



Lantmännen's Interim Report

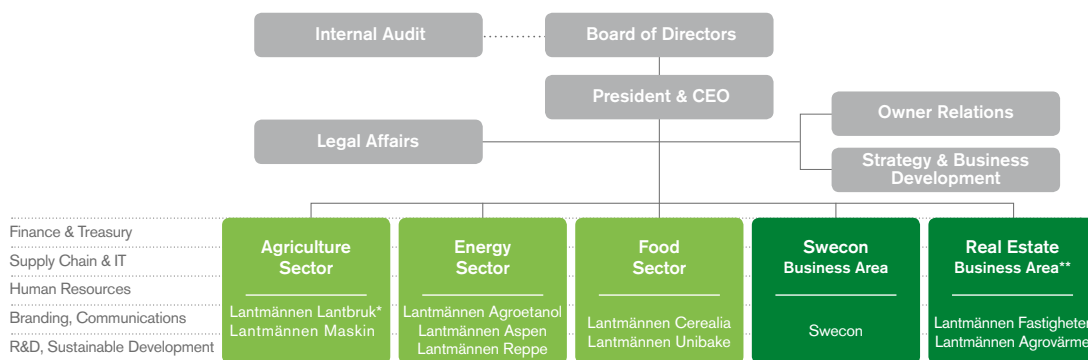
January - August 2018



Lantmännen is an agricultural cooperative and Northern Europe’s leader in agriculture, machinery, bioenergy and food products. Owned by 25,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 40 billion. With grain as our basis, we create value from farmland resources to make farming thrive. Some of our best-known food brands are AXA, Bonjour, Kungsörnen, GoGreen, GooH, FINN CRISP, Korvbrödsbagarn and Hatting.

Our company is founded on knowledge and values built up through generations of owners. Having research, development and operations throughout the value chain means that we can take responsibility together – from field to fork.

Lantmännen’s structure from January 2018



* Lantmännen Lantbruk Sweden and international operations, including Lantmännen Agro Oy.

** Real Estate Business Area consist of Lantmännen Real Estate (Lantmännen Fastigheter) and Lantmännen District Heating (Lantmännen Agrovärme).

Financial reporting and publication orders

Year-end report 2018 • February 6, 2019
 Interim 1st four months 2019 • May 29, 2019

All reports can be downloaded from www.lantmannen.com/en/financialinformation
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President's overview

Lantmännen's income after net financial items for the first eight months, adjusted for items affecting comparability, is MSEK 1,058, compared with MSEK 1,112 for the same period the previous year.

Lantmännen as a whole continues to perform well, but the second four-month period of the year has obviously been dominated by the dry, hot summer, which has had a major impact both on our operations and on our owners' farms. Comprehensive measures have been taken to deal with the extreme weather situation, and Lantmännen has, among other things, adopted an action package to support members. It is difficult to take full stock of the drought's consequences at this stage, but they will affect Lantmännen's operations and those of our owners for a long time.

How our Sectors and Business Areas performed

The Agriculture Sector shows lower earnings than in the previous year, which is entirely due to the year's reduced harvests. The effects of the drought and heat place great demands on the Sector's ability to implement various measures to support members and supply grain to our industrial businesses. Demand for feed and grass seed has been very high during summer, and intensive efforts are in progress to offer the right advice and products in a difficult situation for Sweden's farmers. The prolonged drought also affects Lantmännen Maskin, with lower ability for farmers to invest.

The Energy Sector's operating income is lower than in the previous year, mainly due to a lower price of ethanol compared with 2017. The drought and heat have also had a negative effect on alkylate petrol sales. Despite this, Aspen's operating income is higher than in the previous year, thanks to good earnings in the acquired company Marline. In August, it was announced that Lantmännen Reppe intends to discontinue production of glucose syrup in Växjö due to a lack of profitability – negotiations on the closure of the operations are currently in progress.

In the Food Sector, Lantmännen Cerealia follows the same trend as in the first four-month period, with higher earnings than in the previous year, largely due to continuing improvement work and implemented cost reductions. Lantmännen Unibake continues its stable development, with earnings in line with the previous year.

The Swecon Business Area is developing positively, with higher earnings than in the previous year. The market situation is generally good in Swecon's markets: sales in Sweden are in line with the previous year's record level, and Swecon



has gained market shares in the growing German market. The increasing machinery populations are also driving higher demand for servicing and spare parts.

The Real Estate Business Area is developing according to plan with an operating income excluding property sales that is in line with the previous year.

Challenges in the short term – opportunities in the longer term

The dry, hot summer and the subsequent low grain harvest present challenges for both Lantmännen and our owners. To make things easier for members in the immediate future, Lantmännen has introduced an action package of approximately MSEK 220 in total. MSEK 146 of the package consists of an additional refund and supplementary payment, which was paid out at the end of September. This means that Lantmännen has distributed over MSEK 700 in total during 2018. Lantmännen has also introduced reliefs and fee waivers in our grain agreements and cut the interest rate on our financing service by 1.5 percent until March 31, 2019 – and we are continuously assisting with advice and feed contacts.

Many farmers are currently in a difficult situation, but there are glimmers of light that are worth highlighting. One of the major strengths of our cooperative is that Lantmännen can act to support members at short notice – notably through the measures described above. Our balanced business portfolio also means that we can compensate for temporary setbacks in certain areas with good results in other businesses. It provides an earnings stability that is important for owners, customers, partners and employees alike and enables us to continue our development as the best business partner to Swedish farmers in a longer perspective.

I am proud to be part of Lantmännen and I firmly believe that we can address the challenges we face and then shift the focus back to our ambitious plan for profitable growth. Together we take responsibility from field to fork – so that together we make farming thrive.

A handwritten signature in black ink, reading "Per Olof Nyman".

Per Olof Nyman
President & CEO, Lantmännen

The period in brief January-August 2018

Net sales for the second four-month period amounted to MSEK 15,432 (13,560). Net sales for the first eight months were MSEK 29,176 (25,758).

Operating income for the second four-month period was MSEK 806 (804). Operating income for the first eight months amounted to MSEK 1,164 (1,205).

Cash flow from operating activities for the first eight months was MSEK 1,037 (1,031). Investments in non-current assets totaled MSEK 1,202 (1,722). Cash flow before financing activities was MSEK 88 (-751). Cash flow for the period was MSEK 785 (-746).

At **Lantmännen's Annual General Meeting** in May, Kerstin Arnemo and Sonat Burman-Olsson were elected as new Board members to succeed Thomas Magnusson and Pauline Lindwall. Board members Ove Gustafsson and Ulf Gundemark were re-elected at the meeting. The meeting adopted a contribution dividend and contribution issue which with the refund and supplementary payment represents a dividend of MSEK 566 to members. At the statutory Board meeting, Per Lindahl was elected Chairman and Hans Wallemyr Vice Chairman.

In August, to ease the negative effects of the drought, Lantmännen presented an **action package for members**, with a total value of MSEK 220, including a distribution of up to MSEK 150 in the form of an additional refund and supplementary payment, which was adopted at an Extraordinary General Meeting on September 1. The final dividend amounted to MSEK 146 and has already been paid out.



Lantmännen's key figures	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	2017 Jan-Dec
Net sales, MSEK	15,432	13,560	29,176	25,758	39,686
Operating income, MSEK	806	804	1,164	1,205	1,677
Operating margin, %	5.2	5.9	4.0	4.7	4.2
Income after financial items, MSEK	765	758	1,058	1,112	1,521
Net income for the period, MSEK	664	601	910	915	1,305
Cash flow before financing activities, MSEK	140	-986	88	-751	-703
Return on equity, %	12.7	12.5	8.8	9.7	9.0
Return on operating capital, %	10.1	11.2	7.4	8.6	7.8
Total assets, MSEK			38,785	33,990	34,540
Equity ratio, %			41.6	43.0	43.3
Investments in non-current assets, MSEK	541	860	1,202	1,722	2,593
Net debt, MSEK			7,944	6,812	7,274
Interest coverage ratio, times			7.5	6.8	6.3
Average number of employees			9,929	9,907	9,850
Adjusted for items affecting comparability					
Operating income, MSEK	806	804	1,164	1,205	1,708
Operating margin, %	5.2	5.9	4.0	4.7	4.3
Income after financial items, MSEK	765	758	1,058	1,112	1,552
Net income for the period, MSEK	664	625	910	939	1,353
Return on equity, %	12.7	13.0	8.8	9.9	9.4
Return on operating capital, %	10.1	11.2	7.4	8.6	7.9

Business environment and market

The global economy is showing increasing regional disparities. GDP growth in several developed economies has slowed down, and the emerging markets are showing different levels of strong figures. The latest forecasts point to the global economy reaching its peak during 2018. In the EU area, the ongoing Brexit negotiations continue to cause great uncertainty, and many analysts expect a vague deal as the final result.

