

**Lantmännen's Interim Report
January-August**

2016



**We create
thriving farming**


Lantmännen

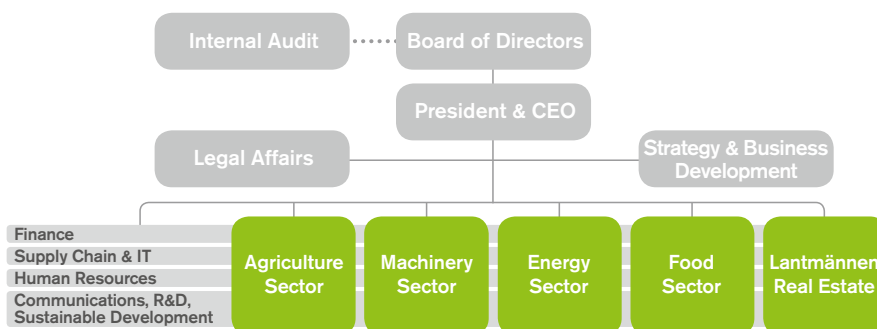


Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 27,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 37 billion. With grain as our basis, we refine farmland resources to create thriving farming. Some of our best-known food brands are AXA, Kungsörnen, GoGreen, Schulstad, GooH, Finn Crisp and Bonjour. Our company is founded on knowledge and values built up through generations of owners. Having research, development and operations throughout the value chain means that we can take responsibility together – from field to fork.

For more information: lantmannen.com/en

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Lantmännen's organization



Financial reporting and publication orders

Year-end report 2016 • February 7, 2017.

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

President's overview

Lantmännen's income after net financial items for the first eight months, adjusted for items affecting comparability, is MSEK 1,021, compared with MSEK 908 for the same period the previous year.

The Agriculture Sector's positive development has continued in the second period, with a strong improvement in operating income compared with the previous year. The primary reasons for the higher operating income are an increased customer focus, a stronger local presence and well implemented efficiency measures and cost reductions. This year's Swedish harvest appears to be somewhat larger than the last five-year average – and the quality of the harvest is good, with high protein content and good falling number. The new grain receiving facilities that were opened for this year's harvest were well received, and Lantmännen's harvest work progressed smoothly in most areas.

The Machinery Sector's operating income continues to show positive growth, despite a turbulent and cautious agricultural machinery market. Extensive transition work is in progress at Lantmännen Maskin prior to the entry into force of the new agreement with AGCO. Swecon strengthened its market share further during the second period, with a continuation of strong demand for machinery in urban areas.

The Energy Sector shows a strong improvement in operating income from the previous year, mainly due to higher income for Lantmännen Agroetanol. Operations continue to develop positively, with sales of value-added products, such as ED95 fuel, showing good growth.

The Food Sector has also improved its operating income from the previous year. The international Unibake operations are developing particularly positively. Integration of Vaasan's operations is progressing according to plan, and several product launches have been prepared for the fall – including new Finn Crisp varieties from Cerealia and a new rye bread for the Swedish market from Unibake.

Lantmännen Real Estate's operating income, excluding property sales, is in line with the previous year.

Four large items affecting comparability in the second period had a total impact of MSEK –54 on Lantmännen's reported operating income. In the Food Sector, insurance compensation for the burnt-down bakery in Londerzeel in Belgium had a positive impact of MSEK 357 on operating income for the second period. In the Energy Sector's financial statements for the second period, a provision of MSEK 300 has been recognized in connection with the European Commission's ongoing investigation of Lantmännen Agroetanol and two other ethanol producers for



alleged violation of EU competition law. Lantmännen is fully cooperating with the European Commission.

A restructuring provision of MSEK 50 has been made in the Food Sector following Cerealia's decision to close the facility in Odense and transfer cake and bread mix production to Sweden. In addition, pancake production is being relocated from Ockelbo to Laholm. Finally, costs associated with property acquisitions in Russia had a negative effect of MSEK 61 on the Food Sector's operating income.

Continuing investments for the future

Borgeby Fäلتdagar saw the launch of "LM² – the tool for entrepreneurs of the earth", which is an exciting initiative to develop Lantmännen's digital offering to Swedish farmers. LM² is aimed at strengthening the competitiveness of agriculture by increasing productivity and profitability – for example by gathering all digital services in a single portal, and partly by introducing new and innovative services such as financial grain trading. A pilot version of the tool is being tested during fall, and the aim is for a broad launch during next year – I eagerly await the results.

The organic food market in Sweden grew by 39 percent in 2015. Lantmännen is now working to develop the strategy for our already large organic business and to further strengthen our offering from field to fork.

A function for public and regulatory affairs, with responsibility for operations across the entire Lantmännen Group, was established in August. The Energy Sector has already pursued public and regulatory work in the area of energy, but this is now being broadened to include the whole of Lantmännen. The function will also work on important issues with regard to profitability and operations of the owners' farms – something that has been requested and is pleasing to have in place now.

Overall, 2016 has been a very successful year for Lantmännen so far. I look forward to ending the year with a continuation of the positive momentum in our businesses and maintaining the historically high price adjustment and refund we paid for 2015.

Per Olof Nyman
President & CEO, Lantmännen

The period in brief January-August 2016

Net sales amounted to MSEK 12,837 (12,105) for the second four-month period and MSEK 24,517 (23,169) for the first eight months.

Operating income amounted to MSEK 708 (688) for the four-month period and adjusted for items affecting comparability MSEK 762 (688). Items affecting comparability amounted to MSEK –54 (0) and consist of insurance compensation for the rebuilding of Unibake's bakery in Londerzeel (MSEK +357), restructuring costs in the Food Sector (MSEK –111) and a provision in the Energy Sector (MSEK –300) in connection with the EU Commission's ongoing investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition laws. Operating income for the first eight months was MSEK 1,073 (979) and adjusted for items affecting comparability MSEK 1,127 (979).

Cash flow from operating activities for the first eight months was MSEK 1,797 (1,443). Investments in non-current assets totaled MSEK 1,582 (844). Cash flow before financing activities was MSEK 594 (–2,950). Cash flow for the period was MSEK 399 (–1,045).

At Lantmännen's AGM in May, Pauline Lindwall was elected to the Board, replacing Helle Kruse Nielsen who did not seek re-election. At the meeting, Ulf Gundemark, Thomas Magnusson and Björn Wallin were re-elected to the Board. At the statutory Board meeting, Bengt-Olov Gunnarson was re-elected Chairman and Per Lindahl Vice Chairman.



Lantmännen's key figures

	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	2015 Jan-Dec
Net sales, MSEK	12,837	12,105	24,517	23,169	35,660
Operating income, MSEK	708	688	1,073	979	1,351
Operating margin, %	5.5	5.7	4.4	4.2	3.8
Income after financial items, MSEK	663	670	967	908	1,246
Net income for the period, MSEK	429	562	707	781	1,090
Cash flow before financing activities, MSEK	–47	–3,334	594	–2,950	–2,674
Return on equity, %	9.7	13.8	8.1	9.7	8.9
Return on operating capital, %	10.6	11.0	8.1	8.6	7.5
Total assets, MSEK			33,056	32,121	30,081
Equity ratio, %			40.5	38.8	42.2
Investments in non-current assets, MSEK	941	539	1,582	844	1,256
Net debt, MSEK			6,631	7,585	6,476
Interest coverage ratio, times			5.2	7.1	6.9
Average number of employees			9,911	8,337	8,911
Adjusted for items affecting comparability					
Operating income, MSEK	762	688	1,127	979	1,351
Operating margin, %	5.9	5.7	4.6	4.2	3.8
Income after financial items, MSEK	717	670	1,021	908	1,246
Net income for the period, MSEK	590	538	868	757	1,066
Return on equity, %	13.4	13.2	10.0	9.4	8.7
Return on operating capital, %	11.4	11.0	8.6	8.6	7.5

Business environment and market

Global economic growth remained low during the second four-month period. Political uncertainty has been a focus of attention in 2016, and is expected to continue to be during next year. Some events that may have a major impact on the economy's development include the United States presidential election, a possible new election in Spain – and elections in the Netherlands, France and Germany in 2017.

