



Lantmännen's Interim Report

January - April 2018

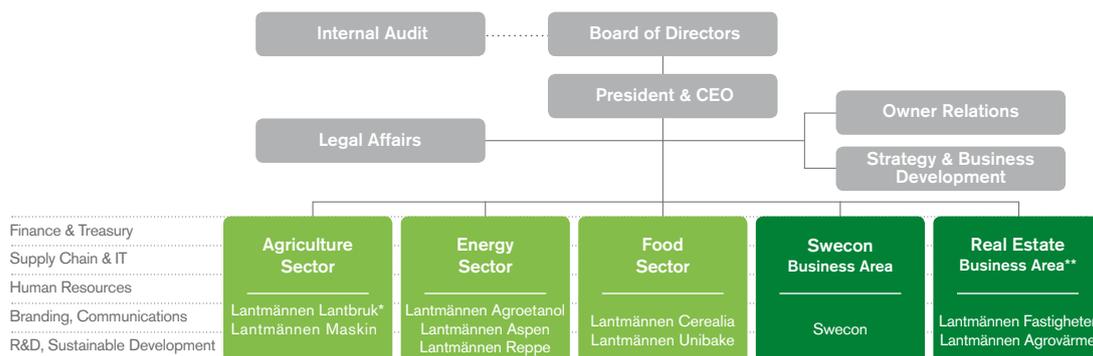




Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 25,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 40 billion. With grain as our basis, we create value 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

Interim 2nd four months • October 4, 2018

Year-end report 2018 • February 6, 2019

All reports can be downloaded from www.lantmannen.com/en/financialinformation

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President's overview

Lantmännen's income after financial items for the first four-month period is MSEK 293, compared with MSEK 354 for the same period the previous year.

The start of 2018 has seen a continuation of Lantmännen's positive development in recent years – with last year's record results and historically high dividend still fresh in memory. Earnings for the first four-month period have been negatively affected by a significantly lower ethanol price, but apart from this, our businesses continue to develop according to plan.

How our Sectors and Business Areas performed

The Agriculture Sector is still developing positively, with last year's late harvest and the long, cold winter resulting in hectic spring planting and a very intense April for Lantmännen Lantbruk. Despite the late start, we have maintained results that are in line with the previous year. Lantmännen Maskin noted a strong increase in sales in the four-month period and improved its earnings from the previous year.

In May, Lantmännen announced the forthcoming acquisition of Raisio's cattle feed business in Finland, which strengthens the offering within our Finnish agribusiness and enables synergies with the Swedish agribusiness.

The Energy Sector shows lower earnings than in the previous year due to a sharp fall in ethanol prices beginning in the third four-month period last year. Integration of the French alkylate petrol producer Marline, which was acquired by Lantmännen Aspen in late 2017, is proceeding well and planned synergies have been realized.

The Food Sector is showing stable development. Lantmännen Cerealia continues its cost efficiency measures and has strengthened its market position in several segments compared with the previous year. Lantmännen Unibake has increased both sales and earnings from the previous year, notably through continuing successes in Finland and Russia.

The Swecon Business Area continues to develop positively, maintaining high market shares in all markets. Delivery volumes and the order intake have remained good.

The Real Estate Business Area shows a slightly higher

operating income excluding property sales than in the previous year – mainly due to increased new leasing.

In the 2018 Sustainable Brand Index survey, Lantmännen was named Sweden's most sustainable brand in the food category and Sweden's third most sustainable brand overall. This is testimony to our effective efforts to continuously adapt Lantmännen to market requirements and customer and consumer expectations – and to the fact that sustainable business and profitability go hand in hand.

Updated strategy – with Lantmännen's mission as a stable foundation

The process of updating Lantmännen's long-term strategy is taking place during spring and summer, based on our owner dialogue, benchmark measurements and internal analyses. The strategy focuses on Lantmännen's continuing development over the next 10-15 years. Our mission to create profitability for our owners' farms is still the starting point, and the fundamental strategic goal – to create value from farmland resources and to be a leading player in the grain value chain from field to fork in the Baltic Sea region – remains. The updated strategy places an even stronger focus on areas such as digitalization, research & development and innovation – important factors in ensuring long-term development and profitability. Examples include Lantmännen's involvement in the national food strategy, stronger allocation of resources on research, and a cooperation on industrial doctoral candidates with SLU.

I would like to thank everyone who attended the annual general meeting. As usual, the day presented many opportunities for both formal and informal contacts and discussions, and I feel strong support among owners for Lantmännen's path ahead.

In conclusion: We have started 2018 well, and I look forward to continuing to lead Lantmännen forward and towards continuing positive development during the rest of the year.

Per Olof Nyman
President & CEO, Lantmännen



The period in brief January-April 2018

Net sales amounted to MSEK 13,744 (12,198), an increase of 13 percent. Adjusted for acquired and divested operations, the increase was 4 percent.

Operating income amounted to MSEK 358 (401). Operating income increased in all segments apart from the Energy Sector. Total operating income declined by MSEK 43.

Income after financial items was MSEK 293 (354).

