

Lantmännen Interim Report January-April

2014



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


Lantmännen

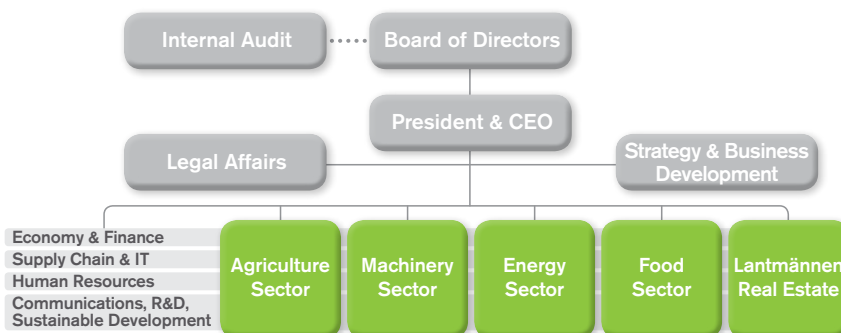


Lantmännen is one of the largest agriculture, machinery, energy and food groups in the Nordic region. Examples of our brands are AXA, Kungsörnen, GoGreen, Hatting, Schulstad and GooH. Owned by 32,000 Swedish farmers, we have 8,500 employees, a presence in some 20 countries and revenues of SEK 33 billion. Our company is founded on knowledge and values built up through generations of owners. With research, development and operations throughout the chain, together we can take responsibility from field to fork.

To read more, go to www.lantmannen.se/en

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Lantmännen's organization



Financial reporting and publication orders

Interim Report 2nd four months • Oct 1, 2014 Year-end Report 2014 • February 9, 2015

The Annual Report including 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.se/ekonomi

President's overview

Lantmännen's income after net financial items, adjusted for items affecting comparability, for the first four-month period was MSEK 38, compared with MSEK 15 for the same period the previous year.

The Food Sector has shown a marked increase in earnings, with all businesses in the Sector continuing to develop positively. The Energy Sector has also reported higher earnings than in the previous year, while the Machinery Sector's earnings are more or less in line with the previous year. The Agriculture Sector had a weak start to the year, with significantly lower earnings than in the previous year.

Competition in the agricultural market has been sharpening significantly over a number of years, and Lantmännen needs to continue to strengthen its competitiveness. Several measures have been taken in recent years to improve operational efficiency in line with the previously established plan, and in spring it was decided to implement further cost adjustments within Lantmännen Lantbruk's salaried-employee organization. This is a necessary measure in both the short and the long term, although it is sad to have to say goodbye to competent and dedicated employees. In April, it was decided to open five more grain receiving facilities for this year's harvest, including Lantmännen's large silo in Stockholm, as a measure to handle the large harvest that is expected north of Mälaren.

The Machinery Sector's farm machinery operations are developing according to plan and earnings for the first four-month period are better than in the previous year. The market for large construction machinery in Sweden has declined since last year, mainly as a result of delayed decisions on new mining and infrastructure projects. The Sector's overall earnings are in line with the previous year.

In the Energy Sector, Agroetanol has reported a slightly improved operating income compared with the previous year. This is primarily due to lower depreciation charges following the impairment loss recognized in the 2013 year-end financial statements. Ethanol prices are at a record low level, and the ethanol business remains under heavy pressure. Overall earnings for the Sector are somewhat higher than in the previous year.

All of the Food Sector's businesses continue to grow, and the Sector's operating income is significantly higher than in the previous year. Cerealía's new product launches have been well received, and Unibake is performing well in all its markets.

Lantmännen Real Estate's operating income, excluding property sales, is slightly higher than in the previous year.



Lantmännen continues to develop

I would like to thank everyone who took part in Lantmännen's annual general meeting. My presentation to the meeting included the Group's long-term strategy – a matter that involves many of our owners and member districts.

Our fundamental mission is essentially unchanged: Lantmännen will increase the profitability of our owners' farms and maximize the return on our owners' capital in the association. This requires us as a company to be flexible in order to respond quickly to external changes. How we relate to – and act on – new and emerging international markets, increasingly volatile commodity prices, and, particularly important, the increasing demands of customers and consumers, is a crucial success factor.

A strategically important area is Lantmännen's partnerships with other companies and market players. During the past year, we have entered into several strategic partnerships, including chicken operations in Scandinavian Standard with

CapVest, utilization of the waste product carbon dioxide from the ethanol plant with AGA and the formation of a new wood pellet company with Neova. These partnerships give our businesses greater development opportunities through economies of scale, an increased force in the market and other similar advantages.

Another high-priority area for Lantmännen is to develop agriculture-related operations in cooperation with the farmers themselves. We must be able to offer the products and services our customers demand at the highest quality and at a competitive price – whether for feed, grain trade, crop production or any other of our areas of activity. By working more closely with our owners and customers, we improve the conditions for prosperous Swedish farming, while ensuring the quality and availability of the raw materials needed in our processing industries. In this way, we measure up even more clearly to our fundamental promise: to take responsibility from field to fork.

Per Olof Nyman
President & CEO, Lantmännen

The period in brief

January-April 2014

Net sales for the Group amounted to MSEK 10,505 (12,027). The decline in net sales was 3 percent after adjustment for the divestment of Kronfågel Group in June last year.

Operating income amounted to MSEK 70 (18) during the period. Adjusted for items affecting comparability for the same period in 2013, operating income was MSEK 70 (80).

Income after financial items amounted to MSEK 38 (71) during the period. Adjusted for items affecting comparability, income after financial items was MSEK 38 (15).

Cash flow before financing activities was MSEK 781 (1,084) in the four-month period.

Investments amounted to MSEK 322 (407).

In the Sustainable Brands consumer survey, Lantmännen has been named **“Sweden’s Most Sustainable Brand”**.

Lantmännen is opening five more grain receiving facilities for this year’s harvest. Four are in Karpalund, Staffanstorp, Vara and Vårgårda and in addition, Lantmännen’s large silo in Stockholm is being reopened.



