Lantmännen Interim Report January-August 2013

"Together we take responsibility from field to fork

Lantmännen

Lantmännen is one of the largest agriculture, machinery, energy and food groups in the Nordic region. Examples of our brands are AXA, Kungsörnen, GoGreen, Hatting, Schulstad and Gooh. Owned by 33,500 Swedish farmers, we have approximately 8,600 employees, a presence in 22 countries and revenues of approximately SEK 33 billion. Our company is founded on knowledge and values built up through generations of owners. With research, development and operations throughout the chain, we are able to take responsibility from field to fork.

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Financial Reporting

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Distribution

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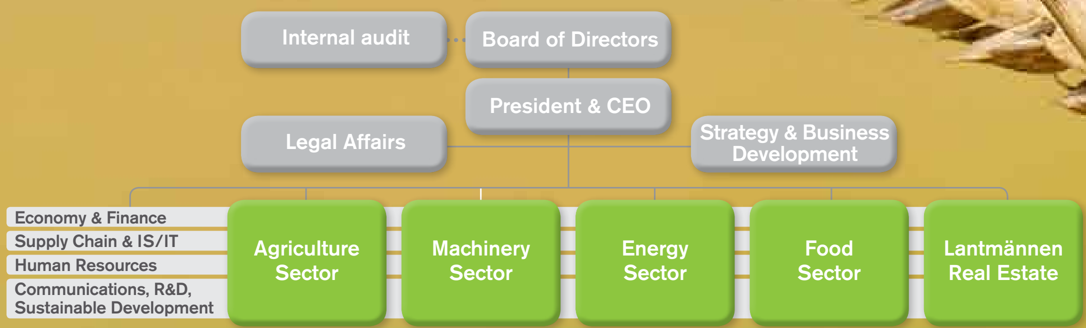
Lantmännen's organization



The period in brief January-August 2013

(From 2013, Lantmännen publishes interim reports every four months. Previously unpublished values for the previous year's four-month periods have been prepared and are included in the report.)

Net sales for the Group amounted to MSEK 11,023 (12,317) during the four-month period, which is a decline of 11 percent. After adjustment for divested operations, net sales declined by 3 percent. Net sales for the first eight months amounted to MSEK 23,050 (23,957), a decline of 4 percent. Adjusted for divested operations, net sales were unchanged. Currency effects had an impact of –1 percent on net sales for both the four-month period and the first eight months.

Operating income for the four-month period amounted to MSEK 596 (247). This included items affecting comparability, which amounted to MSEK 150 (–60). After adjustment for these items, operating income for the period was MSEK 446 (307). Operating income for the first eight months amounted to MSEK 614 (342).

Income after financial items amounted to MSEK 569 (187) for the four-month period and MSEK 640 (214) for the first eight months. Net financial income for the first eight months was affected by a one-time capital gain of MSEK 118 on the sale of investment shares. After adjustment for items affecting comparability, income after financial items was MSEK 419 (247) for the four-month period and MSEK 434 (274) for the first eight months.

Income after tax was MSEK 562 (167) for the period and MSEK 617 (207) for the first eight months.

Cash flow before financing activities was MSEK 913 (–634) for the four-month period and MSEK 1,997 (–343) for the first eight months.

Investments amounted to MSEK 303 (490) for the four-month period and MSEK 710 (776) for the first eight months.

Lantmännen and the UK investment company CapVest have formed a new company, Scandinavian Standard, in which Lantmännen has a 46 percent holding and owns 48 percent of the votes. On June 3, the new company acquired Kronfågel Group in Sweden and Denmark from Lantmännen, and Cardinal Foods in Norway from CapMan of Finland. The sale of Kronfågel Group generated a capital gain of MSEK 425. The divestment of Kronfågel Group and the acquisition of Scandinavian Standard affected cash flow for the period by SEK 1.3 billion.

At Lantmännen's Annual General Meeting in May, Lena Philipson was elected to the Board to replace the retiring Anitra Steen, while Bengt-Olov Gunnarson, Per Lindahl, Nils Lundberg and Hans Wallemyr were re-elected. At the statutory Board meeting, Bengt-Olov Gunnarson was re-elected Chairman and Nils Lundberg Vice Chairman.

Key figures	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	2012 Jan-Dec
Net sales, MSEK	11,023	12,317	23,050	23,957	36,526
Operating income, MSEK	596	247	614	342	685
Operating margin, %	5.4	2.0	2.7	1.4	1.9
Income after financial items, MSEK	569	187	640	214	503
Net income for the period, MSEK	562	167	617	207	412
Cash flow before financing activities, MSEK	913	–634	1,997	–343	–222
Return on equity, %	14.9	4.6	8.3	2.9	3.8
Return on operating capital, %	10.7	4.1	5.4	2.9	3.8
Total assets, MSEK			27,127	26,992	26,367
Equity ratio, %			43.1	40.1	41.5
Investments, MSEK	303	490	710	776	1,292
Net debt, MSEK			4,975	7,260	7,506
Interest coverage ratio, times			3.7	1.7	2.2
Average number of employees			9,397	10,306	10,249
Operating income excluding items affecting comparability, MSEK	446	307	526	402	747
Income after financial items excluding items affecting comparability, MSEK	419	247	434	274	565

President's overview

Lantmännen's income after net financial items, adjusted for items affecting comparability, for the second four month-period was MSEK 419, compared with MSEK 247 in 2012. Income for the year to date was MSEK 434 (274).

Lantmännen's income for the second four-month period is higher than the previous year, which reflects the improvements that have been made in many of our businesses. However, the weak economy in Western Europe is persisting and we still face challenges in many markets. To overcome these challenges, we are continuing to focus strongly on cost rationalization and efficiency measures in all areas of Lantmännen's operations.

On June 3, Lantmännen and the UK investment company CapVest established a new company, Scandinavian Standard, which acquired Lantmännen's chicken operations (Kronfågel Group) and the Norwegian company Cardinal Foods. With the sale of Kronfågel Group to Scandinavian Standard, Lantmännen realizes the value built up in the company during our ownership, while we also create a powerful platform for increased competitiveness and profitability in a larger chicken market – which has the potential to create additional value for our owners in due course.

How our Sectors performed

The Agriculture Sector has been successful in its work during the period, particularly in its harvesting activities. The level of service has been good, our newly opened grain receiving facilities have been appreciated and well used, and the Sector's income for the four-month period is better than in the previous year. The introduction of the new sales organization is continuing as planned, and its main goal is to increase our customer proximity and our service focus.

Demand in the machinery market remains low. The large number of improvement projects initiated in Lantmännen Maskin are proceeding according to plan, with good and far-reaching efforts in many areas, such as our supplier relationships.

In the Energy Sector, the situation in the ethanol business is still challenging. Production and efficiency at the ethanol plant are good, but the price of ethanol fell sharply at the end of the four-month period, which is having a detrimental effect on the profitability of these operations. A major source of uncertainty is the government's proposed financial instruments for biofuels in the fall budget bill, which contains a proposal to abolish the current legal requirement for non-denatured (pure) ethanol. This would open the door to imports of ethanol with a significantly lower greenhouse gas performance than that produced in Sweden. In addition to severely damaging the conditions for Agroetanol's operations, it could also in practice have an *adverse* environmental impact. A strategic review of our

ethanol business will be carried out during the next four-month period as a consequence of the government's proposal.

