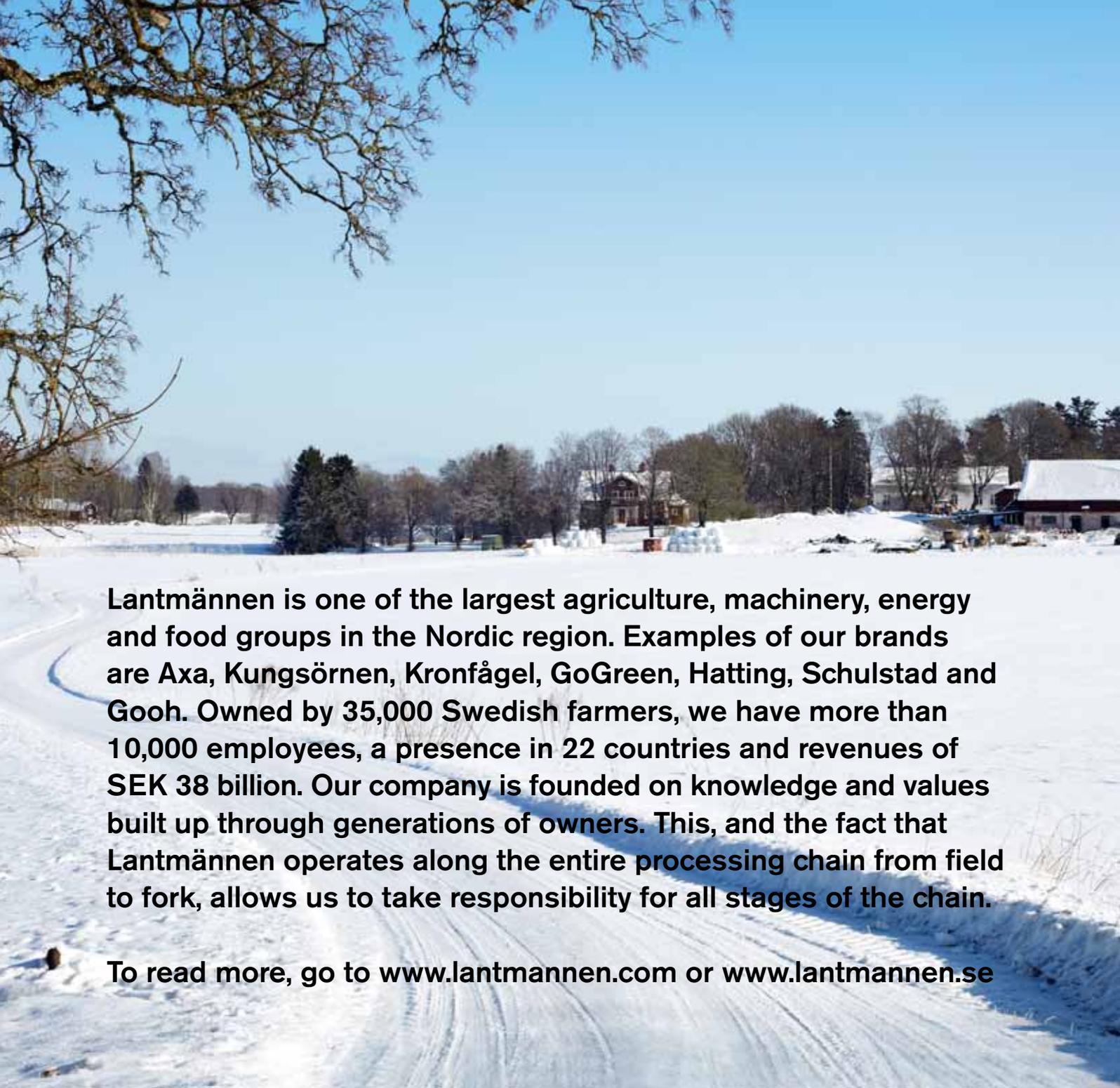


Year-end Report January-December 2011



Lantmännen





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

To read more, go to www.lantmannen.com or www.lantmannen.se

Notice of Annual General Meeting

The Annual General Meeting will be held at Clarion Hotel, Ringvägen 98, Stockholm, on Wednesday 2 May 2012.

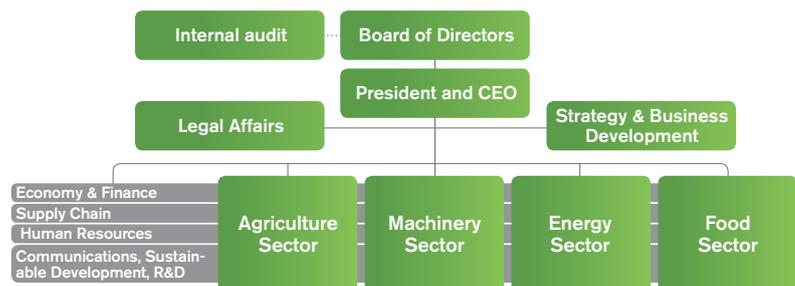
Financial Reporting

Annual Report and Sustainability Report 2011
 - Available at www.lantmannen.com February 27, 2012
 - Distribution of printed Swedish edition Week 10, 2012
 Interim Report Q1 April 27, 2012
 Interim Report Q2 July 20, 2012
 Interim Report Q3 October 26, 2012

Distribution

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

Lantmännen's organization



The period in brief January - December 2011

The Group's net sales for the fourth quarter of 2011 amounted to MSEK 9,665 (9,960), a decline of 3 percent. Currency effects had only a marginal impact on sales. Net sales for the full year totaled MSEK 37,896 (35,988), an increase of 5 percent. Currency effects represented –2 percent.

Operating income for the fourth quarter amounted to MSEK 192 (40). Operating income for the full year was MSEK 1,204 (1,059). Items affecting comparability totaled MSEK +141 (–137) for the quarter and MSEK +141 (–164) for the full year. After adjustment for these items, operating income for the quarter amounted to MSEK 51 (177) and for the full year MSEK 1,063 (1,223).

Income after financial items for the fourth quarter amounted to MSEK 31 (–15). Income after financial items for the full year increased to MSEK 867 (822). After adjustment for items affecting comparability, the figure for the full year was MSEK 841 (946).

