

A photograph of a bowl of granola with fresh fruit (blueberries, orange, and peach) and a glass of milk on a dark wooden table. The text is overlaid on the upper part of the image.

**Together we take
responsibility
from field to fork**

**Lantmännen's
Year-end Report
January–December 2016**



Lantmännen

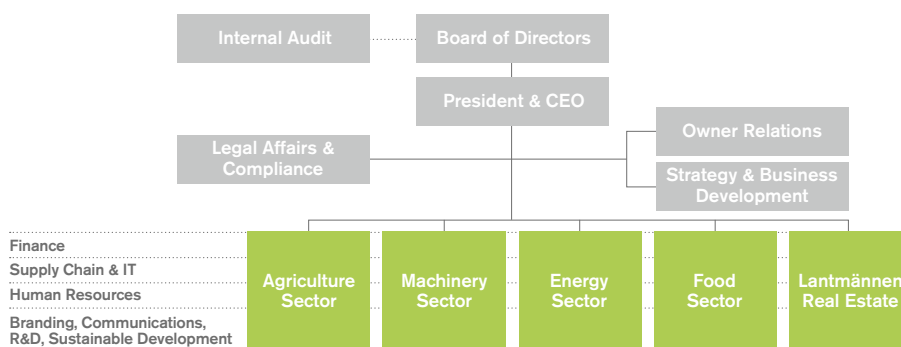


Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 25,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 37 billion. With grain as our basis, we refine farmland resources to create thriving farming. Some of our best-known food brands are AXA, Bonjour, Kungsörnen, GoGreen, GooH!, FINN CRISP and Schulstad. Our company is founded on knowledge and values built up through generations of owners. Having research, development and operations throughout the value chain means that we can take responsibility together – from field to fork.

For more information: lantmannen.com/en

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Lantmännen's organization



Financial reporting and publication orders

Annual Report with Sustainability Report 2016 and Annual Review 2016 • February 20, 2017.

Interim 1st four months • June 2, 2017. Interim 2nd four months • Oct 5, 2017.

The Annual Report with Sustainability Report, Appendix – Sustainability-Related Indicators, interim reports and other reports are available in English and Swedish. All reports can be downloaded from www.lantmannen.com/en/financialinformation

President's overview

Lantmännen's income after net financial items for 2016, adjusted for items affecting comparability, is MSEK 1,548, the highest Lantmännen has ever achieved. In view of the strong results, the Board has decided to increase the refund and final price adjustment.

The result of MSEK 1,548 is an improvement compared with the previous year's figure of MSEK 1,246 – clear evidence that we are continuing to develop positively and in line with the defined strategy.

Virtually all businesses have developed positively during the year. We have strengthened our market positions and made important acquisitions that further strengthen our position and create new business opportunities. We currently stand on a very stable platform, both operationally and financially, which creates security ahead of new initiatives and opportunities for continuing the long-term development of our businesses.

The Agriculture Sector's operating income has continued to show very positive development during 2016. I am particularly pleased with the strong improvement in operating income for the Sector's Swedish operations, which has laid the foundation for this year's historically high refund and final price adjustment.

Within the Machinery Sector, solid work has been carried out to prepare the organization for the new and expanded cooperation agreement with AGCO. The Swedish agricultural machinery market remains challenging, although the number of machines sold in 2016 increased from the previous year. Lantmännen Maskin has maintained strong momentum in the operations, and Valtra has once again taken the leading position in market share for tractors in Sweden. Operations in Swecon have also developed strongly in all markets during the year, and we have achieved a market share of more than 50 percent in heavy machinery in Sweden.

Successful exports of our climate-friendly ethanol to Germany and second-generation ethanol to various countries in Europe have contributed strongly to a good year for Lantmännen Agroetanol in terms of earnings. Lantmännen Reppe and Lantmännen Aspen have advanced their positions and further improved their earnings.

The earnings trend within the Food Sector has remained good during the year – mainly due to continued earnings improvements within Lantmännen Unibake and the successful integration of Vaasan's operations into Lantmännen Cerealia and Lantmännen Unibake. Our partly-owned company Viking Malt



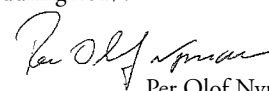
has also shown positive development during the year, particularly as a result of the acquisition of Carlsberg's malting business.

Lantmännen Real Estate has continued to increase the proportion of external leasing and has conducted several successful property development projects.

Lantmännen's Board has decided to increase the refund and final price adjustment on trade with Lantmännen Lantbruk in Sweden to 2.5 percent (2.0 previous year). The Board has also decided to pay a refund of 0.5 (0.5) percent on members' purchases from the Machinery Sector's Swedish operations. The total refund and final price adjustment is estimated at MSEK 232 (188). In addition to this, the Board proposes that the Annual General Meeting (AGM) adopt a contribution dividend and contribution issue totaling MSEK 277. In total, this would inject MSEK 509 into Swedish agriculture, to the benefit of Swedish farmers.

During the year, we have continued the implementation of Strategy 2020, which is, and has been, an important factor in bringing the company to the strong and profitable position we are in today. Among other things, our work in the grain value chain has resulted in an even stronger base for our grain industries, which has been achieved, for example, through better planning and coordination and lower costs of internal transport. Our strong position throughout the value chain from field to fork means that we can develop profitable and sustainable businesses – and create conditions for thriving Swedish farming. The LM² initiative was launched during the year, and is aimed at strengthening the competitiveness of Swedish agriculture with the help of digital tools.

We are well placed for the future, and I have strong confidence that we have the right conditions to continue the positive development. I would like to thank all employees, owners, suppliers, customers and partners for their productive cooperation during the year and I look forward to continuing to build a stronger Lantmännen together during 2017.


Per Olof Nyman
President & CEO, Lantmännen

The year in brief, January-December 2016

Net sales for the Group amounted to MSEK 12,727 (12,491) for the third four-month period and MSEK 37,244 (35,660) for the full year 2016.

Operating income amounted to MSEK 533 (372) for the four-month period and adjusted for items affecting comparability MSEK 570 (372). The period's items affecting comparability amounted to MSEK -37 (0) and were related to restructuring costs in the Food Sector. The year's net items affecting comparability amounted to MSEK -91 (0). Operating income for the full year 2016 was MSEK 1,606 (1,351) and adjusted for items affecting comparability MSEK 1,697 (1,351).

Cash flow from operating activities for the year was MSEK 3,136 (2,167). Investments in non-current assets totaled MSEK 2,333 (1,256). Cash flow before financing activities was MSEK 826 (-2,674). Total cash flow was MSEK 489 (-1,775).

Dividend The Board has decided to increase the refund and final price adjustment on trade with Lantmännen Lantbruk Sweden by 0.5 percent to 2.5 (2.0) percent. The Board has also decided to pay a refund of 0.5 (0.5) percent on members' purchases from the Machinery Sector's Swedish operations.

The total refund and final price adjustment is estimated at MSEK 232 (188). The Board proposes that the AGM adopt a contribution dividend of SEK 9 per SEK 100 or 9 (9) percent of contributed capital, totaling MSEK 207 (193), and a contribution issue of MSEK 70 (50). In total, the proposed contribution dividend and contribution issue amount to 12 (11) percent of the association's contributed capital. The total proposed dividend to the owners is therefore MSEK 509 (431). The Board also proposes that the AGM adopt a 7.25 (6.5) percent dividend on subordinated debentures, totaling MSEK 18 (16).