Lantmännen’s key figures

	2014 Jan-Apr	2013 Jan-Apr	2013 Jan-Dec
Net sales, MSEK	10,505	12,027	33,802
Operating income, MSEK	70	18	89
Operating margin, %	0.7	0.1	0.3
Income after financial items, MSEK	38	71	85
Net income for the period, MSEK	55	55	100
Cash flow before financing activities, MSEK	781	1,084	2,450
Return on equity, %	1.5	1.5	0.9
Return on operating capital, %	1.4	0.3	0.5
Total assets, MSEK	26,657	26,657	26,001
Equity ratio, %	41.2	41.0	42.5
Investments, MSEK	322	407	1,043
Net debt, MSEK	4,507	6,369	4,963
Interest coverage ratio, times	1.4	1.6	1.3
Average number of employees	8,398	9,823	9,133
Operating income, excluding items affecting comparability, MSEK	70	80	805
Income after financial items, excluding items affecting comparability, MSEK	38	15	683

Business environment, sales and earnings

Business environment and market

The economic recovery continued during the four-month period, both in Europe and globally. The recovery is increasingly apparent in the Eurozone and has started spreading from the major economies to the smaller ones. U.S. growth has also continued its recovery after the winter, and, despite a certain slowdown in spring, most analysts believe that it will increase with renewed vigor this summer. The Chinese economy has slowed down due to structural decisions and reforms. However, these changes are expected to have a positive effect in the long term.

In Sweden, the inflation rate is well below the Riksbank's inflation target, and most interest analysts expect a further cut in the repo rate.

The ongoing unrest in Ukraine has escalated during the first four months, although the tone abated a little towards the end of the period. As both Ukraine and Russia are major grain countries, the unrest is affecting several parts of the grain value chain.

According to the Swedish Board of Agriculture, Swedish grain cultivation has increased by about 5 percent compared with the previous year, and Swedish wheat acreage is the largest ever recorded. At the same time, the U.S. Department of Agriculture's latest forecast indicates a slight decline in the global wheat harvest. Global stock levels of wheat, corn and soybeans are expected to rise from the previous year's levels, with slightly lower prices as a result.

The EU has introduced a ban on use of neonicotinoids in seed treatment pesticides – this has an adverse effect on sales of seed such as spring rape. Finland has been granted exemption from the ban, and has been able to continue use as before.

According to LRF Dairy Sweden, milk production in Sweden is showing its strongest increase in 20 years, and this is expected to continue.

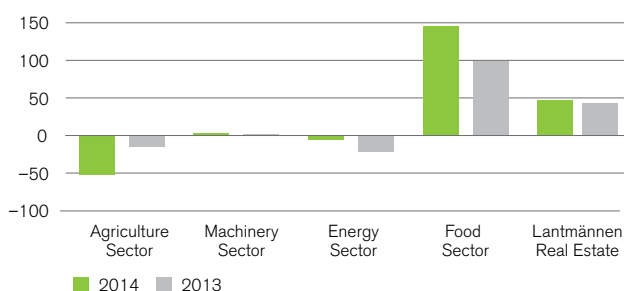
The Swedish tractor market is showing an upward trend, after more than two years of falling sales figures. However, growth in Norway and Denmark has been weaker. The Swedish construction machinery market remains slow, partly due to reduced demand for metals and minerals from China, which has resulted in lower activity in the mining industry.

Most of parliament's new policy instruments for biofuels that were due to come into force on May 1, 2014 have been halted by the EU. Discussions are in progress between the Swedish government and the EU, and there is uncertainty at present about when the instruments will come into force and exactly what form they will take.

The restaurant and food service segment of the Swedish food industry has shown strong growth in the first four months. Retail trade growth has also been good, although slightly weaker. The trend is slightly slower in Denmark, while growth in Norway is strong. Consumer trends are essentially the same, with a continuing situation of intense price competition and demand for healthy products. There has been a recent increase in demand for sustainably produced products, both from consumers and in the B2B market. Demand for gluten-free foods has continued to increase.

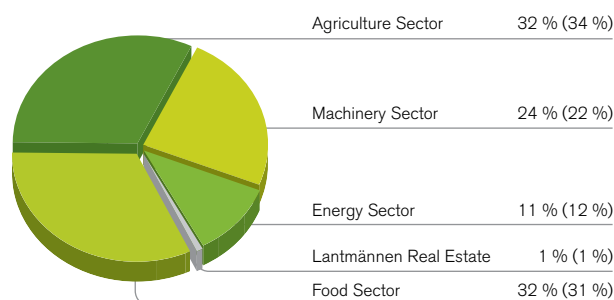
Operating income per sector, accumulated January-April

Adjusted for items affecting comparability, MSEK



Sales per sector ¹⁾

Including intra-Group sales, MSEK



¹⁾ The 2013 figures have been adjusted for the divested Kronfågel Group.



The Group's net sales and earnings

January-April 2014

Net sales

Lantmännen's net sales for the first four months amounted to MSEK 10,505 (12,027), which is a decline of 13 percent. The decline in net sales was 3 percent after adjustment for the divestment of Kronfågel Group in June last year. Currency effects had a positive impact of 1 percent on net sales. Sales increased in the Machinery Sector but showed a decline in the other Sectors.

Operating income

Operating income amounted to MSEK 70 (18) during the period. Adjusted for items affecting comparability for the same period in 2013, operating income was MSEK 70 (80). All Sectors apart from the Agriculture Sector showed an improvement in operating income compared with the previous year.

Net financial income

Net financial income amounted to MSEK -32 (53). The previous year's figure included a capital gain of MSEK 118 on the sale of investment shares, and after adjustment for this, the figure was MSEK -65. The improvement in net financial income, adjusted for items affecting comparability, was mainly due to lower borrowing rates and a reduction in net debt.

Tax and income after tax

Tax for the period, calculated using the estimated tax rate for the full year, was MSEK 17 (-16). The Group's income after tax amounted to MSEK 55 (55), with MSEK 54 (53) 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 was MSEK 1,007 (1,348). The cash operating surplus contributed MSEK 398 (336) to the figure, while lower working capital had a positive effect of MSEK 609 (1,012). Investments in non-current assets were MSEK -322 (-407), while sales of non-current assets amounted to MSEK 44 (6), which meant that net investments for the period were MSEK -278 (-401). Cash flow before financing activities was MSEK 781 (1,084), while total cash flow including financing activities was MSEK 360 (912).