There has been an improvement in the results of all the Food Sector's businesses – in particular in Lantmännen Cerealia, where the previously initiated improvement program is now producing its full effects. Synergies from Lantmännen Unibake's new organization have started to be noticed. Unibake's UK operations have improved significantly compared with the previous year when earnings were affected by start-up costs for the new bakery in Bedford. However, competition and price pressure in the food market are still tough and improvement measures are continuing at all the Sector's businesses.

Lantmännen Real Estate's results for the four-month period are in line with the previous year. Lantmännen Maskin's new facility in Örebro was completed and opened during the period.

Long-term strategy review

There are a number of trends at the macro level that we as a company have to accommodate. A clear example is the development in Asia, with its population growth, a rising standard of living and rapidly growing middle class. Rising demand in emerging economies such as China and India is increasingly important for the markets in which Lantmännen operates – particularly the grain market.

The global imbalance in supply and demand for grain has created a highly volatile price scenario, which can also be observed in Europe and Sweden. Weak economic growth in our domestic market, as well as changed consumer trends in food, are also affecting our business. Overall, these trends represent a fundamental change for many of Lantmännen's businesses, which is something we need to adapt to.

In view of this, Lantmännen's Board and management have together initiated a comprehensive review of our long-term strategy. I look forward to this work, which will continue during the fall and winter, and will involve our owners and every part of the organization.

Per Olof Nyman
President & CEO, Lantmännen

Business environment, sales and earnings

Business environment & market

Economic growth in Sweden has been weaker than expected so far in 2013. However, there are continuing indications of a positive turnaround in the near future. In its forecast published in August, the National Institute of Economic Research reports falling unemployment and increased consumer and business confidence, with the economy being stimulated by tax cuts and low interest rates. At the same time the NIER says that fiscal austerity measures will be required if the government's surplus target is to be achieved.

Favorable weather conditions for the northern hemisphere during the summer led to a global record harvest, resulting in rising stock levels and falling grain prices. During the next quarter, the markets will monitor global demand for grain and oilseed, fall sowing development in the northern hemisphere, and crop development in South America and Australia.

The Swedish Board of Agriculture's August report estimates Sweden's total harvest at 4.9 million tonnes, which is the same as the average for the last five years, but a little lower than in 2012. According to their report, the difficult situation during the fall of 2012 has been partly offset by good conditions so far this year.

The problems with loading soybeans at Brazilian ports during spring have continued, creating a shortage in the world market. The price of soybeans continued to rise until the middle of July. LRF Dairy Sweden recently decided to retain the requirement for GMO-free soybeans as a raw material in feed products.

In its dairy market report for September, LRF Dairy Sweden writes that the international dairy market has stabilized over the summer, with continuing good demand. The strong trend is expected to persist until 2020, with Asia continuing to be a driver of increased consumption.

The machinery market, which has been under pressure for the last two years, appears to have bottomed out. The tractor market in Sweden has declined by approx. 12 percent in 2013, although there are signs that the order intake is starting to stabilize.

Although the investment appetite remains poor in the cyclical contracting sector, there are indications of a positive turnaround. Activity in the construction sector is increasing, resulting in higher demand for rental equipment. A number of infrastructure projects are scheduled to start during the remainder of 2013 and in 2014. However, the mining sector is characterized by restraint and low demand.

Petrol consumption in Europe has declined by more than ten percent over the last year. This is also affecting ethanol consumption, as its largest area of application in Europe is low level blending in petrol. Ethanol sales in Sweden have fallen by 27 percent in 2013, according to the Swedish Petroleum and Biofuels Institute. Good crops in the United States and Brazil mean that the price of ethanol is likely to remain lower than earlier in the second four-month period.

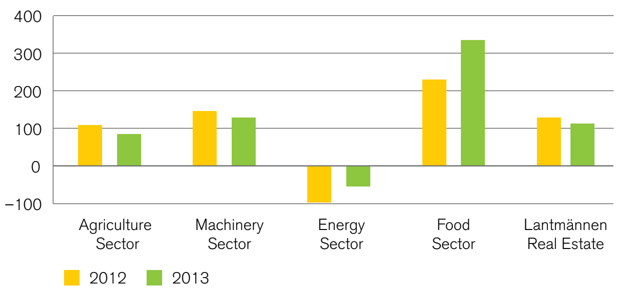
The government's budget bill proposes that biofuels in petrol and diesel will be allocated binding quotas, and will be liable for energy tax. The quota obligation is aimed at increasing the use of biofuels in Sweden, including low level blending of ethanol in petrol. However, at the same time, there is a proposal to abolish the current legal requirement for non-denatured (pure) ethanol, which would open the door to imports of ethanol with a significantly lower greenhouse gas performance than that produced in Sweden.

The economic situation and confidence in the future of the Swedish pellet market are better than in recent years; more and more industries are showing interest in bioenergy solutions, while the balance between supply and demand has improved.

Retail sales in Sweden have experienced good growth in the second four-month period. However, there has been negative growth for the overall sales volume in several food categories in which Lantmännen operates. Market competition is becoming increasingly fierce, both from private labels and more established brands and products. Demand for protein rich foods is growing, while sales of high carb foods are under pressure. There is still keen interest in time efficient and convenient offerings, quality ingredients, and gluten free and lactose free products.

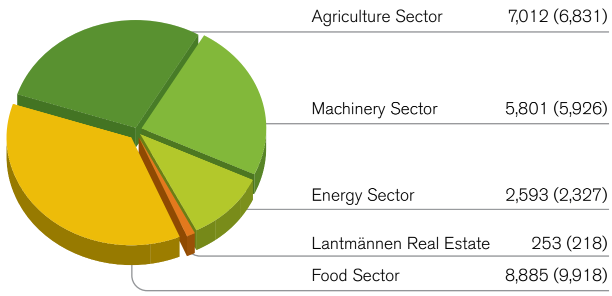
Operating income per sector, accumulated January-August 2013

Adjusted for items affecting comparability, MSEK



Sales per sector, January-August 2013

Including intra-Group sales, MSEK



The Group's net sales and earnings January–August 2013

Net sales

Net sales for the four-month period amounted to MSEK 11,023 (12,317), a decline of 11 percent. Adjusted for the sale of Kronfågel Group, the decline was 3 percent, with all Sectors reporting somewhat reduced sales.

Net sales for the first eight months amounted to MSEK 23,050 (23,957), a decline of 4 percent. Adjusted for divested operations, net sales were unchanged. Currency effects had an impact of –1 percent on net sales for both the four-month period and the first eight months.

Operating income

Operating income for the four-month period was MSEK 596 (247). This included items affecting comparability, which amounted to MSEK 150 (–60). These items consisted of a capital gain of MSEK 425 on the sale of Kronfågel Group, and impairment of non-current assets and restructuring costs of MSEK 275. The capital gain on the Kronfågel divestment is reported at Group level. After adjustment for items affecting comparability, operating income for the period was MSEK 446 (307). The improvement in operating income for the four-month period is largely attributable to the Food and Agriculture Sectors.

Operating income for the first eight months was MSEK 614 (342). After adjustment for items affecting comparability, the figure was MSEK 526 (402). The Food and Energy Sectors were responsible for the majority of the improvement during the period January to August.

Currency effects had an impact of MSEK –20 on operating profit for the four-month period and MSEK –25 for the first eight months.

