

Lantmännen Interim Report January–March

2012



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

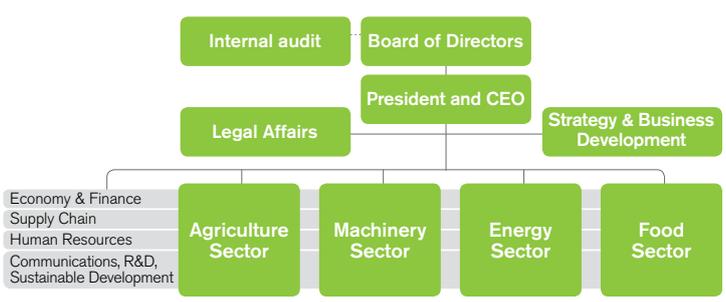

Lantmännen



Lantmännen is one of the largest agriculture, machinery, energy and food groups in the Nordic region. Examples of our brands are Axa, Kungsörnen, 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

Lantmännen's organization



Financial Reporting

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

The period in brief January–March 2012

Net sales for the Group were at the same level as the previous year and amounted to MSEK 8,653 (8,674). Currency effects had only a marginal impact on sales.



Operating income amounted to MSEK 68 (202) during the period.

In the Sustainable Brands consumer survey, Lantmännen was named the most sustainable brand in the consumer goods/food category and the fourth most sustainable brand overall, in competition with 200 other Swedish corporate brands.

Income after financial items amounted to MSEK 13 (134).

Per Olof Nyman took up the position of President & CEO on March 21; having been acting President & CEO since October 2011.

Income after tax amounted to MSEK 22 (112).

Cash flow before financing activities totaled MSEK 526 (99).

Investments amounted to MSEK 216 (363).



Key figures	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales, MSEK	8,653	8,674	37,896
Operating income, MSEK	68	202	1,204
Operating margin, %	0.8	2.3	3.2
Income after financial items, MSEK	13	134	867
Net income for the period, MSEK	22	112	720
Operating income excluding items affecting comparability, MSEK	68	202	1,063
Income after financial items excluding items affecting comparability, MSEK	13	134	841
Cash flow before financing activities, MSEK	526	99	781
Return on equity, %	0.8	4.3	6.7
Return on operating capital, %	1.6	4.6	6.5
Total assets, MSEK	26,595	27,174	26,621
Equity ratio, %	40.9	39.0	41.1
Investments, MSEK	216	363	1,431
Net debt, MSEK	6,714	7,343	7,186
Interest coverage ratio, times	1.2	2.5	3.3
Average number of employees	10,207	10,162	10,296

Ethanol and food weigh down Lantmännen's results for the first quarter

The results for the first quarter of 2012 are weaker than in the previous year. The Agriculture and Machinery Sectors continue to generate stable results, and Lantmännen Lantbruk's contribution-related operations are progressing better than in the previous year. High commodity prices and reduced demand are curbing development and present major challenges for the Energy and Food Sectors.

Lantmännen's income after net financial items for the first quarter amounted to MSEK 13. The equivalent figure for the same quarter the previous year was MSEK 134. The decline is largely due to two factors. The first is the price relationship between ethanol and grain, which continues to be highly unfavorable and is having an extremely adverse effect on Lantmännen Agroetanol's results, while the second is the continuing strong price competition and lower demand in a number of food categories. On the other hand, the Agriculture and Machinery Sectors continue to show stable growth.

Cash flow before financing activities for the quarter was MSEK 526, compared with MSEK 99 the previous year. At the end of the first quarter, the equity ratio stood at 40.9 percent, compared with 41.1 percent at the beginning of the year.

The situation in the world economy remains uncertain – the debt crisis in Europe is weighing down the markets and China has recently decided to lower its growth forecast. The repercussions of the weaker economy are also noticeable in the food sector, which has historically been relatively immune to economic fluctuations. We are now seeing a shift towards low-priced products. In a survey recently conducted by the Swedish Food Federation, 36 percent of consumers said they prefer to choose the least expensive option when shopping for food, which is an increase of 6 percent compared with 2006.

A more efficient Lantmännen Lantbruk

The Agriculture Sector's operating income for the first quarter was MSEK 21, compared with MSEK 31 the previous year. Income for contribution-related operations amounted to MSEK 37, compared with MSEK 27 the previous year. The Sector's overall results were adversely affected by weaker growth in our international business.

Our Swedish contribution-related operations reported a slightly better quarter than the previous year, which is primarily a result of the ONE Lantmännen Lantbruk action program. It is heartening to see the hard work in the Sector

now producing results – not only financial results, but also in the form of a well-functioning business.

