through cost-savings and temporary lay-offs.

MARKET AREA: BALTICS

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
Net sales	44.3	44.9	131.6	128.3	173.3
EBIT	3.6	3.4	7.4	7.0	9.8
- EBIT margin, %	8.1	7.6	5.7	5.4	5.6

In the Baltics, net sales totalled EUR 44.3 million (EUR 44.9 m) in the third quarter. EBIT for the quarter was EUR 3.6 million (EUR 3.4 m).

Seasonal sales in the Baltics were on the level of the previous year. Sales of HKScan's local brands developed well, enhancing the product offering and supporting positive development in profitability. The most successful sales were Rakvere's barbeque sausage portfolio and Tallegg's marinated chicken products. In addition to these, a positive sales development could also be noted for Jelgava salamis in Latvia and Rakvere's new "Lihakas" products in Estonia.

Sales margins have been successfully maintained. Several efficiency improvement projects have been launched in the Baltics. The main ones include a renovation project for meat processing in Tallegg, and centralisation of warehousing operations as well as energy saving projects in both pig primary production and Rakvere's meat production

MARKET AREA: SWEDEN

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
Net sales	248.7	254.7	762.6	770.1	1 045.7
EBIT	3.2	5.4	-6.5	9.7	17.2
- EBIT margin, %	1.3	2.1	-0.9	1.3	1.6

In Sweden, net sales in the third quarter amounted to EUR 248.7 million (EUR 254.7 m). EBIT for the period was positive, but lower than in the corresponding period last year: EUR 3.2 million (EUR 5.4 m).

Prices of imported meat rose rapidly during the quarter supporting the local meat raw material demand and increasing sales price development.

The barbeque season sales were lower than in the same period in 2011. Sales of cold cuts, however, are growing strongly, especially products under the Pärsons brand performed well. In September, the Swedish Rapeseed Pork, Svensk Rapsgris, was successfully launched to retail.

HKScan has announced a plan concerning restructuring of the business in Sweden. The aim is to streamline the structure of the business in line with the Group's new operating model. As a result the structure in Sweden will be harmonised and rearranged to one operating model and management entity. Scan and Pärsons, which have previously operated as business units, will continue as brands in HKScan's business in Sweden. The aim is to continue to further develop the brands and product offering, as well as raise the added-value of the products.

The plan is to transfer the production of semi-finished products from Strövelstorp to the production facilities located in Halmstad and Kristianstad, Sweden. Once implemented, the plan will mean the discontinuation of production operations at the Strövelstorp plant, and a workforce reduction of approximately 100 white-collar employees and 50 blue-collar employees.

In the stock release published on 8 October, HKScan specified the above efficiency plan of the business in Sweden by announcing further actions. One such action was the shut-down of the cold cut production unit in Bjaeverskov, Denmark at the end of September. Due to the pork meat production decline in Sweden, it is additionally intended that the nightshift of pork cutting in Kristianstad will be discontinued, which means that cutting operations will work in one shift. Employer-employee negotiations concerning the employment termination of 55 people were commenced on 8 October 2012 in Kristianstad. If implemented, this plan means that in addition to the employment termination of about 150 people, announced previously, the number of staff will be reduced by about 70 people more.

The restructuring plans of the business in Sweden aim to improve the result by EUR 10 million before one-off costs, and the plan is to implement the changes by the middle of 2013. The matter is also handled under "Events after the reporting period" in this report. The strategic review continues in Sweden.

MARKET AREA: DENMARK

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
Net sales	51.6	60.4	160.8	173.8	228.1
EBIT	0.9	-1.3	2.6	-2.4	-3.7
- EBIT margin, %	1.8	-2.2	1.6	-1.4	-1.6

In Denmark, net sales in the third quarter were EUR 51.6 million (EUR 60.4. m). EBIT for the period came in at EUR 0.9 million (EUR -1.3 m).

Sales of fresh poultry products to the Danish market are recovering after the fire, but the corresponding sales launched on the Swedish market in spring will need a restart. The rebuilding of the Vinderup production plant is proceeding well and production is planned to be started in early December.

