

Lantmännen's Interim Report
January-August

2015



**We make
farming thrive**


Lantmännen

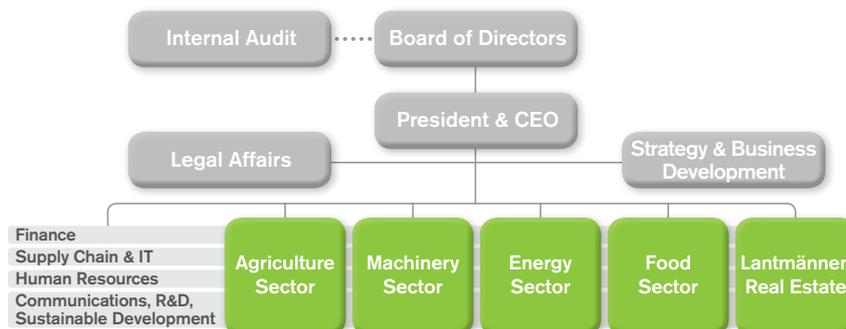


Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 29,000 Swedish farmers, we have 10,500 employees, operations in over 20 countries and revenues of SEK 37 billion. With grain as our basis, we process arable land resources to make farming thrive. Some of our best-known food brands are AXA, Kungsörnen, GoGreen, Schulstad, Gooh, Finn Crisp and Bonjour. Our company is founded on knowledge and values built up through generations of owners. Having research, development and operations throughout the value chain means that we can take responsibility together – from field to fork.

For more information: lantmannen.se/en

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Lantmännen's organization



Financial reporting and publication orders

Year-end Report 2015 • February 9, 2016

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

President's overview

Marked improvement in Lantmännen's earnings

Lantmännen's income after net financial items for the first eight months, adjusted for items affecting comparability, is MSEK 908, compared with MSEK 437 for the same period the previous year. This is a significant improvement from the previous year and all Sectors increased their operating income during the period.

The Agriculture Sector's performance is significantly better than the previous year, and the trend of progressively improving results continues. The improvement is largely due to continuing efficiency and cost adjustments in the Swedish agriculture operations, with a further strengthening of the Sector's customer focus. The Sector's foreign operations in the partly-owned companies in the Baltic region and Poland have developed well during the year, while earnings for HaGe Kiel have not reached the expected level.

Competition in the agricultural market in northern Europe remains intense, which can be seen in the feed segment and for most inputs. Profitability in the Swedish dairy industry, which forms the basis of agriculture in many parts of the country, is under severe pressure and this is having an adverse effect on the capacity to invest in agriculture. Not only is this a challenging situation for many farmers, but it also affects Lantmännen, particularly in the machinery and feed business.

We are on the way to the largest Swedish harvest in 25 years, which is very heartening both for farmers and for Lantmännen. Between August 15 and September 15, 1.4 million tonnes of grain were delivered to our grain receiving facilities, which is 500,000 tonnes more than in the same period the previous year. Harvesting has generally progressed very well, despite a very large and concentrated harvest, although the large volumes have presented logistical challenges particularly in the area north of Mälaren. Every day, operations are being optimized in order to create higher levels of service, with dryers running around the clock and intensive efforts underway to create storage space for the received grain.

The Machinery Sector's earnings are slightly higher than in the previous year, although this is mainly a result of further cost and efficiency measures, as well as a certain market strengthening in construction machinery in Sweden. The Swedish tractor market continues to decline, as do the markets in Norway and Denmark. Lantmännen is maintaining its market shares in a shrinking Swedish market, but the very challenging situation for dairy farmers is bringing a continuous decline in demand.

The Energy Sector has improved its operating income compared with the previous year, mainly driven by significantly improved earnings for Lantmännen Agroetanol. An increased proportion of ethanol is now sold on the German market, where demand for Lantmännen's sustainable ethanol has continued to increase as a result of new policy instruments that



reward greenhouse gas performance. Intensive work has also been implemented to reduce costs, use alternative raw materials and utilize by-products from ethanol production.

The Food Sector's operating income is significantly higher than in the previous year, which is mainly attributable to good growth in Unibake's international operations and a positive earnings contribution from Vaasan, which became a member of the Group in June 2015. Competition has intensified in most of Lantmännen's segments in Sweden, and the larger retail chains are very demanding in their tendering. Two major company transactions were conducted during the second four-month period: the acquisition of the Vaasan bakery group and the sale of Doggy.

Lantmännen Real Estate has increased its earnings compared with the previous year through an improved operating income and a number of completed property transactions.

Strategy implementation work continues with undiminished momentum

The implementation of our long-term strategy is continuing as planned, and we are starting to see the effects of the improvement work that forms the basis of the strategy in virtually all areas. The cost level has been reduced, efficiency has increased and we are also beginning to see the growth-creating measures bearing fruit. We will take further steps in some specific strategic areas, with a focus on continuing to create value in Swedish agriculture through measures such as using available technology and information to create better opportunities for streamlining work on the individual farm. Another important area for the future is to further strengthen and focus our innovation work – particularly in order to move more quickly from research to business. We are also working on mapping the value chain for rye and rye products, which will bring a clearer rye strategy for Lantmännen.

In summary, 2015 has been a very good year for Lantmännen so far. I look forward to leading and participating in the continuing work of implementing the strategy and achieving improvements for the remainder of the year and beyond. I feel confident that 2015 will continue to develop into a really good year for Lantmännen!


Per Olof Nyman
President & CEO, Lantmännen

The period in brief

January-August 2015

Net sales amounted to MSEK 12,105 (11,184) for the second four-month period and MSEK 23,169 (21,689) for the first eight months.

Operating income amounted to MSEK 688 (1,107) for the second four-month period. Adjusted for items affecting comparability, operating income was MSEK 688 (426). Items affecting comparability consist of a capital gain of MSEK 110 on the divestment of Lantmännen Doggy, restructuring costs of MSEK –45 in the Agriculture Sector and costs of MSEK –65 associated with the integration of Lantmännen and Vaasan's operations. Operating income for the first eight months was MSEK 979 (1,177), and adjusted for items affecting comparability MSEK 979 (496).

Cash flow from operating activities was MSEK 1,443 (835). The operating surplus contributed MSEK 1,495 (922) to the figure, while cash flow from working capital contributed MSEK –52 (–87). Cash flow before financing activities was MSEK –2,950 (858). Cash flow was affected by the acquisition of Vaasan and the divestment of Doggy. The acquisition was largely financed with own funds. Investments in non-current assets totaled MSEK 844 (707). Total cash flow including financing activities was MSEK –1,045 (–17).

At Lantmännen's AGM in May, Gunilla Aschan and Johan Mattsson were elected as new Board members after Lena Philipson and Nils Lundberg both declared themselves unavailable for re-election. Bengt-Olov Gunnarson, Per Lindahl and Hans Wallemyr were re-elected to the Board. At the statutory Board meeting, Bengt-Olov Gunnarson was elected Chairman and Per Lindahl Vice Chairman.

Lantmännen acquired the Vaasan bakery group in June. The operation is part of the Food Sector.

Lantmännen divested Lantmännen Doggy, which was part of the Food Sector, to the Lithuanian company NDX in July.



Pink bales to support breast cancer research

Lantmännen's key figures

| | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | 2014 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales, MSEK | 12,105 | 11,184 | 23,169 | 21,689 | 32,666 |
| Operating income, MSEK | 688 | 1,107 | 979 | 1,177 | 1,453 |
| Operating margin, % | 5.7 | 9.9 | 4.2 | 5.4 | 4.4 |
| Income after financial items, MSEK | 670 | 1,080 | 908 | 1,118 | 1,342 |
| Net income for the period, MSEK | 562 | 1,031 | 781 | 1,086 | 1,225 |
| Cash flow before financing activities, MSEK | –3,334 | 77 | –2,950 | 858 | 2,077 |
| Return on equity, % | 13.8 | 26.9 | 9.7 | 14.5 | 10.6 |
| Return on operating capital, % | 11.0 | 20.6 | 8.6 | 11.2 | 9.1 |
| Total assets, MSEK | | | 32,121 | 28,223 | 27,131 |
| Equity ratio, % | | | 38.8 | 42.9 | 43.8 |
| Investments, MSEK | 539 | 385 | 844 | 707 | 1,087 |
| Net debt, MSEK | | | 7,585 | 4,110 | 3,674 |
| Interest coverage ratio, times | | | 7.1 | 7.8 | 6.9 |
| Average number of employees | | | 8,337 | 8,382 | 8,311 |
| Adjusted for items affecting comparability, | | | | | |
| Operating income, MSEK | 688 | 426 | 979 | 496 | 851 |
| Operating margin, % | 5.7 | 3.8 | 4.2 | 2.3 | 2.6 |
| Income after financial items, MSEK | 670 | 399 | 908 | 437 | 740 |
| Return on equity, % | 13.2 | 8.8 | 9.4 | 5.3 | 5.1 |
| Return on operating capital, % | 11.0 | 7.9 | 8.6 | 4.7 | 5.3 |

Business environment, sales and earnings

Market and business environment

After the beginning of the year, with an economic downturn in the US and crisis management of the Greek economy in the Eurozone, developments in the US and the Eurozone took a slightly upward turn. Developments in markets such as China, India, Brazil and Russia were weaker.