The US-China trade dispute, which has escalated in recent months, also affects the rest of the world. Emerging countries are being affected by factors that include a slowdown in the Chinese economy, a stronger dollar and general uncertainty. The effect on the Nordic countries has been more limited so far, but if the trade dispute escalates to EU level, then European exports are expected to slow down, while more expensive imports would lead to higher inflation.

Sweden's economy remains strong, with rising employment and good growth. Household consumption is showing stable development and housing prices have stabilized in recent months. However, the decline in construction is likely to have a negative impact on GDP growth at least during next year. At its last meeting, the Riksbank's Executive Board decided to leave the repo rate at -0.5 percent and signaled that the first interest rate increase will come in December 2018 or February 2019. Economic observers do not expect the repo rate to reach 0.5 percent until early 2020.

The general election in Sweden this fall has led to a parliamentary situation that remains difficult, and it is still unclear how the government will be formed at the time of writing. As there is a high likelihood of a relatively weak government and limited scope for reform, the election is not expected to have any major effects on the financial market or the overall Swedish economy in the short term.

The global grain harvest is lower than the average and particularly in Northern Europe, harvests are significantly smaller than in recent years. The latest Swedish harvest forecasts indicate a total harvest between 3.7 and 4.2 million tonnes – which is equivalent to a decline of about one-third

from 2017. Global grain prices have risen as a result of the summer weather, but many effects of the drought and heatwave are not yet visible in the statistics, which means that the data is uncertain.

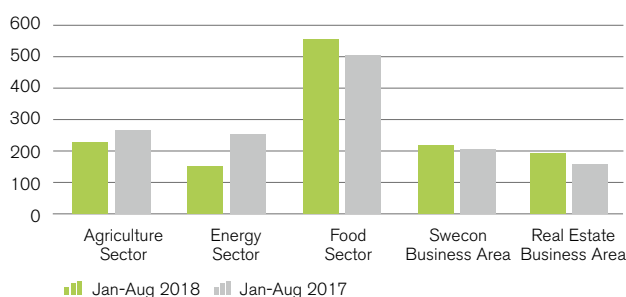
The weather has also resulted in a shortage of feed, which has led to a rise in the price of roughage and long slaughter queues for cattle. There is great uncertainty about how the feed shortage and the increased pressure on the slaughter industry will affect developments and the situation for Swedish farmers. In the light of this summer's drought, Swedish food supply has become an increasingly prominent issue and several authorities are working to strengthen supply capacity.

According to Statistics Sweden, the sales volume for Swedish fast-moving consumer goods increased by 1.8 percent over the last 12 months. Sales increased by 4 percent during the same period. DLF forecasts that online B2C food purchases will grow to 1.9 percent of total sales in 2018, corresponding to SEK 5.7 billion. According to DLF, the restaurant sector is growing faster than the food retail sector; sales measured at current prices have grown by 4.2 percent since the same period last year.

Health, sustainability and origin continue to be strong consumer trends in the Nordic food industry. Demand for climate-friendly products is high, but many consumers feel unsure about what products to choose in order to make the biggest difference to the climate. Choosing products made with Swedish raw materials is a growing trend, and demand for organic goods remains high. Consumers are increasingly demanding alternative proteins, i.e., non-meat proteins.

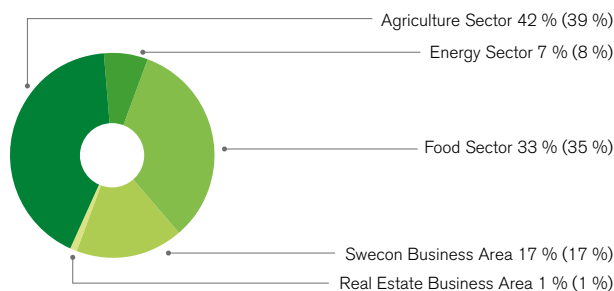
Operating income per segment, accumulated Jan-Aug

Adjusted for items affecting comparability, MSEK



Distribution of Group's sales

Including Intra-Group sales



Comments on the interim period

The Group's net sales and earnings January-August 2018

Net sales

Lantmännen's net sales for the second four-month period amounted to MSEK 15,432 (13,560), an increase of 14 percent. Net sales for the first eight months were MSEK 29,176 (25,758), an increase of 13 percent. Organic growth, sales adjusted for acquired and divested operations and currency effects, increased by 6 percent for the second four-month period and 4 percent for the first eight months. Sales increased in all segments in the second four-month period, and in all segments apart from the Energy Sector in the first eight months.

Operating income

Operating income for the second four-month period was MSEK 806 (804). Operating income for 2018 has not been affected by items affecting comparability. During the same period in 2017, the segments' operating income included net items affecting comparability, but in total these amounted to 0. The Food Sector's net items affecting comparability amounted to MSEK 62, consisting of the final insurance payment of MSEK 96 for the bakery that burnt down in Belgium and a provision of MSEK 34 for restructuring programs in Lantmännen Cerealia. In 2017, a provision of MSEK 140 was recognized in the Energy Sector in connection with the European Commission's investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law. Property operations were affected by a capital gain of MSEK 78.

Accumulated operating income amounted to MSEK 1,164 (1,205). Operating income adjusted for items affecting comparability was lower in the Agriculture and Energy Sectors but higher in other segments. The Agriculture Sector's operating income was affected by the drought, but the decline in earnings was offset a little by an earlier harvest than in the previous year. The Energy Sector's operating income was negatively affected by lower ethanol prices in 2018. The Food Sector's operating income adjusted for items affecting comparability increased, partly due to a gain on the sale of the associate Struer Bröd.

After adjustment for acquired and divested operations, operating income was 5 percent lower for the second four-month period and 10 percent lower for the first eight months. Currency translation effects had a positive impact of MSEK 23 on operating income for the second four-month period and MSEK 20 for the first eight months.

Net financial income and income after financial items
Net financial income for the second four-month period was MSEK -41 (-46). Income after financial items was MSEK 765 (758).

Net financial income for the first eight months was MSEK -106 (-93). The change is due to negative currency effects but is partly offset by improved net interest income. Income after financial items for the first eight-months was MSEK 1,058 (1,112).

Tax and income after tax

Tax expense for the first eight months was MSEK 148 (197). Tax is calculated using the estimated tax rate for the full year. Income after tax amounted to MSEK 910 (915), of which MSEK 904 (910) was attributable to members of the economic association and MSEK 6 (5) to non-controlling interests (minority ownership) in the Group's subsidiaries.

Cash flow

Cash flow from operating activities for the first eight months was MSEK 1,037 (1,031). The operating surplus contributed MSEK 1,696 (1,783) and cash flow from working capital had an effect of MSEK -659 (-752).

Investments in non-current assets were MSEK -1,202 (-1,722) and sales of non-current assets amounted to MSEK 121 (264), which meant that net investments for the period were MSEK -1,081 (-1,458). The investments include Lantmännen Unibake's bakery in Poland and the Agriculture Sector's acquisition of agricultural land for plant breeding purposes in Svalöv, Skåne. Cash flow before financing activities was MSEK 88 (-751). The change in interest-bearing liabilities was MSEK 1,068 (349). During the period, new loans were taken out in EUR and USD, corresponding to SEK 1.5 billion, while short-term loans were repaid.

Total cash flow including financing activities was MSEK 785 (-746).

Financial position

Equity at August 31 amounted to MSEK 16,116 (14,948, year-end). This includes MSEK 93 (89, year-end) attributable to owners other than members of the economic association, i.e. the minority interest in Group companies.

Since year-end, net debt has increased by MSEK 670 to MSEK 7,944 (7,274, year-end). Cash and cash equivalents at the end of the period were MSEK 1,733 (927, year-end) and total assets were MSEK 38,785 (34,540, year-end). The increase in total assets is mainly due to new borrowings and to currency translation effects related to foreign operations.

The equity ratio was 41.6 percent (43.3, year-end).

Risks and uncertainties

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

Changes in the Group

In January, a majority shareholding in the company Thermo-Seed Global was acquired. The acquisition ensures continuing investment in environmentally-friendly seed treatment, both in Sweden and internationally.

Human resources

The average number of employees was 9,929 (9,907) and the number of full-time employees was 10,136 (10,101) at August 31, 2018.

