



Annual Report 2006



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● FINANCIAL STATEMENTS

- Interim Annual Report Q1 May 3, 2007
- Interim Annual Report Q2 July 27, 2007
- Interim Annual Report Q3 November 6, 2007

● ANNUAL ASSOCIATION MEETING NOTICE

The Annual Association Meeting will be held at the Clarion Hotel, Ringvägen 98, Stockholm, on Wednesday, April 25, 2007, at 10.00 AM.



Lantmännen in brief - business areas



Lantmännen Lantbruk

Lantmännen Lantbruk is the Group's core business. It breeds and markets grain and oilseeds and offers products for plant cultivation and animal production to increase profitability on the Group's owners' farms.

Svalöf Weibull

Svalöf Weibull, jointly owned by BASE, works in the areas of plant breeding and seed production through SW Seed and in the marketing of horticultural products through Weibull Trädgård.



Lantmännen Anläggnings- och Lantbruksmaskiner

Lantmännen Anläggnings- och Lantbruksmaskiner operates in two units: Lantmännen Maskin, serving agriculture, and Swecon, in the area of construction machinery.



Lantmännen Energi

Lantmännen Energi unites Lantmännen's operations in the energy sector and develops, produces and markets energy products. Its four principal areas are liquid biofuels, solid biofuels, heating, and machinery and the environment. Lantmännen Energi is Sweden's leading producer of bioethanol fuel.



Lantmännen Mills

Lantmännen Mills is a Scandinavian market leader in flour and cereal products. 80 percent of production is sold to bakeries and the food industry, while 20 percent is sold through Lantmännen Axa to consumers.

Lantmännen Axa

Lantmännen Axa has its own production and sales of breakfast products, pasta and flour as well as ready-to-eat meals through its own shops and other outlets.

Lantmännen Unibake

Lantmännen Unibake is Europe's largest producer of frozen bread products and is Scandinavia's largest producer of fresh bread for the food service industry and retail trade.

Lantmännen Kronfågel

Lantmännen Kronfågel is the largest chicken producer in the Nordic countries with market-leading positions in Sweden and Denmark. Its production consists of fresh, frozen and processed chicken products.



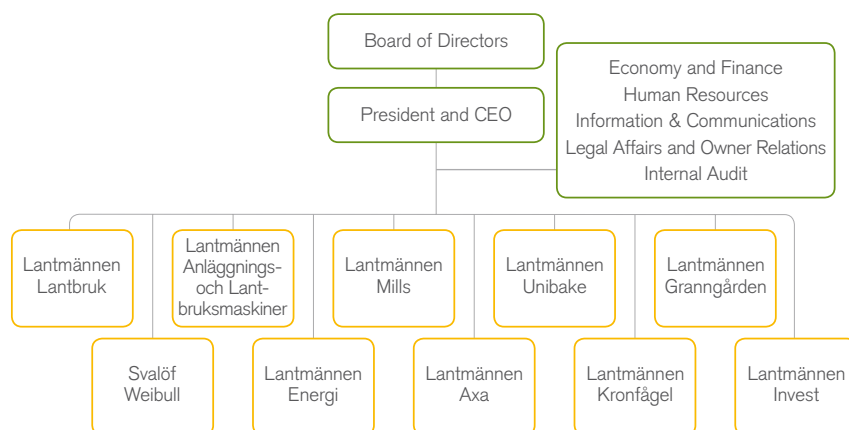
Lantmännen Granngården

Lantmännen Granngården is Lantmännen's retail chain focusing on products for Agriculture & Forestry, Animals and Horticulture with supplemental product ranges in the areas of House & Home and Outdoor Leisure. Mail-order sales are conducted through Lantmännen Nordpost.

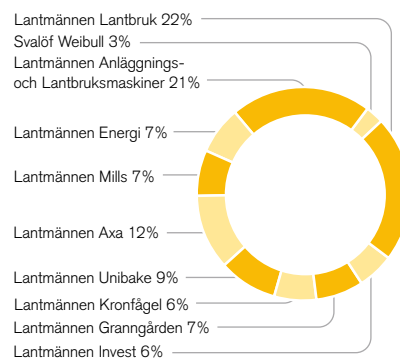
Lantmännen Invest

Lantmännen Invest comprises companies with roots in various research projects and companies that conduct business related to arable land and its use.

Lantmännen in brief - the Group



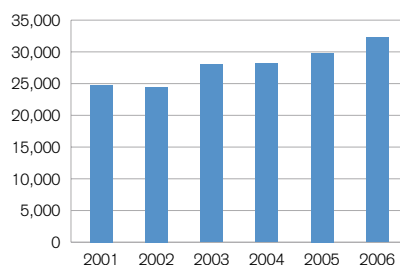
Sales per business area
Including intra-Group sales



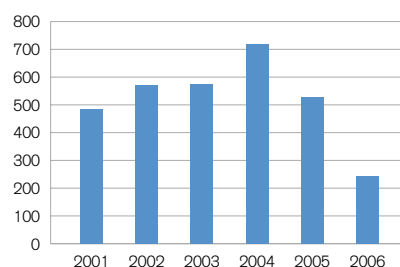
Key figures

Definitions, see page 92	2006	2005
Net sales, SEK M	32,256	29,807
Operating income, SEK M	183	120
Operating margin, %	1	0
Income after financial items, SEK M	244	526
Income after tax, SEK M	332	511
Return on capital employed, %	5	5
Balance sheet total, SEK M	25,343	24,568
Equity ratio, %	37	38
Investments in fixed assets, SEK M	1,726	1,263
Number of members	44,249	48,722
Average number of employees	12,833	12,230

Group net sales
SEK M



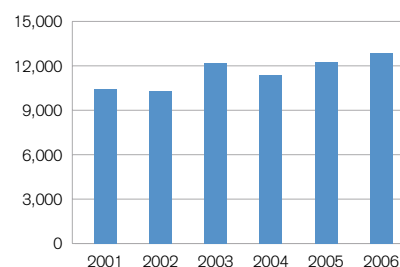
Income after financial items
SEK M



Sales per market

SEK M	2006	2005
Sweden	20,668	19,625
Denmark	4,120	3,631
Norway	2,286	1,802
Germany	2,203	2,344
Belgium	328	81
Poland	255	222
United Kingdom	558	510
Baltic countries	429	356
Rest of Europe	1,138	982
Rest of world	271	254
Total	32,256	29,807

Employees in the Group
Number





Lantmännen is one of the Nordic region's largest groups in the areas of foods, energy and agriculture. In 2006 the Group had nearly 13,000 employees and sales of SEK 32 billion.

Lantmännen is owned by 44,000 Swedish farmers. Arable land and its possibilities constitute the basis of Lantmännen's operations. The Group is active in all links of the value chain, from farmland to table.

Year in brief

Net sales in 2006 amounted to SEK 32,256 M (29,807), an increase of 8 percent. Excluding the effect of acquisitions and disposals of companies, sales rose by 5 percent.

Operating Income was SEK 183 M (120). Included in operating income are capital gains from sales of real estate in the amount of SEK 174 M (130) as well as other nonrecurring items across several business areas totaling SEK -337 M (-595). Adjusted for the nonrecurring items listed above, operating income was SEK 346 M in 2006 and SEK 585 M in 2005.

Income after financial items was SEK 244 M (526). Included in financial items are capital gains of SEK 107 M from sale of remaining shares in Aarhus Karlshamn as well as SEK 101 M from the sale of financial instruments. Financial items for the previous year included

a total of SEK 445 M in capital gains from the disposal of shares.

Income after tax was SEK 332 M (511).

Dividends from activities in 2006 are paid out in the form of refunds/ final price adjustments of SEK 64 M (139). The Board of Directors propose that the Annual Association Meeting approve a 5 percent (5) dividend on the contributions up to SEK 57 M (50) as well as a contribution issue of SEK 100 M (100).

Structural costs and other nonrecurring costs are recognized in the amount of SEK -337 M (-595). The biggest portion is related to write-downs at Lantmännen Kronfågel and action programs at Svalöf Weibull. See Note 11.

Acquisitions. Belpan Holding and the Aspen Group were the major company acquisitions during the year.

Capital gains from the sale of shares and financial instruments amounted to SEK 208 M (445).

Investment amounted to SEK 1,726 M (1,263). The single biggest investment decision during the year concerned a new ethanol plant in Norrköping, with an estimated cost of SEK 1,200 M.

Organization. Lantmännen's fresh bread business was combined, as of October 1, with the Group's other bread operations in Lantmännen Unibake.

Events after December 31. Discussions with LRF are ongoing regarding the future ownership relations in Kronfågel Holding AB, of which Lantmännen holds 91 percent and LRF 9 percent.

Significant events

- On January 1, 2006, Svenska Lantmännen ek för merged with Norrbottens Lantmän ek för, whose activities were transferred to Lantmännen Lantbruk, Lantmännen Anläggnings- och Lantbruksmaskiner and Lantmännen Granngården.
- Lantmännen Energi acquired the Aspen Group, a market-leading manufacturer of "green" gasoline.
- The Annual Association Meeting voted to change the Association's name to Lantmännen ek för.
- A decision was made to invest in and construct a new ethanol plant in Norrköping, thereby increasing Lantmännen's production capacity from approx. 57 to 210 million liters of ethanol per year.
- Lantmännen's new trademark was launched across the Group. The trademark is to be applied gradually to most identity carriers.
- Lantmännen's biodiesel plant in Karlshamn was brought on line. The plant produces 45 million liters of rapeseed methyl ester (RME) annually.
- Lantmännen Unibake acquired the Belgian Group Belpan Holding, one of Europe's leading producers of frozen bread and croissants.
- Svalöf Weibull disposed of businesses in Canada and the United Kingdom.
- Scandinavian Farmers, jointly owned by Dansk Landbrugs Grovvarereselskab (DLG), acquired 9 percent of the shares in HaGe Kiel. HaGe Kiel acquired Scandinavian Farmers' business in Poland.
- Lantmännen Unibake took over operational responsibility for fresh bread on October 1. The fresh bread operations are reported in Lantmännen Axa until December 31, 2006.
- Lantmännen Unibake acquired a bakery from Gramss Backstube in Suhl, Germany.
- Birgitta Johansson-Hedberg stepped down as President and CEO. Jörgen Sallenhag was appointed acting President and CEO on December 13.
- Lantmännen Kronfågel's Board of Directors approved the closure of the slaughterhouse in Farre, Denmark.

Group overview

Business areas, key figures

	Lant- männen Lantbruk	Svalöf Weibull	Lant- männen Anlägg- nings- och Lantbruks- maskiner	Lant- männen Energi	Lant- männen Mills	Lant- männen Axa	Lant- männen Unibake	Lant- männen Kronfågel	Lant- männen Grann- gården	Lant- männen Invest
Net sales, SEK M *	8,057	983	7,689	2,622	2,447	4,100	3,255	2,242	2,650	2,020
Operating income, SEK M	78	-96	340	73	141	-47	189	-312	-15	41
Return on capital employed, %	5	-8	27	7	8	-2	7	-24	-4	17
Average number of employees	1,165	575	1,594	258	790	2,790	1,873	1,460	1,046	898

* Including intra-Group sales.

Six year financial summary

	2006	2005	2004	2003	2002	2001
Net sales, SEK M	32,256	29,807	28,197	28,038	24,469	24,820
Income						
Income before depreciation, SEK M	1,815	1,633	2,042	1,743	1,452	1,218
Depreciations and write-downs, SEK M	-1,632	-1,513	-1,264	-1,100	-807	-791
Operating income, SEK M	183	120	778	643	645	427
Financial income and expenses, SEK M	61	406	-58	-67	-75	56
Income after financial items, SEK M	244	526	720	576	570	483
Income after tax, SEK M	332	511	383	333	342	239
Capital						
Balance sheet total, SEK M	25,343	24,568	22,656	22,447	18,826	18,559
Equity, SEK M	9,038	8,872	8,337	7,998	7,805	7,521
Investment, SEK M	1,726	1,263	873	4,066	1,212	1,484
Profitability and equity ratio						
Return on equity, %	4	8	7	6	6	5
Return on capital employed, %	5	5	6	6	7	5
Equity ratio, %	37	38	38	37	43	42
Dividends and contribution issue						
Central refund/final price adjustment, SEK M	64	64	134	70	72	75
Local refund/final price adjustment,* SEK M	-	75	65	84	89	69
Investment dividend, SEK M**	57	50	49	38	38	23
Contribution issue, SEK M**	100	100	39	-	-	171
Total dividends and contribution issue, SEK M	221	289	287	192	199	338
Other						
Average number of employees, Group	12,833	12,230	11,387	12,178	10,268	10,402
Number of members	44,249	48,759	49,922	52,367	53,371	55,831

* Local distribution will not occur after 2005.

** Pursuant to the Board of Directors' proposal for 2006.

Chairman's comments

2006 - a year of changes and growing faith in the future



In many ways 2006 was a year of contrasts for Swedish agriculture. At the same time as grain prices shot up, the summer's drought made the newspapers and unfavorable harvesting conditions hit parts of southern Sweden.

Climate change is front-page news and the possibility that agriculture can supplement the energy supply has increased interest in agriculture. More and more people are realizing the potential of arable land. The faith in the future in agriculture is something that is confirmed repeatedly.

Big investments

Lantmännen aims to be the farmer's best business partner, but it must also create business opportunities on owners' farms and yield returns on invested capital. Several important investment decisions were made during 2006. The decisions to expand ethanol production and to invest in an RME plant are efforts that create benefits at many levels. For farmers we ensure increased demand for grain and oilseeds and establish alternative sales outlets. We anticipate that we can get good returns on this capital, and we are consolidating Lantmännen as a proactive player in the field of energy. In the foods area Lantmännen has made many

important investments and acquisitions during the year. To be able to compete in the international arena, development is required - the objective being to continue to be able to provide adequate returns for the benefit of Lantmännen and its owners. The investments are strategic efforts for maintaining profitability and future competitiveness. A different type of investing is Lantmännen Lantbruk's incentive package for increasing animal husbandry.

Business environment

2006 was somewhat of a reversal in the trend on international agricultural markets. The market for grain had been climbing toward ever-higher prices for a number of years, with demand from the energy market becoming a factor to be reckoned with. In the public debate the discussion has gone from how to deal with surpluses to how to get farmland to produce sufficiently. Lantmännen Lantbruk's campaign "Cultivate the field" is a good example of how we are not just passive bystanders, but how we encourage the development of agriculture.

In the late summer Lantmännen and Spannmålsodlarna issued a joint press release on removing the EU's fallow requirements for fields. In coming years there will be intensive agricultural policy discussions in Brussels and here in Sweden on altering the EU common agricultural policy (CAP). While the new Government has a positive attitude to "green" industries and especially to enterprises, Swedish agricultural and trade policy is basically oriented toward free trade. The changes to EU agricultural policy are closely linked to developments in the WTO. This process is a key external factor for Swedish agriculture, and we will probably see an increase in competition from imports. The tariff reductions that are being debated may have significant consequences for agriculture in the EU. There too, however, international market developments are obviously a key issue.

It is good news that Sweden, with the help of the EU, is investing SEK 35 billion in the Rural Development Program over the next seven years. This is a unique chance to strengthen the competitiveness of Swedish agriculture. At the same time it can support agriculture's ambition to lead the conversion to renewable energy.

Change - an inevitable condition

That change is inevitable is not news. Lantmännen's objectives and strategies remain firm, and its transformation efforts continue. However, to have the power to implement our initiatives we must focus on the business side. Project Blue Light and the review of feed operations are just two examples of changes that are being implemented to benefit our owners. It is good news indeed that Lantmännen Lantbruk is performing well - an effective and streamlined organization favors us as owners and puts pressure on our competitors. Coordination of the logistics and purchasing function is aimed at saving money, which can then be invested in projects with potential. Increased profitability is, however, essential for launching initiatives that can favor us as owners and that yield benefits on the farm.

Clearer owner organization

During the past year a new owner organization was launched, with 32 districts and stand-alone district boards. The starting point was two conferences held last spring, at which we discussed the way we work and our direction. A task for the new district boards is, on the basis of Satisfied Owner Index (SOI), to find activities and ideas for making owners more satisfied. The survey on which the index was based was carried out in fall 2005, and the results were presented this spring. It is clear that the individual farmer is more satisfied as a customer than as an owner. Innovation and strategy issues are important, and they affect how Lantmännen is judged. To have more satisfied owners, we need to focus on the

President's comments

The majority of our business areas are strong

way we work and strengthen roles and involvement of elected delegates. Last but not least, we need to improve the information about what Lantmännen is, about what we do - and not least why! A new owner survey was begun in January 2007. During the year the Board of Directors also decided to implement a broader consultation process relating to key future questions for Lantmännen, an effort that will be carried out in the districts during fall 2007.

Let's be forward-looking!

For Lantmännen the past year has been characterized by changes. I wish to thank our former President and CEO Birgitta Johansson-Hedberg for her work in developing an open and effective Group. However, there is much hard and targeted work required to turn around our two big problem areas - Kronfågel and fresh bread in Sweden. Having said that, I also want to point to the strengths in many of our other business areas. Lantmännen is a stable company with stable owners. This enables us to work with a long-term vision. Recently questions have been raised as to whether the existence of agricultural cooperatives is even justified. Through our work at Lantmännen we will put such questioning to rest. As the Chairman of Lantmännen, I ask myself the following questions in everything I do. How does Lantmännen best benefit the owners' interests? How can Lantmännen help to develop the farmers' enterprises? We are a large group with many stakeholders: Owners, suppliers, customers and employees. Yet, more than anything else, we exist for the farmers of today and tomorrow.

Noraström, February 2007



*Thomas Bodén
Chairman of the Board, Lantmännen*

After just a few months and in a temporary position as President of Lantmännen, it is natural for me to describe the Group's situation at the beginning of 2007 rather than the state of affairs in 2006.

The Lantmännen I see is a large organization with a number of well-functioning and profitable business areas and units. Several of these are carrying out major restructuring or are expanding and undertaking considerable investment. Lantmännen Lantbruk's efforts to transform itself affect both the grain and the feed business. The goal is to boost efficiency and give our customers - the farmers - even better terms. Lantmännen Mills is currently investing in the Nordic region's most modern mill in Vejle. Unibake is growing internationally into one of the world's key players in frozen bread. At Lantmännen Axa sales and earnings are improving. Lantmännen Anläggnings- och Lantbruksmaskiner is performing well. Lantmännen Energi, a leader in bioenergy, is building Sweden's largest ethanol plant. Lantmännen Granngården is speeding toward becoming an integrated and cost-effective nationwide retail chain. Svalöf Weibull has implemented a successful restructuring and the results are already evident. Several companies in Lantmännen Invest have posted their best earnings ever.

However, the positive performance that many of the Group's business areas have shown is not fully reflected in Lantmännen's earnings. Above all, there are two areas that have posted considerable losses: Lantmännen Kronfågel and Lantmännen Färskbröd, chicken and fresh bread. Add to this increased central costs for setting up common systems and functions, which in the long run may result in higher efficiency and cost savings, but which, combined with losses, are currently reducing the Group's overall earnings to an unacceptably low level relative to sales.



As we wait for a permanent President to take the helm, my task will be to rein in costs and focus on the businesses, give my full attention to the sources of losses and carry out robust measures, or find structural solutions that can return Lantmännen to satisfactory earnings.

After many years at Lantmännen I do as many others do after long and faithful service: I suffer when Lantmännen experiences hardships and take pleasure in its successes. While, to be sure, our group today has a couple of big weak areas, the majority of business areas are well prepared for the future.

A part of my heart will always will belong to Lantmännen, a group that owners and employees alike can take pride in.

Stockholm, February 2007



*Jörgen Sallenbäck
Acting President and CEO
Lantmännen*

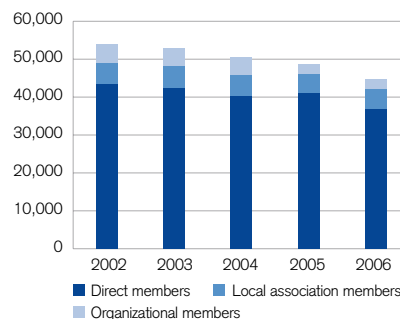
Owning Lantmännen

On January 1, 2006 a new membership organization structure was introduced. The purpose of the new membership organization is to widen our members' involvement and extend their influence on the overall Group.

The districts are the basis for Lantmännen's membership activities. Lantmännen is owned by 44,000 farmers around the country.

Being a member of Lantmännen often involves being an owner, customer and supplier. The role of owner provides an opportunity for active owner involvement. In their roles as owners, members are organized in districts. At district meetings, owners annually elect a district board of directors.

Membership trend



Since the number of farmers in Sweden is dwindling, so is the number of members of Lantmännen. Lantmännen has three different membership categories: Direct membership, local association membership and organizational membership.

Owners of Lantmännen

At the beginning of 2007, the number of direct members was 36,733. In addition, there were 5,280 members in 25 local associations in southern and western Sweden. The local associations have an agreement with Lantmännen and receive a portion of the refunds and final price adjustments on sales with Lantmännen. Kalmar Lantmän, with 2,735 members, is an organizational member of Lantmännen. Although this involves collaboration on certain matters, members conduct their business with Kalmar Lantmän.

Since the number of farmers is dwindling nationwide, so is the number of members of Lantmännen. There are fewer but larger farms. And the large farms are responsible for an increasing share of the sales at Lantmännen.

District organization

The districts are the basis for the members' role as owners of Lantmännen. The country is divided into 32 districts. The districts vary in both their number of members and geographic size. The smallest district in terms of members is Inlandet in central Norrland with 141 members; the largest one is Östergöt-

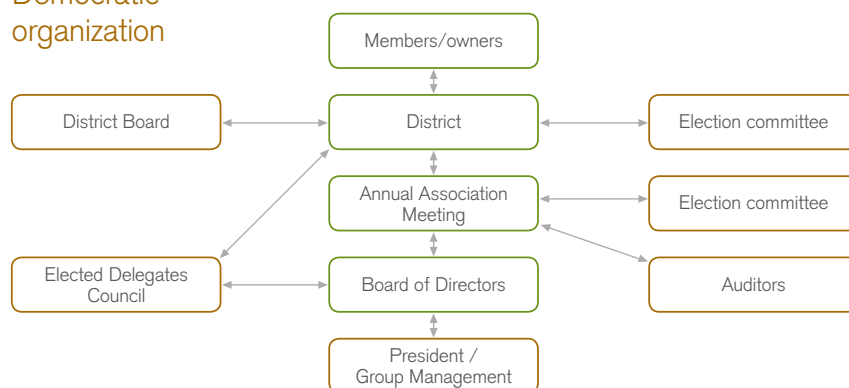
land County with 2,784 members. In the spring all members in each district are called to district meetings, which representatives of the Group Board of Directors and Group Management attend. The district meetings elect people to serve as district delegates at the Annual Association Meeting. For every 500 members (or fraction thereof) in each district, one delegate is elected to the Annual Association Meeting. The district chairman serves as an ex-officio member.

The 32 district elections of 2006 were held between March 20 and March 30.

This was when members were elected to the new district boards. On the district boards, 40 percent of the persons are new to elective office at Lantmännen, 20 percent are women and 22 percent are below the age of 35.

The district boards are to work for the overall Lantmännen Group and shall also be responsible for membership issues. The membership meetings in 2006 reflected this new responsibility. Many meetings were devoted to Lantmännen's foods business and were attended by Lantmännen Axa and Lantmännen Unibake, among other units.

Democratic organization





Simple membership organization

“The best feature of the new membership organization is that it is simple and easy to understand. The increase in involvement has been real and we have many new delegates sitting on our district boards.

The challenge for us now is to create interest in and increase awareness of the overall Group, while influencing Lantmännen Lantbruk so that it really will be our best business partner.”

*Anders Hansson,
District Chairman, Östergötland*

Positive mood

“The mood on the district boards is positive, and everything necessary is in place to do a good job. But it will probably take a little time for the new membership organization to hit its stride.

We will communicate contacts from our district, but work for the entire Group.

It will also take both time and effort to get the owners to understand what it is they actually own and how they can benefit from the entire Group. That is the really big challenge!”

*Elisabeth Sjödin-Ögren,
District Chairwoman, Inlandet*



Financial benefits to owners

Lantmännen's task is two-fold: To help increase the profitability on its owners' farms and to maximize the return on owners' contributed capital. There are many factors that need to be weighed together when the financial benefit of the association is to be considered.

Refunds, final price adjustments, investment dividends and contribution issues are concrete benefits for Lantmännen's owners. For the last five years, a total of SEK 1,188 M has been distributed to the owners. Lantmännen also undertakes various investments that promote farm profitability. Examples of this are the incentive package to foster animal husbandry, the decision to invest in an ethanol plant and the investment in RME, which boosts sales of grain and rapeseed.

Capital contributions

The members of Lantmännen contribute risk capital in the form of owner contributions. Although members own the contributions, the Association manages the funds during the period of membership. By year-end 2006, capital contributions amounted to SEK 1,154 M. Of this amount SEK 816 M was contributed and SEK 338 M was issued capital.

Each owner builds up capital in his or her own contribution account through final price adjustments, refunds and investment dividends. There is also the option of making cash contributions. The contribution is calculated as 10 percent of the members' average sales value with Lantmännen Lantbruk for the past 5 years. The lowest contribution is SEK 5,000 and the highest amount

is SEK 150,000, which is 10 percent of SEK 1.5 M. Members with base contribution sales exceeding SEK 1.5 M may request to have their contributions increased to 10 percent of their average sales. Members also have an account for contribution issues.

Return requirements

Return on equity is a goal for the management of the Group. This goal is broken down into two financial key figures: Return on capital employed and operating margin. Return requirements vary from one business area or company to another, and are set according to each unit's assumptions. Lantmännen Lantbruk has a lower return requirement owing to its task of contributing to the profitability of the owners' farms.

For the 2006 and 2007 financial years the operations at Svalöf Weibull, the Swedish fresh bread business, Lantmännen Kronfågel and Lantmännen Granngården are undergoing substantial restructuring. In view of this, their return requirements have been temporarily adjusted to a level that is reasonable in light of the ongoing restructuring process. As an average for the Group, the target for return on capital employed is 9 percent. In 2006 the return on capital employed increased to 5 percent.

Dividend

SEK M	2006	2005	2004	2003	2002
Central refund/final price adjustment	64	64	134	70	72
Local refund/final price adjustment *	–	75	65	84	89
Investment dividend **	57	50	49	38	38
Contribution issue **	100	100	39	–	–
Total	221	289	287	192	199

* Local distribution will not occur after 2005. ** Pursuant to the Board of Director's proposal for 2006.

Where does the dividend come from?

SEK M	2006	2005	2004	2003	2002
Dividend, total	221	289	287	192	199
Income after financial items					
Lantmännen Lantbruk	105	0	142	32	46
Other units	116	289	145	160	153

Between 2002-2006 the total dividend to Lantmännen's owners amounted to SEK 1,188 M. Each year the dividend to owners has exceeded the earnings of Lantmännen Lantbruk and the balance came from the other business areas. Lantmännen Lantbruk's principal task is to help increase the profitability on the owner's farms, which occurs through improving organizational efficiency; its goal, however, is not maximum returns.

Goal: A steady level of dividends

Lantmännen's dividend policy is a guide for dividend levels. The goal is to maintain a steady level of dividends over time. The dividend policy will be evaluated on an ongoing basis. Its aim is for the dividend level to be adjusted in light of the financial position, earnings, cash flow, investment needs, anticipated profitability, etc. The target for the financial position is an equity ratio of at least 40 percent. The combined distribu-

tion of capital in form of dividends, contribution issue contributions, final price adjustments and refunds shall correspond to at least one-third of the Group's income before tax as measured over a three-year period.

Over the last five years, a total of SEK 1,188 M has been distributed to owners in the form of refunds, final price adjustments, investment dividends and contribution issues.

Definitions

The owners receive part of Lantmännen's profits through:

- **Refunds and final price adjustments:** Reimbursements for deliveries and purchases made. Calculated as a percentage of the members' business volume with Lantmännen Lantbruk for the year.
- **Investment dividends:** "Interest" on the capital contribution.
- **Contribution issues:** Free equity is transferred to the members as capital contributions.



Goals and strategies

Lantmännen's origins and basis are in Lantmännen Lantbruk. The soil and the farmland are the bases for growing grain as well as oilseeds. And agriculture uses seeds, feeds, machinery and various plant cultivation products from Lantmännen. Though its purchasing, processing and reselling the products of agriculture, Lantmännen Lantbruk has the overarching goal of increasing the profitability on owners' farms.

Harvests are processed into foods and energy. The processing industries operate on a completely commercial basis.

Financial targets

The financial target set by the Board of Directors of Lantmännen is a return on equity of 10 percent. The Group goal is thus to earn income after tax of about SEK 900 M, which presumes income after financial items of about SEK 1 billion. The fact that the tax is limited to about 10 percent has to do with refunds and final price adjustments' being tax deductible.

The return target of 10 percent on equity is based on a planned dividend of about 4 percent, 3 percent is required to maintain the equity ratio with organic growth and an additional 3 percent is deemed to be necessary to create room for expansion through acquisitions while maintaining the equity ratio.

Earnings in 2006 fall considerably below the return necessary for investment and growth in financial balance with maintaining the equity ratio. To reach the target of one billion, significant improvements in earnings primarily at Lantmännen Kronfågel and in the fresh bread business in Sweden are required. These are two operations that posted significant losses in 2006. Earnings have also been unsatisfactory in other business areas. This is primarily true for Lantmännen Granngården and Svalöf Weibull. These, however, are businesses that are carrying out successful improvement efforts that are going according to

plan but have not reached their full impact yet. In the Group's biggest business area, Lantmännen Lantbruk, comprehensive action programs are currently ongoing in the areas of grain, feeds and logistics. A successful implementation of these is of key importance for Lantmännen Lantbruk's ability to meet its responsibilities vis-à-vis its owners and to help make Swedish agriculture even more profitable and competitive.

Focus on business and earnings

In recent years, the effort at the Group-level has focused on exploiting synergies and economies of scale within the Group. A number of cost-saving projects have been initiated, which combined have considerable potential. The establishment of common Group functions and projects has entailed central costs, which in the short-term are disproportionate to the Group's present profitability. This, in combination with a high investment rate in several business areas, has resulted in an unacceptable deterioration of cash flow. All told, this means that Lantmännen's new management's highest priority is to reverse the negative earnings trend by eliminating losses in operations, to ensure business areas resources to carry out their revenue- and efficiency-enhancement measures and investment, and to return central costs to a level that can be justified in relation to operating revenue and earnings.

The goal of addressing the synergies in the Group and to create coordinated and modern IT systems and an effective infrastructure still remains. However, in view of the weak earnings performance, the speed of implementation of certain projects will be lowered and certain projects will be postponed.

Purchasing and logistics

Among the initiatives with the greatest savings potential is the establishment of joint purchase and logistics functions. Lantmännen has a combined purchasing volume of about SEK 23 billion annually. By reducing the number of suppliers and coordinating purchases, significant cost reductions can be achieved. As one of the largest food groups in the Nordic countries, Lantmännen purchases about SEK 1.5 billion worth of transportation services. Coordinating the transportation flow and transportation services contracts can have a big positive impact on costs as well as the environment. The efforts in purchasing and logistics will also continue at full speed.

Other areas in which earnings improvements are possible are capital efficiency and administration. In 2006 a Shared Service Center (SSC) was created for portions of the business areas' administrative services, such as invoicing, credit handling and telephone services. In November 2006 Lantmännen Lantbruk,

Lantmännen Grangården and Lantmännen Anläggnings- och Lantbruksmaskiner were put under a common organization for credit handling and receivables. Other administrative systems will gradually be coordinated through SSC.

To facilitate collaboration and to attain the intended synergies, Lantmännen's IT system needs to be synchronized and consolidated further. Preliminary studies have been commenced to identify the systems and infrastructure that will best

support operations in each business area for the future. This infrastructure is to permit efficient utilization of a shared platform for communication, management and oversight.

The Sprout - Our common trademark



One of the Nordic region's largest food, energy and agriculture groups, Lantmännen was united under a new common trademark. This rebranding builds on the additional sales that a strong trademark with positive

associations can result in. A uniform corporate image for the Group's constituent units and a common shipper of consumer products in particular raises visibility. This raises awareness of Lantmännen among customers and

promotes unity and pride among its employees. The rebranding, which is estimated to take place over three years, involves about 450 locations and affects such interfaces as signage, packaging and websites.



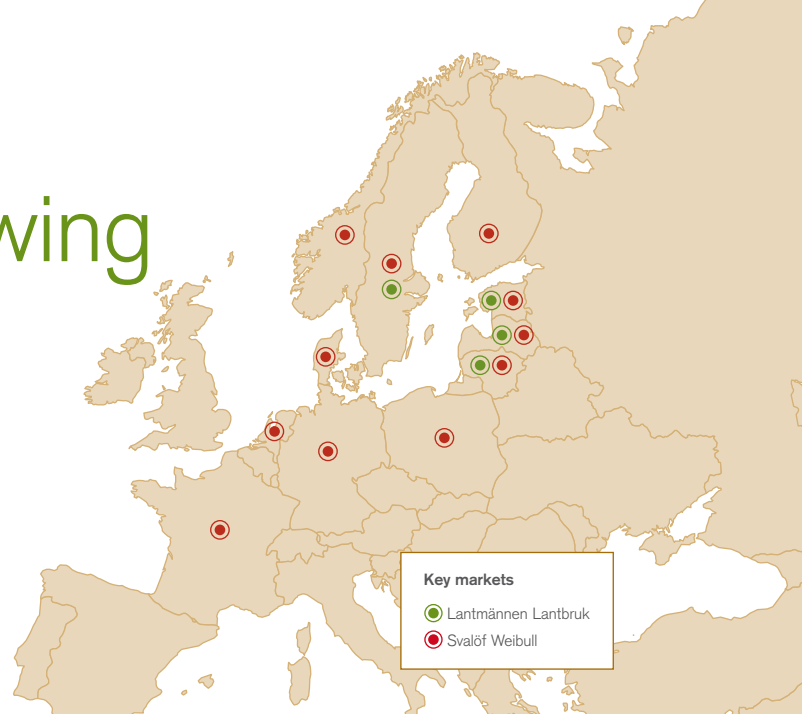
Agriculture

The Swedish soil is the basis of Swedish food production. Through proper soil management our farmers enable all of us to lead healthier lives.

Agriculture is growing

Commodities and food can be produced anywhere, but Swedish raw materials for food can only be grown or raised in Sweden. Farmers' production is the basis for Swedish food production.

However, the market for Swedish commodities is larger than Sweden and also includes a wider geographic area.



Business environment

A growing global population, urbanization and changes in eating habits through rising incomes are responsible for an ever-greater demand for foods and agricultural products. Increased affluence increases consumption of animal products and processed foods. The future, however, is not set in stone. Multilateral trade negotiations, changes in national agricultural policies, macroeconomic developments within the EU and the business environment also directly affect both the demand for and the supply of agricultural products.

Failed harvests in many places around the world resulted in the prices of grain and other crops rising dramatically in 2006. At the beginning of 2007 global wheat stocks were at their lowest in 30 years and vulnerability to further disruptions in international markets is severe. The

market price of wheat may rise somewhat over the next three years but is expected to drop back to today's price in nominal terms after that. Prices of oilseeds and vegetable oil are expected to rise somewhat over the course of 2007, depending on biodiesel production in the EU.

Markets

The increasing globalization of agricultural markets and an enlarged EU mean both new markets and new competitors. New transportation and packaging technology leads to larger market for products but also to competition from a greater number of players. Nevertheless, Swedish agriculture has great competitive advantages through environmentally suitable and sustainable production systems. Agriculture comprises a large group of entrepreneurs who invest in the long-term on values that grow ever stronger in consumers' eyes: The envi-

ronment, ethics, sustainability, security and food safety. At the same time, the prices of agricultural inputs have risen faster in Sweden than abroad. This is an indication that Swedish farmers risk losing their competitiveness.

The consumer's focus on food safety and health issues means that the markets for agricultural products are vulnerable to global news related to foods. Reports about BSE, avian flu and GMO contamination erode the consumer's sense of day-to-day safety. It is therefore important to maintain good health in both livestock production and plant production. It is just as important to contribute with information about the origins and handling of foods. The Swedish farmer currently enjoys the well-deserved trust of consumers.

Climate change

During the year there was a focus on the potential impact of and ways to counteract future changes to the climate. Average temperatures in Sweden increased by nearly one degree Celsius from 1991 to 2005 while precipitation increased by approximately 7 percent. Possible impacts on this country are the northward and upward migration of limits for growing various crops, the invasion of pests and parasites, weather disturbances as well as flooding in Vänern, Hjälmaren and Mälaren lakes.