Lantmännen's key figures	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales, MSEK	12,727	12,491	37,244	35,660
Operating income, MSEK	533	372	1,606	1,351
Operating margin, %	4.2	3.0	4.3	3.8
Income after financial items, MSEK	490	338	1,457	1,246
Net income for the period, MSEK	567	309	1,274	1,090
Cash flow before financing activities, MSEK	232	363	826	-2,674
Return on equity, %	12.3	7.3	9.6	8.9
Return on operating capital, %	7.6	5.5	8.0	7.5
Total assets, MSEK			32,490	30,081
Equity ratio, %			42.7	42.2
Investments in non-current assets, MSEK	751	412	2,333	1,256
Net debt, MSEK			6,289	6,476
Interest coverage ratio, times			5.6	6.9
Average number of employees			9,880	8,911
Adjusted for items affecting comparability				
Operating income, MSEK	570	372	1,697	1,351
Operating margin, %	4.5	3.0	4.6	3.8
Income after financial items, MSEK	527	338	1,548	1,246
Net income for the period, MSEK	589	309	1,457	1,066
Return on equity, %	12.8	7.3	11.0	8.7
Return on operating capital, %	8.2	5.5	8.4	7.5

Business environment and market

World markets and global economic development were affected by great political uncertainty in 2016, a trend that is expected to persist during 2017. There are several uncertainties about the new political situation in the US – for example with regard to trade policy, infrastructure investments, tax policy and international relations.

Uncertainty also remains about Brexit – the UK's planned withdrawal from the EU – and how this will affect the markets. Several analysts continue to expect very slow growth in the UK economy, while little impact on the EU economy is expected. During 2017, elections will be held in the Netherlands, France and Germany, which could lead to further uncertainty in the EU.

Economic development in Sweden remains good and inflation is slowly moving upward. The Swedish Central Bank's forecast for GDP growth in 2016 is 3.4 percent, with growth thereafter expected to gradually decline to 2.1 percent in 2019. However, the Central Bank sees several risks that could jeopardize the growth trend, and at its monetary policy meeting in December, the Bank decided to keep the repo rate at -0.5 percent and to continue purchasing government bonds. Economic growth in the other Nordic countries continues to be weaker than in Sweden.

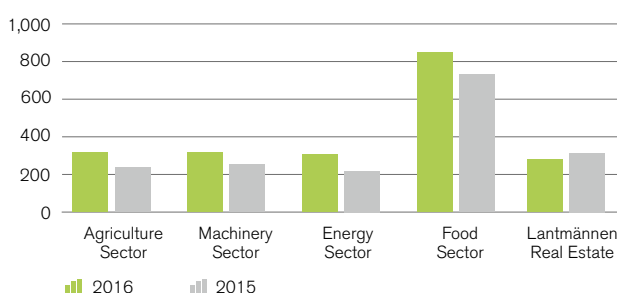
The large global grain harvest in 2016 has led to continued large stocks, which is contributing to low world market prices. This applies particularly to the availability of wheat, as the global wheat harvest in 2016 was the fourth consecutive record harvest. According to the International Grain Council, global trade in wheat, corn, rice and soybeans is expected to increase over the next five years, mainly driven by increased demand in Asia and Africa. This is expected to result in a slight decline in the current record-high stock levels. Food and feed are expected to remain the main drivers of demand.

According to LRF Dairy Sweden's most recent report, reduced global milk production and increased demand have brought rising prices, both internationally and in Sweden. World market prices rose by an average of 14 percent in the final three months of 2016.

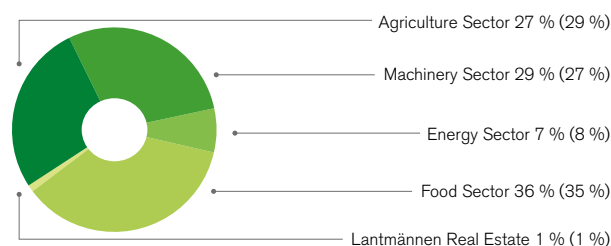
At the end of 2016, ethanol prices took an upward turn, but the price trend is expected to remain volatile. There is continuing uncertainty about future policy instruments for biofuels in countries such as Sweden and Germany. In November, the European Commission presented a proposal which, if passed, would have a negative impact on all crop-based fuels in the EU.

According to HUI Research, FMCG retail growth in Sweden increased by 1.7 percent between November 2015 and November 2016. DLF's forecast indicates that FMCG retail growth for the full year 2016 was about 2.5 percent. Strong consumer trends within the Nordic food industry include health, sustainability and origin. Discount brands and chains' own brands continue to gain market share, even though interest in quality and premium products remains strong. Increasing urbanization and a greater proportion of single-person households are driving increased demand for food-to-go and bake-off products. Demand for organic products remains strong, and in certain food categories demand appears to be outstripping supply. Consumers are increasingly demanding alternative proteins, which are non-meat proteins from both the animal and plant kingdom.

Operating income per Sector, accumulated January-December
Adjusted for items affecting comparability, MSEK



Distribution of Group's sales
Including intra-Group sales



Comments on the period

The Group's net sales and earnings

January-December 2016

Net sales

Lantmännen's net sales for the third four-month period amounted to MSEK 12,727 (12,491), an increase of 2 percent.

Net sales for the full year 2016 were MSEK 37,244 (35,660), an increase of 4 percent. Adjusted for acquired and divested operations, the increase was 2 percent for the four-month period and 1 percent for the full year.

Currency effects had a positive impact of 1 percent on net sales for the four-month period, but no impact on net sales for the full year.

Operating income

Operating income for the third four-month period was MSEK 533 (372). Adjusted for items affecting comparability, operating income was MSEK 570 (372). Items affecting comparability, which amounted to MSEK -37, were related to restructuring costs in the Food Sector following changes in Vaasan's fresh bread operations in Finland.

Operating income for the full year 2016 was MSEK 1,606 (1,351) and adjusted for items affecting comparability MSEK 1,697 (1,351). The year's net items affecting comparability amounted to MSEK -91 (0). In the Food Sector, insurance compensation for the burnt-down bakery in Londerzeel in Belgium had a positive impact of MSEK 357 on operating income for the year. A restructuring provision of MSEK 87 has been made in the Food Sector as a result of changes in Vaasan's fresh bread operations in Finland and Lantmännen Cerealia's decision to close the facility in Odense and transfer cake and bread mix production to Sweden, and the decision to relocate pancake production from Ockelbo to Laholm. The Sector was also affected by costs of MSEK 61 associated with property acquisitions in Russia. A provision of MSEK 300 has been recognized in the Energy Sector in connection with the European Commission's ongoing investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law.

The previous year's net items affecting comparability were 0, and consisted of a capital gain of MSEK 110 on the divestment of Lantmännen Doggy, restructuring costs of MSEK -45 in the Agriculture Sector and costs of MSEK -65 associated with the integration of Lantmännen and Vaasan's operations.

Operating income adjusted for items affecting comparability improved in all Sectors, with the largest increase in the Agriculture and Energy Sectors. The Real Estate Sector's operating income was lower than the previous year as a result of lower capital gains on property sales.

Currency effects had an impact of MSEK 10 on operating income for the four-month period and MSEK -11 for the year.

Net financial income and income after financial items

Net financial income for the four-month period was MSEK -43 (-34). Income after financial items was MSEK 490 (338) and adjusted for items affecting comparability MSEK 527 (338).

Net financial income for January-December 2016 was MSEK -149 (-105). The decline in net financial income is due to increased interest expenses arising from new financing for acquisitions in 2015 and 2016 and continuing negative currency effects as a result of a volatile Swedish krona. Income after financial items for the full year was MSEK 1,457 (1,246) and adjusted for items affecting comparability MSEK 1,548 (1,246).