Stable results in the Machinery Sector

The Machinery Sector's operating income amounted to MSEK 18, compared with MSEK 17 for the same period the previous year. Overall, the Sector continues to develop well, with Swecon once again reporting stable quarterly results.

Operating income for farm machinery operations amounted to MSEK –33, compared with MSEK –24 the previous year. The decline is mainly due to poorer market growth, delayed deliveries from main suppliers and margin deterioration. Valtra's market share fell in the quarter, while Claas and Fendt continued to perform well.

Major challenges continue for ethanol

The Energy Sector's operating income for the first quarter was MSEK –47, compared with MSEK 33 for the same quarter in 2011. The decline is largely due to the price ratio between ethanol and grain, which continues to be highly unfavorable. Lantmännen Agroetanol's operating income for the quarter was MSEK –58, compared with MSEK 2 the previous year. Lantmännen Agroenergi also reported a weaker operating income for the quarter compared with the previous year.

The current price structure for grain and ethanol represents a serious situation for Lantmännen Agroetanol and an operating income at this level, which is the same as in the fourth quarter of 2011, is untenable in the long term. Based on the price situation and the availability of inputs, we cannot see any turnaround for the ethanol business in the near future. We are continuing our intensive work on further rationalization of operations aimed at reducing the costs that are within our control, while also exploiting opportunities to increase other revenue streams – feed products, for example. The discontinuation of tax-subsidized incentives for the U.S. ethanol industry and measures at EU level preventing imports of fuel ethanol with divergent tariff classification are expected to have a positive impact on the price of ethanol in the second and third quarters.

Weak performance for Food

The Agriculture Sector's operating income for the first quarter was MSEK 69, compared with MSEK 121 the previous year. Consumption trends in most food categories remain weak and the situation continues to be challenging for Lantmännen Cerealia and Lantmännen Doggy in particular.



Lantmännen Kronfågel continues to show positive growth, while Lantmännen Unibake is at the same level as the previous year.

The previous quarter's trend continues, namely falling demand in several of our categories and tough price competition, while we are seeing an increased share of private labels in the market.

We face challenges ahead

Overall, the results for the first quarter show that the challenges we identified at the end of the previous year are still there, and, in some cases, have intensified. In the face of a challenging price situation and decline in demand, we must take vigorous action to ensure our operations and products are as competitive as possible.

We are doing this by further increasing our already strong focus on efficiency and cost efficiencies, and also by identifying new or different solutions that can increase our competitiveness. By affirming innovation and creativity in every part of our business we will create long-term profitable growth, while also ensuring good results for our operations in the short term.

A heartening example of how we are on the right track is our work to promote Lantmännen as a responsible food company, which is showing an improved impact among

customers and consumers. In the Sustainable Brands survey conducted at the beginning of the year, Swedish consumers named Lantmännen as the most sustainable brand in the consumer goods/food category. In the same survey, we were named the fourth most sustainable brand overall in Sweden, in competition with 200 other corporate brands. This excellent rating is testimony that all our work is producing results, and our employees can all be proud, as it is our joint efforts that have culminated in this honorable distinction.

Finally, I would like to take this opportunity to thank the Board for entrusting me to take over as President and CEO on a permanent basis. I look forward to continuing the process of developing Lantmännen into a more profitable, customer-focused and innovative company. We have still much to do, and many challenges lie ahead, both in the short and long term – but we are on track and I look to the future with the utmost confidence.

Per Olof Nyman
President and CEO

Operations January–March 2012

Business environment & market

Record levels for closing grain inventories

World production of wheat reached a record high during the 2011/2012 harvest year. Monetary policy measures by central banks have resulted in the price stabilizing at higher levels during the first quarter of 2012. The market focus is now moving increasingly to the coming harvest. In the current situation, most factors indicate that the closing grain inventories before the autumn harvest will be the highest ever.

According to the Swedish Dairy Association, the profitability of Swedish milk production has declined in recent months, especially for organic milk production. Economic uncertainty and forecasts of lower growth place a large question mark over how the profitability of dairy farmers will develop.

A high level of culling in Sweden in the previous year and a reduction in long-term livestock farming resulted in a shortage of beef in the early part of the year. The market has shown signs of increased demand in 2012.

Cautious order intake for construction machinery markets

The machinery industry is now in a phase where manufacturers are launching a number of new machine models adapted to EU emissions legislation. The Swedish economy for construction machinery is cautious, which is also reflected in the highly cyclical construction industry. The Swedish mining industry continues to grow strongly, as do infrastructure investments in urban areas.

The German economy is recovering more strongly than the European average. The export industry is the engine of the German economy, while domestic consumption is also rising and contributing to the growth. The total market for construction machinery is back up at the levels it occupied before the most recent recession, although there is still some instability in the euro area, which is giving rise to uncertainty about how the market will develop.