Cash flow before financing activities was MSEK –52 (235).

Investments totaled MSEK 661 (862).

Lantmännen's annual general meeting in May 2018 adopted a contribution dividend and contribution issue which with the refund and supplementary payment represents **a dividend of MSEK 566 to members**.

Lantmännen's key figures	2018 Jan-Apr	2017 Jan-Apr	2017 Jan-Dec
Net sales, MSEK	13,744	12,198	39,686
Operating income, MSEK	358	401	1,677
Operating margin, %	2.6	3.3	4.2
Income after financial items, MSEK	293	354	1,521
Net income for the period, MSEK	246	314	1,305
Cash flow before financing activities, MSEK	–52	235	–703
Return on equity, %	4.9	6.7	9.0
Return on operating capital, %	4.6	5.9	7.8
Total assets, MSEK	37,567	33,051	34,540
Equity ratio, %	41.4	43.0	43.3
Investments in non-current assets, MSEK	661	862	2,593
Net debt, MSEK	7,694	6,199	7,274
Interest coverage ratio, times	4.9	5.1	6.3
Average number of employees	9,811	9,811	9,850
Adjusted for items affecting comparability			
Operating income, MSEK	358	401	1,708
Operating margin, %	2.6	3.3	4.3
Income after financial items, MSEK	293	354	1,552
Net income for the period, MSEK	246	314	1,353
Return on equity, %	4.9	6.7	9.4
Return on operating capital, %	4.6	5.9	7.9

Business environment and market

Forecasts for global growth are affected by US protectionist policies, with the threat of import tariffs, and by the risk of counter-measures or a full-blown trade war. The political risks also create uncertainties for the central banks that are striving to normalize their monetary policy.

The negative effects of the US policies have been limited so far and growth in Europe is good. However, US tariffs aimed at the European automotive industry, for example, could hit hard and affect both exports and investment capacity. Other risk factors in Europe include the uncertainty after the Italian elections and the ongoing Brexit negotiations.

The Swedish economy is still strong. After having been strongly governed by domestic demand in recent years, Sweden is becoming increasingly dependent on exports and developments in the rest of the world. According to several analysts, inflation is expected to stay below the Riksbank's target of two percent in 2018, and the repo rate will not reach zero until 2019. The currently weak krona is expected to slowly strengthen against other currencies over the same period.

The debate on the EU's common agricultural policy (CAP) has continued during spring. A new seven-year EU financial period begins in 2021, which will also involve changes to the CAP. The EU Commission has signaled that a large proportion of the existing agricultural subsidies will remain, but some parts will be changed. A clear feature of the discussion is increased subsidiarity, which means that Member States have greater responsibility on how the policies are formulated in their own country.

Concerns about the uncertain weather situation have resulted in increased global grain prices. The United States, Russia and parts of South America have been affected by drought during the first months of the year.

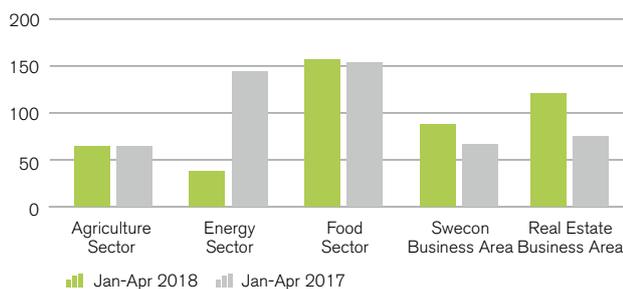
According to LRF Dairy Sweden's latest report, a continuation of good demand, combined with a moderate increase in global dairy production, has led to prices stabilizing. However, settlement prices in both Sweden and other countries have declined in recent months. Swedish milk collection showed a slight decline in early 2018 compared with the previous year.

Ethanol prices, which began to fall in the final months of 2017, remain at a low level. However, the low prices have not affected production volumes in Europe so far.

According to Statistics Sweden and HUI Research, the sales volume for Swedish fast-moving consumer goods increased by 2.6 percent in March compared with the same month in 2017. Sales measured at current prices increased by 10.6 percent during the same period, partly due to Easter falling in March this year. Fast-moving consumer goods continue to lose shares to the restaurant sector and general retailers.

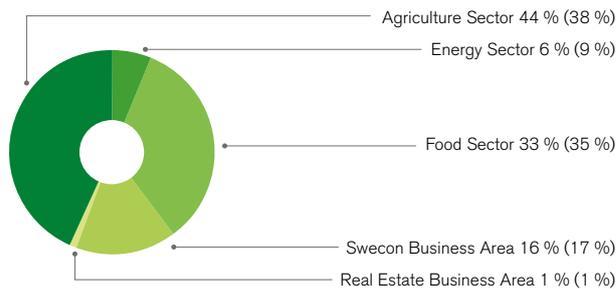
Strong consumer trends within the Nordic food industry include health, sustainability and origin. Choosing products with Swedish raw materials is also a growing trend. Demand for organic products remains strong, and in certain food categories demand appears to be outstripping supply. Consumers are increasingly demanding alternative proteins, i.e., non-meat proteins. Major investments in the food sector are being made in order to create a more digitalized and sustainable food system, including new cultivation methods. According to Bonnier's Swedish food survey, more consumers are linking the climate issue to food. The proportion of women changing their food consumption due to environmental impacts has increased sharply from 27 percent in 2016 to 62 percent in 2017.

