

Lantmännen Interim Report January-September

2012



” **Lantmännen takes
responsibility from
field to fork**

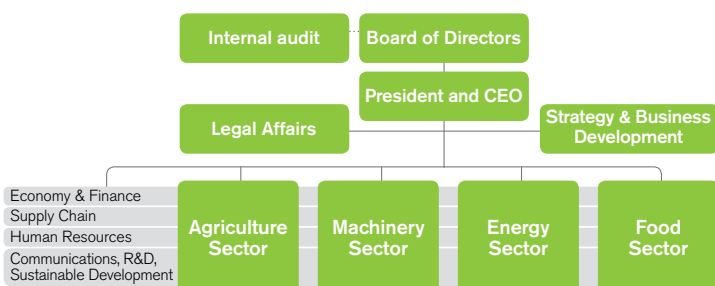


A new grain receiving facility, in the form of a grain sheet, opened in Laholm, just in time for harvest. The receiving facility has been operational during the third quarter.

Lantmännen is one of the largest agriculture, machinery, energy and food groups in the Nordic region. Examples of our brands are Axa, Kungsörnen, Kronfågel, GoGreen, Hatting, Schulstad and GooH. Owned by 35,000 Swedish farmers, we have more than 10,000 employees, a presence in 22 countries and revenues of SEK 38 billion. Our company is founded on knowledge and values built up through generations of owners. This, and the fact that Lantmännen operates along the entire processing chain from field to fork, allows us to take responsibility for all stages of the chain.

To read more, go to www.lantmannen.com or www.lantmannen.se
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Lantmännen's organization



Financial Reporting

Year-end Report 2012 February 8, 2013
 Annual Report 2012 February 25, 2013

Distribution

Interim and other reports are available in English and Swedish. All reports can be downloaded from

► www.lantmannen.com

The period in brief January-September 2012

Net sales amounted to MSEK 26,968 (28,231).

Operating income amounted to MSEK 557 (1,012).

Income after financial items totaled MSEK 405 (836).

Income after tax was MSEK 354 (670).

Investments totaled MSEK 868 (1,160).

Cash flow before financing activities amounted to MSEK -680 (-377).



Key figures	2012	2011	2012	2011	2011
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Net sales, MSEK	9,034	9,627	26,968	28,231	37,896
Operating income, MSEK	335	506	557	1,012	1,204
Operating margin, %	3.7	5.3	2.1	3.6	3.2
Income after financial items, MSEK	270	446	405	836	867
Income after tax, MSEK	216	346	354	670	720
Cash flow before financing activities, MSEK	-799	-207	-680	-377	781
Return on equity, %	7.9	12.6	4.3	8.4	6.7
Return on operating capital, %	7.4	10.7	4.2	7.4	6.5
Total assets, MSEK			27,709	28,614	26,621
Equity ratio, %			39.8	39.5	41.1
Investments, MSEK	344	348	868	1,160	1,431
Net debt, MSEK			7,604	8,098	7,186
Interest coverage ratio, times			2.5	3.7	3.3
Average number of employees			10,322	10,295	10,296
Operating income excluding items affecting comparability, MSEK	395	506	617	1,012	1,063
Income after financial items excluding items affecting comparability, MSEK	330	446	465	836	841

President's overview

Lantmännen's Quarter 3 income after net financial items, adjusted for items affecting comparability, was lower than the previous year: MSEK 330 compared with MSEK 446 in 2011. Agriculture and ethanol operations developed positively during the quarter, while the machinery and food sectors continued to show a downward trend. Lantmännen's total income for the year to date is also lower than in 2011: MSEK 465 compared with MSEK 836.

The third quarter, when the Swedish grain is harvested, is an important time for us at Lantmännen and for our shareholders. It is therefore encouraging that this year's harvest appears to be the best in a long time. This is a ray of hope in a world that continues to be characterized by uncertainty and turmoil, with global economic growth remaining subdued and the growth forecast for our key markets still low.

Our results for the third quarter are lower than in the previous year, and our main focus is still to improve and streamline operations. We constantly monitor utilization of our corporate resources and have stepped up the pace of our structural rationalization, while our new projects for improving supply chain efficiency are up and running. These initiatives have started to produce effects, but further measures are needed to reverse the trend.

Agriculture Sector continues to deliver stable results

The Agriculture Sector's results during the first three quarters are somewhat lower than in 2011, mainly due to a weaker performance from our international operations.

Despite the decline in sales, the Sector's performance is at a stable level. During the third quarter, our Swedish contribution-related operations performed better than in the previous year – largely as a result of efficient and well executed initiatives under the Sector's action program.

Machinery market still cautious

In the Machinery Sector, the market was more cautious than in the previous year, showing a downward trend. This was a continuation of the trend for the first six months. The Sector's results for the year to date are considerably weaker than in 2011, with both the farm machinery operations and Swecon reporting a decline in income. All companies in the Sector are now reviewing their cost efficiency in order to identify further savings.

Positive turnaround for Lantmännen Agroetanol

The Energy Sector's results for the third quarter are considerably better than in the previous year, due to positive development for Lantmännen Agroetanol. Because of difficult price conditions earlier in the year, the Sector's performance for the year to date is still weaker than in 2011.



Since the end of June, the price of ethanol has moved in the right direction for Lantmännen. Grain prices have continued to increase, but this has been more than compensated for by rising ethanol and feed prices. The ethanol plant set a production record in the previous quarter and has continued to reduce its production costs.