Net income after tax for the fourth quarter totaled MSEK 50 (66) and for the full year MSEK 720 (725).

Cash flow before financing activities during the year totaled MSEK 781 (2,692).

Investments during the year amounted to MSEK 1,431 (1,587).

Lantmännen Lantbruk's new organization was introduced as planned on 1 December.

Lantmännen Unibake's structure and efficiency program was adopted and the estimated cost, MSEK 241, has been charged to earnings. The cost consists of impairment of non-current assets and restructuring costs.

Lantmännen's newly established pension fund became operational. Cash and cash equivalents totaling MSEK 1,578 were transferred to the fund in mid-December. At the same time, the fund purchased property from Lantmännen for MSEK 1,057, which resulted in a capital gain of MSEK 455 for Lantmännen.

Per Strömberg left Lantmännen to take up the post of CEO of ICA in the middle of October. Per Olof Nyman took over as acting President and CEO.

Dividend. The Board has decided to provide a dividend in the form of a refund and final price adjustment totaling MSEK 110 (95). The Board proposes a contribution dividend of 5 (5) percent, totaling MSEK 78 (68), and a contribution issue of MSEK 152 (177). The proposed dividend on subordinated debentures is 6.75 (5.5) percent, MSEK 4 (3).



Key figures	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales, MSEK	9,665	9 960	37,896	35,988
Operating income, MSEK	192	40	1,204	1,059
Operating margin, %	2,0	0,4	3,2	2,9
Income after financial items, MSEK	31	–15	867	822
Net income for the period, MSEK	50	66	720	725
Operating income excluding items affecting comparability, MSEK	51	177	1,063	1,223
Income after financial items excluding items affecting comparability, MSEK	5	82	841	946
Cash flow before financing activities, MSEK	1,158	517	781	2,692
Return on equity, %	1.8	2.5	6.7	7.0
Return on operating capital, %	4.0	0.9	6.5	5.7
Total assets, MSEK			26,621	27,009
Equity ratio, %			41,1	38,6
Investments, MSEK	271	412	1,431	1,587
Net debt, MSEK			7,186	7,501
Interest coverage ratio, times			3.3	3.2
Average number of employees			10,296	10,350

Operations January - December 2011



Business environment & market

The agricultural market is heavily dependent on the world economy, as a result of deregulation and international trade. 2011 began with high grain prices, which rose further during the spring because of unfavorable weather. When the grain supply from several large countries increased, prices were pushed down. They remained at a low level during fall, partly due to growing financial turmoil and declining stock markets.

Livestock production in Sweden continued to decline

during the year, with the Swedish pig industry in a particularly strained situation. At the same time, relatively favorable commodity prices for dairy and grain producers led to a willingness to invest in Scandinavian agriculture, which in turn resulted in increased sales volumes for farm machinery in Scandinavia. In the second half of the year, purchasing power improved significantly across Europe, with the exception of Denmark where the banks' credit restrictions remain high.

Global markets for both farm and construction machinery performed positively during 2011. Initiatives in infrastructure and other projects drove up demand for construction machinery in Sweden and Germany. However, the recovery is progressing much more slowly in Denmark and the Baltics. The service market also performed well in 2011, thanks to high machine utilization and an increased number of machines.

For the second year running, Bioenergy is the most widely used form of energy in Sweden, followed by oil in second place. As a source of energy, Bioenergy is larger than hydro-power and nuclear power put together, and is growing more than any other source of energy. Discussions are in progress in the EU and Sweden about instruments for increasing the use of biofuels, which is an important factor in ensuring Sweden achieves its targets of ten percent renewable energy use in the transport sector by 2020 and a fossil fuel-free vehicle fleet

Significant items affecting comparability

MSEK	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Recognized operating income	192	40	1,204	1,059
<i>Items affecting comparability in operating income:</i>				
Capital gains on				
- sale of properties		189		208
- sale of assets to Lantmännen's Pension Fund	455		455	
- sale of operations, shares				5
Impairment of non-current assets etc.	-148	-213	-148	-249
Restructuring costs, Food Sector, Unibake	-93		-93	
Restructuring costs, other		-113		-128
Impairment of goodwill, Energy Sector	-73		-73	
Total items affecting comparability in operating income	141	-137	141	-164
Operating income, adjusted for items affecting comparability	51	177	1,063	1,223
Recognized income after financial items	31	-15	867	822
Items affecting comparability in operating income according to above	141	-137	141	-164
<i>Items affecting comparability in financial items:</i>				
Capital gain on the sale of shares, etc.		40		40
Impairment of shareholding in VK Mühlen	-115		-115	
Total items affecting comparability in net financial income	-115	40	-115	40
Income after financial items adjusted for items affecting comparability	5	82	841	946
Return on equity, excluding items affecting comparability %	-1.3	5.0	5.9	7.8
Return on operating capital, excluding items affecting comparability %	1.1	3.8	5.8	6.5

by 2030. At present, renewable fuels qualify for tax exemptions, and the government has opened the way for continuing tax exemption for biofuels.

European ethanol producers were disadvantaged by tax-subsidized ethanol from the United States during the year. For 2012, there are good reasons to expect higher ethanol prices, particularly as a result of the discontinuation of the tax-subsidized incentives in the United States. Another factor will be increasing demand, with large parts of Europe moving towards more low-level blending of ethanol into gasoline.

In 2011, the food sector was characterized by weak consumer demand and continuing tough competition, with the spotlight on price. Trade, particularly in Sweden, placed a larger focus on own brands than before, and the trade sector is always quick to copy or produce similar products after a supplier has had a successful product launch.

There is increasing interest in long-term added value, such as health, quality and environment, and sustainability issues. The industry is also affected by different low-carb trends, such as LCHF (Low Carb High Fat): more and more consumers in the Nordic countries say they regularly go on a diet which means a reduced intake of carbohydrates, but favors other categories, such as chicken. Consumers are also demanding new healthy and tasty products from the bakery industry. One example is the fast food category, where consumers are looking for healthy alternatives to burgers, sandwiches and hot dogs.

Price remains a central issue for consumers and it is even more in focus with the current economic development. Global trade in frozen generic chicken is increasing, with strong price pressure as a result. World production is increasing as well as consumption.