The result of the referendum on the UK's withdrawal from the EU – Brexit – had a major impact on the markets in early summer. The pound weakened dramatically and long-term interest rates fell from already low levels. The world stock markets also fell, but recovered relatively quickly and have now stabilized. Effects on the real economy are expected to be considerable, but these are expected to be mainly limited to the UK. The UK economy is expected to experience very slow growth in the next few years, while the impact on the EU economy is expected to be minimal.

The Swedish economy continues its relatively strong growth, although the growth forecast was revised down slightly in the second four-month period. Most analysts expect GDP growth of just over 3 percent in 2016 and 2.2 percent in 2017. Growth in the other Nordic countries is expected to be significantly lower.

According to the Swedish Central Bank's September report, inflation has risen slowly since 2014 and is now just under 1.5 percent, while the labor market situation has continued to improve and unemployment is declining. At its meeting in September, the Bank's Executive Board decided to leave the repo rate unchanged at -0.5 percent; the Board expects to slowly begin raising the repo rate, but not until the second half of 2017.

Commodity prices on the world market recovered a little from previous low levels during the second period – in particular oil prices, which have risen more than 20 percent from their low-point in August.

This year's Swedish harvest appears to be slightly larger than the last five-year average. Total global grain production

is currently at an all-time high, which means grain stocks are expected to increase for the fourth consecutive year. Harvests in the former Soviet states and the United States are higher than before, while European yields are slightly lower. Heavy rains in parts of the world during August gave rise to some concerns about harvest quality, and some of the harvest has been downgraded to feed. Increased demand specifically for feed is responsible for more than half of the world's consumption growth for grain.

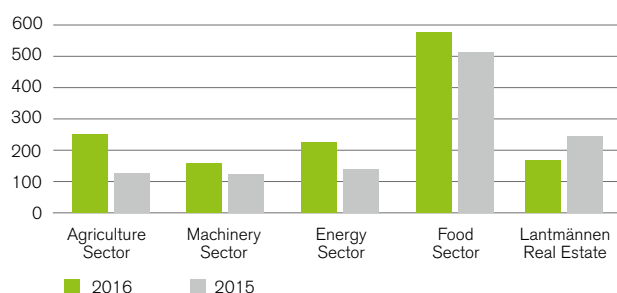
According to LRF Dairy Sweden, the situation in the global dairy market improved slightly during the summer. The balance between supply and demand has steadily improved: the growth rate for milk production has slowed, while China has substantially increased its dairy imports during the year. This has resulted in rising international dairy prices: prices in the EU market are on average 15 percent higher than three months ago.

According to HUI Research, Swedish FMCG retail growth has slowed. The volume of sales to stores have fallen by 0.1 percent in the year to date and sales to consumers have declined by 0.7 percent. At the same time, prices have risen by 1.4 percent, which is in line with HUI's full-year forecast of 1.5 percent. Digitization of Swedish retailing is accelerating: in the second quarter of the year, e-commerce in Sweden increased by 18 percent from the previous year. Construction and food were the sectors that increased the most. Consumers are placing increasingly higher demands with regard to service and the purchasing experience – both instore and online.

Demand for low-priced products and organic goods remains strong. According to a report from ekoweb.nu, the Swedish retail sector's organic food sales (including Systembolaget) increased by 23 percent in the first half of 2016, and now represent 9 percent of total sales. Demand in certain food categories, such as organic meat, is considered to be greater than supply. Food consumers are increasingly demanding alternative proteins, which are non-meat proteins from both the animal and plant kingdom.

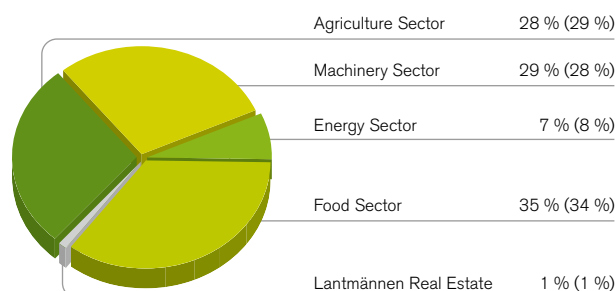
Operating income per Sector, accumulated January-August

Adjusted for items affecting comparability, MSEK



Distribution of Group's sales

Including intra-Group sales



Comments on the interim period

The Group's net sales and earnings

January-August 2016

Net sales

Lantmännen's net sales for the second four-month period amounted to MSEK 12,837 (12,105), an increase of 6 percent. Net sales for the first eight months amounted to MSEK 24,517 (23,169), an increase of 6 percent. Adjusted for acquired and divested operations, net sales for the four-month period increased by 4 percent, and were for the full period in line with the previous year. Currency effects had a negative impact of 1 percent on net sales for the four-month period and 2 percent for the full period.

Operating income

Operating income for the second four-month period was MSEK 708 (688). Adjusted for items affecting comparability, operating income was MSEK 762 (688).

Items affecting comparability amounted to MSEK -54 (0). In the Food Sector, insurance compensation for the burnt-down bakery in Londerzeel in Belgium had a positive impact of MSEK 357 on operating income for the period. A provision of MSEK 300 has been recognized in the Energy Sector's financial statements for the second four-month period, in connection with the European Commission's ongoing investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law. A restructuring provision of MSEK 50 has been made in the Food Sector following Cerealia's decision to close the facility in Odense and transfer cake and bread mix production to Sweden and the decision to relocate pancake production from Ockelbo to Laholm. The Food Sector was also affected by costs of MSEK 61 associated with property acquisitions in Russia.

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

Operating income for the first eight months was MSEK 1,073 (979) and adjusted for items affecting comparability MSEK 1,127 (979). Operating income adjusted for items affecting comparability improved in all Sectors, with the largest increase in the Agriculture and Energy Sectors. The Real Estate Sector's operating income was lower than the previous year as a result of lower capital gains on property sales. Currency effects had an impact of MSEK -14 on operating income for the four-month period and MSEK -21 for the first eight months.

Net financial income and income after financial items

Net financial income for the four-month period was MSEK -45 (-18). Income after financial items totaled

MSEK 663 (670) and adjusted for items affecting comparability MSEK 717 (670).

Net financial income for the period January-August 2016 was MSEK -106 (-71). The decline in net financial income is due to higher interest expenses as a result of acquisitions in Russia in May and the Group's Vaasan acquisition in June the previous year, and to the weaker krona's negative currency effects.

Income after financial items for the first eight months totaled MSEK 967 (908) and adjusted for items affecting comparability MSEK 1,021 (908).

Tax and income after tax

Tax expense for the first eight months was MSEK 260 (127). Tax is calculated using the estimated tax rate for the full year. Income after tax amounted to MSEK 707 (781), with MSEK 706 (779) of this figure attributable to members of the economic association and MSEK 1 (2) to non-controlling interests (minority ownership) in the Group's subsidiaries.