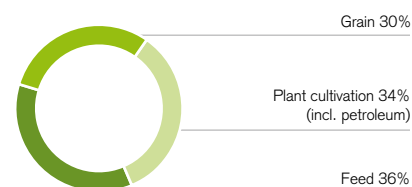


Business area Lantmännen Lantbruk

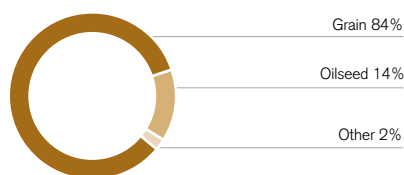
Key figures

	2006	2005
Net sales, SEK M	8,057	8,214
Operating income, SEK M	78	-157
Operating margin, %	1	-2
Return on capital employed, %	5	-3
Investment, SEK M	65	134
Average number of employees	1,165	1,262

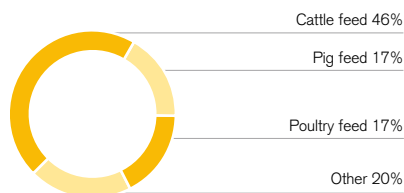
Sales, Lantmännen Lantbruk



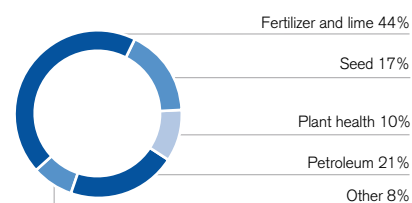
Sales, Grain



Sales, Feed



Sales, Plant cultivation



Lantmännen Lantbruk is the Group's core business, focused on farmers - both grain and livestock producers - and on buyers of grain in Sweden and abroad. The business area processes and markets grain and oilseeds. Another important part of the business is to develop, produce and sell feed. It also offers a complete range of plant cultivation products such as seed, lime, fertilizers and plant protection products and petroleum.

Sales and earnings

Sales amounted to SEK 8,057 (8,214), down 2 percent over the previous year. The reduction primarily resulted from lower sales of plant cultivation supplies. Operating income was SEK 78 M (-157). The significant improvement over the previous year is largely attributable to impairment losses of SEK 174 M

on elevators and feed plants in 2005, against the backdrop of ongoing restructuring. Furthermore, earnings in the grain business have improved sharply compared to 2005, in spite of lower drought revenue because of the troublesome harvest.

The operations

Lantmännen Lantbruk is striving to be the farmer's best business partner by offering products and services that create the preconditions for profitable operations on each and every farm. In its business segments Lantmännen Lantbruk is a market leader in Sweden, with market shares of between 50 and 90 percent.

A weak market in both plant cultivation and livestock production characterized 2006. The total reduction in acreage amounted to about 5 percent, with total

grain acreage the lowest ever, which also resulted in a record low volume delivered to wholesalers. However, the trend is a long-term rise in demand for grain because of gradual reductions in world stocks, increased global affluence and growing interest in bioenergy widening the market for agriculture. Lantmännen's new ethanol plant, which comes on line in 2008, will need 400,000 tonnes of grain, which corresponds to the harvest of approx. 70,000 hectares.

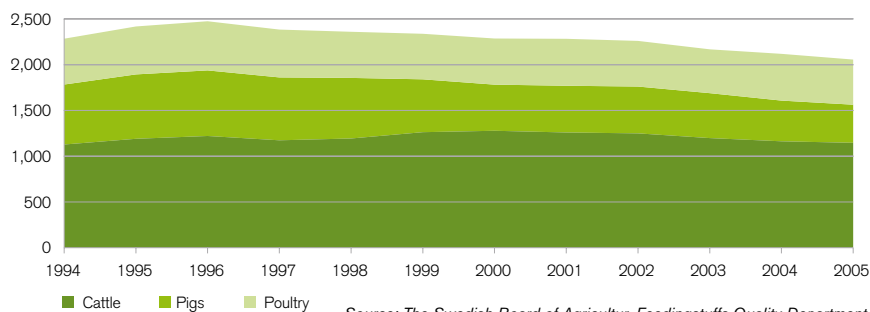
To encourage increased grain cultivation Lantmännen Lantbruk launched the information campaign "Cultivate the field!" in fall 2006.

For livestock production, too, the trend is positive after a downturn of several years. In Sweden more animal-based foods are consumed than are produced.



Manufactured animal feeds in Sweden 1994 - 2005

Tonnes (in thousands)



Source: The Swedish Board of Agriculture, Feedingstuffs Quality Department.

Industrially manufactured feeds have dwindled by nearly 500,000 tonnes over the past ten years. The biggest reduction occurred in the area of pig feed, where on-farm feed production has increased substantially.

Major player in the grain market

Lantmännen Lantbruk handles about 2.2 million tonnes of grain and oilseeds during a normal year, about 1.4 million tonnes of which during the actual harvest. The volume that was received by grain processors during the 2006 harvest was less than one million tonnes, since that harvest was the second smallest in modern times due to a very dry summer and an unusual amount of rain during harvesting.

The grain is cleaned, graded, dried, processed, stored and sold to Swedish and international customers. Around 20 percent of the Swedish harvest in a normal year is exported. Of this amount, Lantmännen Lantbruk accounts for approx. 80 percent. Important export products are mill wheat to southern Europe, oats to the U.S. for horse feed, as well as grain to the Middle East. Malting barley is exported to the Netherlands and Belgium and also to Scotland.

To become an even better business partner for grain farmers Lantmännen Lantbruk started a grain team in 2006 with special expertise in trade. The grain brokers' task is to be the liaison between the growers and grain markets.

Price and market information for growers

Traditional agricultural policies abroad are being phased out, leading to freer

trade and stiffer competition. International market prices matter more and more, making up-to-date market information increasingly crucial. Lantmännen Lantbruk introduced a complete market information service to customers. By logging on to Lantmännen Direkt users obtain the market prices of most major crops every day. Growers also have the option of having price information sent to them via SMS. 80 prices are updated daily. In addition to the traditional pool price quotes, Lantmännen Lantbruk also offers growers the opportunity to sell their crops at spot prices (which reflect the markets at an immediate point in time and refer to immediate delivery) or on a futures contract (which secures the price for a certain delivery period in the future).

Improved solvency

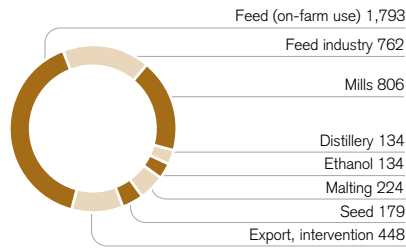
Efforts continued to cut costs in the grain business to improve international competitiveness. An important part of these efforts is reducing of the number of receiving sites for grain, which is being implemented under the banner "Blue Light."

After the 2005 harvest Lantmännen Lantbruk had 92 plants for receiving grain. Before the 2006 harvest 26 were closed down, which means that there were 66 plants left. Before the 2007 harvest an additional 41 plants will be phased out, which means that 25 will

Documented animal welfare and good animal health as well as excellent production results mean that Swedish farming has favorable prospects for livestock production. In Sweden there is plenty of acreage for feed production and the spreading of manure as well as a good supply of feed by-products from energy production.

To support customers in livestock production, Lantmännen Lantbruk allocated a total SEK 80 M as an incentive package during 2006. The package includes both interest-free credit for feed and a deal on siloing. Nearly 300 farmers took Lantmännen Lantbruk up on its incentive package. Applications were for expansions of existing production as well as new investment.

Grain use in Sweden 2006/07
Tonnes (in thousands)



remain after that. There are plans to phase out some additional 10 plants within a 2- to 4-year period. Together with the other measures, the goal is to reduce the annual cost levels by more than SEK 200 M and thereby be able to increase solvency vis-à-vis the growers by an average of SEK 0.10 per kilogram grain.

European purchasing collaboration

In 2006 work continued to improve purchasing operations for input products. The collaboration with Dansk Landbrugs Grovvarereselskab (DLG), Lantmännen's equivalent in Denmark, has intensified. During the year, a collaboration was also launched with HaGe Kiel, Germany's third-largest agricultural company with business activities in northern Germany and in Poland. Through strategic cooperation with both Danish and German companies, Lantmännen Lantbruk sees added opportunities for sharing experiences and creating synergies.

Focus on seed

Efforts to streamline the seed business have continued, and an action program was launched aimed at cutting costs by SEK 10 M. A decision was made to integrate BioAgri and SeedGard into Lantmännen Lantbruk. BioAgri produces the biological seed treatment products Cedomon and Cerell. SeedGard developed the method Thermosteed, whereby the seed is treated with hot humid air with very high precision, rendering harmless infection from plant diseases without impairing the seeds' ability to grow.

Comprehensive range of feeds

Lantmännen Lantbruk offers a comprehensive range of feeds for livestock production under such brands as Nötfor, Piggfor, Pullfor and Sundfor. New products were launched in all product categories. Cooperation with international partners was introduced for the production of milk replacers under the brand Konnect, and the area's own production in Mjölby was wound up.

Although most sales of feeds are to livestock producers in Sweden, exports of speciality feeds primarily to the Baltic countries have performed well.

Lantmännen Lantbruk is continuously working on developing new feeds. Development efforts focus on using by-product feeds derived from bioenergy production since this production will increase.

Milk production at Nötcenter Viken, Lantmännen's experimental farm for

cattle feed, has performed very well, and the herd, in terms of yields, is at the top among major milk herds in Sweden. A new system, "Silo on line," has been developed to make it easier for customers order feed. With "Silo on line" the farm's feed silo will automatically notify Lantmännen when feed needs to be delivered. In addition to a simpler process for customers, Silo on line makes it possible to streamline production and transportation planning for Lantmännen.

Rapid changes

Swedish livestock producers are subject to tough competition from low-cost food-producing countries. This is hastening the streamlining of Swedish livestock production, which means that Lantmännen's customers will be larger though fewer. Many farms choose to invest in increasing on-site production of feed using grain grown on the farm, which leads to higher demand for concentrated feeds and raw materials and lower demand for finished feeds.





For that reason, production volume at feed plants is expected to fall over the next years. This means that the feed industry needs to be streamlined further.

Production cooperation with Kristianstadortens Lagerhusförening (KLF) has been launched. New working methods and a more streamlined organization have been created in feed production. In total these actions are expected to lead to annual cost savings of SEK 50 M.

After salmonella was detected at the feed plant in Åhus at the beginning of the year, efforts intensified in quality control and feed safety. A decision was made for all feeds to be heat-treated. An investment has been made to make it possible to treat salmonella-contaminated raw materials directly when being unloaded from a ship.

Coordinated logistics

Lantmännen is Sweden's fifth-largest purchaser of transportation services. The Lantmännen Group's transportation costs amount to SEK 1.5 billion annually. Of that total, Lantmännen Lantbruk accounts for about half.

A new function has been created with the task of coordinating and streamlining logistics in the Group and being responsible for logistics operations at Lantmännen Lantbruk.

A new service is SMS notification of deliveries, enabling customers to easily and quickly to find out when bulk feed, fertilizer or seed will be delivered.

Lantmännen Direkt

Lantmännen Direkt gives customers the option of performing a number of transactions on the Internet. Besides placing orders, farmers can read news and get information as well as do other business with Lantmännen. Lantmännen Direkt also offers services for grain weighing, product and market information and weather forecasts.

In spring a discount was introduced for ordering bulk feeds on the Internet, which increased the number of Internet orders in the fall by 50 percent. There are about 6,000 users. In 2006 a classified ad service was launched to facilitate inter-farm trade, where by the farmer can buy or sell grain himself or through Lantmännen.

New business concept

Lantmännen Lantbruk introduced a new business concept. Entering into a so-called value agreement simplifies a customer's purchasing and suborder procedures. A contract discount and added-value services are also offered. Examples of added-value services are SMS reminders, monthly deals from Nordpost, priority on attractive grain contracts, VIP meetings and seminars, soil mapping packages, financing and/or longer credit grace periods, grain advances as well as optimization of the farm's flow of goods.

The value agreement comprises fertilizer and seed and will gradually include more product areas in 2007.

The Entrepreneurial Sprout

New times require new ways of working, and customers need new products and services from Lantmännen to help them improve profitability on their farms. Lantmännen Lantbruk therefore started the innovation program, the "Entrepreneurial Sprout," during fall 2006 with the objective of creating new businesses in Lantmännen Lantbruk.

Outlook for 2007

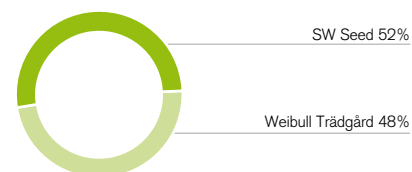
In 2005 the goal was set to lower Lantmännen Lantbruk's costs by SEK 500 M over a five-year period. This effort is proceeding as planned, and the streamlining of the grain business will continue in 2007 with further phasing out of elevators. The reduction in the feed market, higher commodity prices and the trend toward a greater share of feed being produced on the farm make continued streamlining imperative. The aim to be the leader in complete processed feed and also be the market leader in alternative raw materials for feed, pre-mixes and concentrates demands a great deal from Lantmännen. The logistics efforts initiated in 2006 to improve product flow and exploit the transportation-related synergies in the Group will continue to be a high priority.

Business area Svalöf Weibull

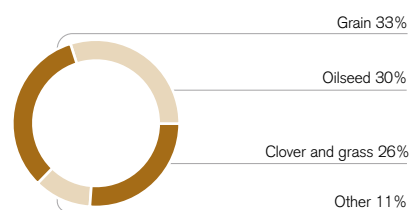
Key figures

	2006	2005
Net sales, SEK M	983	1,058
Operating income, SEK M	-96	-6
Operating margin, %	-10	-1
Return on capital employed, %	-8	4
Investment, SEK M	23	52
Average number of employees	575	636

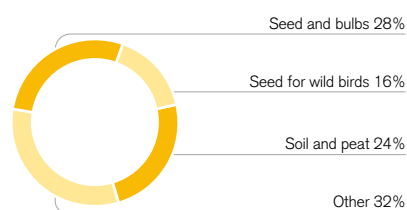
Sales, Svalöf Weibull



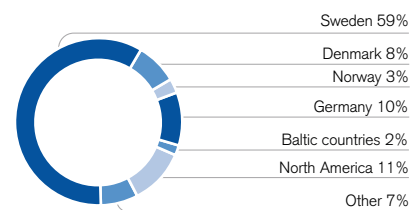
Sales, SW Seed



Sales, Weibull Trädgård



Sales per country, Svalöf Weibull



Svalöf Weibull consists of two units. SW Seed operates in the area of plant breeding and seed production in the international market focusing on Northern and Central Europe. Weibull Trädgård is the leading garden supplier in the Nordic countries with a strong market position in Sweden and Denmark. Svalöf Weibull is owned by Lantmännen (60 percent) and German BASF (40 percent).

Sales and earnings

Earnings in 2006 were affected by the large-scale restructuring taking place at SW Seed. Excluding costs for structural measures, however, earnings improved by SEK 40 M.

Sales for Svalöf Weibull were SEK 983 M (1,058). The decrease compared with 2005 is primarily due to the disposal of

unprofitable operations in Canada and the United Kingdom. The operating loss was SEK -96 M (-6). The considerable discrepancy compared to the previous year is primarily due to nonrecurring costs for restructuring at SW Seed (SEK 103 M) as well as the fact that a major real estate sale improved 2005 earnings significantly.

Weibull Trädgård's earnings improved. A cold spring, hot summer and rainy early fall negatively impacted earnings. Increased investment in marketing did not have the desired impact on sales and earnings.

SW Seed

The business

Active in the international market, SW Seed focuses on Northern and Central Europe. SW Seed operates in the area of plant breeding for agriculture. The production and sale of seed includes both its own and other companies' seed varieties.

The most important seeds are grains, oilseeds and pasture and forage crops. Svalöf Weibull has processing stations in Sweden, Germany and the Netherlands.

The substantial commitment to bioenergy in Europe means that a number of significant opportunities are opening up for the increased growing of grains and oilseed rape. That farmers continue to clean seeds on the farm reduces sales for the seed business all over Europe. EU's change in support for cereal growers has resulted in grain cultivation in Sweden being reduced for two years running.

Market position

SW Seed saw great achievements in 2006, principally in the Baltic and German markets. In Germany sales were very good thanks to the successful winter oilseed rape variety Baldur and a continued strong performance in triticale. The new winter wheat varieties Brilliant and Türkis performed well. In



the Baltic region the sale of winter oilseed rape doubled compared to the year before thanks to a good variety material. In Poland winter wheat represented the greatest success, doubling its market share, but oilseed rape sales increased as well. In France, on the other hand, the market share for winter oilseed rape fell. In Sweden SW Seed's sales of spring barley and winter wheat fell, while oats volumes rose significantly.

Structural changes

2006 was a year of change for SW Seed. An extensive action program was implemented, entailing a focus on the Northern and Central European markets. In connection with that effort, SW Seed sold its operations in Canada and the U.K. Processing of malting barley, hybrid rye, potatoes in Sweden, turf grass and French winter wheat were phased out.

Research and development

The great changes in SW Seed's plant breeding resulted in a significant focus on winter wheat and winter oilseed rape. In Germany and France official cultivation trials performed on oilseed rape varieties were very successful and there were also good results with trials involving triticale and barley in Germany. In the Swedish market, the spring barley variety Gustav, which has shown very good results in official variety trials, will be launched before the 2007 spring sowing.

Outlook for 2007

After a year of concentrating on in-house efforts to cut costs and boost efficiency, the focus for 2007 will be on business development. The cooperation between SW Seed's processing teams in various European countries can be strengthened further and seed production in both Sweden and Germany is being streamlined.

Weibull Trädgård

The business

Weibull Trädgård is a leader in the Nordic horticultural market. The company markets seeds, bulbs, soil, wild bird seed and gardening tools, among other items. Their own production comprises primarily soil, potatoes and peat as well as flower, vegetable and grass seeds. The business is divided into a consumer category (70 percent) and a professional category (30 percent). The best-known brands are Weibull and Hammenhög. The total horticultural market in the Nordic countries is estimated to be approximately SEK 20 billion. It has been characterized by strong growth in recent years. However, 2006 saw declining growth because of unfavorable weather for the season.

For Weibull Trädgård the growth in the consumer market was strong. The heavy price pressure caused by the big retail chains is a major challenge and has resulted in lowered margins. The professional market has stagnated somewhat. Small players have disappeared and the bigger ones have taken market shares. During the year Weibull Torv and Svensk Potatisutsäde became a part of Weibull Trädgård.

Market position

Weibull Trädgård strengthened its market share in both Sweden and Denmark. New variants of the seed mats and the new concept "Green Steps" are some of the successful initiatives that have been launched.

Outlook for 2007

The positive sales performance in both Denmark and Sweden is expected to continue. This will be promoted by, among other measures, marketing and product innovation initiatives. Weibull Trädgård will also continue to focus on purchasing and logistics to ensure sufficient margins.

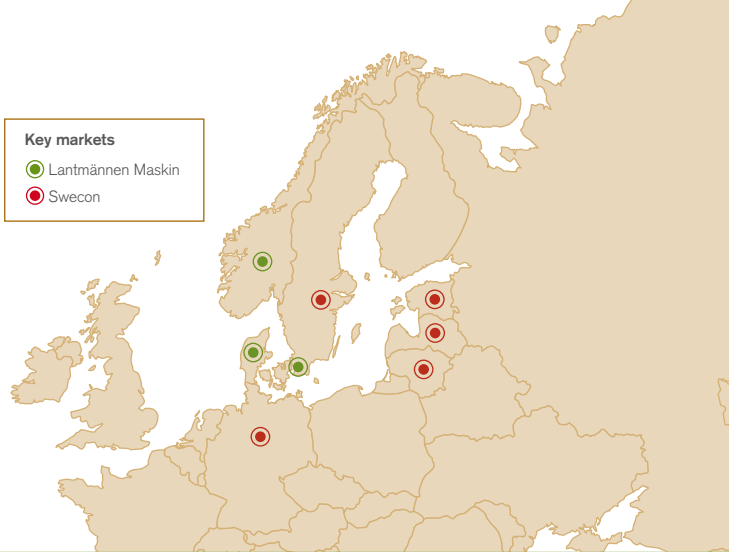


Anläggnings- och Lantbruksmaskiner

Efficient and competitive operations require modern machinery, an extensive service network, and streamlined spare parts distribution. That is what Lantmännen offers.

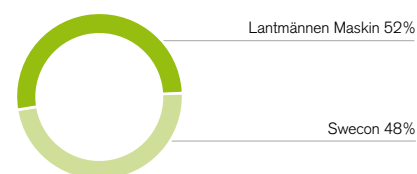
Business area

Lantmännen Anläggnings- och Lantbruksmaskiner



Key figures	2006	2005
Net sales, SEK M	7,689	6,809
Operating income, SEK M	340	168
Operating margin, %	4	2
Return on capital employed, %	27	12
Investment, SEK M	256	135
Average number of employees	1,594	1,633

Sales, Lantmännen Anläggnings- och Lantbruksmaskiner



Lantmännen Anläggnings- och Lantbruksmaskiner operates in two units: Lantmännen Maskin focuses on agriculture and Swecon is active in the area of construction machinery.

Lantmännen Maskin imports, markets and sells agricultural machinery in Scandinavia. Swecon does the same for Volvo construction machinery in Sweden, the Baltic region and central Germany.

The company has market-leading positions in the area of tractors, combines and construction machinery thanks to a close cooperation with leading manufacturers, an extensive service network and streamlined spare parts distribution.

Sales and earnings

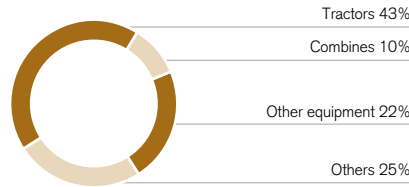
Net sales were SEK 7,689 M (6,809), up 13 percent. For Lantmännen Maskin sales rose across all markets, with very satisfactory performance in Denmark. For Swecon, too, sales rose in all markets. In Germany the market for construction machinery picked up again, and in the Baltic countries sales are increasing thanks to the large investment in infrastructure as a result of EU membership.

Operating income amounted to SEK 340 M (168). In 2005 operating income was affected by nonrecurring items of SEK -130 M, primarily due the change of tractor agencies and consolidation of machinery companies, but also by costs from bad debts.

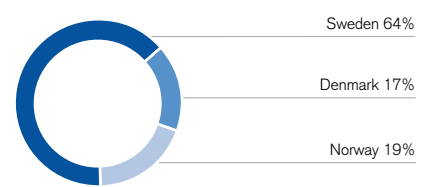




Sales, Lantmännen Maskin



Sales per country



Lantmännen Maskin

The business

2006 saw the merger of Lantmännens Maskinimport (LMB), Svenska Lantmännen Maskin AB, Kullenbergs Maskiner AB and Valtra Traktor AB as well as the establishment of the new Lantmännen Maskin. In Sweden sales span the entire country with the exception of Kalmar Lantmän's operational area. After conducting a review of the organization and the business's direction, conditions are good for increased efficiency and stable financial performance. The goal is to meet the professional customer's requirements for a partnership, from product delivery to service and spare parts.

In Norway and Denmark Lantmännen Maskin is an import company and dealer with distribution channels. Operations in the three countries are run as separate companies though with a joint management team.

Market position

In fall 2005 it was decided that Lantmännen would switch tractor brands, an action that has now become a success in the market. For the Swedish company this meant phasing out the brand CaseIH, which is being replaced with Valtra and Fendt. In Denmark and Norway Valtra and Claas were introduced as new tractor brands.

The market performance for tractors was positive in Scandinavia with a big volume increase in Denmark and a smaller increase in Sweden and Norway.

In Sweden Valtra is a market leader and Fendt is established in the market and consolidated its position. Valtra has also increased its sale of tractors in Denmark and Norway, where Claas tractors have taken big market shares.

The market for combines has been stable. There is a clear tendency toward bigger combine models. With Claas, Lantmännen Maskin is still Scandinavia's largest supplier of combines.

Sales of used machines were very good and the rate of turnover high. A review of the total used inventory was carried out during the year. The used machinery business is expected to continue to perform satisfactorily during 2007.

Sales of spare parts were affected by unstable weather during the season. In spite of that, total sales volume was stable during the year. A warehouse refilling system unique to the industry, Refill, was introduced during the year. The automatic refilling of spare parts as needed increased the level of service as

well as reduced capital employed and the work involved. Spare parts personnel thereby have more time for active customer service.

Outlook for 2007

The market for agricultural machinery is expected to remain stable during 2007.

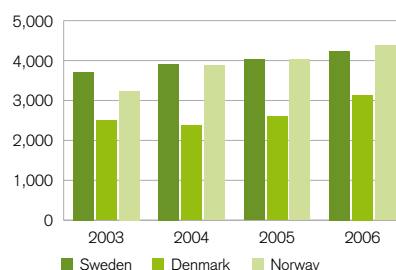
In spring 2007 Claas tractors will be introduced to the Swedish market.

The restructuring of the company continues and will focus on strengthening the successful concept in Scandinavia featuring distribution of spare parts and accessories to Lantmännen's own business and dealers in Norway and Denmark.

For the Swedish company the improvement efforts continue with more streamlined logistics, central purchasing and a better use of the company's total resources. The goal is to create a strong machinery company with increased customer satisfaction, motivated employees and improved profitability.

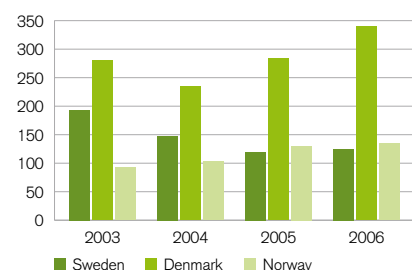
Total market, tractors

Number of registrations



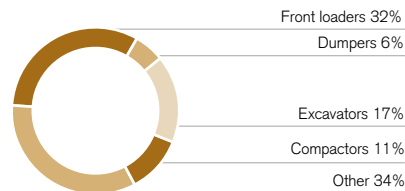
Total market, combines

Number

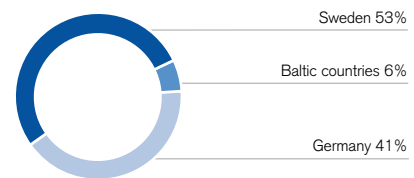




Sales, Swecon



Sales per country



Swecon

The business

Swecon is an importer and dealer of Volvo Anläggningsmaskiner in Sweden, Estonia, Latvia, Lithuania and parts of Germany. The product line comprises front loaders, dumpers, excavators, road planers, backhoes and compactors. Swecon's operations comprise marketing and sales of these products as well as service and supplying spare parts to customers.

Market position

In 2006 the markets performed well. The construction industry continued to grow Sweden, while basic industry continued to enjoy a boom, which meant market growth of 20 percent. The German market recovered and showed decent growth in spite of overall weak growth in the country. The leased equipment market expanded, with investment in the leased equipment fleet as an important reason for this. The three Baltic countries showed the strongest growth in Europe, and the markets for construction machinery doubled over the past two years.

Swecon is a market leader with more than 40 percent of the Swedish market. The market shares in the Baltic countries increased in 2006 and were stable in the German market. Generally efforts have concentrated on improving service and to improve business processes on the basis of each market's requirements.

Outlook for 2007

The markets are predicted to continue to perform well. There is a slight uncertainty in the German market where expectations for 2007 have dampened somewhat. The impact of the VAT increase in Germany is, for example, difficult to assess.

Volvo CE is launching an unusually large number of new machine models in 2007. This principally involves introducing even "greener" engines in front loaders and excavators. The trade shows in Munich and Stockholm in the spring are therefore important events for Swecon.

Business development continues its focus on improving customer service and other offerings. Swecon is investing in the development of HR and service resources to further improve customer benefits and growth as well as ensuring good long-term profitability.





Energy

Sweden is a pioneer in bioenergy. Lantmännen is doing its part by investing in liquid biofuels such as ethanol and RME as well as in solid biofuels.

Global energy use on the rise

Climate change and the dependence on oil are two of the key global challenges today. There is a pressing need to find sustainable energy solutions. Fossil fuels such as oil, coal and natural gas still dominate global energy supplies. Global energy consumption continues to grow in step with rising living standards and increasing industrial production.

Energy consumption in the EU is increasing, especially in the new member states where there is room for increasing industrial production and improving living standards. For that reason the European Commission will take an active role in steering the energy sector toward a higher share of renewables. The target is a 20 percent reduction in greenhouse gas emissions by 2020.

Bioenergy in Sweden

Sweden is a pioneer in bioenergy, which accounts for nearly 25 percent of total energy use. It is estimated that it will be possible to double the share of bioenergy by 2020, without interfering with the needs of the forestry and food sectors for commodities or significant environmental impact. It is estimated that the use of energy from arable land, which today accounts for slightly more than 1 TWh, could be increased considerably. The development potential is approximately TWh by 2010, and approximately 20 TWh by 2020.

Biofuels

According to the targets of the EU Biofuels Directive, biofuels are to account for at least 5.75 percent of energy consumption by 2010. Seen in relation to current consumption levels of gasoline and diesel, such a replacement would require 13 million cubic meters of bioethanol and 14 million cubic meters of biodiesel for the EU 25. If 80 percent of the ethanol were to be produced from grain and 20 percent from sugar beets, it would mean that 9 percent of the EU 25's agricultural areas (167 million hectares in total) would have to be used for the production of liquid biofuels.

Sweden and Germany were the only member states that surpassed the EU target of a 2 percent share of biofuels of fuel consumption by the end of 2005. Sweden reached a level of 2.3 percent.

In Sweden the market for RME (rape-seed methyl ester) has been established, as a result of the new tax rules that were introduced on August 1, 2006, allowing for a 5 percent biofuel blend in diesel Mk1 (environmental class 1). The number of RME and ethanol producers in Europe is increasing.

Solid biofuels

The market for wood pellets has been expanding rapidly in Sweden in recent years, and the current volume is 1.7 million tonnes. From being a small market, the international market for refined biofuels is quickly developing, although unevenly.

It is estimated that by 2008, Swedish consumption of pellets will have risen to a level of 2.15 million tonnes, with private households increasing their consumption from 0.35 million to 1 million tonnes. The development of wood pellet production in Sweden will be limited by access to price-competitive raw materials. Swedish wood pellet production is estimated to rise from 0.9 million tonnes annually to 1.43 million tonnes by 2008.

Machinery and the environment

In this area there is a growing interest in renewable and "green" products. Lantmännen and Sweden are pioneers in environmental gasoline (Aspen petrol), whose market share for smaller engines continues to be on the rise in Sweden as well as the rest of Europe. The market is still dominated by lubricant and hydraulic oils based on petroleum. The concern for people and the environment means that the need for renewable and "green" products will continue to grow.



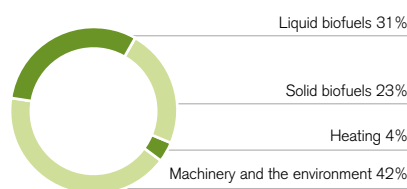
Business area Lantmännen Energi

Key figures	2006	2005
Net sales, SEK M	2,622	2,187
Operating income, SEK M	73	78
Operating margin, %	3	4
Return on capital employed, %	7	9
Investment, SEK M	168	93
Average number of employees	258	215

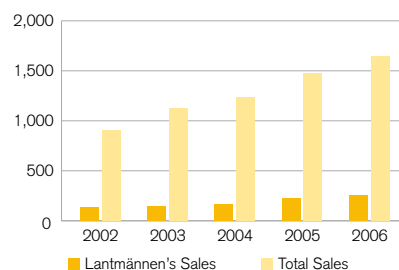


Lantmännen Energi comprises Lantmännen's businesses in the energy sector. Lantmännen Energi develops, manufactures and markets energy products. It operates in four areas: Liquid biofuels, solid biofuels, heating, and machinery and environment. Lantmännen Energi is also responsible for the organization's purchases of electricity and leads the work on improving energy efficiency and conversions to biofuel-based solutions in Lantmännen's various operations.

Sales, Lantmännen Energi



Sales of fuel pellets in Sweden
Tonnes (in thousands)



Sales and earnings

Sales increased by 20 percent to SEK 2,622 M (2,187). All areas of operations show an increase in sales compared with 2005, with the largest increase in liquid biofuels, owing to higher volumes. The acquisition of the Aspen Group also helped boost sales. Operating income amounted to SEK 73 M (78). The earnings fell in the area of liquid biofuels, while improvements were primarily seen in solid biofuels.

Biofuels

Lantmännen Agroetanol

Lantmännen Agroetanol is Sweden's only large-scale manufacturer and supplier of grain-based ethanol biofuel. Its customers are the major oil companies. The Norrköping plant produces approximately 57 million liters of ethanol annually, using 140,000 tonnes of grain as raw material. In April it was decided to establish

a new ethanol plant in Norrköping, and in November the environmental permit for increased production was granted. The new plant will start production in 2008. Lantmännen's total ethanol biofuel production is then estimated to reach 210 million liters per year. The investment will approximately amount to SEK1.2 billion.

Lantmännen Ecobrånslé

Lantmännen Ecobrånslé produces and markets biodiesel, RME (rapeseed methyl ester), based on oilseed rape. Its customers consist of oil companies, freight companies, municipalities, industries and farmers. In May Sweden's largest biodiesel plant was opened in Karlshamn. The plant will produce 45 million liters of biodiesel annually, corresponding to 100,000 tonnes of rapeseed. In June the Swedish Riksdag decided to increase the level of RME in diesel from 2 to 5 percent. Thus the Swedish market

for RME will expand from 15 million liters to over 200 million liters.

Lantmännen Agrofuel

In August Agrofuel presented Agrodiesel 15, which contains 5 percent RME (rape-seed methyl ester) and 10 percent alcohols produced from wheat or other biomass. To develop this product an extensive amount of research and testing was necessary. Tests have shown that when a bus drives on Agrodiesel 15, particulate emission is reduced by 20 percent, compared with traditional diesel. Agrodiesel 15 is planned for launch in 2007.

Solid biofuels

Lantmännen Agroenergi

Lantmännen Agroenergi operates in processing and sales of pellets, powders, briquettes, logs and shrub willow. The products are manufactured in Sweden and Latvia and are sold to district heating

stations, local heating stations, homeowners, as well as for use in commercial and industrial properties. Since November all its refined biofuels have been sold under the brand name of Agrol. Sweden has one of the world's most developed markets for wood pellets, and solid biofuels are the dominant type of fuel used in Swedish district heating systems. Lantmännen Agroenergi's international business continues to grow.

During 2006, the acreage used for planting shrub willow increased by approximately 30 percent. In Sweden the acreage for growing shrub willow was increased by 600 hectares, bringing the total area up to 14,600 hectares. Shrub willow plants corresponding to 700 hectares were exported to the rest of Europe. The prognosis for 2007 is that this export will increase, reaching a total sale equivalent to 2,000 hectares.

Heating

Lantmännen Agrovärme

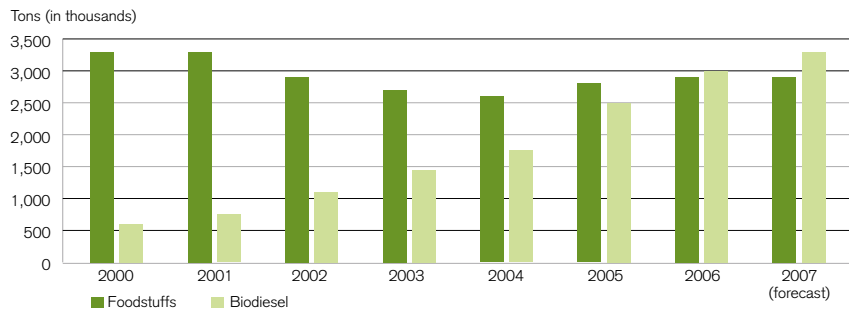
Lantmännen Agrovärme runs 28 district heating stations and is responsible for distribution in the southern and central parts of Sweden. The district heating stations use 93 percent biofuels. For instance, the installation in Ulricehamn relies on exhaust gas condensation to recycle heat, which is then supplied to customer-owned distribution grids for district heating.

Machinery and the environment

Lantmännen Energi

Lantmännen Energi AB produces and markets lubricants under the brand name Agrol, many of whose products are environment-friendly. Agrol has a market-leading position in Swedish agriculture. Contractors and forestry are also among Agrol's main customer groups, but industrial enterprises are becoming increasingly important. The share of bio-based products is increasing, and Lantmännen Energi AB is a market leader in Sweden in developing "green" lubricants. The latest product is the hydraulic oil Mendo Longlife, which was launched in the spring of 2006.

Use of rapeseed oil in EU25



In 2006 over 50 percent of the rapeseed produced in Europe was used for biofuels. Similarly, sugar beets, sugar cane and maize are increasingly being used for the production of biofuels.

Lantmännen Aspen

The Aspen Group was acquired in June 2006. The company is the leading distributor of alkylate gasoline, commonly referred to as environmental gasoline, in the Swedish market as well as in 14 other European countries. The main product is environmental gasoline with 2 percent two-stroke oil, used for instance in lawn mowers, chain saws, scooters and boat engines. The market for Lantmännen Aspen's environmental gasoline is expected to grow in Europe as well as in Sweden. Lantmännen Aspen's international distribution network constitutes an important tool for the continued internationalization of the business area.

Outlook for 2007

Lantmännen Agroenergi expects to see continued growth in the overall market as well as in the market share of biofuels, which means that a capacity increase will be necessary, both in Sweden and abroad. Focus will be on developing the quality of fuel pellets. The work on strengthening the market for shrub willow must continue in Sweden as well as internationally.

Lantmännen Agrovärme aims to strengthen its position in the sector for smaller district heating systems. Such systems are structurally interesting because they allow for flexibility in choice of fuels as well as for a modern operating technology. Lantmännen Agroetanol is building the new ethanol biofuel plant, which will be ready for production in 2008. The intended feedstock for production is grain, but the

possibility of using other types of biomass, especially sugar beets, is being studied.

