HK Ruokatalo Group Oyj STOCK EXCHANGE RELEASE 26 Feb 2007 at 10.30am

HK RUOKATALO GROUP'S FINANCIAL STATEMENT BULLETIN FOR 2006

* GOOD PERFORMANCE IN INTERNATIONAL OPERATIONS SECOND YEAR RUNNING
* CHALLENGES IN POLAND TOWARDS THE END OF THE YEAR
* LAST PART OF THE YEAR FAIR IN FINLAND; RATIONALISATION OF COST STRUCTURE PROGRESSES

Group revenue in 2006 came to EUR 934.3 million, an improvement of EUR 51.0 million on the previous year. The book operating profit was EUR 40.4 million (EUR 24.1m in 2005) and the comparable operative EBIT was EUR 41.8 million (EUR 28.8m). The Board of Directors is to recommend a dividend of EUR 0.27 per share (EUR 0.27 in 2005).

The Finnish operations of the HK Ruokatalo Group concern are characterised by intense structural development with the objective of enhanced cost competitiveness. Though revenue and profitability developed favourably towards the end of the year, we continued to fall clearly short of longer-term targets. Growth objectives in revenue and profitability were reached in Baltic operations. The early part of the year in Poland was on target. In the fourth quarter, revenue growth and profitability improvement were halted by tightened competition.

The acquisition of the business of Swedish Meats successfully executed in the latter half of the year makes HK Ruokatalo Group a substantially larger player in the industry than before. Swift and extensive development of operations is necessary if the business and profitability targets set for the acquisition are to be met.

REVENUE AND FINANCIAL PERFORMANCE

Group revenue in 2006 amounted to EUR 934.3 million, up 5.8% on the previous year. The highest growth in relative terms was seen in the Baltics. Revenue growth in the Finnish market was modest. At EUR 40.4 million, consolidated EBIT showed a bump of 67.6% from the previous year. The swiftest development here as well is attributable to the Baltics and Poland.

The most significant non-recurring item in Q4 was the capital gain of EUR 3.4 million arising from the sale of the Turku property. Non-recurring charges and write-downs primarily relating to restructuring totalled EUR 2.5 million in Q4. Non-recurring capital gains in the year totalled EUR 4.8 million while non-recurring charges over the course of the year came to EUR 6.2 million.

CONSOLIDATED INCOME STATEMENT, Q4 and the entire year
(EUR million)

	10-12/06	10-12/05	1-12/06	1-12/05

Net sales	242.8	233.3	934.3	883.3
EBIT	13.7	2.4	40.4	24.1
- % of net sales	5.7	1.0	4.3	2.7
Share of associates' result	-0.4	0.0	0.0	0.7
Financial income and expenses, net	-1.8	-0.8	-6.8	-4.5
Profit before tax	11.5	1.6	33.7	20.4
- % of net sales	4.7	0.7	3.6	2.3
Income taxes	-2.3	0.2	-5.8	-3.3
Profit for the financial year	9.2	1.8	27.8	17.0
- % of net sales	3.8	0.6	2.9	1.8
Net profit attributable:				
Parent company shareholders	9.1	1.5	27.2	16.0
Minority interests	0.1	0.3	0.6	1.0
Total	9.2	1.8	27.8	17.0
EPS, undiluted, EUR	0.27	0.04	0.79	0.46
EPS, diluted, EUR	0.27	0.04	0.79	0.46

MARKET AREA: FINLAND

Net sales at home in 2006 were EUR 608.0 million, up by EUR 19.2 million (+3.3%) on the corresponding figure a year earlier. The figure includes company exports from Finland. EBIT rose to EUR 21.8 million from the previous year's EUR 13.9 million (+56.9%). EBIT came to 3.6% of net sales (2.4%) while the Group target is 5%.

- Meat business

Sales to the retail trade saw positive development in the latter half of the year. Whilst deliveries of meat joints increased substantially, consumer-packed meat fell short of target.

Intense focus on product development allowed us to introduce the innovative Ehta range of meat products at the end of the year. Our response to consumer wishes, the Ehta line of easily cooked cuts of meat represents a major breakthrough in the company's product philosophy.

Meat exports to Russia remained brisk throughout the year. Increasing amounts of fresh cut pork were exported alongside the traditional industrial selections. Other export destinations were Japan, the United States, the Baltics and Sweden.

The modernisation project at the Forssa slaughterhouse and cutting room was completed in November with deployment of the final stage at the slaughterhouse. Deployment of the new investment went largely as planned. Statutory employer-employee negotiations under the Act on Cooperation within Undertakings were conducted in Forssa in respect of both the slaughterhouse and the cutting room. These had to do with the deployment of the modernised production lines and reduced demand for labour.