Structural adjustments in the Food Sector

The challenging situation in the food industry is persisting, with strong price pressure, increased demand for low-price products and competition from retailers' own brands, and the Food Sector's results for the year to date are lower than in 2011. To meet these challenges, we are making structural adjustments, mainly within Lantmännen Cerealia and Lantmännen Unibake, and these have started to produce effects.

During the year, deficiencies and uncertainties were identified in the financial reporting for a subsidiary. This had an adverse effect on earnings for the quarter.

Doing the right things, the right way

Our financial performance so far this year is unsatisfactory and clearly shows that we have challenges to deal with. We have initiated and implemented a number of vigorous measures and improvements, which have started to take effect, and it is heartening that both the agriculture and ethanol operations have successfully managed the difficulties they have encountered.

However, we face a number of ongoing challenges and a generally weak economy, which places great demands on our continuing ability to improve and streamline Lantmännen. Key issues for the foreseeable future will continue to be our supply chain and capital efficiency platform, adapting our organization to be more cost-effective and aligning business with our customers and market conditions.

A handwritten signature in black ink, reading "Per Olof Nyman". The signature is written in a cursive, flowing style.

Per Olof Nyman
President and CEO

Business environment, sales and earnings

Business environment

Increased concern due to severe weather conditions in many parts of the world – including the United States, the world’s largest exporter of wheat, corn and soybeans – led to sharply rising prices for grains and oilseeds from mid-June until the record highs in August. Corn and soybean prices then fell back slightly in September. During the fourth quarter, the focus will shift to the harvest in the southern hemisphere. The market also continues to evaluate what impact economic stimulus measures in Europe and the U.S. will have on the economy and consumer spending.

According to the Swedish Dairy Association’s dairy market report, the situation for Swedish dairy farmers continues to be strained and this looks set to continue for the next few months. The difficult economic situation is not unique to Swedish dairy companies. However, there is some evidence that the dairy market may be about to turn around and occupy a more stable level.

Despite higher feed material costs and a continuing decline in slaughter, there are cautiously optimistic messages with regard to pork production in Sweden. The price of pork is improving and the total value of production is expected to increase, despite the decline in output.

The market for farm machinery continues to be affected by the general economic turmoil. The difficult situation for milk producers and the strong Swedish currency are curbing the investment appetite, while banks are tightening their lending requirements.

In addition, the construction machinery market continues to show restraint with regard to investments, with several sectors such as construction, forestry and industry showing a negative trend. The mining sector is feeling the effects of lower global demand and price pressure, while infrastructure projects are being postponed because of the economic uncertainty.

The drought in the U.S., which has contributed to rising corn prices, has also had the effect of pushing up European

ethanol prices from previously very low levels. The situation of low-price American ethanol coming into Europe has also ceased; the U.S. ethanol price still controls pricing in Europe, but the competition is now on equal terms.

The food industry remains an arena of fierce competition, with an increased proportion of retailers’ own brands (private labels) and strong demand for low-price products. Consumers still demand high quality products, but show an increased tendency to look for discounts or lower prices before making their purchase. Rising commodity prices and subsequent pressure on margins also represent a challenge for the industry. The trend in Eastern Europe is more positive than in the rest of Europe. A notable example is Russia, which is showing clear growth, particularly in the fast-food market.

January–September 2012

Net sales

Accumulated net sales for the period amounted to MSEK 26,968 (28,231), a decline of 4.5 percent. The decline was primarily attributable to the Agriculture Sector and the Machinery Sector. Currency effects had only a marginal impact on net sales.

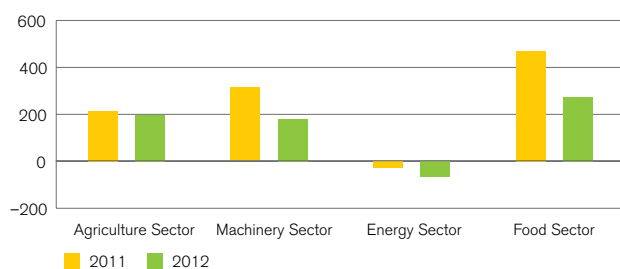
Operating income

Operating income for the period amounted to MSEK 557 (1,012). The negative change was primarily attributable to Lantmännen Unibake and Lantmännen Cerealia (Food Sector) and the Machinery Sector. Currency effects had only a marginal impact on operating income.

During the year, deficiencies and uncertainties were identified in the financial reporting for a subsidiary. This had an adverse effect on earnings for the quarter. Work is in progress to clarify the uncertainties that remain, but the assessment is that the necessary provisions have been made in the final accounts for the quarter.

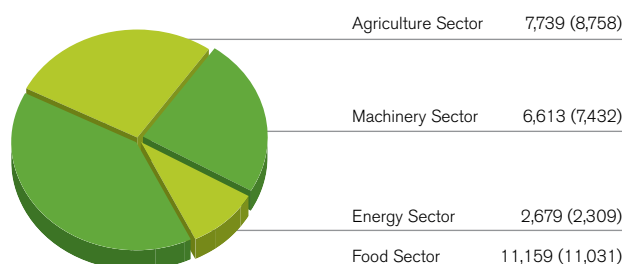
Operating income per sector, accumulated January–September

Adjusted for items affecting comparability, MSEK



Sales per sector, 2012

MSEK





Pig and arable farmer Mona Wikberg looks out over the Svalöv landscape.

Net financial income

Net financial income for the first nine months was MSEK –152, compared with MSEK –176 for the same period the previous year. The reduction in financial expenses is mainly due to lower interest costs, which are largely an effect of a lower average net debt. The Group's average interest rate on liabilities to credit institutions was also lower.