Tax and income after tax

Tax expense for the year was MSEK 183 (156). Lantmännen's tax expense was affected by a non-taxable capital gain and the fact that dividends from economic associations are tax deductible.

Income after tax amounted to MSEK 1,274 (1,090), with MSEK 1,273 (1,088) of this figure attributable to members of the economic association and MSEK 1 (2) to non-controlling interests (minority ownership) in the Group's subsidiaries.

Cash flow

Cash flow from operating activities for the year was MSEK 3,136 (2,167). The cash operating surplus contributed MSEK 2,571 (2,159) to the figure, while cash flow from working capital contributed MSEK 565 (8).

Investments in non-current assets were MSEK -2,333 (-1,256), while sales of non-current assets amounted to MSEK 449 (445). Large investments included a number of bakeries, notably in Russia, Belgium and Poland, the Strängnäs mill and property.

Net acquisitions and divestments of operations amounted to MSEK -357 (-4,154). Lantmännen's acquisitions include the Romanian hamburger bun company Frozen Bakery Products and a majority holding in the technical services company Dataväxt. The previous year's cash flow from acquisitions and divestments was affected by the Vaasan acquisition, which was largely financed with own funds, and the divestment of Lantmännen Doggy.

Cash flow before financing activities was MSEK 826 (-2,674), while total cash flow including financing activities was MSEK 489 (-1,775).

Financial position

Equity at December 31 amounted to MSEK 13,883 (12,681). This includes MSEK 88 (21) attributable to owners other than members of the economic association, i.e. the minority interest in Group companies. Net debt fell by MSEK 187 to MSEK 6,289 (6,476). Cash and cash equivalents at the end of the year were MSEK 1,773 (1,252) and total assets were MSEK 32,490 (30,081). The equity ratio was 42.7 (42.2) percent.



Super Havre Me

Risks and uncertainties

All business activities are subject to risks. The risks in Lantmännen's operations are strategic risks associated with trademarks, external regulations, the economy, operational risks (e.g., fluctuating energy, ethanol and commodity prices) and financial risks. The risks are described in detail in Lantmännen's Annual Report.

Changes in the Group

Kalmar Lantmän's machinery business was acquired in January. The acquisition included inventories, equipment and about 40 employees. The business has an annual turnover of approximately MSEK 160.

A number of industrial properties in Uppsala where Lantmännen Lantbruk and Lantmännen Cerealia currently operate were divested in March. Some of Lantmännen's operations in the properties will continue for another few years.

In May, a property in Moscow was acquired in which Lantmännen Unibake has conducted bakery production over a long period.

In September, Lantmännen Unibake acquired the Romanian company Frozen Bakery Products, a hamburger bun bakery in Bucharest, Romania. The company has a turnover of approximately MSEK 80 and 80 employees.

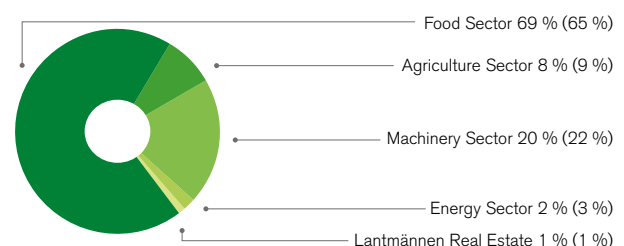
In October, Lantmännen acquired a 50.1 percent holding in the technical services company Dataväxt, with the aim of

jointly driving digital development in agriculture. Dataväxt has a turnover of approximately MSEK 65 and 25 employees. The acquisition balance sheets for the acquired companies are still preliminary.

Human resources

The average number of employees during the year was 9,880 (8,911), while the number of full-time employees at December 31, 2016 was 9,764 (9,706). The average number of employees has been affected by the acquisitions of Vaasan in June 2015 and Kalmar Lantmän's machinery business in January this year, the divestment of Lantmännen Doggy in July 2015 and efficiency measures mainly in the Agriculture and Food Sectors.

Distribution of Group's employees



Other significant events in the third four-month period

Lantmännen's membership increased to a total of 20 districts with the addition of Kalmar-Öland.

Elisabeth Ringdahl took over as Head of the Agriculture Sector, after having been Acting Head of the Sector for a period.

Lantmännen's Director of Sustainable Development Claes Johansson was named Sweden's best Sustainability Director in 2016 by the magazine Aktuell Hållbarhet.

Lantmännen acquired a strong minority position, corresponding to 10.1 percent of the votes, in HKScan from Sveriges Djurbönder.

Towards the end of 2016, the first pilot users started to use the LM² tool, which will gather all of Lantmännen's digital services, directed to the owners, in one portal.

The aim is for a broad launch of LM² in 2017. The tool will bring together existing and new services to increase

usability and focus on the farmer's needs. It includes both agriculture business and machinery business, as well as financial services and information from Lantmännen to the owners and elected representatives. In October, to further strengthen the digital position, Lantmännen acquired a majority in the company Dataväxt, a leader in digital crop production services.

Events after the end of the period

Lantmännen's company with importing responsibility for Claas in Denmark was divested.

The baguette bakery Anderson Bakery (PS Bageri AB) in Huddinge, Sweden, has been acquired. The company has a turnover of SEK 75 million and 30 employees. The transaction will be completed in March 2017.

Joachim Haas took over as the new Head of Lantmännen Real Estate.



Agriculture Sector

Key figures, Agriculture Sector	2016	2015	2016	2015	Change Jan-Dec
	Sep-Dec	Sep-Dec	Jan-Dec	Jan-Dec	
Net sales, MSEK	3,592	3,925	10,767	10,907	-1 %
Operating income, MSEK	68	111	318	192	126
Operating margin, %	1.9	2.8	3.0	1.8	
Return on operating capital, %	4.5	7.3	7.8	4.6	
Operating income, adjusted for items affecting comparability, MSEK	68	111	318	237	81
Operating margin, adjusted for items affecting comparability, %	1.9	2.8	3.0	2.2	
Return on operating capital, adjusted for items affecting comparability, %	4.5	7.3	7.8	5.7	
Average number of employees			766	818	-6 %
<i>Key figures, Lantmännen Lantbruk Sweden</i>					
Net sales, MSEK	3,523	3,887	10,587	10,798	-2 %
Operating income, MSEK	5	42	225	96	129
Operating margin, %	0.1	1.1	2.1	0.9	
Return on operating capital, %	0.5	3.8	8.2	3.2	
Operating income, adjusted for items affecting comparability, MSEK	5	42	225	141	84
Operating margin, adjusted for items affecting comparability, %	0.1	1.1	2.1	1.3	
Return on operating capital, adjusted for items affecting comparability, %	0.5	3.8	8.2	4.7	
Average number of employees			734	789	-7 %

The Agriculture Sector's net sales are in line with the previous year, while operating income adjusted for items affecting comparability is MSEK 318 – an improvement on the previous year's figure of MSEK 237.

The improved result is largely due to an increased customer focus and a stronger local presence. Lantmännen's position in the competitive agricultural markets has been strengthened, with increased market share and good sales. Well-implemented efficiency measures and cost reductions, which produced full effects in the Swedish operations during the year, also contributed positively.

Lantmännen's 2016 harvest work has been successful, with high volumes received and good quality. The new grain receiving facilities that were opened in Umeå, Säffle and Karlstad during the year were well received. Lantmännen Lantbruk has also decided to open a grain receiving facility with drying and storage capacity in Hargshamn, and two new grain receiving facilities in the Uppsala area, replacing the central facility in Uppsala, which will be closed in a few years.