HK Ruokatalo’s procurement company LSO Foods Oy and cooperative Järvi-Suomen Portti Osuuskunta concluded a subcontracting agreement in September whereby Portti outsourced animal procurement and associated services to LSO Foods. Higher volumes and the elimination of organisational overlaps enhance cost efficiency in procurement.

On the whole, the profitability of the meat business was and remains rather poor although development in the autumn clearly proved that the action taken thus far is steering performance in the right direction.

- Poultry business

Reduced consumption in certain parts of Europe in early 2006 was reflected throughout the EU and it manifested as falling consumer prices, decreased exports and rising inventories.

Consumption of domestic poultry in Finland fell only slightly and started to rise again during the barbecue season. HK Ruokatalo's sales have been on target since. Demand increased for highly processed fresh products in particular. With cost pressure also largely under control, the company’s poultry business achieved its profit targets.

The demand for broiler meat rallied after a slight hiccough in the early part of the year and total consumption was approximately one percent higher than in 2005.

The joint venture Länsi-Kalkkuna Oy established by HK Ruokatalo and Atria on a 50-50 basis to improve the profitability of the turkey business assumed responsibility for the beginning of the chain: hatching, slaughtering and cutting. The joint venture will deliver annual savings of approximately one million euro to HK Ruokatalo, which is crucial to this loss-making business sector.

- Processed meat and convenience food business

The sales value of HK Ruokatalo’s processed meat and convenience foods grew at the market rate of some two percent. The sales of whole meat products and frankfurters outpaced overall market growth. The convenience food market in Finland grew by some six percent. The rise in company sales of ground meat products and snacks exceeded market growth. New items launched on the market included the VIA product range of sauces and soups.

Substantial resources were allocated to product development in keeping with the revised product philosophy, allowing us to launch the new Potku product range at the end of the year. Potku is an innovative range of hot and spicy nibbles geared to consumers with a more adventurous palate.

The expansion work at the Vantaa plant required under the company’s restructuring programme was launched in autumn 2006.

Despite sales development there remains room for improvement in the profitability of the processed meat and convenience food business. Management of rising costs, especially energy costs, poses a challenge in the processed meat and convenience food business in Finland. Increasing the value added of products is a key priority.

MARKET AREA: THE BALTICS

Net sales in the Baltics amounted to EUR 130.8 million, up from EUR 113.8 million in 2005 (+15.0%). EBIT improved from the EUR 6.5 million in 2005 to 12.6 million (+95.3%). EBIT thus came to 9.6% of net sales (5.7% for 2005).

Sales in the Baltic Group were up by 6 percent in volume and 15 percent in value over the year. In addition to our traditional mainstays of frankfurters, cooked sausages and hams, higher-end products such as sliced whole meat products and consumer-packed meats are also selling increasingly well.

Rakvere solidified its position in Estonia thanks to development efforts undertaken in the past few years. Development gained support from the good quality and properly sized volumes of in-house raw material production. In Latvia, Rigas Miesnieks' new management and sales organisation have introduced greater efficiency, improved the product range and modernised the brand. The company is in the black. In Lithuania, the revamping of the Klaipedos Maistas product range brought increased sales but the company is still only breaking even.

In the customer base, retail chains grew increasingly stronger and more solid. Competition between the chains is intense, which is also reflected in prices.

Growth and change have been particularly rapid in Estonia, where costs have also gone up the fastest. Rakvere Lihakombinaat and its subsidiaries have managed to stay abreast of the changes, which is reflected favourably in market share and production efficiency as well as revenue and earnings. Continued success also in future is largely dependent on how well rising costs can be managed.

The fall in the European demand and prices of poultry meat in early 2006 burdened Tallegg, which was at the same time finalising an extensive clean-up operation on its production chain. In June the situation had been restored to normal. Stronger demand and prices have allowed Tallegg to return a profit and it posted a break-even operative result for the year as expected. Tallegg’s performance is expected to improve in 2007.

MARKET AREA: POLAND

Half of Sokolów's 2006 revenue, i.e. EUR 203.6 million, was consolidated into HK Ruokatalo Group. The figure in the previous year was EUR 188.3 million (+8.1%). EBIT came to EUR 6.0 million, up from EUR 3.7 million in the previous year (+59.5%). EBIT rose to 2.9% of net sales from the earlier year’s 2.0%.