The slaughtering volumes of poultry at the moment are about 80% of the normal. Recent raw material price increases haven't yet been passed fully to sales prices, which together with lowered volume due to the fire started affecting the profitability negatively in the third quarter.

The insurances are estimated to cover both the property damages and the losses and extra costs caused by the business interruption. It is estimated that the total damages will be more than EUR 50 million. So far a total of EUR 18.4 million in insurance compensation has been booked on the basis of the property and business interruption insurance policy in other operating income. Insurance claims posted in the reporting period are based on received insurance payments reflecting occurred costs, write-downs and estimated loss of margin. The current rebuilding work in progress will mean recording higher capital expenditures during the last quarter.

MARKET AREA: POLAND

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
*)					
Net sales	88.7	77.5	256.0	225.0	298.9
EBIT	3.6	3.4	11.5	9.2	12.7
- EBIT margin, %	4.0	4.4	4.5	4.1	4.2

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

In Poland, net sales in the third quarter totalled EUR 88.7 million (EUR 77.5 m), meaning a growth of 14 per cent. EBIT for the period was EUR 3.6 million (EUR 3.4 m).

Net sales of Sokolów continued to develop well as a result of increased sales of processed products, successful new product launches and the high recognition of the Sokolów brand. Export sales have been strong, though strengthened Polish currency has reduced the margin. The price competition in modern retail chains in Poland continues to be fierce. Polish primary production is also weakening and consolidating. Livestock imports are used to some extent to balance the shortfall.

CHANGES IN ORGANISATION

On 31 October 2012 HKScan published a stock release on following changes: Göran Holm (54) has been appointed Executive Vice President of HKScan's consumer business in Scandinavia and a member of the Management Team of HKScan as of 3 December 2012. Göran Holm will report to CEO Hannu Kottonen.

As announced earlier, director Denis Mattsson will retire at the end of 2012. Magnus Lindholm will continue as director of operative activities of HKScan Sweden.
Sirpa Laakso, Executive Vice President, HR, will leave HKScan's employment. A new Executive Vice President, HR, will be appointed at a later date.

Markku Krutsin (48), M.Sc. (Econ.), has been appointed Senior Vice President, Innovation and Technology, at HKScan's Technology & Operations Development as of 1 November 2012. Krutsin will report to Aki Laiho, COO responsible for the development of HKScan's technology and production.

Marja-Leena Dahlskog, M.Sc. (Econ.), was appointed Senior Vice President (SVP), Communications of HKScan Group at the beginning of October. She will assume her duties on 3 December 2012.

HKSCAN'S MANAGEMENT TEAM

As of 3 December 2012, the Management Team of HKScan comprises as follows: Hannu Kottonen, CEO; Aki Laiho, COO responsible for the development of technology and production; Tuomo Valkonen, CFO; Anne Mere, Executive Vice President responsible for the consumer business in Finland and the Baltics; Göran Holm, Executive Vice President responsible for the consumer business in Scandinavia; Jukka Nikkinen, Executive Vice President of the Away from Home Business; and Markku Suvanto, Administrative and Legal Director of HKScan who also acts as the Management Group's secretary.

Appointments in HKScan's Management Team and senior management which were made in conjunction with the strategy update and operating model changes were announced in the stock exchange release on 10 August 2012.

CHANGES TO THE CORPORATE STRUCTURE

HKScan announced on 29 June 2012 that it will clarify and simplify its corporate structure in Finland in order to harmonise the Group's operational policies and to streamline its internal administration. The merger of HKScan Finland Oy and its wholly owned subsidiaries (Järvi-Suomen Portti Oy and Helanderin Teurastamo Oy) is proceeding according to plan. The aim is that the mergers will be completed by 31 December 2012.

On 10 August 2012, HKScan announced its aim to clarify and streamline the structure of the business in Sweden in line with the Group's operating model. According to the plan, the wholly-owned subsidiaries belonging to the subgroup in Sweden will be merged into a single legal entity. Scan and Pärsons, which have previously operated as business units, will continue as brands in HKScan's business in Sweden.