Tax and income after tax

Tax expense for the period amounted to MSEK 51 (166). The figure is calculated based on the expected tax rate for the full year.

Accordingly, the Group's net income after tax for the period amounted to MSEK 354 (670), with MSEK 353 (668) of this figure being attributable to cooperative association members and MSEK 1 (2) to non-controlling interests (minority owners) in the Group's subsidiaries.

Cash flow

Cash flow from operating activities was MSEK 179 (552) during the period January-September. The cash operating surplus was MSEK 1,189 (1,400), but working capital reduced the cash flow by MSEK –1,010 (–848).

The Group's investments in non-current assets amounted to MSEK 868 (1,160) and include the Food Sector's invest-

ments in a new croissant production line in Belgium and a new packaging line in the mill in Vejle, Denmark. Net investments in non-current assets for the period amounted to MSEK –739 (–950).

No acquisitions or divestments of operations affecting cash flow were made in the period.

Cash flow before financing activities amounted to MSEK –680 (–377).

Financial position

Equity at September 30 amounted to MSEK 11,027 (10,942 at the beginning of the year), of which MSEK 34 (36) refers to owners other than the members of the cooperative association, i.e. the minority interest in Group companies.

Net debt stood at MSEK 7,604 at the end of September, which is somewhat higher than the MSEK 7,186 reported at the beginning of the year.

At the end of the period, loan debt had increased by MSEK 370 (226) since the beginning of the year.

Payment capacity, or available line of credit, is calculated on the basis of Lantmännen's current loan agreements and their covenants. Payment capacity amounted to MSEK 528 at the end of September, compared with MSEK 1,615 at the beginning of the year calculated according to agreements then in force. At the end of September, Lantmännen was within the framework of

the covenants associated with its existing loan agreements. Cash & cash equivalents were MSEK 392 at the end of September, compared with MSEK 739 at the beginning of the year.

The equity ratio was 39.8 percent (41.1 percent at the beginning of the year).

Total assets were MSEK 27,709 at the end of September, which is somewhat higher than at the beginning of the year (MSEK 26,621). The increase is due to normal seasonal variations.

Risks and uncertainties

All business activity is subject to risk. The risks in Lantmännen's operations are strategic risks associated with trademarks, external regulations and the economy, operational risks (such as fluctuating prices of energy, ethanol and commodities) and financial risks. The risks are described in detail in the 2011 Annual Report.

The main uncertainty concerning Lantmännen's operations and earnings still relates to the profitability of Lantmännen Agroetanol, which is highly dependent on ethanol price trends and the price of grain. If the liter price of ethanol changes by SEK 1, annual earnings will be affected by approx. MSEK 200 at constant prices for inputs and feed. It is estimated that a change of SEK 0.50 per kilo in the price of grain will affect annual earnings by approx. MSEK 185, assuming the price of feed correlates with the price of grain.

Changes in the Group

There were no changes in the Group's composition during the period.

Other important events

In early July, Lantmännen negotiated a new borrowing facility, which replaces the previous one from 2010. The new limit is MSEK 1,500 and the facility matures in the second quarter of 2015. The terms of the loan reflect standard financial conditions, including a limit for the net debt to EBITDA ratio. The interest rate is linked to the Group's earnings trend and net debt.

The purpose of the new borrowing facility is to strengthen Lantmännen's long-term financial position and flexibility, thereby providing a solid foundation for developing operations in line with the Group's strategy.

In August, Ulf Zenk was appointed Lantmännen's new CFO. Ulf will also be part of Group management. He takes up his position at the end of 2012.

In September, the marketing program "Haute cuisine – the farmers' way" was launched in Sweden. A marketing campaign in newspapers and on billboards around the country was supplemented with a direct presence in stores. Lantmännen's salespersons, and several of our owners, were on hand to answer questions about farming and good food, to present our products and to inspire and increase interest in our food.

Important events after the end of the reporting period

In October, the Group Board began a series of visits to the district boards. A number of important governance issues, including dividend policy and ownership organization were discussed during the meetings.

Human resources

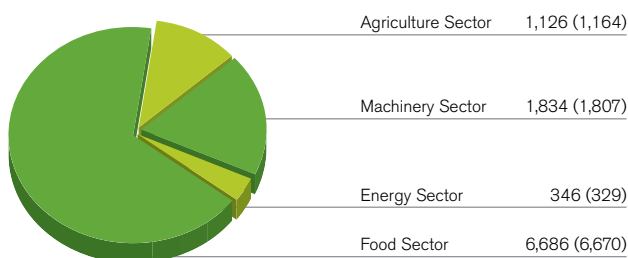
The average number of employees during the first nine months was 10,322 (10,295).

Accounting policies

Lantmännen applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and the Swedish Annual Accounts Act. The Parent Company's interim report has been prepared in accordance with RFR 2 (Swedish Financial Reporting Board) and the Swedish Annual Accounts Act.

The accounting policies applied for the interim report correspond with those applied in preparing the 2011 Annual Report. There are no new or amended standards or other rules that have had an effect on Lantmännen's financial reporting.

Average number of employees per sector, 2012



Agriculture Sector

<i>Agriculture Sector</i>	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Change Jan-Sep
Net sales, MSEK	2,506	2,963	7,739	8,758	-12 %
Operating income, MSEK	188	193	197	213	-16
Operating margin, %	7.5	6.5	2.5	2.4	
Return on operating capital, %	21.4	21.6	7.2	7.6	
Average number of employees			1,126	1,164	-3 %

<i>Results of the Agriculture Sector's contribution-related operations:</i>	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Change Jan-Sep
Net sales, MSEK	2,265	2,640	7,237	8,149	-11 %
Operating income, MSEK	144	132	153	134	19
Operating margin, %	6.4	5.0	2.1	1.6	
Return on operating capital, %	23.5	22.5	8.0	7.0	
Average number of employees			942	968	-3 %

The Agriculture Sector's net sales for the year to date declined compared with the previous year, mainly due to the divestment of the distillation business. In addition, the late harvest in parts of the country led to later deliveries of inputs for the fall tillage.