Sokolów's performance in the early part of the year even outpaced targets. However, price competition continued to intensify in Poland and the tightened competition resulted in the company’s long-running positive development in revenue and profitability coming to a halt in the final quarter. The company, for all intents and purposes, refused to knowingly engage in loss-making sales. Sokolów’s competitiveness needs to improve if the longer-term financial and business targets are to be achieved on the schedule reported earlier.

Sokolów's Q4 result was further eroded by embezzlement discovered at the company's Jaroslaw plant and carried out by of a gang of professional criminals. The credit loss, written down in full in Q4, has an impact of EUR 0.8 million on the operating profit of the HK Ruokatalo Group concern in the Polish market. Investigation into the matter remains pending.

Sokolów acquired Pozmeat, a meat company located outside the city of Poznan, and its factory completed in 2001. The factory has been empty since autumn 2004, when Pozmeat went into liquidation. In the longer term, the acquisition will strenghten Sokolów’s operating conditions in Western Poland and the nearby Berlin economic area. The company gained additional production capacity and one of Poland's best-known, century-old meat brands. Production started up in Poznan in early 2007.

EXPANSION INTO SWEDEN

In summer and autumn 2006, the company conducted negotiations on the acquisition of the business of Sweden’s largest meat company Swedish Meats. The negotiations led to the agreement of 9 November 2006, which was accepted by the Assembly of Swedish Meats on 13 December 2006. The amendment to the by-laws of Swedish Meats concerning its purpose and line of business, a condition to the deal, was passed by its Assembly on 21 December 2006.

Swedish Meats incorporated its business into the limited company Scan AB, whose entire capital stock was acquired by HK Ruokatalo Group on 29 January 2007.Scan AB thus became a wholly owned subsidiary of HK Ruokatalo Group. HK Ruokatalo Group paid part of the purchase price with a directed issue of 4,843,000 Series A shares. The purchase price also consisted of a cash consideration in the amount of ca. EUR 76 million (SEK 692 million). In addition, HK Ruokatalo Group assumed liability for Swedish Meats’ debt amounting to a net value of some EUR 171 million or SEK 1.6 billion. The sum of some EUR 7 million (ca. SEK 66 million) will be paid over the next five years in additional purchase price, conditional however on the repayment to Scan AB of certain Swedish Meats’ membership loans of equivalent value.

Enterprise value according to share prices and currency exchange rates at the time of execution thus came to approximately EUR 329 million (SEK 2,988 million).

Goodwill before the acquired balance sheet has been measured at fair values amounts to some EUR 50 million. The current view is that purchase price will be allocated to intangible assets under brands. The company will announce the final allocation of purchase price at a later date.

The expansion of operations to Sweden and larger company size strengthen competitiveness and standing in the long run in the Baltic region and in the food market. We will now be able to provide even more diverse and efficient service to retail and consumers. This represents a major step in the future development of HK Ruokatalo Group. The Group now has 36 production facilities in six countries and some 10,200 employees as well as leading brands in all its markets. There are no geographical overlaps. The company does not rule out the possibility of seeking further growth in Northern Europe also through mergers and acquisitions.

Scan AB’s profitability relative to company size and market standing is modest. In future, the company will be developed in keeping with the profitability criteria and economic targets applied by HK Ruokatalo Group in its business management.

EFFECT OF SCAN ACQUISITION ON GROUP REPORTING AND FINANCIAL INDICATORS

Scan AB and its subsidiaries will be consolidated into Group figures effective 29 January 2007, taking into account however the fact that HK Ruokatalo Group assumed liability for operations already on 1 January 2007.

In reporting, Sweden will be added to the Group's previous principal geographical segments of Finland, the Baltics and Poland. There remains only the one business segment of food production. The inclusion of Scan in HK Ruokatalo group will in future markedly alter consolidated financial indicators.

In addition to information by segment, this release presents pro forma information on the Group for 2006. More detailed pro forma information will be provided in the Offering Circular relating to the directed issue.

MANAGEMENT

On 1 April 2006, former CEO Simo Palokangas took retirement and was replaced by Kai Seikku, MSc (Econ. & Bus. Admin.). Mr Seikku was managing director of HK Ruokatalo Oy, which is responsible for the group’s business operations in Finland, before taking up the post of Group CEO.

RESTRUCTURING OF FINNISH OPERATIONS

The company launched in January 2006 a two-year industrial restructuring programme in Finland. The aim of the programme is to centre most of the processed meat production in Vantaa, the value added processing of fresh meat in Forssa and logistics in Vantaa. The plan, which is scheduled for 2006-2007, will result in the closing of operations at the Turku processed meat factory, the Tampere meat processing plant and the Tampere distribution terminal. The number of industrial plants will thus fall from eight to six. Together with certain efficiency measures already implemented, the plan will affect an estimated 500 jobs by the end of 2007.