Net financial income

Net financial income for the four-month period was MSEK –27 (–60). The improvement is largely due to the capital gain on the sale of investment shares and reduced net debt following the sale of Kronfågel, which resulted in lower interest rates and bank charges.

Net financial income for the first eight months amounted to MSEK 26 (–128). The figure includes a capital gain of MSEK 143 on the sale of investment shares, of which MSEK 118 was non-recurring. Net financial income after adjustment for items affecting comparability was MSEK –92.

Tax and income after tax

Tax expense for the period amounted to MSEK 23 (7). This is calculated on the basis of the estimated tax rate for the full year.

The Group's net income after tax for the first eight months amounted to MSEK 617 (207). MSEK 616 (206) of this figure is attributable to cooperative association members and MSEK 1 (1) to non-controlling interests (minority owners) in the Group's subsidiaries.

Cash flow

Cash flow from operating activities in the period was MSEK 1,541 (413). The cash operating surplus contributed MSEK 983 (918) to the figure, while the change in working capital had a positive effect of MSEK 558 (–505).

Investments in non-current assets totaled MSEK –710 (–776). Sales of non-current assets amounted to MSEK 6 (84). Net investments in non-current assets in the reporting period totaled MSEK –704 (–692).

Acquisitions and divestments of operations generated a positive cash flow of MSEK 1,310 (0).

Cash flow before financing activities was MSEK 1,997 (–343).

Financial position

Equity amounted to MSEK 11,703 at August 31 (10,932 at year-end), of which MSEK 30 (33) was attributable to owners other than members of the cooperative association, i.e. the minority interest in Group companies.

The Group's net debt has decreased, largely as a result of the divestment of Kronfågel Group, but also as an effect of lower working capital. Net debt decreased to MSEK 4,975, which is a reduction of MSEK 2,531 since year-end when it stood at MSEK 7,506. The Kronfågel business contributed MSEK 1,008 to the reduction.

The Group's cash & cash equivalents at August 31 were MSEK 2,127 (352 at year-end).

The equity ratio was 43.1 percent (41.5 percent at year-end).

Total assets were MSEK 27,127, which is a little higher than at year-end (26,367).

Risks and uncertainties

All business activity is subject to risk. The risks in Lantmännen's operations are strategic risks associated with trademarks, external regulations and the economy, operational risks (such as fluctuating prices of energy, ethanol and commodities) and financial risks. The risks are described in detail in the 2012 Annual Report.

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

The government is proposing in its budget bill that biofuels in petrol and diesel will be allocated binding quotas. At the same time, there is a proposal to abolish the current legal requirement for non-denatured (pure) ethanol, which would open the door to imports of ethanol and be detrimental to domestic ethanol production.

Changes in the Group

Lantmännen and the UK investment company CapVest have formed a company, Scandinavian Standard AB, which will operate in the Scandinavian chicken market. Lantmännen sold Kronfågel Group in Sweden and Denmark to Scandinavian Standard on June 3. At the same time, Scandinavian Standard acquired Cardinal Foods in Norway from CapMan of Finland. Lantmännen has a 46 percent holding and owns 48 percent of the votes in the new group of companies, which is expected to have an annual turnover of over SEK 5 billion.

Lantmännen's divestment of Kronfågel Group has resulted in a capital gain of MSEK 425 and reduction in net debt of approx. SEK 1 billion, also taking into account the acquisition of Scandinavian Standard. The preliminary purchase consideration for Kronfågel Group amounted to SEK 1.3 billion. Kronfågel Group's annual turnover has been approx. SEK 3.5 billion, with total assets of SEK 1.7 billion, liabilities of approx. SEK 0.9 billion and an average annual number of employees of approx. 1,200. Kronfågel Group's cash and cash equivalents represented an insignificant amount.

Scandinavian Standard is accounted for as an associate, which means that Lantmännen's share of that company's income after tax is recognized in operating income. The investment in Scandinavian Standard has had an impact of SEK 0.2 billion on total assets.

The Latvian milling operations were divested to JSC Malsena Plius in March. The divestment has had a marginal effect on the Group's net sales and total assets, and a positive impact on the Group's net debt. The sale generated a capital loss of MSEK 62.

All the changes have affected the Food Sector.

Other important events

At Lantmännen's Annual General Meeting in May, Lena Philipson was elected to the Board to replace the retiring Anitra Steen, while Bengt-Olov Gunnarson, Per Lindahl, Nils Lundberg and Hans Wallemyr were re-elected to the Board. At the statutory Board meeting, Bengt-Olov Gunnarson was elected Chairman and Nils Lundberg Vice Chairman.

To improve the development of new products and feed concepts for cattle, pigs and poultry, Lantmännen Lantbruk and the Dutch company Agrifirm have signed a partnership agreement with Felleskjøpet Fôrutvikling of Norway.

In the Sustainable Brands survey, Lantmännen retains its position as Sweden's most sustainable consumer goods/food brand and is named Sweden's fourth most sustainable brand overall.

As in previous years, Lantmännen Lantbruk, Lantmännen Maskin and Swecon took part in the Borgeby Fältdagar agricultural fair.

Events after the end of the reporting period

Johan Andersson, currently CEO of the slaughterhouse business KLS Ugglarps, part of Danish Crown, has been appointed new Head of the Agriculture Sector from January 1, 2014.

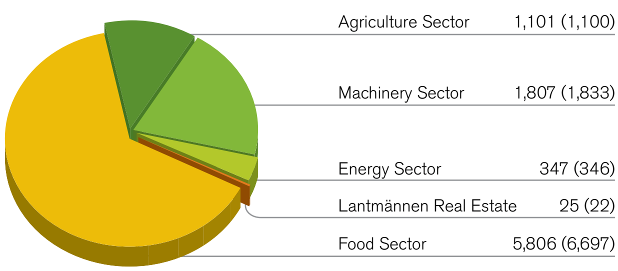
An agreement has been signed for the acquisition of 50 percent of the shares in the Polish agricultural company HaGe Polska. The company is a merchant of grain and other inputs in the Polish agricultural market and had a turnover corresponding to SEK 1.1 billion in 2012. The acquisition is subject to the approval of the competition authority.

In late September, Unibake decided to make staff cutbacks in Örebro and Mantorp as a result of a new investment to streamline the process flow. In total, approx. 60 individuals, including 55 union workers, are affected.

Human resources

The average number of employees during the year was 9,397 (10,306), while the number of full-time employees at the end of August was 8,827 (10,552). The decrease is mainly due to the sale of Kronfågel and the mill operations in Latvia, but is also a result of efficiency measures in the Food Sector.

Average number of employees per sector, January-August 2013



Agriculture Sector

Agriculture Sector	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Change Jan-Aug
Net sales, MSEK	3,062	3,105	7,012	6,831	3 %
Operating income, MSEK	67	62	52	109	−57
Operating margin, %	2.2	2.0	0.7	1.6	
Return on operating capital, %	5.7	5.5	2.0	4.6	
Operating income, adjusted for items affecting comparability, MSEK	100	62	85	109	−24
Operating margin, adjusted for items affecting comparability, %	3.3	2.0	1.2	1.6	
Return on operating capital, adjusted for items affecting comparability, %	8.5	5.5	3.3	4.6	
Average number of employees			1,101	1,100	0 %
Lantbruk Sweden [1]					
Net sales, MSEK	2,902	2,848	6,752	6,438	5 %
Operating income, MSEK	40	16	60	79	−19
Operating margin, %	1.4	0.6	0.9	1.2	
Return on operating capital, %	4.8	2.2	3.2	4.8	
Operating income, adjusted for items affecting comparability, MSEK	73	16	93	79	14
Operating margin, adjusted for items affecting comparability, %	2.5	0.6	1.4	1.2	
Return on operating capital, adjusted for items affecting comparability, %	8.8	2.2	4.9	4.8	
Average number of employees			947	930	2 %

[1] In addition to the contribution-related activities, Lantbruk Sweden also includes Swedish subsidiaries.