The Swedish economy showed relatively strong growth in the second quarter, and growth forecasts for the full year 2015 point to 2.5 to 3.0 percent. The growth is driven mainly by domestic demand and investments in housing. The slowdown in the Norwegian economy has continued, while growth in Denmark is increasing slowly and the outlook in Finland appears a little brighter than before. Growth in the Baltic countries has been relatively good in the year to date.

The ongoing Syrian civil war has sent about 60 million people fleeing, and the global security situation is more unstable than it has been for a long time. This has caused uncertainty in many markets, and created a complicated political situation in many countries. It is difficult to assess how the situation will develop and the implications for mobility in Europe.

The Riksbank lowered the repo rate further in summer, resulting in a weaker krona. The Riksbank's latest forecast shows that further stimulus measures may be relevant in the near future, in order to keep inflation and demand in the Swedish economy afloat. In contrast, the US Central Bank has signaled impending interest rate hikes, which has contributed to a measure of uncertainty in the global markets. However, interest rates were left unchanged at the last meeting.

The Swedish grain harvest is in its final stage, and the yield has been very good in virtually the entire country. In terms of quality, the protein levels in milling wheat and malting barley are lower than last year, which means that a larger proportion of the grain is classified as feed grain.

The harvests in the Baltic Sea region are generally much larger than last year. The Baltic countries do not have the

capacity to store their large harvests, which means that there has been significant outward selling pressure from the Baltic region during the harvest period. Harvest volumes on the Continent have also been large and of relatively good quality, which has contributed to a downward trend for grain prices.

Demand for grain during the summer and early fall has been much lower than in the previous year. This was mainly due to the relatively poor French harvest last year leading to higher demand for grain from the Baltic region.

The situation remains difficult for many Swedish milk producers. According to LRF's latest dairy market report, which is issued four times a year, world prices continued to fall during summer. Milk production has increased in many parts of the world, while milk collection in Sweden has fallen by 0.6 percent in the year to date. The imbalance in the dairy market and highly volatile price movements make it very difficult to assess developments in the coming months.

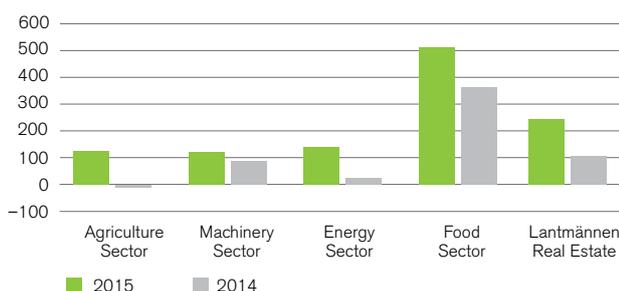
The process of formulating a national Swedish food strategy for increased growth and exports has continued in the second four-month period. Lantmännen's participation in these efforts includes a consultation response to the Ministry of Enterprise and Innovation, which is coordinating the work, and continuous discussions with LRF and LI (Swedish Food Federation). In addition, Lantmännen and its elected representatives have taken part in several open dialogue meetings on the strategy, organized by the Ministry for Rural Affairs.

The tractor market in Sweden has declined by 7 percent in the first eight months of the year. The markets in Norway and Denmark also continue to decline. The shrinking market is driving further structural changes and consolidation in the industry.

Sweden's export growth remains weak, despite the weakening of the Swedish krona during the year. Commodity prices have generally shown a downward trend during the year – particularly metal prices, which has had a negative impact on the already pressured mining and metal industry. This in turn

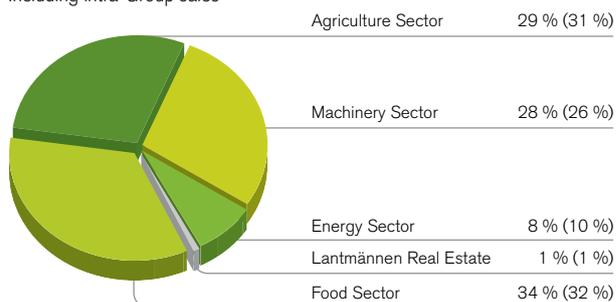
Operating income per Sector, accumulated January-August

Adjusted for items affecting comparability, MSEK



Distribution of Group's sales

Including intra-Group sales





has had an adverse effect on demand for large construction machinery. At the same time, there has been an increase in public investment from the state and municipalities, particularly in the form of a renovation of the Million Homes Program and large infrastructure investments.

According to HUI Research, Sweden's growth in fast-moving consumer goods (FMCG) continues and was 2.8 percent for the period up to and including July 2015. The trend from the first four-month period continues, with low inflation, low interest rates and increased household wealth. Denmark's FMCG growth in the same period was 1.2 percent, while Norway's was 2.0 percent. Finland showed negative growth of -2.0 percent.

Interest in quality and premium products in the FMCG sector remains strong, as does demand for products with a high food safety level and clear origin labeling. Swedish raw materials, health benefits and organic and locally produced food continue to be attractive to consumers.

The Group's net sales and earnings January-August 2015

Net sales

Lantmännen's net sales for the second four months amounted to MSEK 12,105 (11,184), an increase of 8 percent. The Food and Machinery Sectors showed an increase in sales.

Net sales for the first eight months amounted to MSEK 23,169 (21,689), an increase of 7 percent.

Adjusted for acquired and divested operations, net sales for the four-month period increased by 2 percent and for the full period by 5 percent.

Currency effects had a positive impact of 1 percent on net sales for the four-month period and 2 percent for the full period.

Operating income

Operating income for the second four-month period was MSEK 688 (1,107) and adjusted for items affecting comparability it was also MSEK 688 (426).

Items affecting comparability consist of a capital gain of MSEK 110 on the divestment of Lantmännen Doggy, restructuring costs of MSEK -45 in the Agriculture Sector and costs

of MSEK -65 associated with the integration of Lantmännen and Vaasan's operations. The previous year's items affecting comparability consisted of capital gains on the IPO of Scandi Standard and the sale of Lantmännen's German and Polish plant breeding and seed operations and restructuring costs in the Agriculture Sector.

Operating income for the first eight months was MSEK 979 (1,177) and adjusted for items affecting comparability MSEK 979 (496). Operating income improved in all Sectors, with the largest increase in the Agriculture and Energy Sectors.

Adjusted for acquired and divested operations and items affecting comparability, operating income was MSEK 618 (443) for the four-month period and MSEK 904 (518) for the full period.

Currency effects had an impact of MSEK 4 on operating income in the four-month period and MSEK 8 in the first eight months.

Net financial income and income after financial items

Net financial income for the second four-month period was MSEK -18 (-27). Income after financial items for the four-month period totaled MSEK 670 (1,080) and adjusted for items affecting comparability MSEK 670 (399).

Net financial items for the period January-August 2015 amounted to MSEK -71 (-59). The change is due, among other things, to weaker net interest income as a result of increased net debt with the acquisition of Vaasan. The decline in net interest income was offset by higher dividends and improved foreign exchange gains. Income after financial items for the first eight months totaled MSEK 908 (1,118) and adjusted for items affecting comparability MSEK 908 (437).

Tax and income after tax

Tax expense for the first eight months was MSEK 127 (32). Tax is calculated using the estimated tax rate for the full year.

Income after tax amounted to MSEK 781 (1,086), with MSEK 779 (1,077) of this figure attributable to members of the economic association and MSEK 2 (9) to non-controlling interests (minority ownership) in the Group's subsidiaries.

Cash flow

Cash flow from operating activities for the period January-August was MSEK 1,443 (835). The operating surplus contributed MSEK 1,495 (922) to the figure, while cash flow from working capital contributed MSEK -52 (-87).

Investments in non-current assets were MSEK -844 (-707), while sales of non-current assets amounted to MSEK 382 (168), which meant that net investments for the period were MSEK -462 (-539).

Acquisitions and divestments of operations generated a cash flow of MSEK -4,084 (967). Cash flow was affected by the acquisition of Vaasan and the divestment of Doggy. The acquisitions were largely financed with own funds.