Operating income per segment, accumulated Jan-Apr MSEK



Distribution of Group's sales

Including Intra-Group sales



Comments on the interim period

The Group's net sales and earnings

January-April 2018

Net sales

Lantmännen's net sales for the first four-month period amounted to MSEK 13,744 (12,198), an increase of 13 percent. Net sales increased in all segments apart from the Energy Sector. Adjusted for acquired and divested operations, the increase in net sales was 4 percent. Currency effects had a positive impact of 2 percent on net sales.

Operating income

Operating income for the four-month period amounted to MSEK 358 (401), a decline of MSEK 43. Operating income has improved compared with the previous year in all segments apart from the Energy Sector, which has been adversely affected by significantly lower ethanol prices in 2018. Lantmännen Fastigheter reported a higher operating income, mainly due to increased gains on the sale of properties, which were MSEK 47, compared with MSEK 5 the previous year. Acquired operations have had a positive impact of approximately MSEK 20 on earnings in 2018. Currency effects had a negative impact of MSEK 2 on operating income.

Net financial income and income after financial items

Net financial income amounted to MSEK -65 (-47). The change compared with the previous year is mainly due to negative currency translation effects. Income after financial items was MSEK 293 (354).

Tax and income after tax

Tax expense for the period was MSEK 47 (40). Tax is calculated using the estimated tax rate for the full year.

Income after tax amounted to MSEK 246 (314), of which MSEK 241 (308) was attributable to members of the economic association and MSEK 5 (6) to non-controlling interests (minority ownership) in the Group's subsidiaries.

Cash flow

Cash flow from operating activities was MSEK 486 (902). The operating surplus contributed MSEK 622 (616) to the figure, while cash flow from working capital contributed MSEK -136 (286). The decline in cash flow from working capital is mainly attributable to higher trade receivables in the Agriculture Sector as a result of later spring planting and expanded operations through the acquisition of Lantmännen Agro Oy in 2017.

Investments in non-current assets were MSEK -661 (-862), while sales of non-current assets amounted to MSEK 44 (123), which meant that net investments for the period were MSEK -617 (-739). 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 -52 (235).

The change in interest-bearing liabilities was MSEK 882

(-165). 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 830 (53).

Financial position

Equity at April 30 amounted to MSEK 15,571 (14,948, year-end). This includes MSEK 94 (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 420 to MSEK 7,694 (7,274, year-end). Cash and cash equivalents at April 30 were MSEK 1,774 (927, year-end) and total assets were MSEK 37,567 (35,540, year-end). The increase in total assets is mainly due to new borrowings and currency translation effects related to foreign operations. The new loans have been obtained on the German capital market in the form of Schuldschein loans for efficient matching of foreign currency assets. The loans amount to EUR 129.5 million and USD 25 million and are mainly long-term with different maturity dates. The equity ratio was 41.4 percent (43.3, year-end).

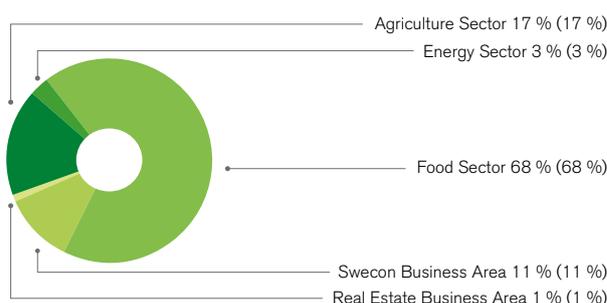
Risks and uncertainties

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 ThermoSeed Global was acquired. The acquisition ensures continuing investment in environmentally-friendly seed treatment, both in Sweden and internationally.

Distribution of Group's employees





Human resources

At April 30, 2018, the average number of employees was 9,811 (9,811) and the number of full-time employees was 9,836 (9,821).

Other important events

On January 1, 2018, an organizational change was made in order to create more consistent and customer-oriented businesses. Lantmännen Maskin is now part of the Agriculture Sector, as a retained unit, and Swecon is a separate Business Area. Agro Oil is part of Lantmännen Aspen in the Energy Sector. The Machinery Sector then ceased as an organizational unit.

In February, Lantmännen received an investment grade rating of Baa3, stable outlook, from the credit rating agency Moody's.

During the four-month period, Magnus Kagevik took over as Head of the Energy Sector. Magnus is now a member of Lantmännen's Group management. Bengt Alestig took over as CEO of Lantmännen Maskin.

Lantmännen, HK Scan and LRF are jointly investing SEK 100 million in "Tillväxtbolaget for Sveriges Jordbrukare", with the aim of, on a business-like basis, contributing to increased growth in Swedish livestock and crop production. The purpose is, among other things, to offer farmers capital that facilitates investments. Lantmännen owns one-third of the company.