The Agriculture Sector's net sales for the second four-month period are in line with the previous year. The Sector's sales for the first eight months are higher than in the previous year, while Lantbruk Sweden has increased its net sales for both the four-month period and the year to date.

Operating income for the second four-month period, adjusted for items affecting comparability (costs of new sales organization and impairment of non-current assets) amounted to MSEK 100 (62), which is higher than in the previous year. Operating income for the first eight months amounted to MSEK 85 (109). The low operating income for the first four-month period, due to the late spring planting, has been offset by well implemented harvesting in the second four-month period. This took place earlier in the year than in 2012, when some of the results were not reported until in the third four-month period.

Lantmännen's harvesting operations progressed well, despite a short and intensive harvesting period, with well functioning logistics, high efficiency and a good level of service. The three newly opened grain receiving facilities have been appreciated by both new and existing customers, and this year's harvest is of good quality with low water content and high protein levels.

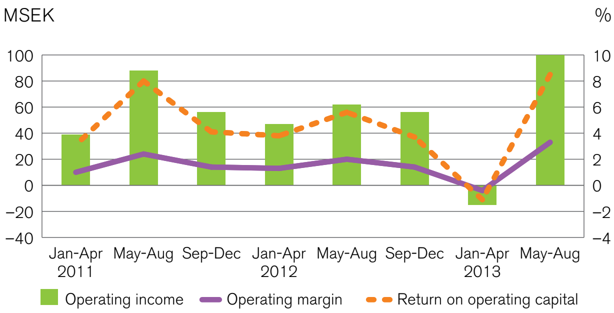
With the settlement price of milk increasing, the situation for Swedish dairy farmers has improved slightly and demand for feed has increased. However, profitability in the feed business is under pressure due to major logistics problems with soy shipments from Brazil. GMO-free soybeans are an important source of protein in Lantmännen's feed, and a lack of this raw material has led to increased purchase costs and commodity prices.

Earnings for international operations and interests so far this year are lower than in the previous year, mainly due to lower sales volumes and strong price competition in Germany.

The process of introducing a new sales organization in Sweden continued as planned during the four-month period. The goal is to gain better customer proximity, increase the level of service further and improve internal efficiency.

On September 10, it was announced that Johan Andersson, currently CEO of the slaughterhouse business KLS Ugglarps, would succeed Monika Lekander as Head of the Agriculture Sector on January 1, 2014.

Agriculture Sector *Adjusted for items affecting comparability*



Machinery Sector

Machinery Sector	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Change Jan-Aug
Net sales, MSEK	3,309	3,374	5,801	5,926	−2 %
Operating income, MSEK	127	133	129	146	−17
Operating margin, %	3.8	3.9	2.2	2.5	
Return on operating capital, %	17.4	16.3	8.8	9.7	
Average number of employees			1,807	1,833	−1 %
Results of the Machinery Sector's farm machinery operations:					
Net sales, MSEK	1,087	1,142	1,810	1,947	−7 %
Operating income, MSEK	30	28	−14	−18	4
Operating margin, %	2.8	2.5	−0.8	−0.9	
Return on operating capital, %	12.2	10.3	−2.8	−3.5	
Average number of employees			720	738	−2 %

The Machinery Sector's sales are slightly lower than in the previous year, both for the second four-month period and the first eight months. This is largely due to the total market for farm and construction machinery remaining cautious, with a general decline in demand and sales.

The Sector's operating income for the second four-month period was MSEK 127 (133), which is in line with the previous year. Operating income for the first eight months amounted to MSEK 129 (146). The decline, which is due to reduced demand, has been partially offset by well implemented improvement projects and increased cost efficiency in the Sector.

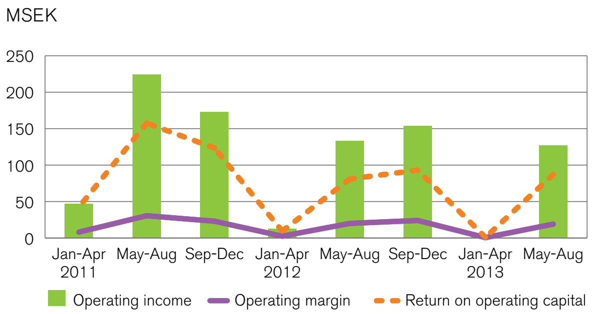
The tractor market in Sweden has continued to decline, with sales for the year to date 12 percent down on the same period in 2012, and 22 percent lower than the same period in 2011. Despite improved profitability for milk producers, willingness to invest in agriculture has not increased, even though the trend in August shows a certain change for the better. Customers are tending to wait for more attractive promotional offers before deciding to invest in agricultural machinery.

The situation in Norway and Denmark is a little better than in Sweden – sales in Norway are stable, while the tractor market in Denmark has grown by 37 percent during the year. The competitive situation in Denmark is tough, with aggressive market offerings from a number of suppliers.

In the first four-month period, Lantmännen Maskin launched a comprehensive action program to improve its operations, with a particular focus on customer service and customer satisfaction. Work is continuing as planned, and the program has already produced effects in some areas. One of these is improved supplier relationships, which means that Lantmännen Maskin and the supplier can respond more quickly to market changes – and in doing so increase customer satisfaction in the market. This work will be monitored at all plants in Sweden during the fall.

Swecon has gained market share in both the Swedish and German construction machinery markets during the period. However, the overall market remains weak. In Sweden, there is much lower activity in the mining sector than previously, while several major infrastructure projects are on hold, pending necessary decisions. The Bauma International Trade Fair in Munich has had a positive effect on new orders in Germany and the German rental equipment business has improved a little since the previous year.

Machinery Sector *Adjusted for items affecting comparability*



Energy Sector

Energy Sector	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Change Jan-Aug
Net sales, MSEK	1,147	1,212	2,593	2,327	11 %
Operating income, MSEK	–33	–27	–55	–98	43
Operating margin, %	–2.9	–2.2	–2.1	–4.2	
Return on operating capital, %	–4.7	–3.7	–3.9	–6.6	
Average number of employees			347	346	0 %

The Energy Sector's net sales for the second four-month period were slightly lower than in the previous year, but for the first eight months they were slightly higher. Operating income for the four-month period was MSEK –33 (–27), which is lower than in the previous year.

Operating income for the first eight months was considerably better than in 2012, although the Sector still reported a negative figure of MSEK –55 (–98). Both sales and earnings are affected by a higher price of the feed ingredient draff, which is partly offset by higher grain prices and lower ethanol prices. The higher operating income for the year to date is also the result of continuing improvements in production efficiency at the ethanol plant in Norrköping, and better results for Agroenergi and Aspen.

Production efficiency at the ethanol plant is high, with larger volumes than before. The ethanol grain price relationship continues to present a challenge. Ethanol prices fell sharply during the end of the period, which had an adverse effect on the profitability of the business. There was a temporary production stoppage in the smaller of Agroetanol's two production lines earlier in the year, and if the challenging situation persists, it may be necessary to take similar action again.