Cash flow before financing activities was MSEK -2,950 (858), while total cash flow including financing activities was MSEK -1,045 (-17).

Financial position

Equity at August 31 amounted to MSEK 12,472 (11,876 at year-end). MSEK 23 (17 at year-end) of this amount is attributable to owners other than members of the economic association, i.e. the minority interest in Group companies. Net debt has increased by MSEK 3,911 since year-end, ending the period at MSEK 7,585 (3,674 at year-end). The increase is attributable to the acquisition of Vaasan.

The Group's liquidity is good. Cash & cash equivalents at August 31 were MSEK 2,018 (3,058 at year-end).

Total assets amounted to MSEK 32,121 (27,131 at year-end). The equity ratio was 38.8 percent (43.8 at year-end). The changes are largely attributable to the acquisition of Vaasan.

Risks and uncertainties

All business activity is subject to risk. The risks in Lantmännen's operations are strategic risks associated with trademarks, external regulations, the economy, operational risks (e.g., fluctuating energy, ethanol and commodity prices) and financial risks. The risks are described in detail in the 2014 Annual Report.

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

Changes in the Group

The Vaasan bakery group was acquired in June. The acquisition was announced at the beginning of the year and the relevant competition authorities approved the transaction in spring. Lantmännen already indirectly owned about 8 percent of the shares in Vaasan and acquired the remainder through the transaction. The acquisition is part of Lantmännen's strategy to strengthen the position in the northern European markets within Lantmännen Unibake's international operations.

Vaasan is the world's largest producer of thin crisp products and the world's second largest crispbread producer. The company is also a major bake-off player in the Nordic region and has a significant presence in the fresh bread segment. Vaasan has a turnover of about EUR 400 million (approximately SEK 4 billion) and about 2,500 employees in Finland, Estonia, Latvia, Lithuania, Sweden and Norway. Vaasan is part of the Food Sector.

Lantmännen Doggy was divested to the Lithuanian company NDX in July. The sale, which was part of Lantmännen's portfolio strategy for value creation, generated a capital gain of MSEK 110. The divested operation's annual turnover had been approximately MSEK 560, with total assets of MSEK 200. The average annual number of employees was 160. In connection with the divestment of Doggy, the industrial properties in Vårgårda where Doggy's operations are conducted were also sold.

In May, Lantmännen acquired Crop Tailor, a Swedish biotech company which has developed technology for fast, high-precision breeding of oats. The acquisition was part of Lantmännen's strategic focus on oats. The company is in the development stage and has limited operations.

The mill in Uppsala was acquired from Lantmännen's Grodden pension fund and a property in Enköping was sold to the pension fund during the four-month period. A retail property in Avesta was acquired in May and an industrial property in Valla was sold in March.

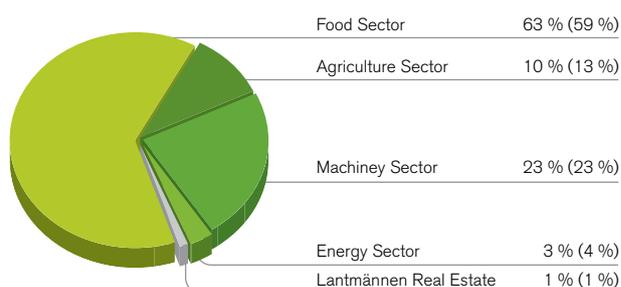
The acquisition balance sheets for the acquired companies are still preliminary.

The surplus value arising on the acquisition of Vaasan was recognized as an intangible asset pending completion of the acquisition analysis.

Human resources

The average number of employees was 8,337 (8,382) and the number of full-time employees was 10,222 (8,491) at August 31, 2015. The number of employees increased with the acquisition of Vaasan, although the number decreased following the divestment of operations and as a result of efficiency measures in the Agriculture Sector and corporate functions.

Distribution of Group's employees



Other important events

Agreement has been reached between Lantmännen and Kalmar Lantmän on Lantmännen's plans to acquire Kalmar Lantmän's machinery business.

Lantmännen Unibake's bakery in Londerzeel was destroyed by a fire on June 18. After the fire, intensive efforts have been devoted to securing deliveries to customers and conducting insurance investigations. The facility was fully insured.

Lantmännen Lantbruk and Lantmännen Maskin jointly participated in the Borgeby and Brunnby agricultural fairs. Lantmännen's stand was well-attended and represented a meeting place for many visitors.

Infrastructure Minister Anna Johansson has opened Lantmännen's filling station in Norrköping, which is Sweden's first public filling station with three different renewable fuels.

Lantmännen attended the political week in Almedalen and participated in about ten seminars, three of which were Lantmännen's own seminars. The best-attended of Lantmännen's seminars was on the topic of sustainable cultivation.

Lantmännen Reppe has started using a new 74-tonne vehicle for its heavy internal transport between Lidköping and Växjö. This will reduce the climate impact by 93 percent compared with the previous transport method. The vehicle – which has a special permit from the Swedish Transport Administration – runs on HVO100, a renewable, fossil-free diesel.

The agreement on the highly acclaimed pink plastic around silage bales raised just under SEK 200,000 for breast cancer research.

Lantmännen's Annual General Meeting

At Lantmännen's AGM in May, Gunilla Aschan and Johan Mattsson were elected as new Board members after Lena Philipson and Nils Lundberg both declared themselves unavailable for re-election. Bengt-Olov Gunnarson, Per Lindahl and Hans Wallemyr were re-elected to the Board. At the statutory Board meeting, Bengt-Olov Gunnarson was elected Chairman and Per Lindahl Vice Chairman.

The meeting adopted a contribution dividend and contribution issue which with the final price adjustment and refund results in a historically high MSEK 463 in dividends to members.

Events after the end of the reporting period

To improve the competitiveness and efficiency of operations, Lantmännen Lantbruk has initiated co-determination negotiations in order to close down the seed cleaning facility in Uppsala and concentrate these operations on other cleaning facilities. At the same time, active efforts are in progress to move the grain-receiving facility in Uppsala to a better location in the neighborhood.

The MAT2015 food fair in Växjö attracted 55,000 visitors. Lantmännen was in attendance and highlighted agriculture and its importance to Swedish food production. Lantmännen Reppe and parts of the Växjö district board were also there.



Harvesting.

Agriculture Sector

Key figures Agriculture Sector

| | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Change Jan-Aug |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales, MSEK | 3,096 | 3,371 | 6,982 | 6,994 | 0 % |
| Operating income, MSEK | 58 | -8 | 81 | -61 | 142 |
| Operating margin, % | 1.9 | -0.2 | 1.2 | -0.9 | |
| Return on operating capital, % | 4.5 | -0.6 | 3.0 | -2.4 | |
| Operating income, adjusted for items affecting comparability, MSEK | 103 | 42 | 126 | -11 | 137 |
| Operating margin, adjusted for items affecting comparability, % | 3.3 | 1.2 | 1.8 | -0.2 | |
| Return on operating capital, adjusted for items affecting comparability, % | 8.0 | 3.5 | 4.8 | -0.4 | |
| Average number of employees | | | 802 | 1,012 | -21 % |

Key figures Lantmännen Lantbruk Sweden

| | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Change Jan-Aug |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales, MSEK | 3,060 | 3,246 | 6,911 | 6,775 | 2 % |
| Operating income, MSEK | 35 | -24 | 54 | -41 | 95 |
| Operating margin, % | 1.1 | -0.7 | 0.8 | -0.6 | |
| Return on operating capital, % | 4.0 | -2.7 | 2.9 | -2.3 | |
| Operating income, adjusted for items affecting comparability, MSEK | 80 | 26 | 99 | 9 | 90 |
| Operating margin, adjusted for items affecting comparability, % | 2.6 | 0.8 | 1.4 | 0.1 | |
| Return on operating capital, adjusted for items affecting comparability, % | 9.1 | 3.1 | 5.3 | 0.5 | |
| Average number of employees | | | 773 | 904 | -14 % |

The Agriculture Sector's net sales for the first eight months were in line with the previous year, while the Sector's operating income adjusted for items affecting comparability was significantly higher than the previous year at MSEK 126 (-11). The strong improvement is primarily due to the continuing efficiency and structural improvements made during the year. The organization is gradually becoming more effective and efficient, and the reduction in production costs has continued during the four-month period.

Competition in the agricultural market remains tough, and this is particularly the case in the feed segment, where the total market has declined and price competition has further intensified during the period. The grain business has developed positively during the year to date, as has the seed & forages business. The merchandise business has shown a stable trend, with sales volumes in line with the previous year. However, fertilizer sales are slightly lower than in the previous year, with concerns about the introduction of a fertilizer tax driving up volumes.