In addition, HKScan will streamline the structure of production and revamp the organisation. When the plan is implemented, HKScan's commercial, production and logistics organisations and other operations supporting the business in Sweden will be merged.

INVESTMENTS

The Group's production-related gross investments in the third quarter totalled EUR 7.1 million (EUR 9.1 m) and in January-September EUR 40.7 million (EUR 41.5 m). They were divided by market area as follows:

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
Finland	0.6	2.0	7.1	12.3	17.3
Baltics	3.6	2.2	8.3	8.5	12.4
Sweden	0.2	1.0	5.2	6.7	8.9
Denmark [1)]	0.6	1.5	8.4	4.3	7.8
Poland [2)]	2.2	2.5	11.9	9.7	14.5
Total	7.1	9.1	40.7	41.5	61,0

[1)] Excluding the work in progress of the Vinderup plant.
[2)] HKScan's share (50%) of Sokolów investments.

In Finland, the investments concerned the repair and maintenance of the production lines. In Sweden, the investments were made in process development both in Kristianstad and Linköping, and the Svensk Rapsgris concept in Skara. In the market area of the Baltics, the investments involved energy savings and primary production as well the programme for restructuring of the production at Tallegg. Additionally, the investment in the production line of cooked minced meat will enable an increase in related sales in all the Baltic markets. In Poland, the investments in the third quarter included four new production lines and the developing of processing facilities at the Kolo plant.

FINANCING

The Group's interest-bearing debt at the end of September stood at EUR 524.4 million (EUR 506.9 m). Gross interest-bearing debt at the turn of the year was EUR 504.2 million. The growth in debt compared to the situation at the turn of the year is attributable to currency changes, paid dividends, tying up of working capital and repurchase of HKScan own shares. Compared with the corresponding period in 2011, the debt increased due to currency changes and the above mentioned repurchase of own shares, which was earlier booked as a liability in the balance sheet.

Group net financial expenses in January-September totalled EUR -24.4 million (EUR -21.9 m). Net financial expenses increased compared with the previous year due to higher debt, higher margins on loans and non-recurring expenses for financing arrangements. Because of interest rate hedging, decreased general interest levels have not significantly lowered the financial expenses.

Undrawn committed credit facilities on 30 September 2012 stood at EUR 180.0 million (EUR 178.0 m). In addition, the Group had other undrawn overdraft and other facilities of EUR 35.1 million (EUR 31.8 m). The EUR 200 million commercial paper programme had been drawn to the amount of EUR 135.0 million (EUR 73.0 m).

The equity ratio at the end of September was 33.2 per cent (33.3%). The equity ratio at the turn of the year was 33.6 per cent.

SHARES

At the end of September 2012, the HKScan Group's share capital stood at EUR 66 820 528.10. The Group's total number of shares issued was 55 026 522, and 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. At the end of September the company held 1 053 734 A Shares as treasury shares.

HKScan's market capitalisation at the end of September 2012 stood at EUR 197.5 million. It breaks down as follows: The Series A shares had a market value of EUR 178.2 million and the unlisted Series K shares a calculated market value of EUR 19.4 million.

In January-September 2012, a total of 6 615 237 of the company's shares with a total value of EUR 31 186 607 were traded. The highest price quoted in the period under review was EUR 6.40 and the lowest EUR 3.17. The median price was EUR 4.64. At the end of September, the closing price was EUR 3.59.

At the end of September 2012, foreign and nominee-registered shareholders held 14.7 per cent of the company's shares.

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

REPURCHASE OF OWN SHARES

On 6 August 2012, HKScan acquired 1 000 000 HKScan series A shares for EUR 8 000 000 (at EUR 8.00/share). The acquisition pertains to the share purchase agreement of the Danish company Rose Poultry A/S, announced on 9 September 2010 and 4 June 2012.