Cash flow

Cash flow from operating activities for the period January-August was MSEK 1,797 (1,443).

Investments in non-current assets were MSEK -1,582 (-844), while sales of non-current assets amounted to MSEK 366 (382). Investments were made in a number of bakeries, notably in Belgium and Poland, in the mill in Strängnäs and in property.

Net acquisitions and divestments of operations amounted to MSEK 18 (-4,084). The previous year's cash flow from acquisitions and divestments was affected by the Vaasan acquisition, which was largely financed with own funds, and the divestment of Lantmännen Doggy.

Cash flow before financing activities was MSEK 594 (-2,950), while cash flow for the period, including financing activities, was MSEK 399 (-1,045).

Financial position

Equity at August 31 amounted to MSEK 13,391 (12,681 at January 1). This includes MSEK 20 (21 at January 1) attributable to owners other than members of the economic association, i.e. the minority interest in Group companies. Net debt has risen by MSEK 155 since the beginning of the year and ended the period at MSEK 6,631 (6,476 at January 1). Cash and cash equivalents at the end of the period were MSEK 1,676 (1,252 at January 1) and total assets were MSEK 33,056 (30,081 at January 1). The equity ratio was 40.5 percent (42.2 at January 1).

Risks and uncertainties

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

Healthy porridge breakfast



Changes in the Group

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

A number of properties in Eskilstuna and Norrtälje were divested in January.

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

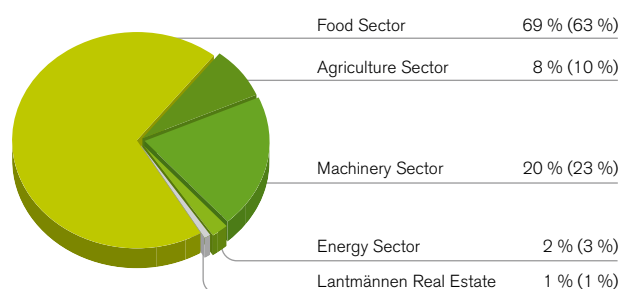
In May, a property in Moscow was acquired in which Lantmännen Unibake has conducted bakery production over a long period.

The acquisition balance sheets for the acquired companies are still preliminary.

Human resources

The average number of employees was 9,911 (8,337) and the number of full-time employees was 10,195 (10,222) at August 31, 2016. The average number of employees has been affected by the acquisitions of Vaasan in June 2015 and Kalmar Lantmän's machinery business in January this year, the divestment of Lantmännen Doggy in July 2015 and efficiency measures mainly in the Agriculture and Food Sectors.

Distribution of Group's employees



Other important events

Lantmännen Lantbruk and Lantmännen Maskin jointly participated in the Borgeby and Brunnby agricultural fairs.

“LM² – the tool for entrepreneurs of the earth”, a digital offering for Swedish farmers, was launched at Borgeby. LM² is aimed at strengthening the competitiveness of agriculture by increasing productivity and profitability.

Johan Andersson has stepped down as head of the Agriculture Sector. Elisabeth Ringdahl, the Agriculture Sector’s CFO, will continue as Acting Head of the Sector until the recruitment of a replacement is completed.

Lantmännen’s Executive Vice President Per Arfvidsson will be taking part in the Circular bio-based economy program, one of the government’s five strategic partnership programs aimed at strengthening and developing Sweden’s innovation and competitiveness.

Lantmännen’s partly-owned company Viking Malt acquired Danish Malting Group (DMG) from Carlsberg in May. DMG has one malting plant in Denmark and two in Poland, a turnover of approximately MDKK 700 and 88 employees.

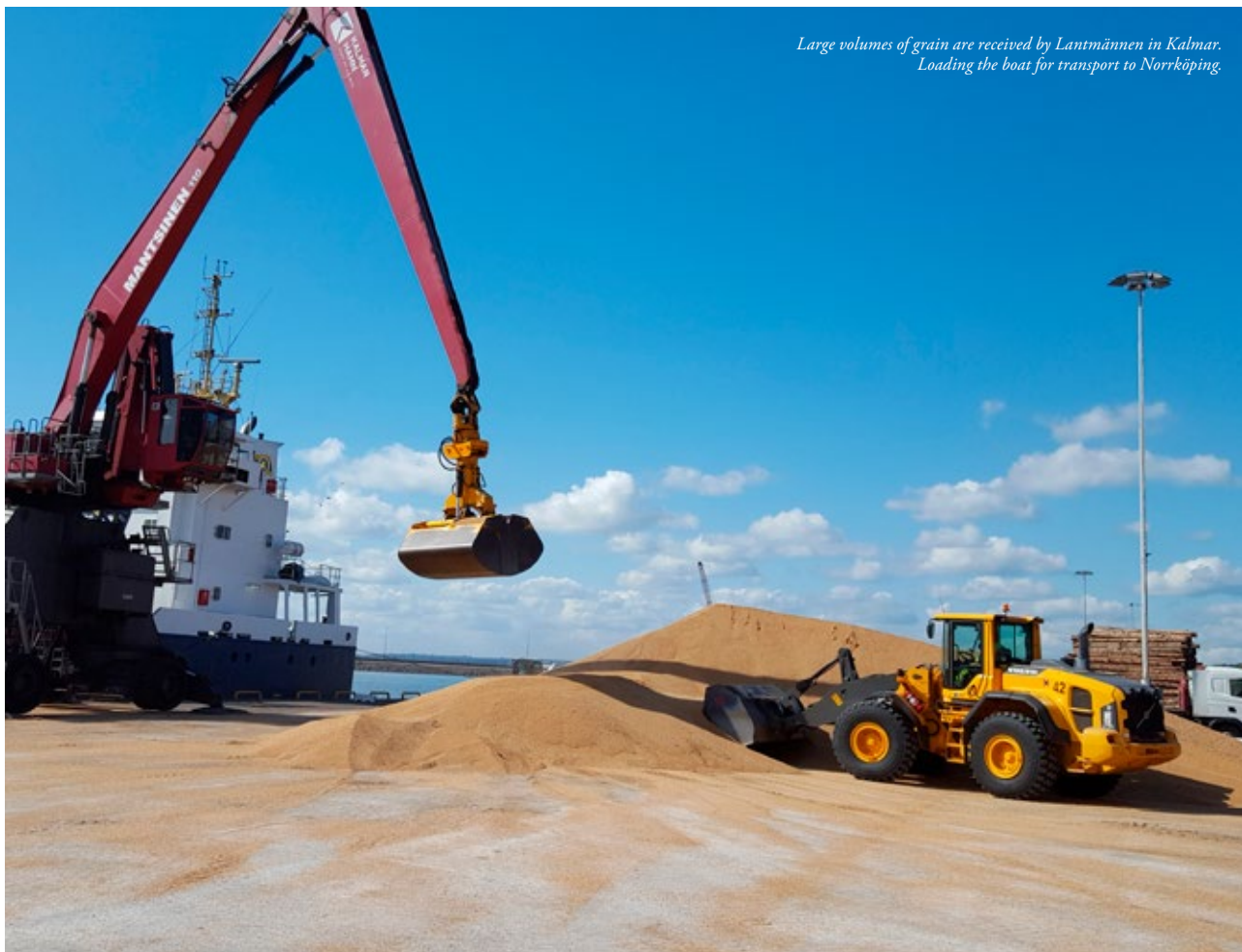
Lantmännen’s Annual General Meeting

Pauline Lindwall was elected to the Board at the Annual General Meeting in May, replacing Helle Kruse Nielsen who did not seek re-election. At the meeting, Ulf Gundemark, Thomas Magnusson and Björn Wallin were re-elected to the Board. The meeting adopted a contribution dividend and contribution issue which with the final price adjustment and refund represents a dividend of MSEK 432 to members. Several motions were dealt with at the annual general meeting, including the adoption of a new shareholder dialogue for elected representatives and members.