The Sector's operating income for the third quarter amounted to MSEK 188. This is a stable result, which is in line with the previous year's figure of MSEK 193. Operating income for the year to date amounted to MSEK 197, compared with MSEK 213 in 2011. The Swedish contribution-related operations continue to develop in a positive direction as a result of the ongoing action program. The organization has become more efficient and consequently the operations are showing significantly better results than in the previous year – both for the third quarter and the year to date. The international operations reported poorer results than in the previous year, as a result of lower volumes.

According to the Swedish Board of Agriculture's harvest forecast for 2012, this year's Swedish harvest is estimated at 5.7 million tonnes, an increase of 12 percent compared with 2011. However, at the time of writing, this year's harvest has not

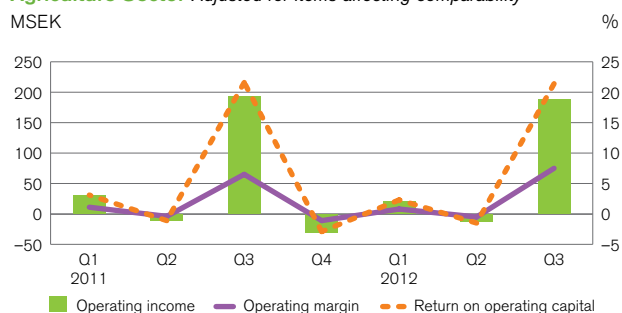
been gathered in all parts of the country. Despite the large harvest volume, Lantmännen's harvesting has largely progressed well, apart from some transport problems north of Mälaren.

At the end of September, a fire occurred at our fertilizer warehouse in Halmstad, which destroyed about 5,000 tons of fertilizer. Thanks to solid internal work and good cooperation with our insurance company, the event had a very limited impact on the customers whose deliveries were affected and a marginal impact on Lantmännen's results.

Lantmännen Bygglant has decided to terminate its undertaking as overall contractor in farm-based biogas; a strategic partnership has been initiated with Browik/Midroc instead.

The Sector continues to perform well in general, and there is an increasing focus on creating attractive and flexible offerings for our customers. During the third quarter we launched three new types of feed, and our fertilizer campaign offerings in crop production elicited a very good response. The launch of our "Skörda" (Harvest) smartphone app has gone well. The app is popular with our clients and is used frequently by approximately 1,700 farmers.

Agriculture Sector Adjusted for items affecting comparability
MSEK



Machinery Sector

<i>Machinery Sector</i>	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Change Jan-Sep
Net sales, MSEK	2,220	2,564	6,613	7,432	-11 %
Operating income, MSEK	88	136	179	315	-136
Operating margin, %	4.0	5.3	2.7	4.2	
Return on operating capital, %	13.9	25.0	10.5	21.5	
Average number of employees			1,834	1,807	1 %

<i>Results of the Machinery Sector's farm machinery operations:</i>	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Change Jan-Sep
Net sales, MSEK	1,103	1,230	3,107	3,274	-5 %
Operating income, MSEK	36	43	26	69	-43
Operating margin, %	3.3	3.5	0.8	2.1	
Return on operating capital, %	10.0	12.8	2.8	7.7	
Average number of employees			873	863	1 %

The Machinery Sector's net sales for the year to date were lower than in the same period the previous year, which is largely reflective of a general decline in demand in the machinery market. The market for farm machinery has fallen by 13 percent so far this year, and several sectors in the construction machinery market are showing negative growth. Consequently, operating income for the year to date was lower than in the same period the previous year, amounting to MSEK 179, compared with MSEK 315 in 2011.

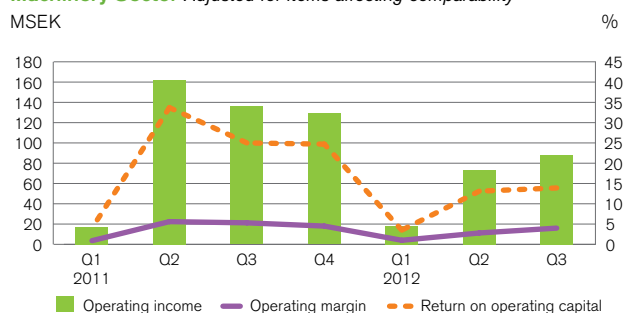
The downturn in the market was to some extent expected, although it was a little stronger than expected. The tight situation, particularly for Swedish milk producers, combined with a strong Swedish krona is having an adverse effect on investment, while the global economic uncertainty has been instrumental in depressing the construction machinery market. Developments in the euro zone are having a major impact on how soon the construction industry can extricate itself from the situation. Spare parts sales have also declined in 2012, although servicing operations are continuing to perform well.

The delivery problems that affected Swecon earlier in the year were remedied during the third quarter, and the backlog will be delivered during the final months of the year. During the third quarter, Swecon also received a large new Swedish order, which will be delivered in 2013.

All companies in the Sector are now implementing measures to adapt to the changed market conditions. These include reviewing administrative costs, organizational efficiency and tied-up capital to compensate for the decline in the market. So far, the Swedish companies have made the most progress in these efforts. We and our key suppliers are also working closely on active marketing and customer contact in order to build market demand.