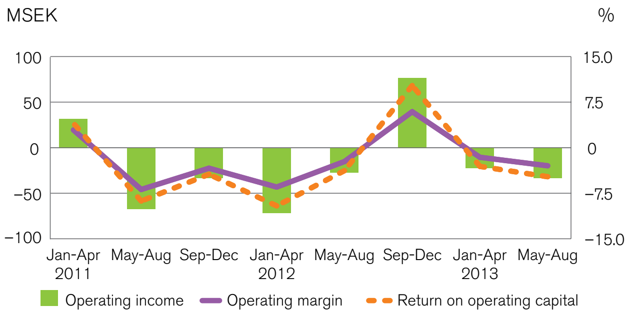
Another source of uncertainty in the ethanol business is the proposed quota obligation for biofuels in the government's budget bill, which opens the door to imports of ethanol with a significantly lower greenhouse gas performance than that produced by Agroetanol. This may cause the conditions for ethanol production in Norrköping to deteriorate sharply, and could also result in a negative overall environmental impact. In view of this, a strategic review of the business will be conducted in the latter part of 2013.

Work on the new carbon dioxide plant in Norrköping, in which Lantmännen, in cooperation with AGA, will purify and utilize carbon dioxide from ethanol production, is continuing as planned. The groundwork will be completed shortly and construction has begun. The production start-up at the plant is scheduled for summer 2014.

Lantmännen Agroenergi improved its cost efficiency and reduced fixed costs during the four-month period, which had a positive effect on earnings. There are signs of an increased willingness to convert to biofuels in the industrial sector. During the period, Agroenergi started deliveries of pellets and powder for the construction company NCC's asphalt production, which will mean additional income during Agroenergi's low season.

Lantmännen Aspens's results for the first eight months are in line with the previous year. Sales were weaker than normal during the first four months of the year because of the late spring, but were significantly better during the second four-month period.

Energy Sector *Adjusted for items affecting comparability*



Food Sector

Food Sector	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Change Jan-Aug
Net sales, MSEK	4,090	5,132	8,885	9,918	–10 %
Operating income, MSEK	123	69	212	168	44
Operating margin, %	3.0	1.3	2.4	1.7	
Return on operating capital, %	4.6	2.3	3.8	2.7	
Operating income, adjusted for items affecting comparability, MSEK	246	130	335	229	106
Operating margin, adjusted for items affecting comparability, %	6.0	2.5	3.8	2.3	
Return on operating capital, adjusted for items affecting comparability, %	9.2	4.3	6.0	3.7	
Average number of employees			5,806	6,697	–13 %

Key figures for the Food Sector are not fully comparable with the previous year. This is partly due to the sale of Kronfågel Group, which from June 2013 is no longer consolidated in Lantmännen's accounts. In addition, Cerealia's milling operations in Latvia were sold in March 2013. The Sector's operating income, adjusted for items affecting comparability, was MSEK 246 (130) for the four-month period and MSEK 335 (229) for the first eight months. All the Sector's businesses have improved during the period. Restructuring measures and impairment of non-current assets had an adverse effect of MSEK 123 on the Sector's earnings.

Lantmännen Cerealia has been successful in increasing its cost efficiency. During the year, major measures and improvements were implemented to reverse the negative trend in 2012. These included restructuring and an increased focus on transparency and communication between different parts of the organization. These changes are reflected in the results for both the four-month period and the year to date. The new packaging line in Vejle, which was started in the first four-month period, has also produced good effects. Operations are now more flexible and the process has been made significantly more efficient.

In the area of earnings, Cerealia continues to face challenging market conditions – particularly in Sweden, where sales volumes are declining in all Cerealia's food categories. Market competition is becoming increasingly fierce, both from private labels and more established brands and products. In Denmark, there are signs of a clear shift towards discount brands and chains, as well as an increasing market share for private labels. Gooh's operations continue to perform well.

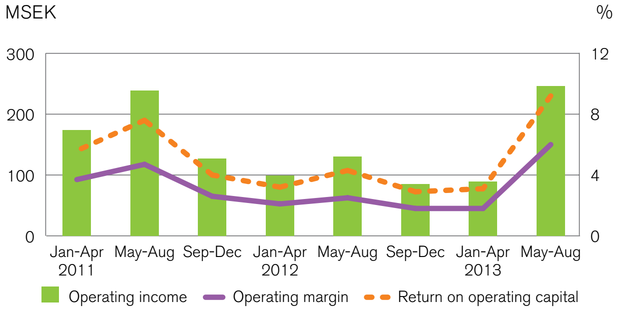
Synergies from Lantmännen Unibake's new, more efficient organization have started to be noticed.

Unibake's sales, adjusted for negative currency effects, increased during the second four-month period. The largest growth has been seen in Russia, with good sales growth also in Norway, Finland, Poland and the United States. Operations in the UK have improved significantly during the year, particularly in terms of production efficiency. The biggest challenges are found in Denmark and Germany – mainly in the form of tough price competition and generally reduced demand. To overcome these challenges, work is in progress to identify and leverage further synergies in the organization.

Lantmännen Doggy has improved its results in the second four-month period, mainly as a result of efficiency measures and a better sales mix. A restructuring of the organization, with a view to further improving cost efficiency, was initiated during the period.

On June 3, Lantmännen completed its initiative with the British investment company CapVest, when the new chicken company Scandinavian Standard was formed.

Food Sector *Adjusted for items affecting comparability*



Lantmännen Real Estate

Lantmännen Real Estate	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Change Jan-Aug
Net sales, MSEK	145	101	253	218	16 %
Operating income excluding sale of properties, MSEK	56	51	99	90	9
Operating income, MSEK	56	57	112	128	−16
Return on operating capital, adjusted for sale of properties, %	15.4	15.6	14.2	14.0	
Average number of employees			25	22	14 %

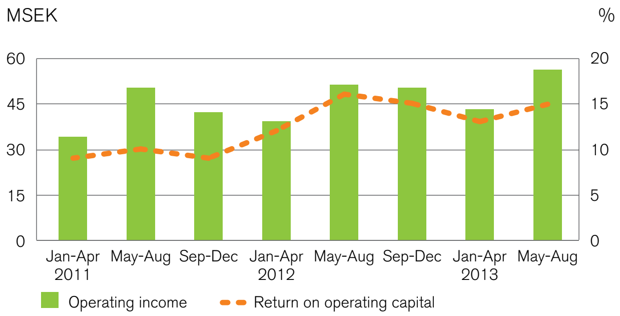
With effect from 2013, the results of Lantmännen's real estate activities are reported separately. The real estate activities were previously reported under "Other operations". Over the last few years, Lantmännen Real Estate has evolved from an internal service function into a commercial business with responsibility for its own results. Lantmännen Real Estate's work includes optimizing the use of premises in the Group's own industrial activities, as well as professional leasing and management for external clients. Another important part of the business is property development, which involves purchasing, refurbishing and selling property.

Lantmännen Real Estate's net sales have increased compared with the previous year, both for the second four-month period and the year to date. Operating income was MSEK 56 (57) for the second four-month period and MSEK 112 (128) for the first eight months. Both results are in line with the previous year. The decline is primarily due to the fact that a high capital gain on the sale of properties was reported in 2012.