At the statutory Board meeting, Bengt-Olov Gunnarson was re-elected Chairman and Per Lindahl Vice Chairman.

Events after the end of the period

In September, Lantmännen Unibake acquired the Romanian company Frozen Bakery Products, a hamburger bun bakery in Bucharest, Romania. The company’s market is in Romania and surrounding countries such as Bulgaria, Serbia and Greece. Frozen Bakery Products has 80 employees.



Large volumes of grain are received by Lantmännen in Kalmar. Loading the boat for transport to Norrköping.

Agriculture Sector

Key figures Agriculture Sector

	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Change Jan-Aug
Net sales, MSEK	3,390	3,096	7,175	6,982	3 %
Operating income, MSEK	156	58	250	81	169
Operating margin, %	4.6	1.9	3.5	1.2	
Return on operating capital, %	12.5	4.5	9.7	3.0	
Operating income, adjusted for items affecting comparability, MSEK	156	103	250	126	124
Operating margin, adjusted for items affecting comparability, %	4.6	3.3	3.5	1.8	
Return on operating capital, adjusted for items affecting comparability, %	12.5	8.0	9.7	4.8	
Average number of employees			756	802	-6 %

Key figures, Lantmännen Lantbruk Sweden

	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Change Jan-Aug
Net sales, MSEK	3,323	3,060	7,064	6,911	2 %
Operating income, MSEK	134	35	220	54	166
Operating margin, %	4.0	1.1	3.1	0.8	
Return on operating capital, %	16.8	4.0	12.9	2.9	
Operating income, adjusted for items affecting comparability, MSEK	134	80	220	99	121
Operating margin, adjusted for items affecting comparability, %	4.0	2.6	3.1	1.4	
Return on operating capital, adjusted for items affecting comparability, %	16.8	9.1	12.9	5.3	
Average number of employees			724	773	-6 %

The Agriculture Sector's net sales are higher than the previous year, while operating income adjusted for items affecting comparability is MSEK 250 – almost double the previous year's figure of MSEK 126.

The improved operating income is largely due to the previous year's well implemented efficiency measures and cost reductions in the Swedish operations which have now produced full effects. In addition, an increased customer focus and stronger local presence have contributed positively, and Lantmännen's position in the competitive agricultural market has been strengthened, with increased market shares.

This year's Swedish harvest appears to be slightly larger than the last five-year average, and the quality of the harvest is good, with higher protein content for both milling wheat and malting barley than in the previous year. The new grain receiving facilities that were opened for this year's harvest were well received, and Lantmännen's harvest work progressed smoothly in virtually all areas.

The feed business developed positively, with higher sales and increased market shares.. Sales of the new Nötfor range launched in 2015 have continued to develop positively.

The major improvements in logistics, production and sales in the seed and forages business that were made during the first four-month period continue to produce effects. Lantmännen has strengthened its market shares and demand remains strong.

Fertilizer sales have been high during the second four-month period, in a market with intense price competition.

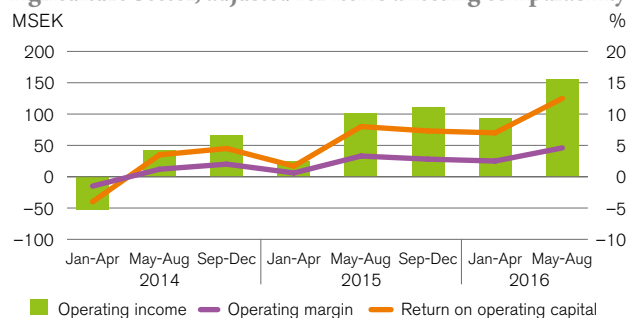
Sales of blue and pink bale wrap have exceeded all expectations, with keen interest and high demand.

Earnings for the international holdings were a little lower than in the previous year. HaGe Kiel has faced challenges, mainly in the form of lower grain trading and pressure on prices. Scandagra Group has performed positively during the year, while Scandagra Polska has had to deal with a relatively poor harvest and a declining total market for plant protection and plant nutrition.

The Krafft brand, which is celebrating 30 years on the market, is being relaunched during fall. The relaunch work includes new bagging lines and an increased focus on market communication.

The Municipality of Eslöv and Skånska Dagbladet have presented Lantmännen in Eslöv with this year's environmental award for the ThermoSeed sustainable seed treatment method. The prize is awarded to an individual or organization that has distinguished itself in a positive way by working to promote a better environment.

Agriculture Sector, adjusted for items affecting comparability





Machinery Sector

Key figures, Machinery Sector

	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Change Jan-Aug
Net sales, MSEK	4,222	3,737	7,372	6,848	8 %
Operating income, MSEK	147	118	158	122	36
Operating margin, %	3.5	3.2	2.1	1.8	
Return on operating capital, %	23.6	18.9	13.2	9.7	
Average number of employees			1,945	1,865	4 %

Key figures, Lantmännen Maskin Sweden

	2016 Jan-Apr	2015 Jan-Apr	2016 May-Aug	2015 May-Aug	Change Jan-Aug
Net sales, MSEK	1,272	1,164	2,216	2,127	4 %
Operating income, MSEK	35	24	2	-4	6
Operating margin, %	2.8	2.1	0.1	-0.2	
Return on operating capital, %	10.4	8.1	0.3	-0.7	
Average number of employees			794	752	6 %

The Machinery Sector's net sales are higher than in the previous year. Operating income amounted to MSEK 158, an improvement from MSEK 122 for the same period the previous year.

The Sector continues to show positive growth, despite a turbulent and cautious market for agricultural machinery. A number of effective initiatives have been implemented at Lantmännen Maskin Sweden, in order to adapt the organization to a declining market and a new supplier agreement. Integration of Kalmar Lantmän's machinery business, acquired on January 1, is in progress and has been effectively implemented to date.

The shrinking market has resulted in consolidation among many distributors, and the turbulent situation has been compounded by machinery manufacturers taking the opportunity to make their own structural changes.

Extensive work is underway to gear the organization within agricultural machinery to the new agreement with AGCO, which takes effect next year. Lantmännen ceased Valtra sales in Denmark in July and a number of dealers are being phased out in Norway. There will be a stronger focus on Sweden, and in particular on increasing availability and proximity to customers. Among other things, a new facility is being established in Grödinge and cooperation with independent workshops is continuing as planned.

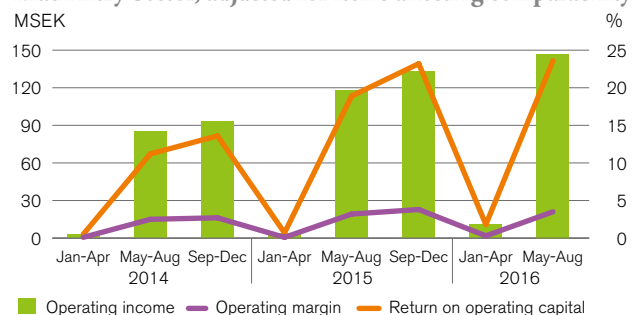
The introduction of Fendt's new combines is in progress and has gone well so far. Equipment orders continue to increase, and Lantmännen has strengthened its market share in

the segment – notably with the introduction of Kuhn's new range.