Financial position

Equity amounted to MSEK 10,985 at April 30 (11,044 at year-end). MSEK 39 (28 at year-end) of this amount is attributable to owners other than members of the economic association, i.e. the minority interest in Group companies. The Group's financial position has improved since the beginning

of January, mainly due to lower working capital. Net debt was MSEK 4,507 (MSEK 4,963 at year-end), which is a decline of MSEK 456 in the year to date.

The Group's liquidity is good. The Group's cash & cash equivalents amounted to MSEK 2,652 at April 30 (MSEK 2,295 at year-end). The equity ratio at April 30 was 41.2 percent (42.5 at year-end). Total assets were MSEK 26,657, which is a little higher than at year-end (MSEK 26,001).

Risks and uncertainties

All business activity is subject to risk. 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 the 2013 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, at full capacity utilization, annual earnings will be affected by approximately 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 approximately MSEK 200, provided the price of feed correlates with the price of grain.

Other important events

Lantmännen and Neova AB signed an agreement to merge their wood pellet operations. The combined company consists of Lantmännen's pellet business in Sweden and Latvia and Neova's corresponding business in Sweden. The transaction was completed on June 2. After the business combination, Lantmännen owns 50 percent of the company. The company will have an annual turnover of approximately SEK 1 billion and has about 160 employees.

In order to strengthen Lantmännen Lantbruk, it has been decided to implement a new organization which will improve the organization's customer focus and reduce the Sector's costs. The new organization, which will be effective from August 1, 2014, will involve a reduction of about 100 jobs, around half of them in Malmö. The restructuring costs are estimated at approximately MSEK 35-50 and will be recognized in the second four-month period.

To increase accessibility and the level of service for farmers, Lantmännen has decided to open a further five grain receiving facilities. New grain receiving facilities in Karpalund, Staffanstorp, Vara, Vårgårda and Lantmännen's large silo in Stockholm are being opened in time for the 2014 harvest.

In April, Lantmännen entered into an agreement with Borga Gruppen AB on the transfer of Lantmännen Byggglant's construction operations. The takeover took place in May 2014. Lantmännen Byggglant's service and biogas operations will be discontinued.

In the Sustainable Brands consumer survey, Lantmännen has been named "Sweden's Most Sustainable Brand". In addition, Lantmännen has been placed 12th in this year's Nordic

Brand Reputation Survey, which surveys approximately 5,000 consumers to measure public confidence in Sweden's 60 most visible companies.

In a poll of 6,000 members of 4Potentials, one of Sweden's largest talent networks, Lantmännen has been named "Talent Company of the Year" for its efforts to attract, recruit and develop talented employees. More people than ever have also applied for Lantmännen's trainee program, which is being held for the fourth time this fall. There are 815 applicants for seven trainee positions.

During the period, Lantmännen conducted 28 district meetings around the country with participation by the Group Board and management.

Events after the end of the reporting period

At Lantmännen's Annual General Meeting in May, Ulf Gundemark, Helle Kruse Nielsen, Thomas Magnusson and Björn Wallin were re-elected to the Board. At the statutory Board meeting, Bengt-Olov Gunnarson was re-elected Chairman, while Nils Lundberg was re-elected Vice Chairman.

Per Arfvidsson, Senior Vice President Supply Chain, has been appointed Executive Vice President Operations of Lantmännen.

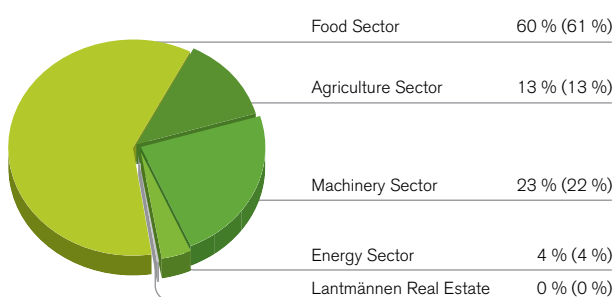
Lantmännen Cerealia has acquired the pancake business of Björnerud Gård AB in Färgelanda. The company has 15 employees and a turnover of approximately MSEK 40. The Färgelanda pancake operations will further strengthen Cerealia's capacity and create additional scope for offering chilled ready meals. Lantmännen Cerealia is taking over the employees, equipment, customer contracts and so on. The transaction is expected to be completed in June.

The agreement to acquire 50 percent of the shares in the Polish agricultural company HaGe Polska, which was signed in September 2013, has been approved by the relevant competition authorities in May.

Human resources

The average number of employees was 8,398 (9,823) and the number of full-time employees at April 30, 2014 was 8,316 (9,783). The decline is largely due to the sale of Kronfågel Group and the mill operations in Latvia, but is also a result of efficiency measures in the Food Sector.

Average number of employees per sector¹⁾



¹⁾ The 2013 figures have been adjusted for the divested Kronfågel Group.



Agriculture Sector

Agriculture Sector

	2014 Jan-Apr	2013 Jan-Apr	Change Jan-Apr
Net sales, MSEK	3,623	3,950	-8 %
Operating income, MSEK	-53	-15	-38
Operating margin, %	-1.5	-0.4	
Return on operating capital, %	-4.0	-1.1	
Average number of employees	1,014	1,062	-5 %

Lantmännen Lantbruk Sweden

Net sales, MSEK	3,529	3,850	-8 %
Operating income, MSEK	-17	20	-37
Return on operating capital, %	-0.5	0.5	
Return on operating capital, %	-1.8	1.9	
Average number of employees	875	908	-4 %

The Agriculture Sector's net sales for the first four months were lower than the previous year, and the Sector's operating income was MSEK -53, compared with MSEK -15 for the same period the previous year. Earnings for international interests were in line with the previous year.

The majority of categories showed weaker demand in the first four-month period than in the previous year. There has been clear price pressure in the feed business, while sales in the seed business have been significantly lower as a result of the previous year's large-scale fall sowing and minimal crop losses during the mild winter. In addition, the EU ban on plant protection products containing neonicotinoids has led to lower sales of seed for spring rape.