Other significant events during the four-month period

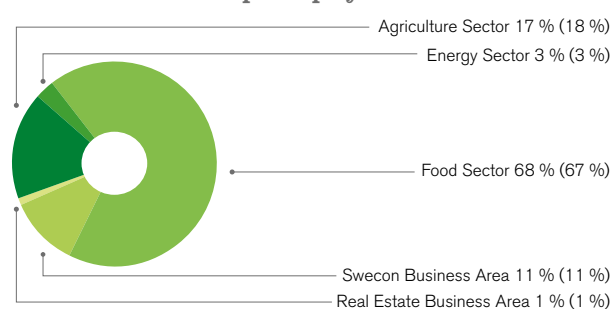
In May, an agreement was signed for the acquisition of the Finnish company Raisio's cattle feed business. The business reported sales of EUR 74 million in 2017 and has a market share of about 35 percent in the Finnish cattle feed market. About 70 employees in Finland are covered by the acquisition. The transaction, to be approved by the relevant competition authorities, is expected to be completed in the third four-month period of 2018.

In August, to ease the negative economic effects of the drought, Lantmännen presented an action package for members, with a total value of approximately MSEK 220. The main components of the package are as follows:

- Distribution of up to MSEK 150 in the form of an additional refund and supplementary payment of 2 percent based on members' trading with Lantmännen Lantbruk Sweden in the first eight months of the year.
- Extra discount and supplement of 2 percent based on members' trading with Lantmännen Lantbruk Sweden in the last four months of 2018.
- 1.5 percent reduction in the interest rate on Lantmännen's financing service in the period September 1, 2018 to March 31, 2019.
- Waiving of the SEK 0.10 per kilo charged on redemption of grain contracts.

In August, it was announced that Lantmännen Agroetanol was engaged in a settlement process with the European Commission in the ethanol investigation.

Distribution of Group's employees



Since August 2018, Lantmännen ek för has entered into a new loan agreement, a Revolving Credit Facility (RCF), which replaced the previous agreement. The new agreement, which has more favorable terms than the old agreement, is valid until 2023.

Lantmännen has traditionally participated in the Borgeby and Brunnby agricultural fairs.

Lantmännen took part in Almedalen week in Visby, Gotland. Several representatives from Lantmännen were in attendance and participated in a large number of seminars and events. In addition, Lantmännen joined Preem in organizing a seminar on the importance of domestic production of sustainable biofuels.

Lantmännen participated in the NOPA (Natural & Organic Products Asia) trade expo in Hong Kong in August, for the purpose of creating growth in the export business, with a particular focus on China. Lantmännen exhibited organic agricultural and food products on the "Try Swedish" stand at the expo.

Lantmännen's Annual General Meeting

At Lantmännen's AGM in May, Kerstin Arnemo and Sonat Burman-Olsson were elected as new Board members to succeed Thomas Magnusson and Pauline Lindwall. Board members Ove Gustafsson and Ulf Gundemark were re-elected at the meeting. Other members of the Board are Per Lindahl, Hans Wallemyr, Gunilla Aschan, Henrik Wahlberg and Johan Mattsson. The meeting adopted a contribution dividend and contribution issue which with the refund and supplementary payment represents a dividend of MSEK 566 to members. At the statutory Board meeting, Per Lindahl was re-elected Chairman and Hans Wallemyr Vice Chairman.

Events after the end of the period

A per capsulam Extraordinary General Meeting on September 1, 2018 adopted the Board's proposal for a distribution of up to MSEK 150 in the form of a refund and supplementary payment, calculated according to the same model as the ordinary refund and supplementary payment for the first eight months. The decision is part of Lantmännen's action package. The final dividend amounted to MSEK 146 and has already been paid out.

Lantmännen and Felleskjøpet Agri have initiated a collaboration to develop digital agricultural services. At the same time, Felleskjøpet Agri becomes an owner of the Lantmännen subsidiary Dataväxt, which provides digital services for Swedish farmers. Lantmännen will continue to be the majority owner of Dataväxt.



Agriculture Sector

Key figures Agriculture Sector

	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change
Net sales, MSEK	6,717	5,667	13,059	10,554	24 %
Operating income, MSEK	159	202	226	266	-40
Operating margin, %	2.4	3.6	1.7	2.5	
Return on operating capital, %	7.6	11.3	5.5	7.7	
Average number of employees			1,680	1,684	0 %

The Agriculture Sector's net sales for the first eight months are higher than the previous year and the Sector's operating income is MSEK 226, compared with MSEK 266 for the same period the previous year. Sales and earnings have been positively affected by the acquisition of Lantmännen Agro in Finland, which was completed in June last year. The lower operating income is entirely due to the year's low grain harvest.

The second four-month period has been strongly affected by the consequences of this summer's drought and heat-wave. The reduced harvest places great demands on, among other things, the Sector's ability to provide the industrial businesses with grain, and concrete action to ease the effects

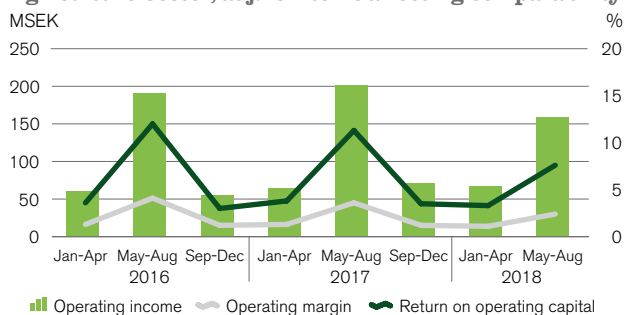
of the drought. Demand for feed has been very high during summer due to the drought and shortage of roughage on farms. Intensive efforts are in progress to provide suitable feed solutions. In the last few months, demand for grass seed has also been very high for the same reason.

Lantmännen Agro's operations in Finland continue to develop well. All facilities were updated in the first four-month period, in line with Lantmännen's brand profile, and in June the new head office was opened in Vantaa near Helsinki Airport. Work is currently in progress to implement the same ERP system used in the Agriculture Sector's Swedish operations.

In May, Lantmännen announced the forthcoming acquisition of Raisio's cattle feed business in Finland, and Lantmännen has been in dialogue with the Finnish competition authority during the second four-month period prior to completion of the transaction.

The Sector's international interest holdings in Germany, Poland and the Baltic region have been affected by the same extreme weather as in the Nordic countries. However, the businesses' reported earnings have not yet shown any significant differences from the previous year.

Agriculture Sector, adj. for items affecting comparability





Key figures, Lantmännen Lantbruk Sweden	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change
Net sales, MSEK	3,942	3,609	7,870	7,431	6 %
Operating income, MSEK	71	126	147	223	-76
Operating margin, %	1.8	3.5	1.9	3.0	
Return on operating capital, %	6.7	15.1	7.1	13.4	
Average number of employees			759	797	-5 %

Key figures, Lantmännen Maskin Sweden	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change
Net sales, MSEK	1,429	1,357	2,653	2,382	11 %
Operating income, MSEK	18	39	3	7	-4
Operating margin, %	1.3	2.9	0.1	0.3	
Return on operating capital, %	5.0	11.8	0.4	1.1	
Average number of employees			828	836	-1 %

The dry, hot summer also affects Lantmännen Maskin, with lower ability for farmers to invest. The order intake for combines was lower in the second four-month period than in the same period the previous year – and the lower overall machinery sales may bring more price pressure in the market. However, the total order intake for the first eight months is higher than in the previous year, due to the fact that Massey Ferguson's import operations are included for the full year in 2018, but from April onwards in 2017. Demand for spare parts and servicing remains good.

Initiatives to promote digitalization in farming continue. The LM² web portal now includes a "price display" service, which indicates what Lantmännen pays for grain raw materials. LM² Finance, a new financial service in the portal, was launched in June; in addition to what was previously available in the Cash service, new features include login with BankID, enhanced history and a higher level of self-service – e.g., for invoices and bank statements.



Energy Sector

Key figures, Energy Sector

	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change
Net sales, MSEK	1,146	1,000	2,076	2,094	-1 %
Operating income, MSEK	114	-32	152	112	40
Operating margin, %	9.9	-3.2	7.3	5.3	
Return on operating capital, %	29.1	-12.1	19.9	21.9	
Operating income, adj. for items affecting comparability, MSEK	114	108	152	252	-100
Operating margin, adj. for items affecting comparability, %	9.9	10.8	7.3	12.0	
Return on operating capital, adj. for items affecting comparability, %	29.1	41.2	19.9	49.2	
Average number of employees			283	256	11 %

The Sector's net sales are in line with the same period the previous year, and operating income adjusted for items affecting comparability is MSEK 152 – a decline from MSEK 252 the previous year. Net sales and earnings were positively affected by Lantmännen Aspen's acquisition of the French alkylate petrol producer Marline, which was completed at the end of 2017.