Swecon is performing well and has further strengthened its market share in Sweden during the second period. Demand for machinery continues to increase in urban areas, while activity in the Swedish mining industry is still low. The market in Germany is stable and Swecon's market share has increased here too, partly as a result of joint marketing campaigns with Volvo.

Agro Oil is performing according to plan. A new business model has been in place since the beginning of the year and this will enable sales to new customer segments. The new model has been effective to date, bringing increased sales – both directly from Agro Oil and through Swecon.

Machinery Sector, adjusted for items affecting comparability





Energy Sector

Key figures, Energy Sector

	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Change Jan-Aug
Net sales, MSEK	1,000	1,073	1,809	1,911	-5 %
Operating income, MSEK	-159	77	-75	139	-214
Operating margin, %	-15.9	7.2	-4.1	7.3	
Return on operating capital, %	-45.9	20.0	-10.5	18.1	
Operating income, adjusted for items affecting comparability, MSEK	141	77	225	139	86
Operating margin, adjusted for items affecting comparability, %	14.1	7.2	12.4	7.3	
Return on operating capital, adjusted for items affecting comparability, %	40.4	20.0	31.3	18.1	
Average number of employees			236	230	3 %

The Energy Sector's net sales are in line with the previous year, while operating income adjusted for items affecting comparability is MSEK 225 – a strong improvement from MSEK 139 the previous year.

The improvement is primarily attributable to significantly higher operating income for Lantmännen Agroetanol than in the previous year. Despite lower ethanol and feed prices, Agroetanol improved its operating income, which in the second four-month period was its highest ever. The strong operating income was largely due to successful ethanol exports to Germany, and increased sales of more value-added products, such as ED95 fuel for diesel engines.

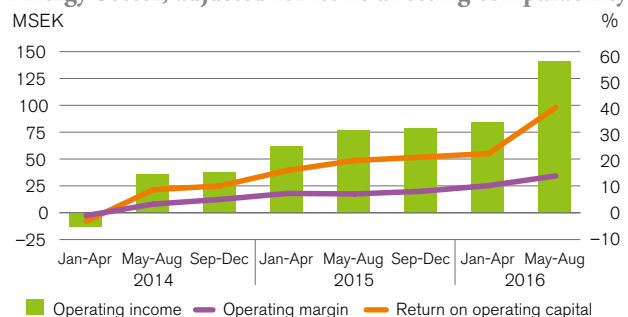
Lantmännen Reppe continued to report high sales in the second period and is showing positive development. The quality of the grain raw material from the 2015 harvest has continued to present challenges.

Lantmännen Aspen shows good sales growth and is continuing its marketing initiatives, which include a focus on geographic expansion.

Agroetanol and the truck manufacturer Scania launched the Etha cooperation in the first four-month period. The offering from Etha comprises the latest generation of Scania's ethanol trucks and customized tank solutions from Agroetanol. In September, 17 ethanol trucks were delivered to Arla, and a customized filling station was established in Kallhäll.

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

Energy Sector, adjusted for items affecting comparability





Food Sector

Key figures, Food Sector

	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Change Jan-Aug
Net sales, MSEK	4,760	4,661	9,184	8,351	10 %
Operating income, MSEK	637	377	822	514	308
Operating margin, %	13.4	8.1	9.0	6.2	
Return on operating capital, %	15.3	10.2	10.0	8.2	
Operating income, adjusted for items affecting comparability, MSEK	391	377	576	514	62
Operating margin, adjusted for items affecting comparability, %	8.2	8.1	6.3	6.2	
Return on operating capital, adjusted for items affecting comparability, %	9.4	10.2	7.0	8.2	
Average number of employees			6,657	5,131	30 %

The Food Sector's net sales are higher than in the previous year, largely due to the acquisition of the Vaasan bakery group, which has been part of the Sector since June 2015. Operating income, adjusted for items affecting comparability, amounted to MSEK 576, an improvement from MSEK 514 for the same period the previous year. The higher operating income is largely attributable to continuing improvements in income for Lantmännen Unibake and the additional income from Vaasan.

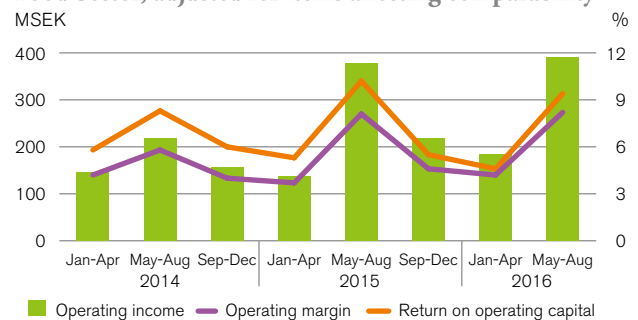
Lantmännen Cerealía continues its stable development, with a strong focus on developing innovative customer offerings and products. Cerealía Food Service is showing positive growth, mainly due to effective cost management and closer cooperation with customers. There are certain challenges in the crispbread business, as a result of reduced exports to Russia and tougher competition in the Finnish market. Crispbread exports to Western Europe and the United States continue to perform well. The launches of GooH's two-compartment tray and green drinks from GoGreen have been well received by consumers – as has Kungsörnen's bean pasta, which has a high trading turnover. A number of new product launches are scheduled during fall, including Swedish kidney and black beans and a new crispbread in four flavors from Finn Crisp.

Lantmännen Unibake continued to strengthen its operating income during the second period – partly through ongoing production efficiency measures and partly due to growth in income from international operations. Both fresh and frozen bread are showing good growth, and several markets experienced

record sales in August. Good synergies have also been achieved through the integration of Vaasan's operations. During the second four-month period, a property in Russia was acquired, in which Unibake already operates.

Three large items affecting comparability had an impact on the Sector's operating income in the second period. Insurance compensation for the burnt-down bakery in Londerzeel in Belgium had a positive impact of MSEK 357 on operating income for the period. A restructuring provision of MSEK 50 has been made following Cerealía's decision to close the facility in Odense and transfer cake and bread mix production to Sweden. In addition, pancake production is being relocated from Ockelbo to Laholm. Finally, costs associated with property acquisitions in Russia had a negative effect of MSEK 61 on operating income.

Food Sector, adjusted for items affecting comparability





Lantmännen Real Estate

Key figures, Lantmännen Real Estate

	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Change Jan-Aug
Net sales, MSEK	125	142	290	299	-3 %
Operating income, excluding property sales, MSEK	60	58	121	120	1
Operating income, MSEK	65	100	167	245	-78
Return on operating capital, adjusted for property sales, %	10.4	10.9	10.7	11.6	
Average number of employees			39	39	0 %

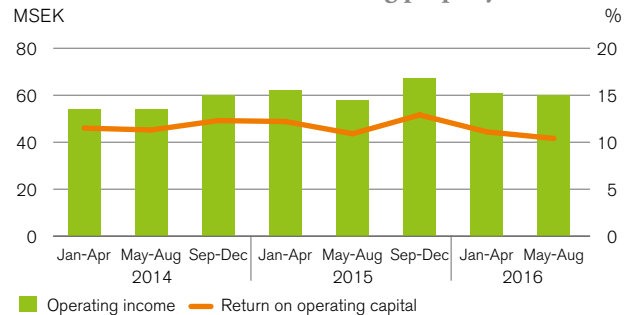
Lantmännen Real Estate's net sales are in line with the previous year. Operating income, excluding property sales, amounted to MSEK 121, compared with MSEK 120 for the same period the previous year.