Tractor registrations in the Nordic agricultural machinery market declined during the first months of the year. Agriculture is investing in tools and other equipment, although sales and order intake for tractors are a little lower than previously. Demand for combines remains strong due to increased capacity requirements and a lower rate of investment in recent years.

Ethanol prices remain low despite increased consumption

European consumption of ethanol is good, and in Sweden, the level increased dramatically during the first quarter as a result of high petrol prices. However, the large amount of price-dumping ethanol imports from the U.S. has placed a price cap on all ethanol in Europe. An expected increase in low-level blends in both Europe and the United States is expected to have a certain price-raising effect for ethanol in 2012. The discontinuation of tax-subsidized incentives for the U.S. ethanol industry and measures at EU level preventing imports of fuel ethanol with divergent tariff classification are expected to have a positive impact on the price of ethanol in the second and third quarters.

Low-price trend in food

The food sector is generally characterized by uncertainty about how the economy will develop, and a shift towards low-priced products, with subsequent price pressure, is a clear trend. However, according to measurements conducted by DLF (Grocery Manufacturers of Sweden), the retail sector in Sweden showed an increase in total sales, both in value and volume, in the first months of the year. The growth forecast for 2012 is 1.5 percent. Private label products continue to perform strongly and are gaining market share in most categories.

Chicken imports to Sweden are increasing and currently account for almost 40 percent of total consumption. The main increases are in public procurement and in the private label



Significant items affecting comparability

MSEK	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Recognized operating income	68	202	1,204
<i>Items affecting comparability in operating income:</i>			
Capital gains on			
- sale of assets to Lantmännen's Pension Fund	-	-	455
Impairment of non-current assets etc.	-	-	-148
Restructuring costs, Food Sector, Lantmännen Unibake	-	-	-93
Impairment of goodwill, Energy Sector	-	-	-73
Total items affecting comparability in operating income	0	0	141
Operating income, adjusted for items affecting comparability	68	202	1,063
Recognized income after financial items	13	134	867
Items affecting comparability in operating income according to above	0	0	141
<i>Items affecting comparability in financial items:</i>			
Impairment of shareholding in VK Mühlen	-	-	-115
Total items affecting comparability in net financial income	0	0	-115
Income after financial items adjusted for items affecting comparability	13	134	841
Return on equity, excluding items affecting comparability, %	0.8	4.3	5.9
Return on operating capital, excluding items affecting comparability, %	1.6	4.6	5.8

segment. Overall growth for institutional catering is cautiously positive, partly due to a reduction in restaurant VAT in Sweden. In contrast with the rest of Europe, the Eastern European countries have recovered, with Russia in particular showing steady growth, especially in the traditional fast food market.

Risks and uncertainties

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

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

Changes in the Group

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



Other important events

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

In the Energy Sector, Lantmännen Agroetanol has signed a letter of intent with AGA Gas AB for the construction of a carbon dioxide plant. The plant, which is scheduled to be taken into operation in fall 2013, will process and clean carbon dioxide from Lantmännen Agroetanol's facility in Norrköping.

The Agriculture Sector has divested its diesel and fuel oil sales operations to Swea Energi and Lantmännen's five fuel stations on the island of Gotland to OKQ8. The effective dates were March 1, 2012 for Swea Energi and February 20 for OKQ8. The divestments gave a positive result.

On March 21, Per Olof Nyman was appointed and took up the position of Lantmännen's President and CEO. Per Olof had been Acting President and CEO since October, and before that he was Lantmännen's Executive Vice President and CFO.

Events after the end of the period

Lantmännen plans to discontinue the Agriculture Sector's feed production in Helsingborg and transfer production to other production facilities. The initiative is expected to give rise to 12 lay-offs.

Notices of termination have been issued to 15 blue-collar employees at Lantmännen Doggy. The changed staffing is due to a combination of reduced demand and rationalization through new investment.

The Group's net sales and earnings

January-March 2012

Net sales

Lantmännen's net sales for the first quarter amounted to MSEK 8,653 (8,674).

Net sales were only marginally affected by exchange differences during the quarter. The net sales figure was affected by declines in the Machinery and Agriculture Sectors, which were partly offset by an increase in the Energy and Food Sectors.

Operating income

Lantmännen's operating income for the first quarter amounted to MSEK 68 (202). The decline is mainly attributable to Lantmännen Agroetanol and Lantmännen Cerealia. Lantmännen Agroetanol's decline was mainly the result of a continuing difficult market situation of an unfavorable relationship between ethanol and grain prices. Lantmännen Cerealia's weaker performance compared with the previous year was largely due to lower sales volumes in both the Danish and Swedish operations.