Lantmännen Agroetanol's operating income for the first eight months is lower than in the previous year, mainly due to the low price of ethanol during the first four months of the year. Ethanol prices rose again slightly towards the end of the second four-month period. With the relatively low global grain harvest – and therefore rising grain prices – there is still uncertainty

about how profitability will be affected in the coming months. Production during the year was affected by planned dryer replacements: two out of four dryers have now been replaced.

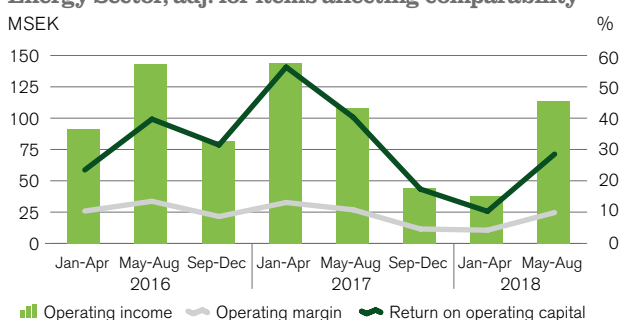
Lantmännen Aspen shows higher operating income than in the previous year, largely due to the contribution from the acquisition of Marline in France and a favorable currency effect due to the weak Swedish krona. The dry, hot summer in Northern Europe has meant generally lower alkylate petrol sales.

Lantmännen Reppe's operating income is in line with the previous year, and the company has continued to work on developing new products and increasing production efficiency. In August, it was announced that, due to insufficient profitability, Reppe intends to discontinue production of glucose syrup in Växjö, and will focus on the production of gluten, spirits, starch and feedstuffs in Lidköping. Negotiations on the closure are in progress and the decision has not affected the Sector's results so far.

The jointly owned pellet company Scandbio shows a slightly higher operating income than in the previous year, mainly due to the cold start to the year.

Alarik Sandrup, Lantmännen's Director of Public and Regulatory Affairs, has been elected Vice-President of ePure, the European renewable ethanol association, representing 34 member companies and 85 percent of European ethanol production.

Energy Sector, adj. for items affecting comparability





Food Sector

Key figures, Food Sector	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change
Net sales, MSEK	5,318	4,986	10,118	9,515	6 %
Operating income, MSEK	399	412	556	566	-10
Operating margin, %	7.5	8.3	5.5	5.9	
Return on operating capital, %	8.0	9.0	5.6	6.3	
Operating income, adj. for items affecting comparability, MSEK	399	350	556	504	52
Operating margin, adj. for items affecting comparability, %	7.5	7.0	5.5	5.3	
Return on operating capital, adj. for items affecting comparability, %	8.0	7.7	5.6	5.6	
Average number of employees			6,575	6,560	0 %

The Food Sector's net sales are higher than in the previous year. Operating income adjusted for items affecting comparability amounts to MSEK 556, compared with MSEK 504 in the previous year. Both sales and earnings have been positively affected by currency translation effects, primarily in Lantmännen Unibake.

Lantmännen Cerealia's trend from the first four-month period continues, with the company showing higher earnings than in the previous year, largely due to continuing improvement work and implemented cost reductions. Despite continued intense competition in much of the market, Cerealia

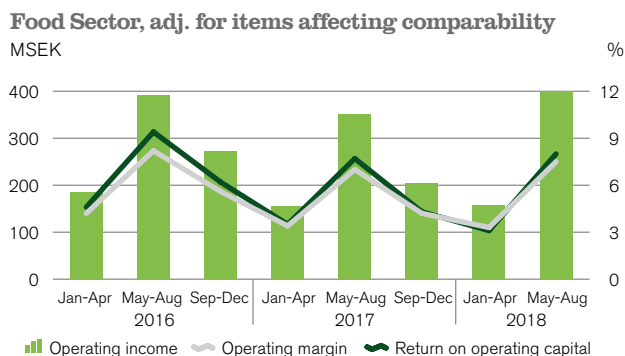
has also increased its market shares in Sweden in the large Breakfast and Baking categories.

The Russian crispbread producer Orient Products, acquired by Cerealia in September 2017, is developing according to plan and has had a positive effect on the Sector's earnings compared with the previous year.

In June, Cerealia took over the mix and packing business of the food company Ceres in Bjuv, which was declared bankrupt in May. Cerealia will continue the production of dry food in the factory and the affected staff have been offered employment with Lantmännen.

Lantmännen Unibake continues to show stable development, with an operating income for the first eight months that is in line with the previous year. Russia, the UK and Finland in particular are developing well. Unibake's earnings have been negatively affected by start-up costs in the new bakeries in Belgium and Poland.

The hot summer has presented challenges for Unibake's bakeries in Northern Europe, and extraordinary measures have been required – including cooling the facilities and ensuring that the dough is developing properly. Even so, the heat has caused some unforeseen production stops. The barbecue ban, which applied to virtually the whole of Sweden during parts of the summer, also had a negative effect on sales of hot dog and burger buns.





Swecon Business Area

Key figures Swecon Business Area

	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change
Net sales, MSEK	2,935	2,587	5,212	4,725	10 %
Operating income, MSEK	131	138	219	204	15
Operating margin, %	4.5	5.3	4.2	4.3	
Return on operating capital, %	87.6	74.5	77.2	65.6	
Average number of employees			1,100	1,047	5 %

The Swecon Business Area's net sales are higher than in the same period the previous year. Operating income is MSEK 219, an improvement from MSEK 204 in the previous year.

Market conditions are generally good in Swecon's markets. In Sweden, the total market remains at a high level, and sales for the year to date are in line with the previous year's record levels. The high sales and increased utilization among Swecon's customers mean that the servicing and spare parts market is also increasing. The construction sector has slowed slightly in recent months, while the mining sector shows some signs of growth in the period ahead. A continuing major challenge is the lack of technical staff, and finding and training new employees to respond to the increased demand.

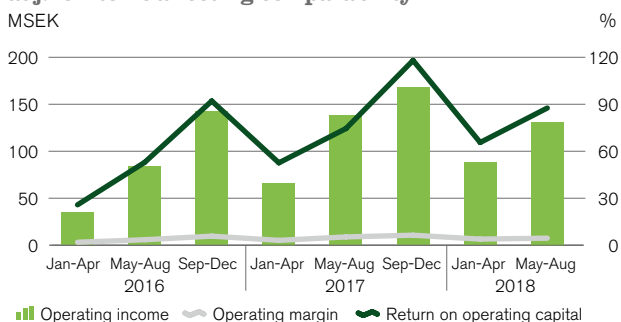
The total market is increasing in Germany, and Swecon has continued to gain market shares in the second four-month period. Demand for construction machinery is increasing in the Baltic region, with the excavator market in particular showing strong growth. In Germany and the Baltic region, the increased machinery population and higher utilization are also driving the aftermarket in terms of servicing and spare parts.

In August, an agreement was signed with the Swedish Defence Materiel Administration for the delivery of about 50 new wheel loaders per year over the next two years. The agreement also includes technical system support, spare parts and servicing.

Several market activities took place in the second four-month period. These included Swecon's participation in the Swedish Machine Exhibition, which gathered more than 100 exhibitors and 800 machines. "MySwecon" was introduced at the Exhibition – a new digital service for Swecon's customers, which, among other things, collects information about the customer's machines and facilitates contact with Swecon and spare part or servicing bookings. MySwecon is based on the same technical platform as LM², and the service's basic version can be used free of charge.

At the end of June Swecon also participated, as title sponsor, in the Rallycross World Cup in Höljes in Värmland, which attracts about 45,000 visitors each year. Swecon provided wheel loaders, excavators and graders to help set up the competition and there was also a construction machinery stand in place throughout the event.

Swecon Business Area, adj. for items affecting comparability





Real Estate Business Area

Key figures Real Estate Business Area	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change
Net sales, MSEK	159	159	348	335	4 %
Operating income, excluding property sales, MSEK	66	69	140	139	1
Operating income, MSEK	71	161	192	236	-44
Return on operating capital, adjusted for property sales, %	9.0	9.8	9.5	9.9	
Operating income, adj. for items affecting comparability, MSEK	71	83	192	158	34
Average number of employees			46	44	5 %

The Real Estate Business Area's net sales are in line with the previous year, and operating income excluding property sales is MSEK 140, compared with MSEK 139 for the same period the previous year. Income from property sales is MSEK 52 (97). Operating income excluding property sales has been positively affected by increased new leasing, particularly during the first four months.