In the third quarter, Jonas Arvidsson took over as the new CEO of Lantmännen Maskin.

Machinery Sector Adjusted for items affecting comparability
MSEK



Energy Sector

<i>Energy Sector</i>	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Change Jan-Sep
Net sales, MSEK	979	735	2,679	2,309	16 %
Operating income, MSEK	33	-34	-68	-29	-39
Operating margin, %	3.4	-4.6	-2.5	-1.3	
Return on operating capital, %	6.0	-5.8	-4.1	-1.7	
Average number of employees			346	329	5 %

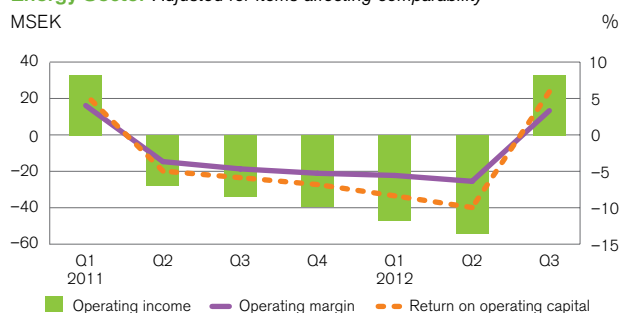
The Energy Sector's net sales for the year to date increased significantly compared with the previous year. The increase was primarily driven by higher sales volumes and Lantmännen Agroetanol's higher ethanol price. Operating income for the third quarter was significantly better than for the same quarter in 2011, amounting to MSEK 33, compared with MSEK -34 the previous year. This increase was also mainly due to Lantmännen Agroetanol's positive performance. However, operating income for the year to date is still lower than the previous year, due to the earlier unfavorable ethanol-grain price relationship.

During the third quarter, both production efficiency and market conditions in the ethanol business improved significantly. The ethanol plant set a production record during the period, and the continuous improvements being implemented at the plant are producing clear results. The drought in the United States has contributed to a poor corn harvest and rising corn and ethanol prices in the U.S. market, which has had the effect of pushing up European ethanol prices from previously very low levels. The situation of U.S. ethanol being imported into Europe under the wrong tariff has expired, and competition in the European ethanol market is now on equal terms. Our feed product prices also rose during the quarter, driven by high listings for soy and rapeseed meal.

The third quarter, with its warm weather, is a low season for Lantmännen Agroenergi. The pellet market in Sweden is still strained, while heating business continues to show stable profitability.

A summer of good grass growth, resulting in increased use of lawn mowers and trimmers, has contributed to good sales of Lantmännen Aspen's products in the Nordic region and the rest of Europe.

Energy Sector Adjusted for items affecting comparability
MSEK



Food Sector

<i>Food Sector</i>	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Change Jan-Sep
Net sales, MSEK	3,768	3,779	11,159	11,031	1 %
Operating income, MSEK	8	167	215	471	-256
Operating margin, %	0.2	4.4	1.9	4.3	
Return on operating capital, %	0.4	7.1	3.1	6.7	
Operating income, adjusted for items affecting comparability, MSEK	68	167	275	471	-196
Operating margin, adjusted for items affecting comparability, %	1.8	4.4	2.5	4.3	
Return on operating capital, adjusted for items affecting comparability, %	3.0	7.1	4.0	6.7	
Average number of employees			6,686	6,670	0 %

The Food Sector's net sales for the year to date increased marginally compared with 2011, but the Sector's operating income, adjusted for items affecting comparability, for both the third quarter and the year to date was lower than in the previous year, amounting to MSEK 68 (167) for the quarter and MSEK 275 (471) for the year to date. This is primarily the result of continuing intense price competition and rising commodity prices, leading to squeezed margins.

The trends in the food industry that we saw in the first half of the year continue, and the challenges for Lantmännen are the same as before. Retailers' own brands continue to gain market shares, and there is continuing demand for low-price products. In response to the market conditions, a number of measures are being implemented. These include an organizational adaptation, mainly within Lantmännen Cerealia, which has affected third-quarter earnings by approx. MSEK 60. This has begun to produce effects, although some measures remain. In addition, we are reducing overhead costs and reviewing the product portfolio in certain areas.

Managerial changes have also been made in the Sector. In order to better exploit our corporate resources, President and CEO Per Olof Nyman and CFO Stefan Åström have joined the Sector's management group. The former Head of Sector

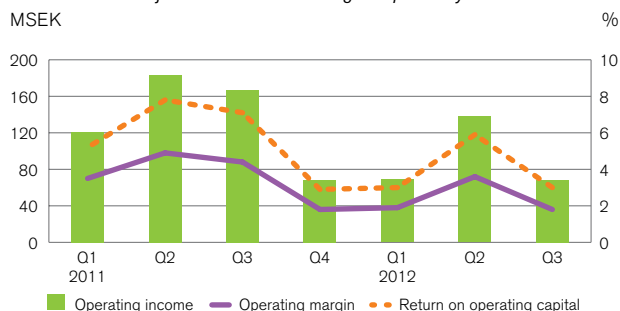
Johan Karlström has taken on a new role as marketing and business development manager for the Sector.

Lantmännen Cerealia and Lantmännen Unibake products were subject to a product recall in September, after a routine check detected soy protein in the flour that was being used. The costs are largely covered by insurance, and the incident has had only a marginal impact on earnings.

During the year, deficiencies and uncertainties were identified in the financial reporting for a subsidiary. This had an adverse effect on earnings for the quarter. Work is in progress to clarify the uncertainties that remain, but the assessment is that the necessary provisions have been made in the final accounts for the quarter.