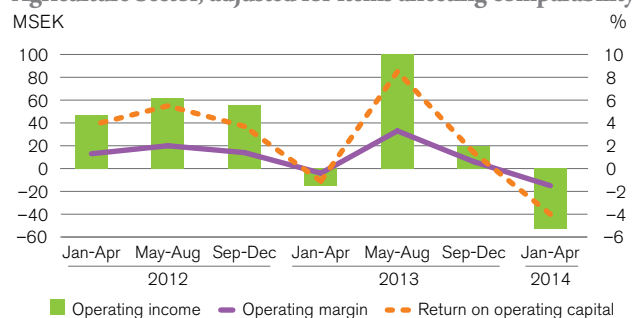
Competition in the agricultural market has sharpened significantly over several years. In spring, it was decided to make cost adjustments within Lantmännen Lantbruk's salaried-employee organization. In total the workforce will be reduced by about 100 jobs, around half of them in Malmö.

To increase accessibility and the level of service for farmers, a further five grain receiving facilities will be opened for this year's harvest – four of them are in Karpalund, Staffanstorps, Vara and Vårgårda. In addition, Lantmännen's large silo in Stockholm will be reopened as a measure for processing the large harvest that is expected north of Mälaren.

In May, Lantmännen Bygglant's construction operations were transferred to Borga Gruppen AB. Lantmännen Bygglant's service and biogas operations will be discontinued.

Johan Andersson took over as the new Senior Vice President and Head of the Agriculture Sector on January 1.

Agriculture Sector, adjusted for items affecting comparability





Machinery Sector

	2014 Jan-Apr	2013 Jan-Apr	Change Jan-Apr
<i>Machinery Sector</i>			
Net sales, MSEK	2,686	2,492	8 %
Operating income, MSEK	3	2	1
Return on operating capital, %	0.1	0.1	
Return on operating capital, %	0.5	0.2	
Average number of employees	1,829	1,801	2 %
<i>Lantmännen Maskin Sweden</i>			
Net sales, MSEK	929	723	28 %
Operating income, MSEK	-30	-44	14
Return on operating capital, %	-3.2	-6.1	
Return on operating capital, %	-11.3	-18.6	
Average number of employees	716	717	0 %

The Machinery Sector's net sales for the first four months were higher than the previous year, and the Sector's operating income was MSEK 3, compared with MSEK 2 for the same period the previous year.

Total tractor sales in Sweden during the four-month period were more than ten percent higher than in the previous year, when they were at a historically low level. Lantmännen is driving the positive market trend: Valtra remains the market leader, and Lantmännen has increased its total share of the market.

In February, Lantmännen Maskin launched its new customer offering "Lantmännen Maskin Classic", which is aimed at owners of Valtra tractors that are five or more years old. The concept involves advantageous prices for parts and servicing for older tractors, as well as warranty and insurance backup to ensure the customer's security. The concept has been positively received by customers, and it is planned to expand the program during fall to include other tractor brands.

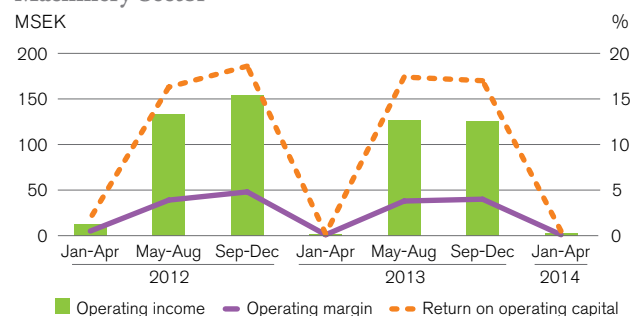
The overall market for tractors in Denmark has declined in the first four months. However, despite this, both Claas and Valtra increased their market share. The trend was weaker in Norway, where the market has declined sharply, and Lantmännen has lost market share. The Norwegian management is currently reviewing the business, including a focus on increasing sales of used machines.

The construction machinery market remains slow in

Sweden, particularly in the north of the country, as a result of decreased activity in the mining sector and cautious political decisions in a number of major infrastructure projects. In Germany, sales of new construction machinery have increased slightly, while sales of used rental machinery have declined. Swecon has initiated a review of its operations to enable adaptation to the changed market conditions – a similar review was last conducted in 2009.

In February, Swecon launched three agricultural wheel loader models from Volvo – the L45G, L50G and L60G, which are all customized with features and tools for tasks in agriculture. The models have been unveiled at a number of locations during the spring and have been well received.

Machinery Sector





Energy Sector

Energy Sector

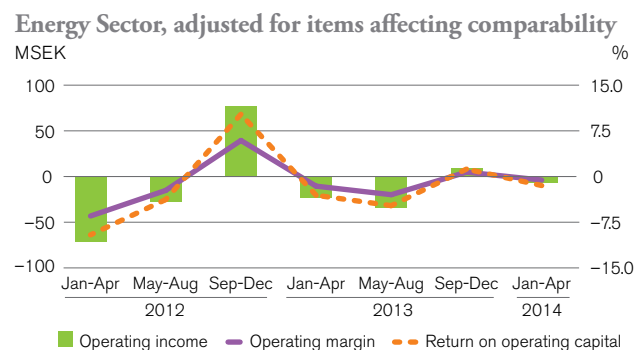
	2014 Jan-Apr	2013 Jan-Apr	Change Jan-Apr
Net sales, MSEK	1,180	1,446	-18 %
Operating income, MSEK	-6	-22	16
Return on operating capital, %	-0.5	-1.5	
Return on operating capital, %	-1.4	-3.0	
Average number of employees	338	344	-2 %

The Energy Sector's net sales for the first four months were lower than the previous year, while the Sector's operating income was MSEK -6, compared with MSEK -22 for the same period the previous year.