The feed business developed positively, with higher sales and increased market shares. New conventional feed varieties for cattle, pigs and poultry were launched during the year. New feed ranges for organic animal production were also launched. Krafft horse feed was relaunched towards the end of the year, with its packaging, logo and marketing communications having been updated to make the brand more attractive.

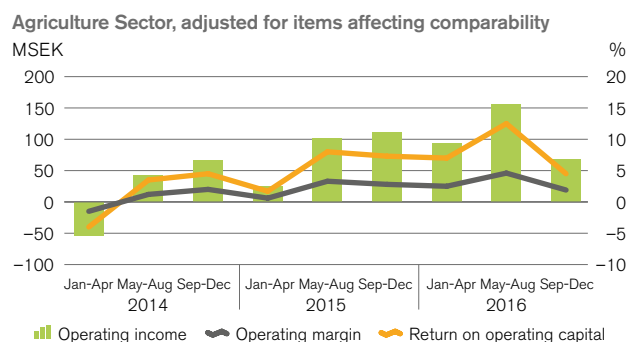
The range of fall and spring seed has been strengthened in 2016, with items such as winter wheat for organic cultivation and malting barley for whisky. New varieties of malting and feed barley have been launched for spring sowing in 2017, as well as grass seed for meadow fescue and timothy.

Fertilizer sales have been relatively high during the year, particularly during the summer, although there is still intense price competition in the market.

During the year, Lantmännen Lantbruk opened a sales office in Kalmar for both crop production and feed. The establishment has attracted keen interest and trading volumes have developed positively.

Earnings for the international holdings were lower than in the previous year. HaGe Kiel has faced challenges, mainly in the form of lower grain trading, pressure on prices and lower margins on merchandise. Scandagra Group has developed positively, despite a weak harvest in the Baltic region, while Scandagra Polska has faced increased challenges in the form of a relatively weak harvest and a declining total market for plant protection and plant nutrition during the year.

In October, Elisabeth Ringdahl took over as Head of the Agriculture Sector and is now a member of Lantmännen's Group management team.





Machinery Sector

Key figures, Machinery Sector	2016	2015	2016	2015	Change Jan-Dec
	Sep-Dec	Sep-Dec	Jan-Dec	Jan-Dec	
Net sales, MSEK	3,971	3,475	11,343	10,323	10 %
Operating income, MSEK	158	133	316	255	61
Operating margin, %	4.0	3.8	2.8	2.5	
Return on operating capital, %	27.6	23.2	17.8	14.0	
Average number of employees			1,951	1,869	4 %
<i>Key figures, Lantmännen Maskin Sweden</i>					
Net sales, MSEK	1,146	1,010	3,362	3,137	7 %
Operating income, MSEK	-12	-6	-10	-10	0
Operating margin, %	-1.0	-0.6	-0.3	-0.3	
Return on operating capital, %	-3.8	-2.1	-1.0	-1.2	
Average number of employees			799	749	7 %

The Machinery Sector's net sales were higher than in the previous year. Operating income amounted to MSEK 316, an improvement from MSEK 255 the previous year.

The Sector has developed positively during the year, both in agricultural and construction machinery. In Lantmännen Maskin Sweden, intensive efforts have been carried out to adapt the business to the updated supplier agreement with AGCO. To achieve a stronger focus on Swedish customers, with increased accessibility and proximity, Lantmännen's import companies for Valtra in Norway and Denmark were phased out in 2016, as planned. In October, Lantmännen's agreement with Claas in Norway expired, according to plan. AGCO's central warehouse has been relocated from Copenhagen to Malmö and a new warehouse system has been introduced – the measures have been successful, although project costs have had a negative impact on income for the year.

Total sales of tractors in Sweden increased during the year, but the market is still difficult to predict. Lantmännen Maskin has defended its market position for tractors and combines, and the introduction of new Fendt combines has been well received. Valtra finished the year as market leader again. Sales of agricultural equipment increased during the year – notably through the introduction of the manufacturer Kuhn's new range.

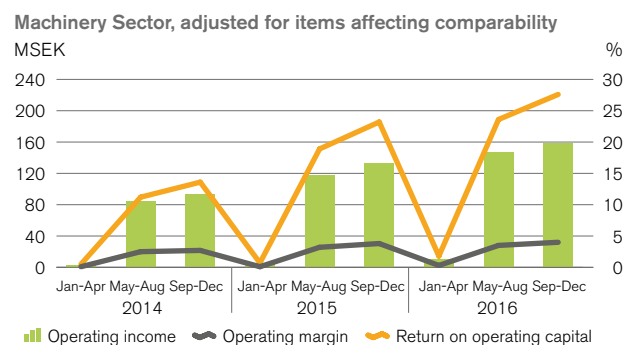
Kalmar Lantmän's machinery operations were acquired at the beginning of the year. Integration of the operations during the year gave rise to relatively high initial restructuring and project costs, which affected operating income for 2016. Work is in progress to complete the integration and build a strong,

customer-oriented structure in the region, with measures including investment in a new facility in Kalmar.

Swecon continues to perform well. Markets for construction equipment in Sweden and Germany increased significantly in 2016 and Swecon has strengthened its market shares. In Sweden, large ongoing and announced infrastructure projects in urban areas are driving long-term demand for machinery, services and spare parts. Activity in the Swedish mining sector remains low.

Swecon's new business of dismantling used machinery and marketing used spare parts reached full capacity during the year and is showing strong results.

Agro Oil is developing according to plan, with increased sales through the internal channels Lantmännen Maskin and Swecon in Sweden.





Energy Sector

Key figures, Energy Sector

	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec	Change Jan-Dec
Net sales, MSEK	889	963	2,698	2,874	-6 %
Operating income, MSEK	79	79	4	218	-214
Operating margin, %	8.9	8.2	0.1	7.6	
Return on operating capital, %	31.8	21.3	0.4	19.2	
Operating income, adjusted for items affecting comparability, MSEK	79	79	304	218	86
Operating margin, adjusted for items affecting comparability, %	8.9	8.2	11.3	7.6	
Return on operating capital, adjusted for items affecting comparability, %	31.8	21.3	31.4	19.2	
Average number of employees			234	228	2 %

The Energy Sector's net sales amounted to MSEK 2,698, compared with MSEK 2,874 the previous year, while operating income adjusted for items affecting comparability was MSEK 304 – an increase from MSEK 218 the previous year.

The higher operating income is primarily attributable to a strong improvement in Lantmännen Agroetanol's operating income during the year. The strong operating income is also due to successful exports of climate-friendly ethanol to Germany, and increased sales of more value-added products, such as ED95 fuel for diesel engines.

Lantmännen Reppe continues to develop positively with good growth in sales volumes, even though the quality of the grain raw material from the 2015 harvest still presented challenges during parts of the year. Demand for starch in the paper and packaging industry has increased during the year.

Lantmännen Aspen has experienced good sales growth during the year, particularly due to a strong summer period. Aspen's alkylate petrol has continued to gain market share both in Sweden and abroad. During the year, a cooperation agreement was signed with the French-German company Global Bioenergies regarding an initiative for renewable raw materials in the production of alkylate petrol. Development of the new product Aspen D, designed for smaller diesel engines, was also completed during the year.