Risks and uncertainties

All business activity is subject to risk. The risks in Lantmännen's operations encompass strategic risks associated with trademarks and external regulations, operational risks, such as fluctuating prices of energy and commodities, and financial risks. These risks are described in detail in the 2010 Annual Report.

The main uncertainty concerning Lantmännen's operations and earnings still relates to the profitability of Lantmännen Agroetanol, which is highly dependent on ethanol price trends and the price of grain. If the liter price of ethanol changes by SEK 1, annual earnings will be affected by approx. MSEK 200 in a situation of unchanged input and feed prices and normal production capacity. It is estimated that a SEK 0.50 per kilo change in the price of grain will affect annual earnings by approx. MSEK 180, assuming the price of feed correlates with the price of grain.

Changes in the Group

There were only marginal changes in the Group's composition during the year. Three real estate companies were sold to Lantmännen's Grodden pension fund.

The acquisition balance sheet for Könicke, which was acquired in 2010 and is part of the Machinery Sector, was

adopted in the third quarter. This resulted in a reclassification of goodwill to supplier relationships. The 2010 reported values have not been changed, as the effect of the reclassification is considered immaterial.

Other important events

During the year, Lantmännen established a pension fund to allow more economically advantageous management of the Group's pension obligations to Swedish administrative employees. These obligations were previously recognized as an expense in Lantmännen's balance sheet. The fund, which is called "Lantmännens gemensamma pensionsstiftelse Grodden", started operations in mid-December when nine of the Group's companies transferred cash to the fund. The amount corresponded to the companies' pension obligations at 30 November, which totaled MSEK 1,578. At the same time, the pension fund purchased three real estate companies and three properties from the Lantmännen Group for MSEK 1,057. The sale generated a capital gain of MSEK 455 for Lantmännen. In total, the pension fund transaction increased Lantmännen's equity ratio by 2.5 percentage points. The assets of the pension fund comprise property, interest-bearing securities and shares. Separating the assets into a special fund means that the Group's pension obligation is reported net as the difference between the value of the pension obligation and the fair value of the plan assets with effect from December 2011.

In fall, Lantmännen Unibake decided to implement a restructuring and efficiency program. This will include the closure of production facilities and integration of the frozen and fresh bread operations. The program encompasses operations in Denmark, Poland, Germany and Hungary. The total cost of the program is estimated at MSEK 241 and this amount has been charged to earnings.

Lantmännen Lantbruk's new organization, which is part of the ONE Lantmännen Lantbruk program, was introduced as planned on 1 December. The organizational changes related to the Agriculture Sector's administrative employees in Sweden, excluding Bygglant, Krafft and Nötcenter Viken. The changes involved a reduction in the number of administrative positions, while the administrative functions were concentrated in the Malmö office.

In November, Fredrik Malmfors took over as acting head of the Cerealia business area in the Food Sector, following Magnus Johansson's departure from Lantmännen.

Events after the end of the period

Thomas Bodén, who has been a member of Lantmännen Board since Swedish Lantmännen was established in 2000 and has been board chairman since late fall in 2003, has informed the nomination committee that he will not be seeking re-election to the Lantmännen Board prior to the AGM on 2 May 2012.

On 1 January, Jan K Henriksen became head of the Unibake business area in the Food Sector when Bent Pultz Larsen retired. At the same time, Reinhold Svensson was appointed acting head of the Kronfågel business area in the Food Sector, replacing Jan K Henriksen.

The Group's net sales and earnings
Fourth quarter 2011

Net sales

Lantmännen's net sales for the fourth quarter amounted to MSEK 9,665 (9,960), which is a decline of 3 percent. Currency effects had a marginal effect on sales. The decline in sales is mainly attributable to lower sales volumes in the Agriculture and Energy Sectors.

Operating income

Lantmännen's operating income for the fourth quarter amounted to MSEK 192 (40). Earnings were affected by items affecting comparability totaling MSEK 141 (-137), of which MSEK 455 (189) related to the sale of property, MSEK -73 (0) to goodwill impairment at Lantmännen Agroenergi and MSEK -241 (-133) to restructuring and efficiency costs at Lantmännen Unibake. The background to Lantmännen Agroenergi's goodwill impairment was a new assessment of future market conditions for the company's operations. MSEK 148 of the restructuring and efficiency costs in Lantmännen Unibake relate to the impairment of non-current assets. After adjustment for items affecting comparability, operating income was MSEK 51 (177). Lower sales volumes, primarily in the Food and Energy Sectors, had an impact on operating income during the quarter

January - December 2011 period

Net sales

Lantmännen's net sales for the year amounted to MSEK 37,896 (35,988), which is an increase of 5 percent. Currency effects made a negative contribution of -2 percentage points. The positive net sales figure is largely attributable to the Machinery Sector, where demand for construction machinery has increased. The effects of the acquisition of Konicke are estimated to have increased net sales by 3 percentage points. With effect from August, Konicke has been merged with the German Swecon operations.

Operating income

Lantmännen's operating income for the year amounted to MSEK 1,204 (1,059). Earnings were affected by items affecting comparability totaling MSEK 141 (-164), of which MSEK 455 (208) related to the sale of property, MSEK -73 (0) to goodwill impairment at Lantmännen Agroenergi and MSEK -241 (-133) to restructuring and efficiency costs at Lantmännen Unibake. After adjustment for these items, operating income for the full year amounted to MSEK 1,063 (1,223). The Agriculture and Machinery Sectors reported a higher operating income than in the previous year. The Machinery Sector was responsible for the biggest improvement in income, although this did not fully compensate for the decline in the Energy and Food Sectors.

Net financial income

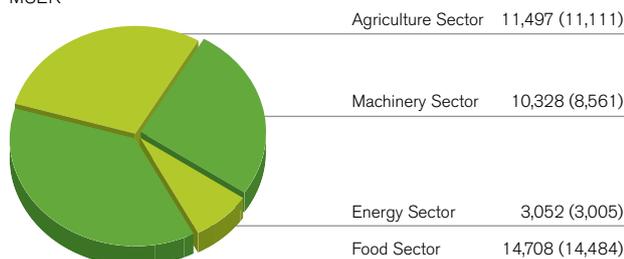
Net financial income for the year includes a write-down of shares in VK Mühlen by MSEK 115, after impairment testing revealed that the fair value of the shares was significantly less than their carrying amount. Net financial income for 2010 includes a capital gain of MSEK 40. After adjustment for these items, net financial income for the year amounted to MSEK -222, compared with MSEK -277 the previous year. The improvement in net financial income is mainly due to lower interest expenses on the Group's borrowing.