In the 2018 Sustainable Brand Index survey, Lantmännen was named Sweden's most sustainable brand in the food category and Sweden's third most sustainable brand overall.

Events after the end of the 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, which is to be approved by the relevant competition authorities, is expected to be completed in the third four-month period of 2018.

Lantmännen's Annual General Meeting

At Lantmännen's AGM in May, Kerstin Arnemo and Sonat Burman-Olsson were elected as new Board members after 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.



Agriculture Sector

Key figures Agriculture Sector

	2018 Jan-Apr	2017 Jan-Apr	Change
Net sales, MSEK	6,342	4,887	30 %
Operating income, MSEK	67	64	3
Operating margin, %	1.1	1.3	
Return on operating capital, %	3.3	3.8	
Average number of employees	1,616	1,577	2 %

The Agriculture Sector's net sales for the first four-month period were higher than the previous year, and its operating income amounted to MSEK 67, compared with MSEK 64 for the same period the previous year. Sales and earnings have been positively affected by the acquisition of Lantmännen Agro Oy.

The large harvests in recent years have placed a strain on Lantmännen's grain infrastructure. In the first four-month period, it was therefore decided to invest in increased capacity in a number of facilities ahead of the 2018 harvest, including Lidköping, Grästorps, Norrköping and Hedemora. Investments are also being made in Hammenhög in Skåne and Hargshamn in Uppland to replace the existing grain receiving facilities in Ystad and Uppsala.

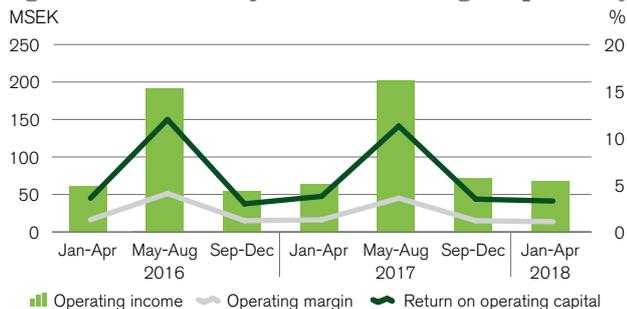
Good volume growth in feed has continued in the first four-month period, particularly for Nötfor and Piggfor. In addition to the good feed quality, the increased sales are the result of a focus on closer customer proximity and increased availability of the sales force.

Demand for spring seed has increased, mainly as a result of last year's late harvest and fall tillage. In combination with the intensive spring planting, Lantmännen has sold more spring seed than ever before, which has presented major challenges for supply and delivery reliability.

The operations in Lantmännen Agro Oy in Finland, acquired last year, are developing according to plan. A number of integration projects are in progress, and in the first four-month period, materials and signage at all facilities were updated in line with Lantmännen's brand profile and visual identity.

In May, Lantmännen announced the forthcoming acquisition of Raisio's cattle feed business, which means that the position in Finland and the offering within the Finnish agribusiness are further strengthened. Lantmännen's ambition is to become a strong, comprehensive supplier in the Finnish agriculture market – and the acquisition also enables synergies with the Swedish agriculture and feed business.

Agriculture Sector, adj. for items affecting comparability





Key figures Lantmännen Lantbruk Sweden	2018 Jan-Apr	2017 Jan-Apr	Change
Net sales, MSEK	3,928	3,822	3 %
Operating income, MSEK	76	97	-21
Operating margin, %	1.9	2.5	
Return on operating capital, %	7.6	11.6	
Average number of employees	718	732	-2 %

Key figures Lantmännen Maskin Sweden	2018 Jan-Apr	2017 Jan-Apr	Change
Net sales, MSEK	1,224	1,025	19 %
Operating income, MSEK	-15	-32	17
Operating margin, %	-1.2	-3.1	
Return on operating capital, %	-4.4	-10.3	
Average number of employees	809	812	0 %

Since the turn of the year, Lantmännen Maskin has been part of the Agriculture Sector. The change is aimed at further strengthening the customer offering in the agriculture operations. The late spring has affected Lantmännen Maskin's sales and the pressure on machine deliveries in April has been very high. Lantmännen continues to have a strong position in the highly competitive Swedish tractor market. In January, Bengt Alestig took over as the new CEO of Lantmännen Maskin.

Earnings for the Agriculture Sector's international holdings are somewhat lower than the same period the previous year, partly due to the late spring and tougher competition. However, Scandagra Polska has carried out successful cost savings measures and shows slightly better earnings than in the previous year.

Work on the LM² digital initiative continues as planned. During the first four-month period, there has been a major focus on feed and livestock production, and an updated financial service will be launched in the tool in early June.



Energy Sector

Key figures Energy Sector

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

	2018 Jan-Apr	2017 Jan-Apr	Change
Net sales, MSEK	930	1,094	-15 %
Operating income, MSEK	38	144	-106
Operating margin, %	4.1	13.2	
Return on operating capital, %	10.3	57.7	
Average number of employees	277	243	14 %

The Energy Sector's net sales for the first four-month period are lower than in the same period the previous year, and operating income is MSEK 38 – a decline from MSEK 144 the previous year.