In May, Lantmännen Real Estate and property development company Vasallen signed an agreement with TeliaSonera, through a jointly owned company, for the leasing of 7,200 square meters in the new office building due to be built in central Luleå. The agreement runs for 15 years and occupancy is scheduled for the end of 2015.

Lantmännen Maskin's and Swecon's facility in Örebro was opened in May. The facility has been renovated and rebuilt during a period of just over a year. Among other things, the store has been given a new profile and design, and the premises have become much brighter and more welcoming.

Lantmännen Real Estate *Adjusted for result from sale of properties*



Condensed consolidated income statement

MSEK	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Sep 2012-Aug 2013	2012 Jan-Dec
Net sales	**11,023**	**12,317**	**23,050**	**23,957**	**35,619**	**36,526**
Other operating income	534	51	620	169	874	423
Changes in inventories of finished goods and work in progress	546	775	135	605	−61	409
Capitalized work for own account	2	1	3	1	4	2
Raw materials and consumables	−4,593	−5,329	−9,324	−9,912	−14,373	−14,961
Agricultural commodities	−2,888	−3,491	−5,698	−6,144	−8,918	−9,364
Employee benefits expense	−1,603	−1,764	−3,368	−3,555	−5,135	−5,322
Other operating expenses	−1,964	−1,968	−3,951	−4,046	−5,845	−5,940
Share of income of associates	62	46	73	57	113	97
Depreciation, amortization and impairment	−523	−391	−926	−790	−1,321	−1,185
Operating income	**596**	**247**	**614**	**342**	**957**	**685**
Finance income	91	94	266	171	342	247
Finance costs	−118	−154	−240	−299	−370	−429
Income after financial items	**569**	**187**	**640**	**214**	**929**	**503**
Tax	−7	−20	−23	−7	−107	−91
Net income for the period after tax	**562**	**167**	**617**	**207**	**822**	**412**
Net income for the period attributable to:						
Members of the cooperative association	563	166	616	206	823	413
Non-controlling interests	−1	1	1	1	−1	−1

Condensed consolidated statement of comprehensive income

MSEK	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Sep 2012-Aug 2013	2012 Jan-Dec
Net income for the period after tax	**562**	**167**	**617**	**207**	**822**	**412**
Other comprehensive income						
Items that will not be reclassified to the income statement						
Actuarial gains and losses on defined benefit pension plans	231	-	253	-	81	−172
Tax on actuarial gains and losses	−51	-	−56	-	−10	46
Total	**180**	**0**	**197**	**0**	**71**	**−126**
Items that will be reclassified to the income statement						
Available-for-sale financial assets	43	3	10	29	22	41
Reclassification to the income statement on disposal of available-for-sale financial assets	−46	-	−122	-	−122	-
Cash flow hedges	65	14	119	−115	163	−71
Exchange differences on translation of foreign operations	31	−469	−12	−410	152	−246
Net gain on hedge of net investment in foreign operations	−42	235	−23	247	−108	162
Reclassification of translation differences on disposal of foreign operations	12	-	21	-	21	-
Tax attributable to items that will be reclassified	−4	−70	2	−38	10	−30
Total	**59**	**−287**	**−5**	**−287**	**138**	**−144**
Other comprehensive income for the period, net of tax	**239**	**−287**	**192**	**−287**	**209**	**−270**
Total comprehensive income for the period	**801**	**−120**	**809**	**−80**	**1,031**	**142**
Total comprehensive income for the period attributable to:						
Members of the cooperative association	802	−121	808	−81	1,032	143
Non-controlling interests	−1	1	1	1	−1	−1

Condensed consolidated four-monthly income statements

MSEK	2013 May-Aug	2013 Jan-Apr	2012 Sep-Dec	2012 May-Aug	2012 Jan-Apr
Net sales	**11,023**	**12,027**	**12,569**	**12,317**	**11,640**
Other operating income	534	86	254	51	118
Changes in inventories of finished goods and work in progress	546	−411	−196	775	−170
Capitalized work for own account	2	1	1	1	0
Raw materials and consumables	−4,593	−4,731	−5,049	−5,329	−4,583
Agricultural commodities	−2,888	−2,810	−3,220	−3,491	−2,653
Employee benefits expense	−1,603	−1,765	−1,767	−1,764	−1,791
Other operating expenses	−1,964	−1,987	−1,894	−1,968	−2,078
Share of income of associates	62	11	40	46	11
Depreciation, amortization and impairment	−523	−403	−395	−391	−399
Operating income	**596**	**18**	**343**	**247**	**95**
Finance income	91	175	76	94	77
Finance costs	−118	−122	−130	−154	−145
Income after financial items	**569**	**71**	**289**	**187**	**27**
Tax	−7	−16	−84	−20	13
Net income for the period after tax	**562**	**55**	**205**	**167**	**40**
Net income for the period attributable to:					
Members of the cooperative association	563	53	207	166	40
Non-controlling interests	−1	2	−2	1	0

The Group's significant items affecting comparability

MSEK	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	2012 Jan-Dec
Recognized operating income	**596**	**247**	**614**	**342**	**685**
Items affecting comparability in operating income:					
Capital gains on sale of operations	425	0	363		
Restructuring costs, Agriculture Sector	−33	0	−33		
Restructuring costs, Food Sector	−123	−60	−123	−60	−62
Restructuring costs, other	−119		−119		
Total items affecting comparability in operating income	150	−60	88	−60	−62
Operating income, adjusted for items affecting comparability	**446**	**307**	**526**	**402**	**747**
Recognized income after financial items	**569**	**187**	**640**	**214**	**503**
Items affecting comparability in operating income according to above	150	−60	88	−60	−62
Items affecting comparability in financial items:					
Capital gain on sale of investment shares	-	-	118	-	-
Total items affecting comparability in net financial income	-	-	118	-	-
Income after financial items adjusted for items affecting comparability	**419**	**247**	**434**	**274**	**565**
Return on equity, excluding items affecting comparability, %	7.5	5.8	5.1	3.5	4.2
Return on operating capital, excluding items affecting comparability, %	8.0	5.1	4.6	3.4	4.1

Condensed consolidated statement of financial position

MSEK	2013 Aug 31	2012 Aug 31	2012 Dec 31
ASSETS			
Property, plant & equipment	7,684	8,739	8,662
Investment property	262	197	266
Goodwill	2,564	2,506	2,554
Other intangible assets	770	718	875
Investments in associates	1,529	1,191	1,269
Financial assets	660	649	619
Deferred tax assets	77	340	217
Other non-current assets	43	22	46
Total non-current assets	**13,589**	**14,362**	**14,508**
Inventories	5,800	6,225	5,946
Trade and other receivables	5,300	5,913	5,454
Current interest-bearing assets	236	87	96
Current tax assets	75	18	11
Cash & cash equivalents	2,127	387	352
Total current assets	**13,538**	**12,630**	**11,859**
TOTAL ASSETS	**27,127**	**26,992**	**26,367**
EQUITY AND LIABILITIES			
Equity attributable to members of the cooperative association	11,673	10,796	10,899
Non-controlling interests	30	34	33
Total equity	**11,703**	**10,830**	**10,932**
Non-current interest-bearing liabilities [1]	4,757	4,414	5,002
Provisions for pensions	222	309	432
Deferred tax liabilities	151	148	125
Other non-current provisions	239	302	324
Other non-current liabilities	40	33	36
Total non-current liabilities	**5,409**	**5,206**	**5,919**
Current interest-bearing liabilities	2,918	3,558	3,036
Trade and other payables	6,815	7,030	6,222
Current tax liabilities	44	160	57
Current provisions	238	208	201
Total current liabilities	**10,015**	**10,956**	**9,516**
TOTAL EQUITY AND LIABILITIES	**27,127**	**26,992**	**26,367**
Equity ratio, %	43.1	40.1	41.5
[1] Including subordinated debentures, MSEK	56	56	56