The share of external leasing continued to increase during the four-month period, and there is still high activity in the leasing market.

A number of minor property sales were implemented during the second period, including the sale of the former production properties in Rydsgård and Kävlinge. In addition, conversion of Swecon's facility in Södertälje has begun.

The heating operations continue to develop positively.

Lantmännen Real Estate, excluding property sales





Lantmännen's international ownership

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

HaGe Kiel holding 41 %

Hauptgenossenschaft Nord AG (HaGe Kiel) has an annual turnover of approximately EUR 2.6 billion and about 1,700 employees. Lantmännen owns 41 percent of HaGe Kiel, while DLG (Dansk Landbrugs Grovareselskab) owns 54 percent. Operations include grain trading and the sale of farm inputs and the business is part of the Agriculture Sector. HaGe Kiel has well developed logistics chains and port terminals located in Hamburg, Kiel and Rostock which supply the market with grain and oilseeds, both locally and internationally. HaGe Kiel has feed factories that produce high quality feed, and also trades in agricultural goods, machinery, sales of leisure and garden products and markets products in organic farming.

Scandagra Group holding 50 %

Scandagra Group AB operates in the three Baltic countries. The Group has an annual turnover of approximately EUR 290 million and about 300 employees. The company, which is jointly owned (50-50) by Lantmännen and DLG, is part of the Agriculture Sector. The operations are conducted through three sales companies – Scandagra Eesti, Scandagra Lietuva and Scandagra Latvia. The sales companies engage in the sale of crop production inputs and the purchase and sale of grain. Scandagra Eesti also has a feed plant with a production capacity of just over 100,000 tonnes.

Scandagra Polska holding 50 %

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

Scandbio (formerly Agroenergi Neova Pellets) holding 50 %

Scandbio, which manufactures and sells solid biofuels, primarily wood pellets, has an annual turnover of approximately SEK 1 billion and about 160 employees. The company has a strong position in the Swedish market and in the Baltic region. Lantmännen and Neova each own 50 percent of the company. The company is part of the Energy Sector.

Viking Malt holding 38 %

Viking Malt has strengthened its position as the leading malting player in Northern Europe with the acquisition of Danish Malting Group (DMG) from Carlsberg in May. Viking Malt now produces malt in Finland, Sweden, Denmark, Poland and Lithuania. The company has an annual turnover of approximately EUR 250 million and about 240 employees. Viking Malt is an advanced refiner of grain, supplying about 600,000 tonnes of malt and services annually to breweries and distilleries in northern Europe, and to selected users around the world. Lantmännen owns 38 percent of the company, with the remainder being owned by the Finnish company Polttimo. Viking Malt is part of the Food Sector.

Condensed consolidated income statement

MSEK	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Net sales	12,837	12,105	24,517	23,169	37,008	35,660
Other operating income	465	448	611	638	769	796
Changes in inventories of finished goods and work in progress	838	751	-20	260	-223	57
Capitalized work for own account	0	0	0	0	0	0
Raw materials and consumables	-4,428	-4,194	-7,299	-7,586	-11,097	-11,384
Goods for resale	-4,401	-4,226	-8,040	-7,670	-11,878	-11,508
Employee benefits expense	-1,837	-1,802	-3,639	-3,377	-5,431	-5,169
Other operating expenses	-2,394	-1,938	-4,349	-3,696	-6,635	-5,982
Share of income of associates	11	21	40	49	94	103
Depreciation, amortization and impairment	-383	-477	-748	-808	-1,162	-1,222
Operating income	708	688	1,073	979	1,445	1,351
Finance income	81	46	123	78	151	106
Finance costs	-126	-64	-229	-149	-291	-211
Income after financial items	663	670	967	908	1,305	1,246
Tax	-234	-108	-260	-127	-289	-156
Net income for the period after tax	429	562	707	781	1,016	1,090
Net income for the period attributable to:						
Members of the economic association	429	562	706	779	1,015	1,088
Non-controlling interests	0	0	1	2	1	2

Condensed consolidated statement of comprehensive income

MSEK	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Net income for the period after tax	429	562	707	781	1,016	1,090
Other comprehensive income						
<i>Items that will not be reclassified to the income statement</i>						
Actuarial gains and losses on defined benefit pension plans, net of tax	-177	3	-218	-161	154	211
Tax on actuarial gains and losses	39	-1	48	35	-33	-46
Total	-138	2	-170	-126	121	165
<i>Items that will be reclassified to the income statement</i>						
Available-for-sale financial assets, net of tax	47	-16	66	-6	85	13
Cash flow hedges, net of tax	9	10	29	118	-27	62
Exchange differences on translation of foreign operations	160	-1	167	-31	9	-189
Net gain on hedge of net investment in foreign operations, net of tax	-43	-30	-69	28	-41	56
Tax attributable to items that will be reclassified	-4	6	-6	-31	-9	-34
Total	169	-31	187	78	17	-92
<i>Share of OCI in equity accounted companies</i>						
Items that will be reclassified to profit or loss	47	42	49	20	17	-12
Total	47	42	49	20	17	-12
Other comprehensive income for the period, net of tax	78	13	66	-28	155	61
Total comprehensive income for the period	507	575	773	753	1,171	1,151
Net income for the period attributable to:						
Members of the economic association	507	575	772	751	1,170	1,149
Non-controlling interests	0	0	1	2	1	2

Condensed consolidated four-monthly income statements

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

The Group's items affecting comparability

MSEK	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	2015 Jan-Dec
Recognized operating income	708	688	1,073	979	1,351
<i>Items affecting comparability in operating income:</i>					
Insurance compensation, Food Sector	357	-	357	-	-
Restructuring costs, Food Sector	-111	-	-111	-	-
Provisions, Energy Sector	-300	-	-300	-	-
Capital gains on sale of operations	-	110	-	110	110
Restructuring costs, Agriculture Sector	-	-45	-	-45	-45
Restructuring costs, Vaasan acquisition ¹⁾	-	-65	-	-65	-65
<i>Total items affecting comparability in operating income</i>	<i>-54</i>	<i>0</i>	<i>-54</i>	<i>0</i>	<i>0</i>
Operating income, adjusted for items affecting comparability	762	688	1,127	979	1,351
Recognized income after financial items	663	670	967	908	1,246
Items affecting comparability in operating income according to above	-54	-	-54	-	-
<i>Total items affecting comparability in net financial income</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Income after financial items adjusted for items affecting comparability	717	670	1,021	908	1,246
Return on equity, adjusted for items affecting comparability, %	13.4	13.2	10.0	9.4	8.7
Return on operating capital, adjusted for items affecting comparability, %	11.4	11.0	8.6	8.6	7.5