As part of the restructuring, HK Ruokatalo Group and LSO Osuuskunta sold the property in the Kupittaa district of Turku at year-end. HK Ruokatalo remains a tenant in the office building. The company’s lease on the factory building expires at the end of 2007.

The structural solutions will rationalise business at home and enhance cost competitiveness. They will deliver annual cost savings in the region of €15m-€20m, to be realised in part in 2007 and in full in 2008.

ACQUISITION OF MINORITY SHARES IN SOKOLÓW AND RAKVERE

Saturn Nordic Holding (SNH), the joint venture owned by HK Ruokatalo Group and Danish Crown, increased its holding in Sokolów to 91.75 percent by acquiring in May by public offer some 9.4 million Sokolów shares. On 23 May 2006, SNH announced it would buy out the remaining 8.4 million shares. When the takeover process ended on 20 June 2006, permission was sought to de-list Sokolów from the Warsaw Stock Exchange.

In Estonia, HK Ruokatalo Group announced on 21 June 2006 that it would buy out the 1.6 million Rakvere shares held by minority shareholders of Rakvere Lihakombinaat. The takeover process ended on 31 August 2006 and Rakvere Lihakombinaat was de-listed from the Tallinn Stock Exchange at the end of September.

The buyouts and de-listing of Sokolów and Rakvere facilitate operative Group management and streamline Group administration.

INVESTING ACTIVITIES

Group gross investments totalled EUR 82.6 million (EUR 59.2m). Of this sum, EUR 59.8 million was spent at home and EUR 9.7 million in the Baltics. HK Ruokatalo Group’s share of Sokolów investments was EUR 13.1 million.

The figure for Finland includes the buyout of minority interests in Sokolów and Rakvere in spring and summer 2006, totalling EUR 17.7 million.

The modernisation of the slaughterhouse and cutting room in Forssa was completed for deployment in November 2006. The transfers and modifications necessitated by the Finnish restructuring efforts were underway since spring.

Major investments in the Baltics concerned Rakvere subsidiary Ekseko's new pig farm and the new hennery commissioned by Tallegg.

In Poland, major investments were related to the acquisition of Pozmeat and preparations for the start-up of operations.

FINANCING ACTIVITIES

Group interest-bearing liabilities at 31 December 2006 were EUR 196.7 million, compared to EUR 176.1 million a year earlier. Interest-bearing liabilities averaged at over EUR 200 million throughout the year. The increase is largely attributable to brisk investing activities. Approximately half of the increase in financing expenses is explained by the rise in loans and half by the increase in interest rates. The equity ratio was 43.7 percent (44.7%).

SHARE CAPITAL

HK Ruokatalo Group Oyj's registered and fully paid share capital at the balance sheet date was EUR 58,587,428.10. There was no increase in share capital during the year.

At the balance sheet date, the share capital was divided into 29,063,193 A Shares and 5,400,000 K Shares. Each share has a nominal value of EUR 1.70 and gives equal entitlement to a dividend. Under the company's Articles of Association, each A Share conveys one vote and each K Share 20 votes. All the K Shares are owned by LSO Osuuskunta. HK Ruokatalo Group's shares joined the book-entry securities system on 31 October 1997.

At the balance sheet date, the company had 8,214 shareholders.

STOCK EXCHANGE LISTINGS

HK Ruokatalo Group's A Share has been quoted on the Helsinki Exchanges since 6 February 1997. During the year under review, 21,388,820 HK Ruokatalo A Shares were traded on the Helsinki Exchanges for an estimated total of EUR 236,148,251. The highest price quoted was EUR 15.19 and the lowest EUR 8.35. The middle price was EUR 11.02 and the year-end closing price was EUR 14.50. The share price rose by 47.1 percent on the year.

HK Ruokatalo's market capitalisation (A and K Shares) at the balance sheet date increased from EUR 339.8 million in the previous year to EUR 499.7 million.

HK Ruokatalo Group has in place a market making agreement with FIM Pankkiiriliike Oy which meets the requirements of the Helsinki Exchanges' Liquidity Providing (LP) operation.

NOTICES OF CHANGES IN OWNERSHIP

On 16 June 2006, Osuuspankkikeskus (Osk) announced that its stake in HK Ruokatalo Group Oyj had decreased to 4.997% of the shares and 1.257% of the votes. The stake includes the holding of Osuuspankkikeskus and its subsidiaries, as well as the mutual funds administrated by OP and Pohjola Treasury companies.