Lantmännen Agroetanol's earnings are lower than in the previous year, due to a sharp fall in ethanol prices beginning in the third four-month period last year. The successful work on exports of environmentally friendly ethanol to Germany and ethanol produced from industrial residues has continued.

Several politicians have visited Agroetanol during the first four-month period, including Per Bolund, Minister for Financial Markets and Consumer Affairs, Maria Malmer Stenergard,

Moderate Party Environmental Policy Spokesperson, and Lorentz Tovatt, Green Party Industry Policy Spokesperson. Discussions included the possibilities of increasing ethanol blends in petrol. At the end of April, the plant was also visited by the Board of the World Bioenergy Association.

Lantmännen Aspen shows a positive earnings trend for the first four-month period, despite continuing tough price competition and delayed sales due to the late, cold spring. Both sales and earnings have been positively affected by the acquisition of the French alkylate petrol producer Marline, purchased by Aspen at the end of 2017. The integration of Marline is progressing well, and planned synergies from the transaction have been realized. Agro Oil has been part of Aspen since the turn of the year.

Lantmännen Reppe's long-term program to increase production capacity and improve the balance of production has continued in the first four-month period.

The jointly owned pellet company Scandbio shows earnings that are slightly higher than the previous year, mainly due to March having been an unusually cold month. The increase in sales has mainly occurred in the large and medium-sized segment.

On March 1, Magnus Kagevik took over as Head of the Energy Sector. Magnus is now a member of Lantmännen's Group management.

Energy Sector, adj. for items affecting comparability





Food Sector

Key figures Food Sector

	2018 Jan-Apr	2017 Jan-Apr	Change
Net sales, MSEK	4,800	4,529	6 %
Operating income, MSEK	157	154	3
Operating margin, %	3.3	3.4	
Return on operating capital, %	3.1	3.5	
Average number of employees	6,547	6,545	0 %

The Food Sector's net sales are higher than the previous year. Operating income is MSEK 157, compared with MSEK 154 the previous year.

Lantmännen Cerealia has improved its earnings compared with the previous year, mainly due to positive development for consumer goods and implemented cost reductions. Competition remains tough in much of the market – despite this, Cerealia has defended or increased its market share in the large Breakfast and Baking segments.

Cerealia's results have been adversely affected by temporary costs for several ongoing projects, including the start-up of the new mill in Strängnäs. Integration of the Russian

crispbread producer Orient Products, acquired in September 2017, is proceeding according to plan.

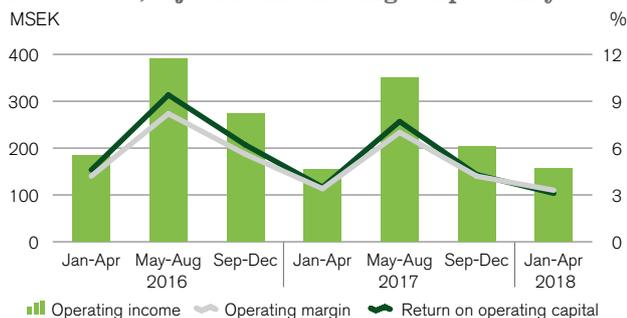
Lantmännen Unibake continues to develop steadily and has improved both sales and earnings compared with the same period the previous year. The main sales increase has taken place in Russia and in fresh bread operations in Finland and the Baltic region.

Unibake's earnings have been adversely affected by currency effects due to the weak Swedish krona and planned start-up costs for the new bakery in Nowa Sól, Poland.

Several new products have been launched in the first four-month period, including three new burger buns and wraps from Hatting in Denmark, organic hot dog and burger buns from Korvbrödsbagarn in Sweden and Bonjour's "Eat my Brew" concept – two varieties of bread baked with beer.

The jointly owned company Viking Malt is developing well, although the results for the first four-month period are a little lower than the previous year.

Food Sector, adj. for items affecting comparability





Swecon Business Area

Key figures Swecon Business Area

	2018 Jan-Apr	2017 Jan-Apr	Change
Net sales, MSEK	2,277	2,138	7 %
Operating income, MSEK	88	66	22
Operating margin, %	3.9	3.1	
Return on operating capital, %	65.6	52.6	
Average number of employees	1,079	1,031	5 %

The Swecon Business Area's net sales are higher than for the same period the previous year. Operating income amounted to MSEK 88, an increase from MSEK 66 for the same period the previous year.

Swecon continues to develop positively and has been an independent Business Area within Lantmännen since the turn of the year, with the aim of creating additional focus for the business.

The market situation in Sweden has remained stable during the first four-month period of the year, with many ongoing infrastructure and construction projects. There are certain signs of overheating in the construction sector, and some projects are being postponed or stopped – but despite this, Swecon's order intake is good and its order backlog is at a historically high level. Intensive efforts are being devoted to delivering machines to customers.