Anette Rosengren, former Head of Communication, is the new CEO of Lantmännen Doggy.

Food Sector Adjusted for items affecting comparability
MSEK



Condensed consolidated income statement

MSEK	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Oct 2011- Sep 2012	2011 Jan-Dec
Net sales	9,034	9,627	26,968	28,231	36,633	37,896
Other operating income	97	74	244	179	752	687
Changes in inventories of finished goods and work in progress	-186	-48	-467	-17	-385	65
Capitalized work for own account	0	1	1	3	2	4
Raw materials and consumables	-2,026	-3,916	-8,841	-11,639	-12,807	-15,605
Agricultural commodities	-3,489	-2,142	-7,924	-6,305	-10,331	-8,712
Employee benefits expense	-1,310	-1,306	-3,993	-3,949	-5,463	-5,419
Other operating expenses	-1,515	-1,532	-4,611	-4,728	-6,336	-6,453
Share of income of associates	22	25	70	79	98	107
Depreciation, amortization and impairment	-292	-277	-890	-842	-1,414	-1,366
Operating income	335	506	557	1 012	749	1 204
Finance income	44	60	176	164	251	239
Finance costs	-109	-120	-328	-340	-564	-576
Income after financial items	270	446	405	836	436	867
Tax	-54	-100	-51	-166	-32	-147
Net income for the period after tax	216	346	354	670	404	720
Net income for the period attributable to:						
Members of the cooperative association	215	346	353	668	405	720
Non-controlling interests	1	0	1	2	-1	0

Condensed consolidated statement of comprehensive income

MSEK	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Oct 2011- Sep 2012	2011 Jan-Dec
Net income for the period after tax	216	346	354	670	404	720
Actuarial gains and losses on defined benefit pension plans	-	-	-	-	-156	-156
Available-for-sale financial assets	18	6	30	10	58	38
Cash flow hedges	8	39	-98	138	-199	37
Exchange differences on translation of foreign operations	-243	191	-341	208	-566	-17
Net gain on hedge of net investment in foreign operations	144	-87	209	-110	324	5
Income tax relating to components of other comprehensive income	-43	29	-35	-6	-3	26
Other comprehensive income for the period, net of tax	-116	178	-235	240	-542	-67
Total comprehensive income for the period	100	524	119	910	-138	653
Total comprehensive income for the period attributable to:						
Members of the cooperative association	99	524	118	908	-137	653
Non-controlling interests	1	0	1	2	-1	0

Condensed consolidated quarterly income statements

MSEK	2012 Jul-Sep	2012 Apr-Jun	2012 Jan-Mar	2011 Oct-Dec	2011 Jul-Sep	2011 Apr-Jun	2011 Jan-Mar
Net sales	9,034	9,281	8,653	9,665	9,627	9,930	8,674
Other operating income	97	73	74	508	74	53	52
Changes in inventories of finished goods and work in progress	-186	-236	-45	82	-48	87	-56
Capitalized work for own account	0	1	0	1	1	1	1
Raw materials and consumables	-2,026	-3,829	-2,986	-3,966	-3,916	-4,042	-3,681
Agricultural commodities	-3,489	-1,983	-2,452	-2,407	-2,142	-2,539	-1,624
Employee benefits expense	-1,310	-1,352	-1,331	-1,470	-1,306	-1,347	-1,296
Other operating expenses	-1,515	-1,553	-1,543	-1,725	-1,532	-1,605	-1,591
Share of income of associates	22	50	-2	28	25	43	11
Depreciation, amortization and impairment	-292	-298	-300	-524	-277	-277	-288
Operating income	335	154	68	192	506	304	202
Finance income	44	69	63	75	60	61	43
Finance costs	-109	-101	-118	-236	-120	-109	-111
Income after financial items	270	122	13	31	446	256	134
Tax	-54	-6	9	19	-100	-44	-22
Net income for the period after tax	216	116	22	50	346	212	112
Net income for the period attributable to:							
Members of the cooperative association	215	116	22	52	346	212	110
Non-controlling interests	1	0	0	-2	0	0	2

Significant items affecting comparability

MSEK	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Recognized operating income	335	506	557	1,012	1,204
<i>Items affecting comparability in operating income:</i>					
Capital gains on					
- sale of assets to Lantmännen's Pension Fund	-	-	-	-	455
Impairment of non-current assets etc.	-	-	-	-	-148
Restructuring costs, Food Sector	-60	-	-60	-	-93
Impairment of goodwill, Energy Sector	-	-	-	-	-73
Total items affecting comparability in operating income	-60	-	-60	-	141
Operating income, adjusted for items affecting comparability	395	506	617	1,012	1,063
Recognized income after financial items	270	446	405	836	867
Items affecting comparability in operating income according to above	-60	-	-60	-	141
<i>Items affecting comparability in financial items:</i>					
Impairment of shareholding in VK Mühlen	-	-	-	-	-115
Total items affecting comparability in net financial income	-	-	-	-	-115
Income after financial items adjusted for items affecting comparability	330	446	465	836	841
Return on equity, excluding items affecting comparability, %	9.5	12.6	4.9	8.4	5.9
Return on operating capital, excluding items affecting comparability, %	8.7	10.7	4.6	7.4	5.8