Tax and income after tax

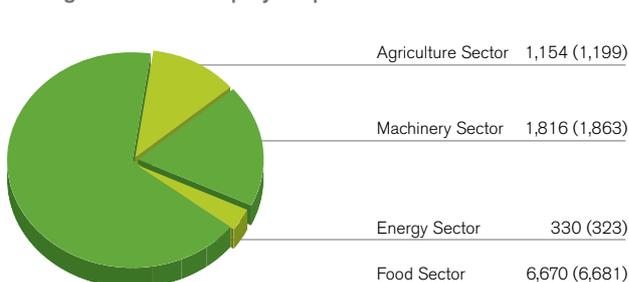
Tax expense for the year amounted to MSEK -147 (-97), which gives an effective tax rate of 17 (12) percent. The tax rate is partly due to the fact that dividends from Lantmännen Cooperative Association are not reported in the consolidated income statement but are included in the earnings on which tax is calculated, and the fact that income also includes capital gains which are not taxable.

Accordingly, the Group's net income after tax for the period amounted to MSEK 720 (725). MSEK 720 (719) of this figure is attributable to cooperative association members and MSEK 0 (6) to non-controlling interests (minority owners) in the Group's subsidiaries.

Sales per sector, including Group internal sale
MSEK



Average number of employees per sector



Other financial information

Cash flow and financing

Cash flow from operating activities was MSEK 920 (2,157) during the year. The cash operating surplus contributed MSEK 1,655 (2,131) to the figure, while working capital reduced the cash flow by MSEK -735 (26).

Investments in non-current assets were a little lower than in the previous year, amounting to MSEK 1,431 (1,587), while sales of non-current assets were higher, giving a positive cash flow of MSEK 1,271 (903). Cash flow from the sale of non-current assets was boosted by MSEK 1,057 from the sale of assets to the Pension Fund in the fourth quarter. Net investments in non-current assets for the year amounted to MSEK -160 (-684).

No large acquisitions or divestments of operations affecting cash flow were made during the year.

Cash flow before financing activities amounted to MSEK 781 (2,692). The sale of Lantmännen Finans AB's leasing and installment agreements in the second quarter of the previous year had a positive effect of MSEK 1,319 on cash flow for that year.

At the end of the year, loan debt had decreased by MSEK 878 (-2,093) compared with the figure at the beginning of the year. The Group's total cash flow amounted to MSEK -128 (512) thereafter.

The Group's net loan debt ended the year on MSEK 7,186. This is lower than the figure at the beginning of the year, which was MSEK 7,501.

Payment capacity at the end of December was MSEK 1,615. (3,600). The Group's payment capacity, or available line of credit, is calculated on the basis of Lantmännen's current loan agreements and their associated covenants. The decline in payment capacity is mainly due to changed covenants with effect from April, as laid down in the original loan agreements. At the end of December, Lantmännen was within the framework of the covenants associated with its existing loan agreements. Cash and cash equivalents stood at MSEK 739 (869) at the end of December.

The equity ratio was higher than in the previous year at 41.1 (38.6) percent.

Total assets were slightly down on the previous year and amounted to MSEK 26,621 (27,009).

Equity and comprehensive income

Group equity ended the period on MSEK 10,942 (10,422), which is an increase of MSEK 520 since the beginning of the year. MSEK 36 (32) of this figure is attributable to owners other than members of the cooperative association, i.e. non-controlling interests in Group companies. The period's net income after tax increased equity by MSEK 720.

The fair value revaluation of financial instruments increased equity by MSEK 27 (52), after allowance for tax. Translation differences for foreign operations, including the effects of hedging certain of these net investments, and after allowance for tax, reduced equity by MSEK 13 (-443). Dividends and changes in the cooperative association's contributed capital decreased equity by MSEK 137 (175).

Investments

The Group's investments in non-current assets amounted to MSEK 1,431 (1,587) during the year.

The largest individual investments in the period related to the construction of a bakery in the English town of Bedford, which was opened in June, and the expansion of the chicken facility in Valla outside Katrineholm. The expanded and modernized Valla facility was opened in May and was fully operational at the end of the year. It is Sweden's largest production facility for chicken products. The Food Sector has completed its investment in increased capacity at the chicken processing facility in Farre in Denmark.

Human resources

The average number of employees during the year was 10,296 (10,350). The decrease is primarily the result of implemented efficiency programs, such as ONE Lantmännen Lantbruk and Shape.

Accounting policies

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

The accounting policies applied in the report correspond with those applied in preparing the 2010 Annual Report. There are no new or amended standards or other rules that have had an effect on Lantmännen's financial reporting.

Performance per Sector



Agriculture Sector

	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales, MSEK	2,739	3,051	11,497	11,111
Operating income, MSEK	-30	-71	183	82
Operating margin, %	-1.1	-2.3	1.6	0.7
Return on operating capital, %	-2.9	-6.8	4.8	2.2
Operating income, adjusted for items affecting comparability, MSEK	-30	-6	183	167
Operating margin, adjusted for items affecting comparability, %	-1.1	-0.2	1.6	1.5
Return on operating capital, adjusted for items affecting comparability, %	-2.9	-0.6	4.8	4.4
Average number of employees			1,154	1,199

Net sales for the fourth quarter amounted to MSEK 2,739 (3,051), a decline of 10 percent. Sales in the Agriculture Sector's contribution-related operations were 9 percent lower than in the previous year. This was largely due to generally lower volumes, against the backdrop of profitability under pressure in certain areas of livestock production and a cautious fertilizer market. The high level of grain deliveries during the previous year also had a bearing on the decline. Overall volumes fell by 12 percent in the period. The impact of the decline in volumes on sales was partially offset by higher market price levels for grain and fertilizer and higher feed prices as a result of commodity price increases.