Swecon Business Area, adj. for items affecting comparability



Swecon's market shares in Sweden and Germany remain at a high level, with a certain shift towards compact machines in Germany. In the Baltic region, the market is more cautious with regard to investments, and is tending to focus on rentals or lease-purchase instead.

Thanks to growing numbers of machines in recent years, the service market is also increasing steadily in all Swecon's geographical areas, with higher demand for both spare parts and workshop hours. This also means that Swecon's personnel levels, particularly technicians, are increasing in both Sweden and Germany. The challenge is to continue to find and train employees in line with the market's increased needs.

In February, Swecon in Sweden was designated as 2017 Dealer of the Year in Volvo CE's EMEA (Europe, Middle East, Africa and Russia) region. In addition to the Swedish company's top position, Swecon Germany was also awarded third place.

For the second consecutive year, Swecon was a partner and arena sponsor of Rally Sweden, which took place in mid-February. About 200,000 people visited the rally, which is watched by almost 100 million TV viewers around the world. Swecon had specially invited about 120 customers to the rally, during which new products and services were demonstrated.

In March, Swecon extended the warranty period on Volvo's original spare parts from one year to two years (or 6,000 hours). The warranty covers both parts and labor costs when Swecon performs the assembly. The purpose is to make it even safer and more profitable to own Volvo equipment.



Real Estate Business Area

Key figures Real Estate Business Area

	2018 Jan-Apr	2017 Jan-Apr	Change
Net sales, MSEK	189	176	7 %
Operating income, excluding property sales, MSEK	74	70	4
Operating income, MSEK	121	75	46
Return on operating capital, adjusted for property sales, %	10.2	10.0	
Average number of employees	46	43	7 %

The Real Estate Business Area's net sales are higher than in the previous year, and operating income excluding property sales is MSEK 74, compared with MSEK 70 for the same period the previous year. Income from property sales was MSEK 47 (5).

Operating income excluding property sales is a little higher than in the previous year, due to increased new leasing. The result has also been positively affected by the reversal of provisions in connection with a property sale in the port of Norrtälje.

In August last year, Lantmännen Fastigheter's entire community property business was transferred to the company Lanthem, which is jointly owned with the property company Hemsö. During the first four-month period, a number of investigations of potential projects in Lantmännen's land portfolio were initiated within the framework of the Lanthem cooperation.

Lantmännen Agrovärme is developing according to plan. Integration of the district heating company Byavärme in Vinslöv, acquired in December, is continuing.

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 1,500 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, which is a merchant of grain and other inputs in the Polish agricultural market, has an annual turnover of just over PLN 500 million and about 170 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 Jan-Apr	2017 Jan-Apr	May 2017- Apr 2018	2017 Jan-Dec
Net sales	13,744	12,198	41,232	39,686
Other operating income	118	87	471	440
Changes in inventories of finished goods and work in progress	-969	-510	-994	-535
Raw materials and consumables	-3,416	-3,472	-12,130	-12,186
Merchandise	-4,526	-3,680	-13,317	-12,471
Employee benefits expense	-1,998	-1,890	-5,855	-5,747
Depreciation, amortization and impairment	-437	-398	-1,281	-1,242
Other operating expenses	-2,197	-1,972	-6,647	-6,422
Share of income of equity accounted companies	39	38	155	154
Operating income	358	401	1,634	1,677
Finance income	42	39	154	151
Finance costs	-107	-86	-328	-307
Income after financial items	293	354	1,460	1,521
Tax	-47	-40	-223	-216
Net income for the period	246	314	1,237	1,305
Net income for the period attributable to:				
Members of the economic association	241	308	1,234	1,301
Non-controlling interests	5	6	3	4

Condensed consolidated statement of comprehensive income

MSEK	2018 Jan-Apr	2017 Jan-Apr	May 2017- Apr 2018	2017 Jan-Dec
Net income for the period	246	314	1,237	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	3	26	-24	-1
Shares in companies measured at fair value through other comprehensive income, net before tax	-3	-	-3	-
Tax attributable to items that will not be reclassified	1	-6	7	0
Total	1	20	-20	-1
Items that will be reclassified to the income statement				
Available-for-sale financial assets, net before tax	0	-10	-7	-17
Cash flow hedges, net before tax	-109	-33	-82	-6
Exchange differences on translation of foreign operations	433	26	525	118
Net gain on hedge of net investment in foreign operations, net before tax	-89	-4	-115	-30
Tax attributable to items that will be reclassified	44	14	40	10
Total	279	-7	361	75
Share of OCI in equity accounted companies				
Items that will be reclassified to the income statement	97	19	121	43
Total	97	19	121	43
Other comprehensive income, net of tax	377	32	462	117
Total comprehensive income for the period	623	346	1,699	1,422
Total comprehensive income attributable to:				
Members of the economic association	618	340	1,696	1,418
Non-controlling interests	5	6	3	4