The Sector's higher operating income was partly due to considerably lower depreciation charges for the ethanol plant in Norrköping as a result of the impairment loss recognized at the end of 2013. However, despite this, and despite continuing productivity improvements at the Norrköping plant, the present business situation remains a concern. The challenging price position in the market has not changed to any great extent, and it is still proving very difficult for the operations to reach profitability. This is the case, even though parliament's decision to introduce new policy instruments for biofuels, which could have a profoundly negative effect on Agroetanol, has not yet entered into force. The new instruments have been temporarily halted by an EU decision, and it is uncertain when the rules will come into effect. A strategic review of the business is in progress, and in light of the major uncertainty about the business, Agroetanol has taken steps to adjust operations and reduce costs. The smaller of the two production lines was closed down in January and 25 individuals at the Norrköping plant were given notice of termination in March.

In February, it was announced that Lantmännen Agroenergi and Neova AB were merging their wood pellet activities and forming a joint company with a leading position in Sweden and a strong position in the Baltic region. The transaction was approved by the competition authorities in the middle of May and was completed on June 2, 2014. After the business combination, Lantmännen owns 50 percent of the company.

Lantmännen Aspen continued to perform well during the four-month period and launched a new product, FRT (Full Range Technology), which is a further development of the company's eco-friendly 2-stroke alkylate petrol.





Food Sector

Food Sector

	2014 Jan-Apr	2013 Jan-Apr	Change Jan-Apr
Net sales, MSEK	3,514	4,795	-27 %
Operating income, MSEK	146	99	47
Return on operating capital, %	4.2	2.1	
Return on operating capital, %	5.8	3.3	
Average number of employees	4,896	6,281	-22 %

The Food Sector's reported net sales for the first four months were lower than the previous year, primarily due to the fact that Kronfågel Group and the Lithuanian mill operations were divested in 2013. Adjusted for these divestments, net sales were in line with the previous year. Operating income amounted to MSEK 146, compared with MSEK 99 for the same period the previous year. All of the Sector's businesses – Cerealia, Unibake and Doggy – have reported improved results and continue to develop very positively.

The unrest in Ukraine has not affected Lantmännen's operations to any significant extent so far. However, both Cerealia and Unibake are keeping a close eye on developments and maintaining daily contact with their employees in Ukraine and Russia.

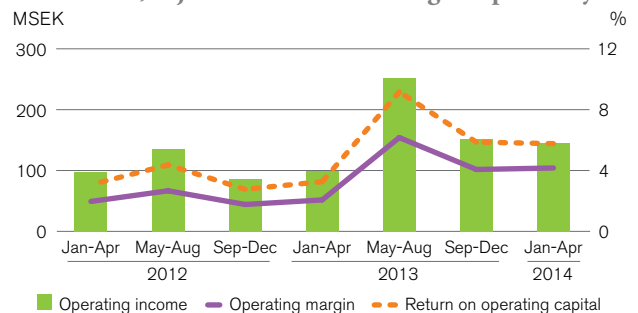
During spring, Cerealia launched a number of new products, including three gluten-free flours from Kungsörnen – buckwheat, corn and almond flour. The new flours will be launched in Denmark under the Amo brand and in Norway under the Regal brand during fall. Gooh continues to develop positively.

Unibake's sales are increasing in most countries, with operating income continuing to improve. All countries in which Unibake is active apart from one have reported higher earnings than in the previous year. The most marked improvement has been noted in the UK and Danish operations. Long-term efforts to further strengthen competitiveness and growth are continuing as planned.

Doggy's operations continue to progress according to plan. A new sales force for the retail sector was installed during the four-month period, and sales of newly launched products have performed well. Doggy decided to terminate its partnership with a large private label player during the four-month period, resulting in about twenty redundancies.

After the reporting period, new Vice Presidents have been appointed for Cerealia and Unibake. The new Vice President of Cerealia is Krister Zackari, who joins the company from Mondelez Europe. Werner Devinck, who has been acting Vice President of Unibake since October 2013, assumes the role on a permanent basis. Krister Zackari takes up his position in mid-August, and Werner Devinck becomes permanent Vice President with immediate effect.

Food Sector, adjusted for items affecting comparability



Lantmännen Real Estate

Lantmännen Real Estate

	2014 Jan-Apr	2013 Jan-Apr	Change Jan-Apr
Net sales, MSEK	118	108	9 %
Operating income excluding excluding property sales, MSEK	47	43	4
Operating income, MSEK	48	56	-8
Return on operating capital, excluding property sales, %	11.2	12.9	
Average number of employees	30	22	36 %

Lantmännen Real Estate's net sales for the first four months were a little higher than the previous year. Operating income, excluding property sales, amounted to MSEK 47, compared

with MSEK 43 for the same period the previous year. The higher operating income was largely due to lower operating and heating costs during the winter, as a result of the mild weather.

Lantmännen Real Estate, excluding property sales



International ownership

With the agricultural and food markets becoming increasingly global, international operations are of key importance. The Agriculture and Food Sectors are part-owners of two international companies each, with operations primarily in the Nordic region, Germany, Poland and the Baltic countries.

HaGe Kiel (39%)

Hauptgenossenschaft Nord AG (HaGe Kiel) has a turnover of approximately EUR 2.8 billion and about 1,600 employees. Lantmännen's holding in HaGe Kiel is 39 percent. DLG (Dansk Landbrugs Grovvarereselskab) owns 54 percent and the remaining shares are owned by different investors. Operations include feed production, the purchase of grain and the sale of farm inputs.

Scandagra Group (50%)

Scandagra Group AB (formerly Scandinavian Farmers) operates in the three Baltic countries. The Group has a turnover of approximately SEK 2.0 billion and about 225 employees. The company is jointly owned (50-50) by Lantmännen and

DLG (Dansk Landbrugs Grovvarereselskab). The operations consist of the sale of crop production inputs and the purchase and sale of grain.

Scandinavian Standard (46%)

Lantmännen has a 46 percent holding and controls 48 percent of the votes in Scandinavian Standard AB, while CapVest owns 50 percent. The remaining shares are owned by employees. Scandinavian Standard is the leading player in the Nordic chicken market with a turnover of SEK 5.4 billion and 1,650 employees.

Viking Malt (38%)

Lantmännen's stake in Viking Malt is 38 percent; the remainder is owned by the Finnish company Polttimo. Viking Malt produces malt in Finland, Sweden and Lithuania. The business has a turnover of approximately MEUR 330 and about 130 employees. The company supplies 360,000 tonnes of malt annually to breweries, distilleries and selected companies.