Operating income for the fourth quarter amounted to MSEK -30 (-71). The previous year's result was affected by restructuring costs of MSEK -65 relating to the ongoing action program in the contribution-related operations, and after adjustment for this, amounted to MSEK -6. The decline compared with the previous year was mainly attributable to lower volumes, which were partly offset by lower costs and improved production results. Income from the international operations HaGe Kiel in Germany and Scandinavian Farmers in the Baltic region was on a par with the previous year.

Net sales for the period January-December totaled MSEK 11,497 (11,111), an increase of 3 percent. The increase was largely due to the contribution-related operations in the Agriculture Sector. The negative volume effect was primarily the result of high fertilizer sales during the previous year due to the abolition of the fertilizer tax. This was partly offset by higher market prices for grain, feed and fertilizer.

Operating income for the period January-December amounted to MSEK 183 (82). Earnings in the previous year included restructuring costs of MSEK -85, mainly associated with the ongoing action programs and impairment of non-current assets in the contribution-related operations. The results of contribution-related operations improved despite the lower volumes. This was primarily due to improved production results and lower costs. The international operations reported higher income than in the previous year.

Work on the ONE Lantmännen Lantbruk action program is proceeding as planned, and the new organization became operational on 1 December.

Results of the Agriculture Sector's contribution-related operations:

	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales, MSEK	2,460	2,710	10,544	10,110
Operating income, MSEK	-63	-115	57	-49
Operating margin, %	-2.6	-4.2	0.5	-0.5
Return on operating capital, %	-9.1	-15.5	2.2	-1.9
Operating income, adjusted for items affecting comparability, MSEK	-63	-50	57	36
Operating margin, adjusted for items affecting comparability, %	-2.6	-1.8	0.5	0.4
Return on operating capital, adjusted for items affecting comparability, %	-9.1	-6.8	2.2	1.4
Average number of employees			848	858



Division Maskin

	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales, MSEK	2 896	2 871	10 328	8 561
Operating income, MSEK	129	41	444	206
Operating margin, %	4,5	1,4	4,3	2,4
Return on operating capital, %	24,7	8,3	22,4	10,4
Operating income, adjusted for items affecting comparability, MSEK	129	71	444	236
Operating margin, adjusted for items affecting comparability, %	4,5	2,5	4,3	2,8
Return on operating capital, adjusted for items affecting comparability, %	24,7	14,4	22,4	12,0
Average number of employees			1 816	1 863

Net sales for the fourth quarter amounted to MSEK 2,896 (2,871), an increase of 1 percent compared with the same period the previous year.

Swecon's order intake was higher than in the same period the previous year. The service business is showing good growth in all markets, particularly the Swedish market, where large infrastructure projects and a larger machinery population have increased the need for construction machinery servicing.

Farm machinery net sales for the quarter increased by 10 percent compared with the previous year. The total order intake for farm machinery was slightly lower than in the previous year. The order backlog in Sweden was lower than in the previous year, but was higher in Denmark and Norway. The parts and service business was stable and at the same level as in the previous year.

Operating income for the fourth quarter amounted to MSEK 129 (41). The majority of the business units showed improvement, with Swecon in Sweden making the largest contribution. Swecon's income was particularly boosted by higher machinery sales, a favorable machinery product mix and good service market sales.

Lantmännen Maskin's income was higher than in the previous year and was mainly affected by higher machinery sales in Norway and Denmark.

Net sales for the period January-December totaled MSEK 10,328 (8,561), an increase of 21 percent.

All units in the Sector reported increased sales. However, Swecon's German and Swedish companies were responsible for most of the increase, with the acquisition of Konicke contributing the most. The Scandinavian farm machinery markets increased by 18 percent compared with the previous year. Lantmännen Maskin struggled with delays in deliveries of Valtra tractors during the year, although the lost market shares were regained in the latter part of the year. Net sales were also impacted by increased sales of Claas tractors and combines. Lubricating oil operations in Agro Oil showed stable volume growth during the year.

Operating income for the period January-December amounted to MSEK 444 (206). All units in the Sector contributed to the improvement. However, Swecon was responsible for most of the increase, helped by the market recovery, strong growth in the service market and a good product mix. In the previous year, the Machinery Sector's earnings were affected by restructuring costs of MSEK -30 in connection with the Konicke acquisition.

Results of the Machinery Sector's farm machinery operations:

	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales, MSEK	1,253	1,139	4,527	4,135
Operating income, MSEK	9	0	78	27
Operating margin, %	0.7	0.0	1.7	0.7
Return on operating capital, %	2.8	0.1	6.4	2.0
Operating income, adjusted for items affecting comparability, MSEK	9	0	78	27
Operating margin, adjusted for items affecting comparability, %	0.7	0.0	1.7	0.7
Return on operating capital, adjusted for items affecting comparability, %	2.8	0.1	6.4	2.0
Average number of employees			866	890



Energy Sector

	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales, MSEK	743	825	3,052	3,005
Operating income, MSEK	-112	31	-141	113
Operating margin, %	-15.1	3.8	-4.6	3.8
Return on operating capital, %	-19.4	5.2	-6.1	4.7
Operating income, adjusted for items affecting comparability, MSEK	-39	43	-68	125
Operating margin, adjusted for items affecting comparability, %	-5.2	5.2	-2.2	4.2
Return on operating capital, adjusted for items affecting comparability, %	-6.7	7.2	-2.9	5.2
Average number of employees			330	323

Net sales for the fourth quarter amounted to MSEK 743 (825), a decline of 10 percent. This is mainly an effect of Lantmännen Agroetanol having three weeks of downtime following a breakdown of the feed dryers, which now again fully operational. The mild fall and early winter led to lower sales volumes in Lantmännen Agroenergi's biofuel business. Lantmännen Reppe and Lantmännen Aspen showed a positive sales trend compared with the previous year.

Operating income for the fourth quarter amounted to MSEK -112 (31). The negative income trend is partly due to an unfavorable relationship between ethanol and grain prices and partly due to a lower sales volume for ethanol and feed for Lantmännen Agroetanol following the production downtime. Lantmännen Agroenergi's goodwill impairment accounted for MSEK -73 of the negative figure. Lantmännen Aspen reported slightly lower income for the last quarter compared with the previous year, as the Swedish krona continued to strengthen against the euro. Lantmännen Reppe's Q4 income improved, as the company has overcome the initial running-in problems at the new distillery.