Condensed consolidated four-monthly income statements

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

The Group's items affecting comparability

MSEK	2018 Jan-Apr	2017 Jan-Apr	2017 Jan-Dec
Recognized operating income	358	401	1,677
Items affecting comparability in operating income:			
Insurance compensation, Food Sector	-	-	96
Restructuring costs, Food Sector	-	-	-65
Provisions, Energy Sector	-	-	-140
Capital gains, Lantmännen Real Estate	-	-	78
Total items affecting comparability in operating income	-	-	-31
Operating income, adjusted for items affecting comparability	358	401	1,708
Recognized income after financial items	293	354	1,521
Items affecting comparability in operating income according to above	-	-	-31
Income after financial items adjusted for items affecting comparability	293	354	1,552
Return on equity, adjusted for items affecting comparability, %	4.9	6.7	9.4
Return on operating capital, adjusted for items affecting comparability, %	4.6	5.9	7.9

Condensed consolidated statement of financial position

MSEK	2018 Apr 30	2017 Apr 30	2017 Dec 31
ASSETS			
Property, plant and equipment	9,937	8,670	9,387
Investment property	651	832	643
Goodwill	5,460	4,697	5,238
Other intangible assets	3,394	2,982	3,327
Equity accounted holdings	2,281	1,918	2,182
Non-current financial assets	729	775	825
Deferred tax assets	206	161	170
Other non-current assets	46	17	27
Total non-current assets	22,704	20,052	21,799
Inventories	5,986	5,142	5,948
Trade and other receivables	7,030	5,930	5,823
Current interest-bearing assets	37	48	18
Current tax assets	36	49	25
Cash and cash equivalents	1,774	1,830	927
Total current assets	14,863	12,999	12,741
TOTAL ASSETS	37,567	33,051	34,540
EQUITY AND LIABILITIES			
Equity attributable to members of the economic association	15,477	14,118	14,859
Non-controlling interests	94	98	89
Total equity	15,571	14,216	14,948
Non-current interest-bearing liabilities ¹⁾	6,178	4,984	4,523
Provisions for pensions	539	474	554
Deferred tax liabilities	630	396	638
Other non-current provisions	224	260	240
Other non-current liabilities	32	27	28
Total non-current liabilities	7,603	6,141	5,983
Current interest-bearing liabilities	3,512	3,271	3,841
Trade and other payables	10,103	8,626	8,966
Current tax liabilities	107	113	98
Current provisions	671	684	704
Total current liabilities	14,393	12,694	13,609
TOTAL EQUITY AND LIABILITIES	37,567	33,051	34,540
Equity ratio	41.4	43.0	43.3
¹⁾ Including subordinated debentures, MSEK	250	250	250

Condensed consolidated statement of cash flows

MSEK	2018 Jan-Apr	2017 Jan-Apr	2017 Jan-Dec
Operating income	358	401	1,677
Adjustment for non-cash items ¹⁾	368	363	1,107
Financial items paid, net	-40	-64	-210
Taxes paid	-64	-84	-121
Cash flow from operating activities before changes in working capital	622	616	2,453
Change in working capital	-136	286	-55
Cash flow from operating activities	486	902	2,398
Acquisitions and divestments of operations, net	0	4	-852
Investments in property, plant & equipment and intangible assets	-661	-862	-2,593
Sale of property, plant & equipment and intangible assets	44	123	319
Change in financial investments	79	68	25
Cash flow from investing activities	-538	-667	-3,101
Cash flow before financing activities	-52	235	-703
Change in interest-bearing liabilities and provisions for pensions	882	-165	200
Change in contributed capital	0	-17	96
Dividend paid	0	0	-445
Cash flow from financing activities	882	-182	-149
Cash flow for the period	830	53	-852
Cash and cash equivalents at beginning of period	927	1,773	1,773
Exchange differences in cash and cash equivalents	17	4	6
Cash and cash equivalents at the end of the period	1,774	1,830	927
¹⁾ Depreciation, amortization and impairment of non-current assets	437	398	1,242
Share of income of equity accounted companies	-11	-14	-117
Capital gains/losses on sale of non-current assets and operations	-45	-9	-108
Other non-cash items	-13	-12	90
Adjustment for non-cash items	368	363	1,107

Condensed consolidated statement of changes in equity

MSEK	2018 Jan-Apr			2017 Jan-Apr			2017 Jan-Dec		
	Members of the association	Non- controlling interest	Total equity	Members of the association	Non- controlling interest	Total equity	Members of the association	Non- controlling interest	Total equity
Opening balance, January 1	14,859	89	14,948	13,795	88	13,883	13,795	88	13,883
Total comprehensive income for the period	618	5	623	340	6	346	1,418	4	1,422
Distribution to owners	-	-	-	-	-	-	-450	-7	-457
Contributed capital paid in by members	0	-	0	1	-	1	171	-	171
Contributed capital paid out to members	-	-	-	-18	-	-18	-75	-	-75
Other change ¹⁾	-	-	-	-	4	4	-	4	4
Closing balance	15,477	94	15,571	14,118	98	14,216	14,859	89	14,948
Equity attributable to members of the economic association									
Contributed capital, paid in	1,208			1,083			1,208		
Contributed capital, issued	1,256			1,198			1,256		
Other equity	13,013			11,837			12,395		
Total equity attributable to members of the economic association	15,477			14,118			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 Jan-Apr	2017 Jan-Apr	Change Jan-Apr, %	May 2017- Apr 2018	2017 Jan-Dec
Agriculture Sector	6,342	4,887	30 %	18,115	16,660
Energy Sector	930	1,094	-15 %	2,904	3,068
Food Sector	4,800	4,529	6 %	14,620	14,349
Swecon Business Area	2,277	2,138	7 %	7,500	7,361
Real Estate Business Area	189	176	7 %	524	511
Other operations	176	316	-44 %	497	637
Eliminations	-970	-942	-3 %	-2,928	-2,900
Lantmännen total	13,744	12,198	13 %	41,232	39,686