BOARD OF DIRECTORS' AUTHORISATIONS

The Annual General Meeting of HKScan Corporation held on 25 April 2012 gave the Board authorisations to decide on share issues as well as issue option rights and other special rights entitling to shares, to decide on the purchase of the Company's own Series A shares and/or on the acceptance of the Company's own Series A shares as a pledge, and to decide on the transfer of the Company's own shares.

The authorisations are described in more detail in the stock release on the AGM published on 25 April 2012.

During January-September 2012, the Board exercised the above authorisations in conjunction to the share repurchase of 1 000 000 shares paid on 6 August 2012. Further information about the repurchase is available in the stock releases published on 4 June 2012 and 6 August 2012, and under title "Repurchase of own shares" in this report.

EMPLOYEES

During January – September 2012, HKScan, excluding Sokolów in Poland, had an average workforce of 8 091 employees (8 520).

The number of employees in Finland has increased mainly due to the intake of outsourced cutting operations. In Sweden, Denmark and the Baltics, the numbers of employees have decreased as a consequence of the ongoing efficiency programmes.

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

	Q1-Q3/2012	Q1-Q3/2011	2011
Finland	2 846	2 796	2 750
Baltics	1 772	1 897	1 881
Sweden	2 683	2 937	2 789
Denmark	790	890	867
Total	**8 091**	**8 520**	**8 287**

In addition, the Sokolów Group employed during the period an average of 6 213 (6 193) persons. At the end of 2011 the corresponding number was 6 191.

On 30 September the number of employees, excluding Sokolów in Poland, stood at 7 504 (8 055).

Division of employees by market area at 30 September is as follows:

	30.9.2012	30.9.2011	31.12.2011
Finland	2 610	2 614	2 568
Baltics	1 746	1 861	1 803
Sweden	2 358	2 731	2 704
Denmark	790	849	807
Total	**7 504**	**8 055**	**7 882**

Additionally, the Sokolów Group had 6 228 (6 352) employees at the end of the period under review. At the end of 2011, the corresponding number was 6 175.

HKSCAN AND HK RUOKATALO SUBJECT TO AN ACTION FOR DAMAGES BY OY PRIMULA AB'S BANKRUPT'S ESTATE

As informed by a stock exchange release on 7 September 2012, HKScan Corporation and HK Ruokatalo

Oy have been 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, and it concerns initial reports between HK Ruokatalo and Primula in 2009 and 2010 related to possible cooperation with Primula's Järvenpää factory (Järvenpään Herkkutehdas Oy). The reports did not result in cooperation between HK Ruokatalo and Primula's Järvenpää factory.

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

RISKS AND UNCERTAINTY FACTORS IN THE NEAR FUTURE

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 with the adequacy of increases in the sales prices for the products in relation to cost development. Uncertainty factors specific to market areas have to do with the implementation of the business development programmes. The factors are also related to recovery from the production break at the Vinderup plant in Denmark on the market. The Christmas season's sales have a signifcant impact on profitability.

The risk of animal diseases can never be fully excluded in the food industry's raw meat supplies.

EVENTS AFTER THE REVIEW PERIOD

On 8 October 2012, HKScan announced continuing efficiency measures in Sweden and Denmark as part of the extensive group development programme launched in the spring and which will continue until the end of 2013.

As communicated previously, the slicing of cold cuts and the manufacturing of cold-smoked products in Sweden will be centralised in Halmstad, and the manufacturing of other cold cuts in Kristianstad. Related to this, the cold cut production unit in Bjaeverskov, Denmark, was also shut down at the end of September. If implemented, the aforementioned measures will cause the employment of about 70 people to be terminated.

Due to the pork meat production decline in Sweden, it is additionally intended that the nightshift of pork cutting in Kristianstad will be discontinued, which means that cutting operations will work in one shift. Employer-employee negotiations concerning the employment termination of 55 people have been commenced on 8 October 2012.

If implemented, the above plan means that in addition to the employment termination of about 150 people, announced previously, the number of staff will be reduced by about 70 people more. This issue is also discussed under "Market area Sweden" in this report.

On 31 October 2012 HKScan published a stock release on changes in the HKScan Management Team and senior management. See further the chapter "Changes in the organisation" earlier in this report.