Condensed consolidated statement of financial position

MSEK	2012 Sep 30	2011 Sep 30	2011 Dec 31
ASSETS			
Property, plant & equipment	8,611	9,790	9,057
Investment property	195	224	201
Goodwill	2,522	2,777	2,640
Other intangible assets	862	758	767
Investments in associates	1,221	1,293	1,277
Financial assets	568	636	515
Deferred tax assets	311	169	232
Other non-current assets	123	58	45
Total non-current assets	14,413	15,705	14,734
Inventories	6,774	6,107	5,506
Trade and other receivables	5,972	6,021	5,511
Current interest-bearing assets	123	59	119
Current tax assets	35	26	12
Cash & cash equivalents	392	696	739
Total current assets	13,296	12,909	11,887
TOTAL ASSETS	27,709	28,614	26,621
EQUITY AND LIABILITIES			
Equity attributable to members of the cooperative association	10,993	11,270	10,906
Non-controlling interests	34	33	36
Total equity	11,027	11,303	10,942
Non-current interest-bearing liabilities ¹⁾	3,464	4,565	4,570
Provisions for pensions	306	1,809	347
Deferred tax liabilities	149	118	147
Other non-current provisions	310	148	273
Other non-current liabilities	33	19	23
Total non-current liabilities	4,262	6,659	5,446
Current interest-bearing liabilities	4,917	3,115	3,642
Trade and other payables	7,101	7,065	6,278
Current tax liabilities	181	152	90
Current provisions	221	320	309
Total current liabilities	12,420	10,652	10,233
TOTAL EQUITY AND LIABILITIES	27,709	28,614	26,621
Equity ratio	39.8	39.5	41.1
¹⁾ Including subordinated debentures, MSEK	56	56	56

Condensed consolidated statement of cash flow

MSEK	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Income after financial items	270	446	405	836	867
Adjustment for non-cash items ¹⁾	390	225	874	649	894
Taxes paid	-17	-8	-90	-85	-106
Cash flow from operating activities before change in working capital	643	663	1,189	1,400	1,655
Change in working capital	-1,110	-534	-1,010	-848	-735
Cash flow from operating activities	-467	129	179	552	920
Investments in non-current assets	-344	-348	-868	-1,160	-1,431
Sale of non-current assets ²⁾	46	12	129	210	1,271
Change in financial investments	-34	0	-120	21	21
Cash flow from investing activities	-332	-336	-859	-929	-139
Cash flow before financing activities	-799	-207	-680	-377	781
Change in contributed capital	0	-1	50	40	41
Dividend paid	-3	3	-81	-71	-72
Change in loans	842	210	370	226	700
Transfer of cash to pension fund	0	0	0	0	-1,578
Cash flow from financing activities	839	212	339	195	-909
Cash flow for the period	40	5	-341	-182	-128
Cash and cash equivalents at beginning of period	356	684	739	869	869
Exchange differences	-4	7	-6	9	-2
Cash and cash equivalents at the end of the period	392	696	392	696	739
¹⁾ Depreciation and impairment of non-current assets	292	277	890	842	1,366
Less share of income in associates	-22	-25	-51	-58	-86
Capital gains on sale of non-current assets and operations	-18	-5	-81	-33	-490
Other non-cash items	138	-22	116	-102	104
	390	225	874	649	894
²⁾ of which transferred to pension fund					1,057

Condensed consolidated statement of changes in equity

MSEK	2012 Jan-Sep			2011 Jan-Sep			2011 Jan-Dec		
	Association members	Non- controlling interests	Total equity	Association members	Non- controlling interests	Total equity	Association members	Non- controlling interests	Total equity
Opening balance, January 1	10,906	36	10,942	10,390	32	10,422	10,390	32	10,422
Total comprehensive income for the period	118	1	119	908	2	910	653		653
Distributions to owners	-78	-3	-81	-68	-1	-69	-178	-1	-179
Contributed capital paid in by members	99	-	99	90		90	90		90
Contributed capital paid out to members	-50	-	-50	-50		-50	-49		-49
Other changes relating to non-controlling interests	-2	0	-2			0		5	5
Closing balance	10,993	34	11,027	11,270	33	11,303	10,906	36	10,942
Equity attributable to members of the cooperative association									
Contributed capital, paid in	753			680			680		
Contributed capital, issued	1,016			888			888		
Other equity	9,224			9,702			9,338		
Total equity attributable to members of the cooperative association	10,993			11,270			10,906		

Segment Information

(The Group's reporting segments are its Sectors)

Net sales per sector

MSEK	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Change Jan-Sep, %	Oct 2011- Sep 2012	2011 Jan-Dec
Agriculture Sector	2,506	2,963	7,739	8,758	-12	10,478	11,497
Machinery Sector	2,220	2,564	6,613	7,432	-11	9,509	10,328
Energy Sector	979	735	2,679	2,309	16	3,422	3,052
Food Sector	3,768	3,779	11,159	11,031	1	14,836	14,708
Other operations	120	147	370	461	-20	519	610
Eliminations	-559	-561	-1,592	-1,760	-10	-2,131	-2,299
Lantmännen total	9,034	9,627	26,968	28,231	-4	36,633	37,896

Operating income per sector

MSEK	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	Oct 2011- Sep 2012	2011 Jan-Dec
Agriculture Sector	188	193	197	213	167	183
Machinery Sector	88	136	179	315	308	444
Energy Sector	33	-34	-68	-29	-180	-141
Food Sector	8	167	215	471	42	298
Other operations ¹⁾	36	26	30	-34	-43	-107
Group items ²⁾	-18	18	4	76	455	527
Lantmännen total	335	506	557	1,012	749	1,204
¹⁾ Includes the following: Capital gain on the sale of properties	18	-	54	-	54	
²⁾ Includes the following: Capital gain on the sale of properties to Lantmännen Pension Fund	-	-	-	-	455	455