Net financial income

The Group's net financial income for the first three months amounted to MSEK -55, compared with MSEK -68 for the same period the previous year. The improvement is mainly due to lower interest costs after the Group formed the "Grod-den" pension fund, thereby significantly reducing the pension liabilities on which interest has to be borne.

Tax and income after tax

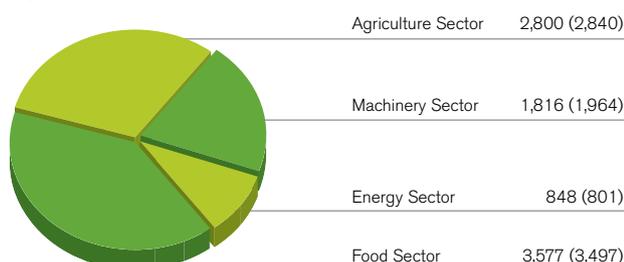
Tax expense for the period amounted to MSEK 9 (-22) and is calculated based on the expected tax rate for the whole year. This is affected by the fact that dividends from Lantmännen ek för are not reported in the consolidated income statement, but are tax deductible and included in earnings on which the tax is calculated.

Accordingly, the Group's net income after tax for the period amounted to MSEK 22 (112). MSEK 22 (110) of this figure is attributable to cooperative association members and MSEK 0 (2) to non-controlling interests (minority owners) in the Group's subsidiaries.

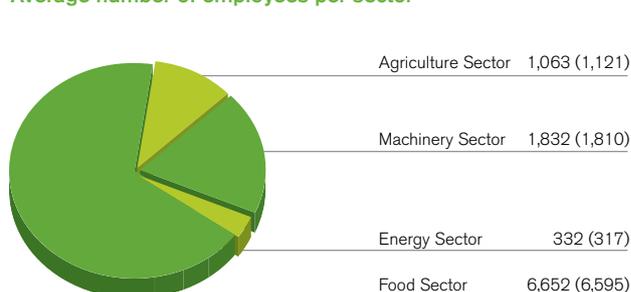


Sales per sector, including Group internal sales

MSEK



Average number of employees per sector



Other financial information

Cash flow and financing

Cash flow from operations during the period amounted to MSEK 688 (366), with a decline in working capital since the beginning of the year having a positive effect of MSEK 489 (17) on cash flow.

Investments in non-current assets were lower than in the previous year, amounting to MSEK 216 (363), while sales of non-current assets gave a positive cash flow of MSEK 54 (75). The period's net investments in non-current assets amounted to MSEK -162 (-267).

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

Cash flow before financing activities amounted to MSEK 526 (99).

The Group's borrowings decreased during the period, which involved payments of MSEK 665 (80)

The Group's total cash flow for the period amounted to MSEK -139 (19).

The Group's net debt at the end of the period was MSEK 6,714. This is lower than the figure at the beginning of the year, which was MSEK 7,186.

Payment capacity at the end of March was MSEK 1,501 (1,615 at the beginning of the year). 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. At the end of the period, Lantmännen was within the framework of the covenants associated with its existing loan agreements. Cash & cash equivalents stood at MSEK 598 at the end of March (MSEK 739 at the beginning of the year).

The equity ratio ended the period at 40.9 percent, which is a slight decline since the beginning of the year (41.1).

Total assets were MSEK 26,595 at the end of March, with little change since the beginning of the year (MSEK 26,621).

Equity

Group equity amounted to MSEK 10,888 at the end of the period, which is a decline of MSEK 54 since the beginning of the year (MSEK 10,942). MSEK 36 (36) of this figure was 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 22. The fair value remeasurement of financial instruments reduced equity by MSEK 71 (67), 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 5 (5).

Investments

The Group's investments in non-current assets amounted to MSEK 216 (363) in the first quarter.

Large investment projects in the Group include the Food Sector's investments in a new croissant production line in Belgium and a new packaging line in the mill in Vejle in Denmark.

Average number of employees

The average number of employees during the first three months of the year was 10,207 (10,162).

Accounting policies

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

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

Performance per Sector



Agriculture Sector

	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales, MSEK	2,800	2,840	11,497
Operating income, MSEK	21	31	183
Operating margin, %	0.8	1.1	1.6
Return on operating capital, %	2.3	3.1	4.8
Operating income, adjusted for items affecting comparability, MSEK	21	31	183
Operating margin, adjusted for items affecting comparability, %	0.8	1.1	1.6
Return on operating capital, adjusted for items affecting comparability, %	2.3	3.1	4.8
Average number of employees	1,063	1,121	1,154

Net sales for the first quarter amounted to MSEK 2,800 (2,840). Net sales in the Sector's contribution-related operations were 2 percent lower than the previous year. The decline was due to lower average grain prices and lower grain volumes and the divestment of the distillation business (diesel and fuel oil). The negative impact of this was partly offset by higher volumes of fertilizer, seed and lime, and higher volumes in some parts of the feed range.