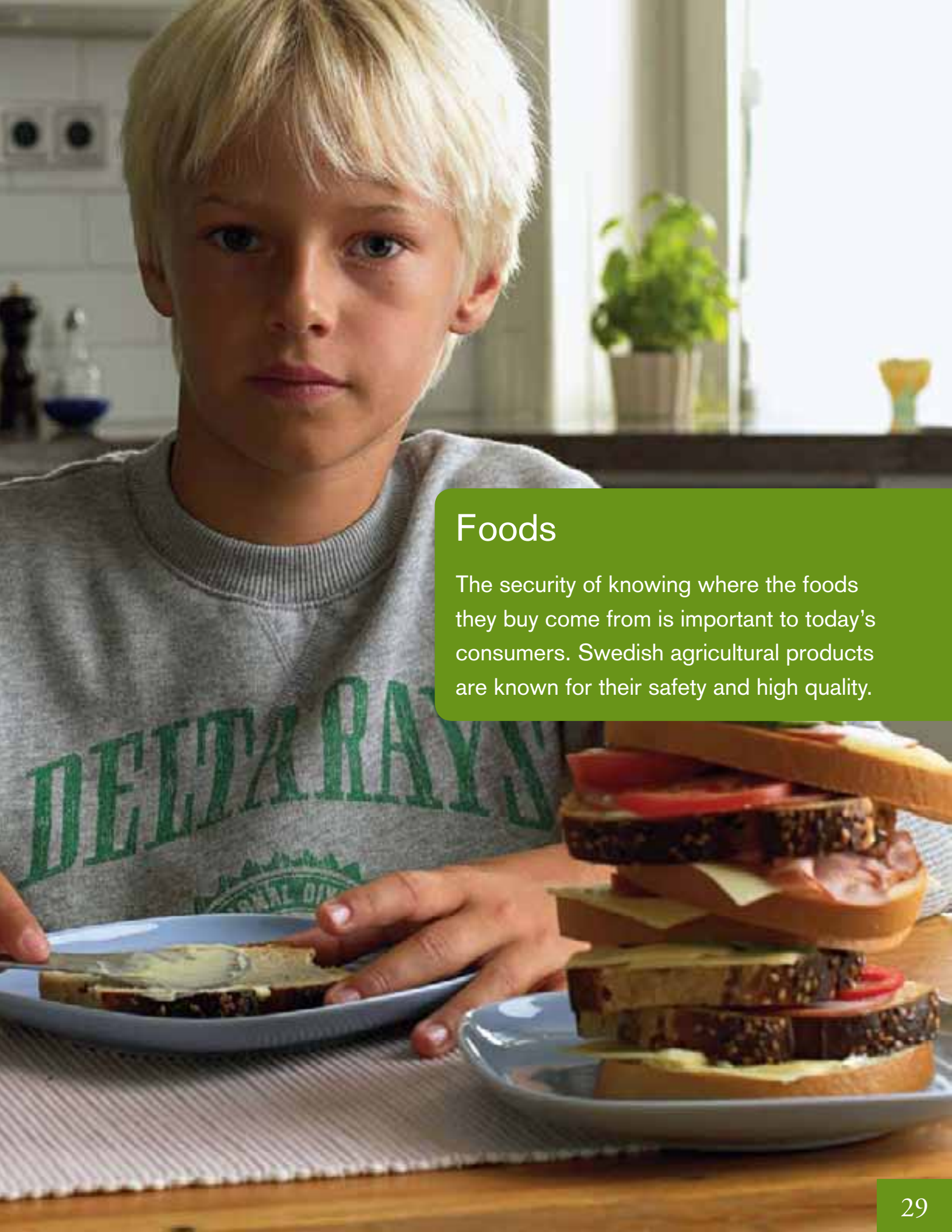
Lantmännen Ecobränsle plans to increase its capacity and market share of RME as a diesel additive.

After the highly successful launch of Agrol lubricant oils in the Norwegian market, Lantmännen Energi and Lantmännen Maskin will move on to focusing on the Danish market.

The intensified collaboration between Lantmännen Energi and Lantmännen Aspen on environmental gasoline, other distillates and lubricants means a stronger market focus.

Lantmännen's two payment cards

Holders of Agrol cards and Lantmännen cards receive discounts on fuel, bonuses on purchases at Lantmännen Grangården, and access to Lantmännen Grangården's and Lantmännen Maskin's interest-free installment scheme. The cards also give users access to special offers on Lantmännen Axas's consumer goods. The number of payment and credit card holders has increased dramatically this year, to more than 50,000, an increase of 25 percent. Last fall the "kortwebb" function was introduced, whereby customers can monitor their transactions, balance and credit used via the Internet.

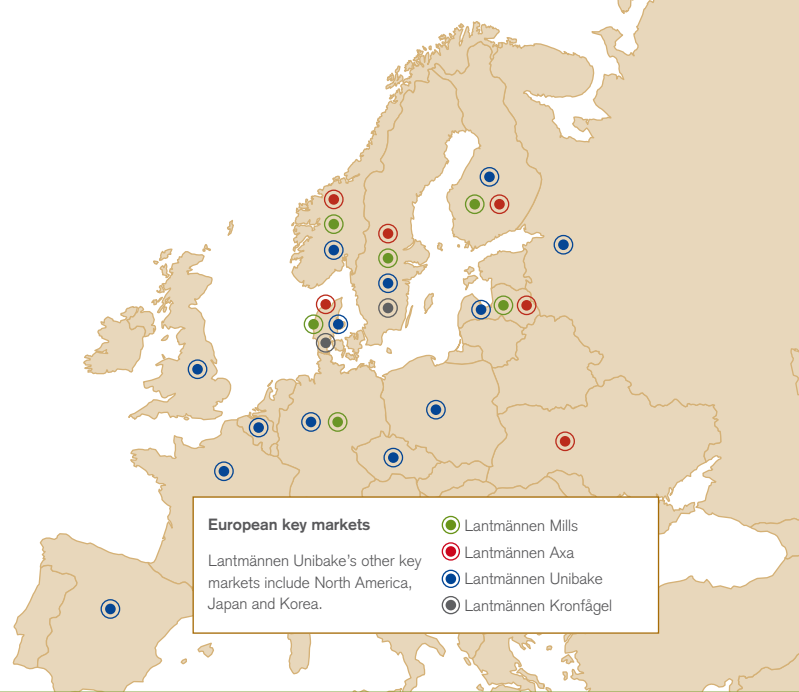


Foods

The security of knowing where the foods they buy come from is important to today's consumers. Swedish agricultural products are known for their safety and high quality.

Foods

The market for foodstuffs is becoming increasingly international. Swedish imports of food products, even those that can be produced domestically, are on the rise. For the Swedish food industry to thrive, exports must be increased, something that Lantmännen's different food businesses are working to do.



Business environment

The growth of the Swedish food market is limited by household purchasing power and historically slow population growth. Nevertheless, long-term market growth is anticipated, partly due to changes in consumption patterns. Today Swedish consumers fill their shopping carts with low-price products and high-quality products at the same time. A large proportion of the market growth for food industry players is now found outside of traditional retail trade, principally in new types of restaurants, convenience food stores and service stations. It is critical for the food industry to be able to predict developments in this convenience food market and supply relevant products that are sold ready to eat.

Market players, both among manufacturers and in the retail trade, continue to consolidate and to expand across national borders. Improved transportation technologies extend the radius for potential export markets. The competition in the market will stiffen. The growing internationalization of the food market also entails an increased focus on locally produced products. Local brands will be competing with products from international chains.

Markets

The arrival of discount chains in Sweden was a clear symptom of consumers' price

consciousness. However, this price consciousness has been modified by a greater emphasis on added value. The general tendency among today's consumers seems to be to weigh convenience and price against environment, ethics, health and safety.

Ethics and the environment have long been important factors for the retail trade. Due to our differing lifestyles and a more and more vocal debate on the environment, consumers also want their values reflected in the food they buy. In Sweden organic food products have been available in the stores for many years, but the range of products has received renewed attention because of the debate about climate change. The global market for organic foods in 2006 has been estimated at approximately SEK 280 billion. In Sweden organic food products account for 2-3 percent of foods sold.

Consumers

Food product safety is essential to consumers today, especially after the scares over BSE, trans fats, avian flu, and other disturbing events. In this respect Swedish produce has an obvious competitive advantage, since Swedish consumers clearly associate Swedish agricultural products with a high degree of food safety. The need for interdependence and a sense of belonging to a traditional culture also gives the Swedish products

an advantage. Non-native Swedes, who account for nearly 11 percent of the total purchasing power in this country today, have great confidence in Swedish produce.

For many years health has been a key concern of food consumers, and there are no signs that this trend is about to abate. Whole-grain products, health-promoting ingredients and unprocessed goods are proliferating and still winning market shares.

The retail trade

Despite the aforementioned trends, price is still decisive for many consumers. The average food product price today, minus VAT reductions, is close to the price level of the first half of the 1990s. The market share of discount retailers in Sweden is still low by international standards.

Despite higher costs for raw materials and energy, it is difficult for food manufacturers in Sweden to raise the prices of their products due to the price pressure in the consumer market.

Business area

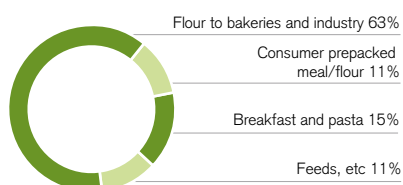
Lantmännen Mills

Key figures

	2006	2005
Net sales, SEK M	2,447	2,309
Operating income, SEK M	141	125
Operating margin, %	6	5
Return on capital employed, %	8	7
Investment, SEK M	296	242
Average number of employees	790	827



Sales, Lantmännen Mills



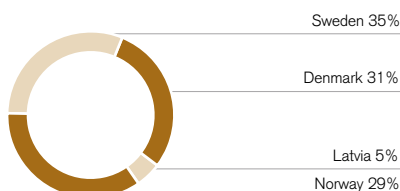
Lantmännen Mills is the leading supplier of flour and grain products in Scandinavia, with twelve production facilities located in Sweden, Denmark, Norway and Latvia. Lantmännen Mills also has strategically important partners in Finland and Germany, through its partnerships in the flour milling businesses Melia Oy (25 percent) and VK Mühlen (18 percent), both of which are leaders in their respective markets.

Sales and earnings

Net sales amounted to SEK 2,477 M (2,309). Operating income was SEK 141 M (125). Capital gains on the sale of real estate affected earnings for both 2006 and 2005, and 2005 earnings were also affected by a write-down of fixed assets.

Sales in Sweden reached SEK 853 M (779), in Denmark SEK 753 M (741), in Norway SEK 708 M (679), and in Latvia SEK 133 M (110).

Sales per country



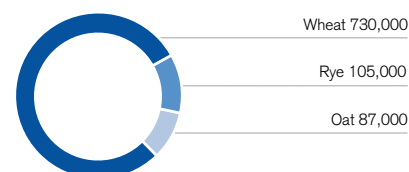
The business

Lantmännen Mills' ambition is to be the leader in its segment, in everything from product development and manufacturing to sustainable development.

Lantmännen Mills produces flour, meal, flour mixes, breakfast cereals and pasta. Approximately 80 percent of production goes to bakeries of all sizes and to food and feed industries. Lantmännen Mills' flour products are marketed under the brands Nord Mills in Sweden, Regal in Norway, HavneMøllerne in Denmark and Rigas Dzirnāvnieks as well as Rezeknes Dzirnāvnieks in Latvia. The added value for the customers is uniform high quality, reliability of supply, a wide assortment, a high level of service and training of customer service personnel.

Consumer products account for 20 percent of production. They are marketed by Lantmännen Axa and are sold under well known brand names, such as

Commodity use, tonnes



Kungsörnen and Axa in Sweden, Amo and Gluten in Denmark, Regal and Axa in Norway and Herkules and Hercogs in Latvia.

Market position

Lantmännen Mills is Scandinavia's market leader in flour and other grain products, with nearly 50 percent of the entire market.

Late last summer there was a dramatic price rise in the European grain market. After a very dry and hot period followed several weeks of rain, which coincided with the harvest, resulting in a lower supply of good quality grain. During the harvest, the market price therefore kept rising, increasing by almost 40 percent. Lantmännen Mills had to compensate for the higher prices for grain, and raised their prices during the harvest by 15-30 percent in Sweden, Denmark and Latvia. Prices in Norway were not affected, because of government price controls on grain.

Trends and product development

Product development is an important competitive tool, and at Lantmännen Mills new products and concepts are often developed in close collaboration with the customers.

The most important trend relating to food products is the health trend. Of all the products that were introduced in the West last year, 70 percent were marketed by referring to health benefits.

In 2006 the demand for whole-grain products and healthy oat products rose drastically. A wide range of whole-grain and rye flour-based products appeared in response to customers' wishes: Pizza flour, scone mixes, various flour blends for healthier breads, cookies, tortillas and hamburger buns.

Even within the product segments pasta and muesli there is a focus on healthy products. The sale of whole-grain pasta went up by 52 percent.

Structural changes and investment

A change in demand requires adapting production facilities. Already in 2005 it was decided to invest approximately SEK 500 M in a new mill in Vejle, which will replace the existing mills in Denmark. The facility, which will meet very high standards for quality and traceability, is expected to be up and running by summer 2008.

In May 2006 a new and ergonomically correct pasta packaging facility opened in Järna, increasing the capacity for packaging shaped pasta. The packaging facility makes it possible to accommodate the heavy demand that the rapid product development has led to. Nine new pasta products have been launched, which contributed to a 50 percent increase in sales. In Malmö a unique mill for fine-grinding whole-grain was installed. This equipment is capable of producing a whole-grain flour that is as healthy as graham flour, while being as finely ground as sifted flour, and with the same good baking properties.

Key events in 2006

New district heating facility

On November 17, 2006, Lantmännen Mills opened a district heating plant in Moss, Norway, in collaboration with Bio Värme A/S. The energy source is left-over oat husks from production at Lantmännen Mills' facility. With the new district heating plant this enterprise contributes to an environment-friendly and economical solution that benefits its own operations as well other parts of the community.

Scandinavian synergies

In 2005 it was decided to introduce a common business system for Scandinavian operations. The new system, to be implemented in the first half of 2007, will enable Lantmännen Mills to exploit the synergies in its business area, lower administrative costs, simplify commercial processes and improve reporting.

Outlook for 2007

By its initiatives to make the structure of its milling facilities more efficient, its innovation and product development, Lantmännen Mills will further strengthen its competitiveness. It is expected that the coordination of Scandinavian operations that has been initiated, and the strategic collaboration with the milling businesses Melia Oy and VK Mühlen will yield ample synergies. There are also possibilities of developing activities further in the Baltic states.

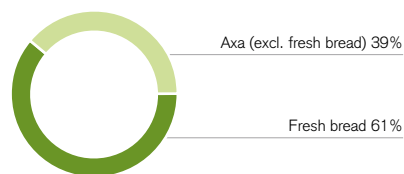


Business area Lantmännen Axa

Key figures	2006	2005
Net sales, SEK M	4,100	4,069
Operating income, SEK M	-47	-156
Operating margin, %	-1	-4
Return on capital employed, %	-2	-4
Investment, SEK M	130	171
Average number of employees	2,790	2,906



Sales, Lantmännen Axa



Lantmännen Axa develops, manufactures and markets various products, based primarily on grain, under strong brands such as Axa, Kungsörnen, Gyllenhammars, Start, Amo and Regal. The key markets are Sweden, Norway and Denmark. However, there are also production and sales in Ukraine and sales in Latvia.

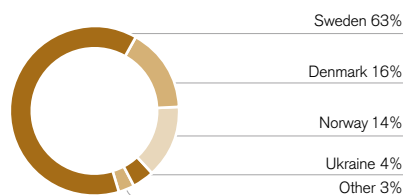
On October 1, 2006, Lantmännen Axa's production and sales of fresh bread under the brands Axa, Schulstad and Skogaholm, were transferred to Lantmännen Unibake's business area. The fresh bread business remains consolidated financially in Lantmännen Axa until the end of 2006, at which point it will be transferred to Lantmännen Unibake.

Lantmännen Axa (excl. fresh bread)

Sales and earnings

The year saw robust growth in sales and improved earnings. Sales amounted to SEK 1,564 M, an increase of SEK 208 M or 15 percent. The rise is due to strong organic growth in the core busi-

Sales (excl. fresh bread) per country



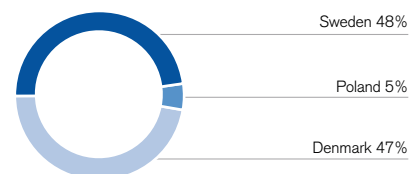
ness, food service, with the acquisition of pancake production in the second half of 2005 and the development in the businesses Gooh and GoGreen. Operating income improved compared with the previous years, despite investment in projects such as Gooh and GoGreen.

The business

Lantmännen Axa has its own production of pasta and breakfast products in Ukraine, and manufactures pancake products and ground-meat-based convenience foods in Laholm. Breakfast products, pasta and flour are sold in Sweden, Norway, Denmark and Latvia. In Sweden convenience foods are sold partly through Axa's own stores.

Together with Raisio Oy in Finland, Lantmännen Axa owns GoGreen, which is a brand for beans, non-dairy products and the like for the Nordic convenience goods market. In the segment of pre-prepared foods, the trademark Gooh! is owned jointly with Operakällaren in Stockholm.

Sales, fresh bread, per country



Market position

Lantmännen Axa's strategy is to market products that accommodate the needs and lifestyle of today's consumers. There is a strong trend towards healthy and wholesome food products, and the consumption of wholesome breakfast cereals and muesli, whole-grain pasta, oatmeal and pre-prepared foods is on the rise. There is a great demand for whole-grain products in all product groups. Lantmännen Axa is Sweden's market leader in dry pasta, breakfast cereals, muesli, granola, oatmeal, flour and baking mixes, the market leader in muesli and baking mixes in Denmark, and in oatmeal and muesli in Latvia.

Grocers' investment in their own store brands is increasing. This, along with the emergence of new discount operators in the Northern European market, means continued pressure on prices. In the light of this it is increasingly imperative for the company to associate its brands with additional value such as food safety, reliability, traceability and ethics.



Trends and product development

The high level of innovation, together with Lantmännen Axa's ability to develop popular products, has strengthened the company's market positions even further. In its development efforts Lantmännen Axa concentrates on meeting the consumers' demand for good, wholesome and convenient food products.

The Balance range has been extended by three new pasta products. All three are certified as low-fat, contain whole grains, are rich in dietary fiber and have a low glycemic index according to scientific tests. The Balance series also includes a "Grab and go" concept, featuring several protein shakes, bars and smoothies for quick recovery after working out.

Kungsörnen launched a new product range of high quality ground-meat dishes for the restaurant and food service market, which has been very well received. Kungsörnen also introduced new range of cake mixes. GoGreen

sells its bean products in practical and convenient packaging, a so-called Tetra Recart. The new packaging reduces the environmental impact compared with glass packaging, and thereby lives up to Lantmännen's stated aim of contributing to sustainable development in society.

Key events in 2006

The fast food chain Gooh! was awarded the annual prize of the Swedish grocery trade. The jury concluded: "Gooh! wins the award because they have had the courage to develop a new store concept. Gooh! offers high quality and wholesome meals to its chosen target groups, thereby helping to improve the fast food business".

In October a new production facility for manufacturing pasta opened in Ukraine. The difficult weather conditions this summer, with a drought followed by too much rain, affected the harvest and led to dramatic increases in the prices of raw materials. However, the extra costs could only partly be recovered from the retail sector.

Outlook for 2007

Lantmännen Axa's commitment to developing new products in the segment of health and healthy foods will continue. The interest in organic food products is growing, and the focus will be on developing new products that reflect the lifestyle of the consumers.

Lantmännen Axa wishes to prevent one of the greatest health problems in our society, obesity. To strengthen the consumers' own sense of responsibility, Axa Sports Club's activities will be strengthened, with new initiatives especially targeting teenagers. Axa Sports Club is already one of the biggest athletic associations in Scandinavia, with 36,000 members in Sweden, Norway and Denmark. The club's aim is to teach young people, people with an interest in sports and athletes on all levels about the significance of one's diet in relation to results and well-being, and to promote sports and athletic activities.

Lantmännen Färskröd

Sales and earnings

2006 sales in the fresh bread business at Lantmännen Axa amounted to SEK 2,536 M (2,711), which is 6 percent lower than the previous year. Operating income was SEK -105 M (-178). The negative earnings are primarily due to the continued major problems in Swedish operations.

The business

Sweden

It was not possible to turn around the negative earnings in the Swedish market, and the company has posted significant losses. The problems are related to sales as well as to production and logistics. Among the key events this year were the reconstruction work following the fire in the Örebro bakery and the closure of the bakery in Västberga. The decline in sales has made it difficult to maintain market position.

For Färskröd Sweden the main focus is now on creating a necessary turnaround to stop the losses incurred over the last years, for which new management has been appointed.

In October 2006 Lantmännen Unibake took over operational responsibility for all of Lantmännen's fresh bread activities. The aim is to apply Lantmännen Unibake's successful model for operating bakeries to the fresh bread area.

Denmark

In Denmark the greatest challenge is a continued decline in demand for rye bread, as Lantmännen Schulstad is the largest player in this market. At the same time it was not possible to keep up with the growing wheat bread market, largely owing to capacity problems.

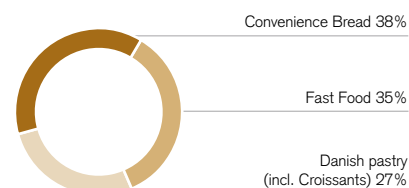
Poland

Earnings for the fresh bread business in Poland are not acceptable in the longer term. Sales of rye bread are good, but the markets for fast food and for toast/sandwich products are becoming increasingly competitive.

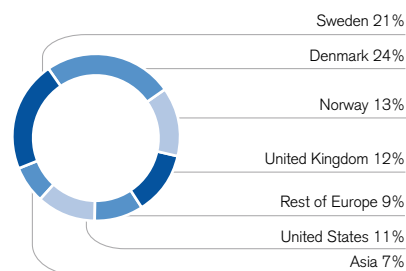
Business area Lantmännen Unibake

Key figures	2006	2005
Net sales, SEK M	3,255	2,898
Operating income, SEK M	189	200
Operating margin, %	6	7
Return on capital employed, %	7	8
Investment, SEK M	350	217
Average number of employees	1,873	1,489

Sales, Lantmännen Unibake



Sales per country



Europe's largest producer of frozen bread products, Lantmännen Unibake is Scandinavia's largest producer of fresh bread for the food service industry as well as for retail trade. Its production units are located in Denmark, Norway, Sweden, Germany, Belgium, Poland and Russia, while it has sales units in Spain, the Czech Republic, the United States, Japan, Korea, Finland, the Baltic states and France.

Sales and earnings

Generally earnings performed well in most subsidiaries, and earnings for 2006 must be considered satisfactory. The acquisition in September of the Belgian company Belpan has had a positive effect on both sales and earnings. The profitable Belgian business is the second largest at Lantmännen Unibake in terms of sales.

During 2006 Lantmännen Unibake strengthened its position in all markets.

Correcting for the effects of the Belpan purchase, sales increased by 3 percent over 2005 levels. One third of this increase occurred in the domestic markets in Scandinavia, where a strong market position was consolidated further. The Norwegian market performed favorably, with a 6 percent increase in sales. Another third of the increase can be attributed to the performance of the German market, with the remainder stemming from markets in Eastern Europe, the United States and Southern Europe.

The business

Lantmännen Unibake boasts one of the world's widest assortments of baked goods, with products for any meal of the day. The business already has a very strong position in the Scandinavian home market, and it is primarily in the international market, from Japan and Korea in the east to the United States in the west, where its market share is growing.

Lantmännen Unibake's activities are found in two main markets: Service trade with in-store bakeries (food stores, service stations, restaurants, institutional kitchens, catering, etc.) and prepackaged products for the retail trade. After Lantmännen Unibake's acquisition of fresh bread, frozen bread accounts for 54 percent of the sale and fresh bread for 46 percent.

Products are sold under the following brands:

Scandinavia: Hatting, Schulstad Bake Off, Paaskebröd, Korvbrödsbagarn, Pastridor, Skoga, Schulstad, Axa, Skogaholm.

Other markets: Unibake, Schulstad Royal Danish Pastry and Pastridor.

The market for frozen bread has become increasingly international, and the demand for store brands among players in the food business is increasing.

Key events in 2006

2006 was the most eventful year in Lantmännen Unibake's history. The focus was on international growth, which has yielded interesting results on several fronts.

Purchase of croissant bakery in Belgium

In May 2006 Lantmännen Unibake purchased the state-of-the-art Belgian bakery Belpan, with approximately 300 employees and a solid market position in Belgium. The company manufactures a wide range of bread products and, more importantly, a carefully thought-out assortment of croissants made according to a French recipe and sold under the brand name of Pastridor. It supplements Lantmännen Unibake's product range, and the croissant products have been well received in the markets, particularly in the United States, Russia and Asia. The Belgian business constitutes a new platform for Lantmännen Unibake's sale in the Benelux countries.

Larger capacity in Germany

One of Gramss Backstube's bakeries in Suhl, Germany, was bought in order to add needed capacity for the Central European market. The capacity for fast food products has been strained in 2006, but with this purchase Lantmännen Unibake secured the possibility of flexible supplies from a central location in Eastern Germany.

Sales offices in the Czech Republic and France

Sales offices opened in the Czech Republic and France. One of Lantmännen Unibake's targets is to establish sales offices in at least three new markets each year. The Czech Republic and France are important new strategic markets for this business.

New plant in Russia

Lantmännen Unibake has established a new bakery business in Russia, 130 kilometers south of Moscow. Its production started in September 2006. With its concept featuring industrially produced world-class frozen bakery products, the

business represents a new type of enterprise in Russia, and it is deemed to have a very large market potential.

Fresh bread

All of Lantmännen's bakery activities have been collected under the Lantmännen Unibake umbrella, which means that on October 1, 2006, the production and marketing of fresh bread were handed over by Lantmännen Axa. The fresh bread business is consolidated financially in Lantmännen Axa until the end of 2006, at which point it will be transferred to Lantmännen Unibake.

Outlook for 2007

The future holds great challenges for Lantmännen Unibake, but also exciting possibilities for the new business that are

in the process of being established and are expected to become dominant players in the global market. During 2007 Lantmännen Unibake will follow several strategies:

The profit-maximization strategy focuses on coordinating and streamlining the large production facilities in Scandinavia.

The growth strategy will be applied to international markets, both through acquisitions that will provide access to new markets and segments and through organic growth in existing markets. The development of new products as well as the establishment of new sales offices in the international market form part of a plan to ensure continued and vigorous growth.



Business area Lantmännen Kronfågel

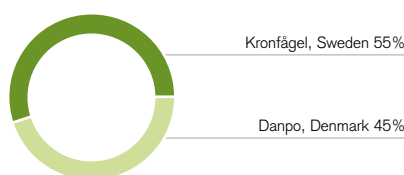
Key figures	2006	2005 **
Net sales, SEK M	2,242	1,721
Operating income, SEK M *	-312	0
Operating margin, %	-14	0
Return on capital employed, %	-24	0
Investment, SEK M	150	98
Average number of employees	1,460	1,529

* Of which reversal of negative goodwill of SEK 343 M (80), see page 55.

** For May - December 2005. Net sales for the full year of 2005 were SEK 2,536 M.



Sales,
Lantmännen Kronfågel

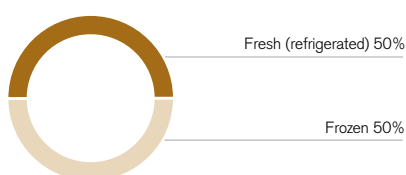


Lantmännen Kronfågel is the largest chicken producer in the Nordic countries with strong market positions in Sweden and Denmark. Lantmännen Kronfågel produces and sells fresh, frozen and processed chicken products. The products are marketed under the well-known brands Kronfågel, Danpo, Ivars and Stinas. Lantmännen Kronfågel is 91 percent owned by Lantmännen and 9 percent by LRF.

Sales and earnings

Lantmännen Kronfågel Holding's net sales for 2006 were SEK 2,242 M (1,721). Operating income before reversal of negative goodwill amounted to a significant loss, SEK -655 M (-80). The decline in earnings was a result of a combination of low prices, excess production and disruptions in production in connection with structural changes and large investment.

Sales,
Lantmännen Kronfågel, Sweden



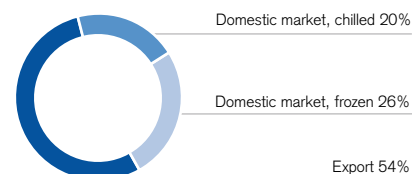
In December a decision was made to close the slaughterhouse in Farre, Denmark. The decision to close down the facility meant a write-down of the plant of SEK 68 M.

In view of this earnings performance, the valuation of the Group's other fixed assets entailed further write-downs in the Lantmännen Kronfågel Holding Group of SEK 300 M in December. In total the Kronfågel Group is charged with non-recurring write-downs of SEK 368 M for 2006. Excluding these write-downs, operating income at Kronfågel was SEK -287 M.

The business

Lantmännen Kronfågel's customers are found in the retail trade, restaurants and food service as well as the food industry. The business area's largest customers are ICA, Coop Norden, Axfood and SuperGros.

Sales,
Lantmännen Danpo, Denmark



Global markets are characterized by stiff competition and low-priced imports, which put pressure on prices in the domestic markets in Sweden and Denmark. Price is currently the most significant competitive factor, but consumer interest in quality, safety, origin and healthy foods is rising. These trends benefit Lantmännen Kronfågel, which - owing its comprehensive quality system - meets the high standards for foods of good quality.

Significant events In 2006

Avian flu

The impact of avian flu led to more than 30 countries in the international market closing their borders to chicken imports. The world market's chicken producers went through a tough period, and exports of Lantmännen Danpo's products dropped dramatically. Avian flu reached Europe in 2006. There was a fall in the consumption of poultry, after which the

Closure of the Farre slaughterhouse

In view of avian flu and the Mohammed cartoons, and as part of ongoing efforts in Lantmännen Kronfågel Holding to reduce losses, a decision was made in December 2006 to close Farre slaughterhouse in Denmark.

The closure will occur during the first quarter of 2007 and will not affect the processing plant in Farre. To prevent having to build a new cold storage plant in Denmark, the animals intended for the Farre slaughterhouse in the summer of 2007 will be exported live to German and Dutch slaughterhouses, which export directly to the English market.



market prices in Europe fell significantly. This affected sales negatively, primarily in the Danish market. In the Swedish market, too, chicken consumption fell, but when consumers demanded safe, Swedish products, consumption of Swedish-produced chicken increased. However, the price level fell also in the Swedish market, which is the reason increased sales did not lead to a corresponding increase in earnings.

Mohammed cartoons

Lantmännen Danpo principally exports frozen chicken products to Asia, the Middle East and the rest of the EU. The profitable exports to the Middle East were hit hard by the boycott of Danish products prompted by the publication of the caricatures of the Prophet Mohammed. Although the export market in the Middle East has reopened, during the boycott of Danish products Brazilian products took over market share in the Middle East at a price level that is not viable for Lantmännen Danpo. Instead efforts are focusing on finding new markets to replace the Middle East.

Market position

In Sweden Lantmännen Kronfågel's consumer market share increased in both frozen as well as fresh chicken in 2006. In a weak market Lantmännen Kronfågel increased sales by 25 percent and

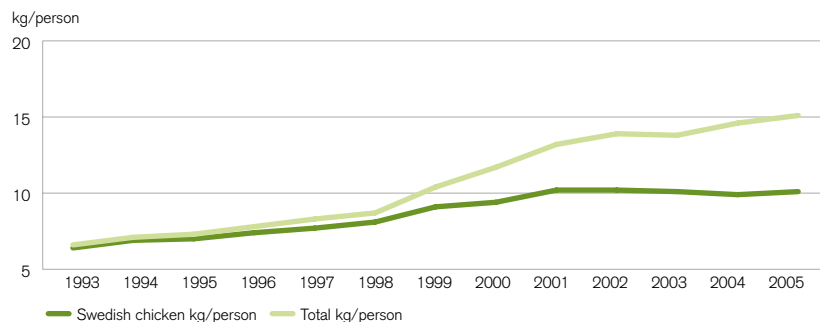
reached a market share of 51 percent, an increase of 7 percent compared with the previous year.

In Denmark Lantmännen Danpo lost market share in the retail sector. Lantmännen Danpo's total market share for the brand Danpo is 24 percent, a reduction of 10 percent compared with the previous year. One reason for the downturn is that Lantmännen Danpo delivers more products for sale under private labels, both in the frozen and fresh product ranges. This is being done at the expense of the Danpo brand. The negative consumption trend in Denmark is first and foremost a result of avian flu and customer concern about the safety of food products. It is therefore important to communicate Lantmännen Danpo's assessments and assure customers that the products are of a guaranteed high quality.

Outlook for 2007

Lantmännen Kronfågel Holding has posted big losses over several years. To overcome this completely unacceptable performance, an extensive action program was introduced. New management was put in place in the fall, which will impartially consider all imaginable alternatives to eliminate losses and thus the considerable drag on Group earnings.

Consumption of chicken in Sweden, kg/person



Since 2000 the increase in consumption has been completely based on imported chicken, which is the reason production of chicken in Sweden has not risen.

In 2004 Svensk Fågel began calculating consumption/person according to a new model, which was more in line with the one used in the EU, parallel with the previous model. According to the new calculation model, 2004 consumption was 11.9 kg/person and 12.2 in 2005.



Lantmännen Grangården & Lantmännen Invest

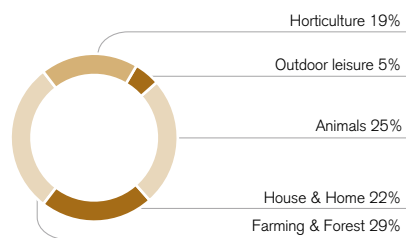
Lantmännen operates a retail business under the name Lantmännen Grangården and under Lantmännen Invest has gathered a number of companies related to Swedish farming.

Business area Lantmännen Granngården

Key figures	2006	2005
Net sales, SEK M	2,650	2,571
Operating income, SEK M	-15	-26
Operating margin, %	-1	-1
Return on capital employed, %	-4	-6
Investments, SEK M	8	12
Average number of employees	1,046	1,021



Sales, Lantmännen Granngården



Lantmännen Granngården aims to offer customers an attractive product range of quality products for agriculture and forestry, livestock and pets and horticulture at competitive prices in inspiring stores.

Lantmännen Granngården is Lantmännen's chain of stores focusing on products for agriculture and forestry, animals and horticulture with supplemental product ranges within the areas of house and home and outdoor leisure.

Sales take place at 122 company-owned outlets as well as about 60 distributors in Sweden. Lantmännen Granngården also sells via the Internet and mail order through the wholly-owned subsidiary Lantmännen Nordpost.

Sales and earnings

Sales increased in 2006 by 3 percent to SEK 2,650 M. The increase primarily came from stores the company acquired in 2006 from the Parent company, stores acquired through Lantmännen's merger with Norrbottens Lantmän. It is within the focus areas of animals and horticulture the increase of sales occurred. Operating earnings were SEK -15 M (-26). High costs linked to the ongo-

ing improvement efforts were charged to earnings. In 2006 an extensive action program was implemented focusing on product range, purchasing and logistics, three areas that will continue to have priority over the next few years.

Business environment

The value of the total market for Granngården's product range in Sweden is approximately SEK 60 billion. The store chains' share of the total market is growing significantly in cities with populations of over 50,000. Several new chains are opening stores and their numbers amount to about 30 and their market share is approximately 65 percent. Independent retailers' share is dwindling. Price competition is tough, dependent principally on an increase in imported goods.

The interest in animals and horticulture is on the increase in the general population, and the number of dogs, cats and horses is on the rise.

With the restructuring ongoing in agriculture fewer and fewer farmers are purchasing their supplies from stores. A new trend is that distance retailing (e-tailing) is on the increase also in this area.

The business

Lantmännen Granngården's customers currently comprise forestry and agriculture, pet owners, house and summer cottage owners, entrepreneurs and private individuals who need products for recreation and leisure.

The park and field business comprises the customer categories golf courses, municipalities, cemetery administration, real estate companies, road carriers and cooperative associations.

Lantmännen Nordpost's customers are mostly full-time farmers, hobby farmers or "sundowners" and horse owners.

Structural changes

Lantmännen Granngården's present structure and business activities are the result of several mergers of retail businesses within the Lantmännen Group.

The regional differences between the stores' product range and layout are substantial.

An extensive restructuring effort is now being carried out after several years of losses. The program of measures put in place is going as planned. The goal is to create a profitable, coherent store chain with a uniform product range.

Lantmännen Granngården's goal is to grow and develop with a focus on its product range. New stores will be opened when the customer base is deemed large enough. The changes currently being implemented form the basis for expansion. The plan is to open 5-10 new stores annually over the next three years, while several existing stores need to be renovated.

Product range

In 2006 a comprehensive product range analysis was carried out, which resulted in the number of articles being reduced from around 100,000 to about 15,000. The product range is concentrated on the three areas agriculture and forestry, animals and horticulture with supplemental product range in the areas house and home as well as outdoor leisure. A decision was made to eliminate the professional construction product range.

The business area's product supply was originally built on local and regional wholesalers. This has entailed split purchases and a large inventory of slow-moving products. These products are currently being sold out progressively and will be completely phased out in 2008.