FUTURE OUTLOOK

Prices of meat raw material are difficult to predict under cost pressure in primary production. The Group will improve its profitability through its development programmes, and passing raw material price increases to sales prices. Rectifying the performance level of the business in Sweden will have a significant impact on the Group during the end of the year.

HKScan maintains the outlook for 2012 which stated that due to the weak development of business in Sweden, there is a risk that the Group's EBIT will come out below the level of 2011. However, including the estimated non-recurring income of fire insurance compensation is very likely to improve the reported EBIT compared to 2011.

CONSOLIDATED INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2012

CONSOLIDATED INCOME STATEMENT

(EUR million)	Note	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
NET SALES		623.0	618.1	1 873.3	1 841.4	2 491.3
Operating income and expenses	1.	-589.8	-586.6	-1 793.3	-1 765.9	-2 380.5
Share of associates' results		-0.3	0.2	-0.6	0.6	1.1
Depreciation and impairment	1.	-17.9	-17.7	-59.6	-54.0	-72.3
EBIT		15.0	14.0	19.9	22.1	39.6
Financial income		1.1	2.0	4.4	5.5	7.4
Financial expenses		-9.6	-11.0	-28.9	-27.4	-38.3
Share of associates' results		0.4	0.6	2.1	2.0	2.5
PROFIT/LOSS BEFORE TAXES		6.9	5.6	-2.5	2.2	11.3
Income taxes		-0.4	-0.1	3.9	1.7	1.0
PROFIT/LOSS FOR THE PERIOD		6.5	5.6	1.4	3.9	12.2
PROFIT/LOSS FOR THE PERIOD ATTRIBUTABLE TO:						
Equity holders of the parent		5.8	5.2	0.7	2.6	10.1
Non-controlling interests		0.7	0.4	0.7	1.3	2.1
Total		6.5	5.6	1.4	3.9	12.2

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

EPS, undiluted, continuing operations, EUR/share	0.11	0.09	0.01	0.05	0.18
EPS, diluted, continuing operations, EUR/share	0.11	0.09	0.01	0.05	0.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY – 30 SEPTEMBER

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	31.12.2011
Profit/loss for the period	6.5	5.6	1.4	3.9	12.2
OTHER COMPREHENSIVE INCOME (after taxes):					
Exchange differences on translating foreign operations	5.0	-4.3	9.1	-6.0	-2.5
Cash flow hedging	-0.3	-4.5	-0.7	-3.5	-7.4
Revaluation	0.1	0.1	0.3	0.1	0.0
TOTAL OTHER COMPREHENSIVE INCOME	4.8	-8.7	8.7	-9.4	-9.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11.2	-3.1	10.1	-5.5	2.4

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:					
Equity holders of the parent	10.8	-3.5	9.6	-6.6	0.3
Non-controlling interests	0.4	0.5	0.5	1.1	2.1
Total	11.2	-3.1	10.1	-5.5	2.4

CONSOLIDATED BALANCE SHEET

(EUR million)	Note	30.9.2012	30.9.2011	31.12.2011
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	2.	78.7	74.7	76.6
Goodwill	3.	102.0	99.7	101.0
Tangible assets	4.	500.3	513.2	516.5
Shares in associates		35.3	28.6	29.9
Trade and other receivables		37.9	29.7	31.1
Available-for-sale investments		13.5	12.1	13.0
Deferred tax asset		25.1	17.0	21.1
NON-CURRENT ASSETS		792.8	775.1	789.2
CURRENT ASSETS				
Inventories	5.	180.3	180.2	190.2
Trade and other receivables		226.7	238.5	223.8
Income tax receivable		7.9	4.0	1.5
Other financial assets		0.3	0.3	0.4
Cash and bank		50.0	48.4	48.0
CURRENT ASSETS		465.3	471.4	463.8
ASSETS		1 258.0	1 246.5	1 253.0
EQUITY AND LIABILITIES				
EQUITY				
Share capital	6.	66.8	66.8	66.8
Share premium reserve		73.4	73.3	73.4
Treasury shares		0.0	0.0	0.0
Fair value reserve and other reserves		154.4	155.7	153.2
Translation differences		7.4	-5.0	-1.9
Retained earnings		107.8	111.5	117.9
Equity attributable to equity holders of the parent		409.8	402.2	409.3
Non-controlling interests		8.0	11.3	12.2
EQUITY		417.8	413.5	421.5
NON-CURRENT LIABILITIES				
Deferred tax liability		37.7	37.5	36.9
Non-current interest-bearing liabilities		357.8	397.9	333.5