Operating income for the first quarter amounted to MSEK 21 (31). The decline was largely attributable to poor performances by international associates whose earnings were negatively impacted by both a late spring season and low grain volumes due to a shortage of grain. In the Sector's contribution-related operations, operating income improved by MSEK 10 compared with the previous year due to a more favorable product mix and lower supply chain costs and overheads. In Lantmännen Lantbruk's other operations, Lantmännen Bygglant had a somewhat lower operating income, while Lantmännen Krafft showed an increase compared with the previous year.

<i>Results of the Agriculture Sector's contribution-related operations:</i>	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales, MSEK	2,667	2,723	10,638
Operating income, MSEK	37	27	77
Operating margin, %	1.4	1.0	0.7
Return on operating capital, %	5.6	3.9	3.0
Operating income, adjusted for items affecting comparability, MSEK	37	27	77
Operating margin, adjusted for items affecting comparability, %	1.4	1.0	0.7
Return on operating capital, adjusted for items affecting comparability, %	5.6	3.9	3.0
Average number of employees	877	919	931



Machinery Sector

	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales, MSEK	1,816	1,964	10,328
Operating income, MSEK	18	17	444
Operating margin, %	1.0	0.9	4.3
Return on operating capital, %	3.5	4.0	22.4
Operating income, adjusted for items affecting comparability, MSEK	18	17	444
Operating margin, adjusted for items affecting comparability, %	1.0	0.9	4.3
Return on operating capital, adjusted for items affecting comparability, %	3.5	4.0	22.4
Average number of employees	1,832	1,810	1,816

Net sales for the first quarter amounted to MSEK 1,816 (1,964), a decline of 8 percent compared with the same quarter the previous year. The decline was primarily attributable to lower sales for Swecon in Germany.

Lantmännen Maskin's net sales for the quarter increased by 1 percent compared with the previous year, with Denmark and Sweden showing the largest increase. In the Scandinavian countries, sales of farm machinery declined by approx. 10 percent compared with the previous year, largely as a result of delays in new tractor models. The order intake for new farm machinery was lower in Sweden and Denmark, due to delayed deliveries from the main supplier, while Norway's order intake increased. Compared with the first quarter of 2011, the market share for Valtra was somewhat lower in Sweden and Denmark and unchanged in Norway.

Swecon's net sales for the quarter declined compared with the previous year. The Swedish and German construction machinery markets are currently considered stable in spite of a lower order intake in the first quarter compared with the previous year. Spare part sales showed a decline since the previous year as a result of the mild winter. In the Baltic countries, demand for construction machinery remains weak.

Operating income for the first quarter amounted to MSEK 18 (17). Lantmännen Maskin's operating income was lower than the previous year as a result of delayed deliveries of new machinery. Swecon's operating income was a little higher than in the previous year.

<i>Results of the Machinery Sector's farm machinery operations:</i>	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales, MSEK	779	770	4,527
Operating income, MSEK	-33	-24	78
Operating margin, %	-4.2	-3.1	1.7
Return on operating capital, %	-12.1	-9.0	6.4
Operating income, adjusted for items affecting comparability, MSEK	-33	-24	78
Operating margin, adjusted for items affecting comparability, %	-4.2	-3.1	1.7
Return on operating capital, adjusted for items affecting comparability, %	-12.1	-9.0	6.4
Average number of employees	877	872	866



Energy Sector

	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales, MSEK	848	801	3,052
Operating income, MSEK	-47	33	-141
Operating margin, %	-5.5	4.1	-4.6
Return on operating capital, %	-8.3	5.6	-6.1
Operating income, adjusted for items affecting comparability, MSEK	-47	33	-68
Operating margin, adjusted for items affecting comparability, %	-5.5	4.1	-2.2
Return on operating capital, adjusted for items affecting comparability, %	-8.3	5.6	-2.9
Average number of employees	332	317	330

Net sales for the first quarter amounted to MSEK 848 (801), an increase of 6 percent compared with the same quarter the previous year.

The increase is mainly due to the fact that the expansion investment made in 2011 is in full operation at Lantmännen Reppe, and is also due to increased volumes in Lantmännen Agroetanol's ethanol and feed production.