Net sales for the full year totaled MSEK 3,052 (3,005), an increase of 2 percent.

Lantmännen Agroetanol's net sales amounted to MSEK 1,532, an increase of 5 percent. This was an effect of higher prices for ethanol and feed. Higher prices compensated for lower volumes of produced ethanol and feed, which were caused by the production rate being reduced during a market-driven production standstill and a breakdown of the feed dryers.

Lantmännen Agroenergi's net sales declined compared with the previous year. This was due to the divestment of the salix (willow) business in late 2010, a negative sales trend for biofuel and heating due to the warmer weather in 2011 and the disposal of two heating plants during the year.

The Energy Sector's other business areas, Lantmännen Aspen and Lantmännen Reppe, increased their net sales compared with the previous year. Lantmännen Aspen's improvement in net sales was largely explained by increased sales in existing markets in Scandinavia and Europe, while for Lantmännen Reppe, the increase was due to higher sales volumes after the commissioning of the expansion investment in Lidköping.

Operating income for the year amounted to MSEK -141 (113), which was a decline of MSEK -254.

Operating income for Lantmännen Agroetanol amounted to MSEK -131 (4). The decline was mainly due to an adverse relationship between the price of ethanol and grain during the year, which led to a market-driven production standstill in spring 2011. In addition, earnings were adversely affected by problems with the feed dryers in the new facility. Overall, this resulted in increased costs, lost contribution margins and margin erosion, which had a major impact on net income for the year.

The negative operating income is partly due to goodwill impairment of MSEK -73 at Lantmännen Agroenergi. In addition, Agroenergi was impacted by lower volumes, due to warmer weather in 2011, and an unfavorable sales mix.

The Sector's other business areas, Lantmännen Aspen and Lantmännen Reppe, reported a slightly better operating income than in the previous year, which was due to increased volume growth.



Food Sector

	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales, MSEK	3,677	3,583	14,708	14,484
Operating income, MSEK	-173	-36	298	534
Operating margin, %	-4.7	-1.0	2.0	3.7
Return on operating capital, %	-7.3	-1.5	3.2	5.4
Operating income, adjusted for items affecting comparability, MSEK	68	183	539	784
Operating margin, adjusted for items affecting comparability, %	1.8	5.1	3.7	5.4
Return on operating capital, adjusted for items affecting comparability, %	2.9	7.6	5.7	7.9
Average number of employees			6,670	6,681

Net sales for the fourth quarter amounted to MSEK 3,677 (3,583), an increase of 3 percent. Net sales for Lantmännen Cerealia, Lantmännen Kronfågel and Lantmännen Doggy were on a par with the previous year. Lantmännen Unibake's net sales for the fourth quarter showed positive growth compared with the previous year.

Operating income for the fourth quarter amounted to MSEK -173 (-36). The results for the quarter were adversely affected by restructuring costs of MSEK -241, consisting of impairment of non-current assets in Denmark, Poland, Germany and Hungary totaling MSEK -148 and other restructuring costs of MSEK -93, mainly associated with the closure of the production unit in Verden in Germany. The previous year's results were affected by MSEK -192 relating to the impairment of Vejle and MSEK -27 relating to other restructuring costs.

Lantmännen Cerealia's operating income was positive compared with the previous year. However, after adjustment for items affecting comparability and foreign currency translation effects, the figure was lower than the previous year. The main reason for the deviation was a lower B2B volume and an unfavorable B2C mix in Denmark. Lantmännen Unibake's operating income declined compared with the previous year. The negative deviation for the quarter is due to lower sales volumes in the frozen bread operations in Germany, Denmark and Norway and delays in the new production at Bedford in the UK. Lantmännen Kronfågel's Q4 operating income declined compared with the previous year, although after adjustment for foreign currency translation effects the figure was on a par with the same period the previous year. Lantmännen Doggy's operating income was a little lower than in the previous year due to lower volumes and higher commodity prices.

Net sales for the full year amounted to MSEK 14,708 (14,484), an increase of 2 percent. After adjustment for foreign currency translation effects, sales rose by 5 percent.

Lantmännen Cerealia's net sales increased compared with

the previous year. Sweden, Denmark and Latvia were responsible for the increase. Price increases in response to higher grain prices explained the improvement in Sweden and Denmark, while in Latvia the higher net sales figure was due to higher volumes. Lantmännen Unibake's net sales were in line with the previous year. Lantmännen Kronfågel's net sales increased a little compared with the previous year.

Operating income for the full year amounted to MSEK 298 (534). Currency effects had a negative impact of MSEK -16 on the figure. Operating income for the year was affected by restructuring costs of MSEK -241, which included impairment, as mentioned above. The previous year's income was affected by MSEK -192 relating to the impairment of Vejle and MSEK -58 relating to restructuring costs. Lantmännen Cerealia reported a higher operating income than in the previous year. The improvement was due to lower margins and lower B2B volumes in Sweden and a generally a less favorable product mix.

After adjustment for currency translation effects and items affecting comparability, Lantmännen Unibake's operating income was lower than in the previous year. This was due to lower sales volumes in Norway, Germany and the UK, as well as disruptions to production in Denmark. Running-in costs at the new bakery investment in the English town of Bedford increased costs by MSEK 58. After adjustment for currency translation effects, Lantmännen Kronfågel's operating income was lower than in the previous year. This is largely due to running-in costs (MSEK 15) for the new loading system at Valla and the costs of slaughter cutbacks in the first half of the year in Sweden. The negative result in Sweden was partly offset by a higher operating income in Denmark, which was largely due to increased sales, high efficiency in the factories and a favorable product mix.

Lantmännen Doggy's operating income was lower than in the previous year due to lower volumes and higher commodity prices.