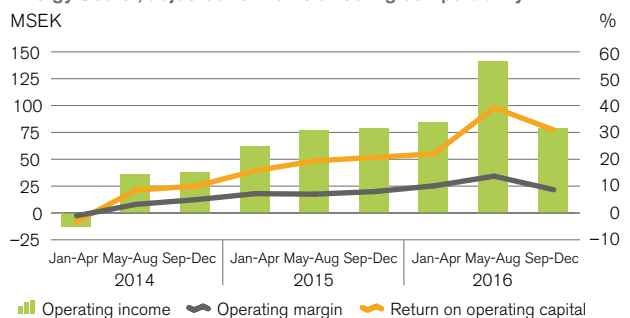
The Etha cooperation was launched together with the truck manufacturer Scania during the year. The offering from

Etha comprises the latest generation of Scania's ethanol trucks and customized refueling solutions from Lantmännen Agroetanol.

The partly-owned company Agroenergi Neova Pellets was renamed Scandbio during the year. There is intense price competition in the pellet market at present, and the company is working to adapt its operations to the current situation.

A provision of MSEK 300 has been recognized in the financial statements, in connection with the European Commission's ongoing investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law.

Energy Sector, adjusted for items affecting comparability





Food Sector

Key figures, Food Sector

	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec	Change Jan-Dec
Net sales, MSEK	4,864	4,722	14,048	13,073	7 %
Operating income, MSEK	236	178	1,058	692	366
Operating margin, %	4.9	3.8	7.5	5.3	
Return on operating capital, %	5.3	4.5	8.4	6.7	
Operating income, adjusted for items affecting comparability, MSEK	273	219	849	733	116
Operating margin, adjusted for items affecting comparability, %	5.6	4.6	6.0	5.6	
Return on operating capital, adj. for items affecting comparability, %	6.2	5.5	6.7	7.1	
Average number of employees			6,610	5,687	16 %

The Food Sector's net sales are higher than in the previous year, largely due to the acquisition of the Vaasan bakery group, which has been part of the Sector since June 2015. Operating income adjusted for items affecting comparability amounted to MSEK 849 – an increase from MSEK 733 the previous year. The higher operating income is largely attributable to continuing improvements in income for Lantmännen Unibake and the full-year effect from Vaasan.

Lantmännen Cerealia continues its stable development, with a strong focus on developing innovative customer offerings and products. Lantmännen Cerealia B2B and Food Service are showing positive development and have handled the strong price pressure and competition in the market well – mainly as a result of effective cost management and close cooperation with customers.

There were several product launches during the year, including granola without added sugar and new muesli varieties from AXA, bean pasta from Kungörsnen, new crispbread from Finn Crisp and vegetarian ready meals from GoGreen. Kungörsnen's climate-friendly wheat flour "Vänligare vete" was supplemented in the fall with climate-friendly rye flour, "Vänligare råg", based on the same cultivation concept.

Work aimed at replacing the mill in Uppsala in 2017 began during the year, with investments and expansion of Lantmännen Cerealia's plant in Strängnäs.

During the year, Lantmännen Unibake further strengthened its earnings through improvements in most markets. Good synergies have been achieved through the integration of Vaasan's operations.

The market for fresh bread has grown during the year, and sales have been strengthened, notably in Denmark, Poland

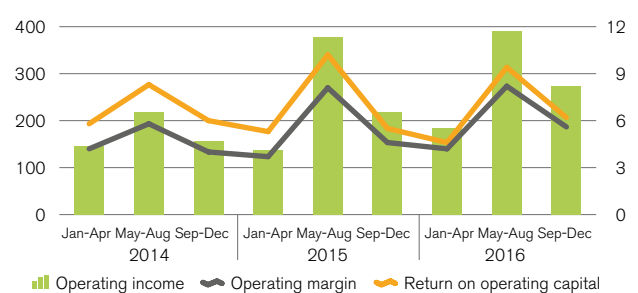
and Lithuania. During fall, "Rågbitar" was launched in the Swedish market under the Hatting brand, with good results.

In September, a hamburger bun bakery was acquired in Bucharest, Romania. The acquisition is part of Lantmännen Unibake's strategy to establish itself in new markets. As part of the strategy, the fresh bread business in Finland is also undergoing a restructuring process. Production at the rebuilt bakery in Londerzeel in Belgium began during fall and the new plant is now in the start-up phase.

The following items affecting comparability have had an impact on the Sector's operating income during the year: insurance compensation for the burnt-down bakery in Londerzeel MSEK +357, restructuring costs in Lantmännen Cerealia MSEK –50 and Lantmännen Unibake MSEK –37 and costs associated with the property acquisition in Russia MSEK –61.

The partly-owned company Viking Malt acquired Danish Malting Group from Carlsberg during the year. The acquisition has strengthened Viking Malt's position as one of the leading malting players in Europe.

Food Sector, adjusted for items affecting comparability
MSEK





Lantmännen Real Estate

Key figures, Lantmännen Real Estate

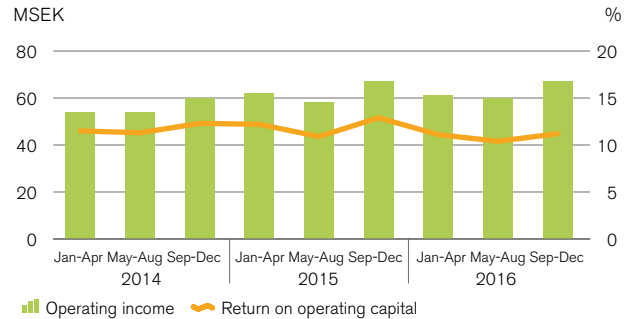
	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec	Change Jan-Dec
Net sales, MSEK	165	155	455	454	0 %
Operating income, excluding property sales, MSEK	67	67	188	187	1
Operating income, MSEK	114	69	281	314	-33
Return on operating capital, adjusted for property sales, %	11.2	12,9	10.9	12.0	
Average number of employees			39	39	0 %

Lantmännen Real Estate's net sales are in line with the previous year. Operating income, excluding property sales, amounted to MSEK 188, compared with MSEK 187 the previous year. The share of external leasing continued to increase during the year.

A number of property transactions were conducted during the year, including the divestment of Lantmännen's former production properties in Uppsala. Investments in property development, including a focus on food properties, continued during the year.

Lantmännen Agrovärme continues to develop positively, mainly as a result of well implemented fuel purchases and a favorable weather situation.

Lantmännen Real Estate, excluding property sales





Lantmännens international ownership

Lantmännen has interest holdings in a number of international companies. These companies' operations are primarily located in the Nordic region, Germany, Poland and the Baltic countries. With these holdings, Lantmännen is well positioned to offer customers in Sweden and in export markets long-term business relationships with stable delivery performance.

In order to strengthen and expand existing international agricultural cooperation, Lantmännen and the Danish agricultural company DLG (Dansk Landbrugs Grovvareselskab) have established a new jointly-owned company, Lantmännen DLG International (LDI). The purpose of the new company is to expand the position in markets and businesses where Lantmännen and DLG already have a strong partnership and to expand into new, mainly European, markets.

HaGe Kiel holding 41 %

Hauptgenossenschaft Nord AG (HaGe Kiel) has an annual turnover of approximately SEK 21 billion and about 1,700 employees. Lantmännen owns 41 percent of HaGe Kiel, while DLG owns 54 percent. Operations include grain trading and the sale of farm inputs and the business is part of the Agriculture Sector. HaGe Kiel has well developed logistics chains and port terminals located in Hamburg, Kiel and Rostock which supply the market with grain and oilseeds, both locally and internationally. HaGe Kiel has feed factories and also trades in agricultural goods, machinery, and sales of leisure and garden products.