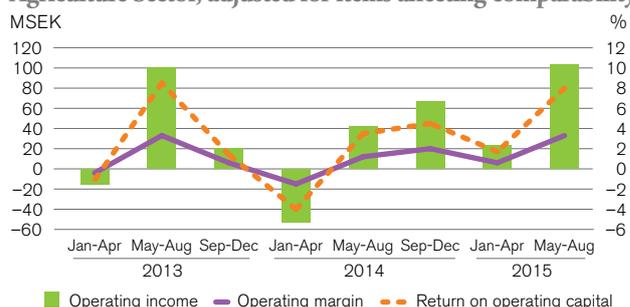
The Swedish harvest for the year has been delayed, but at the time of writing Sweden appears to be heading for its largest harvest in 25 years. Between August 15 and September 15, 1.4 million tonnes of grain were delivered to Lantmännen's grain receiving facilities, which is 500,000 tonnes more than in the same period the previous year. Protein levels are also slightly lower than last year. The Baltic Sea region and the whole of Europe have had generally good harvests, with the Baltic countries having record-high volumes. The large harvests are depressing prices throughout the Baltic Sea region, particularly in combination with lower demand for exports than in the previous year when the weak French harvest resulted in limited supply. Lantmännen's harvest work has generally progressed very well, with satisfied customers and suppliers – although the large volumes have presented logistical challenges primarily in the area north of Mälaren.

A new Nötfor range for dairy cows was launched in September. The new range provides higher feed efficiency, which contributes to better conditions for profitable milk production and aims to strengthen the competitiveness of Swedish agriculture. The feed has been thoroughly tested on farms across the country.

Market conditions for the Sector's international interests in Germany, Poland and the Baltic countries are largely the same as in the Swedish market. In July, it was announced that the company Scandagra, which is jointly (50-50) owned by Lantmännen, would be acquiring the Lithuanian agricultural company Agrogimas. The acquisition is part of Lantmännen's growth strategy and strengthens Scandagra's and Lantmännen's position in the rapidly growing Baltic market.

The process of implementing Lantmännen's long-term strategy – Strategy 2020 – in all its businesses is continuing as planned. A particularly strong focus is being placed on promoting value creation in Swedish agriculture, including developing methods to use available technology and information to facilitate and streamline work on the individual farm.

Agriculture Sector, adjusted for items affecting comparability





Machinery Sector

Key figures Machinery Sector

| | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Change Jan-Aug |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales, MSEK | 3,737 | 3,366 | 6,848 | 6,052 | 13 % |
| Operating income, MSEK | 118 | 85 | 122 | 88 | 34 |
| Operating margin, % | 3.2 | 2.5 | 1.8 | 1.5 | |
| Return on operating capital, % | 18.9 | 11.2 | 9.7 | 6.2 | |
| Average number of employees | | | 1,865 | 1,834 | 2 % |

Key figures Lantmännen Maskin Sweden

| | | | | | |
|--------------------------------|-------|-------|-------|-------|-----|
| Net sales, MSEK | 1,164 | 1,097 | 2,127 | 2,026 | 5 % |
| Operating income, MSEK | 24 | 21 | -4 | -9 | 5 |
| Operating margin, % | 2.1 | 1.9 | -0.2 | -0.4 | |
| Return on operating capital, % | 8.1 | 7.6 | -0.7 | -1.6 | |
| Average number of employees | | | 752 | 726 | 4 % |

The Machinery Sector's net sales for the first eight months were slightly higher than in the previous year. Operating income amounted to MSEK 122, an improvement from the previous year's result, which was MSEK 88 for the same period.

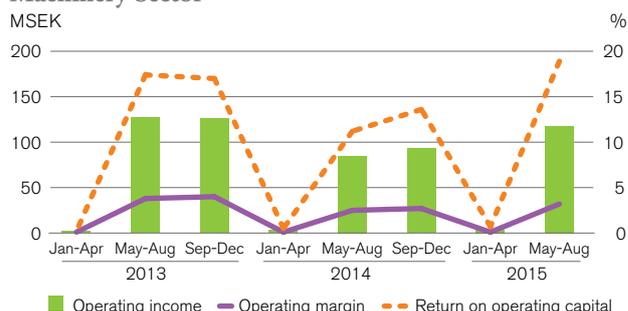
The overall tractor market in Sweden continues to decline, with total tractor sales for the first eight month being 7 percent lower than in the previous year. The markets in Norway and Denmark also continue to decline. Lantmännen is maintaining its market shares in a shrinking Swedish market, but the challenging situation, particularly for dairy farmers, is bringing a continuous decline in demand – both for new machines and the servicing and parts market. In order to counter the difficult market situation, Lantmännen Maskin is working on a number of measures to increase efficiency, reduce costs and strengthen accessibility to customers. Previous measures include the launch of the Lantmännen Classic service concept, designed for owners of older machines – and several independent workshops were contracted to supply Lantmännen's spare parts to machine owners during the four-month period.

Swecon is showing stable growth in both Sweden and Germany. Demand in Sweden has been stronger than expected, partly due to some customers waiting for recently launched machinery models. The mining industry's situation remains challenging, which means that the highest demand is

in the urban areas and close to major infrastructure projects. The German market is the most stable in global terms, which means that more suppliers are turning to Germany, with very intense price competition as a result.

Swecon's used spare parts business began during the four-month period. Reusing used but adequate spare parts is positive both from a sustainability perspective and to help reduce parts costs for owners of older machines.

Machinery Sector





Energy Sector

Key figures Energy Sector¹⁾

| | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Change Jan-Aug |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales, MSEK | 1,073 | 1,083 | 1,911 | 2,233 | -14 % |
| Operating income, MSEK | 77 | 36 | 139 | 23 | 116 |
| Operating margin, % | 7.2 | 3.3 | 7.3 | 1.0 | |
| Return on operating capital, % | 20.0 | 8.8 | 18.1 | 2.9 | |
| Average number of employees | | | 230 | 294 | -22 % |

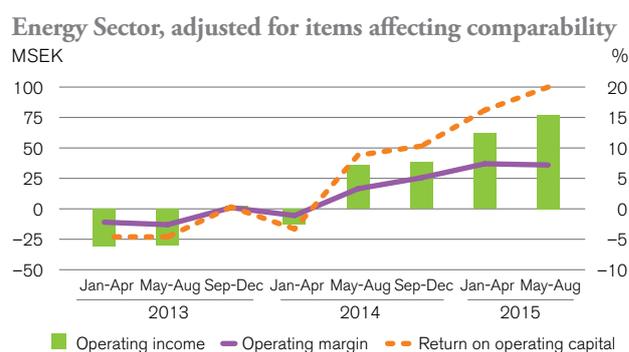
¹⁾ Lantmännen's heating operations were part of the Energy Sector in 2014, but are included in Lantmännen Real Estate from 2015. The figures for 2014 have been adjusted.

The Energy Sector's net sales for the first eight months were lower than in the previous year, mainly due to the divested pellet operations, which are now part of the jointly owned company Agroenergi Neova pellets. After adjustment for this, the Sector's net sales were largely in line with the previous year. Operating income for the first eight months amounted to MSEK 139, a considerable improvement from MSEK 23 for the same period the previous year.

The higher operating income was primarily attributable to a strong improvement in earnings for Lantmännen Agroetanol, which began in the first four-month period and continued in the second period. The new German policy instruments for biofuels, which were introduced earlier this year and reward environmental performance rather than volumes, have been a major contributory factor. An increased proportion of produced ethanol is being sold in the German market, where demand for Lantmännen Agroetanol's sustainable ethanol has continued to rise. Intensive work has also been implemented to reduce costs, use alternative raw materials and utilize by-products. Sales of Agro Cleanpower 95, an ethanol fuel for buses and trucks, continued to increase during the four-month period.

Lantmännen Aspen continues its positive growth, with an increase in sales compared with the previous year. This summer's marketing drive for the "Aspen 4" fuel for four-stroke engines – such as lawnmowers – has been successful.

During the four-month period, Lantmännen Reppe returned to the same capacity as before the explosion that occurred at one of the company's facilities in May. The focus on more high added value products has continued in a positive way.