Condensed consolidated statement of cash flow

MSEK	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	2012 Jan-Dec
Income after financial items	569	187	640	214	503
Adjustment for non-cash items [1)]	110	478	410	787	972
Taxes paid	–32	–17	–67	–83	–117
Cash flow from operating activities before change in working capital	**647**	**648**	**983**	**918**	**1,358**
Change in working capital	–454	–737	558	–505	–375
Cash flow from operating activities	**193**	**–89**	**1,541**	**413**	**983**
Acquisitions and divestments	1,304	0	1,310	0	0
Investments in non-current assets	–303	–490	–710	–776	–1,292
Sale of non-current assets	0	9	6	84	129
Change in financial investments	–281	–64	–150	–64	–42
Cash flow from investing activities	**720**	**–545**	**456**	**–756**	**–1,205**
Cash flow before financing activities	**913**	**–634**	**1,997**	**–343**	**–222**
Change in contributed capital	55	48	55	48	49
Dividend paid	–90	–78	–90	–78	–190
Change in loans	–10	615	–182	29	–16
Cash flow from financing activities	**–45**	**585**	**–217**	**–1**	**–157**
Cash flow for the period	**868**	**–49**	**1,780**	**–344**	**–379**
Cash and cash equivalents at beginning of period	1,261	444	352	739	739
Exchange differences	–2	–8	–5	–8	–8
Cash and cash equivalents at the end of the period	**2,127**	**387**	**2,127**	**387**	**352**
[1)] Depreciation and impairment of non-current assets	523	391	926	790	1,185
Less share of income in associates	–31	–27	–42	–38	–78
Capital gains on sale of non-current assets and operations	–434	–6	–379	–62	–81
Other non-cash items	52	120	–95	97	–54
	110	478	410	787	972

Condensed consolidated statement of changes in equity

	2013 Jan-Aug			2012 Jan-Aug			2012 Jan-Dec		
MSEK	Association members	Non-controlling interests	Total equity	Association members	Non-controlling interests	Total equity	Association members	Non-controlling interests	Total equity
Opening balance, January 1	10,899	33	10,932	10,906	36	10,942	10,906	36	10,942
Total comprehensive income for the period	808	1	809	−81	1	−80	143	−1	142
Distributions to owners	−89	−1	−90	−78	−2	−80	−198	−2	−200
Contributed capital paid in by members	104		104	99		99	99		99
Contributed capital paid out to members	−49		−49	−50		−50	−50		−50
Other changes relating to non-controlling interests		−3	−3		−1	−1	−1	0	−1
Closing balance	**11,673**	**30**	**11,703**	**10,796**	**34**	**10,830**	**10,899**	**33**	**10,932**
Equity attributable to members of the cooperative association									
Contributed capital, paid in	830			753			753		
Contributed capital, issued	1,074			1,016			1,016		
Other equity	9,769			9,027			9,130		
Total equity attributable to members of the cooperative association	11,673			10,796			10,899		

Segment information

(Comparative figures for 2012 are restated based on the new segment division, with Lantmännen Real Estate now reported as a separate segment)

Net sales per segment

MSEK	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Change %	Sep 2012-Aug 2013	2012 Jan-Dec
Agriculture Sector	3,062	3,105	7,012	6,831	3 %	11,051	10,870
Machinery Sector	3,309	3,374	5,801	5,926	–2 %	9,021	9,146
Energy Sector	1,147	1,212	2,593	2,327	11 %	3,881	3,615
Food Sector	4,090	5,132	8,885	9,918	–10 %	13,622	14,655
Lantmännen Real Estate	145	101	253	218	16 %	379	344
Other operations	140	64	282	157	80 %	481	356
Eliminations	–870	–671	–1,776	–1,420	25 %	–2,816	–2,460
Total	**11,023**	**12,317**	**23,050**	**23,957**	**–4 %**	**35,619**	**36,526**

Operating income per segment

MSEK	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	Sep 2012-Aug 2013	2012 Jan-Dec
Agriculture Sector	67	62	52	109	108	165
Machinery Sector	127	133	129	146	283	300
Energy Sector	–33	–27	–55	–98	22	–21
Food Sector	123	69	212	168	296	252
Lantmännen Real Estate [1]	56	57	112	128	182	198
Other operations	–51	–33	–103	–118	–215	–230
Group items	307	–14	267	7	281	21
Total	**596**	**247**	**614**	**342**	**957**	**685**
[1] Includes the following: Capital gain on the sale of properties	0	6	13	38	29	54

Operating margin per segment

%	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	2012 Jan-Dec
Agriculture Sector	2.2	2.0	0.7	1.6	1.5
Machinery Sector	3.8	3.9	2.2	2.5	3.3
Energy Sector	–2.9	–2.2	–2.1	–4.2	–0.6
Food Sector	3.0	1.3	2.4	1.7	1.7
Total	**5.4**	**2.0**	**2.7**	**1.4**	**1.9**

Return on operating capital per segment

%	2013 May-Aug	2012 May-Aug	2013 Jan-Aug	2012 Jan-Aug	2012 Jan-Dec
Agriculture Sector	5.7	5.5	2.0	4.6	4.3
Machinery Sector	17.4	16.3	8.8	9.7	12.9
Energy Sector	–4.7	–3.7	–3.9	–6.6	–0.9
Food Sector	4.6	2.3	3.8	2.7	2.8
Lantmännen Real Estate [1]	15.4	15.6	14.2	14.0	14.9
Total	**10.7**	**4.1**	**5.4**	**2.9**	**3.8**

[1] Adjusted for sale of properties.

Parent Company

The activities of the Parent Company Lantmännen ek för consist of Lantmännen's core operations in the Agriculture Sector, Lantmännen's lubricating oil operations and the corporate functions. Net sales amounted to MSEK 7,086 (6,711) and operating income was MSEK –2 (20).

Income after financial items totaled MSEK 1,209 (851).

Net financial income includes capital gains of MSEK 962 on the sale of shares in Kronfågel Group and MSEK 143 (4) on the sale of investment shares, and dividends of MSEK 37 (545). The difference between income from the sale of Kronfågel Group in the parent company accounts and the consolidated accounts reflects the results of Kronfågel's contribution to the Lantmännen Group during the period of ownership. Net financial income also includes an exchange loss of MSEK 9 (+193). The exchange loss relates primarily to hedging of investments in foreign subsidiaries, which are recognized directly in the Group's equity via other comprehensive income.

Net investments in non-current assets for the first eight months amounted to MSEK 110 (78).

The equity ratio at August 31 was 42.3 percent (42.5 percent at year-end).

The average number of employees in the parent company at the end August was 1,249 (1,197). The increase is due to a transfer of personnel from SW Seed AB on April 1, 2012.