On 13 July 2006, Julius Baer Investment Management LLC (New York, USA) announced that its shareholding in HK Ruokatalo Group had on 17 January 2006 risen to 5.13% of the share capital and 1.29% of the votes.

Swedish Meats ek. för. announced on 13 November 2006 that it had concluded an agreement which when executed would increase its holding in HK Ruokatalo Group to 12.32% of the shares and 3.41% of the votes. As part of the agreement, HK Ruokatalo will direct an issue of 4,843,000 A shares to Swedish Meats.

Julius Baer International Equity Fund announced on 8 December 2006 that its shareholding in HK Ruokatalo Group had risen to 5.43% of the share capital and 1.37% of the votes. Taking into account the stake held by its parent company Julius Baer Investment Management, the Julius Baer Group’s holding in HK Ruokatalo Group increased to a total of 13.62% of the share capital and 3.42% of the votes.

Swedish Meats ek. för. (Sweden) announced on 15 December 2006 a conditional agreement which when executed would increase its holding in HK Ruokatalo Group. LSO Osuuskunta and Swedish Meats had agreed on a share swap that would result in the share of votes in HK Ruokatalo Group held by Swedish Meats rising from the 3.41% notified on 13 November 2006 to 12.32 percent. The share swap is subject to the consent of the Board of Directors of HK Ruokatalo Group.

BOARD OF DIRECTORS’ AUTHORISATIONS TO INCREASE THE SHARE CAPITAL

(1) The Board of Directors holds an authorisation granted by the Annual General Meeting of Shareholders on 21 April 2006 to increase the share capital through the issue of no more than 2,000,000 new A shares, thus raising the share capital by a maximum of EUR 3,400,000. The authorisation allows the Board of Directors to disapply the pre-emption rights of existing shareholders and to decide the issue price and other terms and conditions of subscription.

(2) On 21 April 2006, the Annual General Meeting authorised the Board to decide whether to acquire and transfer treasury shares. The company may, in public trading or in a public bid, acquire a maximum of 3,446,319 A shares.

The authorisations are valid until the next Annual General Meeting of Shareholders, however no longer than until 21 April 2007. The Board has exercised neither authorisation (1) nor (2).

(3) On 22 December 2006, an Extraordinary Meeting of Shareholders authorised the Board to decide on the directed issue pertaining to the

acquisition of Swedish Meats and its terms and conditions. A maximum of 4,843,000 A shares may be issued. The authorisation is valid until 30 June 2007. The Board decided on 29 January 2007 to exercise the authorisation.

EMPLOYEES

The HK Ruokatalo Group concern employed an average of 4,418 (4,541) people in Finland and the Baltics during the year. At 31 December 2006, the Group had a total of 4,165 employees in Finland and the Baltics, compared to the figure of 4,309 in the previous year. The Sokolów Group employed an additional 4,968 (5,028) people.

The average number of parent company employees was 14 (11 in 2005).

Analysis of employees by country at the end of the financial year:

Finland	2,328	56.0%
Estonia	1,580	37.9%
Latvia	201	4.3%
Lithuania	51	1.2%
Russia	5	0.1%

INCENTIVE SCHEME FOR KEY PERSONNEL

The Board of Directors has decided to introduce a share incentive scheme for the years 2006–2008. The purpose of the scheme is to foster the commitment of key personnel to the achievement of the company’s strategic and financial targets while also making them long-term shareholders in the company. The scheme concerns some ten key employees who have the opportunity of receiving HK Ruokatalo Group’s A Shares as a reward for achievement of set targets.

The incentive scheme consists of three earning periods of one calendar year each: the years 2006, 2007 and 2008. The Board decides on the key personnel included in the scheme for each earning period and on the maximum bonus payable to them.

Any bonuses under the scheme are tied to Group net sales and return on capital employed. The bonuses will be paid after the end of each earning period partly in shares and partly in cash. The cash element is used to cover any taxes and fiscal charges arising from the shares. The persons shall hold on to the shares earned for at least three years from the end of earning period.

The element to be paid as shares for the first earning period shall not exceed a total of 96,000 A Shares in HK Ruokatalo Group. The maximum numbers of shares and criteria for other earning periods shall be decided by the Board at a later date. The Board will take a separate decision on the acquisition of treasury shares for the incentive scheme.

RISKS, UNCERTAINTY FACTORS AND THE ENVIRONMENT

HK Ruokatalo Group and its business units in Finland, Sweden, the Baltics and Poland constantly assess the risks relating to its business at both the operative and owner administration levels. Assessment also takes into account whether or not the risk management means are appropriate in terms of quality and scope.