Operating income for the first quarter amounted to MSEK -47 (33). The decline is mainly due to Lantmännen Agroetanol's continuing difficult market situation, with an unfavorable relationship between ethanol

and grain prices. Ethanol prices in Europe have been affected by E90 imports from the U.S. which have acted as a price cap on European ethanol. The tax-subsidized incentives for the U.S. ethanol industry were discontinued on January 1, while on April 3 the European Commission stopped all imports of U.S. ethanol with divergent tariff classification.

Although Lantmännen Agroetanol has experienced some positive effects from the changed conditions for imported ethanol from the United States and somewhat higher feed prices, these have not compensated for the increase in commodity prices. Work on further rationalization of operations aimed at reducing costs continues.

The results for the first quarter were also affected by conditions for Lantmännen Agroenergi on the Swedish pellet market, with an imbalance between supply and demand for pellets. This is due to factors such as overcrowding and increased imports from countries with lower commodity costs, as well as reduced demand caused by a mild winter.

Lantmännen Aspen's income was on a par with the previous year, while Lantmännen Reppe's income was slightly lower than the previous year's figure.



Food Sector

	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales, MSEK	3,577	3,497	14,708
Operating income, MSEK	69	121	298
Operating margin, %	1.9	3.5	2.0
Return on operating capital, %	3.0	5.2	3.2
Operating income, adjusted for items affecting comparability, MSEK	69	121	539
Operating margin, adjusted for items affecting comparability, %	1.9	3.5	3.7
Return on operating capital, adjusted for items affecting comparability, %	3.0	5.2	5.7
Average number of employees	6,652	6,595	6,670

Net sales for the Food Sector amounted to MSEK 3,577 (3,497) in the first quarter, which is an increase of 2 percent. Lantmännen Unibake and Lantmännen Kronfågel were mainly responsible for the increase compared with the previous year. Lantmännen Unibake's increase in net sales was largely attributable to increased sales in Russia, the United States, Sweden and Germany, while Lantmännen Kronfågel's increase in net sales was mainly due to higher sales volumes in the export market.

The overall Swedish market showed a negative trend in terms of volumes for pasta, flour & mixes and pet food, while volumes for chicken and breakfast foods increased.

Operating income for the Food Sector amounted to MSEK 69 (121) in the first quarter, which is a decline of MSEK 52. In the Sector, Lantmännen Cerealia reported a significantly lower operating income than the previous year, largely due to a lower sales volume in Sweden in all categories of the B2C segment. Lantmännen Cerealia's operating income was also negatively affected by declining volumes in Denmark, but here in the B2B segment. Lantmännen Doggy also showed a decline in operating income compared with the previous year due to a lower sales volume. Lantmännen Unibake's operating income was on a par with the previous year, while Lantmännen Kronfågel's was slightly higher than the previous year, mainly as a result of higher sales volumes and lower costs.

Condensed consolidated income statement

MSEK	2012 Jan-Mar	2011 Jan-Mar	Apr 2011- Mar 2012	2011 Jan-Dec
Net sales	8,653	8,674	37,875	37,896
Other operating income	74	52	709	687
Changes in inventories of finished goods and work in progress	-45	-56	76	65
Capitalized work for own account	0	1	3	4
Raw materials and consumables	-2,986	-3,681	-14,910	-15,605
Agricultural commodities	-2,452	-1,624	-9,540	-8,712
Employee benefits expense	-1,331	-1,296	-5,454	-5,419
Other operating expenses	-1,543	-1,591	-6,405	-6,453
Share of income of associates	-2	11	94	107
Depreciation, amortization and impairment	-300	-288	-1,378	-1,366
Operating income	68	202	1,070	1,204
Finance income	63	43	259	239
Finance costs	-118	-111	-583	-576
Income after financial items	13	134	746	867
Tax	9	-22	-116	-147
Net income for the period after tax	22	112	630	720
Net income for the period attributable to:				
Members of the cooperative association	22	110	632	720
Non-controlling interests	0	2	-2	0

Condensed consolidated statement of comprehensive income

MSEK	2012 Jan-Mar	2011 Jan-Mar	Apr 2011- Mar 2012	2011 Jan-Dec
Net income for the period after tax	22	112	630	720
Actuarial gains and losses on defined benefit pension plans	-	-	-156	-156
Available-for-sale financial assets	15	16	37	38
Cash flow hedges	-125	74	-162	37
Exchange differences on translation of foreign operations	-38	-26	-29	-17
Net gain on hedge of net investment in foreign operations	44	42	7	5
Income tax relating to components of other comprehensive income	28	-34	88	26
Other comprehensive income for the period, net of tax	-76	72	-215	-67
Total comprehensive income for the period	-54	184	415	653
Total comprehensive income for the period attributable to:				
Members of the cooperative association	-54	182	417	653
Non-controlling interests	0	2	-2	0