Scandagra Group holding 50 %

Scandagra Group AB operates in the three Baltic countries. The Group has an annual turnover of approximately SEK 2.4 billion and about 300 employees. The company, which is jointly owned (50-50) by Lantmännen and DLG, is part of the Agriculture Sector. The operations are conducted through three sales companies – Scandagra Eesti, Scandagra Lietuva and Scandagra Latvia. The sales companies engage in the sale of crop production inputs and the purchase and sale of grain. Scandagra Eesti also has a feed plant with a production capacity of just over 100,000 tonnes.

Scandagra Polska holding 50 %

Scandagra Polska, which is a merchant of grain and other inputs in the Polish agricultural market, has an annual turnover of approximately SEK 1.3 billion and about 160 employees. The company, which is jointly owned (50-50) by Lantmännen and DLG, is part of the Agriculture Sector. Scandagra Polska is one of many traders in the large and diversified Polish market.

Scandbio holding 50 %

(Formerly Agroenergi Neova Pellets)

Scandbio is the largest wood fuel company in Sweden and sells 100 percent renewable energy in the form of pellets, briquettes, biomass logs and powder. The products are manufactured by using residues from the forestry and sawmill industry. The company has an annual turnover of approximately MSEK 900 and about 130 employees. Scandbio has a strong position in the Swedish market and in the Baltic Sea region. The company was established in 2014 when Lantmännen Agroenergi and Neova merged their pellet operations. The company is jointly owned (50-50) by Lantmännen and Neova, and is part of the Energy Sector.

Viking Malt holding 38 %

Viking Malt is a refiner of grain, and supplies about 600,000 tonnes of malt annually to breweries and distilleries in northern Europe, and to selected customers around the world. Viking Malt produces malt in Finland, Sweden, Denmark, Poland and Lithuania. The company has strengthened its position as one of the leading malting players in Europe with the acquisition of Danish Malting Group (DMG) from Carlsberg in May 2016. The company has an annual turnover of approximately SEK 1.8 billion and about 240 employees. Lantmännen owns 38 percent of the company, with the remainder being owned by the Finnish company Polttime. Viking Malt is part of the Food Sector.

Condensed consolidated income statement

MSEK	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Net sales	12,727	12,491	37,244	35,660
Other operating income	189	158	800	796
Changes in inventories of finished goods and work in progress	-280	-203	-300	57
Raw materials and consumables	-3,805	-3,798	-11,104	-11,384
Goods for resale	-3,834	-3,838	-11,874	-11,508
Employee benefits expense	-1,939	-1,792	-5,578	-5,169
Other operating expenses	-2,166	-2,286	-6,515	-5,982
Share of income of associates	58	54	98	103
Depreciation, amortization and impairment	-417	-414	-1,165	-1,222
Operating income	533	372	1,606	1,351
Finance income	42	28	165	106
Finance costs	-85	-62	-314	-211
Income after financial items	490	338	1,457	1,246
Tax	77	-29	-183	-156
Net income for the period after tax	567	309	1,274	1,090
Net income for the period attributable to:				
Members of the economic association	567	309	1,273	1,088
Non-controlling interests	0	0	1	2

Consolidated statement of comprehensive income

MSEK	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Net income for the period after tax	567	309	1,274	1,090
Other comprehensive income				
<i>Items that will not be reclassified to the income statement</i>				
Actuarial gains and losses on defined benefit pension plans, net of tax	56	372	-162	211
Tax on actuarial gains and losses	-12	-81	36	-46
Total	44	291	-126	165
<i>Items that will be reclassified to the income statement</i>				
Available-for-sale financial assets, net of tax	15	19	81	13
Cash flow hedges, net of tax	-7	-56	22	62
Exchange differences on translation of foreign operations	26	-158	193	-189
Net gain on hedge of net investment in foreign operations, net of tax	1	28	-68	56
Tax attributable to items that will be reclassified	8	-3	2	-34
Total	43	-170	230	-92
<i>Share of OCI in companies accounted for using the equity method</i>				
Items that will be reclassified to the income statement	2	-32	51	-12
Total	2	-32	51	-12
Other comprehensive income for the period, net of tax	89	89	155	61
Total comprehensive income for the period	656	398	1,429	1,151
Net income for the period attributable to:				
Members of the economic association	656	398	1,428	1,149
Non-controlling interests	0	0	1	2

Condensed consolidated four-monthly income statements

MSEK	2016 Sep-Dec	2016 Maj-Aug	2016 Jan-Apr	2015 Sep-Dec	2015 Maj-Aug	2015 Jan-Apr
Net sales	12,727	12,837	11,680	12,491	12,105	11,064
Other operating income	189	465	146	158	448	190
Changes in inventories of finished goods and work in progress	-280	838	-858	-203	751	-491
Raw materials and consumables	-3,805	-4,428	-2,871	-3,798	-4,194	-3,392
Goods for resale	-3,834	-4,401	-3,639	-3,838	-4,226	-3,444
Employee benefits expense	-1,939	-1,837	-1,802	-1,792	-1,802	-1,575
Other operating expenses	-2,166	-2,394	-1,955	-2,286	-1,938	-1,758
Share of income of associates	58	11	29	54	21	28
Depreciation, amortization and impairment	-417	-383	-365	-414	-477	-331
Operating income	533	708	365	372	688	291
Finance income	42	81	42	28	46	32
Finance costs	-85	-126	-103	-62	-64	-85
Income after financial items	490	663	304	338	670	238
Tax	77	-234	-26	-29	-108	-19
Net income for the period after tax	567	429	278	309	562	219
Net income for the period attributable to:						
Members of the economic association	567	429	277	309	562	217
Non-controlling interests	0	0	1	0	0	2

The Group's items affecting comparability

MSEK	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Recognized operating income	533	372	1,606	1,351
<i>Items affecting comparability in operating income:</i>				
Insurance compensation, Food Sector	-	-	357	-
Restructuring costs, Food Sector	-37	-	-148	-
Provisions, Energy Sector	-	-	-300	-
Capital gains on sale of operations	-	-	-	110
Restructuring costs, Agriculture Sector	-	-	-	-45
Restructuring costs, Vaasan acquisition ¹⁾	-	-	-	-65
<i>Total items affecting comparability in operating income</i>	<i>-37</i>	<i>-</i>	<i>-91</i>	<i>0</i>
Operating income, adjusted for items affecting comparability	570	372	1,697	1,351
Recognized income after financial items	490	338	1,457	1,246
Items affecting comparability in operating income according to above	-37	-	-91	0
<i>Total items affecting comparability in net financial income</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Income after financial items adjusted for items affecting comparability	527	338	1,548	1,246
Return on equity, adjusted for items affecting comparability, %	12.8	7.3	11.0	8.7
Return on operating capital, adjusted for items affecting comparability, %	8.2	5.5	8.4	7.5

¹⁾ MSEK 41 of which is reported in the Food Sector.