Condensed consolidated income statement

MSEK	2014 Jan-Apr	2013 Jan-Apr	May 2013- Apr 2014	2013 Jan-Dec
Net sales	10,505	12,027	32,280	33,802
Other operating income	117	86	847	816
Changes in inventories of finished goods and work in progress	-224	-411	-54	-241
Capitalized work for own account	1	1	6	6
Raw materials and consumables	-3,742	-4,731	-12,343	-13,332
Goods for resale	-2,909	-2,810	-8,220	-8,121
Employee benefits expense	-1,573	-1,765	-4,746	-4,938
Other operating expenses	-1,778	-1,987	-5,730	-5,939
Share of income of associates	15	11	144	140
Depreciation, amortization and impairment	-342	-403	-2,043	-2,104
Operating income	70	18	141	89
Finance income	57	175	215	333
Finance costs	-89	-122	-304	-337
Income after financial items	38	71	52	85
Tax	17	-16	48	15
Net income for the period after tax	55	55	100	100
Net income for the period attributable to:				
Members of the economic association	54	53	101	100
Non-controlling interests	1	2	-1	0

Condensed consolidated statement of comprehensive income

MSEK	2014 Jan-Apr	2013 Jan-Apr	May 2013- Apr 2014	2013 Jan-Dec
Net income for the period after tax	55	55	100	100
Other comprehensive income				
<i>Items that will not be reclassified to the income statement</i>				
Actuarial gains and losses on defined benefit pension plans	-64	22	221	307
Tax on actuarial gains and losses	14	-5	-49	-68
Total	-50	17	172	239
<i>Items that will be reclassified to the income statement</i>				
Available-for-sale financial assets, net of tax	-12	-109	-22	-119
Cash flow hedges, net of tax	-94	54	-140	8
Exchange differences on translation of foreign operations	37	-43	172	92
Net gain on hedge of net investment in foreign operations, net of tax	-35	28	-149	-86
Tax attributable to items that will be reclassified	30	6	68	44
Total	-74	-64	-71	-61
Other comprehensive income for the period, net of tax	-124	-47	101	178
Total comprehensive income for the period	-69	8	201	278
Total comprehensive income for the period attributable to:				
Members of the economic association	-70	6	202	278
Non-controlling interests	1	2	-1	0

Condensed consolidated four-monthly income statements

MSEK	2014 Jan-Apr	2013 Sep-Dec	2013 May-Aug	2013 Jan-Apr
Net sales	10,505	10,752	11,023	12,027
Other operating income	117	196	534	86
Changes in inventories of finished goods and work in progress	-224	-376	546	-411
Capitalized work for own account	1	3	2	1
Raw materials and consumables	-3,742	-4,008	-4,593	-4,731
Goods for resale	-2,909	-2,423	-2,888	-2,810
Employee benefits expense	-1,573	-1,570	-1,603	-1,765
Other operating expenses	-1,778	-1,988	-1,964	-1,987
Share of income of associates	15	67	62	11
Depreciation, amortization and impairment	-342	-1,178	-523	-403
Operating income	70	-525	596	18
Finance income	57	67	91	175
Finance costs	-89	-97	-118	-122
Income after financial items	38	-555	569	71
Tax	17	38	-7	-16
Net income for the period after tax	55	-517	562	55
Net income for the period attributable to:				
Members of the economic association	54	-516	563	53
Non-controlling interests	1	-1	-1	2

The Group's items affecting comparability

MSEK	2014 Jan-Apr	2013 Jan-Apr	2013 Jan-Dec
Recognized operating income	70	18	89
<i>Items affecting comparability in operating income:</i>			
Capital gains on sale of operations	-	-62	363
Impairment of assets in Agroetanol's operations	-	-	-800
Restructuring costs, Agriculture Sector	-	-	-38
Restructuring costs, Food Sector	-	-	-130
Restructuring costs, other	-	-	-111
<i>Total items affecting comparability in operating income</i>	<i>-</i>	<i>-62</i>	<i>-716</i>
Operating income, adjusted for items affecting comparability	70	80	805
Recognized income after financial items	38	71	85
Items affecting comparability in operating income according to above	-	-62	-716
<i>Items affecting comparability in financial items:</i>			
Capital gain on disposal of shares	-	118	118
<i>Total items affecting comparability in net financial income</i>	<i>-</i>	<i>118</i>	<i>118</i>
Income after financial items adjusted for items affecting comparability	38	15	683
Return on equity, adjusted for items affecting comparability, %	1.5	0.7	4.4
Return on operating capital, adjusted for items affecting comparability, %	1.4	1.4	4.7

Condensed consolidated statement of financial position

MSEK	2014 Apr 30	2013 Apr 30	2013 Dec 31
ASSETS			
Property, plant and equipment	6,959	8,515	7,040
Investment properties	390	264	297
Goodwill	2,635	2,532	2,594
Other intangible assets	794	863	814
Investments in associates	1,450	1,261	1,460
Non-current financial assets	814	537	782
Deferred tax assets	274	242	223
Other non-current assets	82	41	77
Total non-current assets	13,398	14,255	13,287
Inventories	5,205	5,439	5,249
Trade and other receivables	5,087	5,620	4,866
Current interest-bearing assets	270	55	288
Current tax assets	45	27	16
Cash and cash equivalents	2,652	1,261	2,295
Total current assets	13,259	12,402	12,714
TOTAL ASSETS	26,657	26,657	26,001
EQUITY AND LIABILITIES			
Equity attributable to members of the economic association	10,946	10,905	11,016
Non-controlling interests	39	33	28
Total equity	10,985	10,938	11,044
Non-current interest-bearing liabilities ¹⁾	4,370	4,753	4,334
Provisions for pensions	265	478	168
Deferred tax liabilities	149	118	151
Other non-current provisions	249	249	249
Other non-current liabilities	35	47	37
Total non-current liabilities	5,068	5,645	4,939
Current interest-bearing liabilities	3,330	2,888	3,546
Trade and other payables	7,048	6,943	6,212
Current tax liabilities	42	78	58
Current provisions	184	165	202
Total current liabilities	10,604	10,074	10,018
TOTAL EQUITY AND LIABILITIES	26,657	26,657	26,001
Equity ratio	41.2	41.0	42.5
¹⁾ Including subordinated debentures, MSEK	56	56	56