The monitoring and analysis of any factors of uncertainty is part of the normal operations of HK Ruokatalo Group's management system. In the meat industry, factors of uncertainty may arise from fluctuations in the price and availability of raw meat material and, in the long term, changes in the EU's common agricultural policy (CAP) and decisions by the WTO in world trade issues. Changes in consumer preferences may also constitute a factor of uncertainty if not identified in time. Changes in retail structure and internationalisation are set to continue and will amplify competition in the meat industry in our main markets.

As concerns the environment, the Group operates on the principle of causing minimum environmental impact during production. This principle is put into practice in Finland, Sweden, the Baltics and Poland, taking into account existing regulations and certification processes at the local and EU level. Operative management in each principal market area is responsible for ensuring the appropriate organisation of environmental management.

EVENTS TAKING PLACE AFTER 31 DECEMBER 2006

The transaction between HK Ruokatalo Group and Swedish Meats was completed on 29 January 2007 when the entire capital stock of Scan AB was transferred to HK Ruokatalo Group and Scan AB officially launched operations as the Swedish subsidiary of HK Ruokatalo Group. The Board of HK Ruokatalo Group simultaneously exercised the authorisation granted to it by the Extraordinary Meeting of Shareholders on 22 December 2006 and effected the directed issue of 4,843,000 Series A shares to Swedish Meats. The subscription period was 29 January 2007 and the issue price was EUR 15.55 per share. The company's share capital was increased by EUR 8.233.100. The increase was entered in the Trade Register on 5 February 2007.The new shares are first entitled to full dividend for the 2007 financial year.

Magnus Lagergren was appointed managing director of Scan AB as of 29 January 2007. He previously served as the managing director of Swedish Meats. Executive vice president of the company's meat business Esa Mäki was appointed managing director of HK Ruokatalo Oy effective 1 March 2007.

As of 1 March 2007, the Group Management Team of parent company HK Ruokatalo Group consists of CEO Kai Seikku, CFO Matti Perkonoja, CMO Antti Lauslahti, managing director of HK Ruokatalo Oy Esa Mäki, managing director of Scan AB Magnus Lagergren and Olli Antniemi, executive vice president, the Baltics. Senior vice president Risto Siivonen serves as Secretary to the Management Team. In addition to the Group Management Team, each subsidiary has an operative management team.

On 8 February 2007 Danish Crown announced that its holding in HK Ruokatalo Group was diluted to 8.89 percent of shares and 2.46 percent of votes as a consequence of the increase of HK Ruokatalo Group’s share capital.

Swedish Meats ek. för. announced on 15 February 2007 that the conditional agreement notified by it on 13 November 2006 had been executed. Swedish Meats’ holding in HK Ruokatalo Group was thus confirmed at 12.32 percent of shares and 3.41 percent of votes.

THE FUTURE

The Group’s operating profit is expected to improve in Finland, Sweden and Poland during 2007, excluding in Poland, however, costs relating to the start-up of Pozmeat.

In Finland, the savings reaped from restructuring as well as optimisation of the product range will gradually be reflected in earnings.

Restructuring to improve the poor profitability of operations, possibly resulting in non-recurring charges, may lie ahead in Sweden.

Earnings improvements in Poland are hindered by non-recurring items relating to the start-up of Pozmeat operations. These will be reported separately for each quarter. Additionally, competition in Poland remains challenging as reported above, which adds to uncertainty especially in the early part of the year.

In the Baltics, where costs are spiralling, we aim to maintain earnings at the good level enjoyed in 2006.

DIVIDEND RECOMMENDATION

The parent company’s distributable equity is EUR 11.4 million. The Board of Directors is to recommend that the company pays a 2006 dividend of EUR 0.27 per share, in other words a total of EUR 9.3 million.

ANNUAL GENERAL MEETING

HK Ruokatalo Group Oyj’s Annual General Meeting is to take place in meeting room 208 of the Congress Wing at Helsinki Fair Centre, Messuaukio 1, 00520 Helsinki, on Friday, 20 April 2007. To be eligible to attend the Annual General Meeting, shareholders should be registered by 10 April 2007 in the share register maintained by the Finnish Central Securities Depository Ltd (APK). Notice of the Annual General Meeting and agenda will be published later.