Operating margin per sector

%	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Agriculture Sector	7.5	6.5	2.5	2.4	1.6
Machinery Sector	4.0	5.3	2.7	4.2	4.3
Energy Sector	3.4	-4.6	-2.5	-1.3	-4.6
Food Sector	0.2	4.4	1.9	4.3	2.0
Lantmännen total	3.7	5.3	2.1	3.6	3.2

Return on operating capital per sector

%	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Agriculture Sector	21.4	21.6	7.2	7.6	4.8
Machinery Sector	13.9	25.0	10.5	21.5	22.4
Energy Sector	6.0	-5.8	-4.1	-1.7	-6.1
Food Sector	0.4	7.1	3.1	6.7	3.2
Lantmännen total	7.4	10.7	4.2	7.4	6.5

Parent Company

The activities of the Parent Company, Lantmännen ek för, encompass Lantmännen's core operations in the Agriculture Sector, Lantmännen's lubricating oil operations and corporate functions.

Net sales for the first nine months amounted to MSEK 7,590 (8,467), while operating income for the same period was MSEK 87 (–57). The previous year's operating income was adversely affected by higher pension costs, which amounted to MSEK 68 and were due to changed life expectancy assumptions in the calculation of pension obligations based on PRI. Otherwise, the improvement is attributable to capital gains on sales of operations and property.

Income after financial items for the first nine months amounted to MSEK 947 (387). Net financial income includes dividends of MSEK 547 (474), mainly from subsidiaries, and

exchange gains of MSEK 212 (–93) due to a stronger Swedish krona against other currencies. Exchange gains relate primarily to hedging of investments in foreign subsidiaries, which are recognized in the Group's equity, via other comprehensive income.

Refunds and final price adjustments are determined on the basis of net income for the full year. No provisions are made during the year.

Net investments for the first nine months amounted to MSEK 86 (82).

The equity ratio was 42.3 percent (43.7 at the beginning of the year).

The average number of employees in the Parent Company during the first nine months was 1,228 (1,159). The increase is due to a transfer of personnel from SW Seed AB.

Condensed income statement

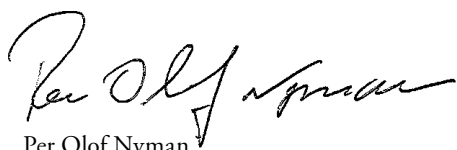
MSEK	2012 Jan-Sep	2011 Jan-Sep
Net sales, external	6,059	6,871
Net sales, intra-Group	1,531	1,596
Net sales, total	7,590	8,467
Less excise duties	–7	–8
Change in products in progress, finished goods and work in progress for third parties	30	–39
Capitalized work for own account	1	3
Other operating income	271	209
	7,885	8,632
Operating expenses		
Raw materials and consumables	–4,400	–4,638
Agricultural commodities	–1,574	–2,109
Other external costs	–1,068	–1,156
Employee benefits expense	–641	–669
Depreciation, amortization and impairment	–115	–117
Total operating expenses	–7,798	–8,689
Operating income	87	–57
Income from financial items	860	444
Income after financial items	947	387
Tax	–75	30
Net income for the period	872	417

Condensed statement of financial position

MSEK	2012 Sep 30	2011 Sep 30
ASSETS		
Intangible assets	193	169
Property, plant & equipment	866	971
Interests in Group companies	6,570	7,097
Investments in associates	822	861
Non-current receivables from Group companies	707	139
Other securities held as non-current assets	296	132
Other non-current receivables	141	281
Total non-current assets	9,595	9,650
Inventories	2,958	2,306
Current receivables from Group companies	10,239	9,155
Other current receivables	2,494	2,538
Current investments incl. cash & bank	0	106
Total current assets	15,691	14,105
TOTAL ASSETS	25,286	23,755
EQUITY AND LIABILITIES		
Equity	10,467	9,519
Untaxed reserves	311	311
Provisions	193	1,008
Non-current liabilities	2,975	4,267
Current liabilities to Group companies	4,460	3,781
Other current liabilities	6,880	4,869
TOTAL EQUITY AND LIABILITIES	25,286	23,755
Equity ratio	42.3	41.0

On assignment for the Board of Directors

Stockholm, 25 October 2012



Per Olof Nyman
President and CEO
Lantmännen

Auditor's Review Report

To the Board of Directors and CEO of Lantmännen Cooperative Association

Introduction

We have reviewed the interim financial statements for Lantmännen ek för for the third quarter and nine months ended September 30, 2012. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report in a conclusion, based on our review.

Scope of the review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410 – *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified during an audit. Accordingly, conclusions based on a review do not have the same level of assurance as those based on an audit.

Qualified Conclusion

As mentioned on pages 3 and 9 of the interim report, there are uncertainties regarding the financial statements for a subsidiary.

With the exception of the existing uncertainties pursuant to the preceding subparagraph, nothing has come to our attention during our review that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group, and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, October 25, 2012

Ernst & Young AB

Lars Träff
Authorized Public Accountant

Torvald Carlsson

Gustav Jansson

Anders Åbyhammar

For more information, please contact

Stefan Åström
Acting CFO
stefan.astrom@lantmannen.com
Tel +46 8 657 43 93
Mobile +46 70 218 92 48

Ulrika Ekström
Acting Head of Communications
ulrika.ekstrom@lantmannen.com
Tel +46 8-657 43 19
Mobile +46 725 51 50 29

Good food from Lantmännen

The green sprout emblem on our packaging guarantees responsibly produced food. Food that we make an effort to provide in a sustainable manner, from field to fork.