Large volumes are key to viability. Volume is created through coherent, central purchasing and provides the basis for purchasing articles at lower costs directly

from manufacturers in Sweden and internationally. Lantmännen Granngården is recruiting and boosting the skills of new employees to begin dealing directly with manufacturers.

Outlook for 2007

The challenge is to weather the change efforts. They will take longer than anticipated and be somewhat more costly than what was assumed in May 2006 when the action plan was drawn up. The new organization needs to be trimmed in the areas of marketing, product range, purchasing and logistics.

Lantmännen Nordpost

The product range for e-tailing and mail order remains unchanged and comprises about 10,000 articles. Sales to Swedish farmers increased in 2006, in spite of the fact that the number of farmers fell by 4 percent.

Lantmännen Nordpost has established Nordic web shop and a website will be launched in Norway in 2007.

Lantmännen Nordpost has established a Scandinavian Internet store and a website will be started in Norway in 2007.

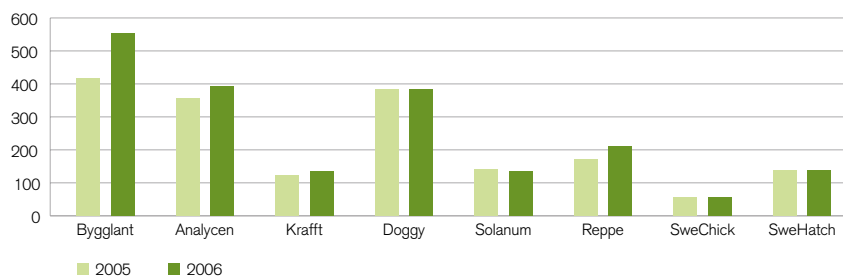


Business area Lantmännen Invest

Key figures	2006	2005
Net sales, SEK M	2,020	1,798
Operating income, SEK M	41	16
Operating margin, %	2	1
Return on capital employed, %	17	34
Investment, SEK M	48	69
Average number of employees	898	868



Sales of the major companies
SEK M



Lantmännen Invest comprises two different kinds of companies: Companies that have their roots in various research projects, and companies that do not belong in any of the other business areas, but which carry on business in various ways that can be related to farming.

Sales and earnings

Compared with the previous year, sales in the business area increased by 12 percent to SEK 2,020 M. The biggest increases in sales were posted by Lantmännen Bygglant, Lantmännen Reppe and Lantmännen Analycen. Operating income was SEK 41 M, an improvement of SEK 25 M compared with 2005.

Research companies

Lantmännen Invest acts as an incubator for research projects that have commercial potential.

Lantmännen AS-Faktor

Lantmännen AS-Faktor was established in 1996 to develop and produce highly processed products from Swedish farms. Research and development is based on a Swedish-discovered protein called antisecretory factor (AF), which regulates the fluid balance in animal and human cells. This knowledge led to Lantmännen's development of a special piglet feed, which in extensive trials proved to be effective against diarrhea. Today 60 percent of all Swedish piglets are fed with AF-enriched feed.

The next discovery was that humans, too, could benefit from high levels of the same protein. Lantmännen AS-Faktor has developed a special processed cereal product, SPC-Flakes, which is being tested in patients at Sahlgrenska University Hospital in Gothenburg and has proved to be effective in treating several different intestinal fluid balance disor-

ders. The AF protein also has beneficial effects on caked breast and dizziness in connection with Ménière's disease.

Lantmännen BioAgri

Lantmännen BioAgri develops, markets and sells biological seed disinfectants, based on naturally occurring microorganisms that protect the seed against seed-borne diseases. The active organism in the preparations Cedomon and Cerall was registered in the EU and the company is currently building up a distribution organization in Europe. From 2007 Lantmännen BioAgri will become part of the business area Lantbruk.

Other companies

Lantmännen Bygglant

Lantmännen Bygglant engages in construction, installations and the sale of agricultural equipment. It cooperates with leading suppliers in the industry. Lantmännen Bygglant is involved in all

or part of engineering, procurement and construction or works exclusively as suppliers of equipment and materials.

Lantmännen Analycen

Lantmännen Analycen is Scandinavia's leading laboratory company, which develops, markets and performs chemical and microbiological analyses as well as performs consulting services in agriculture, foods, pharmaceuticals, the environment and veterinary medicine. The company operates in Sweden, Norway, Denmark, Finland and Poland. Its highly-skilled personnel have proved capable of developing new analysis methods.

In the area of pesticide residues Lantmännen Analycen is the premier laboratory in Europe regarding expertise, instrumentation and analysis methods. Other cutting-edge areas are allergenic proteins in foods, pharmaceutical residues in water and testing for ecotoxins such as brominated fire retardants, oxyPAH and dioxins.

Lantmännen Krafft

For several years Lantmännen Krafft has been a market leader with approximately 75 percent of the Swedish market for horse feed. The company is increasingly focusing on exports to France and Italy.

Lantmännen Doggy

Lantmännen Doggy is a market leader in cat and dog food in Sweden. Other markets are Norway, Finland, the United Kingdom and Germany. In Germany the company operates under the Bozita brand. Lantmännen Doggy markets products under its own brand and under private labels.

Lantmännen Solanum

Lantmännen Solanum grows potatoes on contract with farmers in southern Sweden. The potatoes are sold to Procordia Food AB or processed further in the company's own plant in Kävlinge. Solanum supplies the catering market, via Lantmännen Axa, with peeled or boiled potatoes and baked potato dishes.

Lantmännen Reppe

Lantmännen Reppe extracts and processes various parts of wheat for products such as glucose syrup, dextrose solutions, gluten flour, starch, bran and sprouts. These products are primarily intended for the food industry in the production of confectionery, ice cream and beverages. Lantmännen Reppe is also one of Scandinavia's largest distilleries and produces spirits of the highest quality. The customer base is the Nordic market.

Lantmännen SweChick

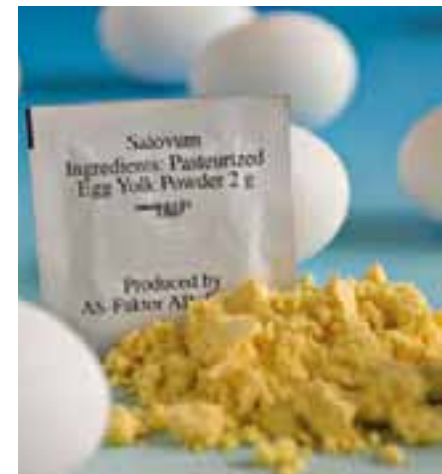
Lantmännen SweChick delivers day-old chicks and eggs for hatching intended as breeding birds for broilers. Production covers about 65 percent of the Swedish market and 100 percent of the Danish, Norwegian and Icelandic markets. Lantmännen SweChick produced 2.2 million breeding animals per year, which is the basis for about 280 million broilers.

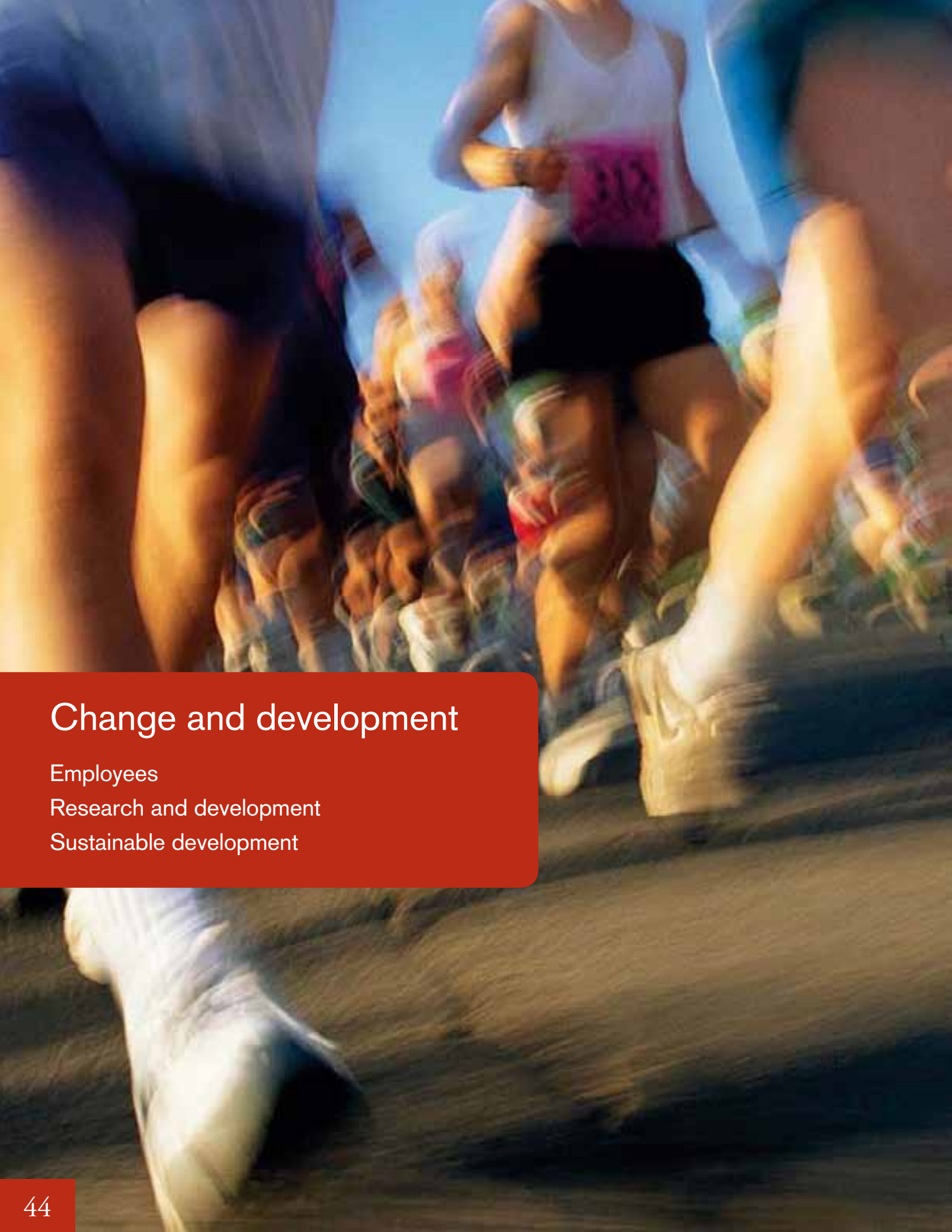
Lantmännen SweHatch

Lantmännen SweHatch, one of Lantmännen SweChick's customers, delivers day-old chicks for breeding in Sweden and for export. Annual production is approximately 50 million day-old chicks.

Outlook for 2007

During 2007 the company aims to consolidate its market positions in the Swedish market as well as export markets. Innovative product development will result in a number of new products and services being launched over the next few years.





Change and development

Employees

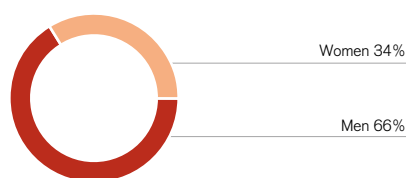
Research and development

Sustainable development

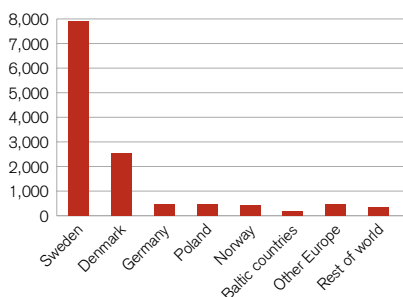
Employees

Lantmännen is striving to be recognized for having a healthy yet stimulating working environment and for employees who are proud to belong to the Group. In 2006 a number of activities were initiated to involve all employees in an improvement effort at all levels of the organization.

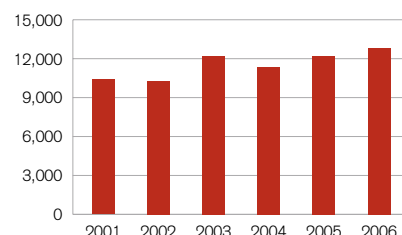
Employees, percentages of men and women



Employees per country



Average number of employees



Insight

“Insight” is Lantmännen’s Group-wide attitude survey the purpose of which is to capture perceptions of Lantmännen from employees, customers and owners.

To be conducted regularly, the survey provides detailed information about areas needing improvement. This makes Insight an important tool for focused efforts intended to strengthen Lantmännen’s competitiveness and contribute to its development as a company and employer.

The first Insight survey was conducted in two steps during fall 2005 and spring 2006. In all, 8,600 employees responded. In addition, customers, farmers, business-to-business customers and consumers participated. The survey is conducted by questionnaire or interview and yielded

- The employees’ views on Lantmännen’s working environment, work processes, leadership
- The customers’ opinions of Lantmännen as a supplier and partner
- The owners’ vision of how Lantmännen should be developed

The results from the Insight surveys were presented to management and employees and have provided the basis for improvement efforts, which management at all levels is responsible for implementing.

Action plans

During the spring all managers in the Lantmännen Group were tasked with producing specific action plans and activities together with their employees. These will help Lantmännen reach its desired position regarding customers, employees, work methodologies, owners, consumers and society. During the year there was regular follow-up of activities, which showed that 1,194 action plans with a total of 6,418 activities had been initiated.

Inside - Lantmännen's Intranet

Communication plays a key role in Lantmännen’s development as a group of cooperative enterprises. In 2006 an Group-wide Intranet - Inside - was launched, which is both a work tool and an information source and communication platform for Lantmännen’s employees all over the world.

Inside contains relevant and up-to-date information, Group-wide and specific to business areas and subsidiaries. The purpose is to promote a sense of Group community, identity and create awareness and benefits for the company, employees and management. The Intranet is also a sustainable tool for supporting work processes and promoting openness, skills sharing and cooperation among Lantmännen’s various businesses.

Pay and other remuneration

In 2006 efforts were initiated to create shared policies, structures and processes for pay and other remuneration. Planning for the introduction of a common pay system for all employees in Swedish operations continues. A company car policy focusing on environment-friendly vehicles has been introduced. A uniform structure for job evaluations is in the process of being implemented.

It is part of Lantmännen’s vision for a healthy society and healthy individuals for employees must have a stimulating working environment. In 2006 a health and fitness policy was introduced. A health



initiative on the theme of “Eat, Train, Live” is ongoing through staff fitness trainers and motivators at workplaces in all Lantmännen units. During the year there were efforts in education, promotion and planning for the upcoming “Health Year 2007”. A detailed survey is being done of systematic working environment efforts.

Expertise and manager support

The Insight surveys indicate that the quality of management at Lantmännen varies. Therefore, a goal-oriented initiative was carried out throughout the year to create high and even quality in management and an approach toward employees, which builds on mutual assessments. This initiative led to a shared base of values for managers at Lantmännen.

To secure the supply of managers it is important to be an attractive employer, where talented people with skills are provided with inspiring work tasks and the opportunity to develop personally.

A coordination effort has begun to address this and to get a good overview of the management resources in Lantmännen. The purpose is to establish structured work processes for attracting and supporting managers.

To increase the interest in the Group as an employer, Lantmännen attended job fairs arranged by universities and colleges in 2006. The interest in Lantmännen was keen and survey of university students show that 75 percent of economics students and 78 percent of engineering students are familiar with Lantmännen. 2006 was the kick-off year for Lantmännen’s Trainee Program, whose purpose is help ensure Lantmännen’s long-term supply of managers and specialists and to strengthen the brand a good employer. There are currently 17 trainees in the Group.

Examples of activities in action plans.

Lantmännen Maskin, Eftermarknad Norrtälje, Uppsala, Tierp
To improve customer service in Borlänge, the spare parts sales department now stays open during lunch as does the service department telephone line.

Training in technical English started in Uppsala to increase the skills of employees and thereby streamline the work in the service department and the spare parts sales department.

Local customer surveys will be conducted with the assistance of the local area group to improve communication with customers.

A joint health group has been created for the Lantmännen companies in Uppsala.

Lantmännen Unibake in Germany
By working in a structured manner with action plans, many positive effects have been attained. This work has led to intensified communication between employees and management about Lantmännen’s goals and visions and how Unibake in Germany can assist in meeting these goals. Knowledge of Lantmännen has improved and the sense of cohesion has increased.

Several activities have resulted in a better utilization of synergies at Unibake Germany and better dissemination of information.

Membership District Sörmland
After the results from the Satisfied Owner Index (SOI) was completed, the members of District Sörmland decided to analyze the result in details and take any necessary action. A group of younger farmers has been created. It has met 3-4 times to assess the local responses.

The group met with the public relations officer to find new ways to create better contact with the owners/members. As a result, the members called a reference group meeting in Katrineholm. The work continues with contributions to *Grodden* under the heading “Do we feel like owners?”, performing follow-ups to district meetings and preparing motions for Lantmännen’s Association Meeting.

Research and development

Lantmännen engages in research and development (R&D) in the majority of its companies and business areas. Its objective is to streamline the owners' production and provide the best possible stewardship of the arable land's resources. Customers' demand for foods that are healthy and delicious, as well as easy to prepare, propels this effort.

At Group level, the task is to nurture innovative projects that are at the embryonic stage and are deemed to have great commercial development potential. There are development functions in the business that foster the interesting ideas.

Lantmännen engages in numerous projects in close partnership with universities and colleges in Sweden and in other countries.

Research-intensive companies

Svalöf Weibull is a research-intensive company and as such invests about 20 percent of sales to improve seed and produce new varieties of grains and oilseed plants. Svalöf Weibull is also part owner of the biotech company BASF Plant Science, BPS, which conducts basic research in the area of genetically modified plants.

Lantmännen Analycen, part of the business area Lantmännen Invest, is one of Europe's leading laboratory companies focused on chemical and microbiological analysis.

Lantmännen AS-Factor develops, produces and sells "medical food" based on the AF protein, which has proved effective for gastro-intestinal disorders, in animals as well as people.

Lantmännen BioAgri specializes in biological seed disinfectants based on naturally occurring microorganisms. At Lantmännen Mills, Lantmännen Axa and Lantmännen Unibake, research is primarily aimed health and nutrition.

Lantmännen Lantbruk develops feed products based on results from feed trials on its own experimental farm and in test herds.

In the area of energy Lantmännen chiefly invests in the development of new fuel products based on raw materials from farmland.

Research foundations

The SL and VL foundations were created twenty years ago by the former Skånska Lantmännen, and Västsvenska Lantmän, which allocated SEK 36 M for research. Their aim is to promote sales of agricultural products from these two regions. Thanks to good fund management the foundations have been able to invest close to SEK 75 M in amassing research primarily into various uses of cereals.

The foundation Cerealia FoU promotes scientific R&D in the area of cereals. Since it was established in 1986, the foundation has provided nearly SEK 130 M for research. Activities are in the form of projects by researchers at universities and colleges in Sweden and abroad. The foundation also supports the dissemination of knowledge through the journal *C* (an idea magazine devoted to cereals) and other outlets and hosts annual seminars.



Rapeseed oil-based paints for a better environment



A new environmentally friendly enamel based on RME (rapeseed methyl ester) instead of a petroleum-based solvent is being tested outdoors in Borlänge on the Swedish west coast and in Florida.

At Bohus-Malmön outside Smögen in Borlänge and in Florida a new enamel paint is currently being tested as part of a search for a less expensive and “greener” sheet metal paint than those currently on the market. Instead of using a petroleum-based solvent, the new paint contains RME, rapeseed methyl ester, which is made from oilseed rape, a renewable raw material grown on Swedish farmland. Behind the research resulting in the paint are Lantmännen, SSAB, AKZO Nobel and the Royal Institute of Technology (KTH).

Painting sheet metal in the steel industry uses vast quantities of paint. SSAB is one of the largest paint consumers and each year paints a combined 55 square kilometers of sheet metal. In

Europe a total of approximately 150 million tonnes of paint are used to produce pre-painted sheet metal.

For several years, Lantmännen has been collaborating with KTH on plant oils in paints and enamels. Together with researchers at SSAB Tunnpålat a concept in which RME replaces some of the solvent has been patented.

In recent years the Group has tested the patented concept on various test surfaces.

The new paint has proven to have very good properties. A great benefit is that the oil is not volatile. Instead, when the paint dries, the oil becomes a part of the coat and sticks to the sheet.

Dietary fiber as a fat substitute in protein-rich foods



Doctoral candidates Hanna Åberg and Karin Petterson are studying whether fiber can be used as a fat substitute along with Professor Eva Tornberg of the Faculty of Engineering, LTH.

Protein-rich foods taste much better and their consistency is improved when they contain a lot of fat.

Lantmännen Food R&D helping to fund a project aimed at producing protein-rich foods in the future that are higher in fiber and considerably lower in fat than current products, but with the same good taste.

Even now there are some foods where fat has been replaced by fiber. One example is a sausage that is only three percent fat.

The research project currently under way will further develop the ideas using heat-treated carrots instead of animal fats, for example. Researchers are currently studying how all the parts of the cell wall look in vegetables, fruits and cereals, as well as how, with the help of various enzymes, fiber can be modified to best imitate fat in both consistency and its ability to carry flavor.

The cell walls of vegetables and fruits often contain sweet mono- and disaccharides, which, once they are heated, combine with amino acids and enhance the flavor of the meat. This dietary fiber also have good gelling properties, which improve the consistency of the food.

It is more difficult to find flavor-enhancing properties in the cell walls of grains. They mostly consist of cellulose, which is always insoluble. But there are also beta-glucan, which has proved effective at lowering cholesterol, and arabin-oxylans, which might help to form gels.

If it turned out that using fiber from grains can replace animal fats in various foods, it would open up great opportunities. The raw material is inexpensive, and in Sweden there is a big grain industry that could easily be adapted to that type of production.

Sustainable development

Producing safe and healthy foods, developing tomorrow's farming, and transforming the energy industry are some of society's biggest challenges in achieving sustainability.

Lantmännen, with operations along the entire value chain, from plant breeding to the consumer, can and must help bring about a more sustainable society. The Group has expertise in researching and developing the crops of the future, seeking innovative products and solutions along the entire food product chain.

Lantmännen's sustainable development work includes ecological and social sustainability. These include environmental issues as well as how Lantmännen's operations affect people's abilities to meet their basic needs. Social sustainability, also called corporate social responsibility (CSR), comprises such areas as working environment, workplace participation, requirements for suppliers and considerations of business ethics.

Priority issues

For Lantmännen there are four important areas where steps toward sustainability have an impact: Product development, energy, transportation and management by objectives in sustainability efforts.

Social and ecological sustainability in product development and increased focus on sustainable raw materials are vital. The trend is toward higher sales of organic products and environmentally and fair-trade labeled foods. Work on renewable fuels and energy sources is an important part of Lantmännen's future strategy. Management by objective and follow-up of efforts involving sustainable development must be developed to make efforts uniform and systematic. Lantmännen leads in a number of areas such as work in public health, animal health/welfare, product safety and traceability.

Sustainability analysis

The basis for the Group's common efforts, strategic analyses are essential for enabling the Group to act in line with its strategy for sustainability development. The sustainability analysis identifies and assesses sustainability issues and describes how they are currently being dealt with within the business areas. It provides the basis for key performance indicators, Group-wide projects and the measures that are part of business planning. A uniform method throughout the Group gives it a common language, which facilitates understanding, collaboration and commitment.

Group-wide projects 2006

Management systems

In the spring a needs analysis and inventory were performed on the Group's management systems. The investigation's recommendation is that Lantmännen have by no later than by 2009 a code of conduct for its corporate social responsibility with measures for business ethics and social and environmental issues. A management system is required that ensures that the code of conduct is being implemented and followed, as well as coordinated with overarching strategic and business planning.

Code of conduct

Lantmännen is an international group with subcontractors from many parts of the world. This internationalization creates many opportunities for expanding and enhancing sustainability work, but also requires management instruments and tools that address differences in companies, cultures, legislation and business traditions. To ensure that the Lantmännen's policy is applied both within the Group and by suppliers,

work on a code of conduct has started. Lantmännen Granngården has drawn up a code of conduct for suppliers. The first stage is for the code of conduct to be implemented with Asian suppliers, and then subsequently be expanded to include all suppliers during 2007.

Monitoring legislation

A framework agreement was concluded on a tool for monitoring legislation in the areas of the environment, working environment and food safety. The tool is currently being used by Lantmännen's business areas to obtain quality assured monitoring of legislation affecting each of its operations in a resource-efficient manner. The agreement enables the Group to call on these services in all of Europe.

Handling of chemicals

The connection between the use of non-sustainable chemicals and environmental/health problems is becoming ever clearer. The result is a quicker phasing out of old chemicals both by suppliers and by Lantmännen's operations. The EU's new REACH regulation on chemicals goes into effect in 2007. Lantmännen has initiated an effort to draw up a coordinated chemical management policy within the Group. Its aim is to set targets, a common level for chemical handling, and to produce effective tools to ensure that level.

Energy use

Lantmännen Energi is in charge of the effort within the Group on energy efficiency and conversion to renewable energy solutions. The investments made at Lantmännen Energi in ethanol production, RME production and solid biofuels are entirely aimed at increasing the use of renewable energy.

Examples of energy conservation projects in 2006

Within the Lantmännen Group, six industrial enterprises are taking part in the Swedish Energy Agency's Energy Efficiency Program (PFE). The project participants are *Lantmännen Agroetanol*, *Lantmännen Lantbruk*, *Lantmännen Reppe* and *Lantmännen Färskebröd*, of which the latter three have been certified according to the standard for energy management (SS 627750). This

systematic effort makes it easier for these operations to save energy and set standards for purchasing and for designing energy-using equipment. This effort enabled Lantmännen Lantbruk to identify savings of 15 percent of that business area's total energy usage, equal to the electricity usage of approximately 1,000 single-family houses. The goal is to achieve these savings by 2009.

Lantmännen Mills. The changeover to biofuels is taking place in the business area's plants. In Järna and Moss the energy source is left-over oat husks, which has considerably reduced carbon dioxide emissions.

Examples of environmentally sustainable transportation projects in 2006

Lantmännen's common logistics system is responsible for reducing the total adverse environmental impact on the transportation chain and it has identified the most important problem areas. Moving the flow of goods from less "green" modes of transportation (aircraft, trucks) to "greener" modes (sea, rail) will have a beneficial impact on the environment.

Better planning and monitoring through the entire flow of products can

better fill shipping containers, better utilize the capacity of return transportation, reduce the number of "last minute deliveries" and avoid needless transportation. Substantially greater use of renewable fuels will be required of all types of transportation at Lantmännen. Stricter standards will set for truck manufacturers requiring that their vehicles have lower fuel consumption than today.

Lantmännen Mills has transferred more

of its transportation to rail, for which it received a Bra Miljövalstyg (Good Environmental Choice Certificate) from Green Cargo in 2006. In 2006 investment was made in larger rail cars.

Swecon has introduced a target of 80 percent of all company cars and service vehicles being green vehicles by 2010.

Lantmännen SweChick and *Lantmännen Kraft* solely use company cars that run on ethanol instead of gasoline.

Examples of products/concepts aimed at improving sustainability

Lantmännen Lantbruk's own quality grading of grains into Premium, Eko and Standard was launched to meet the processing industry's various specifications relating to cost, quality and the environment.

Svalöf Weibull launched several varieties for more sustainable growing, such as eyespot-resistant winter wheat and high-yield oats resistant to crown rust, which reduces the need for pesticides. A new red clover has improved stamina, which improves the potential for nitrogen fixing on pasture land.

Lantmännen Maskin has created a nationwide organization to function test plant protection spreaders. Around ten specially trained service technicians are conducting the tests, which is a requirement for farmers growing for Svenskt Sigill.

Lantmännen Axa. GoGreen launched new packaging for its beans, a so-called Tetra Recart, which has a lower environmental impact compared with previous packaging made of glass and steel.

Lantmännen is working on several different concepts for contract growing, which is aimed at ecological sustainability and quality. KRAV and Svenskt Sigill are examples in Sweden and Natur+ and Økologiskt Statskontrollert in Denmark.

In 2006 an initiative was launched to draw up policies for Lantmännen's use of soybeans and palm oil. There are major ecological and social challenges connected with growing the plants that produce both these commodities.

Examples of balanced scorecard for 2006 *

Business area	Balanced scorecard	Comment	Result	Outcome
Lantmännen Lantbruk	Share, alternatively treated seeds	In 2006 the use of biologically treated seed is at the same level as during 2005. In 2007 it is expected in particular that the use of Cerall will increase.	2006: 42% 2005: 42% 2004: 35%	
	Cadmium in mineral fertilizer	Cadmium levels in phosphate fertilizer rose somewhat during the year, principally due to higher cadmium content of the raw materials that are used for PK fertilizer. However, we are working hard for our levels to be far below the statutory level, which they do even in spite of the increase in 2006. The statutory level is 100 ppm.	2006: 5.8 ppm 2005: 4.7 ppm 2004: 6.3 ppm	
	Share, Svenskt Sigill cereals	The demand for Svenskt Sigill has fallen. However the Grain Division's customized concept "Premium" is growing. A total of 1,851,000 tonnes cereals were weighed in.	2006: 9.7% 2005: 10.1% 2004: 13.3%	
	Share, KRAV cereals	The share of KRAV grain purchased is largely unchanged compared to 2005. A total of 1,851,000 tonnes of grain was weighed in.	2006: 3.4% 2005: 3.6% 2004: 3.5%	
	Transport efficiency bulk feed	The reason for the significant deterioration is that two plants had to close for a period during 2006 because of salmonella. Instead, feed had to be transported from other plants. Additionally, shipments from one more plant were included in the scorecard for 2006. These products are often in small quantities dispersed throughout the country.	2006: 1.14 ton/10 km 2005: 1.22 ton/10 km 2004: 1.20 ton/10 km	
	Origin of raw materials for feed	Nominal change compared to previous year. Grain was somewhat more expensive in fall 2006, which meant that other raw materials were used instead. The share of Brazilian soybeans fell somewhat and was replaced by European rape-seed. Of the remaining volume, 25% came from the rest of EU and 21% from countries outside the EU.	2006: 54% 2005: 55% 2004: 54%	
Lantmännen Energi	Production ethanol	In 2005 production was limited by an environmental threshold for production for harvesting of a maximum 55,000 m ² . In 2006 that threshold was increased to 60,000 m ² .	2006: 56,411 m ² 2005: 55,000 m ² 2004: 50,000 m ²	
	Share of greener fuels	The share of "green" diesel AgroLight sold increased also in 2006. Continued focus on greener products has helped, along with the information and communication regarding changes in legislation that permitted an increase in the percentage of RME from 2% to 5% in August 2006. The total change also means that the total quantity of renewable fuel increased during the year.	2006: 83.0% 2005: 76.6% 2004: 70.1%	
	Thermal energy of biofuels delivered	The increase in 2006 is mostly due to the renewable straw-fired district heating plant in Skurup, which was included for the entire year. The share of renewable energy represents 92% of total heating deliveries in 2006.	2006: 201 GWh 2005: 200 GWh 2004: 188 GWh	

* More information is available at www.lantmannen.com.

Operations requiring notification and permits

Lantmännen operates in Sweden and other countries. This table reports which

parts of the Group have operations that require notification and permits in Sweden under the Regulation on environmentally hazardous activities and health protection activities (1998:899).

For similar operations outside Sweden the number of plants and countries is indicated. The certifications encompass all or parts of operations in Sweden and abroad.

Business activity	Business activity requiring notification (Sweden)	Business activity requiring authorization (Sweden)	Corresponding business activity outside Sweden	Affected business activity in Sweden and other countries	Certifications within all or parts of the business
Lantmännen Lantbruk	44	22	0	Seed cleaning plant, silo plant feed plant, logistics centers.	ISO 14001, ISO 9001 GTP, SS 627750
Svalöf Weibull	3	3	0	Silo plant, use of organic solvents, peat cutting, greenhouse.	
Lantmännen Anläggnings- och Lantbruksmaskiner	26	1	4	"Interim storage" of waste oils, transportation of dangerous goods, vehicle cleaner.	ISO 14001, ISO 9001
Lantmännen Energi	22	5	1	Pond for storage of sludge, fuel plant, ethanol production, RME production, incineration plant, handling of flammable products, filling of chemical and technical products.	ISO 14001, ISO 9001, SS 627750
Lantmännen Mills	0	4	8	Mills, production of pasta and breakfast cereals.	ISO 14001, ISO 9001 BRC, DS 3027/HACCP
Lantmännen Axa	1	1	1	Food industry.	ISO 14001, ISO 9001
Lantmännen Unibake	7	0	21	Bakeries.	BRC, IFS, DS 3027, HACCP, ISO 22 000
Lantmännen Kronfågel	0	2	2	Poultry slaughterhouse with cutting activities, processing operations.	ISO 14001, BRC, HACCP, OHSAS 18001
Lantmännen Granngården	0	0	0	Pet supply and garden stores. Does not require permission from government agencies.	ISO 14001, ISO 9001
Lantmännen Invest					
Lantmännen Analycen	1	0	2	Laboratory.	ISO 14001, ISO 9001 ISO 17025, GLP
Lantmännen Doggy	1	1	0	Pet food production.	ISO 14001, ISO 9001
Lantmännen Solanum	0	1	0	Washing of potatoes, handling of wash water.	
Lantmännen Reppe	0	2	0	Production of starch products, glucose syrup, gluten and ethanol.	ISO 14001, ISO 9001, VFK, SS 627750
Lantmännen SweChick	7	3	0	Breeding farms, production farms for hatching, import and export of live animals, export of products.	
Lantmännen SweHatch	0	1	0	Liming and composting of hatching waste, buildings for livestock.	ISO 9001



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Board of Directors' report

The Board of Directors and the President and CEO of Lantmännen ek för, Corporate Identity No. 769605-2856, hereby present the Annual Report for the 2006 financial year. The result of the year's financial activities as well as the Parent company and the Group's financial position appear in the following income statement and balance sheet.

The Group's business and organization

Lantmännen is one of the largest business groups in the Nordic countries in the areas of food, energy and agriculture.

The Lantmännen Group is organized in ten business areas. The core business, focused on farmers, operates in the business area Lantmännen Lantbruk. Other business areas are Svalöf Weibull, Lantmännen Anläggnings- och Lantbruksmaskiner, Lantmännen Energi, Lantmännen Mills, Lantmännen Axa, Lantmännen Unibake, Lantmännen Kronfågel, Lantmännen Granngården and Lantmännen Invest.

Lantmännen's fresh bread business was merged with Lantmännen Unibake on October 1. Until December 31, 2006, the fresh bread business is reported in the accounts of the business area Lantmännen Axa.

Changes in the Group

Svenska Lantmännen ek för merged on January 1, 2006, with Norrbottens Lantmän ek för, whose operations were transferred to Lantmännen Lantbruk, Lantmännen Anläggnings- och Lantbruksmaskiner as well as Lantmännen Granngården. The subsidiary Cerealia AB was merged with the Parent company in January 2006.

The Group company Lapinjärven Leipomo Oy, Finland, was disposed of in January 2006. The Aspen Group, which is a market-leading producer of "green" gasoline, was acquired by Lantmännen Energi. The Aspen Group was consolidated as of June 2006. In Decem-

ber 2006 Lantmännen Energi sold its holding, corresponding to 51 percent of the shares, in Sölvesborgs Fjärrvärme to Sölvesborg Municipality.

The Belpan Group, one of Europe's leading producers of frozen bread and croissants, was acquired by Lantmännen Unibake and was consolidated as of September 2006.

As part of its strategy of focusing on priority markets, Svalöf Weibull disposed of its Canadian subsidiary SW Seed Canada Ltd as well as the English subsidiary SW Seed Ltd. Both companies were consolidated up to and including August.

Other important events

The Annual Association Meeting approved a change of the Association's name to Lantmännen ek för.

A decision was made to invest in and construct a new ethanol plant in Norrköping. Lantmännen's production capacity will thereby increase from approx. 57

to 210 million liters of ethanol per year. During the year Lantmännen Finans AB was licensed by the Swedish Financial Supervisory Authority to engage in financing activities. The approval to act as a credit market company enables the company to handle deposited funds from the general public, which principally will concern the employees and former members in Lantmännen ek för. Deposits will begin as of January 1, 2007.

Birgitta Johansson-Hedberg stepped down in December from her position as President and CEO. Jörgen Sallenbag was designated Acting President and CEO.

Lantmännen Kronfågel's Board of Directors adopted a resolution to close the slaughterhouse in Farre, Denmark.

Sales

Net sales in the Lantmännen Group in 2006 were SEK 32,256 M (29,807), an increase of 8 percent. Excluding the effect of acquisitions and disposals of companies, sales rose by 5 percent.

SEK M	NET SALES		OPERATING INCOME	
	2006	2005	2006	2005
Lantmännen Lantbruk	8,057	8,214	78	-157
Svalöf Weibull	983	1,058	-96	-6
Lantmännen Anläggnings- och Lantbruksmaskiner	7,689	6,809	340	168
Lantmännen Energi	2,622	2,187	73	78
Lantmännen Mills	2,447	2,309	141	125
Lantmännen Axa	4,100	4,069	-47	-156
Lantmännen Unibake	3,255	2,898	189	200
Lantmännen Kronfågel	2,242	1,721	-312	0
Lantmännen Granngården	2,650	2,571	-15	-26
Lantmännen Invest	2,020	1,798	41	16
Other units	521	206	-205	-121
Elimination of intra-group sales and intra-group profits	-4,330	-4,033	-4	-1
Total	32,256	29,807	183	120

In Lantmännen Anläggnings- och Lantbruksmaskiner net sales increased by 13 percent. The increase in net sales concerns both construction and agricultural machinery.