Condensed consolidated statement of financial position

MSEK	2012 Mar 31	2011 Mar 31	2011 Dec 31
ASSETS			
Property, plant & equipment	8,906	9,467	9,057
Investment property	198	240	201
Goodwill	2,616	2,734	2,640
Other intangible assets	749	683	767
Investments in associates	1,218	1,176	1,277
Financial assets	569	676	515
Deferred tax assets	311	221	232
Other non-current assets	125	35	45
Total non-current assets	14,692	15,232	14,734
Inventories	5,588	5,580	5,506
Trade and other receivables	5,575	5,395	5,511
Current interest-bearing assets	126	80	119
Current tax assets	16	2	12
Cash & cash equivalents	598	885	739
Total current assets	11,903	11,942	11,887
TOTAL ASSETS	26,595	27,174	26,621
EQUITY AND LIABILITIES			
Equity attributable to members of the cooperative association	10,852	10,572	10,906
Non-controlling interests	36	34	36
Total equity	10,888	10,606	10,942
Non-current interest-bearing liabilities ¹⁾	4,579	4,831	4,656
Provisions for pensions	346	1,790	347
Deferred tax liabilities	160	98	147
Other non-current provisions	294	290	273
Other non-current liabilities	35	20	23
Total non-current liabilities	5,414	7,029	5,446
Current interest-bearing liabilities	3,082	2,363	3,556
Trade and other payables	6,883	6,816	6,278
Current tax liabilities	67	101	90
Current provisions	261	259	309
Total current liabilities	10,293	9,539	10,233
TOTAL EQUITY AND LIABILITIES	26,595	27,174	26,621
Equity ratio	40.9	39.0	41.1
¹⁾ Including subordinated debentures, MSEK	56	56	56

Condensed consolidated quarterly income statements

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

Condensed consolidated statement of cash flow

MSEK	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Income after financial items	13	134	867
Adjustment for non-cash items ¹⁾	238	261	894
Taxes paid	-52	-46	-106
Cash flow from operating activities before change in working capital	199	349	1,655
Change in working capital	489	17	-735
Cash flow from operating activities	688	366	920
Investments in non-current assets	-216	-363	-1,431
Sale of non-current assets ²⁾	54	75	1,271
Change in financial investments	0	21	21
Cash flow from investing activities	-162	-267	-139
Cash flow before financing activities	526	99	781
Change in contributed capital	-	-	41
Dividend paid	-	-	-72
Change in loans	-665	-80	700
Transfer of cash to pension fund	-	-	-1,578
Cash flow from financing activities	-665	-80	-909
Cash flow for the period	-139	19	-128
Cash and cash equivalents at beginning of period	739	869	869
Exchange differences	-2	-3	-2
Cash and cash equivalents at the end of the period	598	885	739
¹⁾ Depreciation and impairment of non-current assets	300	288	1,366
Less share of income in associates	2	-11	-86
Capital gains on sale of non-current assets and operations	-38	5	-490
Other non-cash items	-26	-21	104
	238	261	894
²⁾ of which transferred to pension fund			1,057

Condensed consolidated statement of changes in equity

MSEK	2012 Jan-Mar			2011 Jan-Mar			2011 Jan-Dec		
	Association members	Non- controlling interests	Total equity	Association members	Non- controlling interests	Total equity	Association members	Non- controlling interests	Total equity
Opening balance, January 1	10,906	36	10,942	10,390	32	10,422	10,390	32	10,422
Total comprehensive income for the period	-54	0	-54	182	2	184	653	-	653
Contribution dividend to members	-	-	-	-	-	-	-68	-	-68
Dividend to non-controlling interests in Group companies	-	-	-	-	-	-	-	-1	-1
Refund and final price adjustment	-	-	-	-	-	-	-110	-	-110
Contributed capital paid in by members	-	-	-	-	-	-	90	-	90
Contributed capital paid out to members	-	-	-	-	-	-	-49	-	-49
Other changes relating to non-controlling interests	-	-	-	-	-	-	-	5	5
Closing balance	10,852	36	10,888	10,572	34	10,606	10,906	36	10,942
Equity attributable to members of the cooperative association									
Contributed capital, paid in	680			612			680		
Contributed capital, issued	888			738			888		
Other equity	9,284			9,222			9,338		
Total equity attributable to members of the cooperative association	10,852			10,572			10,906		

Segment Information

(The Group's reporting segments are its Sectors.)