Condensed consolidated statement of cash flows

MSEK	2014 Jan-Apr	2013 Jan-Apr	2013 Jan-Dec
Income after financial items	38	71	85
Adjustment for non-cash items ¹⁾	392	300	1,589
Taxes paid	-32	-35	-104
Cash flow from operating activities before change in working capital	398	336	1,570
Change in working capital	609	1,012	724
Cash flow from operating activities	1,007	1,348	2,294
Acquisitions and divestments	7	6	1,196
Investments in non-current assets	-322	-407	-1,043
Sale of non-current assets	44	6	181
Change in financial investments	45	131	-178
Cash flow from investing activities	-226	-264	156
Cash flow before financing activities	781	1,084	2,450
Change in contributed capital	3	0	54
Dividend paid	-3	0	-208
Change in loans	-421	-172	-353
Cash flow from financing activities	-421	-172	-507
Cash flow for the period	360	912	1,943
Cash and cash equivalents at beginning of period	2,295	352	352
Exchange differences	-3	-3	0
Cash and cash equivalents at the end of the period	2,652	1,261	2,295
¹⁾ Depreciation and impairment of non-current assets	342	403	2,104
Less share of income in associates	-15	-11	-109
Capital gains on sale of non-current assets and operations	-1	55	-384
Other non-cash items	66	-147	-22
Total adjustment for non-cash items	392	300	1,589

Condensed consolidated statement of changes in equity

MSEK	2014 Jan-Apr			2013 Jan-Apr			2013 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	11,016	28	11,044	10,899	33	10,932	10,899	33	10,932
Total comprehensive income for the period	-70	1	-69	6	2	8	278	0	278
Distribution to owners	-	-2	-2	-	-	-	-215	-1	-216
Contributed capital paid in by members	-	-	-	-	-	-	103	-	103
Contributed capital paid out to members	-	-	-	-	-	-	-49	-	-49
Other changes relating to non-controlling interests	-	12	12	-	-2	-2	-	-4	-4
Closing balance	10,946	39	10,985	10,905	33	10,938	11,016	28	11,044
Equity attributable to members of the economic association									
Contributed capital, paid in	832			753			829		
Contributed capital, issued	1,074			1,016			1,074		
Other equity	9,040			9,136			9,113		
Total equity attributable to members of the economic association	10,946			10,905			11,016		

Segment information, adjusted for items affecting comparability

(Comparative figures for 2013 for the Food Sector and Other operations have been adjusted to reflect the associate Viking Malt's inclusion in the Food Sector from 2014.)

Net sales per segment

MSEK	2014 Jan-Apr	2013 Jan-Apr	Change %	May 2013- Apr 2014	2013 Jan-Dec
Agriculture Sector	3,623	3,950	-8 %	9,967	10,294
Machinery Sector	2,686	2,492	8 %	9,128	8,934
Energy Sector	1,180	1,446	-18 %	3,457	3,723
Food Sector ¹⁾	3,514	4,795	-27 %	11,312	12,593
Lantmännen Real Estate	118	108	9 %	374	364
Other operations	164	142	15 %	463	441
Eliminations	-780	-906	-14 %	-2,421	-2,547
Total	10,505	12,027	-13 %	32,280	33,802

¹⁾ Kronfågel Group was included until the end of May 2013.

Operating income per segment, adjusted for items affecting comparability

MSEK	2014 Jan-Apr	2013 Jan-Apr	May 2013- Apr 2014	2013 Jan-Dec
Agriculture Sector	-53	-15	67	105
Machinery Sector	3	2	256	255
Energy Sector	-6	-22	-30	-46
Food Sector	146	99	550	503
Lantmännen Real Estate ¹⁾	48	56	182	190
Other operations	-66	-61	-227	-222
Group items	-2	21	-3	20
Total	70	80	795	805
	1	13	29	41

¹⁾ Including capital gain on sale of property

Operating margin per segment, adjusted for items affecting comparability

%	2014 Jan-Apr	2013 Jan-Apr	2013 Jan-Dec
Agriculture Sector	-1.5	-0.4	1.0
Machinery Sector	0.1	0.1	2.9
Energy Sector	-0.5	-1.5	-1.2
Food Sector	4.2	2.1	4.0
Total	0.7	0.7	2.4

Return on operating capital adjusted for items affecting comparability

%	2014 Jan-Apr	2013 Jan-Apr	2013 Jan-Dec
Agriculture Sector	-4.0	-1.1	2.6
Machinery Sector	0.5	0.2	11.5
Energy Sector	-1.4	-3.0	-2.2
Food Sector	5.8	3.3	6.1
Lantmännen Real Estate ¹⁾	11.2	12.9	13.9
Total	1.4	1.4	4.7

¹⁾ Adjusted for gain on sale of property.

Segment information

(Comparative figures for 2013 for the Food Sector and Other operations have been adjusted to reflect the associate Viking Malt's inclusion in the Food Sector from 2014.)

Net sales per segment

MSEK	2014 Jan-Apr	2013 Jan-Apr	Change %	May 2013- Apr 2014	2013 Jan-Dec
Agriculture Sector	3,623	3,950	-8 %	9,967	10,294
Machinery Sector	2,686	2,492	8 %	9,128	8,934
Energy Sector	1,180	1,446	-18 %	3,457	3,723
Food Sector ¹⁾	3,514	4,795	-27 %	11,312	12,593
Lantmännen Real Estate	118	108	9 %	374	364
Other operations	164	142	15 %	463	441
Eliminations	-780	-906	-14 %	-2,421	-2,547
Total	10,505	12,027	-13 %	32,280	33,802

¹⁾ Kronfågel Group was included until the end of May 2013.