Condensed consolidated statement of financial position

MSEK	2016 Dec 31	2015 Dec 31
ASSETS		
Property, plant and equipment	8,240	7,113
Investment properties	858	586
Goodwill	4,611	4,424
Other intangible assets	2,980	2,782
Investments in associates	1,896	1,690
Non-current financial assets	770	711
Deferred tax assets	136	371
Other non-current assets	23	8
Total non-current assets	19,514	17,685
Inventories	5,270	5,545
Trade and other receivables	5,727	5,407
Current interest-bearing assets	176	174
Current tax assets	30	18
Cash and cash equivalents	1,773	1,252
Total current assets	12,976	12,396
TOTAL ASSETS	32,490	30,081
EQUITY AND LIABILITIES		
Equity attributable to members of the economic association	13,795	12,660
Non-controlling interests	88	21
Total equity	13,883	12,681
Non-current interest-bearing liabilities ¹⁾	4,991	4,897
Provisions for pensions	519	360
Deferred tax liabilities	437	612
Other non-current provisions	247	227
Other non-current liabilities	25	39
Total non-current liabilities	6,219	6,135
Current interest-bearing liabilities	3,373	3,230
Trade and other payables	8,199	7,608
Current tax liabilities	89	73
Current provisions	727	354
Total current liabilities	12,388	11,265
TOTAL EQUITY AND LIABILITIES	32,490	30,081
Equity ratio	42.7	42.2
¹⁾ Including subordinated debentures, MSEK	250	250

Condensed consolidated statement of cash flows

MSEK	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Income after financial items	490	338	1,457	1,246
Adjustment for non-cash items ¹⁾	359	447	1,246	1,012
Taxes paid	-41	-34	-132	-99
Cash flow from operating activities before changes in working capital	808	751	2,571	2,159
Change in working capital	532	60	565	8
Cash flow from operating activities	1,340	811	3,136	2,167
Acquisitions and divestments (incl. capital contribution)	-375	-70	-357	-4,154
Investments in non-current assets	-751	-412	-2,333	-1,256
Sale of non-current assets	83	63	449	445
Change in financial investments	-65	-29	-69	124
Cash flow from investing activities	-1,108	-448	-2,310	-4,841
Cash flow before financing activities	232	363	826	-2,674
Change in contributed capital	1	2	103	19
Dividend paid	-2	-4	-383	-314
Change in loans	-141	-1,004	-57	1,194
Cash flow from financing activities	-142	-1,006	-337	899
Cash flow for the period	90	-643	489	-1,775
Cash and cash equivalents at beginning of period	1,676	2,018	1,252	3,058
Exchange differences	7	-123	32	-31
Cash and cash equivalents at the end of the period	1,773	1,252	1,773	1,252
¹⁾ Depreciation and impairment of non-current assets	417	414	1,165	1,222
Less share of income in associates	-48	-54	-63	-86
Capital gains/losses on sale of non-current assets and operations	30	100	-23	-190
Other non-cash items	-40	-13	167	66
Total adjustment for non-cash items	359	447	1,246	1,012

Condensed consolidated statement of changes in equity

MSEK	2016 Jan-Dec			2015 Jan-Dec		
	Association members	Non- controlling interest	Total equity	Association members	Non- controlling interest	Total equity ¹⁾
Closing balance	12,660	21	12,681	11,859	17	11,876
Changes due to amended accounting policies in associates	66	-	66	-	-	-
Opening balance, January 1	12,726	21	12,747	11,859	17	11,876
Total comprehensive income for the period	1,428	1	1,429	1,149	2	1,151
Distribution to owners	-425	-2	-427	-367	-	-367
Contributed capital paid in by members	153	-	153	123	-	123
Contributed capital paid out to members	-50	-	-50	-104	-	-104
Other change ¹⁾	-37	68	31	-	2	2
Closing balance	13,795	88	13,883	12,660	21	12,681
Equity attributable to members of the economic association						
Contributed capital, paid in	1,101			986		
Contributed capital, issued	1,198			1,160		
Other equity	11,496			10,514		
Total equity attributable to members of the economic association	13,795			12,660		
¹⁾ Of which associates' acquisition of NCI in subsidiaries	-37		-37			
Of which acquisition of subsidiaries with NCI		68	68			
Of which other changes relating to NCI					2	2

Segment information, adjusted for items affecting comparability

Net sales per segment

MSEK	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec	Förändring %
Agriculture Sector	3,592	3,925	10,767	10,907	-1
Machinery Sector	3,971	3,475	11,343	10,323	10
Energy Sector	889	963	2,698	2,874	-6
Food Sector	4,864	4,722	14,048	13,073	7
Lantmännen Real Estate	165	155	455	454	0
Other operations	144	146	420	438	-4
Eliminations	-898	-895	-2,487	-2,409	3
Lantmännen total	12,727	12,491	37,244	35,660	4

Operating income per segment, adjusted for items affecting comparability

MSEK	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Agriculture Sector	68	111	318	237
Machinery Sector	158	133	316	255
Energy Sector	79	79	304	218
Food Sector	273	219	849	733
Lantmännen Real Estate ¹⁾	114	69	281	314
Other operations	-80	-87	-182	-214
Group items	-42	-152	-189	-192
Lantmännen total	570	372	1,697	1,351
¹⁾ Including capital gain on sale of property.	47	2	93	127

Operating margin per segment, adjusted for items affecting comparability

%	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Agriculture Sector	1.9	2.8	3.0	2.2
Machinery Sector	4.0	3.8	2.8	2.5
Energy Sector	8.9	8.2	11.3	7.6
Food Sector	5.6	4.6	6.0	5.6
Lantmännen total	4.5	3.0	4.6	3.8

Return on operating capital, adjusted for items affecting comparability

%	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Agriculture Sector	4.5	7.3	7.8	5.7
Machinery Sector	27.6	23.2	17.8	14.0
Energy Sector	31.8	21.3	31.4	19.2
Food Sector	6.2	5.5	6.7	7.1
Lantmännen Real Estate ¹⁾	11.2	12.9	10.9	12.0
Lantmännen total	8.2	5.5	8.4	7.5

¹⁾ Adjusted for gain on sale of property.

Segment information

Net sales per segment

MSEK	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec	Change %
Agriculture Sector	3,592	3,925	10,767	10,907	-1
Machinery Sector	3,971	3,475	11,343	10,323	10
Energy Sector	889	963	2,698	2,874	-6
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Agriculture Sector	68	111	318	192
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Food Sector	236	178	1,058	692
Lantmännen Real Estate ¹⁾	114	69	281	314
Other operations	-80	-87	-182	-214
Group items	-42	-111	-189	-106
Lantmännen total	533	372	1,606	1,351
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Operating margin per segment

%	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Agriculture Sector	1.9	2.8	3.0	1.8
Machinery Sector	4.0	3.8	2.8	2.5
Energy Sector	8.9	8.2	0.1	7.6
Food Sector	4.9	3.8	7.5	5.3
Lantmännen total	4.2	3.0	4.3	3.8

Return on operating capital

%	2016 Sep-Dec	2015 Sep-Dec	2016 Jan-Dec	2015 Jan-Dec
Agriculture Sector	4.5	7.3	7.8	4.6
Machinery Sector	27.6	23.2	17.8	14.0
Energy Sector	31.8	21.3	0.4	19.2
Food Sector	5.3	4.5	8.4	6.7
Lantmännen Real Estate ¹⁾	11.2	12.9	10.9	12.0
Lantmännen total	7.6	5.5	8.0	7.5

¹⁾ Adjusted for gain on sale of property.

Parent Company

The activities of the Parent Company Lantmännen ek för consist of Lantmännen Lantbruk Sverige, Agro Oil and the corporate functions.

The Parent Company's net sales amounted to MSEK 11,068 (11,267), while operating income was MSEK 81 (–97).

Income from financial items was MSEK 780 (941), resulting in income after financial items of MSEK 861 (844). Net financial income for the year includes a dividend of MSEK 714 (917), the majority of which is from Lantmännen Unibake Holding and Scandbio. Net financial income was also affected by a foreign exchange loss of MSEK –39 (53), mainly as a result of a weaker Swedish krona.

Investments in non-current assets during the year totaled MSEK 146 (415).

The equity ratio at the end of the year was 43.9 (44.1) percent.

The average number of employees was 997 (1,049).