CONSOLIDATED INCOME STATEMENT 1 JANUARY - 31 DECEMBER

(EUR million)

	2006	2005
Net sales	934.3	883.3
Other operating income	8.5	4.1
Materials and services	-617.6	-587.9
Employee benefits expenses	-150.1	-145.3
Depreciation and value adjustments	-30.5	-28.7
Other operating expenses	-103.3	-102.0
EBIT	40.4	24.1
Financial income and expenses, net	-6.8	-4.5
Share of associates’ result	0.0	0.7
Profit before taxes	33.6	20.4
Income taxes	-5.8	-3.3
Profit for the financial year	27.8	17.0
Net profit attributable:		
Parent company shareholders	27.2	16.0
Minority interests	0.6	1.0
Total	27.8	17.0
EPS, undiluted, EUR	0.79	0.46
EPS, diluted, EUR	0.79	0.46

CONSOLIDATED BALANCE SHEET (EUR million)

	31.12.2006	31.12.2005
ASSETS		
Non-current assets		
Intangible assets	4.0	4.1
Goodwill	53.9	46.8
Property, plant and equipment	294.5	266.3
Shares in associates	5.5	5.1
Available-for-sale financial assets	0.3	0.4
Long-term receivables	4.0	3.7
Deferred tax assets	2.2	2.2
Total non-current assets	364.4	328.6
Current assets		
Inventories	58.4	65.4
Trade and other receivables	114.7	107.5
Cash and bank	12.1	12.8
Total current assets	185.1	185.7
TOTAL ASSETS	549.5	514.4
EQUITY AND LIABILITIES		
Equity attributable to parent company shareholders	236.4	219.1
Minority interest	0.6	10.8

Total shareholders' equity	237.1	229.9
Non-current liabilities		
Deferred tax liability	12.2	12.2
Long-term liabilities, interest-bearing	87.1	84.2
Pension obligations	4.8	4.5
Non-current provisions	-	-
Total non-current liabilities	104.1	100.9
Current liabilities		
Current liabilities, interest-bearing	109.6	91.9
Trade payables and other current liabilities	97.7	91.2
Current provisions	1.0	0.4
Total current liabilities	208.3	183.5
TOTAL EQUITY AND LIABILITIES	549.5	514.4

CASH FLOW STATEMENT (EUR million)

	2006	2005
OPERATING ACTIVITIES		
Cash flow from operating activities	70.4	52.5
Change in net working capital	6.3	-15.9
Financing items and taxes	-12.3	-7.8
Cash flow from operating activities	64.4	28.8
INVESTING ACTIVITIES		
Cash flow from investing activities	-76.2	-59.2
FINANCING ACTIVITIES		
Change in loans	20.4	30.9
Dividends paid	-9.3	-10.0
Share issue	-	-
Cash flow from financing activities	11.1	20.9
Change in liquid assets	-0.7	-9.5

COMPARISON OF SEGMENT INFORMATION

Revenue and profit in the group's principal market areas for the last quarter and during the entire financial year (EUR million):

	10-12/2006	10-12/2005	1-12/2006	1-12/2005
Net sales				
-Finland	162.9	153.0	608.0	588.8
-The Baltics	33.2	29.0	130.8	113.8
-Poland	49.5	52.4	203.6	188.3

-Between segments	-2.8	-1.1	-8.2	-7.5
-Total	242.8	233.3	934.3	883.3
EBIT				
-Finland	9.5	0.1	21.8	13.9
-The Baltics	3.2	1.4	12.6	6.5
-Poland	1.0	0.9	6.0	3.7
-Between segments	0.0	0.0	0.0	0.0
-Total	13.7	2.4	40.4	24.1

PRO FORMA SEGMENT INFORMATION
EUR million

	1-12/2006
Net sales	
-Sweden	1,124.8
-Finland	608.0
-The Baltics	130.8
-Poland	203.6
-Between segments	-10.1
-Total	2,057.1
EBIT	
-Sweden	11.4
-Finland	21.8
-The Baltics	12.6
-Poland	6.0
-Between segments	0.0
-Total	51.8

- Pro forma balance sheet total EUR 1,009.1 million
- Equity ratio 31.0%

Pro forma information bases on 2006 consolidated financial statements of HK Ruokatalo Group, 2006 pro forma information on Scan Group taking into account the transaction on 29 January 2007 where HK Ruokatalo Oyj aquired the entire share capital of Scan AB.