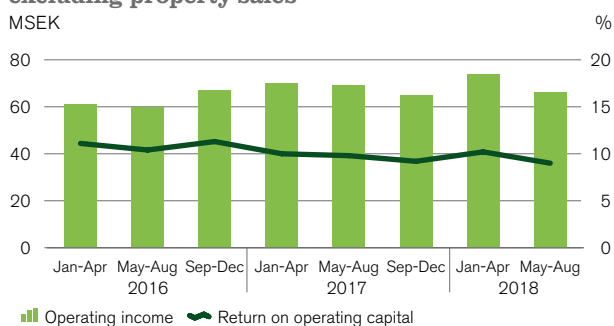
The lower income from property sales is due to the previous year's large divestment of community properties to the property company Lanthem, now jointly owned by Lantmännen Real Estate and Hemsö. Some other community properties in Svalöv have been sold to Lanthem during the second four-month period.

Lantmännen Real Estate has acquired a plot in Mölndal to build a new facility for Swecon.

Two silo buildings in Örebro have been demolished during the second four-month period. One of the sites has since been sold, while the other remains in Lantmännen's ownership for future development purposes.

Lantmännen Agrovärme's operations continue to develop according to plan.

Real Estate Business Area, excluding property sales





Lantmännen's international ownership

Lantmännen has interest holdings in a number of international companies. These companies' operations are primarily located in the Nordic region, Germany, Poland and the Baltic countries.

Lantmännen and the Danish agricultural company DLG (Dansk Landbrugs Grovvarereselskab) jointly own the company Lantmännen DLG International (LDI) for the purpose of strengthening and expanding existing international agricultural cooperation. The purpose of the company is to expand the position in markets and businesses where Lantmännen and DLG already have a strong partnership and to expand into new, mainly European, markets.

HaGe Kiel holding 41 %

Hauptgenossenschaft Nord (HaGe Kiel) has an annual turnover of approximately EUR 2.1 billion and about 1,550 employees. Lantmännen owns 41 percent of HaGe Kiel, while DLG owns 54 percent. Operations include grain trading and the sale of inputs in the agricultural market. HaGe Kiel has well developed logistics chains and port terminals located in Hamburg, Kiel and Rostock which supply the market with grain and oilseeds, both locally and internationally. HaGe Kiel has feed factories and also trades in agricultural goods, machinery and sales of leisure and garden products. Lantmännen's share of income is included in the Agriculture Sector.

Scandagra Group holding 50 %

Scandagra Group operates in the Baltic region. The Group has an annual turnover of just over EUR 300 million and about 350 employees. The company is jointly owned (50-50) by Lantmännen and DLG. The operations are conducted through three sales companies – Scandagra Eesti, Scandagra Latvia and Scandagra Lietuva. The sales companies engage in the sale of crop production inputs and the purchase and sale of grain. Scandagra Eesti also has a feed plant with a production capacity of just over 100,000 tonnes. Lantmännen's share of income is included in the Agriculture Sector.

Scandagra Polska holding 50 %

Scandagra Polska, a merchant of grain and other inputs in the Polish agricultural market, has an annual turnover of just over PLN 500 million and about 120 employees. The company is jointly owned (50-50) by Lantmännen and DLG. Scandagra Polska is one of many traders in the large and fragmented Polish market. Lantmännen's share of income is included in the Agriculture Sector.

Scandbio holding 50 %

Scandbio is the largest wood fuel company in Sweden and sells 100 percent renewable energy in the form of heat pellets, bedding pellets, briquettes, biomass logs and wood powder. The products are manufactured by using residues from the sawmill industry. The company has an annual turnover of approximately SEK 1 billion and about 160 employees. Scandbio has a strong position in the Swedish market and in the Baltic Sea region. Lantmännen and Neova each own 50 percent of the company. Lantmännen's share of income is included in the Energy Sector.

Viking Malt holding 37.5 %

Viking Malt refines grain, and supplies about 600,000 tonnes of malt annually to breweries and distilleries in Northern Europe, and a number of customers around the world. Viking Malt produces malt in Finland, Sweden, Denmark, Poland and Lithuania. The company has an annual turnover of just over EUR 200 million and about 240 employees. Lantmännen owns 37.5 percent of the company, with the remainder being owned by the Finnish company Polttimo. Lantmännen's share of income is included in the Food Sector.

Condensed consolidated income statement

MSEK	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Sep 2017- Aug 2018	2017 Jan-Dec
Net sales	15,432	13,560	29,176	25,758	43,104	39,686
Other operating income	91	287	209	374	275	440
Changes in inventories of finished goods and work in progress	19	-192	-950	-702	-783	-535
Raw materials and consumables	-4,849	-3,888	-8,265	-7,360	-13,091	-12,186
Merchandise	-5,233	-4,425	-9,759	-8,105	-14,125	-12,471
Employee benefits expense	-1,958	-1,933	-3,956	-3,823	-5,880	-5,747
Depreciation, amortization and impairment	-442	-417	-879	-815	-1,306	-1,242
Other operating expenses	-2,307	-2,217	-4,504	-4,189	-6,737	-6,422
Share of income of equity accounted companies	53	29	92	67	179	154
Operating income	806	804	1,164	1,205	1,636	1,677
Finance income	36	42	78	81	148	151
Finance costs	-77	-88	-184	-174	-317	-307
Income after financial items	765	758	1,058	1,112	1,467	1,521
Tax	-101	-157	-148	-197	-167	-216
Net income for the period	664	601	910	915	1,300	1,305
Net income for the period attributable to:						
Members of the economic association	663	602	904	910	1,295	1,301
Non-controlling interests	1	-1	6	5	5	4

Condensed consolidated statement of comprehensive income

MSEK	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Sep 2017- Aug 2018	2017 Jan-Dec
Net income for the period	664	601	910	915	1,300	1,305
Other comprehensive income						
Items that will not be reclassified to the income statement						
Actuarial gains and losses on defined benefit pension plans, net before tax	19	18	22	44	-23	-1
Shares in companies measured at fair value through other comprehensive income, net before tax	-32	-	-35	-	-35	-
Tax attributable to items that will not be reclassified	0	-4	1	-10	11	0
Total	-13	14	-12	34	-47	-1
Items that will be reclassified to the income statement						
Available-for-sale financial assets, net before tax	0	19	0	9	-26	-17
Cash flow hedges, net before tax	-64	66	-173	33	-212	-6
Exchange differences on translation of foreign operations	80	-125	513	-99	730	118
Net gain on hedge of net investment in foreign operations, net before tax	-40	-11	-129	-15	-144	-30
Tax attributable to items that will be reclassified	22	-23	66	-9	85	10
Total	-2	-74	277	-81	433	75
Share of OCI in equity accounted companies						
Items that will be reclassified to the income statement	53	-40	150	-21	214	43
Total	53	-40	150	-21	214	43
Other comprehensive income, net of tax	38	-100	415	-68	600	117
Total comprehensive income for the period	702	501	1,325	847	1,900	1,422
Total comprehensive income attributable to:						
Members of the economic association	701	502	1,319	842	1,895	1,418
Non-controlling interests	1	-1	6	5	5	4

Condensed consolidated four-monthly income statements

MSEK	2018 May-Aug	2018 Jan-Apr	2017 Sep-Dec	2017 May-Aug	2017 Jan-Apr
Net sales	15,432	13,744	13,928	13,560	12,198
Other operating income	91	118	66	287	87
Changes in inventories of finished goods and work in progress	19	-969	167	-192	-510
Raw materials and consumables	-4,849	-3,416	-4,826	-3,888	-3,472
Merchandise	-5,233	-4,526	-4,366	-4,425	-3,680
Employee benefits expense	-1,958	-1,998	-1,924	-1,933	-1,890
Depreciation, amortization and impairment	-442	-437	-427	-417	-398
Other operating expenses	-2,307	-2,197	-2,233	-2,217	-1,972
Share of income of equity accounted companies	53	39	87	29	38
Operating income	806	358	472	804	401
Finance income	36	42	70	42	39
Finance costs	-77	-107	-133	-88	-86
Income after financial items	765	293	409	758	354
Tax	-101	-47	-19	-157	-40
Net income for the period	664	246	390	601	314
Net income for the period attributable to:					
Members of the economic association	663	241	391	602	308
Non-controlling interests	1	5	-1	-1	6