Food Sector

Key figures Food Sector

Net sales, MSEK
 Operating income, MSEK
 Operating margin, %
 Return on operating capital, %
 Average number of employees

| | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Change Jan-Aug |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales, MSEK | 4,661 | 3,771 | 8,351 | 7,285 | 15 % |
| Operating income, MSEK | 377 | 218 | 514 | 364 | 150 |
| Operating margin, % | 8.1 | 5.8 | 6.2 | 5.0 | |
| Return on operating capital, % | 10.2 | 8.3 | 8.2 | 7.0 | |
| Average number of employees | | | 5,131 | 4,908 | 5 % |

The Food Sector's net sales for the first eight months were significantly higher than in the previous year, largely due to the acquisition of the Vaasan bakery group. The Sector's operating income was also significantly higher than in the previous year at MSEK 514 (364). The increased operating income is largely attributable to continuing improvements in earnings for Lantmännen Unibake and the additional earnings from Vaasan.

Lantmännen Cerealia launched several new products during the four-month period, including the "Go Raw" food concept from GoGreen and new granola products from Start. The gluten-free flour mixes launched earlier in the year have been well received.

Cerealia's B2B sales have developed positively during the year to date. However, price competition in Cerealia's consumer segments in the Nordic markets remains very tough. Intensive product development and marketing work is in progress in response to the market challenges. It is particularly heartening that Cerealia's business in Ukraine is delivering at a good level, despite the difficult conditions in the region, including political and military unrest in eastern Ukraine, a decline in exports to Russia, rising inflation and falling exchange rates.

A number of investments made in Lantmännen Unibake's bakeries since last year have now begun to produce effects in the form of higher production efficiency – among them the opening of a new production line in the US. The earnings trend remains positive and sales in most markets are developing well. Work on creating profitable growth and expanding the business both geographically and to new customer groups continues. This includes better use of internal distribution channels in order to offer more of the product range to more markets.

In June, a fire broke out at Unibake's baguette production facility in Londerzeel in Belgium, totally destroying the bakery. In the second four-month period, intensive efforts have been in progress to secure deliveries to customers and conduct insurance investigations.

The Vaasan bakery group was acquired in June and the group's operations are currently being integrated in both Cerealia and Unibake. Several areas of synergy have been identified and Vaasan's operations complement Lantmännen's existing businesses very well.

Lantmännen Doggy was sold to the Lithuanian company NDX during summer. The sale is a step in Lantmännen's strategy for a stronger focus on the core business in the grain value chain, and Doggy will have better opportunities for development and growth within NDX, which has a number of other businesses in the same sector.

Food Sector, adjusted for items affecting comparability





Vaasan

The acquisition of Vaasan, which was completed on June 1, is one of the largest transactions Lantmännen has conducted for many years. Lantmännen and Vaasan are a perfect match: the companies have similar values and approaches, and businesses that complement each other well.

With common knowledge and experience in grain and bakeries, Lantmännen and Vaasan together create an even stronger platform for innovation, and can develop new products and businesses for the benefit of customers, consumers and shareholders.

Together the companies will be a leader in the common home market around the Baltic Sea. With Vaasan, Lantmännen's bake-off offering and rye knowledge are strengthened. Vaasan's fresh bread brings new products, while a brand new international customer offering is added in the form of crispbread. The expanded product portfolio, customer base and production capacity create opportunities to pursue the common ambition for growth not only in northern Europe but also in the rest of the world.

To create the best conditions for each business, Vaasan's current operations will be integrated into two of Lantmännen's business areas:

- Fresh bread will become a new, freestanding business unit in Lantmännen Unibake.
- Bake-off will be fully integrated into Lantmännen Unibake.
- Crispbread will be fully integrated into Lantmännen Cerealia.

- Vaasan is an international pioneer in the bakery sector and a leading force in food production in the Nordic and Baltic countries.
- Three business areas: Fresh bread, Bake-off and Crispbread
- Net sales: approximately EUR 400 million
- About 2,500 employees
- 16 production facilities and sales offices in 7 countries
- Strong food brands such as: Vaasan, Bonjour, Finn Crisp, Leibur, Hanzas Maiznica and Vilnaus Duona



Lantmännen Real Estate

Key figures Lantmännen Real Estate¹⁾

| | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Change Jan-Aug |
|--|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales, MSEK | 142 | 152 | 299 | 302 | -1 % |
| Operating income excluding property sales, MSEK | 58 | 54 | 120 | 108 | 12 |
| Operating income, MSEK | 100 | 53 | 245 | 108 | 137 |
| Return on operating capital, excluding property sales, % | 10.9 | 11.3 | 11.6 | 11.4 | |
| Average number of employees | | | 39 | 43 | -10 % |

¹⁾ Lantmännen's heating operations were part of the Energy Sector in 2014, but are included in Lantmännen Real Estate from 2015. The figures for 2014 have been adjusted.

Lantmännen Real Estate's net sales for the first eight months were largely in line with the previous year. Operating income excluding property sales was higher than in the previous year at MSEK 120 (108). The higher income is partly attributable to an increase in the proportion of external leasing and partly to slightly improved heating operations compared with the previous year due to a more favorable climate and better fuel purchasing.

A number of property transactions were conducted during the second four-month period. A property was acquired in Avesta, the mill in Uppsala was acquired from Lantmännen's Grodden pension fund and a property in Enköping was sold to the pension fund. In connection with the divestment of Lantmännen Doggy, the industrial premises in Vårgårda, where Doggy's operations are conducted, were also sold.

A new, sustainable energy plant was opened at Lantmännen Maskin in Uppsala. The plant uses solar energy to supply the premises with electricity. The inauguration is another step in the efforts to switch Lantmännen's premises to more sustainable forms of energy.

Lantmännen Real Estate, excluding property sales





Viking Malt

International ownership

The Agriculture, Energy and Food Sectors are partners in a number of international companies. These companies' operations are primarily located in Germany, Poland and the Baltic countries. Lantmännen's share of earnings is reported in each Sector.

HaGe Kiel (40 %)

Hauptgenossenschaft Nord AG (HaGe Kiel) has an annual turnover of approximately EUR 2.7 billion and about 1,700 employees. Lantmännen's holding in HaGe Kiel is 40 percent. DLG (Dansk Landbrugs Grovvareselskab) owns 54 percent and the remaining shares are owned by different investors. Operations include grain trading and the sale of inputs in the agricultural market. Part of the Agriculture Sector.

Scandagra Group (50 %)

Scandagra Group operates in the three Baltic countries. The Group has a turnover of approximately EUR 240 million and just over 200 employees. The company is jointly owned (50-50) by Lantmännen and DLG. Its operations comprise the sale of inputs in the agricultural market and grain trading. Part of the Agriculture Sector.

Scandagra Polska (50 %)

Scandagra Polska is a merchant of grain and other inputs in the Polish agricultural market. The company has an annual turnover of approximately SEK 1.2 billion and about 120 employees. The company is jointly owned (50-50) by Lantmännen and DLG. Part of the Agriculture Sector.

Agroenergi Neova Pellets (50 %)

Agroenergi Neova Pellets manufactures and sells solid biofuels, such as wood pellets. The company has an annual turnover of approximately SEK 1 billion and about 130 employees. The company has a strong position in the Swedish market and in the Baltic region. Lantmännen and Neova each own 50 percent of the company. Part of the Energy Sector.

Viking Malt (38 %)

Viking Malt produces malt in Finland, Sweden and Lithuania. The company has an annual turnover of approximately EUR 140 million and about 140 employees. The company supplies about 330,000 tonnes of malt annually to breweries, distilleries and selected companies. Lantmännen owns 38 percent of the company, with the remainder being owned by the Finnish company Polttimo. Part of the Food Sector.

Condensed consolidated income statement

| MSEK | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Net sales | 12,105 | 11,184 | 23,169 | 21,689 | 34,146 | 32,666 |
| Other operating income | 448 | 884 | 638 | 1,001 | 824 | 1,187 |
| Changes in inventories of finished goods and work in progress | 751 | 228 | 260 | 4 | 241 | -15 |
| Capitalized work for own account | 0 | 0 | 0 | 1 | 1 | 2 |
| Raw materials and consumables | -4,194 | -4,432 | -7,586 | -8,174 | -11,724 | -12,312 |
| Goods for resale | -4,226 | -3,141 | -7,670 | -6,050 | -10,514 | -8,894 |
| Employee benefits expense | -1,802 | -1,589 | -3,377 | -3,164 | -4,954 | -4,741 |
| Other operating expenses | -1,938 | -1,730 | -3,696 | -3,506 | -5,629 | -5,439 |
| Share of income of associates | 21 | 35 | 49 | 50 | 101 | 102 |
| Depreciation, amortization and impairment | -477 | -332 | -808 | -674 | -1,237 | -1,103 |
| Operating income | 688 | 1,107 | 979 | 1,177 | 1,255 | 1,453 |
| Finance income | 46 | 49 | 78 | 106 | 90 | 118 |
| Finance costs | -64 | -76 | -149 | -165 | -213 | -229 |
| Income after financial items | 670 | 1,080 | 908 | 1,118 | 1,132 | 1,342 |
| Tax | -108 | -49 | -127 | -32 | -212 | -117 |
| Net income for the period after tax | 562 | 1,031 | 781 | 1,086 | 920 | 1,225 |
| Net income for the period attributable to: | | | | | | |
| Members of the economic association | 562 | 1,023 | 779 | 1,077 | 919 | 1,217 |
| Non-controlling interests | 0 | 8 | 2 | 9 | 1 | 8 |