Sales in the business area Lantmännen Energi increased by 20 percent. In addition to the acquisition of the Aspen Group, the primary reason is the increased sales of liquid biofuels.

Sales in Lantmännen Unibake increased by 12 percent or SEK 357 M. Of the increase SEK 266 M can be attributed to the acquisition of the Belpan Group.

In the business area Lantmännen Lantbruk, sales declined by 2 percent, principally because of lower sales of supplies to plant cultivation.

Sales at Lantmännen Kronfågel, which has been part of the Group since May 2005, were SEK 2,242 M (1,721 for May-December 2005, 2,536 for the full year of 2005). The reduction is due to a significant fall in market prices for chicken in combination with reduced export volumes.

Operating income

Operating income for Lantmännen Group amounted to SEK 183 M (120). Included in operating income are capital gains on the sale of real estate in the amount of SEK 174 M (130) as well as other nonrecurring items across several business areas, totaling SEK –337 M (–595). Adjusted for the above nonrecurring items, 2006 operating income was SEK 346 M and for 2005 SEK 585 M.

Lantmännen Anläggnings- och Lantbruksmaskiner posted a positive earnings performance, principally owing to increased sales volumes of both construction and agricultural machinery.

Continued problems in the area of fresh bread in Sweden, regarding sales and production as well as logistics, have adversely impacted earnings. With a newly appointed management, efforts are now focused on turning around the multiyear losses.

Operating income in the Group was adversely affected by structural costs in several business areas.

For the action program implemented during the year in Svalöf Weibull, the Group's costs amounted to SEK –76 M; among other measures, its operations in Canada and the United Kingdom were disposed of.

Lantmännen Kronfågel

In May 2005 Lantmännen acquired shares in Kronfågel Group from LRF. After the acquisition, where the purchase price amounted to SEK 1, Lantmännen holds 91 percent and LRF 9 percent of the shares in Kronfågel Holding, the parent company of the Kronfågel Group. In connection with the transaction, a shareholder's agreement between LRF and Lantmännen was signed, which meant that the parties would share the financial liability in case of potential losses in Kronfågel until the end of 2008. The basis for the loss coverage between the owners is income after financial items.

On the acquisition date the equity exceeded the purchase price, which resulted in negative goodwill. The agreement regarding loss coverage meant that the size of the negative goodwill could not be conclusively established at the time of the acquisition, but depends on earnings performance at Kronfågel. The negative goodwill is reversed and recognized as revenue through the income statement as the losses are incurred.

In 2006 Kronfågel's negative earnings performance worsened further. Earnings were adversely impacted both by low market prices and by a marketing problem for chicken products related to the avian flu outbreak and the Muhammad cartoons, and by disruption in production in connection with structural changes and large investment. Combined, the problems resulted in losses amounting to SEK –287 M from operating activities.

As a direct consequence of this earnings performance it was decided to close down

the slaughterhouse in Farre, Denmark, in December. The decision to close down the facility meant that the facility assets in Farre were impaired in the amount of SEK 68 M.

The negative earnings, in combination with forecasts for future performance led to a questioning of the value of other fixed assets. This resulted in fixed assets being written down by another SEK 300 M.

The total of losses from operating activities, SEK –287 M and a total of SEK –368 M in impairment losses, means that the operating income reported for 2006 was SEK –655 M.

The reversal of negative goodwill, consisting partly of the original amount, partly of loss coverage, affected operating income in 2006 in the amount of SEK +343 M, which meant that operating income for Kronfågel was SEK –312 M.

In addition to the impairment losses of SEK 368 M charged to Kronfågel, an additional SEK 60 M was charged to earnings in the Lantmännen Group in respect of Kronfågel.

All in all, this means that Kronfågel's impact on Lantmännen's operating income during 2006 was SEK –372 M after the shareholder agreement was applied. Kronfågel is recognized in the year's income after tax in the amount of SEK –142 M.

Income after financial items

Income after financial items was SEK 244 M (526). Financial items include SEK 107 M in capital gains from sale of remaining shares in Aarhus Karlshamn as well as SEK 101 M from the sale of financial instruments. In the financial items of the previous year, capital gains from disposal of shares were included with a total of SEK 445 M.

Income after tax

Income after tax was SEK 332 M (511). The Group reports a positive tax expense mainly because future opportunities for deductions for write-downs have been taken

Major items affecting comparability

SEK M	2006	2005
Capital gains from sale of properties	174	130
Write-downs of fixed assets		
- Lantmännen Kronfågel	-428	-
- Other business areas	-	-263
Reversal of negative goodwill related to write-down in Lantmännen Kronfågel ¹⁾	168	-
Structural costs ²⁾	-76	-236
Other (net) ³⁾	-1	-96
Impact on operating income	-163	-465
Capital gains from sale of shares, etc.	208	445
Impact on income after financial items	45	-20

¹⁾ SEK 168 M relates to the reversal of negative goodwill attributable to the write-down of fixed assets for SEK 368 M, as done in the Kronfågel Group.

²⁾ 2006 relates to Svalöf Weibull

³⁾ 2006 related to SEK -39 M, nonrecurring items in Lantmännen Unibake's Norwegian business, SEK +38 M, utilization of obsolescence reserve for grain in Lantmännen Lantbruk.

into consideration the form of a deferred tax asset and because the Group reports a capital gain that is not subject to tax.

Financial situation

The Group's balance sheet total increased to SEK 25,343 M (24,568) as a result of acquisitions and ongoing significant investments. The Group's net debt was SEK 5.5 billion, and its equity ratio was 37 percent (38).

Equity increased by SEK 166 M to SEK 9,038 M. Net income for the year increased equity by SEK 332 M, while currency effects when converting from foreign operations were negative and reduced equity by SEK 153 M. Dividends paid out reduced equity by SEK 50 M and other transactions with members affected the equity positively in the amount of SEK 3 M. The merger with Norrbottens Lantmän resulted in an increase of equity by SEK 34 M.

Investment

The Group's investment in intangible and tangible fixed assets amounted to SEK 1,726 M (1,263). Ongoing investment in a new mill in Vejle, Denmark, is the single biggest investment of the year with SEK 130 M. The work on the new ethanol plant in Norrköping was begun but impacted the investment amount for the year only marginally.

Environmental information

The Group engages in activities requiring notification under the Swedish Environ-

mental Code in 112 plants and activities requiring permits in 46 plants in Sweden. The Group's activities requiring notification and permits are comprised by grain plants, mills, plants for the manufacture of feed, ethanol, fuel pellets as well as pasta and breakfast foods. The impact on the external environment is in the form of noise, emission to air, transportation and waste.

Personnel

The number of employees in the Lantmännen Group was 12,833 (12,230) during the year, of which 7,915 (7,900) in Sweden. The increase in the number of employees is principally due to the acquisition of the Belpan Group.

In the Parent company the number of employees was 1,364 (1,403).

Operations of associated companies

Viking Malt Oy is owned by Lantmännen, with 37.5 percent, Poltimo Yhtiöt Oy, Finland, with 50 percent as well as an external part-owner, with 12.5 percent. Viking Malt engages malt production in Finland, Sweden and Lithuania. Sales were SEK 729 M (746). Income after financial items was SEK -37 M (-53).

Svenska Foder AB is owned by Lantmännen, with 49 percent, and by Dansk Landbrugs Grovvarereselskab, DLG, Denmark, with 51 percent. The company sells feed it manufactures itself and plant cultivation products to farmers as well as engages in trading grain. Net sales were

SEK 1,623 M (1,617) and income after financial items was SEK 13 M (13).

Scandinavian Farmers AB is owned by Lantmännen, with 50 percent, and by Dansk Landbrugs Grovvarereselskab, DLG, Denmark, with 50 percent. The company develops both owners' earlier operations primarily in farm supplies and grain in the Baltic market. In 2006 the company acquired just over 10 percent of the shares in HaGe Kiel at the same time that HaGe Kiel acquired Scandinavian Farmers' operations in Poland. Net sales were SEK 574 M (771) and income after financial items was SEK 17 M (0).

Melia Oy, Finland, is owned by Lantmännen Mills AB, with 25 percent, and by Raisio Oy, Finland, with 75 percent. Melia produces and sells flour, breakfast foods and pasta in Finland. Net sales were SEK 696 M (664) and income after financial items was SEK 28 M (34).

GoGreen AB is owned by Lantmännen Axa AB, with 50 percent, and by Raisio Oy, Finland, with 50 percent. GoGreen AB sells beans, peas and lentils as well as milk-free dairy products mainly to the grocery trade. Net sales were SEK 45 M (16) and income after financial items was SEK -4 M (-5).

Leibur AS, Estonia, is owned by Lantmännen Axa AB, with 45 percent, and by Vaasan & Vaasan Oy, Finland, with 55 percent. Leibur is Estonia's largest bakery. Net sales were SEK 173 M (161) and income after financial items was SEK 24 M (31).

Expected future developments

Farmland and its potential constitute the basis for Lantmännen's value chain from soil to table.

The international debate about the greenhouse effect and the growing interest in bioenergy is expanding the market for agricultural products. Traditionally the land has been an important resource for the production of food and has also become a very significant resource in the

production of bioenergy. This should be seen in the context of the changeover to becoming less dependent on fossil fuels.

Based on the growing demand for bioenergy and Lantmännen's expertise in this area, significant investment is being made in the production of liquid biofuels and other products. For this investment long-term assumptions from society are crucial. The energy conversion will mean changes in the markets for agricultural commodities through increased international demand. All in all, this means that farmland will be a resource in demand and that Lantmännen's position in agriculture and energy therefore constitutes a solid foundation for continued development as a successful participant in the energy changeover. In the food segment, the interest in health has resulted in increased demand for healthy and wholesome foods. Health, together with convenient food solutions, is a strong consumer trend, and it is a segment in which Lantmännen's food businesses are well positioned. The food industry and its customers are acting in an international market. International acquisitions or strategic cooperation is an important basis for continuing to develop the food business and to create growth opportunities as well as be an attractive partner for international customers in the grocery trade.

Significant risks and uncertainty factors

Lantmännen's business is exposed to a multitude of risks. Significant investment in bioenergy, principally involving solid biofuels and biogas is based on expectations regarding long-term issues relating to society's attitudes. Strong growth means increased competition, and higher prices for commodities.

Lantmännen engages in an expanded internal control to constantly monitor and prevent salmonella contamination in feed plants and livestock production. Salmonella constitutes a significant risk, since contamination is constantly present in the surrounding environment.

Financial risks

Lantmännen's financial policy describes how the Group's financial risks are to be managed in its financing operations and in its business operations. By financial risks is meant the risk of fluctuations in the Group's earnings and cash flow as a result of changes in prices, foreign exchange rates, interest rates, refinancing as well as credit and counterparty risks.

The Group's various risk policies constitute the framework for mandate and risk thresholds, which the Group's Risk Committee together with the various business areas' Boards of Directors has decided on. The Group's financial transactions and risks are handled and controlled centrally by the Parent company's finance department. The general goal for the Group staff Finance is to be responsible for cost-effective financing as well as to minimize the negative impact on the Group's earnings as a result of market fluctuations. The Board of Directors and the Risk Committee are to receive regular reports on changes in the Group's financial risks.

To limit the liquidity risk, the Association endeavors to have the capital tie-up period in the total loan portfolio to be 2 - 5 years.

The interest rate risk is the risk that the value of a financial instrument will be adversely affected because of changes in market interest rates. The interest rate risk may consist of a change in fair value, price risk, and changes in cash flow, cash flow risk. A significant factor, which affects the interest rate risk, is the interest tie-up term.

The fixed-rate period is managed through the terms of loans and through the use of interest rate swaps. Lantmännen's belief is that a relatively short fixed-rate period in the long run will lead to lower financing costs for the Group.

The Group's financial net debt as of December 31 was SEK 5.5 billion, distributed across financial liabilities of 7.6 billion, financial receivables of 0.9 billion,

cash and bank balances of 0.8 billion and short-term investments of 0.4 billion.

Foreign exchange risks in the Group are regulated through an exchange rate policy and are hedged in their entirety if they are attributable to monetary assets and liabilities as well as purchase/sales under contract or other binding commitments.

The Group is subject to credit risks from trading in financial instruments. The credit risks are limited by having the Group solely use counterparties with a rating no lower than K1 according to Standard & Poor's. The credit risk in receivables is managed through special credit rating investigation. The company's credit policy and risk of credit losses are described under Credit risks in receivables.

Lantmännen is subject to price changes primarily in the commodities grain, soybeans, rapeseed and electricity. Commodity and electricity price risks at Lantmännen are regulated via individual risk policies.

Commodity risks are principally attributable to Lantmännen Lantbruk's operations as well as to Lantmännen Mill's core business, but to a certain extent also occur in other business areas.

Risk management of electricity is intended to create predictability for power purchasing, where the financial trade is done on the Nordic electricity exchange Nord Pool.

The Group is continuously exposed to various types of risk that require insurance solutions. The Risk Management function at Lantmännen has as its goal minimizing the total costs of the Group's insurable risk. This occurs through continuously developing risk-preventive initiatives and through efforts to limit risk in businesses and by introducing and developing intra-Group insurance solutions. All procurement is, as a rule, performed centrally for all companies within the Group. Insurable risk is managed through large Swedish and international

insurers or through internal captive companies using reinsurance in the international reinsurance market.

Research and development (R&D)

R&D costs for the year were SEK 368 M (419). Lantmännen engages in R&D in the majority of its companies and business areas.

Expenditures for R&D include all expenses that can directly be attributed to R&D activities or that reasonably and consistently can be allocated to such activities. Research is principally defined as a systematic and methodical search for new knowledge and new ideas with a specific application in mind. Development work is the systematic and methodical use of a research result and scientific knowledge as well as new ideas to bring about new products, new processes, new systems or significant improvements of already existing ones. Further development involves supporting existing products, processes and systems on an ongoing basis, but also minor modification of manufactured products. For more information, see page 47.

Changes to accounting policies

In 2006 no new or changed recommendations or other rules have appeared that affect Lantmännen's financial statements.

As of 2006 Lantmännen, however, has chosen to apply RR 21 Borrowing Costs in a new manner by capitalizing interest on large investments.

PARENT COMPANY LANTMÄNNEN EK FÖR

Organization

In the Parent company Lantmännen's core business activities are conducted in the business area Lantmännen Lantbruk. In the Parent company there are also group functions and property management. Until and including 2005, local operations were divided into market areas. Each market area had the right to decide how the market area's earnings would be allocated. At an Extraordinary

Annual Association Meeting on November 14, 2005, new bylaws for a new ownership organization were adopted, which involved that the market areas and branches are replaced by districts. This new organization is in effect as of 2006.

Number of members

The number of members as of December 31, 2006, was 44,249, adjusted for double-subscribed members (48,759).

Net sales and operating income

Net sales in the Parent company were SEK 8,341 M (8,378). Operating income was SEK -98 M (-241). Included in operating earnings are capital gains from the sale of properties of SEK 163 M (59). Structural costs in the grain and feed area impacted earnings for 2005 by SEK -193 M.

Income after financial items

Income after financial items was SEK -22 M (599). Included in financial items are SEK 101 M in capital gains from the sale of financial instruments and SEK -187 M in write-downs of shares in subsidiaries. Included in the financial items of 2005 are SEK 703 M in dividends from subsidiaries as well as SEK 48 M in capital gains from the sale of shares.

Investment

Investments for the year in tangible fixed assets and intangible assets amounted to SEK 174 M (161).

Local refund and final price adjustment

Because of the changed organization from 2006, the local market areas have ceased to exist and there is thus no local income to allocate. In the previous year SEK 75 M was distributed in local refund and final price adjustment.

Central refund and final price adjustment

The Board of Directors have decided to leave 1 percent (1) in central refund on members' purchases of feed, fertilizer, seeds, plant health and grain as well as 1 percent (1) final price adjustment on delivered grain. SEK 64 M (64) is allocated to this.

Contribution dividend

The Board of Directors proposes that the Annual Association Meeting approve payment of 5 percent (5) dividend on paid and issued contributions to direct members. To attain equal treatment with regard to tax consequences among direct members, organization members or local associations, it is proposed that organization members and local associations receive a dividend of 3.6 percent (3.6). The total dividend will be SEK 57 M (50).

Contribution issue

The Board of Directors proposes that Annual Association Meeting approve a contribution issue of SEK 100 M (100). The issue of the capital will be distributed as follows: 25 percent based on the members' paid-in contributed equity and 75 percent based on the members' 2006 sales with the association. Sales are calculated on the same basis as for the distribution of central refund and final price adjustment.

Equity Ratio

The equity ratio is 41 percent (44) in the Parent company.

Proposal for allocation of profit

Non-restricted equity in the Group amounts to SEK 5,552 M, of which it is proposed that SEK 112 M be deposited into the statutory reserve in the Parent company.

The Board of Directors proposes that the Parent company's profits of SEK 4,225,497,000 be allocated in the following manner:

(SEK)	
Distributed as dividend	56,796,000
Contribution issue	100,000,000
Provisions for statutory reserve	112,000,000
Carried over to new account	3,956,701,000
	<hr/>
	4,225,497,000

The Annual Report is to be approved by Lantmännen ek för's Annual Association Meeting and will be presented for consideration at the Annual Association Meeting on April 25, 2007.

Income statement

SEK M	Note	GROUP		PARENT COMPANY	
		2006	2005	2006	2005
Net Sales	2, 3	32,256	29,807	8,341	8,378
Less excise duties		-201	-197	-181	-196
Change in inventories of products in progress, finished goods and work in progress		60	-39	20	-2
Capitalized work for own account		1	-	-	-
Other operating revenue	4	503	338	187	64
		32,619	29,909	8,367	8,244
Operating expenses					
Raw materials and consumables		-11,579	-8,670	-4,235	-4,130
Goods for resale		-8,200	-9,360	-2,349	-2,486
Other external costs	5	-5,659	-5,021	-954	-809
Payroll expenses	6	-5,675	-5,317	-774	-746
Depreciation, amortization and impairment losses, intangible and tangible fixed assets	7	-1,632	-1,513	-153	-314
Reversal of negative goodwill	31	343	82	-	-
Other operating expenses		-62	-10	0	0
Total operating expenses		-32,464	-29,809	-8,465	-8,485
Share of income in associated companies		28	20	-	-
Operating income	11	183	120	-98	-241
Income from financial items					
Income from participations in Group companies	8	-	-	-141	678
Income from participations in associated companies	9	2	462	1	22
Income from other securities and receivables that are fixed assets	10	202	96	88	90
Interest income from Group companies		-	-	139	65
Other interest income and similar income items		243	208	240	94
Interest expenses to Group companies		-	-	-39	-34
Interest expenses and similar income items		-386	-360	-212	-75
Total financial items		61	406	76	840
Income after financial items	11, 12	244	526	-22	599
Refund and final price adjustment		-64	-139	-64	-139
Appropriations	13	-	-	21	329
Income before tax		180	387	-65	789
Tax on income for the year	14	82	121	44	6
Minority share in income for the year		70	3	-	-
NET INCOME FOR THE YEAR		332	511	-21	795

Balance sheet

SEK M	Note	GROUP		PARENT COMPANY	
		2006	2005	2006	2005
ASSETS					
Fixed assets					
Intangible assets					
Patents, licenses, trademarks, etc.	15	384	327	197	-
Goodwill		2,512	1,785	-	-
Capitalized development costs		32	-	7	-
		2,928	2,112	204	-
Tangible fixed assets					
Land and buildings	16	3,010	3,142	228	271
Investment property	17	-	-	400	348
Plant and machinery		3,174	3,050	291	291
Equipment, tools, fixtures and fittings		544	656	108	119
New construction in progress		933	500	88	20
		7,661	7,348	1,115	1,049
Financial fixed assets					
Participations in Group companies	18	-	-	5,551	2,122
Long-term receivables from Group companies	19	-	-	289	289
Participations in associated companies	20	642	674	292	296
Long-term receivables from associated companies	21	92	29	17	18
Other long-term securities holdings	22	1,203	537	327	240
Deferred tax assets	14	432	291	67	73
Other long-term receivables	23	64	659	19	59
		2,433	2,190	6,562	3,097
Fixed assets, total		13,022	11,650	7,881	4,146
Current assets					
Inventories	24	4,804	4,622	1,475	1,600
Accounts receivable	25	4,539	4,571	1,927	1,761
Current receivables from Group companies		-	-	5,249	2,545
Current receivables from associated companies		184	150	167	132
Tax assets	14	149	151	36	37
Minority interest, receivable		332	-	-	-
Other short-term receivables		539	682	110	135
Prepaid expenses and accrued income	26	500	363	192	96
		11,047	10,539	9,156	6,306
Short-term investments	27	452	1,339	60	904
Cash and bank equivalents		822	1,040	234	182
Current assets, total		12,321	12,918	9,450	7,392
ASSETS, TOTAL		25,343	24,568	17,331	11,538

SEK M	Note	GROUP		PARENT COMPANY	
		2006	2005	2006	2005
EQUITY AND LIABILITIES					
Equity	29				
Restricted equity					
Paid contributions and contribution issues		1,154	1,040	1,154	1,040
Other funds		2,332	2,396	1,553	1,356
		3,486	3,436	2,707	2,396
Non-restricted equity					
Non-restricted reserves, retained earnings		5,220	4,925	4,246	1,742
Net income for the year		332	511	-21	795
		5,552	5,436	4,225	2,537
Equity, total		9,038	8,872	6,932	4,933
Minority interest		328	388	-	-
Untaxed reserves	13	-	-	301	210
Provisions					
Provisions for pensions	30	1,643	1,584	698	660
Provisions for deferred tax	14	554	547	-	-
Negative goodwill	31	77	148	-	-
Other provisions	32	704	742	135	135
Provisions, total		2,978	3,021	833	795
Long-term liabilities					
Long-term liabilities to credit institutions	28	3,261	2,503	2,790	35
Other long-term liabilities	33, 34	551	542	13	1
Long-term liabilities, total		3,812	3,045	2,803	36
Current liabilities					
Current liabilities to credit institutions	28	2,454	2,390	1,642	314
Prepayments from customers		3	34	-	-
Accounts payable		3,074	3,086	990	942
Current liabilities to Group companies		-	-	2,155	2,490
Current liabilities to associated companies		0	15	-	-
Tax liabilities	14	23	34	-	-
Other current liabilities	35	2,262	2,209	1,297	1,402
Accrued expenses and prepaid income	36	1,371	1,474	378	416
Current liabilities, total		9,187	9,242	6,462	5,564
EQUITY AND LIABILITIES, TOTAL		25,343	24,568	17,331	11,538
Pledged assets and contingent liabilities					
Assets pledged for own provisions and liabilities					
Real estate mortgages		327	1,020	6	136
Company mortgages		669	770	-	-
Deposit accounts		237	19	35	5
Assets pledged, total		1,233	1,809	41	141
Contingent liabilities					
Guarantees benefiting Group companies		-	-	961	844
Guarantees benefiting others		558	545	322	277
Contingent liabilities, total		558	545	1,283	1,121

Changes in equity

SEK M	GROUP				PARENT COMPANY			
	Contributed capital	Restricted reserves	Non-restricted equity	Total equity	Contributed capital	Restricted reserves	Non-restricted equity	Total equity
Equity, as of Jan. 1, 2005 ¹⁾	993	2,595	4,687	8,275	993	1,276	1,940	4,209
Translation differences		230	-102	128				-
Adjustment between restricted and non-restricted equity		-509	509	0				-
Net income for the year			511	511			795	795
Investment dividend paid			-49	-49			-49	-49
Contributed capital paid in by members	42			42	42			42
Contributed capital paid out to members	-35			-35	-35			-35
Allocation of profit	40	80	-120	0	40	80	-120	0
Provided through mergers				-			21	21
Group contributions				-			-70	-70
Tax effect of Group contributions				-			20	20
Equity, as of Dec. 31, 2005	1,040	2,396	5,436	8,872	1,040	1,356	2,537	4,933
Translation differences		-233	80	-153				-
Adjustment between restricted and non-restricted equity		-28	28	0				-
Net income for the year			332	332			-21	-21
Investment dividend paid			-50	-50			-50	-50
Contributed capital paid in by members	33			33	33			33
Contributed capital paid out to members	-30			-30	-30			-30
Allocation of profit	100	150	-250	0	100	150	-250	0
Provided through mergers	11	47	-24	34	11	47	1,834	1,892
Group contributions				-			243	243
Tax effect on Group contributions				-			-68	-68
Equity, as of Dec. 31, 2006	1,154	2,332	5,552	9,038	1,154	1,553	4,225	6,932

¹⁾ After adjustments for change made in accounting policies according to the recommendations provided by the Swedish Financial Accounting Standards Council.

Please see Note 29 for more information about equity.

In 2007 contributed capital in the amount of SEK 269 M will be repaid to members. SEK 31 M concerns repayment to members who have left the Association in 2006, and SEK 238 M is related to repayments to members as a result of changes in circumstances regarding obligations to invest in the Association.

Cash flow statement

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
OPERATING ACTIVITIES				
Income after financial items	244	526	-22	599
Adjustments for items not included in cash flow ¹⁾	1,153	910	-48	287
	1,397	1,436	-70	886
Paid tax	-80	-213	0	-5
Cash flow from operations before changes in working capital ²⁾	1,317	1,223	-70	881
Cash flow from changes in working capital				
Changes in inventories	-57	143	125	-75
Changes in operating receivables	-361	321	1,004	406
Changes in operating liabilities	-346	589	-236	233
	-764	1,053	893	564
Cash flow from operating activities	553	2,276	823	1,445
INVESTMENT ACTIVITIES				
Acquisitions of businesses ³⁾	-1,283	-106	19	-17
Disposals of businesses ⁴⁾	175	29	-	-
Investment in intangible assets	-40	-60	-9	-
Investment in tangible assets ⁵⁾	-1,686	-1,203	-165	-161
Sale of fixed assets	299	256	422	74
Change in financial assets	777	808	-1,710	-1,695
Cash flow from investment activities	-1,758	-276	-1,443	-1,799
FINANCING ACTIVITIES				
Paid-in capital contributions	25	46	25	42
Repaid capital contributions	-30	-35	-30	-35
Change in outstanding financial liabilities	625	-1,410	-116	915
Dividend paid	-55	-49	-50	-49
Cash flow from financing activities	565	-1,448	-171	873
Cash flow for the year	-640	552	-791	519
Cash and cash equivalents, January 1	1,539	973	1,086	567
Exchange rate differences in cash and cash equivalents	-24	14	-	-
Cash and cash equivalents, December 31 ⁶⁾	875	1,539	295	1,086

¹⁾ Adjustments for items not included in cash flow

Depreciation and write-down of fixed assets	1,632	1,485	196	339
Less shares in profit of associated companies	-28	-17	-	-
Dividend received from associated companies	-	42	-1	-
Capital gains/losses from sale of fixed assets and businesses	-363	-684	-243	-99
Other items	-88	84	-	47
Total	1,153	910	-48	287

Cash flow statement
(continued)

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
2) Interest paid and earned dividends				
Dividends, earned	21	46	137	40
Interest, earned	473	208	376	160
Interest paid	-459	-306	-246	-109
Total	35	-52	267	91
3) Acquisition of businesses/mergers in the Parent company				
Acquired assets and liabilities				
Intangible assets	1,028	31	200	30
Tangible fixed assets	511	822	3,710	-
Financial assets	15	232	-127	-
Inventories	185	285	-	-
Operating receivables	272	505	1,774	30
Cash and cash equivalents	25	491	19	-
	2,036	2,366	5,576	60
Minority	-	37	-	-
Untaxed reserves	-	-	114	-
Provisions	107	346	54	-
Loans	349	933	2,958	-
Operating liabilities	272	453	558	4
Merger gain	-	-	1,892	-
	728	1,769	5,576	4
Purchase price paid	1,308	597	0	56
Cash and cash equivalents in acquired businesses	-25	-491	-19	0
Effect on cash and cash equivalents	1,283	106	-19	56
4) Disposals of businesses				
Disposed assets and liabilities				
Intangible assets	0	0		
Tangible fixed assets	94	40		
Financial assets	2	0		
Inventories	24	59		
Operating receivables	45	89		
Cash and cash equivalents	24	2		
	189	190		
Provisions	1	0		
Loans	52	71		
Operating liabilities	30	88		
Capital gain/loss	-93	0		
	-10	159		
Purchase price received	199	31		
Cash and cash equivalents in disposed businesses	-24	-2		
Effect on cash and cash equivalents	175	29		
5) Investments				
During the year investments were made in tangible fixed assets through finance leasing agreements in the amount of SEK 56 M (45) in the Group.				
6) Cash and cash equivalents				
Cash and bank balances	822	1,040	235	182
Short-term investments, with a maturity less than 3 months	53	499	60	904
Total	875	1,539	295	1,086
The Group's total liquidity reserves were SEK 1.4 billion at year end.				

Notes with accounting policies

Amounts in Swedish million kronor (SEK M) unless otherwise indicated.

Lantmännen ek för operates as an economic association and has its head office in Stockholm, Sweden. The head office's address is S:t Göransgatan 160 A. Its corporate identity number is 769605-2856.

ACCOUNTING POLICIES

THE BASIS FOR THE ACCOUNTS

The Lantmännen Group's annual report has been prepared in accordance with the Swedish Annual Accounts Act and the recommendations of the Swedish Financial Accounting Standards Council (RR 1 - RR 29) and Emerging Issues Task Force statement (URA 1 - URA 3, URA 8 - URA 41).

The Swedish Financial Accounting Standards Council has issued only one new statement during the year, directed at companies that are applying International Financial Reporting Standards (IFRS). This statement is thus not applicable to Lantmännen.

Lantmännen values its assets, provisions and liabilities at historical cost unless otherwise indicated below.

Fixed assets, long-term liabilities and provisions essentially consist only of amounts expected to be recovered or paid after more than twelve months reckoned from the balance sheet date. Current assets and current liabilities essentially consist only of amounts that are expected to be recovered or paid within twelve months reckoned from the balance sheet date.

In certain cases, the Parent company, primarily for tax reasons, applies other policies in its annual financial statements than that which is the case for the Group. In those cases, the policies applied by the Parent company will be described under a special heading.

USE OF ESTIMATES

To be able to prepare the accounts in accordance with generally accepted accounting standards, estimates and assumptions must be made that affect reported asset and liability items and revenue and expense items as well as information otherwise provided. The actual amounts may differ from these estimates.

CONSOLIDATED FINANCIAL STATEMENTS

The Group's annual accounts comprise the financial statements for the Parent company and all subsidiaries in accordance with the definitions laid down in the Swedish Annual Accounts Act.

Subsidiaries

Consolidated as subsidiaries are all companies in which Lantmännen, directly or indirectly, holds or controls, more than 50 percent of the votes or otherwise exercises dominant influence or control over operational and financial management. A subsidiary is consolidated as of the date the Group has control over the company, and disposed subsidiaries are included in the Group's financial statements up to and including the date the Group still controls the company.

The Group's financial statements are prepared according to the purchase method. The purchase method means that an acquisition of a subsidiary is considered to be a transaction through which the Parent company indirectly acquired the subsidiary's assets and assumes its liabilities. The historical cost is constituted by the cash amount, or the fair value of a different form of purchase consideration, paid as well as any expenses that can

be directly attributed to the acquisition. The value of acquired net assets, equity, is determined by measuring acquired assets and liabilities at their fair value. In cases where such a measurement yields values of assets and liabilities other than the book value in the acquired company, this fair value will constitute Group's historical cost.

If the historical cost of the shares exceeds the fair value in the acquired company's identifiable net assets, the differential amount is recognized as consolidated goodwill. Negative goodwill arises when the historical cost is less than the fair value of the acquired company's identifiable net assets. If negative goodwill that has arisen refers to future costs or future losses, negative goodwill is recognized as a provision on the balance sheet and reversed as the losses are incurred.

All intra-Group transactions, receivables and liabilities as well as revenue and expenditures as well as unrealized income and Group contributions, are eliminated in their entirety.

Associated companies

Associated companies are companies in which the Group possesses a long-term holding and a significant but not dominant influence on the operational and financial management. This is normally the case when the Group holds no less than 20 percent and no more than 50 percent of the votes.

Holdings in associated companies are recognized normally according to the equity method and valued originally at their historical cost. The Group's income statement recognizes the Group's share in associates' income after financial income and expenses, adjusted for any depreciation or reversals of acquired over- or undervaluation as "Share of income in associated companies." The Group's share in the associates' reported taxes is included in the Group's tax expense. Profit-sharing accumulated after acquisition of associates which has not yet been realized through distribution, is allocated to the equity reserve, which constitutes a part of the Group's restricted equity. The equity method means that the value of shares in the associates recognized by the Group corresponds to the Group's share of the associate's equity as well as any residual value of the Group-related over- or undervaluation.

If the Group's share of any accumulated losses exceeds the historical cost of the shares in the company, the recognized value will be zero, and the recognition of continued losses ceases insofar as the Group is not restricted by guarantees or other measures vis-à-vis the associated company.

Unrealized gains on transactions between the Group and its associates are eliminated in proportion to the Group's holding in the associate. Unrealized losses are eliminated in the same manner as unrealized profits insofar as no impairment loss exists.

In cases where the associate has little business, the company is not reported according to the equity method but at the historical cost adjusted for any impairment loss. Dividends and similar measures from these companies are recognized in the Group's income statement as income from other investments.

Joint ventures

Companies in which Lantmännen together with other parties through agreement have joint dominant influence on operations, so-called joint ventures, are reported as associates according to the equity method.

Translation of non-Swedish Group companies

The current method is applied to foreign currency translation of income statement and balance sheet items from independent non-Swedish companies. This method entails that all assets, provisions and liabilities are translated at the closing rate and that all items in the income statement are translated at the average exchange rate for the year. Any exchange differences are recognized directly in equity, as is the translation difference on financial instruments held as a currency hedge for these net assets.

In the case of the disposal of an independently run foreign company, accumulated translation difference attributable to the company are realized, after deductions for any currency hedging, in the Group's income statement.

Mergers

Mergers are recognized in accordance with BFNR 1999:1 "Merger of a fully-owned limited liability company." The group valuation method is applied, which means that Lantmännen has reported the merged subsidiary's assets and liabilities at the values these had in the consolidated statements. The same principle was applied in connection with the merger of Norrbottens Lantmän. The value of assets and liabilities reported in the 2005 financial statements of Norrbottens Lantmän was included in Lantmännen's accounts as of the merger date.

Minority interest

The minority's share of the Group's net profit or loss is recognized in the Group's financial statements on a special item after tax expense for the year. In the balance sheet minority interests in subsidiaries' net assets are recognized as a special item, outside the Group's equity. In cases where minority owners through agreement assume responsibility for covering losses in a company, and this results in a receivable on the minority owner, this is recognized as special item on the balance sheet's asset side.

REPORTING BY SEGMENT

Lantmännen's primary basis for segment reporting is according to business segment. The internal management is based on returns from the Group's various business areas. Goods and services are grouped into business areas on the basis of similarities in risks and opportunities. Geographic areas constitute the Group's secondary segment. For descriptions of the various segments, see Note 2.

INTANGIBLE ASSETS

Intangible assets are recognized in the accounts when the assets are identifiable, the Group controls the asset, and it is expected to yield future financial benefits.

Goodwill

Goodwill is the value with which the acquisition price exceeds the fair value of the net assets that the Group has acquired in connection with company or net asset acquisitions. Goodwill arising through the acquisition of associated companies is included in the carrying value of the associated company.

Goodwill is recognized at the historical cost less any accumulated amortization and any accumulated impairment losses. Goodwill is amortized on a straight-line basis over the asset's useful life, which currently varies between 5 and 20 years. Goodwill related to strategic acquisitions, in accordance with the Group's long-term vision, is calculated to have a useful life of 20 years.

Negative goodwill arises if the fair value of acquired net assets exceeds the acquisition price.

Negative goodwill is recognized as a provision in the balance sheet. Existing negative goodwill relates to anticipated negative earnings in acquired businesses and is reversed in the income statement as these losses occur.

Research and development

Lantmännen's expenditures for research are recognized as an expense in the period in which they are incurred. Research costs are regarded as

expenditure for research for the purpose of obtaining new scientific or technical knowledge.

In the Group, expenditures for development are recognized as intangible assets on the condition that it is technically and financially possible to complete the assets and that it is deemed to yield future financial benefits. A further precondition is that the value of the asset can be calculated in a reliable manner. In respect of development of seed, this means that expenditures can be recognized in the balance sheet only after an official variety test has shown potential success for the variety. With regard to the development of fuels, expenditures may be recognized in the balance sheet only when the product can demonstrate technical acceptance and commercial potential and political decisions have been made. Currently all expenditure for the development of commercial products and similar items is recognized as an expense.

Expenditures for the development of business-related IT systems are capitalized as of 2006 if the general preconditions according to the above are met and the total expense is calculated to exceed SEK 3 M.

Other intangible assets

Other intangible assets comprise trademarks, patents and licenses. The assets are recognized at historical cost less any accumulated amortization and any accumulated impairment losses. Depreciation is straight-line over expected useful life of the asset and is between 5-20 years.

Trademarks that are part of strategic acquisitions and that are deemed to be retained indefinitely are amortized over 20 years.

Expenditures for internally generated trademarks as well as for internally generated goodwill are recognized as an expense as it is incurred.