Non-current non-interest bearing liabilities		2.3	12.4	3.0
Non-current provisions		0.7	1.0	0.6
Pension obligations		2.9	2.9	3.1
NON-CURRENT LIABILITIES		401.5	451.8	377.1
CURRENT LIABILITIES				
Current interest-bearing liabilities		166.5	109.0	170.6
Trade and other payables		271.1	269.5	282.9
Income tax liability		0.2	2.1	0.1
Current provisions		0.9	0.7	0.7
CURRENT LIABILITIES		438.8	381.2	454.4
EQUITY AND LIABILITIES		1 258.0	1 246.5	1 253.0

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(EUR million)	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**	**117.9**	**409.3**	**12.2**	**421.5**
Result for the financial period								0.7	0.7	0.7	1.4
Transl. diff.						9.3			9.3	-0.2	9,1
Cash flow hedging			-0.7						-0.7		-0.7
Revaluat.					0.3				0.3		0.3
Total compreh. income for the period			-0.7		0.3	9.3		0.7	9.6	0.5	10.1
Shared-based compens. expense									0.0		0.0
Other change									0.0	-3.8	-3.8
Direct recognit. in retained earnings								0.2	0.2		0.2
Transfers between items					1.7			-1.7	0.0		0.0
Share issue									0.0		0.0
Purchase of treasury shares									0.0		0.0
Increase in holdings in subsid.									0.0		0.0
Dividend distribut.								-9.3	-9.3	-0.9	-10.2
EQUITY AT 30.9.2012	**66.8**	**73.4**	**-14.6**	**143.5**	**25.5**	**7.4**	**0.0**	**107.8**	**409.8**	**8.0**	**417.8**

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
EQUITY AT 1.1.2011	**66.8**	**73.4**	**-6.5**	**143.5**	**17.4**	**0.6**	**0.0**	**124.4**	**419.6**	**11.1**	**430.6**
Result for the financial period								2.6	2.6	1.3	3.9
Transl. diff.		-0.1			-1.4	-5.6		1.3	-5.9	-0.1	-6.0
Cash flow hedging			-3.5						-3.5		-3.5
Revaluat.					0.1				0.1		0.1
Total compreh. income for the period	0.0	-0.1	-3.5	0.0	-1.3	-5.6	0.0	3.9	-6.6	1.1	-5.5
Shared-based compens. expense									0.0		0.0
Other change									0.0		0.0
Direct recognit. in retained earnings								1.4	1.4		1.4
Transfers between items					6.2			-6.2	0.0		0.0
Share issue									0.0		0.0
Purchase of treasury shares									0.0		0.0
Increase in holdings in subsid.									0.0		0.0
Dividend distribut.								-12.1	-12.1	-0.9	-13.0
EQUITY AT 30.9.2011	**66.8**	**73.3**	**-10.0**	**143.5**	**22.2**	**-5.0**	**0.0**	**111.5**	**402.2**	**11.3**	**413.5**