Condensed consolidated statement of comprehensive income

| MSEK | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Net income for the period after tax | 562 | 1,031 | 781 | 1,086 | 920 | 1,225 |
| Other comprehensive income | | | | | | |
| <i>Items that will not be reclassified to the income statement</i> | | | | | | |
| Actuarial gains and losses on defined benefit pension plans, net of tax | 3 | -73 | -161 | -137 | -337 | -313 |
| Tax on actuarial gains and losses | -1 | 16 | 35 | 30 | 75 | 70 |
| Total | 2 | -57 | -126 | -107 | -262 | -243 |
| <i>Items that will be reclassified to the income statement</i> | | | | | | |
| Available-for-sale financial assets, net of tax | -16 | 56 | -6 | 44 | -26 | 24 |
| Cash flow hedges, net of tax | 10 | 195 | 118 | 101 | 24 | 7 |
| Exchange differences on translation of foreign operations | -1 | 84 | -31 | 116 | 35 | 182 |
| Share of other comprehensive income for joint ventures and associates | 42 | 6 | 20 | 11 | 36 | 27 |
| Net gain on hedge of net investment in foreign operations, net of tax | -30 | -51 | 28 | -86 | -60 | -174 |
| Tax attributable to items that will be reclassified | 6 | -33 | -31 | -3 | 9 | 37 |
| Total | 11 | 257 | 98 | 183 | 18 | 103 |
| Other comprehensive income for the period, net of tax | 13 | 200 | -28 | 76 | -244 | -140 |
| Total comprehensive income for the period | 575 | 1,231 | 753 | 1,162 | 676 | 1,085 |
| Total comprehensive income for the period attributable to: | | | | | | |
| Members of the economic association | 575 | 1,223 | 751 | 1,153 | 675 | 1,077 |
| Non-controlling interests | 0 | 8 | 2 | 9 | 1 | 8 |

Condensed consolidated four-monthly income statements

| MSEK | 2015 May-Aug | 2015 Jan-Apr | 2014 Sep-Dec | 2014 May-Aug | 2014 Jan-Apr |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 12,105 | 11,064 | 10,977 | 11,184 | 10,505 |
| Other operating income | 448 | 190 | 186 | 884 | 117 |
| Changes in inventories of finished goods and work in progress | 751 | -491 | -19 | 228 | -224 |
| Capitalized work for own account | 0 | 0 | 1 | 0 | 1 |
| Raw materials and consumables | -4,194 | -3,392 | -4,138 | -4,432 | -3,742 |
| Goods for resale | -4,226 | -3,444 | -2,844 | -3,141 | -2,909 |
| Employee benefits expense | -1,802 | -1,575 | -1,577 | -1,589 | -1,575 |
| Other operating expenses | -1,938 | -1,758 | -1,933 | -1,730 | -1,776 |
| Share of income of associates | 21 | 28 | 52 | 35 | 15 |
| Depreciation, amortization and impairment | -477 | -331 | -429 | -332 | -342 |
| Operating income | 688 | 291 | 276 | 1,107 | 70 |
| Finance income | 46 | 32 | 12 | 49 | 57 |
| Finance costs | -64 | -85 | -64 | -76 | -89 |
| Income after financial items | 670 | 238 | 224 | 1,080 | 38 |
| Tax | -108 | -19 | -85 | -49 | 17 |
| Net income for the period after tax | 562 | 219 | 139 | 1,031 | 55 |
| Net income for the period attributable to: | | | | | |
| Members of the economic association | 562 | 217 | 140 | 1,023 | 54 |
| Non-controlling interests | 0 | 2 | -1 | 8 | 1 |

The Group's items affecting comparability

| MSEK | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | 2014 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Recognized operating income | 688 | 1,107 | 979 | 1,177 | 1,453 |
| <i>Items affecting comparability in operating income:</i> | | | | | |
| Capital gains on sale of operations | 110 | 731 | 110 | 731 | 731 |
| Restructuring costs, Agriculture Sector | -45 | -50 | -45 | -50 | -50 |
| Restructuring costs, Food Sector | - | - | - | - | -79 |
| Restructuring costs, other | -65 | 0 | -65 | - | - |
| <i>Total items affecting comparability in operating income</i> | 0 | 681 | 0 | 681 | 602 |
| Operating income, adjusted for items affecting comparability | 688 | 426 | 979 | 496 | 851 |
| Recognized income after financial items | 670 | 1,080 | 908 | 1,118 | 1,342 |
| Items affecting comparability in operating income according to above | 0 | 681 | 0 | 681 | 602 |
| <i>Items affecting comparability in financial items:</i> | - | - | - | - | - |
| <i>Total items affecting comparability in net financial income</i> | - | - | - | - | - |
| Income after financial items adjusted for items affecting comparability | 670 | 399 | 908 | 437 | 740 |
| Return on equity, adjusted for items affecting comparability, % | 13.2 | 8.8 | 9.4 | 5.3 | 5.1 |
| Return on operating capital, adjusted for items affecting comparability, % | 11.0 | 7.9 | 8.6 | 4.7 | 5.3 |

Condensed consolidated statement of financial position

| MSEK | 2015 Aug 31 | 2014 Aug 31 | 2014 Dec 31 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Property, plant and equipment | 7,046 | 6,895 | 6,612 |
| Investment properties | 579 | 348 | 566 |
| Goodwill | 6,824 | 2,772 | 2,915 |
| Other intangible assets | 735 | 777 | 752 |
| Investments in associates | 1,642 | 1,428 | 1,512 |
| Non-current financial assets | 726 | 926 | 918 |
| Deferred tax assets | 365 | 228 | 322 |
| Other non-current assets | 9 | 41 | 10 |
| Total non-current assets | 17,926 | 13,415 | 13,607 |
| Inventories | 5,972 | 6,216 | 5,379 |
| Trade and other receivables | 6,066 | 5,461 | 4,723 |
| Current interest-bearing assets | 92 | 793 | 345 |
| Current tax assets | 47 | 56 | 19 |
| Cash and cash equivalents | 2,018 | 2,282 | 3,058 |
| Total current assets | 14,195 | 14,808 | 13,524 |
| TOTAL ASSETS | 32,121 | 28,223 | 27,131 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to members of the economic association | 12,449 | 12,066 | 11,859 |
| Non-controlling interests | 23 | 29 | 17 |
| Total equity | 12,472 | 12,095 | 11,876 |
| Non-current interest-bearing liabilities ¹⁾ | 4,902 | 2,093 | 2,600 |
| Provisions for pensions | 647 | 311 | 517 |
| Deferred tax liabilities | 188 | 158 | 200 |
| Other non-current provisions | 252 | 287 | 227 |
| Other non-current liabilities | 62 | 46 | 54 |
| Total non-current liabilities | 6,051 | 2,895 | 3,598 |
| Current interest-bearing liabilities | 4,747 | 5,430 | 4,601 |
| Trade and other payables | 8,320 | 7,572 | 6,573 |
| Current tax liabilities | 155 | 54 | 59 |
| Current provisions | 376 | 177 | 424 |
| Total current liabilities | 13,598 | 13,233 | 11,657 |
| TOTAL EQUITY AND LIABILITIES | 32,121 | 28,223 | 27,131 |
| Equity ratio | 38.8 | 42.9 | 43.8 |
| ¹⁾ Including subordinated debentures, MSEK | 250 | 56 | 0 |