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

Condensed consolidated statement of financial position

MSEK	2016 Aug 31	2015 Aug 31	2015 Dec 31
ASSETS			
Property, plant and equipment	7,809	7,046	7,113
Investment properties	803	579	586
Goodwill	4,490	6,824	4,424
Other intangible assets	2,789	735	2,782
Investments in associates	1,833	1,642	1,690
Non-current financial assets	750	726	711
Deferred tax assets	129	365	371
Other non-current assets	11	9	8
Total non-current assets	18,614	17,926	17,685
Inventories	6,097	5,972	5,545
Trade and other receivables	6,548	6,066	5,407
Current interest-bearing assets	94	92	174
Current tax assets	27	47	18
Cash and cash equivalents	1,676	2,018	1,252
Total current assets	14,442	14,195	12,396
TOTAL ASSETS	33,056	32,121	30,081
EQUITY AND LIABILITIES			
Equity attributable to members of the economic association	13,371	12,449	12,660
Non-controlling interests	20	23	21
Total equity	13,391	12,472	12,681
Non-current interest-bearing liabilities ¹⁾	4,003	4,902	4,897
Provisions for pensions	544	647	360
Deferred tax liabilities	374	188	612
Other non-current provisions	241	252	227
Other non-current liabilities	30	62	39
Total non-current liabilities	5,192	6,051	6,135
Current interest-bearing liabilities	4,479	4,747	3,230
Trade and other payables	8,975	8,320	7,608
Current tax liabilities	219	155	73
Current provisions	800	376	354
Total current liabilities	14,473	13,598	11,265
TOTAL EQUITY AND LIABILITIES	33,056	32,121	30,081
Equity ratio	40.5	38.8	42.2
¹⁾ Including subordinated debentures, MSEK	250	250	250

Condensed consolidated statement of cash flows

MSEK	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	2015 Jan-Dec
Income after financial items	663	670	967	908	1,246
Adjustment for non-cash items ¹⁾	607	365	889	652	1,012
Taxes paid	-27	-20	-91	-65	-99
Cash flow from operating activities before change in working capital	1,243	1,015	1,765	1,495	2,159
Change in working capital	-461	-209	32	-52	8
Cash flow from operating activities	782	806	1,797	1,443	2,167
Acquisitions and divestments including capital contributions	43	-4,058	18	-4,084	-4,154
Investments in non-current assets	-941	-539	-1,582	-844	-1,256
Sale of non-current assets	79	336	366	382	445
Change in financial investments	-10	121	-5	153	124
Cash flow from investing activities	-829	-4,140	-1,203	-4,393	-4,841
Cash flow before financing activities	-47	-3,334	594	-2,950	-2,674
Change in contributed capital	102	16	102	17	19
Dividend paid	-383	-310	-383	-310	-314
Change in loans	-10	2,367	86	2,198	1,194
Cash flow from financing activities	-291	2,073	-195	1,905	899
Cash flow for the period	-338	-1,261	399	-1,045	-1,775
Cash and cash equivalents at beginning of period	2,009	3,304	1,252	3,058	3,058
Exchange differences	5	-25	25	5	-31
Cash and cash equivalents at end of period	1,676	2,018	1,676	2,018	1,252
¹⁾ Depreciation and impairment of non-current assets	383	477	748	808	1,222
Less share of income in associates	14	-6	-15	-32	-86
Capital gains on sale of non-current assets and operations	-11	-120	-53	-203	-190
Other non-cash items	221	14	209	79	66
Total adjustment for non-cash items	607	365	889	652	1,012

Condensed consolidated statement of changes in equity

MSEK	2016 Jan-Aug			2015 Jan-Aug			2015 Jan-Dec		
	Association members	Non- controlling interests	Total equity	Association members	Non- controlling interests	Total equity	Association members	Non- controlling interests	Total equity
Closing balance	12,660	21	12,681	11,859	17	11,876	11,859	17	11,876
Changes due to amended accounting policies in associates	66	-	66	-	-	-	-	-	-
Opening balance, January 1	12,726	21	12,747	11,859	17	11,876	11,859	17	11,876
Total comprehensive income for the period	772	1	773	751	2	753	1,149	2	1,151
Distribution to owners	-192	-2	-194	-178	-1	-179	-367	-	-367
Contributed capital paid in by members	152	-	152	122	-	122	123	-	123
Contributed capital paid out to members	-50	-	-50	-105	-	-105	-104	-	-104
Other change ¹⁾	-37	-	-37	-	5	5	-	2	2
Closing balance	13,371	20	13,391	12,449	23	12,472	12,660	21	12,681
Equity attributable to members of the economic association									
Contributed capital, paid in	1,100			985			986		
Contributed capital, issued	1,198			1,160			1,160		
Other equity	11,073			10,304			10,514		
Total equity attributable to members of the economic association	13,371			12,449			12,660		
¹⁾ Of which associates' acquisition of non-controlling interest in subsidiaries	-37		-37						
Of which other changes relating to non-controlling interests					5	5		2	2

Segment information, adjusted for items affecting comparability

Net sales per segment

MSEK	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Change Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Agriculture Sector	3,390	3,096	7,175	6,982	3 %	11,100	10,907
Machinery Sector	4,222	3,737	7,372	6,848	8 %	10,847	10,323
Energy Sector	1,000	1,073	1,809	1,911	-5 %	2,772	2,874
Food Sector	4,760	4,661	9,184	8,351	10 %	13,906	13,073
Lantmännen Real Estate	125	142	290	299	-3 %	445	454
Other operations	139	148	276	292	-5 %	422	438
Eliminations	-799	-752	-1,589	-1,514	5 %	-2,484	-2,409
Lantmännen total	12,837	12,105	24,517	23,169	6 %	37,008	35,660

Operating income per segment, adjusted for items affecting comparability

MSEK	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Agriculture Sector	156	103	250	126	361	237
Machinery Sector	147	118	158	122	291	255
Energy Sector	141	77	225	139	304	218
Food Sector	391	377	576	514	795	733
Lantmännen Real Estate ¹⁾	65	100	167	245	236	314
Other operations	-24	-59	-102	-127	-189	-214
Group items	-114	-28	-147	-40	-299	-192
Lantmännen total	762	688	1,127	979	1,499	1,351
¹⁾ Including capital gain on sale of property	5	42	46	125	48	127

Operating margin per segment, adjusted for items affecting comparability

%	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Agriculture Sector	4.6	3.3	3.5	1.8	3.3	2.2
Machinery Sector	3.5	3.2	2.1	1.8	2.7	2.5
Energy Sector	14.1	7.2	12.4	7.3	11.0	7.6
Food Sector	8.2	8.1	6.3	6.2	5.7	5.6
Lantmännen total	5.9	5.7	4.6	4.2	4.1	3.8

Return on operating capital adjusted for items affecting comparability

%	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Agriculture Sector	12.5	8.0	9.7	4.8	8.8	5.7
Machinery Sector	23.6	18.9	13.2	9.7	16.4	14.0
Energy Sector	40.4	20.0	31.3	18.1	27.9	19.2
Food Sector	9.4	10.2	7.0	8.2	6.5	7.1
Lantmännen Real Estate ¹⁾	10.4	10.9	10.7	11.6	11.4	12.0
Lantmännen total	11.4	11.0	8.6	8.6	7.5	7.5

¹⁾ Adjusted for gain on sale of property.