Subsequent expenditure

Subsequent expenditure for intangible assets is added to the historical cost if it increases future economic benefits. All other expenditures are recognized as an expense as they are incurred.

TANGIBLE ASSETS

Tangible assets, mainly consisting of machines, equipments and properties, are recognized at historical cost, less any accumulated depreciation, according to plan and any accumulated impairment losses

Expenditure that can be directly attributed to the acquisition of the asset is included in the historical cost. For major investments, in which the total investment value is at least SEK 100 M and the investment term lasts at least 6 months, interest during construction is included in the asset's historical cost.

Depreciation principles for tangible assets

Scheduled depreciation is based on the original historical cost less calculated residual value. Depreciation is straight-line over the asset's assessed useful life. Land is assumed to have an indefinite useful life and is therefore not subject to depreciation.

The following depreciation schedules are applied:

Buildings	14-50 years
Grain elevators	30-33 years
Property fixtures	10-25 years
Production equipment	10-20 years
Cars and trucks	5-10 years
Office equipment	5-10 years
Computer equipment	3-5 years

Investment property

Investment property is recognized in the balance sheet at its historical cost less any accumulated depreciation and any accumulated impairment losses plus any appreciation. The fair value of investment property is indicated as supplemental information in Note 17.

In Lantmännen there are investment properties in the Parent company. The properties that are leased out and used by other Group companies have been recognized as operating properties in the consolidated financial statements. In the Group's balance sheet properties that are leased out at more than 90 percent to other entities than Group companies are classified as investment properties. For the time being, no properties are recognized as investment properties in the Group accounts.

Impairment losses

The recognized value of the Group's fixed assets is being reviewed on an ongoing basis. At each balance sheet date an assessment is made as to whether there is any indication that the assets' value is reduced so that there is a need for recognizing an impairment loss. If that is the case, the asset's recoverable value is calculated. The recoverable value is the higher of the value in use and the net selling price. Impairment is performed if the recoverable value is less than the reported value.

The net selling price is considered to be the most likely price when sold in a normally functioning market, less marketing costs. Value in use is considered to be the present value of the estimated future cash flow that expected by using the asset and the calculated residual value at the end of its useful life. When calculating the value in use, future cash flow is discounted at a rate before tax intended to take into consideration the market assessment of risk free interest and risk involved with the specific asset.

An asset that depends on other assets is considered not to generate any independent cash flow. Such an asset is instead transferred to the smallest possible cash-generating unit, based on an impairment test.

Reversals of impairments occur when the reason for the impairment, fully or partially, has lapsed.

Subsequent expenditure

Subsequent expenditure for an item of tangible assets increases the historical cost until that part of the asset's performance is improved in relation to the level that applied when it was originally acquired. All other subsequent expenditure is recognized as expenses in the period it is incurred.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currencies are translated at the closing rate. Translation differences for operating receivables and operating liabilities are included in operating income, while differences in financial receivables and liabilities are recognized among financial items.

INVENTORY

Inventory is valued according to the lower value principle; that is, the lower of historical cost or the net selling price on the balance sheet date. The historical cost is calculated by applying the FIFO method (First In/First Out) or weighted average prices. The historical cost for products produced in-house includes raw materials, direct wages, other direct costs and production related overhead costs, based on normal production capacity. Capitalization of borrowing costs is not included in the inventory values.

CONSTRUCTION CONTRACTS AND SIMILAR ARRANGEMENTS

In the consolidated financial statements the "percentage of completion method" is applied to the construction contracts where the outcome can be calculated in a satisfactory manner. Revenue and costs are recognized in the income statement in relation to the engagement's degree of completion.

The degree of completion is determined on the basis of contract costs expended in relation to the total calculated contract costs for the engagement. Expected losses are expensed immediately.

FINANCIAL INSTRUMENTS

Financial instruments recognized in the balance sheet include, on the asset side, cash and cash equivalents, accounts receivable, shares and other equity instruments, loan receivables and bond receivables as well as

derivatives. Among equity and liabilities are accounts payable, issued debt instruments, loans as well as derivatives.

Derivative instruments include forward contracts, futures and swaps used to cover risks of currency fluctuations and for exposure to interest rate risks. Derivative instruments are classified either as hedging instruments or held for trading and are attributed to trade inventory. Derivative instruments held for trading are valued at the lower of historical cost or fair value. Gains or losses in connection with the change of fair value are recognized in the income statement under financial items.

A few forward exchange contracts are valued at their fair value according to the lower value principle. The changes in value are recognized in the income statement under the item "Income from other securities and receivables that are fixed assets."

A financial asset or financial liability is recognized on the balance sheet once the company becomes party to the instrument's contractual terms. Accounts receivable are recognized in the balance sheet when the invoice has been issued. Accounts payable are recognized when an invoice is received.

A financial asset will be removed from the balance sheet when the rights in the agreement are realized, come due or the company loses control of them. The same applies for a part of a financial asset. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise is settled. The same applies for a part of a financial liability.

Cash and cash equivalents

Cash and cash equivalents comprise cash, immediately accessible bank balance as well as other money market instruments with an original maturity less than three months. Items that have a fixed interest rate are valued at their accrued value.

Financial investments

Financial instruments that are considered to still be held by the business are classified as fixed assets. Investments consisting of shares are recognized at the historical cost after any write-downs to fair value. The assessment is made from one class of share to the next and a write-down to fair value is performed when the impairment is assessed to be permanent.

Interest-bearing securities are classified as investments and valued at accrued historical cost in cases where they do not constitute short-term holdings. Short-term holdings are current assets and are then recognized according to the lower value principle. Accrued historical cost is determined from the effective interest that is calculated at the date of acquisition. This means that the over- or undervaluation, like direct transaction costs, are recognized over the term of the instrument. Investments consisting of interest-bearing securities are recognized at accrued historical cost after any write-downs to estimated recoverable amount. Impairment tests are done on an item-by-item basis. A write-down to fair value is recognized once the impairment is assessed to be permanent.

Short-term investments are assessed at the lower of historical cost or the net selling price on the balance sheet date. The valuation is performed at the portfolio level. This means that, for instruments that are included in the same portfolio, unrealized gains are charged against unrealized losses.

The net selling price is based on the official market prices on the balance sheet date or generally accepted methods such as option valuation models or discounted cash flow.

Accounts receivable

Accounts receivable are recognized at the amount expected to be paid based on an individual assessment of uncertain receivables. When there is a forward exchange contract that hedges the flow of goods and services between countries, receivables are valued at the forward rate in case the term is less than three months; otherwise the receivable is valued at

the exchange rate on the day the hedge was taken out. The difference between the forward rate and the exchange rate on the day the hedge was taken out is accrued over the forward exchange's maturity.

Accounts payable

Payables in foreign currencies that are hedged with forward exchange contracts are translated to the forward rate in case the hedged term is less than three months. Once the hedged term exceeds three months, accounts payable are translated according to the exchange rate on the day the hedge was taken out. The difference between the forward rate and the exchange rate on the day the hedge was taken out is accrued over the forward exchange's maturity.

Loans

Loans are recognized initially at the amount received less transaction costs. After the date of acquisition the loan is valued at the accrued historical cost according to the effective interest method. Accrued historical cost is determined from the effective interest rate calculated at the time the loan was taken out. This means that over- and undervaluation, like direct issue costs, are accrued over the term of the loan. If the loan cannot be redeemed prematurely the calculation is accrued over the entire agreed-upon term.

HEDGE ACCOUNTING

To meet the requirements for hedge accounting it is required for there to be a clear connection to the hedged item and the hedge's effective protecting the hedged position. Gains and losses regarding hedges are recognized at the same time as gains and losses on the hedged items. Hedged items are valued during their terms at the hedging instrument's spot rate. The effects on the income from derivative contracts are recognized in income during the same period as the hedged items are recognized in income.

In the case the conditions for hedge accounting no longer are met, the derivative instrument is recognized as if it were held for trading at portfolio level at the lower of historical cost or fair value. In connection with hedge accounting's being suspended, the amount that the instrument was recognized at in the balance sheet will be used as the historical cost, however only for the part that had not been recognized in the income statement by the suspension date.

Commodity price risk

Lantmännen makes use to a certain extent of commodity contracts and commodity derivatives to hedge forecast purchases of commodities that are required for the forecast future sale of raw materials and for certain of the Group's produced products. Hedge accounting is applied, which means that the effects on income from the commodity contract or commodity derivative is recognized in the income statement for the same period as the commodity costs regarding hedged commodity purchases are recognized in the income statement. Outstanding commodity derivatives that do not meet the criteria for hedge accounting, but where the intention is hedging, are stated at market value and unrealized losses are recognized in operating income.

Receivables and liabilities in foreign currencies

To hedge an asset or liability against exchange rate risk currency futures are used and accounting is performed according to the Swedish Accounting Standards Board's recommendation BFN R 7. That means that the hedged asset or liability is valued at the forward rate if the hedge term is less than three months and according to the exchange rate on the date that the currency hedge is done if the hedge term exceeds three months. The difference between the forward rate and the exchange rate on the day the hedge was taken out is accrued over the term of the forward contract.

Exchange rate differences that arise in translating operating receivables and liabilities are recognized in operation income while exchange rate differences that arise in translating financial assets and liabilities are recognized as financial items.

Transaction exposure

Currency exposure relating to future forecast flows is hedged through forward exchange contracts. The forward exchange contracts that hedge the forecast flow are not recognized in the balance sheet. Changes in the value of the contracts are recognized in the same period as the forecast flow occurs. The forecast flow can be invoiced or forecast transactions.

Net investments

Investments in foreign subsidiaries (net assets including goodwill) have, to a certain extent, been hedged through taking out loans in foreign currencies. In the annual accounts these are recognized at the closing rate. In the Parent company rate differences are recognized in the consolidated financial statements against equity to be used to offset net assets in the subsidiary, which is charged against equity.

Hedging of the Group's fixed interest rates

To hedge against interest rate risks, Lantmännen uses interest rate swaps. Amounts payable or receivable according to the interest rate swap are recognized on an ongoing basis as interest income or interest expense. The premium that has been paid or received when the swap contract was entered into is accrued as interest over the term of the contract. There is more information about financial risk management in Note 28, Financial instruments and financial risk management.

PROVISIONS

Provisions are recognized when Lantmännen has or is considered to have a formal or informal commitment as a result of recent events and it is likely that payments will be required to honor the commitment. An additional condition is that it is feasible to make a reliable estimate of the amount that needs to be paid out. For significant amounts, a present value calculation is performed to take into consideration the temporal aspect.

Provisions for guarantee obligations are made on the basis of previous years' guarantee expenses and an assessment of the future guarantee risk. Provisions are made when the product or service has been sold.

Provisions for restructuring are made when a detailed, formal plan for measures is in place and well-founded expectations have been created for those who will be affected by the measures. No provisions are made for future operating losses.

Derivatives and delivery agreements that will not be completed with deliveries and that can not be subject to hedge accounting are tested on the balance sheet date to see if the derivative/delivery agreement can be considered nonperforming. Provisions are made for nonperforming contracts.

REMUNERATION OF EMPLOYEES

Pensions

In Sweden the majority of employees are included in defined benefit pension plans through PRI Pensionstjänst AB (PRI). There are also defined benefit plans in Norway and Germany. In other countries all employees are included in defined contribution plans.

In defined contribution plans the company pays fixed fees to a separate legal entity and has no obligation to pay further fees. The Group's earnings charged with costs as the benefits are earned.

In defined benefit plans benefits are paid to employees and previous employees based on the salary upon retirement and the number of years in service. The Group carries the risk that promised benefits are paid out. The defined benefit plans are both funded and unfunded. If the plans are funded, assets are separated principally into retirement benefit plans. These plan assets can only be used to pay benefits under the pension agreement.

The calculated present value of the defined benefit plan obligation and the fair value of the plan assets associated with the obligation are netted in the balance sheet as either a provision or a long-term financial receivable.

Offsetting of a surplus in a plan against a deficit in a different plan occurs only if the company has a right to use the surplus in one plan to regulate a deficit in a different plan or if the obligations are considered to be regulated on a net basis.

Pension costs and pension obligations for defined benefit plans are calculated according to the so-called Projected United Credit Method. The method distributes the costs for pensions as the employees carry out services for the company that increase their entitlement to future benefits. The company's obligation is calculated annually by independent actuaries. The obligation comprises the present value of the expected future payments. The discount rate that is used corresponds to the interest for high quality corporate bonds or treasury bonds with a maturity that corresponds the average term for the obligations and the currency. The interest rate for high quality mortgage bonds with corresponding maturity is used for Swedish pension plans.

When establishing the defined benefit obligation's present value and fair value of plan assets actuarial gains and losses may occur. These either occur when the actual result deviates from the previously calculated assumption or the assumption is changed. The portion of the accumulated actuarial gains and losses over the previous year end that exceeds 10 percent of the larger of the obligation's present value and the plan assets' fair value is recognized in the income statement over the expected average remaining service period for the employees who are included in the plan.

A special payroll tax is calculated on the difference between pension costs established according to RR 29 and pension costs established according to the rules that are applied to legal persons. The calculated future payroll tax is recognized in the balance sheet as "Other provisions." The present value of the provision is not calculated.

Parent company

The Parent company applies the Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's rules relating to defined benefit pensions. This is a requirement for tax deductibility. The accounts follow FAR's recommendation No. 4, Recognition of pension liabilities and pension costs. The most significant differences vis-à-vis the rules in RR 29 are how the discount rate is set, that the calculation of defined benefit obligations occurs from the present salary level and that actuarial gains and losses are recognized as soon as they arise. Pension obligations are recognized as a provision for pensions in the balance sheet insofar as it is permitted by the Pension Obligations Vesting Act.

Other long-term remuneration to employees

The same principles are applied as for defined benefit plans, in addition to the fact that all actuarial gains and losses are recognized immediately.

Termination benefits

A provision is recognized in connection with termination of personnel only if the company is demonstrably committed to ending an employment situation before the normal date or when benefits are provided as an incentive to encourage voluntary redundancy. If the company terminates personnel, a detailed plan is created which, at the very least, contains workplace, positions and approximate number of affected persons as well as the benefits for each personnel category or position and the time for the plan's implementation.

Bonuses

Provisions for bonuses are recognized as costs on an ongoing basis in accordance with the financial content of current agreements.

TAXES

The Group's tax cost consists of actual taxes and deferred taxes. Taxes are recognized in the income statement, except when the underlying transaction is recognized directly against equity, whereby the appurtenant tax is also recognized in equity. Current taxes are taxes that must be paid or received for the current year. This also includes adjustments to current taxes attributable to previous periods.

Deferred taxes are calculated according to the balance sheet method for all temporary differences that arise between the tax-related value and the carrying value of assets and liabilities. Deferred taxes are calculated by applying the tax rates and tax rules decided or declared on the balance sheet date. In connection with company acquisitions temporary differences arise between the consolidated value of assets and liabilities and their tax-related value. Temporary differences related to non-deductible goodwill is not taken into consideration in calculating deferred taxes. Deferred taxes related to temporary differences attributable to shares in subsidiaries and associates are not recognized, since in each case Lantmännen can control the date for the reversal of these, and it is not deemed probable that a reversal will occur within the near future.

Deferred tax assets related to deductible temporary differences and unused loss carryforwards are recognized only in so far as it is deemed probable that these will result in lower tax payments in the future.

Parent company

Because of the connection between accounting and taxation, the Parent company recognizes untaxed reserves including deferred tax liabilities. However, in the consolidated financial statement untaxed reserves are divided into deferred tax liabilities and equity.

REVENUE

Revenue is recognized exclusive of VAT and, in the present case, has been reduced by the value of discounts provided.

Revenue from the sale of goods and services is recognized in connection with deliveries to the customer and in accordance with applicable terms of sale; that means when all significant risks and benefits of the ownership transferred to the customer. Rental income is recognized in the period the renting out occurs.

With construction contracts where the outcome can be calculated in a satisfactory manner the "percentage of completion method" is applied in the consolidated financial statements. Revenue is recognized in the income statement in relation to the contract's degree of completion.

Remuneration in the form of interest/royalties/dividends is recognized as revenue once it is likely that the financial benefits associated with the transaction accrue to the company and that they can be calculated in a reliable manner.

Interest income is recognized over the maturity of the asset in question with the application of the effective interest method.

Royalties and similar revenue are recognized on an accrual basis in accordance with the substance of the relevant agreement.

Dividends are recognized when the right to receive the dividend is deemed certain.

LEASING

The Group acts both as lessor and lessee.

Leasing is classified in the consolidated financial statement either as finance or operating leasing. Finance leasing is present when the financial risks and rewards incident to ownership is substantially transferred to the lessee. If not, the leasing is considered operational.

Recognition of finance leasing means for the lessee that the fixed asset is recognized as an asset item in the balance sheet and that a corresponding liability is initially recognized. The fixed asset is depreciated according to plan over the asset's useful life while the lease payments are recognized as interest and amortization of the original recognized liability. The Group liabilities to the lessor are recognized as Other interest-bearing liabilities and allocated between a short-term and a long-term portion. With operating leasing the

lessee does not recognize an asset in the balance sheet and the total lease payment is expensed on a straight-line basis over the term of the lease.

When the Group is the lessor, the leased asset for operating leasing is recognized as a fixed asset in the balance sheet and is depreciated in accordance with the Group's principles. The lease payments are included in operating income and allocated on a straight-line basis over the term of the lease. In the case of finance leasing the transaction is recognized as a sale by which a receivable is created that is recognized as a finance lease receivable. Payments received in connection with finance leasing are recognized as interest income and amortization of the finance leasing receivable.

Parent company

All lease agreements in the Parent company are recognized according to the rules for operating leasing. The Parent company is solely a lessee.

GOVERNMENT GRANTS

Government grants are recognized in the balance sheet and the income statement when there is reasonable certainty that the terms associated with the grant will be met and that the grant will be received. Grants are accrued systematically in the same manner and over the same periods as the costs for which the grant is intended to compensate.

GROUP CONTRIBUTION AND SHAREHOLDERS' CONTRIBUTION

Parent company

Group contribution and shareholders' contribution are recognized in accordance with the statement from the Swedish Financial Accounting Standards Council's Emerging Issues Task Force.

Shareholder contributions are capitalized as shares and participations in so far as a write-down is not required. The recipient charges the shareholder contribution directly to equity.

Group contributions are recognized according to economic substance. This means that Group contributions made so as to minimize the Group's total tax are charged directly to profits retained less the current tax effect. Group contributions, the equivalent of shareholder contributions, are recognized, taking into consideration current tax effect, as an investment in shares in a Group company, insofar as a write-down is not required. The recipient charges this form of Group contribution directly to retained earnings.

RELATED PARTIES

Through its controlling influence the Parent Company is a related party to its subsidiaries and subsidiaries' subsidiaries. Through their controlling influence both the Group and the Parent Company are related parties to their associated companies, which accordingly comprise directly as well as indirectly owned companies.

Pricing for the delivery of goods and services between companies within the Group is set at market prices.

Through its right to participate in the decisions that concerns the Parent company's strategies, its Board members have significant influence over the Parent company and are therefore considered a related party. An economic association's purpose is to promote its members' financial interests through the financial business in which its members participate. In accordance with this, purchasing and selling of goods and services during the financial year has occurred between the Parent company and individual Board members who are members of the Association. In the same manner, individual Board members participate in the financing of the Association. Transactions between Board members and the economic association, in their capacity as owners, have occurred in accordance with the Association's objectives. The Association's general pricing and terms have been applied. Information about amounts is therefore not disclosed regarding these transactions.

NOTE 1 ACQUISITIONS AND DISPOSALS

Acquisitions

During the year the following companies were acquired:

Company	Business	Acquisition Date	Purchase price SEK M	Acquired share	Annual sales SEK M	Number of employees
Pegasus	Lantmännen Invest, analysis business	Mar-06		100%	16	15
Aspen Group	Lantmännen Energi, environmental petrol	Jun-06	180	100%	240	40
Belpan Holding (Pastridor)	Lantmännen Unibake, frozen breads and croissants	Sep-06	1,116	100%	753	291

The acquisition balance sheets are preliminary for all acquisitions made in 2006. The companies are consolidated as subsidiaries according to the purchase method. There are no plans for any parts of the acquired companies to be disposed of.

Lantmännen acquired the Kronfågel Group in 2005. The acquisition balance sheet should therefore be set as of the 2006 year-end closing. However, the agreement for the acquisition was prepared in such a way that Lantmännen has

a claim on the seller for portion of reported negative earnings until 2008. The acquisition balance sheet has thus not been definitively set and negative goodwill is affected when the claim is changed.

Disposals

During the year Svalöf Weibull sold its British sales company SW Seed Ltd and the Canadian company SW Seed Canada Ltd. Furthermore the holdings in the smaller companies Lapinjärven Leipomo Oy and Sölvesborgs Fjärrvärme were sold.

PRIMARY SEGMENT – BUSINESS SEGMENTS

Financial year 2006

SEK M	Lantbruk	Svalöf Weibull	Anläggnings- och Lantbruks- maskiner	Energi	Mills	Axa	Unibake	Kron- fågel	Grann- gården	Invest	Other busi- ness	Elimi- nations	Total Group
Net sales													
External sales	6,884	703	7,665	1,778	1,371	4,056	3,142	2,239	2,620	1,646	152	-	32,256
Internal sales	1,173	280	24	844	1,076	44	113	3	30	374	369	-4,330	0
Net sales, total	8,057	983	7,689	2,622	2,447	4,100	3,255	2,242	2,650	2,020	521	-4,330	32,256
Income													
Income per business segment	78	-96	340	73	141	-47	189	-312	-15	41	-205	-4	183
Operating income	78	-96	340	73	141	-47	189	-312	-15	41	-205	-4	183
Of which share in income of associates	-	0	-	1	7	8	5	-6	-	-	13	-	28
Financial income													447
Financial expenses													-386
Refund and final price adjustment													-64
Tax expense for the year													82
Minority interest													70
Income for the year													332
Other information													
Assets	5,892	1,258	2,944	1,743	2,342	2,999	4,530	1,625	628	1,075	4,219	-13,268	15,985
Share of equity in associates	-	4	-	2	125	90	11	11	-	-	399	-	642
Unallocated assets													8,716
Total assets	5,892	1,262	2,944	1,745	2,467	3,089	4,540	1,636	628	1,075	4,618	-13,268	25,343
Liabilities	3,793	761	2,168	1,382	2,053	2,270	3,106	1,259	534	652	1,988	-13,268	6,699
Unallocated liabilities													9,606
Equity													9,038
Total equity and liabilities	3,793	761	2,168	1,382	2,053	2,270	3,106	1,259	534	652	1,988	-13,268	25,343
Investments	65	23	256	168	296	130	350	150	8	48	233		1,726
Depreciations and write-downs	-96	-45	-118	-79	-149	-251	-240	-463	-15	-74	-104		-1,632

Financial Year 2005

SEK M	Lantbruk	Svalöf Weibull	Anläggnings- och Lantbruks- maskiner	Energi	Mills	Axa	Unibake	Kron- fågel	Grann- gården	Invest	Other busi- ness	Elimi- nations	Total Group
Net sales													
External sales	7,094	765	6,524	1,361	1,310	4,031	2,775	1,718	2,544	1,479	206	-	29,807
Internal sales	1,120	293	285	826	999	38	123	3	27	319	0	-4,033	0
Net sales, total	8,214	1,058	6,809	2,187	2,309	4,069	2,898	1,721	2,571	1,798	206	-4,033	29,807
Income													
Income per business segment	-157	-6	168	78	125	-156	200	0	-26	16	-121	-1	120
Operating income	-157	-6	168	78	125	-156	200	0	-26	16	-121	-1	120
Financial income													766
Financial expenses													-360
Refund and final price adjustment													-139
Tax expense for the year													121
Minority interest													3
Income for the year													511
Other information ¹⁾													
Assets	3,958	1,153	2,557	1,284	1,890	3,002	2,835	1,415	615	1,558		-268	19,999
Share of equity in associates													674
Unallocated assets													3,895
Total assets	3,958	1,153	2,557	1,284	1,890	3,002	2,835	1,415	615	1,558		-268	24,568
Liabilities	1,976	597	1,626	597	967	1,418	649	365	477	511		-894	8,289
Unallocated liabilities													7,407
Equity													8,872
Total equity and liabilities	1,976	597	1,626	597	967	1,418	649	365	477	511		-894	24,568
Investments	134	52	135	93	242	171	217	98	12	69	40		1,263
Depreciations and write-downs	-281	-50	-105	-74	-209	-281	-201	-49	-15	-74	-174		-1,513

¹⁾ In 2005 Other business was included under eliminations.

Note 2 (continued)

The primary basis of segmentation is based on the Group's business areas. In the business organization, the Group's focus is on product and business development. The purpose is to simplify the organization and to increase customer orientation. The Group's operational structure and internal reporting to Group Management and the Board of Directors are based on business area reporting. Intra-Group selling between segments is based on a market-based internal price, which is based on the arm's length principle, i.e. between parties that are independent of each other, well-informed and with an interest in carrying out the transaction.

The assets, provisions and liabilities that are used in the segment's operations are included in the business area. The assets and liabilities that are included are intangible assets and tangible fixed assets, current assets, operating liabilities and provisions attributable to the sale of goods and services. Financial assets and liabilities as well as allocations to pensions have not been allocated to the respective business areas. Assets, liabilities and provisions are attributed directly to the business area or allocated to the segment in a reasonable and reliable manner.

All intangible asset and tangible asset investments, with the exception of investments in expendable equipment and acquisition of companies, are included in the segments' investments.

Business segments

The Group consists of ten business areas structured differently. The business areas are described in brief below:

Business area Lantmännen Lantbruk is the Group's core business with grain, feed and plant cultivation as its key areas.

Business area Svalöf Weibull is one of Europe's leading plant breeding and seed companies.

Business area Lantmännen Anläggnings- och Lantbruksmaskiner imports, markets and sells tractors, tools, harvesters, and construction machinery. Service and spare part sales are also part of operations.

In the energy industry Lantmännen Energi is active in the areas of biofuel and grain-based ethanol, etc.

Business area Lantmännen Mills develops, produces and markets flour, flour mixes, breakfast cereals and pasta for the food industries and bakeries in Northern Europe.

Lantmännen Axa is the business area that comprises the whole chain from product development and production to marketing and sales in the areas of flour, breakfast foods, mixes, pasta and bread for the consumer market.

Production and the sale of fast food bread, store-baked breads and frozen breads are part of the business area Lantmännen Unibake. Since October 1, 2006, Lantmännen's fresh bread business has been combined with Lantmännen Unibake, but is reported in the business area Axa for all of 2006.

Lantmännen Kronfågel is the most recent business area and is Scandinavia's leading producer of foods based on chicken.

Through the business area Lantmännen Granngården Lantmännen engages in retailing focusing on animals and garden.

Lantmännen Invest comprises both companies that have their roots in various research projects; and companies that do not belong in any of the other business segments, but which carry on business in various ways that can be related to farming.

Geographical areas

Geographic areas constitutes the Group's secondary basis of segment reporting. The information presented regarding the segment's revenue is related to the geographical areas grouped according to where the customers are located. The majority of sales occur in the Nordic countries, which is indicated in the table below.

Information relating to the segments' assets and the period's investments in tangible fixed assets and intangible assets is based on geographical areas Grouped according to where the assets are located; that is, where the company carries on its production of goods and services. In 2005 assets were reported exclusive of financial assets.

SECONDARY SEGMENT - GEOGRAPHIC AREAS

Financial Year 2006

SEK M	Sweden	Denmark	Norway	Germany	United Kingdom	Belgium	Poland	Baltic Countries	Other Europe	Other world	Eliminations	Total Group
External sales	20,668	4,120	2,286	2,203	558	328	255	429	1,138	271		32,256
Assets	29,436	4,585	1,126	823		684	242	368	620	54	-12,595	25,343
Investments	943	372	95	239		22	13	23	17	2		1,726

Financial Year 2005

SEK M	Sweden	Denmark	Norway	Germany	United Kingdom	Belgium	Poland	Baltic Countries	Other Europe	Other world	Eliminations	Total Group
External sales	19,625	3,631	1,802	2,344	510	81	222	356	982	254		29,807
Assets	16,870	3,392	1,012	595	16		245	346	531	126	-3,134	19,999
Investments	648	243	118	125			9	9	109	2		1,263

PARENT COMPANY

	2006	2005
Net sales per business segment		
Lantbruk	7,979	8,214
Other	362	164
Total	8,341	8,378
Net sales per geographic market		
Sweden	7,486	7,518
Rest of Europe	843	860
United States	12	-
Total	8,341	8,378

NOTE 3 BREAKDOWN OF REVENUE

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Sale of goods	30,950	28,413	6,898	7,094
Contracting engagements	267	166	-	-
Service engagements	812	1,306	-	-
Royalties	50	86	-	-
Rental activities	173	-	10	-
Interest	450	208	224	159
Dividend	29	46	64	744

NOTE 4 OTHER OPERATING REVENUE
Group

The Group's other operating revenue includes SEK 174 M (130) in capital gains from the sale of properties and SEK 26 M (37) in government grants.

Parent company

The Parent company's other operating revenue includes SEK 163 M (59) in capital gains from the sale of properties.

NOTE 5 FEES AND REMUNERATION FOR AUDITORS

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
<i>Ernst & Young</i>				
Auditing engagement	12	-	2	-
Other engagements	3	-	0	-
<i>KPMG</i>				
Auditing engagement	-	13	-	2
Other engagements	-	11	-	6
<i>Other auditors</i>				
Auditing engagement	2	0	0	-
Other engagements	7	1	5	-
<i>Elected delegates</i>				
Auditing engagement	1	1	1	1

NOTE 6 EMPLOYEES AND PAYROLL EXPENSES

Average number of employees	of which		of which	
	2006	women, %	2005	women, %
Group				
Sweden	7,915	30%	7,900	28%
Denmark	2,535	40%	2,311	36%
Germany	478	36%	461	32%
Poland	450	34%	451	34%
Norway	439	37%	420	37%
Ukraine	297	57%	270	54%
Latvia	150	31%	160	32%
Estonia	34	18%	77	42%
Canada	37	38%	49	35%
Finland	7	43%	43	51%
Russia	107	47%	26	46%
United Kingdom	15	27%	16	44%
United States	13	38%	10	30%
France	9	44%	9	44%
Lithuania	10	10%	7	29%
Spain	7	43%	6	50%
Japan	7	29%	6	33%
Netherlands	5	0%	5	0%
Korea	4	25%	3	0%
Belgium	314	62%	-	-
Group, total	12,833	34%	12,230	31%
Parent company				
Sweden	1,364	26%	1,403	24%
Parent company, total	1,364	26%	1,403	24%

Wages, salaries and remuneration

SEK M	2006		2005	
	Boards and CEOs	Other employees	Boards and CEOs	Other employees
Subsidiaries				
Sweden	32	1,923	52	1,801
Denmark	11	1,020	8	932
Germany	6	171	3	157
Poland	2	14	-	41
Norway	8	187	4	181
Ukraine	1	12	1	8
Latvia	1	15	1	12
Estonia	1	5	2	9
Canada	-	20	1	11
Finland	-	4	1	13
Russia	0	5	-	4
United Kingdom	1	8	3	5
United States	-	6	1	4
France	0	5	-	5
Lithuania	0	1	-	1
Spain	1	3	1	1
Japan	-	4	1	2
Netherlands	1	2	1	1
Korea	-	1	-	0
Belgium	5	33	-	-
Subsidiaries, total	70	3,439	80	3,188
<i>Of which variable component</i>	<i>4</i>			
Parent company				
Sweden	15	465	8	465
Parent company, total	15	465	8	465
<i>Of which variable component</i>	<i>0</i>			
Group, total	85	3,904	88	3,653
<i>Of which variable component</i>	<i>4</i>			

Note 6 (continued)

Payroll expenses SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Wages, salaries and compensations	3,989	3,741	480	473
Social costs	911	884	159	152
Retirement plan contributions ¹⁾	344	391	84	84
Other payroll expenses	431	301	51	37
Total	5,675	5,317	774	746

¹⁾ Of the Group's pension costs, SEK 12 M is related to the Group Boards of Directors and CEOs. The outstanding pension obligations for these persons amount to SEK 7 M. Of the Parent company's pension costs, SEK 1.0 M (0.8) is related to the Group Board of Directors and President and CEO. The outstanding pension obligations for these persons amount to SEK 0 M (0).

Gender breakdown in company management Share - Women, %	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Boards	13	30	18	27
Other senior executives	24	17	28	31

SICK LEAVE IN SWEDISH COMPANIES

Sick leave is stated in percent of normal working hours.

Swedish companies, total

The total sick leave for the year was 3 percent, for women sick leave was 5 percent and for men 2 percent. Of total sick leave, 50 percent was related to long-term sick leave, i.e., sick leave of 60 days or longer. Long-term sick leave for women was 2 percent and for men 1 percent. Total sick leave in the age group up to 30 was 3 percent, in the age group 30-49, 3 percent, and in the age group over 49 years, 3 percent.

Parent company

Total sick leave for the year was 3 percent (4), for women sick leave was 3 percent (4) and for men 4 percent (4). Of the total sick leave, 60 percent (56) was related to long-term sick leave, i.e., sick leave of 60 days or longer. Long-term sick leave for women was 2 percent and for men 2 percent. Total sick leave in the age group up to 30 was 2 percent (2), in the age group 30-49, 3 percent (3), and in the age group over 49, 4 percent (4).

BENEFITS FOR SENIOR EXECUTIVES

Senior executives

Senior executives as referred to in this note include Group Management consisting of the President and CEO, business area managers and chiefs of staffs employed by the Parent company as well as business area managers employed by the subsidiaries. During 2006 the composition of senior executives has changed. At the beginning of the year, Group Management consisted of 14 individuals. During the year six persons stepped down and six persons joined so that at year-end, Group Management again consisted of 14 persons, including the Acting President and CEO.

Lantmännen's remuneration committee

Within Lantmännen's Board of Directors there is a special remuneration committee. Among other tasks, the remuneration committee is charged with preparing the Board's decision in matters of salary and other remuneration for the President and CEO, as well as approve other Group executives' salaries and other benefits.

Lantmännen's remuneration policy

The objective for Lantmännen's compensation policy is to provide support, maintain and develop human resources within the Group and support the recruitment of future human resources. The fundamental principles are to

- ensure that employees at Lantmännen receive compensation that is in line with the market and competitive as well as promote behavior according to Lantmännen's shared values: Openness, seeing the big picture and decisiveness.
- offer a salary structure based on individual performance, duties, qualifications, experience and position, which means that it is neutral with regard to gender, ethnicity, disability, sexual orientation etc.

Remuneration structure, 2006

Lantmännen's remuneration structure has the following components:

- Fixed salary
- Variable salary
- Pension benefits
- Other benefits and severance pay

Fixed salary

Salaries are reviewed annually for employees at Lantmännen. The review takes into consideration the employee's performance, pay developments in the market, changes in area of responsibility, the company's performance as well as local agreements and rules. For senior executives the base salary is reviewed annually as of January 1.

Variable salary

During the first quarter of 2006, Lantmännen introduced a common structure of variable salary for a limited target group. The target group consists of Group management, members of the business areas' management teams as well as certain senior specialists. Decisions about target groups and guidelines for variable salary are made annually by the remuneration committee at Lantmännen. The program consists of quantitative and qualitative targets of which just over 60 percent represents quantitative targets. For 2006 quantitative targets are linked to budgeted operating income. The program comprises about 100 individuals in the target group and the total maximum variable salary that can be paid out for 2006 is about SEK 17.5 M, less social security contributions.

Pensions

Lantmännen offers employees a service pension according to applicable local agreements and other regulations. In Sweden the majority of employees are included in defined benefit pension schemes (ITP) through PRI Pensionstjänst AB. Defined benefit schemes also exist in, among other countries, Norway, Germany and Belgium.

The eligibility age of Lantmännen's President and CEO, until and including December 13, 2006, for a defined contribution pension is 65. The total premium allocation was 25 percent of base salary. For the Acting President and CEO no earned pension benefits will accrue.

Terms for pensions before the age of 65

Four senior executives are earning the promise of a pension from 60-63 to 65 years. Three have a defined benefit pension corresponding to 60-70 percent of pensionable salary and one has a defined contribution pension plan with a premium of 33 percent of pensionable salary. Pensionable salary corresponds to the ITP agreement's definition with or without a ceiling. All promises are earned on a straight-line basis and secured through insurance. Other senior executives have not been promised a pension before the age of 65.

Terms for pensions after the age of 65

Nine executives earn mainly service pension according to ITP with pensionable salary maximized to 30 basic amounts for national social security purposes. Five of them are earning a defined contribution pension with an allocation for insurance corresponding to 25-35 percent of their pensionable salary, which is the base salary with or without a ceiling. Within the premium framework, the employee himself or herself chooses the distribution among old-age, survivor and sickness benefits. All promises are earned on a straight-line basis and secured through insurance. Sickness benefits are payable according to ITP, where two persons have supplemental health insurance.

Other benefits and severance pay

Other benefits

In addition to the fixed salary, pension benefits and payments in the case of long-term illness, Lantmännen offers insurance in the case of occupational injuries as well as job-related group insurance in accordance with local agreements and rules. In addition, senior executives are entitled to private health insurance.