Condensed consolidated statement of cash flows

| MSEK | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | 2014 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Income after financial items | 670 | 1,080 | 908 | 1,118 | 1,342 |
| Adjustment for non-cash items ¹⁾ | 365 | -544 | 652 | -152 | 97 |
| Taxes paid | -20 | -12 | -65 | -44 | -77 |
| Cash flow from operating activities before change in working capital | 1,015 | 524 | 1,495 | 922 | 1,362 |
| Change in working capital | -209 | -696 | -52 | -87 | 405 |
| Cash flow from operating activities | 806 | -172 | 1,443 | 835 | 1,767 |
| Acquisitions and divestments | -4,058 | 960 | -4,084 | 967 | 1,065 |
| Investments in non-current assets | -539 | -385 | -844 | -707 | -1,087 |
| Sale of non-current assets | 336 | 124 | 382 | 168 | 390 |
| Change in financial investments | 121 | -450 | 153 | -405 | -58 |
| Cash flow from investing activities | -4,140 | 249 | -4,393 | 23 | 310 |
| Cash flow before financing activities | -3,334 | 77 | -2,950 | 858 | 2,077 |
| Change in contributed capital | 16 | 69 | 17 | 72 | 75 |
| Dividend paid | -310 | -302 | -310 | -305 | -305 |
| Change in loans | 2,367 | -221 | 2,198 | -642 | -1,069 |
| Cash flow from financing activities | 2,073 | -454 | 1,905 | -875 | -1,299 |
| Cash flow for the period | -1,261 | -377 | -1,045 | -17 | 778 |
| Cash and cash equivalents at beginning of period | 3,304 | 2,652 | 3,058 | 2,295 | 2,295 |
| Exchange differences | -25 | 7 | 5 | 4 | -15 |
| Cash and cash equivalents at the end of the period | 2,018 | 2,282 | 2,018 | 2,282 | 3,058 |
| ¹⁾ Depreciation and impairment of non-current assets | 477 | 332 | 808 | 674 | 1,103 |
| Less share of income in associates | -6 | -21 | -32 | -36 | -86 |
| Capital gains on sale of non-current assets and operations | -120 | -722 | -203 | -723 | -801 |
| Other non-cash items | 14 | -133 | 79 | -67 | -119 |
| Total adjustment for non-cash items | 365 | -544 | 652 | -152 | 97 |

Condensed consolidated statement of changes in equity

| MSEK | 2015 Jan-Aug | | | 2014 Jan-Aug | | | 2014 Jan-Dec | | |
|---|------------------------|----------------------------------|-----------------|------------------------|----------------------------------|-----------------|------------------------|----------------------------------|-----------------|
| | Association members | Non- controlling interests | Total equity | Association members | Non- controlling interests | Total equity | Association members | Non- controlling interests | Total equity |
| Opening balance, January 1 | 11,859 | 17 | 11,876 | 11,016 | 28 | 11,044 | 11,016 | 28 | 11,044 |
| Total comprehensive income for the period | 751 | 2 | 753 | 1,153 | 9 | 1,162 | 1,077 | 8 | 1,085 |
| Distribution to owners | -178 | -1 | -179 | -174 | -3 | -177 | -308 | -3 | -311 |
| Contributed capital paid in by members | 122 | | 122 | 135 | | 135 | 138 | | 138 |
| Contributed capital paid out to members | -105 | | -105 | -64 | | -64 | -64 | | -64 |
| Other changes relating to non-controlling interests | | 5 | 5 | | -5 | -5 | | -16 | -16 |
| Closing balance | 12,449 | 23 | 12,472 | 12,066 | 29 | 12,095 | 11,859 | 17 | 11,876 |
| Equity attributable to members of the economic association | | | | | | | | | |
| Contributed capital, paid in | 985 | | | 928 | | | 931 | | |
| Contributed capital, issued | 1,160 | | | 1,046 | | | 1,046 | | |
| Other equity | 10,304 | | | 10,092 | | | 9,882 | | |
| Total equity attributable to members of the economic association | 12,449 | | | 12,066 | | | 11,859 | | |

Segment information, adjusted for items affecting comparability

(Comparative figures for 2014 for the Energy Sector and Lantmännen Real Estate have been adjusted to reflect the inclusion of heating operations in Lantmännen Real Estate from 2015.)

Net sales per segment

| MSEK | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Change % | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-------------|-----------------------|-----------------|
| Agriculture Sector | 3,096 | 3,371 | 6,982 | 6,994 | 0 % | 10,325 | 10,337 |
| Machinery Sector | 3,737 | 3,366 | 6,848 | 6,052 | 13 % | 10,280 | 9,484 |
| Energy Sector | 1,073 | 1,083 | 1,911 | 2,233 | -14 % | 2,663 | 2,985 |
| Food Sector | 4,661 | 3,771 | 8,351 | 7,285 | 15 % | 12,246 | 11,180 |
| Lantmännen Real Estate | 142 | 152 | 299 | 302 | -1 % | 467 | 470 |
| Other operations | 148 | 171 | 292 | 335 | -13 % | 465 | 508 |
| Eliminations | -752 | -730 | -1,514 | -1,512 | 0 % | -2,300 | -2,298 |
| Lantmännen total | 12,105 | 11,184 | 23,169 | 21,689 | 7 % | 34,146 | 32,666 |

Operating income per segment, adjusted for items affecting comparability

| MSEK | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Agriculture Sector | 103 | 42 | 126 | -11 | 193 | 56 |
| Machinery Sector | 118 | 85 | 122 | 88 | 215 | 181 |
| Energy Sector | 77 | 36 | 139 | 23 | 177 | 61 |
| Food Sector | 377 | 218 | 514 | 364 | 671 | 521 |
| Lantmännen Real Estate ¹⁾ | 100 | 53 | 245 | 108 | 360 | 223 |
| Other operations | -59 | -50 | -127 | -116 | -231 | -220 |
| Group items | -28 | 42 | -40 | 40 | -51 | 29 |
| Lantmännen total | 688 | 426 | 979 | 496 | 1,334 | 851 |
| ¹⁾ Including capital gain on sale of property | 42 | 0 | 125 | 1 | 179 | 55 |

Operating margin per segment, adjusted for items affecting comparability

| % | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Agriculture Sector | 3.3 | 1.2 | 1.8 | -0.2 | 1.9 | 0.5 |
| Machinery Sector | 3.2 | 2.5 | 1.8 | 1.5 | 2.1 | 1.9 |
| Energy Sector | 7.2 | 3.3 | 7.3 | 1.0 | 6.6 | 2.0 |
| Food Sector | 8.1 | 5.8 | 6.2 | 5.0 | 5.5 | 4.7 |
| Lantmännen total | 5.7 | 3.8 | 4.2 | 2.3 | 3.9 | 2.6 |

Return on operating capital adjusted for items affecting comparability

| % | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Agriculture Sector | 8.0 | 3.5 | 4.8 | -0.4 | 4.7 | 1.4 |
| Machinery Sector | 18.9 | 11.2 | 9.7 | 6.2 | 11.1 | 8.6 |
| Energy Sector | 20.0 | 8.8 | 18.1 | 2.9 | 15.6 | 5.2 |
| Food Sector | 10.2 | 8.3 | 8.2 | 7.0 | 7.6 | 6.7 |
| Lantmännen Real Estate ¹⁾ | 10.9 | 11.3 | 11.6 | 11.4 | 11.8 | 11.7 |
| Lantmännen total | 11.0 | 7.9 | 8.6 | 4.7 | 7.9 | 5.3 |

¹⁾ Adjusted for gain on sale of property.

Segment information

(Comparative figures for 2014 for the Energy Sector and Lantmännen Real Estate have been adjusted to reflect the inclusion of heating operations in Lantmännen Real Estate from 2015.)

Net sales per segment

| MSEK | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Change % | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-------------|-----------------------|-----------------|
| Agriculture Sector | 3,096 | 3,371 | 6,982 | 6,994 | 0 % | 10,325 | 10,337 |
| Machinery Sector | 3,737 | 3,366 | 6,848 | 6,052 | 13 % | 10,280 | 9,484 |
| Energy Sector | 1,073 | 1,083 | 1,911 | 2,233 | -14 % | 2,663 | 2,985 |
| Food Sector | 4,661 | 3,771 | 8,351 | 7,285 | 15 % | 12,246 | 11,180 |
| Lantmännen Real Estate | 142 | 152 | 299 | 302 | -1 % | 467 | 470 |
| Other operations | 148 | 171 | 292 | 335 | -13 % | 465 | 508 |
| Eliminations | -752 | -730 | -1,514 | -1,512 | 0 % | -2,300 | -2,298 |
| Lantmännen total | 12,105 | 11,184 | 23,169 | 21,689 | 7 % | 34,146 | 32,666 |

Operating income per segment

| MSEK | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Agriculture Sector | 58 | -8 | 81 | -61 | 148 | 6 |
| Machinery Sector | 118 | 85 | 122 | 88 | 215 | 181 |
| Energy Sector | 77 | 36 | 139 | 23 | 177 | 61 |
| Food Sector | 377 | 218 | 514 | 364 | 592 | 442 |
| Lantmännen Real Estate ¹⁾ | 100 | 53 | 245 | 108 | 360 | 223 |
| Other operations | -59 | -50 | -127 | -116 | -231 | -220 |
| Group items | 17 | 773 | 5 | 771 | -6 | 760 |
| Lantmännen total | 688 | 1,107 | 979 | 1,177 | 1,255 | 1,453 |
| ¹⁾ Including capital gain on sale of property | 42 | 0 | 125 | 1 | 179 | 55 |