The Group's items affecting comparability

MSEK	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	2017 Jan-Dec
Recognized operating income	806	804	1,164	1,205	1,677
Items affecting comparability in operating income:					
Insurance compensation, Food Sector	-	96	-	96	96
Restructuring costs, Food Sector	-	-34	-	-34	-65
Provisions, Energy Sector	-	-140	-	-140	-140
Capital gains, Lantmännen Real Estate	-	78	-	78	78
Total items affecting comparability in operating income	-	0	-	0	-31
Operating income, adjusted for items affecting comparability	806	804	1,164	1,205	1,708
Recognized income after financial items	765	758	1,058	1,112	1,521
Items affecting comparability in operating income according to above	-	0	-	0	-31
Income after financial items adjusted for items affecting comparability	765	758	1,058	1,112	1,552
Return on equity, adjusted for items affecting comparability, %	12.7	13.0	8.8	9.9	9.4
Return on operating capital, adjusted for items affecting comparability, %	10.1	11.2	7.4	8.6	7.9

Condensed consolidated statement of financial position

MSEK	2018 31 Aug	2017 31 Aug	2017 31 Dec
ASSETS			
Property, plant and equipment	10,030	8,690	9,387
Investment property	639	630	643
Goodwill	5,453	4,623	5,238
Other intangible assets	3,456	3,041	3,327
Equity accounted holdings	2,339	2,029	2,182
Non-current financial assets	678	951	825
Deferred tax assets	202	137	170
Other non-current assets	159	32	27
Total non-current assets	22,956	20,133	21,799
Inventories	6,717	6,422	5,948
Trade and other receivables	7,311	6,318	5,823
Current interest-bearing assets	30	52	18
Current tax assets	38	45	25
Cash and cash equivalents	1,733	1,020	927
Total current assets	15,829	13,857	12,741
TOTAL ASSETS	38,785	33,990	34,540
EQUITY AND LIABILITIES			
Equity attributable to members of the economic association	16,023	14,529	14,859
Non-controlling interests	93	91	89
Total equity	16,116	14,620	14,948
Non-current interest-bearing liabilities ¹⁾	6,251	4,936	4,523
Provisions for pensions	504	442	554
Deferred tax liabilities	624	467	638
Other non-current provisions	221	270	240
Other non-current liabilities	95	28	28
Total non-current liabilities	7,695	6,143	5,983
Current interest-bearing liabilities	3,627	3,331	3,841
Trade and other payables	10,517	8,997	8,966
Current tax liabilities	185	195	98
Current provisions	645	704	704
Total current liabilities	14,974	13,227	13,609
TOTAL EQUITY AND LIABILITIES	38,785	33,990	34,540
Equity ratio	41.6	43.0	43.3
¹⁾ Including subordinated debentures, MSEK	250	250	250

Condensed consolidated statement of cash flows

MSEK	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	2017 Jan-Dec
Operating income	806	804	1,164	1,205	1,677
Adjustment for non-cash items ¹⁾	359	430	727	793	1,107
Financial items paid, net	-58	-41	-98	-105	-210
Taxes paid	-33	-26	-97	-110	-121
Cash flow from operating activities before changes in working capital	1,074	1,167	1,696	1,783	2,453
Change in working capital	-523	-1,038	-659	-752	-55
Cash flow from operating activities	551	129	1,037	1,031	2,398
Acquisitions and divestments of operations, net	27	-217	27	-213	-852
Investments in property, plant & equipment and intangible assets	-541	-860	-1,202	-1,722	-2,593
Sale of property, plant & equipment and intangible assets	77	141	121	264	319
Change in financial investments	26	-179	105	-111	25
Cash flow from investing activities	-411	-1,115	-949	-1,782	-3,101
Cash flow before financing activities	140	-986	88	-751	-703
Change in interest-bearing liabilities and provisions for pensions	187	514	1,068	349	200
Change in contributed capital	100	117	100	100	96
Dividend paid	-471	-444	-471	-444	-445
Cash flow from financing activities	-184	187	697	5	-149
Cash flow for the period	-44	-799	785	-746	-852
Cash and cash equivalents at beginning of period	1,774	1,830	927	1,773	1,773
Exchange differences in cash and cash equivalents	3	-11	21	-7	6
Cash and cash equivalents at the end of the period	1,733	1,020	1,733	1,020	927
¹⁾ Depreciation, amortization and impairment of non-current assets	442	417	879	815	1,242
Share of income of equity accounted companies	-28	-19	-39	-33	-117
Capital gains/losses on sale of non-current assets and operations	-4	-100	-49	-109	-108
Other non-cash items	-51	132	-64	120	90
Adjustment for non-cash items	359	430	727	793	1,107

Condensed consolidated statement of changes in equity

MSEK	2018 Jan-Aug			2017 Jan-Aug			2017 Jan-Dec		
	Members of the association	Non-con- trolling interest	Total equity	Members of the association	Non-con- trolling interest	Total equity	Members of the association	Non-con- trolling interest	Total equity
Closing balance	14,859	89	14,948	13,795	88	13,883	13,795	88	13,883
Changes due to amended accounting policies in associates	-33	-	-33	-	-	-	-	-	-
Opening balance, January 1	14,826	89	14,915	13,795	88	13,883	13,795	88	13,883
Total comprehensive income for the period	1,319	6	1,325	842	5	847	1,418	4	1,422
Distribution to owners	-222	-2	-224	-207	-6	-213	-450	-7	-457
Contributed capital paid in by members	161	-	161	170	-	170	171	-	171
Contributed capital paid out to members	-61	-	-61	-71	-	-71	-75	-	-75
Other change ¹⁾	-	-	-	-	4	4	-	4	4
Closing balance	16,023	93	16,116	14,529	91	14,620	14,859	89	14,948
Equity attributable to members of the economic association									
Contributed capital, paid in	1,318			1,212			1,208		
Contributed capital, issued	1,346			1,256			1,256		
Other equity	13,359			12,061			12,395		
Total equity attributable to members of the economic association	16,023			14,529			14,859		
¹⁾ Of which acquisition of subsidiaries with NCI					4	4		4	4

Segment information, adjusted for items affecting comparability

Net sales per segment

MSEK	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change Jan-Aug, %	Sep 2017- Aug 2018	2017 Jan-Dec
Agriculture Sector	6,717	5,667	13,059	10,554	24 %	19,165	16,660
Energy Sector	1,146	1,000	2,076	2,094	-1 %	3,050	3,068
Food Sector	5,318	4,986	10,118	9,515	6 %	14,952	14,349
Swecon Business Area	2,935	2,587	5,212	4,725	10 %	7,848	7,361
Real Estate Business Area	159	159	348	335	4 %	524	511
Other operations	194	155	370	471	-21 %	536	637
Eliminations	-1,037	-994	-2,007	-1,936	-4 %	-2,971	-2,900
Total	15,432	13,560	29,176	25,758	13 %	43,104	39,686

Operating income per segment, adjusted for items affecting comparability

MSEK	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Sep 2017- Aug 2018	2017 Jan-Dec
Agriculture Sector	159	202	226	266	297	337
Energy Sector	114	108	152	252	196	296
Food Sector	399	350	556	504	760	708
Swecon Business Area	131	138	219	204	387	372
Real Estate Business Area ¹⁾	71	83	192	158	258	224
Other operations	-44	-16	-122	-110	-168	-156
Group items	-24	-61	-59	-69	-63	-73
Total	806	804	1,164	1,205	1,667	1,708

¹⁾ Including capital gain on sale of property.

5	14	52	19	53	20
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Operating margin per segment, adjusted for items affecting comparability

%	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Sep 2017- Aug 2018	2017 Jan-Dec
Agriculture Sector	2.4	3.6	1.7	2.5	1.5	2.0
Energy Sector	9.9	10.8	7.3	12.0	6.4	9.6
Food Sector	7.5	7.0	5.5	5.3	5.1	4.9
Swecon Business Area	4.5	5.3	4.2	4.3	4.9	5.1
Total	5.2	5.9	4.0	4.7	3.9	4.3

Return on operating capital, adjusted for items affecting comparability

%	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Sep 2017- Aug 2018	2017 Jan-Dec
Agriculture Sector	7.6	11.3	5.5	7.7	4.8	6.1
Energy Sector	29.1	41.2	19.9	49.2	19.3	38.9
Food Sector	8.0	7.7	5.6	5.6	5.1	5.1
Swecon Business Area	87.6	74.5	77.2	65.6	90.8	82.0
Real Estate Business Area ¹⁾	9.0	9.8	9.5	9.9	9.5	9.7
Total	10.1	11.2	7.4	8.6	7.2	7.9

¹⁾ Adjusted for gain on sale of property.