The number of members on December 31, 2016 was 25,159 (27,032)

Dividend

The Board has decided to pay a 2.5 (2.0) percent refund on members' purchases of inputs from Lantmännen Lantbruk Sweden and a final price adjustment of 2.5 (2.0) percent for delivered grain, oilseed and grass seed. The Board has also decided to pay a refund of 0.5 (0.5) percent on members' purchases from the Machinery Sector's Swedish operations. The total refund and final price adjustment is estimated at MSEK 232 (188). The actual outcome of the 2015 refunds and final price adjustments was MSEK 188, compared with MSEK 189 allocated in the 2015 financial statements.

The Board proposes that the AGM adopt a contribution dividend to direct members, organization members and local associations of SEK 9 per SEK 100 of contributed capital, or 9 (9) percent, on paid-in and issued contributions, totaling MSEK 207 (193).

The Board proposes that the AGM adopt a contribution issue of MSEK 70 (50). The issue capital will be distributed as follows: 75 percent based on members' paid-in and issued contributed capital and 25 percent on members' contribution-based turnover with the association in 2016.

In total, the proposed contribution dividend and contribution issue amount to 12 (11) percent of the association's contributed capital.

Dividend

MSEK	2016	2015
Refund, final price adjustment	232	188
Contribution dividend	207	193
Contribution issue	70	50
Total	509	431

In addition, a 7.25 (6.5) percent dividend on subordinated debentures, a total of MSEK 18 (16) is proposed, based on the conditions in the subordinated debenture offer.

Due to the fact that there is trading in contribution issues, the Board has decided that the date on which the holding gives entitlement to a dividend (contribution dividend and contribution issue) will be the date of the Annual General Meeting, which is Thursday, May 4, 2017.

Lantmännen's Annual General Meeting

The Annual General Meeting will be held at: Hilton Stockholm Slussen Hotel, Guldgränd 8, Stockholm, on Thursday, May 4, 2017

Parent Company condensed income statement

MSEK	2016 Jan-Dec	2015 Jan-Dec
Net sales, external	8,899	9,209
Net sales, intra-Group	2,169	2,058
Net sales, total	11,068	11,267
Change in products in progress, finished goods and work in progress for third parties	281	165
Other operating income	298	198
	11,647	11,630
Operating expenses		
Raw materials and consumables	-7,308	-7,518
Goods for resale	-1,747	-1,742
Other external costs	-1,574	-1,511
Employee benefits expense	-766	-803
Depreciation, amortization and impairment	-171	-153
Total operating expenses	-11,566	-11,727
Operating income	81	-97
Income from financial items	780	941
Income after financial items	861	844
Refund and final price adjustment	-231	-189
Group contributions	415	862
Other appropriations	-155	-
Tax	17	-122
Net income for the period	907	1,395

Parent Company condensed statement of financial position

MSEK	2016 Dec 31	2015 Dec 31
ASSETS		
Intangible assets	481	478
Property, plant and equipment	810	863
Investments in Group companies	8,892	7,561
Investments in associates	1,242	1,183
Non-current receivables from Group companies	2,651	667
Other securities held as non-current assets	168	110
Other non-current receivables	199	182
Total non-current assets	14,443	11,044
Inventories	2,052	2,270
Current receivables from Group companies	10,468	12,349
Other current receivables	2,063	2,077
Short-term investments, incl. cash and bank balances	1,146	243
Total current assets	15,729	16,939
TOTAL ASSETS	30,172	27,983
EQUITY AND LIABILITIES		
Equity	12,885	12,084
Untaxed reserves	466	311
Provisions	146	141
Non-current liabilities	4,504	4,449
Current liabilities to Group companies	6,831	6,308
Other current liabilities	5,340	4,690
TOTAL EQUITY AND LIABILITIES	30,172	27,983
Equity ratio	43.9	44.1

Notes

Accounting policies

Lantmännen applies International Financial Reporting Standards (IFRS), as adopted by the EU. This Year-end Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Reporting for the Parent Company is in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The accounting policies applied for the Year-end Report correspond with those applied in preparing the 2015 Annual Report. No new or amended standards effective from 2016 have had a significant effect on Lantmännen's financial reporting.

Alternative performance measures

In addition to the application of IFRS, Lantmännen has also chosen to follow new guidelines on definitions of alternative performance measures issued by the European Securities and Markets Authority (ESMA). An APM is a measure that is used to evaluate an entity's financial position but is not defined in any of the IASB's issued international reporting standards. The Guidelines require entities to provide an explanation of the basis of calculation of the alternative performance measures used. These principles are aimed at giving external parties better understanding of an entity's financial statements.

To learn more about Lantmännen's definitions of key figures and APMs, please go to: www.lantmannen.com/en/financialinformation

Financial assets and liabilities with information on fair value, December 31, 2016

MSEK	Total carrying amount	Fair value
Assets		
Other shares and interests	564	564
Financial investments	207	207
Trade and other receivables	4,431	4,431
Current interest-bearing receivables	174	174
Cash and bank balances	1,773	1,773
Total financial assets	7,149	7,149
Liabilities		
Non-current interest-bearing liabilities	4,991	5,000
Other non-current liabilities	25	25
Current interest-bearing liabilities	3,373	3,373
Trade and other payables	4,794	4,794
Total financial liabilities	13,183	13,192

Financial assets and liabilities measured at fair value, by measurement level, December 31, 2016

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	30	66	-	96
Other financial assets measured at fair value	566	0	125	691
Total assets	596	66	125	787
Liabilities				
Derivatives with negative fair value	19	70	-	89
Other financial liabilities measured at fair value	-	-	-	-
Total liabilities	19	70	-	89

Financial assets and liabilities with information on fair value, December 31, 2015

MSEK	Total carrying amount	Fair value
Assets		
Other shares and interests	456	456
Financial investments	255	255
Trade and other receivables	4,816	4,816
Current interest-bearing receivables	172	172
Cash and bank balances	1,252	1,252
Total financial assets	6,951	6,951
Liabilities		
Non-current interest-bearing liabilities	4,897	4,912
Other non-current liabilities	41	41
Current interest-bearing liabilities	3,230	3,230
Trade and other payables	5,135	5,135
Total financial liabilities	13,303	13,318

Financial assets and liabilities measured at fair value, by measurement level, December 31, 2015

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	13	67	-	80
Other financial assets measured at fair value	444	38	125	607
Total assets	457	105	125	687
Liabilities				
Derivatives with negative fair value	48	61	-	109
Other financial liabilities measured at fair value	-	-	-	-
Total liabilities	48	61	-	109

Fair value hierarchy with information on inputs used to measure fair value

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

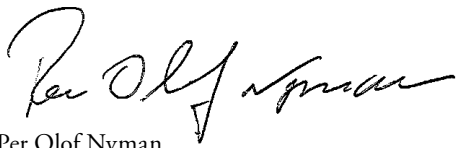
Level 2: Inputs other than the quoted prices included in level 1 that are observable for the asset or liability, i.e. quoted prices or data derived therefrom.

Level 3: Unobservable inputs for measurement of the asset or liability.

There has not been any movement between levels.

On assignment for the Board of Directors

Stockholm, February 6, 2016



Per Olof Nyman
President & CEO
Lantmännen

Auditors' Review Report

This year-end report has not been audited by the company's auditors.

For more information, please contact

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President & CEO

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Ulf Zenk
CFO

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*This information is information that Lantmännen ek is required to disclose under the EU Market Abuse Regulation.
The information was submitted by the above contact person for publication at 08.30 CET on February 7, 2017.*



**We make
farming
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