Operating margin per segment

| % | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Agriculture Sector | 1.9 | -0.2 | 1.2 | -0.9 | 1.4 | 0.1 |
| Machinery Sector | 3.2 | 2.5 | 1.8 | 1.5 | 2.1 | 1.9 |
| Energy Sector | 7.2 | 3.3 | 7.3 | 1.0 | 6.6 | 2.0 |
| Food Sector | 8.1 | 5.8 | 6.2 | 5.0 | 4.8 | 4.0 |
| Lantmännen total | 5.7 | 9.9 | 4.2 | 5.4 | 3.7 | 4.4 |

Return on operating capital

| % | 2015 May-Aug | 2014 May-Aug | 2015 Jan-Aug | 2014 Jan-Aug | Sep 2014- Aug 2015 | 2014 Jan-Dec |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------|
| Agriculture Sector | 4.5 | -0.6 | 3.0 | -2.4 | 3.6 | 0.1 |
| Machinery Sector | 18.9 | 11.2 | 9.7 | 6.2 | 11.1 | 8.6 |
| Energy Sector | 20.0 | 8.8 | 18.1 | 2.9 | 15.6 | 5.2 |
| Food Sector | 10.2 | 8.3 | 8.2 | 7.0 | 6.7 | 5.7 |
| Lantmännen Real Estate ¹⁾ | 10.9 | 11.3 | 11.6 | 11.4 | 11.8 | 11.7 |
| Lantmännen total | 11.0 | 20.6 | 8.6 | 11.2 | 7.5 | 9.1 |

¹⁾ Adjusted for gain on sale of property.

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 the corporate functions.

The Parent Company's net sales amounted to MSEK 7,218 (7,098), while operating income was MSEK –104 (–184). The improvement in operating income compared with the previous year is in principle wholly attributable to operations in the Agriculture Sector.

Income from financial items was MSEK 661 (–39). Dividends received totaled MSEK 717 (20), MSEK 695 (3)

of which was from subsidiaries, while realized gains/losses on divested operations amounted to MSEK –46 (11). In addition, foreign exchange gains improved. Net interest income declined as external lending was reduced.

Income after financial items was MSEK 557 (–223).

Net investments in non-current assets for the year amounted to MSEK 81 (119).

The equity ratio was 40.6 percent (43.5 at year-end).

The average number of employees in the Parent Company was 1,035 (1,185).

Parent Company condensed income statement

| MSEK | 2015 Jan-Aug | 2014 Jan-Aug |
|---|-----------------|-----------------|
| Net sales, external | 5,938 | 5,896 |
| Net sales, intra-Group | 1,280 | 1,202 |
| Net sales, total | 7,218 | 7,098 |
| Change in products in progress, finished goods and work in progress for third parties | 137 | 363 |
| Capitalized work for own account | 0 | 1 |
| Other operating income | 121 | 132 |
| | 7,476 | 7,594 |
| Operating expenses | | |
| Raw materials and consumables | –4,663 | –4,676 |
| Goods for resale | –1,304 | –1,336 |
| Other external costs | –937 | –1,007 |
| Employee benefits expense | –579 | –662 |
| Depreciation, amortization and impairment | –97 | –97 |
| Total operating expenses | –7,580 | –7,778 |
| Operating income | –104 | –184 |
| Income from financial items | 661 | –39 |
| Income after financial items | 557 | –223 |
| Tax | 31 | 64 |
| Net income for the period | 588 | –159 |

Parent Company condensed consolidated income statement

| MSEK | 2015 Aug 31 | 2014 Aug 31 |
|--|----------------|----------------|
| ASSETS | | |
| Intangible assets | 183 | 211 |
| Property, plant and equipment | 879 | 903 |
| Investments in Group companies | 7,516 | 6,827 |
| Investments in associates | 1,153 | 1,075 |
| Non-current receivables from Group companies | 699 | 1,180 |
| Other securities held as non-current assets | 108 | 427 |
| Other non-current receivables | 331 | 190 |
| Total non-current assets | 10,869 | 10,813 |
| Inventories | 2,594 | 2,852 |
| Current receivables from Group companies | 11,508 | 6,832 |
| Other current receivables | 2,516 | 3,271 |
| Short-term investments, incl. cash and bank balances | 854 | 1,848 |
| Total current assets | 17,472 | 14,803 |
| TOTAL ASSETS | 28,341 | 25,616 |
| EQUITY AND LIABILITIES | | |
| Equity | 11,275 | 10,595 |
| Untaxed reserves | 311 | 311 |
| Provisions | 159 | 230 |
| Non-current liabilities | 4,434 | 1,889 |
| Current liabilities to Group companies | 5,065 | 5,222 |
| Other current liabilities | 7,097 | 7,369 |
| TOTAL EQUITY AND LIABILITIES | 28,341 | 25,616 |
| Equity ratio, % | 40.6 | 42.3 |

Notes

Accounting policies

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

The accounting policies applied for the interim report correspond with those applied in preparing the 2014 Annual Report. No new or amended standards effective from 2015 have had a significant effect on Lantmännen's financial reporting.

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

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

Financial assets and liabilities measured at fair value, August 31, 2014

| MSEK | Total carrying amount | Fair value |
|--|-----------------------|---------------|
| Assets | | |
| Other shares and interests | 724 | 724 |
| Financial investments | 121 | 121 |
| Trade and other receivables | 4,610 | 4,610 |
| Interest-bearing receivables | 827 | 827 |
| Cash and bank balances | 2,282 | 2,282 |
| Total financial assets | 8,564 | 8,564 |
| Liabilities | | |
| Non-current interest-bearing liabilities | 2,094 | 2,100 |
| Other non-current liabilities | 1 | 1 |
| Current interest-bearing liabilities | 5,396 | 5,396 |
| Trade and other payables | 4,784 | 4,784 |
| Total financial liabilities | 12,275 | 12,281 |

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

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

Financial assets and liabilities measured at fair value, by measurement level, August 31, 2014

| MSEK | Level 1 | Level 2 | Level 3 | Total |
|--|------------|-----------|------------|------------|
| Assets | | | | |
| Derivatives with positive fair value | 135 | 16 | - | 151 |
| Other financial assets measured at fair value | 539 | - | 277 | 816 |
| Total assets | 674 | 16 | 277 | 967 |
| Liabilities | | | | |
| Derivatives with negative fair value | 22 | 75 | - | 97 |
| Other financial liabilities measured at fair value | - | - | - | - |
| Total liabilities | 22 | 75 | - | 97 |

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
 Level 2: Inputs other than the quoted prices included in level 1 that are observable for the asset or liability, i.e. quoted prices or data derived therefrom.
 Level 3: Unobservable inputs for measurement of the asset or liability.

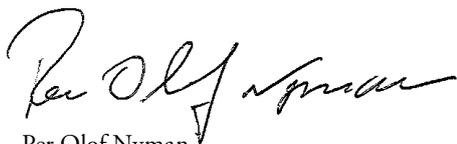
There has not been any movement between levels.

Acquisition of Vaasan

A major acquisition was conducted during the period, namely the Vaasan group with its parent company Pane Lux 1 Sarl. The acquisition is part of Lantmännen's strategy to strengthen the position in the northern European markets within Lantmännen Unibake's international operations. Vaasan engages in bakery operations in the areas of bake-off, crispbread and fresh bread. Vaasan is part of the Food Sector. Lantmännen and Vaasan's operations complement each other

well and Lantmännen sees great potential for using the acquisition to create an even more competitive food company with opportunities for increased market positions, particularly in the Baltic Sea region. As a preliminary assessment, the net assets acquired consist of intangible assets of MSEK 3,784, cash and cash equivalents of MSEK 247 and other net assets of MSEK 368. The process of determining the allocation of surplus values for specific asset classes is in progress.

On assignment for the Board of Directors
Stockholm, September 30, 2015



Per Olof Nyman
President & CEO
Lantmännen

Review report

Lantmännen economic association

To the Board and the CEO

Introduction

We have reviewed the condensed interim report for Lantmännen economic association as at August 31, 2015 and for the eight-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report in a conclusion, based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, a conclusion based on a review does not have the same assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent association.

Stockholm, September 30, 2015

Ernst & Young AB

Helene Siberg Wendin
Authorized Public Accountant

Maude Fyrenius

Gustav Jansson

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Together we take responsibility from field to fork