Segment information

Net sales per segment

MSEK	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Change Jan-Aug, %	Sep 2017- Aug 2018	2017 Jan-Dec
Agriculture Sector	6,717	5,667	13,059	10,554	24 %	19,165	16,660
Energy Sector	1,146	1,000	2,076	2,094	-1 %	3,050	3,068
Food Sector	5,318	4,986	10,118	9,515	6 %	14,952	14,349
Swecon Business Area	2,935	2,587	5,212	4,725	10 %	7,848	7,361
Real Estate Business Area	159	159	348	335	4 %	524	511
Other operations	194	155	370	471	-21 %	536	637
Eliminations	-1,037	-994	-2,007	-1,936	-4 %	-2,971	-2,900
Total	15,432	13,560	29,176	25,758	13 %	43,104	39,686

Operating income per segment

MSEK	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Sep 2017- Aug 2018	2017 Jan-Dec
Agriculture Sector	159	202	226	266	297	337
Energy Sector	114	-32	152	112	196	156
Food Sector	399	412	556	566	729	739
Swecon Business Area	131	138	219	204	387	372
Real Estate Business Area ¹⁾	71	161	192	236	258	302
Other operations	-44	-16	-122	-110	-168	-156
Group items	-24	-61	-59	-69	-63	-73
Total	806	804	1,164	1,205	1,636	1,677
¹⁾ Including capital gain on sale of property.	5	92	52	97	53	98

Operating margin per segment

%	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Sep 2017- Aug 2018	2017 Jan-Dec
Agriculture Sector	2.4	3.6	1.7	2.5	1.5	2.0
Energy Sector	9.9	-3.2	7.3	5.3	6.4	5.1
Food Sector	7.5	8.3	5.5	5.9	4.9	5.2
Swecon Business Area	4.5	5.3	4.2	4.3	4.9	5.1
Total	5.2	5.9	4.0	4.7	3.8	4.2

Return on operating capital

%	2018 May-Aug	2017 May-Aug	2018 Jan-Aug	2017 Jan-Aug	Sep 2017- Aug 2018	2017 Jan-Dec
Agriculture Sector	7.6	11.3	5.5	7.7	4.8	6.1
Energy Sector	29.1	-12.1	19.9	21.9	19.3	20.5
Food Sector	8.0	9.0	5.6	6.3	4.9	5.4
Swecon Business Area	87.6	74.5	77.2	65.6	90.8	82.0
Real Estate Business Area ¹⁾	9.0	9.8	9.5	9.9	9.5	9.7
Total	10.1	11.2	7.4	8.6	7.0	7.8

¹⁾ Adjusted for gain on sale of property.

Parent Company

The activities of the Parent Company Lantmännen ek för consist of Lantmännen Lantbruk's Swedish operations in the Agriculture Sector, Agro Oil and the corporate functions.

The Parent Company's net sales amounted to MSEK 8,163 (7,682) and its operating income was MSEK 23 (49).

Income from financial items was MSEK -5 (621). Net financial income was mainly affected by net interest income of MSEK 117 (60), exchange losses of MSEK -191 (8), dividend receipts of MSEK 62 (597) and a capital gain of MSEK 7 (196) on the sale of shares. The previous year also includes a write-down of shares in subsidiaries of MSEK -240. Income after financial items was MSEK 18 (670).

Net investments in non-current assets totaled MSEK 86 (95).

The equity ratio was 40.4 percent (45.0, year-end).

The average number of employees in the Parent Company was 955 (1,017).

Parent Company condensed income statement

MSEK	2018 Jan-Aug	2017 Jan-Aug
Net sales, external	6,566	6,099
Net sales, intra-Group	1,597	1,583
Net sales, total	8,163	7,682
Change in products in progress, finished goods and work in progress for third parties	-316	-147
Other operating income	179	161
	8,026	7,696
Operating expenses		
Raw materials and consumables	-4,900	-4,765
Merchandise	-1,329	-1,217
Other external costs	-1,117	-1,014
Employee benefits expense	-544	-546
Depreciation, amortization and impairment	-113	-105
Total operating expenses	-8,003	-7,647
Operating income	23	49
Income from financial items	-5	621
Income after financial items	18	670
Tax	32	-35
Net income for the period	50	635

Parent Company condensed statement of financial position

MSEK	2018 31 Aug	2017 31 Aug
ASSETS		
Intangible assets	484	502
Property, plant and equipment	719	746
Investments in Group companies	7,845	7,797
Investments in joint ventures/associates	1,237	1,255
Receivables from Group companies	4,724	3,804
Other securities held as non-current assets	162	172
Other non-current receivables	303	340
Total non-current assets	15,474	14,616
Inventories	2,806	2,808
Receivables from Group companies	12,567	10,783
Other current receivables	2,858	2,447
Short-term investments, incl. cash and bank balances	1,056	437
Total current assets	19,287	16,475
TOTAL ASSETS	34,761	31,091
EQUITY AND LIABILITIES		
Equity	13,683	13,395
Untaxed reserves	466	466
Provisions	112	127
Non-current liabilities	5,782	4,468
Current liabilities to Group companies	8,446	6,538
Other current liabilities	6,272	6,097
TOTAL EQUITY AND LIABILITIES	34,761	31,091
Equity ratio	40.4	44.3

Notes

Accounting policies

Lantmännen applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Reporting for the Parent Company is in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. Accounting policies and calculation methods are unchanged from those applied in the 2017 annual report, apart from the application of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, which began with effect from January 1, 2018. IFRS 9 and 15 and their effects on Lantmännen are commented on below. A description of Lantmännen's accounting policies as a result of the introduction of IFRS 9 and 15 can be found in Lantmännen's 2017 Annual Report.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains a model for the classification and measurement of financial instruments, a forward-looking impairment model for financial assets and a revised approach to hedge accounting. Classification and measurement under IFRS 9 is based on the entity's business model for managing financial assets and the assets' contractual cash flow characteristics. The introduction of IFRS 9 means changes to Lantmännen's classification of certain financial assets. This does not affect how these assets are valued in the balance sheet, but affects how changes in value are reported. In other respects, the introduction of IFRS 9 does not have any material impact on the reporting of financial instruments. The introduction of IFRS 9 essentially involves the following changes to classification under IAS 39:

- Certain holdings classified as available-for-sale financial assets under IAS 39 are classified as at fair value through profit or loss under IFRS 9. The carrying amount of these holdings was MSEK 16 on December 31, 2017. The changed classification did not affect the carrying amount at the transition date.
- Certain holdings classified as at fair value through profit or loss under IAS 39 are classified as at fair value through other comprehensive income under IFRS 9. The carrying amount of these holdings was MSEK 123 on December 31, 2017. The changed classification did not affect the carrying amount at the transition date.

In summary, this means that assets measured at fair value through other comprehensive income increase compared with IAS 39. The transition to IFRS 9 does involve any change to the classification of other financial assets and liabilities. However, the names of the financial asset and liability categories are changed. In the transition rules for IFRS 9, Lantmännen has taken advantage of the option not to restate comparatives for 2017.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces all previously issued revenue-related standards and interpretations with a single model for revenue recognition. According to IFRS 15, revenue must be recognized when a promised product or service is transferred to a customer, either over time or at a point in time. Revenue is the amount that the entity expects to receive in exchange for transferred goods or services.

IFRS 15 entered into force on January 1, 2018. The Group and the Parent Company have applied the standard, including the 2016 amendments, from that date using the full retrospective method, with restatement of comparatives. The transition to IFRS 15 has not had any material financial restatement effects as of the transition date, which means that no adjustment of opening equity on January 1, 2017 has been reported. In addition, no adjustments have been required for the comparative year 2017. The comparative figures for 2017 are therefore unchanged.

IFRS 16 Leases

IFRS 16 replaces IAS 17 from January 1, 2019. Under the new standard, the lessee is required to report the obligation to make lease payments as a lease liability in the balance sheet. Right-of-use for the underlying asset during the lease term is reported as an asset. Depreciation of the asset is reported in the income statement as interest on the lease liability. Lease payments are apportioned between the finance charge and reduction of the lease liability. The standard is not mandatory for short-term leases (lease term less than 12 months) and leases where the underlying asset is of low value. The new standard does not involve any major differences for lessors. Lantmännen has been working on evaluating the effects of the standard since 2017. Both reported assets and liabilities will increase. The income statement and financing activities in the cash flow statement will also be affected, but it has not yet been possible to make a reliable estimate of the relevant amounts. The RFR 2 exception concerning leases will be applied for the Parent Company. This means that the Parent Company's principles for accounting for leases will be unchanged.