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

	Share capital	Share premium reserve	Hedging reserve	Other res.	Transl. diff.	Retained earnings	Tot.
SHAREHOLDERS’ EQUITY							
1.1.2006	58.6	72.9	1.0	8.6	4.8	73.2	219.1

	Share capital	Share premium reserve	Hedging reserve	Other res.	Transl. diff.	Retained earnings	Tot.
Cash flow hedging							
Amount transferred to shareholders' equity during the period			0.0				0.0
Reclassifications between items	0.0	0.0	0.0	0.0	0.6	0.0	0.6
Other changes	0.0	0.0	-0.9	0.3	0.0	-0.6	-1.2
Net profit/loss recognised directly in shareholders' equity	0.0	0.0	-0.9	0.3	0.6	-0.6	-0.6
Profit for the period						27.2	27.2
Total profits and losses	0.0	0.0	-0.9	0.3	0.6	26.6	26.6
Dividend distribution						-9.3	-9.3
SHAREHOLDERS' EQUITY TOT 31 DEC 06	58.6	72.9	0.1	8.9	5.4	90.5	236.4

	Share capital	Share premium reserve	Hedging reserve	Other res.	Transl. diff.	Retained earnings	Tot.
SHAREHOLDERS' EQUITY 1 Jan 2005	58.6	72.9	0.0	8.4	2.6	67.5	210.0
Cash flow hedging							
Amount transferred to shareholders' equity during the period			1.0				1.0
Reclassifications between items	0.0	0.0	0.0	0.0	2.2	0.0	2.2
Other changes	0.0	0.0	0.0	0.2	0.0	-0.3	-0.1
Net profit/loss recognised directly in shareholders' equity	0.0	0.0	1.0	0.2	2.2	-0.3	3.1
Profit for the period						16.0	16.0
Total profits and losses	0.0	0.0	1.0	0.2	2.2	15.7	19.1
Dividend distribution						-10.0	-10.0
SHAREHOLDERS' EQUITY TOT 31 DEC 05	58.6	72.9	1.0	8.6	4.8	73.2	219.1

COMMITMENTS AND CONTINGENT LIABILITIES (EUR million)

	31.12.2006	31.12.2005
Debts secured by pledges or mortgages		
Pension plan loans	0.0	0.0
Loans from financial institutions	50.4	70.0
Real estate mortgages	47.9	51.5
Pledged securities	13.5	12.0
Floating charges	10.6	11.9
Securities for debts of associates	3.6	4.0
Security for debts of others	8.3	6.2
Other contingencies		
Leasing commitments	1.1	0.4
Other liabilities	0.0	0.0

Derivative instrument liabilities

	31.12.2006	31.12.2005
Nominal values of derivative instruments		
Foreign exchange derivatives		
-forward exchange contracts	4.2	3.5
Commodity derivatives		
-electricity derivatives	6.5	4.3
Fair values of derivative instruments		
-forward foreign-exchange contracts	0.0	0.0
-forward electricity contracts	0.2	1.0

FINANCIAL INDICATORS

	2006	2005
Net sales, EUR million	934.3	883.3
EBIT, EUR million	40.4	24.1
- % of net sales	4.3	2.7
Profit before taxes, EUR million	33.6	20.4
- % of net sales	3.6	2.3
Return on equity (ROE), %	11.9	7.7
Return on investment (ROI), %	10.1	7.4
Equity ratio, %	43.7	44.7
Gross investments, EUR million	82.6	59.2
- % of net sales	8.8	6.7
R&D expenditure, EUR million	8.5	8.0
- % of net sales	0.9	0.9

Employees, average	4,418	4,541

PER SHARE DATA

	2006	2005
Earnings per share (EPS), diluted, EUR 1)	0.79	0.46
Equity per share, EUR 2)	6.86	6.36
Dividend per share, EUR	0.27 3)	0.27
Dividend payout ratio, diluted, %	34.2 3)	58.2
Effective dividend yield, %	1.9 3)	2.7
Price/earnings ratio (P/E)		
- undiluted	18.4	21.2
- diluted	18.4	21.2
Lowest trading price, EUR	8.35	7.23
Highest trading price, EUR	15.19	10.05
Middle price, EUR	11.02	9.17
Closing price on year, EUR	14.50	9.86
Market capitalisation, EUR million	499.7	339.8
Shares traded, 1,000	21,389	11,395.0
- % of average number	73.6	39.2
Adjusted number of shares		
- average during the financial year	34,463,193	34,463,193
- at end of financial year	34,463,193	34,463,193
- fully diluted	34,463,193	34,463,193

1) Based on number of shares at year-end
2) Excluding minority’s share of equity
3) Based on Board of Directors’ dividend recommendation.

This financial statement bulletin and comparison information has been prepared in compliance with IFRS recognition and measurement principles. The figures in this bulletin are unaudited.

Vantaa, 26 February 2007

HK Ruokatalo Group Oyj
Board of Directors

Kai Seikku
CEO

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