Net sales per sector

MSEK	2012 Jan-Mar	2011 Jan-Mar	Change %	Apr 2011- Mar 2012	2011 Jan-Dec
Agriculture Sector	2,800	2,840	-1	11,457	11,497
Machinery Sector	1,816	1,964	-8	10,180	10,328
Energy Sector	848	801	6	3,099	3,052
Food Sector	3,577	3,497	2	14,788	14,708
Other operations	119	147	-19	582	610
Eliminations	-507	-575	-12	-2,231	-2,299
Lantmännen total	8,653	8,674	0	37,875	37,896

Operating income per sector

MSEK	2012 Jan-Mar	2011 Jan-Mar	Apr 2011- Mar 2012	2011 Jan-Dec
Agriculture Sector	21	31	173	183
Machinery Sector	18	17	445	444
Energy Sector	-47	33	-221	-141
Food Sector	69	121	246	298
Other operations ¹⁾	-35	-35	-107	-107
Group items ²⁾	42	35	534	527
Lantmännen total	68	202	1,070	1,204

¹⁾ Includes the following:

Capital gain on the sale of properties

-

208

208

²⁾ Includes the following:

Sale of assets to Lantmännen Pension Fund

-

455

455

Operating margin per sector

%	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Agriculture Sector	0.8	1.1	1.6
Machinery Sector	1.0	0.9	4.3
Energy Sector	-5.5	4.1	-4.6
Food Sector	1.9	3.5	2.0
Lantmännen total	0.8	2.3	3.2

Return on operating capital per sector

%	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Agriculture Sector	2.3	3.1	4.8
Machinery Sector	3.5	4.0	22.4
Energy Sector	-8.3	5.6	-6.1
Food Sector	3.0	5.2	3.2
Lantmännen total	1.6	4.6	6.5

Parent Company

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

Net sales during the period amounted to MSEK 2,779 (2,833), while operating income was MSEK 9 (-19). The higher operating income compared with the previous year is mainly attributable to lower costs and capital gains on the sale of properties and operations. Despite lower volumes in agriculture operations, operating income improved compared with the same period the previous year, largely as a result of higher production efficiency and a better product mix and lower costs.

Income after financial items totaled MSEK 79 (38). Net

financial income includes exchange gains of MSEK 39 (47) as a result of the strong Swedish krona. Exchange gains relate primarily to hedging of investments in foreign subsidiaries, which are recognized directly in the Group's equity, via other comprehensive income.

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

Net investments for the period amounted to MSEK 19 (25).

The equity ratio was 42.8 percent (40.7 at beginning of year).

The average number of employees during the period was 1,098 (1,101).

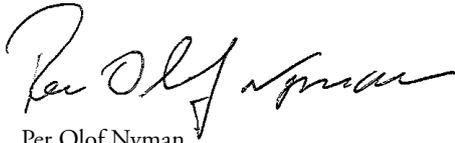
Condensed income statement

MSEK	2012 Jan-Mar	2011 Jan-Mar
Net sales, external	2,325	2,299
Net sales, intra-Group	454	534
Net sales, total	2,779	2,833
Less excise duties	-2	-1
Change in products in progress, finished goods and work in progress for third parties	-3	-21
Capitalized work for own account	0	1
Other operating income	97	70
	2,871	2,882
Operating expenses		
Raw materials and consumables	-1,507	-1,537
Agricultural commodities	-759	-744
Other external costs	-352	-379
Employee benefits expense	-200	-201
Depreciation, amortization and impairment	-44	-40
Total operating expenses	-2,862	-2,901
Operating income	9	-19
Income from financial items	70	57
Income after financial items	79	38
Tax	-19	-10
Net income for the period	60	28

Condensed statement of financial position

MSEK	2012 Mar 31	2011 Mar 31
ASSETS		
Intangible assets	195	160
Property, plant & equipment	899	1,040
Interests in Group companies	7,115	7,050
Investments in associates	830	851
Non-current receivables from Group companies	138	279
Other securities held as non-current assets	339	129
Other non-current receivables	147	302
Total non-current assets	9,663	9,811
Inventories	1,623	1,842
Current receivables from Group companies	9,217	8,846
Other current receivables	2,440	2,187
Current investments incl. cash & bank	207	371
Total current assets	13,487	13,246
TOTAL ASSETS	23,150	23,057
EQUITY AND LIABILITIES		
Equity	9,689	9,160
Untaxed reserves	311	311
Provisions	204	975
Non-current liabilities	4,106	4,545
Current liabilities to Group companies	4,243	4,159
Other current liabilities	4,597	3,907
TOTAL EQUITY AND LIABILITIES	23,150	23,057
Equity ratio	42.8	40.7

On assignment for the Board of Directors
Stockholm, 26 April 2012



Per Olof Nyman
President and CEO
Lantmännen

Review Report

This interim report has not been audited or reviewed by the association's auditors.

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