Operating income per segment

MSEK	2014 Jan-Apr	2013 Jan-Apr	May 2013- Apr 2014	2013 Jan-Dec
Agriculture Sector	-53	-15	29	67
Machinery Sector	3	2	256	255
Energy Sector	-6	-22	-830	-846
Food Sector	146	99	420	373
Lantmännen Real Estate ¹⁾	48	56	182	190
Other operations	-66	-61	-227	-222
Group items	-2	-41	311	272
Total	70	18	141	89
	1	13	29	41

¹⁾ Including capital gain on sale of property

Operating margin per segment

%	2014 Jan-Apr	2013 Jan-Apr	2013 Jan-Dec
Agriculture Sector	-1.5	-0.4	0.7
Machinery Sector	0.1	0.1	2.9
Energy Sector	-0.5	-1.5	-22.7
Food Sector	4.2	2.1	3.0
Total	0.7	0.1	0.3

Return on operating capital

%	2014 Jan-Apr	2013 Jan-Apr	2013 Jan-Dec
Agriculture Sector	-4.0	-1.1	1.7
Machinery Sector	0.5	0.2	11.5
Energy Sector	-1.4	-3.0	-40.5
Food Sector	5.8	3.3	4.5
Lantmännen Real Estate ¹⁾	11.2	12.9	13.9
Total	1.4	0.3	0.5

¹⁾ Adjusted for gain on sale of property.

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. The Parent Company's net sales amounted to MSEK 3,688 (4,008), while operating income was MSEK –102 (–31).

Income after financial items was MSEK –108 (171). Net financial income for the previous year included a capital gain of MSEK 118 on the sale of investment shares, and dividends

of MSEK 21. Net financial income has also been affected by a foreign exchange loss of MSEK –48 (29) as a consequence of a weaker Swedish krona. Net investments in non-current assets for the year amounted to MSEK 48 (47).

The equity ratio at April 30 was 39.0 percent (39.7 at year-end).

The average number of employees in the Parent Company was 1,156 (1,212).

Parent Company condensed income statement

MSEK	2014 Jan-Apr	2013 Jan-Apr
Net sales, external	3,049	3,214
Net sales, intra-Group	639	794
Net sales, total	3,688	4,008
Change in products in progress, finished goods and work in progress for third parties	–3	–88
Capitalized work for own account	0	1
Other operating income	65	96
	3,750	4,017
Operating expenses		
Raw materials and consumables	–2,358	–2,411
Goods for resale	–615	–828
Other external costs	–499	–449
Employee benefits expense	–335	–313
Depreciation, amortization and impairment	–45	–47
Total operating expenses	–3,852	–4,048
Operating income	–102	–31
Income from financial items	–6	202
Income after financial items	–108	171
Refund and final price adjustment		
Group contributions		
Tax	26	–33
Net income for the period	–82	138

Parent Company condensed consolidated income statement

MSEK	2014 Apr 30	2013 Apr 30
ASSETS		
Intangible assets	220	227
Property, plant and equipment	867	843
Investments in Group companies	6,958	5,996
Investments in associates	835	832
Non-current receivables from Group companies	1,474	714
Other securities held as non-current assets	521	426
Other non-current receivables	310	109
Total non-current assets	11,185	9,147
Inventories	1,609	1,639
Current receivables from Group companies	10,724	11,756
Other current receivables	2,540	2,500
Short-term investments, incl. cash and bank balances	2,213	932
Total current assets	17,086	16,827
TOTAL ASSETS	28,271	25,974
EQUITY AND LIABILITIES		
Equity	10,779	10,580
Untaxed reserves	311	311
Provisions	196	185
Non-current liabilities	4,163	4,514
Current liabilities to Group companies	8,341	6,116
Other current liabilities	4,481	4,268
TOTAL EQUITY AND LIABILITIES	28,271	25,974
Equity ratio	39.0	41.7

Notes

Accounting policies

Lantmännen applies International Financial Reporting Standards (IFRS), as adopted by the EU. For the Group, this interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

There have been no changes to the accounting and valuation policies as described in Note 1 of the 2013 annual report.

Financial assets and liabilities measured at fair value, April 30, 2014

MSEK	Total carrying amount	Fair value
Assets		
Other shares and interests	295	295
Financial investments	466	466
Trade and other receivables	4,244	4,244
Interest-bearing receivables	301	301
Cash and bank balances	2,652	2,652
Total financial assets	7,958	7,958
Liabilities		
Non-current interest-bearing liabilities	4,370	4,369
Other non-current liabilities	11	11
Current interest-bearing liabilities	3,330	3,330
Trade and other payables	4,592	4,592
Total financial liabilities	12,303	12,302

Financial assets and liabilities measured at fair value, April 30, 2013

MSEK	Total carrying amount	Fair value
Assets		
Other shares and interests	287	287
Financial investments	250	250
Trade and other receivables	4,808	4,808
Interest-bearing receivables	55	55
Cash and bank balances	1,261	1,261
Total financial assets	6,661	6,661
Liabilities		
Non-current interest-bearing liabilities	4,753	4,743
Other non-current liabilities	16	16
Current interest-bearing liabilities	2,888	2,888
Trade and other payables	4,257	4,257
Total financial liabilities	11,914	11,904

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

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	8	-	-	8
Other financial assets measured at fair value	107	-	278	385
Total assets	115	-	278	393
Liabilities				
Derivatives with negative fair value	102	69	-	171
Other financial liabilities measured at fair value	-	-	-	-
Total liabilities	102	69	-	171

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

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	31	12	-	43
Other financial assets measured at fair value	107	-	103	364
Total assets	115	12	103	407
Liabilities				
Derivatives with negative fair value	33	33	-	66
Other financial liabilities measured at fair value	-	-	-	-
Total liabilities	33	33	-	66

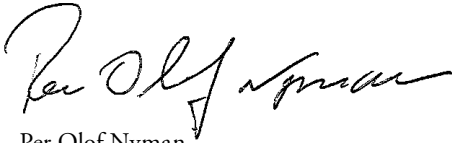
Fair value hierarchy with information on inputs used to measure fair value

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, June 3, 2014



Per Olof Nyman
President & CEO
Lantmännen

Auditor's Review Report

This year-end report has not been audited or reviewed by the association's auditors.

For more information, please contact

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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.

Read more about good food on www.lantmannen.se/en