Severance pay/termination

Between Lantmännen and former President and CEO a notice of 12 months applied from the company's side and six months from the employee. If the company terminates employment, severance pay is received corresponding to the fixed

Note 6 (continued)

Salaries and other remuneration for senior executives

SEK	Directors' fees	Fixed salary	Variable salary ¹⁾	Pension benefits	Other benefits	Total
Chairman of the Board of Directors	504,000					504,000
Other elected Board members ²⁾	4,215,000					4,215,000
President and CEO ³⁾		3,788,000		921,000	137,000	4,846,000
Group Management, other ⁴⁾		28,358,000	4,620,000	8,333,000	1,193,000	42,504,000
	4,719,000	32,146,000	4,620,000	9,254,000	1,330,000	52,069,000

¹⁾ Estimated bonus for 2006, paid during 2007.

²⁾ This includes remuneration from both Lantmännen ek för and other Group companies.

³⁾ Birgitta Johansson-Hedberg, SEK 3,638,000 until December 13, 2006, Jörgen Sallenhag, SEK 150,000 until December 13, 2006. In addition severance, including benefits, according to an agreement with Birgitta Johansson-Hedberg were paid in the amount of SEK 9,629,000. This amount was charged to the 2006 accounts.

⁴⁾ At the beginning of the year Group Management consisted of 14 persons. During the year six persons stepped down and six persons joined so that, at year-end, Group Management again consisted of 14 persons, including the Acting President and CEO.

salary and other benefits (including service pension and insurance during the termination period), in addition to severance pay of 12 months fixed salary, with full deduction of any salary from a new employer. Since the Acting President and CEO's engagement is time-limited, no notice period applies or transitional allowance in addition to the fixed remuneration for an agreed-upon period.

Other senior executives have a severance notice of 6-8 months if leaving at their own request and 6-12 months at the company's request. If terminated at the request of the company, a transitional allowance is paid for 9-18 months of which all but three persons have full settlement for income from other employment during the time of the payment of transitional allowances.

Board and Group Management remuneration

See the table above.

Remuneration for the Board chairman and Board members consists of both the remuneration established by the Annual Association Meeting for Lantmännen ek för and of remuneration from other Group companies.

In 2006 the Board Chairman Thomas Bodén was paid SEK 504,000 in remuneration from Lantmännen ek för, of which SEK 300,000 was fixed annual fee and SEK 204,000 was in day fees.

The other nine elected Board members were paid a total of SEK 4,215,000 in remuneration for 2006, of which SEK 1,851,000 was from Lantmännen ek för in annual fees and SEK 1,282,000 in day fees, as well as from other Group companies SEK 950,000 in annual fees and SEK 132,000 in day fees.

NOTE 7 DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES, INTANGIBLE AND TANGIBLE FIXED ASSETS

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Goodwill	188	190		-
Patent, licenses and trademarks	31	36	13	-
Capitalized expenditure for development work	6	0	2	-
	225	226	15	-
Land and buildings	384	224	49	75
Plant and machinery	837	871	64	215
Equipment, tools, fixtures and fittings	186	192	25	24
	1,407	1,287	138	314
Total	1,632	1,513	153	314

Impairment loss, Group

During the year there were an impairment loss of SEK 368 M relating to fixed assets at Lantmännen Kronfågel. The impairment loss is partly due to the closure of the slaughterhouse in Farre, SEK 68 M, and partly following an impairment test related to certain remaining portions, SEK 300 M. The basis for the impairment loss is the business' earnings performance. The calculation of the assets' value in use was performed using a discount rate of 12%. The impairment loss is distributed among buildings, plant and machinery. The impairment loss charged the business area Kronfågel SEK 167 M after the reversal of negative goodwill, which is recognized as other expenses.

During 2005 there was an impairment loss in goodwill and tangible fixed assets in the business areas Lantbruk, Energi, Mills and Axa. Impairment loss in goodwill was a total of SEK 14 M and intangible assets SEK 249 M.

Impairment losses, Parent company

During the year there was an impairment loss in fixed assets totaling SEK 9 M. The write-downs relate to properties. In 2005 fixed assets were written down in the amount of SEK 174 M.

NOTE 8 INCOME FROM PARTICIPATIONS IN GROUP COMPANIES

SEK M	PARENT COMPANY	
	2006	2005
Dividends	43	703
Capital gains/losses from disposal of shares	5	-
Write-downs	-189	-25
Total	-141	678

In 2006 a write-down of shares in Kronfågel Holding AB was undertaken in the amount of SEK 187 M.

NOTE 9 INCOME FROM PARTICIPATIONS IN ASSOCIATES

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Dividends	2	-	1	1
Capital gains/losses from disposal of shares	-	437	-	-
Write-downs	-	-	-	0
Share in income of partnerships	-	25	-	21
Total	2	462	1	22

The Group's associated companies, which are reported here, relate to companies not held for their operational business.

Of the 2005 capital gain in the Group, most came from the sale of shares in Karlshamn AB.

NOTE 10 INCOME FROM OTHER SECURITIES AND RECEIVABLES THAT ARE FIXED ASSETS

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Dividends	28	46	21	40
Capital gains/losses from disposal of shares	106	46	-1	46
Write-downs	-6	0	-6	0
Other	74	4	74	4
Total	202	96	88	90

The Group's capital gains in 2006 mainly related to the sale of shares in Aarhus Karlshamn, which yielded a capital gain of SEK 107 M. Other relates to income from shares in Nordico Invest II KB and Accent Equity 2003 KB.

NOTE 11 SPECIAL ITEMS AFFECTING INCOME AFTER FINANCIAL ITEMS

The Group's earnings are affected by certain items of a noncomparable nature. An overview of these items is presented in the table below. See also the Board of Directors report.

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Special items under Other operating revenue				
Capital gains from the sale of properties	174	130	163	59
Total	174	130	163	59
Special items under Operating expenses				
Write-downs of fixed assets				
- Lantmännen Kronfågel	-428	-	-	-
- Other business segments	-	-263	-	-174
Reversal of negative goodwill related to write-downs in Lantmännen Kronfågel	168	-	-	-
Structural costs	-76	-236	-	-19
Other	-1	-96	38	-20
Total	-337	-595	38	-213
Special items under Operating income, total	-163	-465	201	-154
Special items in income from financial items				
Capital gains	181	445	74	68
Sale of electricity contract	27	-	27	-
Total	208	445	101	68
Special items in income after financial items, total	45	-20	302	-86

Special items included in the Group's operating income are distributed across Lantmännen's segments and Other business according to the following overview:

SEK M	GROUP	
	2006	2005
Lantbruk	38	-213
Svalöf Weibull	-76	17
Anläggnings- och Lantbruksmaskiner	-	-130
Energi	-	-9
Mills	11	-18
Axa	-	-144
Unibake	-39	-27
Kronfågel	-260	-
Other business	163	59
Total	-163	-465

NOTE 12 EXCHANGE RATE DIFFERENCES AFFECTING EARNINGS

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Exchange rate differences that affect operating income	11	14	-4	5
Exchange rate differences in financial items	20	11	109	4
Total	31	25	105	9

NOTE 13 YEAR-END APPROPRIATIONS AND DEPRECIATION IN EXCESS OF PLAN

Year-end appropriations, SEK M	PARENT COMPANY	
	2006	2005
Reversal of tax allocation reserve	-	150
Change in depreciation in excess of plan		
- Land and buildings	21	45
- Machinery and equipment	-	134
Total	21	329
Accumulated depreciations in excess of plan SEK M	2006	2005
Land and buildings	-	21
Machinery and equipment	301	189
Total	301	210

The increase in accumulated depreciations in excess of plan is derived from mergers undertaken in the Parent company during the year.

NOTE 14 TAXES

Tax on net income for the year SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Current tax expense (-)/ tax income (+)				
Tax expense/income for the year	-84	-113	67	-20
Adjustment of tax attributable to previous years	0	4	-	-
Current tax, total	-84	-109	67	-20
Deferred tax expense (-)/ tax income (+)				
Deferred tax related to temporary differences	202	136	-5	9
Deferred tax as a result of changes in tax rates and changed tax rules	2	3	-	-
Deferred tax income in capitalized tax value during the year of loss carryforward	2	100	-	17
Deferred tax expense as a result of the use of previously capitalized tax value of loss carryforward	-24	-2	-18	-
Other deferred taxes	-7	-	-	-
Deferred tax, total	175	237	-23	26
Tax on shares in associates' income	-9	-7	-	-
Recognized tax expense, total	82	121	44	6

Reconciliation of effective tax	2006		2005	
	Percent	SEK M	Percent	SEK M
Group				
Income before tax		180		387
Anticipated tax according to applicable Swedish tax rate	28%	-50	28%	-108
Amortization of Group-related goodwill	23%	-41	14%	-53
Other non-deductible expenses	14%	-25	17%	-66
Negative goodwill recognized as income	-53%	95	-	-
Tax-exempt capital gains/losses	-39%	71	-	-
Non-deductible capital gains/losses	7%	-12	-	-
Tax-exempt dividend	-12%	22	-	-
Other non-taxable income	-	-	-68%	264
Use of previously non-capitalized loss carryforwards	-	-	-23%	88
Effect of changed tax rates and tax rules	-1%	2	1%	-4
Other	-11%	20	-	-
Recognized effective tax in the Group	-45%	82	-31%	121
Parent company				
Income before tax		-65		789
Anticipated tax according to applicable Swedish tax rate	-28%	18	28%	-221
Non-deductible costs	91%	-59	2%	-20
Tax-exempt capital gains/losses	-22%	14	-	-
Other non-taxable income	-102%	66	-31%	245
Use of previously non-capitalized loss carryforwards	-8%	5	0%	2
Recognized effective tax in the Parent company	-68%	44	-1%	6

Tax items charged directly against equity

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Deferred tax attributable to changed accounting principles	-	23	-	-
Current tax in received/made Group contributions	0	-	68	20
Total	0	23	68	20

Note 14 (continued)

Deferred tax asset/tax liability SEK M	2006			2005		
	Deferred tax asset	Deferred tax liability	Net	Deferred tax asset	Deferred tax liability	Net
Group						
Intangible assets	-	56	-56	-	49	-49
Land and buildings	78	124	-46	17	139	-122
Machinery and equipment	155	359	-204	-	267	-267
Accounts receivable	14	-	14	9	-	9
Pension provisions	35	-	35	24	-	24
Other provisions	50	-	50	56	2	54
Unused tax carryforwards	100	-	100	183	90	93
Other	-	15	-15	2	-	2
Deferred tax liability, total/net	432	554	-122	291	547	-256
Parent company						
Land and buildings	10	-	10	6	-	6
Other provisions	38	-	38	46	-	46
Unused tax carryforwards	17	-	17	4	-	4
Other	2	-	2	17	-	17
Deferred tax asset, total/net	67	-	67	73	-	73

Change in deferred taxes in temporary differences and unused tax carryforwards

2006, SEK M	Amount at year beginning	Recognized income statement	Charged directly against equity	Changes acquisition/disposals of companies	Translation differences	Amount at year-end
Group						
Intangible assets	-49	10	-	-18	1	-56
Land and buildings	-122	94	-	-20	2	-46
Machinery and equipment	-267	-36	118	-21	2	-204
Operating receivables	9	6	-	-1	-	14
Pension provisions	24	13	-	-	-2	35
Other provisions	54	3	-	-6	-1	50
Unused tax carryforwards	183	5	-118	32	-2	100
Other	-88	80	-	-	-7	-15
Total	-256	175	0	-34	-7	-122
Parent company						
Land and buildings	6	4	-	-	-	10
Other provisions	46	-8	-	-	-	38
Unused tax carryforwards	17	-17	17	-	-	17
Other	4	-2	-	-	-	2
Total	73	-23	17	-	-	67

Unused tax carryforwards

Unused tax carryforwards in the Group for which deferred tax assets were not recognized, at year end, were SEK 360 M. They come due as follows:

	SEK M
2007	5
2008	43
2009	1
2010	1
2011 and later	12
	62
Unlimited life	298
Total	360

NOTE 15 INTANGIBLE ASSETS

Group, SEK M	Patent, licenses and trademarks		Goodwill		Capitalized development costs
	2006	2005	2006	2005	2006
Opening balance, historical cost	608	534	3,413	3,259	0
Investments	-	32	-	28	22
Company acquisitions	97	41	1,006	28	3
Company disposals	-	-	-7	-	-
Sales and disposals	-8	-2	-	-8	-
Reclassifications	-3	1	-12	-	13
Translation differences	-3	2	-132	106	-
Year-end accumulated historical cost	691	608	4,268	3,413	38
Opening balance, depreciation	-271	-206	-1,535	-1,292	0
Company acquisitions	-	-29	3	-	-
Company disposals	-	2	7	-	-
Sales and disposals	3	0	1	-	-
Depreciation for the year	-35	-36	-188	-193	-6
Reclassifications	16	-	-1	5	-
Translation differences	2	-2	53	-55	-
Year-end accumulated depreciations	-285	-271	-1,660	-1,535	-6
Opening balance, write-downs	-10	-3	-93	-95	0
Company acquisitions	-	-7	-	-	-
Write-downs for the year	-	-	-	-5	-
Reversed write-downs for the year	4	-	-	8	-
Reclassifications	-16	-	-	-	-
Translation differences	0	0	-3	-1	-
Year-end accumulated write-downs	-22	-10	-96	-93	0
Recognized value at year-end	384	327	2,512	1,785	32

Parent company, SEK M	Patent, licenses and trademarks		Capitalized development costs
	2006	2005	2006
Opening balance, historical cost	-	-	-
Investments	-	-	9
From mergers	247	-	-
Year-end accumulated historical cost	247	-	9
Opening balance, depreciation	-	-	-
Depreciation for the year	-50	-	-2
Year-end accumulated depreciation	-50	-	-2
Recognized value at year-end	197	-	7

From 2006 major investments in business-related IT systems are capitalized.

NOTE 16 TANGIBLE FIXED ASSETS

Group, SEK M	Land		Buildings		Plant and machinery		Equipment, tools, fixtures and fittings		Construction in progress	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Opening balance, historical cost	614	568	5,586	4,814	10,362	9,075	2,337	2,093	500	224
Investments	7	26	90	57	634	447	149	244	860	545
Company acquisitions	51	14	316	597	491	961	98	127	-	36
Sales and disposals	-18	-26	-237	-46	-435	-434	-161	-159	-1	-
Reclassifications	6	20	-22	67	220	208	-172	7	-409	-317
Translation differences	-11	12	-91	97	-176	105	-31	25	-17	12
Year-end accumulated historical cost	649	614	5,642	5,586	11,096	10,362	2,220	2,337	933	500
Opening balance, depreciation	-137	-132	-2,828	-2,471	-7,020	-6,041	-1,673	-1,515	0	0
Company acquisitions	-3	-4	-54	-160	-309	-482	-60	-91	-	-
Company disposals	-	-	16	-	15	-	30	-	-	-
Sales and disposals	3	4	102	32	323	304	121	129	-	-
Depreciation for the year	-6	-5	-180	-184	-629	-708	-180	-191	-	-
Reclassifications	-1	-	-2	2	21	2	84	11	-	-
Translation differences	-	-	37	-47	75	-95	15	-16	-	-
Year-end accumulated depreciations	-144	-137	-2,909	-2,828	-7,524	-7,020	-1,663	-1,673	0	0
Opening balance, revaluations	1	37	32	33	0	0	0	0	0	0
Sales and disposals	-	-36	-	-	-	-	-	-	-	-
Depreciation on revalued value for the year	-	-	-1	-2	-	-	-	-	-	-
Reclassifications	6	-	-7	-	-	-	-	-	-	-
Translation differences	-	-	-	1	-	-	-	-	-	-
Year-end accumulated revaluations	7	1	24	32	0	0	0	0	0	0

Note 16 (continued)

Group, SEK M	Land		Buildings		Plant and machinery		Equipment, tools, fixtures and fittings		Construction in progress	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Opening balance, write-downs	-10	-5	-116	-25	-292	-58	-8	-1	0	0
Company acquisitions	-	-4	-	-57	-	-118	-	-6	-	-
Sales and disposals	-	-	5	-	4	5	-	-	-	-
Write-downs for the year	-3	-1	-194	-33	-232	-163	-6	-1	-	-
Reversed write-downs for the year	3	-	-	-	24	-	-	-	-	-
Reclassifications	-	-	53	-	97	-3	1	-	-	-
Translation differences	1	-	2	-1	1	45	-	-	-	-
Year-end accumulated write-downs	-9	-10	-250	-116	-398	-292	-13	-8	0	0
Recognized value at year-end	503	468	2,507	2,674	3,174	3,050	544	656	933	500
Tax assessment values, (Swedish companies only), SEK M	498	535	2,144	2,504						
Leasing, SEK M										
Assets held under finance lease agreements are included with a recognized value of	-	-	289	241	0	0	94	153	-	-

For further information about leasing, see Note 34 regarding leasing commitments and Note 37 regarding customer financing.

In the year's investment related to Construction in progress, capitalized interest during the construction term is included in the amount of SEK 4 M. Interest was capitalized in 2006 for the first time.

Government grants have reduced the investment for the year in equipment by SEK 1 M and Construction in progress by SEK 8 M.

Parent company, SEK M	Land		Buildings		Plant and machinery		Equipment, tools, fixtures and fittings		Construction in progress	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Opening balance, historical cost	138	135	1,065	1,065	2,368	2,274	612	583	20	31
Investments	4	12	1	1	60	62	15	29	68	51
Provided through mergers	-	3	-	20	13	37	9	8	-	-
Sales and disposals	-3	-12	-49	-24	-128	-37	-20	-17	-	-
Reclassifications	-11	-	-67	3	-	32	-16	9	-	-62
Year-end accumulated historical cost	128	138	950	1,065	2,313	2,368	600	612	88	20
Opening balance, depreciation	-66	-67	-829	-823	-1,930	-1,875	-492	-478	0	0
Provided through mergers	-	-1	-	-9	-13	-14	-7	-8	-	-
Sales and disposals	3	4	32	21	132	36	20	17	-	-
Depreciation for the year	-2	-2	-18	-18	-64	-76	-23	-24	-	-
Reclassifications	6	-	65	-	-	-1	11	1	-	-
Year-end accumulated depreciation	-59	-66	-750	-829	-1,875	-1,930	-491	-492	0	0
Opening balance, revaluations	0	0	5	5	0	0	0	0	0	0
Depreciation on revalued value for the year	-	-	0	0	-	-	-	-	-	-
Year-end accumulated revaluations	0	0	5	5	0	0	0	0	0	0
Opening balance, write-downs	0	0	-42	-7	-147	-8	-1	-1	0	0
Write-downs for the year	-	-	-4	-35	-	-139	-	-	-	-
Year-end accumulated write-downs	0	0	-46	-42	-147	-147	-1	-1	0	0
Recognized value at year-end	69	72	159	199	291	291	108	119	88	20
Tax assessment values, SEK M	309	327	1,593	1,618						

Parent company, SEK M	Land		Buildings		Total investment properties	
	2006	2005	2006	2005	2006	2005
Opening balance, historical cost	109	110	723	707	832	817
New acquisitions	-	-	17	6	17	6
Other investments	-	-	-	-	-	-
Provided through mergers	8	-	85	-	93	-
Sales and disposals	-	-1	-2	-1	-2	-2
Reclassifications	11	-	67	11	78	11
Year-end accumulated historical cost	128	109	890	723	1,018	832
Opening balance, depreciation	-40	-39	-444	-425	-484	-464
Provided through mergers	-2	-	-35	-	-37	-
Sales and disposals	-	-	-	1	-	1
Depreciation for the year	-2	-1	-23	-20	-25	-21
Reclassifications	-6	-	-66	-	-72	-
Year-end accumulated depreciation	-50	-40	-568	-444	-618	-484
Recognized value at year-end	78	69	322	279	400	348

Fair value and changes therein

SEK M	PARENT COMPANY	
	2006	2005
Fair value at beginning of the year	951	969
New acquisitions	57	-
Investments in properties	20	24
Disposals	-30	-71
Changes in value	72	-
Reclassifications	13	29
Fair value at year-end	1,083	951

Fair value is established based on internal valuations. Reconciliation has also been performed against property sales carried out during the year.

The value has been estimated using the following valuation methods:

- In the majority of cases the market price method has been used, where sales of equivalent properties in the market are used to support the valuation.
- Capitalization of earnings using cash flow calculations, in which the present value of the properties' future operational net and estimated residual value has been calculated.
- In certain cases the capitalization of earnings using the net capitalization method has been utilized, where a normalized operational net is seen in relation to a market adjusted direct return requirement.

Investment properties' influence on income for the year

SEK M	PARENT COMPANY	
	2006	2005
Rental income	153	162
Direct costs, including costs for repairs and maintenance	-107	-105
Operating net	46	57

NOTE 18 PARTICIPATIONS IN GROUP COMPANIES

SEK M	PARENT COMPANY	
	2006	2005
Opening balance, historical cost	2,135	1,287
From mergers	3,738	0
Purchases	347	1,016
Sales	-276	-172
Reclassifications	19	4
Year-end accumulated historical cost	5,963	2,135
Opening balance, revaluations	63	63
From mergers	223	0
Year-end accumulated revaluations	286	63
Opening balance, write-downs	-76	-52
From mergers	-433	0
Write-downs for the year	-189	-24
Year-end accumulated write-downs	-698	-76
Recognized value at year-end	5,551	2,122

"From mergers" relates mainly to shares acquired through the merger with Ce-real AB. Purchases in 2005 consisted inter alia of the acquisition of Kronfågel Holding, Doofmas AB as well as a new issue in Lantmännen Finans AB.

Write-downs for the year and reversed write-downs were charged to the income statement in the item "Income from participations in Group companies."

Note 18 (continued)

Parent company and Group holdings of shares in Group companies, as of December 31, 2006

This overview comprises directly-held subsidiaries as well as indirectly-held companies with sales exceeding SEK 200 M.

Company name	Corp. Ident. No.	Headquarters	Number of shares	Holding in %	Recognized value, SEK M
<i>Stocks and shares in Swedish subsidiaries</i>					
Agconfas AB	556069-3441	Örebro	120,415	100.0	16
Agropellets AB	556056-1457	Sölvesborg	1,000	100.0	1
Arips AB	556413-4293	Stockholm	6,111,289	100.0	6
Asplattan AB	556710-6074	Malmö	1,000	100.0	0
Ceramyf AB	556054-7449	Stockholm	25,000	100.0	8
Cerealia Bakery Holding AB	556276-6252	Stockholm	1,000	100.0	0
Conagri AB	556294-4701	Malmö	102	51.0	5
Doofmas & Co AB	556547-7394	Stockholm	3,400,000	100.0	238
Fastighets AB Fodret 19	556708-2010	Malmö	100,000	100.0	0
Fastighets AB Kungsholmsgatan 160	556071-4429	Stockholm	30,050	100.0	3
Fastighets AB Tre Skåne	556044-1031	Malmö	39,500	79.0	38
Gyllebo Gödning AB	556179-2911	Lidköping	2,000	66.7	0
Kungsplattan AB	556713-0850	Malmö	1,000	100.0	0
Lantmännen Agroenergi AB	556215-0606	Huskvarna	27,300	91.0	185
Lantmännen Agroetanol AB	556028-0611	Norrköping	45,500	91.0	244
Lantmännen Axa AB	556080-0921	Södertälje	100,000	100.0	572
Lantmännen Axa Production AB	556044-3292	Eskilstuna		100.0	
Lantmännen Schulstad A/S	10 245 613	Copenhagen		100.0	
Lantmännen Ecotrade AB	556450-6698	Enköping	65	65.0	0
Lantmännen Energi AB	556118-3954	Stockholm	400	100.0	4
Lantmännen Ecobrånslä AB	556188-1276	Stockholm		100.0	
Lantmännen Finans AB	556664-8118	Stockholm	3,000,000	100.0	300
Lantmännen Granngården AB	556547-6172	Malmö	301,000	100.0	110
Lantmännen Holding AB	556017-8443	Stockholm	3,000	100.0	4
Lantmännen Invest AB	556003-3192	Stockholm	440,000	100.0	95
Lantmännen AnalyCen AB	556065-7958	Lidköping	28,380	100.0	
Lantmännen Byggglant AB	556301-2771	Örebro	47,500	95.0	
Lantmännen Doggy AB	556055-5129	Värgårda	103,625	100.0	
Lantmännen Reppe AB	556000-1538	Växjö	25,000	100.0	
Lantmännen Kronfågel Holding AB	556529-6372	Stockholm	13,650,000	91.0	300
Lantmännen Kronfågel AB	556145-4223	Stockholm		100.0	
Lantmännen Danpo A/S	31 241 316	Farre		100.0	
Lantmännen Maskin AB	556005-7639	Malmö	10,000	100.0	10
Lantmannens Maskin AS	914 109 981	Asker		100.0	
LMB Danmark A/S	75 297 319	Brøndby		100.0	
Lantmännen Mills AB	556017-2222	Malmö	200,000	100.0	249
Lantmännen Mills A/S		Vejle		100.0	
Lantmännen Unibake Sweden AB	556186-7796	Örebro	100,000	100.0	27
Norrbottnens lantmän Utveckling AB	556435-4768	Luleå	2,000	100.0	0
Nötcenter Viken AB	556559-4503	Falköping	6,000	66.7	3
Odal Energi AB	556091-6354	Lidköping	455	91.0	4
ReCere Försäkrings AB	516401-8359	Stockholm	7,500	100.0	8
Robigus AB	556578-0391	Enköping	770	77.0	0
SeedGard AB	556668-7546	Stockholm	10,000	100.0	8
Skånska Lantmännens Maskin AB	556042-8186	Stockholm	240,000	100.0	5
Svalöf Weibull AB	556001-5272	Svalöv	179,200	60.0	49
Weibull Trädgård AB	556033-4350	Hammenhög	5,000	100.0	
AB Svenska Lantmännen	556424-2864	Stockholm	10,000	100.0	0
Swecon Anläggningsmaskiner AB	556575-1137	Eskilstuna	488,150	97.6	288
Valtra Traktor AB	556070-1897	Eskilstuna	140,630	57.4	18
Åhus Foder HB	969723-3394	Åhus		70.0	0
<i>Stocks and shares in foreign subsidiaries</i>					
Cerealia Bakeries Holding A/S		Denmark	5,000	100.0	1
Lantmännen Finance Ireland		Dublin		100.0	1,104
Dirual AG	CH-0203002	Zurich	199,997	100.0	22
Lantmännen Axa Norge AS		Oslo	4,226,177	100.0	42
Lantmännen Mills AS		Oslo	17,968,129	100.0	179
Lantmännen Unibake Denmark A/S	37 249 211	Horsens	2,500,000	100.0	1,371
Lantmännen Unibake Norge AS		Oslo	3,405,694	100.0	34
Parent company, total					5,551

NOTE 19 LONG-TERM RECEIVABLES FROM GROUP COMPANIES

SEK M	PARENT COMPANY	
	2006	2005
Receivables at the beginning of the year	289	280
Accrued receivables for the year	-	164
Regulated receivables	-	-155
Recognized value at year-end	289	289

NOTE 20 PARTICIPATIONS IN ASSOCIATED COMPANIES

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Opening balance, historical cost	693	804	298	277
Purchases	26	75	26	21
Disposals	-14	-170	-12	0
Year's share in associates' income	28	11	-	-
Income from partnerships	0	3	-	-
Dividend for the year	-28	-42	-	-
Reclassifications	-41	7	-18	0
Translation difference	-11	5	-	-
Year-end accumulated historical cost	653	693	294	298
Opening balance, write-downs	-19	-2	-2	-2
Write-downs for the year	0	-17	0	-
Reclassifications	8	-	-	-
Year-end accumulated write-downs	-11	-19	-2	-2
Recognized value at year-end	642	674	292	296

Write-downs and reversed write-downs are recognized in the income statement in the item "Income from shares in associated companies."

Note 20 (continued)

Parent company and Group holdings of shares in associated companies, as of December 31, 2006

Associated companies owned by the Parent company:	Corp. Ident. No.	Headquarters	Number of Shares	Capital share, %	Recognized value in the Group, SEK M	Recognized value in the Parent company, SEK M
Dimela AS		Estonia	500	25	1	1
Fast.bol. Märten Persson HB	916752-3654	Åhus		50	12	12
Matsutake AB	556571-6627	Umeå	500	28	0	0
Norrköping Hamn & Stuveri AB	556007-2679	Norrköping	36,140	28	65	0
Piteå Spannmåls AB	556090-8187	Piteå	1,500	30	0	0
Scandinavian Farmers AB	556009-3121	Stockholm	85,000	50	54	22
SweDane Crop Protection A/S		Denmark	250	50	0	0
SweDane Fertilizer A/S		Denmark	250	50	0	0
SweDanNo Trade A/S		Denmark	180	36	0	0
Svenska Foder AB	556039-6060	Lidköping	41,160	49	123	78
Vegolia AB	556020-6574	Stockholm	500	50	0	0
Viking Malt Oy		Finland	1,381,387	38	141	178
Åhus Stuveriintressenter AB	556039-8256	Åhus	5,841	49	1	1
Other associated companies of the Group:						
Mills						
Melia Oy		Finland		25	126	-
Axa						
Leibur AS		Estonia		45	82	-
GoGreen AB	556034-8939	Lidköping		50	3	-
Schulstad						
Struer Brød AS		Denmark		33	5	-
Unibake						
Bake House Ltd		United Kingdom		33	11	-
Svalöf Weibull						
Nordic Garden AS		Norway		35	3	-
Satec Handelsgesellschaft GmbH		Germany		20	2	-
Aspen						
Aspen-Produkte Handels GmbH		Germany		50	2	-
Kronfågel						
FarmFood A/S		Denmark		33	11	-
Total					642	292

NOTE 21 LONG-TERM RECEIVABLES FROM ASSOCIATED COMPANIES

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Receivables at beginning of year	29	0	18	0
Accrued receivables for the year	90	29	-	18
Regulated receivables	-27	0	-1	0
Recognized value at year-end	92	29	17	18

NOTE 22 LONG-TERM SECURITIES HOLDINGS

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Opening balance, historical cost	585	650	271	409
Additions	229	62	103	8
Disposals	-57	-137	-9	-124
Reclassifications	486	10	-	-22
Year-end accumulated historical cost	1 243	585	365	271
Opening balance, write-downs	-48	-106	-31	-81
Disposals	15	33	0	33
Write-downs for the year	-7	-2	-7	0
Reversed write-downs for the year	-	10	-	-
Reclassifications	-	17	-	17
Year-end accumulated write-downs	-40	-48	-38	-31
Recognized value at year-end	1,203	537	327	240

The largest individual holdings of other shares and participations are holdings in Swedbank, Hedegaard A/S, LRF as well as VK Mühlen AG.

Shares and participations in the amount of SEK 476 M (523), bonds of SEK 15 M (14) and other interest-bearing assets of SEK 712 M are part of the Group's long-term securities holdings.

Shares and participations in the amount of SEK 219 M (233), bonds of SEK 8 M (8) and other interest-bearing assets of SEK 100 M are part of the Parent company's long-term securities holdings.

Write-downs and reversed write-downs are recognized in the income statement in the item "Income from other securities and receivables that are fixed assets."

NOTE 23 OTHER LONG-TERM RECEIVABLES

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Opening balance, historical cost	659	595	59	72
Accrued receivables	17	214	-	-
Regulated receivables	-41	-66	-40	-64
Reclassifications	-571	-84	-	51
Year-end accumulated historical cost	64	659	19	59
Recognized value at year-end	64	659	19	59

In the Group's Other long-term receivables for 2006, receivables related to finance leasing are recognized in the amount of SEK 9 M.

See Note 37 regarding customer financing and finance leasing activities.

NOTE 24 INVENTORIES

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Raw materials and consumables	1,763	1,822	961	1,139
Products in progress	5	11	-	-
Finished goods and goods for resale	2,991	2,789	469	461
Advance payments to suppliers	45	-	45	-
Total	4,804	4,622	1,475	1,600

NOTE 25 ACCOUNTS RECEIVABLE

Accounts receivable from Lantmännen Maskin AB are included in the Parent company's accounts receivable in the amount of SEK 323 M on account of the joint credit management and administration of accounts receivable that was introduced in November 2006.

NOTE 26 PREPAID EXPENSES AND ACCRUED INCOME

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Prepaid rents	14	14	-	-
Prepaid insurance policies	56	32	40	6
Other prepaid expenses	222	231	151	90
Accrued interest income	8	0	-	-
Other accrued income	200	86	1	0
Total	500	363	192	96

NOTE 27 SHORT-TERM INVESTMENTS

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Bonds/discount instruments	399	409	25	409
Other short-term investments	53	930	35	495
Total	452	1 339	60	904

Interest-bearing investments and loan receivables with a maturity of up to one year are recognized as short-term investments.

Investments in securities essentially have a fixed interest rate for less than 3 months and thus represent a very limited interest rate risk.

Through its business activities, Lantmännen is exposed to various types of financial risk. By financial risk is meant fluctuations in the Group's earnings and cash flow as a result of changes in prices in commodities markets, foreign exchange rates, interest rates and refinancing as well as credit and counterparty risks.

Lantmännen has a centralized finance function whose key task is to support the management and operative units in line with established finance policy. The overarching goal of the finance function is to make available cost-effective financing as well as identify and effectively limit the Group's financial risks.

The Group's financial policy is established annually by Lantmännen's Board of Directors. The finance policy regulates how financial risks shall be handled as well as states the mandate, limits and which financial instruments may be used. The Group's Risk Committee receives regular reports about changes to the Group's financial risks.

CURRENCY RISK

Through its business activities, Lantmännen is exposed to currency risk through changes in the foreign exchange rates and how they affect the Group's income statement and balance sheet. The Group's currency exposure includes both transaction exposure and exchange exposure. The goal of the Group's currency exchange risk management is to minimize the short-term effect of fluctuations in exchange rates and their effect on the Group's earnings and financial position.

Transaction exposure

The divisions and subsidiaries' sale and purchase of foreign currencies must be fully hedged against rate fluctuations vis-à-vis the corporate function Financing Activities at the time the currency risk occurs.

Translation exposure

Effects of changes in currency risks also occur in translating foreign subsidiaries' assets and liabilities into the Parent company's functional currency, known as translation exposure.

Currency risks related to capital amounts are eliminated primarily by a corresponding loan in foreign currency. Hedging the translation exposure through forward exchange contracts may be done as an exception. In case borrowing occurs in a foreign currency related to an investment in the same country's currency, the rate differences taking into consideration the tax effect is offset against the exchange difference.

Currency distribution and payment structure, outstanding currency futures

The currency derivatives that are used are forward exchange contracts. The average maturity of forward exchange contracts is about six months. At the turn of the year, Lantmännen's outstanding foreign exchange contracts were distributed across the following currencies:

SEK M	2007	2008	2009	2010
EUR	498	-35		
GBP	-359	-		
DKK	127	-7		
NOK	-99	-		
USD	78	-17	3	
OTHERS	-2	-		
Total	243	-59	3	-

A nominal amount is shown in the table above in SEK M per currency. The total results of the market valuation of the net position against external banks are SEK 4 M.

COMMODITY AND UTILITY PRICE RISK

Lantmännen is subject to price risk primarily for the commodities grain, soybeans, rapeseed and electricity. The pricing of commodities varies over time owing international supply and demand. Commodity risks are primarily attributable to Lantmännen Lantbruk's businesses as well as to Lantmännen Mills' core business.

In addition to hedging prices via delivery agreements, it is also possible to hedge prices through financial contracts on exchanges such as the Chicago Board of Trade (CBOT), Matif and NordPool for certain types of commodities. Several commodities are priced either in USD or EUR. The basis for Lantmännen's risk policies is that the currency is part of the business's pricing.

Risk management of electricity prices is aimed at creating predictability for the costs for the purchases of power.

Commodity derivatives related to hedging electricity prices

Maturity year	2007	2008	2009
Hedged share of forecast annual need	46%	6%	0%

The Group's electricity use for 2006 was 538 GWh. The total hedged volume for 2007 is 253 GWh.

INTEREST RATE RISK

Interest-bearing borrowing means that the Group is exposed to interest rate risks. Interest rate risk means that there is a risk for a negative impact on the Group's earnings and cash flow as a result of changes in the market rate. How quickly a lasting change in interest rates is reflected in the Group's financial items depends on the borrowing's fixed-rate period.

A factor affecting the interest rate risk is the fixed-rate period. Long fixed-rate periods primarily affect the cash flow risk while shorter fixed-rate periods affect the price risk.

The Group's fixed-rate period is normally brief but may be extended to limit the effect of a rise in interest rates. Interest rate swaps are among the tools that are used to manage liabilities' fixed-rate periods without changing the underlying loans.

As of December 31, 2006, the Group's loan portfolio has a weighted average fixed-rate period of 9 months, including outstanding interest rate swaps but excluding loans from members.

The payment structure, liabilities to credit institutions is as indicated in the table below

	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
2007	2,429	2,390	1,642	314
2008	251	646	0	13
2009	31	611	0	3
2010	0	353	0	3
2011	2,808	440	2,790	3
2012-	196	453	0	13
Total	5,715	4,893	4,432	349

At the end of the year, the Group's unutilized credit commitments was SEK 1.4 billion.

Currency breakdown and payment structure, liabilities to credit institutions

	Total	0-1 year	1-3 year(s)	3-5 years	> 5 years
DKK	2,765	159	30	2,428	148
EUR	1,917	1,448	70	368	31
SEK	720	522	168	12	18
NOK	159	159	0	0	0
OTHERS	154	140	14	0	0
Total	5,715	2,428	282	2,808	197

Other loans are in LVL, PLN and EEK. Costs of loans, in addition to interest expenses, are accrued over the term of the respective loan.