Changed tax rate in Sweden

During the period, it was decided that corporate income tax in Sweden will be reduced from January 1, 2019. A summary analysis of the effect of the lower tax rate, conducted at the end of the second four-month period, shows no material impact on the consolidated income statement and balance sheet. The effect will be reported with the year-end financial statements after an in-depth analysis has been made.

Lantmännen's net sales

MSEK	Jan-Aug 2018	Jan-Aug 2017	Jan-Dec 2017
Net sales from contracts with customers:			
Lantmännen Lantbruk Sweden	7,870	7,431	11,169
Lantmännen Lantbruk Finland	2,367	649	1,754
Lantmännen Maskin Sweden	2,653	2,382	3,629
Agriculture Sector, other and eliminations	169	92	108
Agriculture Sector	13,059	10,554	16,660
Lantmännen Agroetanol	1,149	1,310	1,903
Lantmännen Reppe	306	303	454
Lantmännen Aspen	629	488	721
Energy Sector, other and eliminations	-8	-7	-10
Energy Sector	2,076	2,094	3,068
Lantmännen Cerealia	2,702	2,602	3,980
Lantmännen Unibake	7,670	7,151	10,726
Food Sector, other and eliminations	-254	-238	-357
Food Sector	10,118	9,515	14,349
Swecon Sweden	2,520	2,452	3,881
Swecon Germany	2,198	1,837	2,816
Swecon Baltic	196	149	233
Swecon Business Area, other and eliminations	-1	-2	-6
Swecon Business Area	4,913	4,436	6,924
Real Estate Business Area	75	66	109
Other operations	370	471	637
Eliminations	-1,840	-1,778	-2,660
Total	28,771	25,358	39,087
Net sales from leasing activities:			
Swecon Business Area	299	289	437
Real Estate Business Area	273	269	402
Eliminations	-167	-158	-240
Total	405	400	599
Total net sales	29,176	25,758	39,686

Provision in connection with the EU Commission's investigation

A provision of MSEK 440 was previously recognized in connection with the European Commission's investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law. Lantmännen has cooperated fully with the EU Commission during the investigation and is now engaged in a settlement process.

Financial assets and liabilities with information on fair value, August 31, 2018

MSEK	Carrying amount	Fair value
Assets		
Other shares and interests	400	400
Other financial assets	278	278
Other non-current assets	149	149
Trade and other receivables	6,054	6,054
Current interest-bearing assets	30	30
Cash and cash equivalents	1,733	1,733
Total financial assets	8,644	8,644
Liabilities		
Non-current interest-bearing liabilities	6,251	6,242
Other non-current liabilities	93	93
Current interest-bearing liabilities	3,627	3,627
Trade and other payables	6,464	6,464
Total financial liabilities	16,435	16,426

Financial assets and liabilities measured at fair value, by level, Aug 31, 2018

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	497	9	-	506
Other financial assets measured at fair value	285	0	115	400
Total assets	782	9	115	906
Liabilities				
Derivatives with negative fair value	538	26	-	564
Total liabilities	538	26	-	564

Segments

On January 1, 2018, an organizational change was made. After the reorganization, Lantmännen presents financial information for the Agriculture, Energy and Food Sectors, and the Swecon and Real Estate business areas. Comparative figures for 2017 have been restated according to the new organization.

Financial assets and liabilities with information on fair value, August 31, 2017

MSEK	Carrying amount	Fair value
Assets		
Other shares and interests	571	571
Other financial assets	378	378
Other non-current assets	17	17
Trade and other receivables	5,134	5,134
Current interest-bearing assets	31	31
Cash and cash equivalents	1,020	1,020
Total financial assets	7,151	7,151
Liabilities		
Non-current interest-bearing liabilities	4,936	4,941
Other non-current liabilities	28	28
Current interest-bearing liabilities	3,331	3,331
Trade and other payables	5,514	5,514
Total financial liabilities	13,809	13,814

Financial assets and liabilities measured at fair value, by level, Aug 31, 2017

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	163	1	-	164
Other financial assets measured at fair value	535	6	126	667
Total assets	698	7	126	831
Liabilities				
Derivatives with negative fair value	78	27	-	105
Total liabilities	78	27	-	105

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.

Alternative performance measures

In addition to the application of IFRS, Lantmännen has also chosen to follow new guidelines on definitions of alternative performance measures issued by the European Securities and Markets Authority (ESMA). An APM is a measure that is used to evaluate an entity's financial posi-

tion but is not defined in any of the IASB's issued international reporting standards. The Guidelines require entities to provide an explanation of the basis of calculation of the alternative performance measures used. These principles are aimed at giving external parties better understanding of an entity's financial statements.

Description of financial performance measures (including alternative performance measures)

Key figures	Description	Reason for use
Adjusted income	Adjusted income is income net of items affecting comparability.	An adjustment to exclude items affecting comparability.
Average equity/operating capital	Average capital is computed on the closing balance of each month in the accounting period, i.e. twelve periods for the full year. All average capital ratios are calculated in this way.	Ensures accurate calculation of return on equity and operating capital.
Capital turnover rate	Net sales divided by average operating capital.	Shows the efficiency of the use of operating capital.
Cash flow from operating activities	Net income for the period adjusted for items that are not cash inflows or outflows but accounting costs, such as depreciation and capital gains/losses. Adjustments are also made for financial items and income taxes paid, and changes in inventories, operating receivables and operating liabilities.	Shows cash flow from operations that can be used for investments and acquisitions.
Equity ratio	Equity divided by total assets.	Shows the proportion of the assets that are financed by the owners.
Interest coverage ratio	Interest coverage ratio is calculated as income after financial items plus interest expenses divided by interest expenses.	Shows the ability to cover interest expenses.
Investments in non-current assets	Total of the period's investments in property, plant & equipment and intangible assets.	The size of the investments made to maintain existing capacity and to achieve expansion and growth.
Items affecting comparability	The Group's income can be increased or reduced by certain items that affect comparability. These are one-time items not directly related to the planned future operations and outside the range of MSEK +/-30.	Accounting for items that have been adjusted due to specific events that otherwise affect comparability between different periods. Provides a better understanding of the operating activities.
Liquidity reserve	Cash and cash equivalents and loans granted under the provisions in the existing loan agreements.	Shows the available borrowing capacity based on the current loan agreements.
Net debt	Net debt comprises interest-bearing liabilities, including pension liabilities and accrued interest, less financial assets.	Shows the net of interest-bearing assets and interest-bearing liabilities.
Net debt/equity ratio	Net debt divided by equity.	Shows financial risk and is therefore used to view the level of debt funding.
Net financial income	Net financial income is finance income less finance costs.	Shows the net result of the company's financial operations.
Operating capital	Operating capital is calculated as non-interest-bearing assets minus non-interest-bearing liabilities. Tax assets and tax liabilities are not included in operating capital's assets and liabilities.	Shows how much capital is used in the operations.
Operating income	Operating income consists of net sales and other operating income less operating expenses.	Shows the result of operating activities.
Operating margin	The operating margin is calculated as operating income as a percentage of net sales for the period.	Shows the profitability of the operations.
Return on equity	Return on equity is calculated as annualized net income for the period divided by average equity.	Shows owners the return on their invested capital.
Return on operating capital	Return on operating capital is calculated as annualized operating income for the period divided by average operating capital.	Measures the return on the capital used in the business.

On assignment for the Board of Directors
Stockholm, October 3, 2018



Per Olof Nyman
President & CEO
Lantmännen

Review report

Lantmännen economic association

To the Board of Directors and the CEO

Introduction

We have reviewed the condensed interim report for Lantmännen economic association as at August 31, 2018 and for the eight-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report in a conclusion, based on our review.

Scope of the review

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

Conclusion

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

Stockholm, October 3, 2018

Ernst & Young AB

Anders Kriström
Authorized Public Accountant

Maude Fyrenius
Member representative
Auditor

Gustav Jansson
Member representative
Auditor

Anders Åbyhammar
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This information is information that Lantmännen ek för is required to disclose under the EU Market Abuse Regulation. The information was submitted by the above contact person for publication at 08.00 CET on October 4, 2018.



Together we take responsibility from field to fork

Lantmännen has chosen to support We Effect.
We Effect is a development cooperation organization that acts and works with a long-term approach in order
to effect change. Help to self-help is We Effect's guiding principle.