Condensed consolidated income statement

MSEK	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net sales	9,665	9,960	37,896	35,988
Other operating income	508	310	687	633
Changes in inventories of finished goods and work in progress	82	120	65	107
Capitalized work for own account	1	2	4	2
Raw materials and consumables	-3,966	-4,031	-15,605	-13,663
Goods for resale	-2,407	-2,589	-8,712	-8,476
Payroll expenses	-1,470	-1,431	-5,419	-5,502
Other external costs	-1,725	-1,752	-6,453	-6,557
Share of income of associates	28	25	107	92
Depreciation, amortization and impairment	-524	-574	-1,366	-1,565
Operating income	192	40	1,204	1,059
Financial income	75	79	239	195
Financial expenses	-236	-134	-576	-432
Income after financial items	31	-15	867	822
Tax	19	81	-147	-97
Net income for the period after tax	50	66	720	725
Net income for the period attributable to:				
Members of the cooperative association	52	65	720	719
Non-controlling interests	-2	1	0	6

Condensed consolidated statement of comprehensive income

MSEK	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Net income for the period after tax	50	66	720	725
Actuarial gains and losses on defined benefit pension plans	-156	169	-156	169
Available-for-sale financial assets	28	-1	38	-22
Cash flow hedges	-101	50	37	69
Exchange differences on translation of foreign operations	-225	-195	-17	-770
Net gain on hedge of net investment in foreign operations	115	90	5	431
Tax relating to components of other comprehensive income	32	-72	26	-171
Other comprehensive income for the period, net of tax	-307	41	-67	-294
Total comprehensive income for the period	-257	107	653	431
Total comprehensive income for the period attributable to:				
Members of the cooperative association	-255	106	653	425
Non-controlling interests	-2	1	0	6

Condensed consolidated statement of financial position

MSEK	2011 Dec 31	2010 Dec 31
ASSETS		
Property, plant & equipment	9,057	9,515
Investment property	201	243
Goodwill	2,640	2,779
Other intangible assets	767	713
Investments in associates	1,277	1,157
Financial assets	515	662
Deferred tax assets	232	231
Other non-current assets	45	44
Total non-current assets	14,734	15,344
Inventories	5,506	5,224
Trade and other receivables	5,511	5,417
Current interest-bearing assets	119	139
Current tax assets	12	16
Cash & cash equivalents	739	869
Total current assets	11,887	11,665
TOTAL ASSETS	26,621	27,009
EQUITY AND LIABILITIES		
Equity attributable to members of the cooperative association	10,906	10,390
Non-controlling interests	36	32
Total equity	10,942	10,422
Non-current interest-bearing liabilities ¹⁾	4,656	5,096
Provisions for pensions	347	1,776
Deferred tax liabilities	147	100
Other non-current provisions	273	299
Other non-current liabilities	23	49
Total non-current liabilities	5,446	7,320
Current interest-bearing liabilities	3,556	2,299
Trade and other payables	6,278	6,585
Current tax liabilities	90	113
Current provisions	309	270
Total current liabilities	10,233	9,267
TOTAL EQUITY AND LIABILITIES	26,621	27,009
Equity ratio	41.1	38.6
	56	56

¹⁾ Including subordinated debentures, MSEK

Condensed consolidated quarterly income statements

MSEK	2011 Oct-Dec	2011 Jul-Sep	2011 Apr-Jun	2011 Jan-Mar	2010 Oct-Dec	2010 Jul-Sep	2010 Apr-Jun	2010 Jan-Mar
Net sales	9,665	9,627	9,930	8,674	9,960	8,719	9,153	8,156
Other operating income	508	74	53	52	310	100	78	145
Changes in inventories of finished goods and work in progress	82	-48	87	-56	120	27	-172	132
Capitalized work for own account	1	1	1	1	2	0	0	0
Raw materials and consumables	-3,966	-3,916	-4,042	-3,681	-4,031	-3,224	-3,271	-3,137
Goods for resale	-2,407	-2,142	-2,539	-1,624	-2,589	-1,961	-2,151	-1,775
Payroll expenses	-1,470	-1,306	-1,347	-1,296	-1,431	-1,311	-1,391	-1,369
Other external costs	-1,725	-1,532	-1,605	-1,591	-1,752	-1,540	-1,653	-1,612
Share of income of associates	28	25	43	11	25	27	25	15
Depreciation, amortization and impairment	-524	-277	-277	-288	-574	-309	-306	-376
Operating income	192	506	304	202	40	528	312	179
Financial income	75	60	61	43	79	26	51	39
Financial expenses	-236	-120	-109	-111	-134	-105	-93	-100
Income after financial items	31	446	256	134	-15	449	270	118
Tax	19	-100	-44	-22	81	-92	-66	-20
Net income for the period after tax	50	346	212	112	66	357	204	98
Net income for the period attributable to:								
Members of the cooperative association	52	346	212	110	65	357	203	94
Non-controlling interests	-2	0	0	2	1	0	1	4

Condensed consolidated statement of cash flow

MSEK	2011 Oct-Dec	2010 Oct-Dec	2011 Jan-Dec	2010 Jan-Dec
Income after financial items	31	-15	867	822
Adjustment for non-cash items ¹⁾	245	517	894	1,385
Tax paid	-21	-20	-106	-76
Cash flow from operating activities before change in working capital	255	482	1,655	2,131
Change in working capital	113	-67	-735	26
Cash flow from operating activities	368	415	920	2,157
Acquisitions and divestments	0	-118	0	-105
Investments in non-current assets	-271	-412	-1,431	-1,587
Sale of non-current assets ²⁾	1,061	627	1,271	903
Change in financial investments	0	5	21	1,324
Cash flow from investing activities	790	102	-139	535
Cash flow before financing activities	1,158	517	781	2,692
Change in contributed capital	1	1	41	-15
Dividend paid	-1	-3	-72	-72
Change in loans payable	474	-222	700	-2,093
Transfer of cash to pension fund	-1,578	-	-1,578	-
Cash flow from financing activities	-1,104	-224	-909	-2,180
Cash flow for the period	54	293	-128	512
Cash and cash equivalents at beginning of period	696	583	869	391
Exchange differences	-11	-7	-2	-34
Cash and cash equivalents at the end of the period	739	869	739	869
¹⁾ Depreciation and impairment of non-current assets	524	574	1,366	1,565
Less share of income in associates	-28	-25	-86	-92
Capital gains on sale of non-current assets and operations	-457	-200	-490	-284
Other non-cash items	206	168	104	196
	245	517	894	1,385
²⁾ of which transferred to pension fund	1,057		1,057	