Parent Company Condensed income statement

MSEK	2013 Jan-Aug	2012 Jan-Aug
Net sales, external	5,543	5,394
Net sales, intra-Group	1,543	1,317
Net sales, total	**7,086**	**6,711**
Less excise duties	–5	–6
Change in products in progress, finished goods and work in progress for third parties	–60	47
Capitalized work for own account	3	1
Other operating income	142	215
	7,166	**6,968**
Operating expenses		
Raw materials and consumables	–4,299	–3,909
Agricultural commodities	–1,283	–1,457
Other external costs	–890	–925
Employee benefits expense	–602	–554
Depreciation, amortization and impairment	–94	–103
Total operating expenses	**–7,168**	**–6,948**
Operating income	**–2**	**20**
Income from financial items	1,211	831
Income after financial items	**1,209**	**851**
Refund and final price adjustment		
Year-end appropriations		
Group contributions		
Tax	58	–67
Net income for the period	**1,267**	**784**

Parent Company
Condensed statement of financial position

MSEK	2013 Aug 31	2012 Aug 31
ASSETS		
Intangible assets	244	190
Property, plant & equipment	841	886
Interests in Group companies	5,845	7,092
Investments in associates	1,064	825
Non-current receivables from Group companies	727	125
Other securities held as non-current assets	579	292
Other non-current receivables	110	143
Total non-current assets	**9,410**	**9,553**
Inventories	2,362	2,407
Current receivables from Group companies	11,899	10,313
Other current receivables	2,522	2,671
Current investments incl. cash & bank	1,962	0
Total current assets	**18,745**	**15,391**
TOTAL ASSETS	**28,155**	**24,944**
EQUITY AND LIABILITIES		
Equity	11,673	10,380
Untaxed reserves	311	311
Provisions	172	176
Non-current liabilities	4,555	3,945
Current liabilities to Group companies	6,681	4,472
Other current liabilities	4,763	5,660
TOTAL EQUITY AND LIABILITIES	**28,155**	**24,944**
Equity ratio, %	42.3	42.5

Notes

Accounting policies

Lantmännen applies International Financial Reporting Standards (IFRS), as adopted by the EU. For the Group, this interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The accounting policies applied for the interim report correspond with those applied in preparing the 2012 Annual Report.

One new standard and amendments to two standards that affect Lantmännen's accounting are effective from January 1, 2013.

The new standard IFRS 13 Fair Value Measurement does not involve any changes to measurement principles, but requires enhanced disclosures for fair value measurement of financial instruments in interim financial reports.

The amendments to IFRS 7 Financial Instruments: Disclosures involve enhanced disclosure requirements. This includes disclosures of financial assets and liabilities that have been offset in the statement of financial position, and financial assets and liabilities that are subject to a netting agreement even if no offsetting has taken place. In 2013, this information must also be provided in interim reports.

Amendments to IAS 19 Employee Benefits have the following effects on Lantmännen:

- after adapting the pension liability to IAS 19, payroll tax is now included in the pension liability, having previously been reported under other provisions.
- interest expense is calculated on the net liability, i.e., the difference between the pension obligation and the plan assets. The return on plan assets in excess of the discount rate is recognized in other comprehensive income. The entire return was previously reported as financial income.

From 2013, Lantmännen publishes interim reports every four months. Previously unpublished values for the previous year's four-month periods have been prepared and are included in the report.

Lantmännen's property operations are reported as a separate segment from 2013. Comparative figures for 2012 have been restated based on the new segment division.

Financial assets and liabilities measured at fair value

MSEK, August 31, 2013	Total carrying amount	Fair value
Assets		
Other shares and interests	139	139
Financial investments	521	521
Trade and other receivables	4,468	4,468
Interest-bearing receivables	236	236
Cash and bank balances	2,127	2,127
Total financial assets	**7,491**	**7,491**
Liabilities		
Interest-bearing liabilities	4,757	4,740
Other non-current liabilities	12	12
Interest-bearing liabilities	2,918	2,918
Trade and other payables	4,172	4,173
Total financial liabilities	**11,859**	**11,843**

Financial assets and liabilities measured at fair value with fair value measurement levels.

MSEK, August 31, 2013	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	97	15	-	112
Other financial assets measured at fair value	93	-	103	196
Total assets	**190**	**15**	**103**	**308**
Liabilities				
Derivatives with negative fair value	45	14	-	59
Other financial liabilities measured at fair value	-	-	-	-
Total liabilities	**45**	**14**	**-**	**59**

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices included in level 1 that are observable for the asset or liability, i.e. quoted prices or data derived therefrom.

Level 3: Unobservable inputs for measurement of the asset or liability.

There has not been any movement between levels compared with 2012.

Offsetting of financial assets and liabilities

MSEK, August 31, 2013	Gross amount for financial assets	Gross amount for financial liabilities offset against financial assets	Net amount in balance sheet	Related amount not offset in balance sheet – financial instruments	Net amount
Derivatives [1]	138	-26	112	–6	106
Cash and cash equivalents [2]	386	-22	364	-	364
Total	**523**	**-48**	**476**	**–6**	**469**

MSEK	Gross amount for financial assets	Gross amount for financial liabilities offset against financial assets	Net amount in balance sheet	Related amount not offset in balance sheet – financial instruments	Net amount
Derivatives [3]	84	–26	59	–6	53
Current interest-bearing liabilities [4]	22	–22	0	-	0
Total	**106**	**–48**	**59**	**–6**	**53**

[1] Included in the balance sheet under Financial assets MSEK 660, Trade and other receivables MSEK 5,300 and Current interest-bearing assets MSEK 236.

[2] Included in the balance sheet under Cash and cash equivalents MSEK 2,127.

[3] Included in the balance sheet under Non-current interest-bearing liabilities MSEK 4,757, Other non-current liabilities MSEK 40 and Current interest-bearing liabilities MSEK 2,918.

[4] Included in the balance sheet under Current interest-bearing liabilities MSEK 2,918.

Trading in derivatives is subject to the ISDA (International Swaps and Derivatives Association) agreement, which stipulates the netting of liabilities and receivables. This can be done in the course of operations and in situations such as breaches of contract or early termination.

There is some opportunity for offsetting trade receivables and payables in respect of members. This opportunity has not been exercised, and potential set-off amounts have not been recognized as the amounts involved are not significant.

On assignment for the Board of Directors

Stockholm, October 1, 2013

Per Olof Nyman
President & CEO
Lantmännen

Auditor's Review Report

To the Board of Directors and CEO of Lantmännen ek för

Introduction

We have reviewed the interim financial statements for Lantmännen ek för for the four months and eight months ended August 31, 2013. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report in a conclusion, based on our review.

Scope of the review

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

Other information

During the year, Lantmännen ek för made the transition to issuing interim reports on a four-monthly rather than a three-monthly basis as previously. Consequently, the comparative figures for the period presented have not been reviewed by us. Our review report for the period in the comparison year related to the third quarter, when we submitted a report that derogated from the standard format and related to uncertainties associated with the financial statements for Unibake's operations in the UK.

Conclusion

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

Stockholm, October 1, 2013

Ernst & Young AB

Lars Träff
Authorized Public Accountant

Torvald Carlsson

Gustav Jansson

Anders Åbyhammar

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Good food from Lantmännen

The green sprout emblem on our packaging guarantees responsibly produced food. Food that we make an effort to provide in a sustainable manner, from field to fork.

Read more about good food on www.lantmannen.se/en

Lantmännen