Other current liabilities, savings and deposit accounts

Other current liabilities include members' savings of SEK 747 M (740) and capital accounts of SEK 406 M (457).

REFINANCING RISK AND PAYMENT READINESS

Refinancing and liquidity risks related to the risk that Lantmännen is unable to meet its payment obligations as a result of insufficient liquidity or difficulties related to contract borrowings. Lantmännen limits its refinancing risk by have a well-diversified group of counterparties and maturities on its gross borrowing liabilities.

Credit and counterparty risk

Credit and counterparty risks relate to the risk that the counterparty in a transaction cannot fulfill its obligations and thereby imposes a loss on the Group. To limit the counterparty risk only counterparties are accepted with high creditworthiness according to established finance policies and by limiting the commitment per counterparty. The credit risks are limited by having the Group solely use counterparties with a rating no lower than K1 according to the credit rating agency Standard & Poor's.

Note 28 (continued)

The credit risk in receivables is handled through special credit rating investigations. The company's credit policy and risk of credit losses are described under accounts receivable.

INSURANCE RISK

The Risk Management function at Lantmännen has as its goal minimizing the total costs of the Group's insurable risk. This is partly done by continuously developing risk prevention and risk-limiting efforts in operations and partly through intra-Group insurance solutions. Insurable risks are managed through Swedish and international direct insurance companies or in the Group-owned captive companies that purchase reinsurance in the international reinsurance market.

Financial derivatives

Lantmännen uses financial derivatives to manage and hedge currency risks, commodity risks and interest rate risks that occur in its operations. The financial derivatives related to hedging contracted payment flows are subject to hedge accounting, which entails that unrealized income is recognized off-balance until the underlying flow is reflected in the income statement.

Forward exchange contracts are used to hedge contracted payment flows and hedging of balance sheet exposure.

Electricity forward contracts are used to hedge the purchases of electricity and create predictability for dealing with costs relating to power purchasing. This trading takes place at the Nordic electricity exchange NordPool.

Lantmännen uses commodity derivatives to hedge balance sheet exposure and forecast commodity purchases.

FAIR VALUE

The table below shows the carrying value and fair value per type of financial instrument.

The fair value of liabilities to credit institutions is calculated as the discounted present value of future payments. The fair value for derivative instruments is based on market prices. Unlisted equity investments are valued individually at the lower of historical cost or estimated market value.

The difference between carrying value and fair value arises from the fact that assets and liabilities are not stated at market value in the balance sheet but recognized at the lower of historical cost and market value.

Financial instrument	GROUP				PARENT COMPANY			
	Recognized value		Fair value		Recognized value		Fair value	
Assets, SEK M	2006	2005	2006	2005	2006	2005	2006	2005
Shares and participations								
listed	109	109	459	421	108	108	457	420
unlisted	367	414	367	414	111	124	111	124
Bonds	15	14	17	16	8	8	10	9
Other long-term receivables	776	659	776	659	119	59	119	59
Accounts receivable	4,539	4,571	4,539	4,571	1,927	1,761	1,927	1,761
Other short-term receivables	539	682	539	682	110	135	110	135
Other short-term investments	452	1,339	456	1,339	60	904	60	904
Cash and bank balances	822	1,040	822	1,040	234	182	234	182
Liabilities, SEK M								
Liabilities to credit institutions	5,715	4,893	5,720	4,891	4,432	349	4,432	349
Other long-term liabilities	551	542	551	540	13	1	13	1
Accounts payable	3,074	3,086	3,074	3,086	990	942	990	942
Other current liabilities	2,262	2,209	2,262	2,209	1,297	1,402	1,297	1,402
Off balance, SEK M								
Currency derivatives	0	-2	4	-2	0	-2	0	-2
Interest rate derivatives	1	-2	14	-2	1	-2	14	-2
Commodity derivatives	0	0	1	6	0	0	1	6
Electricity derivatives	0	0	22	41	0	0	22	41

NOTE 29 EQUITY

Translation differences in equity

SEK M	GROUP	
	2006	2005
Accumulated translation difference on January 1	193	65
Translation difference for foreign subsidiaries for the year	-247	233
Income from currency hedging of net investment in foreign subsidiaries for the year	94	-105
Accumulated translation difference in equity	40	193
Equity method reserve		
Opening balance	211	192
Net income for the year from associated companies transferred to equity reserve	28	19
Disposals of associated companies	-26	-
Translation difference	0	0
Equity method reserve on December 31	213	211

Parent company

According to a Board's decision an amount corresponding to contribution issues undertaking shall be transferred from non-restricted equity to restricted reserves in the Parent company in addition to the statutory provision. That amount in 2006 was SEK 150 M (80)

Defined benefit obligations and the value of plan assets.

Defined benefit pension plans	GROUP	
	2006	2005
SEK M		
Defined benefit obligations		
Present value of defined benefit obligations	1,830	1,765
Fair value of plan assets	-95	-105
Net asset value	1,735	1,660
Unrecognized actuarial gains and losses	-92	-91
Special payroll tax	-	15
Provisions for pensions, net value	1,643	1,584

As of 2006, payroll tax is recognized as other provisions and as other social security costs.

The net amount is distributed across plans in the following countries:

Sweden	1,561	1,498
Norway	55	60
Germany	26	23
Denmark	0	3
Netherlands	1	-
Total	1,643	1,584

Pension costs	GROUP	
	2006	2005
SEK M		
Defined benefit plans		
Costs for pensions earned throughout the year	51	49
Interest expense	66	67
Expected return on plan assets	-4	-5
Amortization of actuarial gains and losses	0	0
Past service cost	18	0
Curtailments and settlements	-5	-4
Other	0	5
Cost, defined benefit plans	126	112
Cost defined contribution plans	218	174
Payroll tax	-	22
Cost related to pensions, total	344	308
<i>Cost is recognized in the following items in the income statement</i>		
Payroll expenses	282	246
Financial expenses	62	62
Cost related to pensions, total	344	308

The following overview explains how the net amount has changed during the year.

Reconciliation of net amount for pensions in the balance sheet	GROUP	
	2006	2005
SEK M		
Opening balance	1,584	1,434
Cost of defined benefit plans for the year	135	114
Payment of remuneration	-66	-52
Charges paid-in by employer	-4	-7
Effects of acquired/disposed businesses	21	94
Curtailments and settlements	-5	-4
Expected return on plan assets	-4	0
Actuarial gains and losses	0	0
Other	-13	5
Translation difference	-5	0
Closing balance, pension liabilities	1,643	1,584
Return on plan assets, SEK M		
Actual return on plan assets	11	7
Expected return on plan assets	4	5
Actuarial income for plan assets for the year	7	2
Actuarial assumptions	2006	2005
Discount rate	4.0%	3.8%
Expected return on plan assets	5.4%	5.3%
Future wage increases	2.8%	2.5%
Future pension increases	2.8%	2.5%
Employee turnover	3.0%	2.0%
Expected remaining seniority	16 years	16 years
Pensions liabilities	PARENT COMPANY	
SEK M	2006	2005
FPG/PRI, credit insured	691	653
Other	7	7
Total	698	660

For certain employees in Sweden insurance premiums are paid to Alecta regarding commitments according to the so-called ITP plan. The ITP plan is a defined benefit plan that comprises several employers. At this point in time, Alecta is unable to provide the information that is required to recognize these benefits as defined benefit plans. The pension plan according to ITP, which is insured through Alecta, is therefore being recognized as a defined contribution plan. Of the costs referenced above for defined contribution plans, SEK 64 M (55) is related to premiums to Alecta. Alecta's surplus can be distributed to the policy holders and/or the insured persons. At year end Alecta's surplus was 141% (128.5) in the form of the collective consolidation level. The collective consolidation level consists of the market value of Alecta's assets as percent of insurance commitments computed according to Alecta's technical provisions, which is not in accordance with RR 29.

NOTE 31 | NEGATIVE GOODWILL

SEK M	GROUP	
	2006	2005
Opening balance, historical cost	230	5
Accrued negative goodwill at acquisition	-	225
From adjustment of acquisition analyses	272	-
Year-end accumulated historical cost	502	230
Opening balance, reversals	-82	-
Recognized as revenue against losses and expenses	-343	-82
Year-end accumulated reversals	-425	-82
Recognized value at year-end	77	148

Reversal of negative goodwill has been reported in a separate item in the income statement.

Most of the negative goodwill that is recognized as of December 31, 2006, will be reversed in 2007.

The acquisition of Kronfågel may entail additional negative goodwill for both 2007 and 2008. See Note 1

NOTE 32 | OTHER PROVISIONS

Group, SEK M	Guarantee commitments	Actuarial provisions	Structural measures	Other	Total
Recognized value at beginning of year	81	255	102	304	742
Provisions made during the year	67	44	14	21	146
Amounts utilized during the year	-36	-	-52	-63	-151
Reclassifications	-21	-53	30	39	-5
Reversed during the year	-14	-	-19	-4	-37
Increase during the year of discounted amounts	-	-	12	-	12
Translation differences	-2	-	-	-1	-3
Recognized value at year-end	75	246	87	296	704

Parent company, SEK M	Structural measures	Other	Total
Recognized value at beginning of year	64	71	135
Provisions made during the year	55	-	55
Amounts utilized during the year	-33	-22	-55
Reclassifications	-	-	-
Reversed during the year	-	-	-
Increase during the year of discounted amounts	-	-	-
Recognized value at year-end	86	49	135

Increases in existing provisions are included in the period's provisions. In groups the size of Lantmännen, there are normally a number of ongoing disputes. Lantmännen has made an assessment of the most likely outcome of the disputes that

are currently at issue and recognizes, in those cases a payment is deemed likely, a corresponding amount as provision.

NOTE 33 | OTHER LONG-TERM LIABILITIES

Of the Group's other long-term liabilities of SEK 551 M (542), SEK 422 M (351) is related to interest-bearing liabilities related to finance leasing agreements, SEK 110 M to other long-term interest-bearing liabilities, and SEK 20 M in non-interest-bearing long-term liabilities.

Regarding liabilities for finance leasing agreements, see also Note 34.

NOTE 34 | LEASING COMMITMENTS

The Group is both a lessor and a lessee.

The Group as lessor is reported in Note 37, "Customer financing." In this note, the Group's lease commitments are reported.

In the Group there are both operating and finance lease commitments. In the Parent company all lease commitments are reported as operating leases.

Operating leases

Recognized cost of operating leases, SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Minimum lease payments	122	65	4	8
Contingent rent	3	0	0	0
Total	125	65	4	8

Future undertakings relating to non-cancellable operating leases are recognized below.

Minimum lease payments come due	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Within one year	56	64	4	8
Between one and five years	89	140	10	17
After five years	3	40	3	4
Total	148	244	17	29

Note 34 (continued)

Finance leases

Liabilities related to finance lease agreements are recognized as interest-bearing liabilities in the Group's balance sheet. Amortization that comes due within one year is thus recognized as current liabilities and amortization later than within one year as long-term liabilities.

Future minimum lease payments distributed across amortization and interest as well as due dates are indicated below:

Due date	2006			2005		
	Amor- tization	Interest payment	Total	Amor- tization	Interest payment	Total
Within one year	68	20	88	56	16	72
Between one and five years	158	60	218	122	50	172
After five years	259	36	295	224	36	260
Total	485	116	601	402	102	504

During the year a total of SEK 68 M was paid in minimum lease payments and SEK 0 M in contingent rent related to finance leases. Of the minimum lease payments SEK 20 M is recognized as interest and the remaining part as amortization of debt. The reported value as of the balance sheet date related to the leased assets' value is indicated in Note 16, Fixed assets.

NOTE 35 OTHER CURRENT LIABILITIES

Of the Group's other current liabilities of SEK 2,262 M (2,209), SEK 63 M (50) relates to interest-bearing liabilities regarding finance lease agreements and SEK 1,256 M to other interest-bearing liabilities, of which SEK 1,153 M (1,200) relates to member's savings and deposit accounts.

Regarding liabilities for finance lease agreements, see also Note 34.

NOTE 36 ACCRUED EXPENSES AND PREPAID INCOME

SEK M	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Accrued personnel-related expenses	732	737	134	158
Accrued interest	2	24	0	0
Other accrued expenses	606	665	239	254
Prepaid income	31	48	5	4
Total	1,371	1,474	378	416

NOTE 37 CUSTOMER FINANCING THROUGH LEASING

Customer financing through leasing chiefly relates to the sale of agricultural and construction machinery to end customers. Finance lease agreements solely exist in Lantmännen Finans AB.

Operating leases

Assets rented out on operating lease agreements are recognized as fixed assets in the balance sheet as follows:

Group, SEK M	Machinery	Equipment
Accumulated historical cost	164	162
Accumulated depreciations	-33	-64
Accumulated write-downs	-	-4
Recognized value at year-end	131	94
Depreciation for the year	-13	-32
Write-downs for the year	-	-3

Note 37 (continued)

For equipment that is rented out to customers on operating lease agreements, the future payments for non-cancellable operating lease agreements are according to the table below:

Minimum lease payments come due for payment, SEK M	2006
Within one year	27
Between one and five years	81
After five years	16
Total	124

Net income for the year included SEK 1 M in contingent rent.

Finance leases

For assets that are rented out on finance lease agreements, the following lease payments and due dates apply:

Group, SEK M	Gross investment	Present value of future minimum lease payments
Within one year	9	9
Between one and five years	17	16
After five years	1	0
	27	25
Unearned finance income		2
Non-guaranteed residual value		0
Total	27	27

Net income for the year includes SEK 0.7 M in contingent rent. Total reserve for uncertain receivables is SEK 0.2 M as of the balance sheet date.

NOT 38 MERGERS

During the year the external economic association Norrbottens Lantmän ek för (797000-1314) and the intra-Group company Cerealia AB (556012-2623) were merged with the Parent company. The income statement and balance sheet for the merged companies as of the merger date are indicated in the table below.

The merger with Norrbottens Lantmän has affected both the Group and the Parent company, while the merger with Cerealia AB solely affects the Parent company.

SEK M	Norrbottens lantmän 2006-01-01	Cerealia 2006-01-01
Fixed assets	89	3,821
Current assets	109	1,684
Untaxed reserves	0	-114
Provisions	-53	-1
Long-term liabilities	-18	-2,940
Current liabilities	-89	-469
Added net assets	38	1,981
Income as a result of the merger	34	1,858

NOT 39 TRANSACTIONS WITH RELATED PARTIES

In this context, transactions with members in accordance with the association's objectives are not considered as transactions with related parties. Salaries and similar compensation to senior executives are reported in Note 6. Dividends from subsidiaries and associated companies appear in Notes 8 and 9.

	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Intra-Group purchase of total purchase, %	15	17	18	17
Intra-Group sales of total sales, %	15	12	17	15
Associates' purchases of goods and services, SEK M	97	62	43	49
Associates' sales of goods and services, SEK M	544	458	535	444

The Board of Directors and the President and CEO give their assurance that, to their knowledge, this Annual Report has been prepared in accordance with generally accepted accounting standards for economic associations, the information submitted is in accordance with actual circumstances and nothing of material importance has been omitted that could affect the view of the company created by this Annual Report.

Stockholm, February 21, 2007

Thomas Bodén
Chairman

Nils Orrenius
Vice Chairman

Lennart E. Bengtsson

Paul Bergqvist

Birgitta Carlander

Christina Birger

Bengt-Olov Gunnarson

Thomas Magnusson

Olle Nilsson

Bo Sundström

Stig Agnåker

Gert Gustavsson

Martin Tjernberg

Jörgen Sallenhag
President and CEO

Our auditor's report was submitted on February 21, 2007

Ernst & Young AB

Lars Träff
Authorized Public Accountant

Torvald Carlsson

Lennart Casteryd

Anders Åbyhammar

The Group's income statement and balance sheet as well as the Parent company's income statement and balance sheet will be subject to the approval of the Annual Association Meeting.

Auditor's report

To the annual meeting of the association of Lantmännen ek för
Corporate identity number 769605-2826

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President and CEO of Lantmännen ek för for the year 2006. The annual accounts and the consolidated accounts of the association are included in the printed version of this document on pages 54-90. These accounts and the administration of the association and the application of the Annual Accounts Act when preparing the annual accounts and the consolidated accounts are the responsibility of the Board of Directors and the President and CEO. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and CEO and significant estimates made by the Board of Directors and the President and CEO when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the association in order to be able to determine the liability, if any, to the association of any Board member or the President and CEO. We also examined whether any Board member or the President and CEO has, in any other way, acted in contravention of the Co-operative Societies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the association's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of the shareholders that the income statements and balance sheets of the association and the group be adopted, that the profit of the association be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the President and CEO be discharged from liability for the financial year.

Stockholm, February 21, 2007

Ernst & Young AB

Lars Träff
Authorized Public Accountant

Torvald Carlsson

Lennart Casteryd

Anders Åbyhammar

Definitions

OPERATIONAL EFFICIENCY

Operating margin • Operating income in percent of net sales for the year. The operating margin shows how much of the invoicing for the year is left over to cover interest, tax and profits.

CAPITAL EFFICIENCY

Capital employed • Total assets minus non-interest-bearing liabilities.

PROFITABILITY

Return on capital employed • Operating income plus financial income divided by average (opening and closing) capital employed.

Return on equity • Net income for the year plus refunds and final price adjustment divided by average (opening and closing) shareholders' equity.

FINANCIAL STABILITY

Equity Ratio • Equity including minority interests in percent of the balance sheet total.

Interest coverage ratio • (Operating income plus interest income) divided by interest charges.

Net debt • Interest-bearing liabilities minus financial assets.

OTHERS

Financial assets • Financial receivables, short-term investments and cash and bank balances.

ISO 14001 • Environmental management system.

ISO 9001 • Quality management system.

ISO 17025 • Quality standard for the competence of testing and calibration laboratories.

HACCP • Hazard analysis and critical control points for dealing with food safety hazards.

DS3027 • Danish standard for food safety based on HACCP.

BRC • British Retail Consortium, a technical standard for companies that produce branded goods for retail sale. Among other things, it requires the introduction of HACCP.

IFS • International Food Standard, a German and French standard for suppliers in the food products chain. Among other things, it requires the introduction of HACCP.

Owner management and the work of the Board

Lantmännen ek för is a Swedish economic association headquartered in Stockholm, Sweden.

The governance of the Group is based inter alia on the Association's bylaws, the Swedish Co-operative Societies' Act, the governance code for agricultural cooperatives and association companies (hereinafter referred to as the Association Code) as well as other applicable laws and rules.

The aim of Lantmännen's Board of Directors and management is for the company to meet the demands on the company of owners, employees and other stakeholders in the best possible manner.

Association Code

The Association Code is modeled on the Swedish Code of Corporate Governance. Like the Swedish Code of Corporate Governance, the Association Code is intended to create the proper conditions for an active and responsible ownership role, the proper balance between owners, the Board and management, contribute to a clear division of responsibility between the Association's management and control bodies and to create the greatest possible transparency vis-à-vis owners, the market and society in general. The Association Code is also intended to help ensure that the Swedish Co-operative Societies' Act's principles regarding member participation in the management of the Association are applied in practice.

Owners

The Group's Parent company is Lantmännen ek för, a co-operative company held by 44,249 farmers in Sweden. The owners, i.e., the members of the Association, shall engage in farming or food production based on plant cultivation. See also description under "Owning Lantmännen" on page 6 and "Financial benefits to owners" on page 9.

Contributed capital and voting rights

The members' obligation to invest is based on the sales value in the form of purchases from and deliveries to the Association. The obligation to invest for individual members is ten percent of the average sales value with the Association for the past five years. The obligation to invest, however, is a minimum

of SEK 5,000 and a maximum of SEK 150,000. Of the total contributed capital of SEK 1,154 M, SEK 816 M has been paid in and the rest transferred from distributable equity in the Association. Each member of the Association has one vote regardless of the size of his or her investment.

Association Meetings

The Annual Association Meeting is Lantmännen's supreme decision-making body. The meeting consists of representatives of the members, delegates, who are elected at meetings in the Association's 32 districts. The districts are the basis of the members' role as owners of the Association. The districts elect one delegate for every 500 members (or fraction thereof) in the district. Each delegate has one vote at the meeting.

Each member is entitled to have matters considered by the Association Meeting.

The Association Meeting has a quorum when more than half of the full number of delegates is in attendance.

The Annual Association Meeting shall be held within six months of the end of the financial year. At the Annual Association Meeting the Association's Board of Directors, Nomination Committee and auditors are elected. Other obligatory matters to be considered by the meeting include adoption of the income statement and balance sheet, allocation of the Association's profit or coverage of its loss, discharging the Board of Directors and President and CEO from liability and determination of Directors' and audit fees.

Annual Association Meeting 2006

The Annual Association Meeting was held on May 10, 2006, in Stockholm.

Board members of Lantmännen ek för are elected for two-year terms. At the Meeting Thomas Bodén, Thomas Magnusson and Olle Nilsson were reelected to two-year terms. Monica Lindstedt and Kjell Eriksson had both declined reelection.

The Meeting resolved that the number of members of the Board of Directors shall be ten, a reduction in the number of members by one. Paul Bergqvist was elected as a new member.

The Meeting resolved that the number of auditors should be four, one authorized public accountant and three elected representatives. The auditors are elected for one year at a time. The accounting firm Ernst & Young AB with the authorized public accountant Lars Träff as principal auditor was elected the new authorized auditor of the Association.

All elected representative auditors were reelected.

The Meeting also passed a resolution on fees for the Board of Directors and other elected delegates, fixed annual remuneration as well as day remuneration and travel compensation. The Meeting also appointed eleven members to the Nomination Committee for the time up to and including the 2007 Annual Association Meeting.

The Association Meeting approved an investment dividend totaling SEK 50 M to be distributed on paid as well as issued contributed capital and a contribution issue totaling SEK 100 M to be distributed as follows: 75 percent on contribution-based sales and 25 percent on paid-in membership contributions.

In addition to the investment dividend and issue, the Board of Directors passed a

resolution to pay central refunds and final price adjustment of SEK 64 M and the market areas a local refund and final price adjustment of SEK 75 M. In total, SEK 289 M was refunded to members in 2006.

The total number of elected delegates was 113. Of these, all were present at the Meeting. All Board members and elected auditors were present at the Meeting.

Elected Delegates Council

The Association has an Elected Delegates Council. The district board chairmen and any organization members shall be included on the Elected Delegates Council. In addition to this, the Board may appoint additional members.

The Elected Delegates Council's role is to advise the Board on development issues of a more long-term nature as well as communicate information between the Board and the districts. The Elected Delegates Council is also charged with taking part in matters of principle and to nominate members to the Association's nomination committee.

Elected Delegates Council 2006

In addition to the obligatory members as stated above, the Board of Directors appointed two representatives of the local associations to the Elected Delegates Council. The Group Board of Directors, the Association's elected auditors and a representative of the nomination committee are also on the Elected Delegates Council.

The Elected Delegates Council held two meetings.

Nomination Committee

The Nomination Committee's task is to prepare and submit motions regarding the election of members to the Association Board of Directors and the election of auditors as well as their fees. The Nomination Committee also submits proposals for the remuneration of other elected delegates. The Nomination Committee shall consist of 7-13 members and shall be elected by the Annual Association Meeting. The Nomination Committee elects a chairman from among its members. The Nomination Committee's work

is basically to assess in view of the Association's current situation and future direction whether the Board of Directors is appropriately composed with regard to expertise. This assessment is based in part on an evaluation of the Board's work methods and decision processes performed by an independent party at the behest of Nomination Committee. Any new recruitment to the Board is then made according to a requirement specification produced by the Nomination Committee.

The Nomination Committee 2006

For the year the Nomination Committee consisted of eleven persons with Per Olof af Wählberg as chairman.

Board of Directors

The Board of Directors' task is, on behalf of the Association's members, to manage the Association's affairs in a manner that best serves the members' economic interest. The Board is responsible for the Association's organization and the management of the Association's affairs as well as for the satisfactory oversight of the Association's accounting, the management of its funds and its financial affairs. The Board decides on the Group's overarching goals, strategic plans and significant policies as well as monitors whether or not they are being complied with and updated. The Board also decides on acquisitions, disposals and major investments as well as approves the annual report and interim reports. The Board's tasks also include continuously assessing Group management and overseeing the President and ensuring that there is an effective system in place for monitoring and follow-up of the Association's activities and economic position, that external information is characterized by openness and objectivity, that there is satisfactory oversight that laws, rules and regulations are complied with and that the necessary ethical guidelines are in place.

The work of the Board is governed by a work plan that regulates the division of work and responsibility among the Board of Directors, the Chairman and the President. The work plan is updated and adopted no less than once per year, normally at the statutory meeting of the Board.

The Board of Directors of Lantmännen shall consist of no fewer than 7 and no more than 13 members as well as the President. The Board of Directors elects a chairman from among its members.

Within the Board of Directors there is an Audit Committee and a Remuneration Committee. The purpose of the committees is to develop and streamline the Board's work as well as prepare business within the respective areas. Committees have no decision-making power. Members of the committees are appointed by the Board of Directors at the statutory Board meeting. Instructions for the committees are included in the Board of Directors' work plan.

The work of the Board in 2006

After the Annual Association Meeting on May 10, 2006, the Board of Directors has consisted of 10 members elected by the Association Meeting, three employee representatives as well as the President. There are no alternates. The head of the Corporate Function Legal Affairs and Owner Relations serves as the Board's secretary. None of the Board members elected by the Association Meeting has an employment-like relationship with Lantmännen. Thomas Bodén was elected Chairman of the Board. The Board's composition appears in the presentation on pages 96-97.

During the year the Board of Directors had 23 meetings, ten of which were by telephone. One member was absent from one of the physical meetings and two members were absent from another meeting. At the telephone meetings, one member was absent at one of the meetings, two members absent in one instance and four members absent in another instance. At 18 of the meetings all the members were present.

During the year, the Board approved the acquisition of the subsidiaries Aspen and Belpan, action programs at Svalöf Weibull and investing in a new ethanol plant in Norrköping, among other business. At the Board meeting in June, a strategy plan was adopted for the next three years, and at a meeting in December the budget for 2007 was approved. The Board also approved a

proposal to consult district associations on important future issues for Lantmännen, an effort that will take place in the fall of 2007.

At a meeting in December the Board voted to dismiss the current President and CEO and appoint Jörgen Sallenhag acting President and CEO.

One of the Board meetings took place in Denmark, which included a visit of the Group's Danish operations. The Association's auditors attended two meetings.

Audit Committee

The Audit Committee is tasked with preparing matters relating to risk assessment, internal control, financial reporting and auditing. The committee's work is to ensure that risks are handled in the correct manner, that established principles for financial reporting and internal control are being complied with and that proper relations are maintained with external auditors. The committee shall ensure that external auditors' independence is maintained, evaluate the audit and inform the Nomination Committee of the results. The Group's internal auditors report directly to the Audit Committee.

The committee consists of Bo Sundström (chairman), Olle Nilsson and Birgitta Carlander. The members are appointed for one year at a time.

In addition to the minutes of Auditing Committee meetings being distributed to the Board of Directors, the committee chairman reports on all important issues orally at the following Board meeting. The committee had five recorded meetings during the year.

Remuneration Committee

The Remuneration Committee is tasked with preparing matters related to pay and other terms of employment for company management. The Committee drafts principles for remuneration and other terms of employment for Group Management. These principles must be approved by the Association Meeting. The Committee submits its recommendations in this regard to the Board regarding the President and to

the President regarding the other members of Group Management.

The committee consists of Thomas Bodén (chairman), Christina Birger and Paul Bergqvist. The Group's HR manager serves as secretary. Members are appointed for one year at a time.

In addition to the minutes of the Remuneration Committee meetings being distributed to the Board of Directors, the committee chairman reports on all important issues orally at the following Board of Directors meeting.

The committee had four recorded meetings during the year.

President and Group Management

The President and Group CEO is appointed by the Board of Directors and is responsible for the day-to-day management of the Association. Distribution of work between the Board and the President is regulated in the Board of Directors' work plan. Lantmännen's Group Management currently consists of fourteen members, namely the Group CEO, all business area managers and all staff managers. In addition to a new President, three of the business areas, as well as two of the corporate functions, got new managers during the year. Group Management's composition appears in the presentation on pages 98-99.

Group Management normally convenes twice per month. Group Management has the overarching responsibility for coordinating the Group. Management and oversight of the business areas are ensured by the Group CEO serving as the Chairman in the majority of the business areas' boards. Representatives from the Group Board of Directors also serve on the boards of all the business areas except for Lantmännen Maskin.

Group function for internal audit

During the fall the Parent company created a function for an internal audit, and a manager for this function has been appointed.

With regard to the rest of the Group, the internal audit is an independent activity that is to engage in objective safeguarding and advisory efforts. The internal audit shall systematically and in a structured manner assess, and thus help to streamline, the Group's risk management, governance and oversight as well as its management processes.

The internal audit reports material observations and suggestions for improvement to the Board via the Audit Committee and also to business operations.

The Internal audit examines the entire Group and is also the independent review function for Lantmännen Finans AB as required by the Swedish Financial Supervisory Authority. In addition to the examination that is carried out according to the internal audit plan the function supports the Board and management with analyses and advice. In 2006 the internal audit identified general risks in the Group, created an audit plan for 2007, assessed the corporate function Financing Activities, followed-up certain financial statement processes and performed a number of analyses for Group Management.

External audit

There are four regular auditors of which one is authorized and the other three are elected representatives. All auditors are elected by the Association meeting. The authorized auditors are the accounting firm Ernst & Young and the authorized auditors' work is led by authorized public accountant Lars Träff. The elected auditors are Torvald Carlsson, Lennart Casteryd and Anders Åbyhammar. All auditors are elected by the Association meeting for one year at a time.

Board of Directors and Auditors



Thomas Bodén Chairman
Noraström. Born 1947
Member since 2000
Other functions at Lantmännen: Scandinavian Farmers, Viking Malt Oy
Education: Business administration, education, sociology, officer training in the Air Force
Main occupation: Farmer, 120 ha
Production: beef and mutton, coarse fodder
Other directorships: LRF Riksförbundsstyrelsen

Jörgen Sallenhag
Acting President and CEO
Lund. Born 1943
Member since 2006
Education: MBA
Other directorships: Returpack and Returpack-PET

Nils Orrenius Vice Chairman
Ödeshög. Born 1939
Member since 2000
Other functions at Lantmännen: Lantmännen Kronfågel, Lantmännen Lantbruk
Education: Agricultural education
Main occupation: Farmer, 380 ha of which most is leasehold
Production: Beef, grain, oilseeds, potatoes.
Other directorships: Stiftelsen Lantbruksforskning, Plantcom mistra

Olle Nilsson
Hammenhög. Born 1946
Member since 2004
Other functions at Lantmännen: Lantmännen Granngården, Svalöf Weibull, Audit Committee
Education: Farm foreman
Main occupation: President of Bollerups Agricultural Institute
Other directorships: Länsförsäkringar Skåne, Hushållningsallskapet Kristianstad



Lennart E. Bengtsson
Holm. Born 1949
Member since 2002
Other functions at Lantmännen: Lantmännen Kronfågel, Lantmännen Invest
Education: Agricultural education
Main occupation: President of Wapnö AB

Birgitta Carlander
Lerdala. Born 1952
Member since 2000
Other functions at Lantmännen: Lantmännen Axa, Lantmännen Energi, Audit Committee
Education: Agronomist
Main occupation: Farmer
Production: Production of piglets with 500 own sows plus recruitment
Other directorships: Länsförsäkringar Livs, Försäkringsföretagarförening, Vice Chairman Skaraborg County Nursing Home

Paul Bergqvist
Vikbolandet. Born 1946
Member since 2006
Other functions at Lantmännen: Lantmännen Axa, Lantmännen Unibake
Education: Economist
Main occupation: Consultant
Other directorships: Telenor ASA, Trygg Vesta A/S, Chairman Carlsberg Sweden, Chairman Sveriges Bryggerier, East Capital Amber Fund, City Mail, Pieno Zvaigzdes (Vilnius), Nova Linja (Kiev), Baltic Beverage Holding (BBH)

Christina Birger
Klagstorp. Born 1957
Member since 2005
Other functions at Lantmännen: Lantmännen Invest, Lantmännen Mills, Remuneration Committee
Education: Farm foreman
Main occupation: Farmer
Production: 130 ha arable land and forest



Bengt-Olov Gunnarson
Borensberg. Born 1951
Member since 2005
Other functions at Lantmännen: Lantmännen Mills, Svalöf Weibull
Education: Farm foreman
Main occupation: Farmer, 185 ha arable land and 75 ha forest
Production: Seed cultivation of grain and clover and grass seed
Other directorships: Swedish Farmers' Foundation for Agricultural Research, Planning Committee for Soil & Plant Science, Svensk Raps

Thomas Magnusson
Tävelsås. Born 1950
Member since 2005
Other functions at Lantmännen: Lantmännen Lantbruk, Lantmännen Granngården
Education: Training in agriculture and economics
Main occupation: Farmer, 130 ha arable land and 135 ha forest
Production: Dairy, beef
Other directorships: Ryssby Naturbruksgymnasium



Martin Tjernberg
Hjo. Born 1947
Member since 2000
Representative Agrifack
Education: Farm foreman
Main occupation: Salesman

Lena Weman
Stockholm. Born 1960
Board Secretary
Other functions at Lantmännen: Reppe AB
Education: Jur. cand degree and Master of Law



Gert Gustavsson
Falkenberg. Born 1951
Member since 2003
LO Representative
Main occupation: Operator, feed plant

Bo Sundström
Örebro. Born 1950
Member since 2000
Other functions at Lantmännen: Lantmännen Energi, Lantmännen Unibake, Chairman Auditing Committee, Chairman Cereallastiftelsen
Education: Civilingenjör degree (M.Sc. equivalent), electronics
Main occupation: Farmer, 300 ha and 130 ha forest, IT entrepreneur
Production: Plant cultivation, pigs for slaughter
Other directorships: Chairman of Swebank's Regional Board of Directors Närke, Chairman Närkes Kils Elektriska ek för

Stig Agnåker
Falkenberg. Born 1943
Member since 2000
HTF Representative
Education: College education in business administration and law, HR administration
Main occupation: Credit Manager

Auditors

Elected representatives
Torvald Carlsson
Gamleby. Born 1951
Auditor since 2000
Education: Agronomist
Main occupation: Farmer
Production: Integrated pig production

Lennart Casteryd
Uppsala. Born 1949
Auditor since 2000
Education: Agronomist
Main occupation: Farmer, consultant
Production: Plant cultivation and forest

Anders Åbyhammar
Fellingsbro. Born 1956
Auditor since 2005
Education: Farm foreman
Main occupation: Farmer, book-keeper LRF Konsult
Production: Plant cultivation, forest, lamb, electricity/hydropower

Authorized Public Accountant
Lars Träff
Ernst & Young, Stockholm

Group Management



Monika Lekander
Business area manager, Svalöf Weibull
Born: 1953
Hired: 2005
Education: Civilingenjör degree (M.Sc. equivalent), business administration and marketing, LIF certified pharmaceutical consultant

Clas Eriksson
Vice President and Business Area Manager Lantmännen Invest and Lantmännen Anläggnings- och Lantbruksmaskiner
Born: 1949
Hired: 1991
Education: Jur.cand. degree, IFL corporate manager education



Reinhold Svensson
Business area manager Lantmännen Mills
Born: 1950
Hired: 1996
Education: Agronomist
Outside directorships: Melia

Lisette Schulman
Communications Director
Born: 1951
Hired: 2006
Education: Jur.cand. degree



Peter Rasztar
Business area manager Lantmännen Kronfågel
Born: 1944
Hired: 2006
Education: Economy, Copenhagen Business School
Outside directorships: Søndagsavisen, Copenhagen and Danish Lithuanian, Give Danmark

Elisabet Wallin-Mononen
HR Director
Born: 1959
Hired: 2005
Education: Jur.cand. degree and MBA



Lena Weman
Manager Corporate Function Legal Affairs and Owner Relations
Born: 1960
Hired: 2006
Education: Jur.cand. degree and Master of Law

Magnus Johansson
Business area manager, Lantmännen Axa
Born: 1972
Hired: 1998
Education: Masters in Business Administration
Outside directorships: Svensk Sigill



Carl-Axel Westlund
 Vice President and CFO
Born: 1947
Hired: 1970
Education: MBA

Jörgen Sallenhag
 Acting President and CEO
Born: 1943
Hired: 1990
Education: MBA
External Board of Directors functions: Returpack and Returpack-PET

Bent Pultz Larsen
 Business Area Manager
 Lantmännen Unibake
Born: 1950
Hired: 1985
Education: Pastry maker



Rutger Ulterman
 Business Area Manager Granngården
Born: 1955
Hired: 2006
Education: Master of Business Administration, Umeå MIL-26, Lund
Outside directorships: IKEA Trading Mexico and Canada, IKEA Trading Inc, USA, IKEA Wholesale Inc, USA.

Bengt Håkansson
 Business Area Manager
 Lantmännen Energi
Born: 1956
Hired: 2001
Education: Local government administration program, Örebro University

Arne Rantzow
 Business Area Manager
 Lantmännen Lantbruk
Born: 1955
Hired: 1992
Education: MBA

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