Segment information

Net sales per segment

MSEK	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Change Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Agriculture Sector	3,390	3,096	7,175	6,982	3 %	11,100	10,907
Machinery Sector	4,222	3,737	7,372	6,848	8 %	10,847	10,323
Energy Sector	1,000	1,073	1,809	1,911	-5 %	2,772	2,874
Food Sector	4,760	4,661	9,184	8,351	10 %	13,906	13,073
Lantmännen Real Estate	125	142	290	299	-3 %	445	454
Other operations	139	148	276	292	-5 %	422	438
Eliminations	-799	-752	-1,589	-1,514	5 %	-2,484	-2,409
Lantmännen total	12,837	12,105	24,517	23,169	6 %	37,008	35,660

Operating income per segment

MSEK	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Agriculture Sector	156	58	250	81	361	192
Machinery Sector	147	118	158	122	291	255
Energy Sector	-159	77	-75	139	4	218
Food Sector	637	377	822	514	1,000	692
Lantmännen Real Estate ¹⁾	65	100	167	245	236	314
Other operations	-24	-59	-102	-127	-189	-214
Group items	-114	17	-147	5	-258	-106
Lantmännen total	708	688	1,073	979	1,445	1,351
¹⁾ Including capital gain on sale of property	5	42	46	125	48	127

Operating margin per segment

%	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Agriculture Sector	4.6	1.9	3.5	1.2	3.3	1.8
Machinery Sector	3.5	3.2	2.1	1.8	2.7	2.5
Energy Sector	-15.9	7.2	-4.1	7.3	0.1	7.6
Food Sector	13.4	8.1	9.0	6.2	7.2	5.3
Lantmännen total	5.5	5.7	4.4	4.2	3.9	3.8

Return on operating capital

%	2016 May-Aug	2015 May-Aug	2016 Jan-Aug	2015 Jan-Aug	Sep 2015- Aug 2016	2015 Jan-Dec
Agriculture Sector	12.5	4.5	9.7	3.0	8.8	4.6
Machinery Sector	23.6	18.9	13.2	9.7	16.4	14.0
Energy Sector	-45.9	20.0	-10.5	18.1	0.3	19.2
Food Sector	15.3	10.2	10.0	8.2	8.2	6.7
Lantmännen Real Estate ¹⁾	10.4	10.9	10.7	11.6	11.4	12.0
Lantmännen total	10.6	11.0	8.1	8.6	7.3	7.5

¹⁾ Adjusted for gain on sale of property.

Parent Company

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

The Parent Company's net sales amounted to MSEK 7,385 (7,218), while operating income was MSEK 152 (-104). The improved income is mainly attributable to Lantbruk Sverige.

Income from financial items was MSEK 740 (661). Total dividends received were MSEK 707 (717), of which MSEK 679 (695) was from subsidiaries, while realized gains/losses

on divested operations amounted to MSEK 27 (-46). The Parent Company's net interest income amounted to MSEK 38 (23), while foreign exchange losses were MSEK -32 (-33).

Income after financial items was MSEK 892 (557).

Investments in non-current assets during the year totaled MSEK 68 (81).

The equity ratio was 42.2 percent (44.1 at January 1).

The average number of employees in the Parent Company was 988 (1,035).

Parent Company condensed income statement

MSEK	2016 Jan-Aug	2015 Jan-Aug
Net sales, external	5,997	5,938
Net sales, intra-Group	1,388	1,280
Net sales, total	7,385	7,218
Change in products in progress, finished goods and work in progress for third parties	-219	137
Capitalized work for own account	-	-
Other operating income	209	121
	7,375	7,476
Operating expenses		
Raw materials and consumables	-4,285	-4,663
Goods for resale	-1,311	-1,304
Other external costs	-993	-937
Employee benefits expense	-526	-579
Depreciation, amortization and impairment	-108	-97
Total operating expenses	-7,223	-7,580
Operating income	152	-104
Income from financial items	740	661
Income after financial items	892	557
Refund and final price adjustment	1	
Tax	-20	31
Net income for the period	873	588

Parent Company condensed statement of financial position

MSEK	2016 Aug 31	2015 Aug 31
ASSETS		
Intangible assets	453	183
Property, plant and equipment	824	879
Investments in Group companies	8,819	7,516
Investments in associates	1,234	1,153
Non-current receivables from Group companies	670	699
Other securities held as non-current assets	112	108
Other non-current receivables	159	331
Total non-current assets	12,271	10,869
Inventories	2,571	2,594
Current receivables from Group companies	12,431	11,508
Other current receivables	2,901	2,516
Short-term investments, incl. cash and bank balances	818	854
Total current assets	18,721	17,472
TOTAL ASSETS	30,992	28,341
EQUITY AND LIABILITIES		
Equity	12,850	11,275
Untaxed reserves	311	311
Provisions	125	159
Non-current liabilities	3,502	4,434
Current liabilities to Group companies	6,809	5,065
Other current liabilities	7,395	7,097
TOTAL EQUITY AND LIABILITIES	30,992	28,341
Equity ratio	42.2	40.6

Notes

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. Reporting for the Parent Company is in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

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

Alternative performance measures

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

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

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

MSEK	Total carrying amount	Fair value
Assets		
Other shares and interests	490	490
Financial investments	232	232
Trade and other receivables	5,712	5,712
Current interest-bearing receivables	92	92
Cash and bank balances	1,675	1,675
Total financial assets	8,201	8,201
Liabilities		
Non-current interest-bearing liabilities	4,003	4,018
Other non-current liabilities	30	30
Current interest-bearing liabilities	4,479	4,479
Trade and other payables	6,015	6,015
Total financial liabilities	14,527	14,542

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

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	66	4	-	70
Other financial assets measured at fair value	474	43	125	642
Total assets	540	47	125	712
Liabilities				
Derivatives with negative fair value	14	44	-	58
Other financial liabilities measured at fair value	-	-	-	-
Total liabilities	14	44	-	58

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

MSEK	Total carrying amount	Fair value
Assets		
Other shares and interests	538	538
Financial investments	188	188
Trade and other receivables	5,494	5,494
Current interest-bearing receivables	92	92
Cash and bank balances	2,018	2,018
Total financial assets	8,330	8,330
Liabilities		
Non-current interest-bearing liabilities	4,902	4,920
Other non-current liabilities	62	62
Current interest-bearing liabilities	4,747	4,747
Trade and other payables	5,812	5,812
Total financial liabilities	15,523	15,541

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

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	131	43	-	174
Other financial assets measured at fair value	413	43	125	581
Total assets	544	86	125	755
Liabilities				
Derivatives with negative fair value	47	91	-	138
Other financial liabilities measured at fair value	-	-	-	-
Total liabilities	47	91	-	138

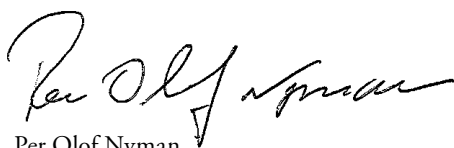
Fair value hierarchy with information on inputs used to measure fair value

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, October 4, 2016



Per Olof Nyman
President & CEO
Lantmännen

Review report

Lantmännen economic association

To the Board of Directors and the CEO

Introduction

We have reviewed the condensed interim report for Lantmännen economic association as at August 31, 2016 and for the eight-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim 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 International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information 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 and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, a conclusion based on a review does not have the same assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention 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 regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent association.

Stockholm, October 4, 2016

Ernst & Young AB

Anders Kriström
Authorized Public Accountant

Maude Fyrenius

Gustav Jansson

Anders Åbyhammar

For more information, please contact

Per Olof Nyman
President & CEO

per.olof.nyman@lantmannen.com

Ulf Zenk
CFO

ulf.zenk@lantmannen.com

This information is information that Lantmännen ek is required to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted by the above contact person for publication at 08.00 CET on October 5, 2016.