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-Q3/2012	Q1-Q3/2011	2011
Operating activities			
Cash flow from operating activities	69.5	51.8	79.9
Financial items and taxes	-35.6	-24.2	-26.1
Net cash flow from operating activities	33.9	27.6	53.9
Investments			
Gross investments in property, plant and equipment	-39.8	-40.1	-60.4
Disposals of property, plant and equipment	1.1	1.3	1.9
Investments in subsidiary	-	-	-
Shares in associates purchased	-0.1	-0.2	-1.0
Shares in associates sold	0.6	0.0	0.0
Loans granted	-1.8	-1.5	-1.8
Repayments of loans receivable	0.4	1.2	2.1
Net cash flow from investing activities	-39.7	-39.3	-59.2
Cash flow before financing activities	-5.8	-11.7	-5.4
Financing activities			
Current borrowings raised	29.3	35.7	76.8
Current borrowings repaid	-34.2	-82.1	-98.3
Non-current borrowings raised	124.3	125.9	159.4
Non-current borrowings repaid	-102.2	-77.8	-142.4
Dividends paid	-9.9	-12.1	-12.7
Net cash flow from financing activities	7.4	-10.5	-17.1
Change in cash and cash equivalents	1.6	-22.2	-22.5
Cash and cash equivalents at 1.1.	48.4	73.4	73.4
Effect of changes in exchange rates on cash and cash equivalents	0.3	-2.4	-2.5
Cash and cash equivalents at 30.9.	50.3	48.7	48.4

FINANCIAL INDICATORS

	30.9.2012	30.9.2011	31.12.2011
Earnings per share (EPS), undiluted, EUR	0.01	0.05	0.18
Earnings per share (EPS), diluted, EUR	0.01	0.05	0.18
Equity per share at 30 September, EUR	7.59	7.32	7.67
Equity ratio, %	33.2	33.3	33.6
Adjusted average number of shares, mill.	54.0	55.0	55.0
Gross capital expenditure on PPE, EUR mill.	40.7	41.5	61.0
Employees, end of month average	8 091	8 520	8 287

NOTES TO THE CONSOLIDATED INTERIM REPORT

ACCOUNTING POLICIES

HKScan Corporation's interim report for 1 January – 30 September 2012 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 2011. There are no IFRS standards or IFRIC interpretations that have become effective in the period under review that would have a material impact on the Group. 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 2011.

ANALYSIS BY SEGMENT

Net sales and EBIT by market area

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
NET SALES					
- Finland	205.5	199.0	615.9	594.9	812.4
- Baltics	44.3	44.9	131.6	128.3	173.3
- Sweden	248.7	254.7	762.6	770.1	1 045.7
- Denmark	51.6	60.4	160.8	173.8	228.1
- Poland	88.7	77.5	256.0	225.0	298.9
- Between segments	-15.9	-18.3	-53.6	-50.7	-67.1
Group total	623.0	618.1	1 873.3	1 841.4	2 491.3
EBIT					
- Finland	5.6	4.8	11.0	4.9	12.1
- Baltics	3.6	3.4	7.4	7.0	9.8
- Sweden	3.2	5.4	-6.5	9.7	17.2
- Denmark	0.9	-1.3	2.6	-2.4	-3.7
- Poland	3.6	3.4	11.5	9.2	12.7
- Between segments	-	-	-	-	-
Segments total	16.9	15.7	26.1	28.4	48.0
Group admin. costs	-1.9	-1.7	-6.2	-6.3	-8.4
Group total	15.0	14.0	19.9	22.1	39.6

NOTES TO THE INCOME STATEMENT

1. NON-RECURRING ITEMS

(EUR million)	Q3/2012	Q3/2011	Q1-Q3/2012	Q1-Q3/2011	2011
Property insurance claim [1)]	0.1	-	5.5	-	-
Impairment of fixed assets destroyed in the fire [2)]	-0.1	-	-5.5	-	-
Non-recurring items Total	0.0	-	0.0	-	-

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

[2]) Included in the Income Statement in the item "Depreciation and impairment"

NOTES TO THE STATEMENT OF FINANCIAL POSITION

2. CHANGES IN INTANGIBLE ASSETS

(EUR million)	Q1-Q3/2012	Q1-Q3/2011	2011
Carrying amount at beginning of period	76.6	77.1	77.1
Translation differences	3.5	0.1	0.3
Increase	0.9	1.8	2.3
Increase (acquisitions)	0.0	0.0	0.0
Decrease	0.0	-0.7	-0.3
Depreciation and impairment	-3.2	-2.9	-4.0
Transfer to other balance sheet item	1.0	-0.5	1.1
Carrying amount at end of period	78.7	74.7	76.6