Condensed consolidated statement of changes in equity

MSEK	2011 Jan-Dec			2010 Jan-Dec		
	Association members	Non- controlling interests	Total equity	Association members	Non- controlling interests	Total equity
Opening balance, 1 January	10,390	32	10,422	10,140	85	10,225
Total comprehensive income for the period	653	0	653	425	6	431
Contribution dividend to members	-68	-	-68	-64	-	-64
Dividend to non-controlling interests in Group companies	-	-1	-1	-	-12	-12
Refund and final price adjustment	-110	-	-110	-95	-	-95
Contributed capital paid in by members	90	-	90	37	-	37
Contributed capital paid out to members	-49	-	-49	-53	-	-53
Other changes relating to non-controlling interests	-	5	5	-	-47	-47
Closing balance	10,906	36	10,942	10,390	32	10,422
Equity attributable to members of the cooperative association						
Contributed capital, paid in	680			612		
Contributed capital, issued	888			738		
Other equity	9,338			9,040		
Total equity attributable to members of the cooperative association	10,906			10,390		

Parent Company

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

Net sales for the year totaled MSEK 11,057 (10,547).

Operating income for the year amounted to MSEK -201 (-150). The lower operating income compared with the previous year is largely an effect of capital gains from property sales being MSEK 130 higher in 2010 than in 2011. Operating income was also affected by higher pension costs, which amounted to MSEK 68. The increase was due to changed life expectancy assumptions in the calculation of pension obligations based on the PRI Pension guarantee. Operating income was also affected by lower net operating income from property management, as a result of external divestment of properties and transfers of properties to other companies in the Lantmännen Group.

Operating income for agriculture operations for the year amounted to MSEK 57 (-49). Compared with the previous year, operating income was positively affected by improved production output and supply chain savings, as well as lower costs resulting from previous and ongoing action programs and economic adjustments. After adjustment for items affecting comparability, MSEK 0 (-85), operating income for agriculture operations was MSEK 21 higher than in the previous year.

Income after financial items totaled MSEK 462 (774). Net financial income for the year includes a capital gain of MSEK 19 (54) from the sale of shares and participations, and dividends of MSEK 739 (485), mainly from subsidiaries. It also includes a write-down of MSEK 183 (0) in the value of shares in subsidiaries, which is largely the effect of the transfer of capital from the companies in the form of dividends. Exchange gains on loans amounted to MSEK 0 (404), which is a major deviation compared with the previous year.

The year's net investments in non-current assets amounted to MSEK 138 (123). The equity ratio at the end of the year was 43.7 (41.9) percent.

The average number of employees in the parent company was 1,157 (1,099). The increase is explained by the movement of functions within the Group to the parent company.

Dividend

The Board of Directors has decided to pay a 1 (1) percent refund on members' purchases of inputs from Lantmännen Cooperative Association and SW Seed and 1 (0.5) percent on members' purchases from the Machinery Sector's Swedish operations. The Board has also decided that a final price adjustment of 1 (1) percent will be paid for delivered grain, oilseed and grass seed. The total refund and final price adjustment is estimated at MSEK 110 (95) and is recognized in equity in the consolidated financial statements.

The Board proposes paying a contribution dividend of 5 (5) percent on paid-in and issued contributions to direct members, organization members and local associations, which totals MSEK 78 (68). The Board also proposes a contribution issue totaling MSEK 152 (177), in which the issue capital is divided as follows: 75 percent based on members' paid-in and issued contributed capital and 25 percent based on members' contribution-related turnover with the association in 2011. In total, the contribution dividend and contribution issue resulted in a return on contributed capital of 14.7 (18.1) percent for 2011.

Furthermore, the Board proposes that the dividend on subordinated debentures shall be 6.75 (5.5) percent, which amounts to MSEK 4 (3).

Due to the fact that there is trading in contribution issues, the Board has decided that the date on which the holding gives entitlement to a dividend (contribution dividend and contribution issue) will be the date of the Annual General Meeting, which is Wednesday, 2 May 2012.

Condensed income statement

MSEK	2011 Jan-Dec	2010 Jan-Dec
Net sales, external	8,970	8,957
Net sales, intra-Group	2,087	1,590
Net sales, total	11,057	10,547
Less excise duties	-9	-11
Change in products in progress, finished goods and work in progress for third parties	10	83
Capitalized work for own account	4	2
Other operating income	298	506
	11,360	11,127
Operating expenses		
Raw materials and consumables	-6,169	-5,139
Goods for resale	-2,750	-3,242
Other external costs	-1,591	-1,759
Payroll expenses	-897	-898
Depreciation, amortization and impairment	-154	-239
Total operating expenses	-11,561	-11,277
Operating income	-201	-150
Income from financial items	663	924
Income after financial items	462	774
Refund and final price adjustment	-110	-95
Group contributions received	515	571
Group contributions paid	-348	-82
Tax	9	-164
Net income for the period	528	1,004

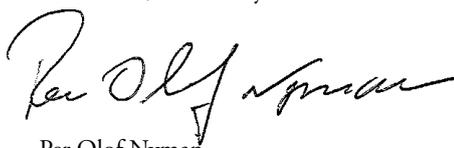
Condensed statement of financial position

MSEK	2011 Dec 31	2010 Dec 31
ASSETS		
Intangible assets	194	165
Property, plant & equipment	922	1,056
Interests in Group companies	6,935	6,757
Investments in associates	861	851
Non-current receivables from Group companies	125	125
Other securities held as non-current assets	258	287
Other non-current receivables	150	143
Total non-current assets	9,445	9,384
Inventories	1,953	1,830
Current receivables from Group companies	8,676	8,746
Other current receivables	2,155	1,987
Current investments incl. cash & bank	355	386
Total current assets	13,139	12,949
TOTAL ASSETS	22,584	22,333
EQUITY AND LIABILITIES		
Equity	9,629	9,131
Untaxed reserves	311	311
Provisions	215	983
Non-current liabilities	4,139	4,792
Current liabilities to Group companies	3,582	3,542
Other current liabilities	4,708	3,574
TOTAL EQUITY AND LIABILITIES	22,584	22,333
Equity ratio	43.7	41.9

Review Report

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

On assignment for the Board of Directors
Stockholm, 8 February 2012



Per Olof Nyman
Acting President and CEO
Lantmännen

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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.