3. CHANGES IN GOODWILL

(EUR million)	Q1-Q3/2012	Q1-Q3/2011	2011
Carrying amount at beginning of period	101.0	100.4	100.4
Translation differences	1.9	-1.1	0.2
Increase	0.0	0.4	0.4
Increase (acquisitions)	0.0	0.0	0.0
Decrease	-0.9	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	102.0	99.7	101.0

4. CHANGES IN PROPERTY, PLANT AND EQUIPMENT

(EUR million)	Q1-Q3/2012	Q1-Q3/2011	2011
Carrying amount at beginning of period	516.5	537.8	537.8
Translation differences	12.6	-10.3	-7.9
Increase	40.1	37.5	56.2
Increase (acquisitions)	0.1	1.1	1.3
Decrease	-10.5	-1.0	-1.2
Depreciation and impairment	-57.4	-50.1	-67.7
Transfer to other balance sheet item	-1.0	-1.7	-1.8
Carrying amount at end of period	500.3	513.2	516.5

5. INVENTORIES

(EUR million)	Q1-Q3/2012	Q1-Q3/2011	2011
Materials and supplies	80.6	91.5	88.7
Unfinished products	11.2	9.7	9.1
Finished products	67.3	60.4	72.1
Goods	0.0	0.0	0.0
Other inventories	8.0	7.9	7.7
Prepayments for inventories	3.2	2.4	4.5
Live animals, IFRS 41	10.0	8.3	7.9
Total inventories	180.3	180.2	190.2

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
1.1.2012	54 972 788	66.8	72.9	143.5	0.0	283.2
30.9.2012	53 972 788	66.8	72.9	143.5	0.0	283.2

DERIVATIVE INSTRUMENT LIABILITIES

(EUR million)	30.9.2012	30.9.2011	31.12.2011
Nominal values of derivative instruments			
Foreign exchange derivatives	96.5	76.5	63.2
Interest rate derivatives	288.8	265.4	283.8
Electricity derivatives	10.7	10.5	11.1
Fair values of derivative instruments			
Foreign exchange derivatives	-0.9	3.6	-0.5
Interest rate derivatives	-25.1	-18.9	-23.0
Electricity derivatives	-1.3	0.0	-1.1
CONSOLIDATED OTHER CONTINGENT LIABILITIES			
(EUR million)			
	30.9.2012	30.9.2011	31.12.2011
Debts secured by pledges or mortgages			
- loans from financial institutions	372.7	32.1	34.1
Given as security			
- real estate mortgages	74.2	58.6	63.0
- pledges	5.1	5.9	5.1
- floating charges	19.3	44.7	22.8
For associates			
- guarantees	5.2	5.3	5.2
For others			
- guarantees and pledges	13.4	14.0	14.0
Other contingencies			
Leasing commitments	23.5	25.6	26.2
Rent liabilities	56.0	38.2	61.0
Other commitments	8.0	19.1	7.8

The parent company has pledged the shares of its subsidiaries, HKScan Finland Oy and Scan Ab, as security for its loans.

BUSINESS TRANSACTIONS WITH RELATED PARTIES

(EUR million)	Q1-Q3/2012	Q1-Q3/2011	2011
Sales to associates	75.4	45.7	73.0
Purchases from associates	36.9	36.9	47.3
Trade and other receivables	3.2	3.6	2.8
Trade and other payables	9.4	8.0	9.1

NEXT FINANCIAL REPORT

The HKScan Group's financial statements 2012 release will be published on Friday, 15 February 2013.

Vantaa, 6 November 2012

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 with HKScan's communications manager Marja Siltala, firstname.surname@hkscan.com, tel. +358 10 570 2290 or with executive assistant Marjukka Hujanen, tel. +358 10 570 6218.

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 retail, the Food Service, industry and export sectors. It had net sales of EUR 2.5 billion in 2011 and some 11 400 employees.

DISTRIBUTION: NASDAQ OMX Helsinki, Main media, www.hkscan.com