Operating income per segment, adjusted for items affecting comparability

MSEK	2018 Jan-Apr	2017 Jan-Apr	May 2017- Apr 2018	2017 Jan-Dec
Agriculture Sector	67	64	340	337
Energy Sector	38	144	190	296
Food Sector	157	154	711	708
Swecon Business Area	88	66	394	372
Real Estate Business Area ¹⁾	121	75	270	224
Other operations	-78	-94	-140	-156
Group items	-35	-8	-100	-73
Lantmännen total	358	401	1,665	1,708
¹⁾ Including capital gain on sale of property	47	5	62	20

Operating margin per segment, adjusted for items affecting comparability

%	2018 Jan-Apr	2017 Jan-Apr	May 2017- Apr 2018	2017 Jan-Dec
Agriculture Sector	1.1	1.3	1.9	2.0
Energy Sector	4.1	13.2	6.5	9.6
Food Sector	3.3	3.4	4.9	4.9
Swecon Business Area	3.9	3.1	5.3	5.1
Lantmännen total	2.6	3.3	4.0	4.3

Return on operating capital, adjusted for items affecting comparability

%	2018 Jan-Apr	2017 Jan-Apr	May 2017- Apr 2018	2017 Jan-Dec
Agriculture Sector	3.3	3.8	5.8	6.1
Energy Sector	10.3	57.7	21.5	38.9
Food Sector	3.1	3.5	5.0	5.1
Swecon Business Area	65.6	52.6	85.3	82.0
Real Estate Business Area ¹⁾	10.2	10.0	9.7	9.7
Lantmännen total	4.6	5.9	7.4	7.9

¹⁾ Adjusted for gain on sale of property.

Segment information

Net sales per segment

MSEK	2018 Jan-Apr	2017 Jan-Apr	Change Jan-Apr, %	May 2017- Apr 2018	2017 Jan-Dec
Agriculture Sector	6,342	4,887	30 %	18,115	16,660
Energy Sector	930	1,094	-15 %	2,904	3,068
Food Sector	4,800	4,529	6 %	14,620	14,349
Swecon Business Area	2,277	2,138	7 %	7,500	7,361
Real Estate Business Area	189	176	7 %	524	511
Other operations	176	316	-44 %	497	637
Eliminations	-970	-942	-3 %	-2,928	-2,900
Lantmännen total	13,744	12,198	13 %	41,232	39,686

Operating income per segment

MSEK	2018 Jan-Apr	2017 Jan-Apr	May 2017- Apr 2018	2017 Jan-Dec
Agriculture Sector	67	64	340	337
Energy Sector	38	144	50	156
Food Sector	157	154	742	739
Swecon Business Area	88	66	394	372
Real Estate Business Area ¹⁾	121	75	348	302
Other operations	-78	-94	-140	-156
Group items	-35	-8	-100	-73
Lantmännen total	358	401	1,634	1,677
¹⁾ Including capital gain on sale of property	47	5	140	98

Operating margin per segment

%	2018 Jan-Apr	2017 Jan-Apr	May 2017- Apr 2018	2017 Jan-Dec
Agriculture Sector	1.1	1.3	1.9	2.0
Energy Sector	4.1	13.2	1.7	5.1
Food Sector	3.3	3.4	5.1	5.2
Swecon Business Area	3.9	3.1	5.3	5.1
Lantmännen total	2.6	3.3	4.0	4.2

Return on operating capital

%	2018 Jan-Apr	2017 Jan-Apr	May 2017- Apr 2018	2017 Jan-Dec
Agriculture Sector	3.3	3.8	5.8	6.1
Energy Sector	10.3	57.7	5.7	20.5
Food Sector	3.1	3.5	5.2	5.4
Swecon Business Area	65.6	52.6	85.3	82.0
Real Estate Business Area ¹⁾	10.2	10.0	9.7	9.7
Lantmännen total	4.6	5.9	7.3	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 4,068 (3,940) and its operating income was MSEK 14 (9).

Income from financial items was MSEK -117 (392).

Net financial income was affected by net interest income of MSEK 64 (27) and exchange losses of MSEK -218 (-18). In the previous year, net financial income included dividends of MSEK 158 and a capital gain of MSEK 192 on the sale of shares in subsidiaries. Income after financial items was MSEK -103 (401).

Net investments in non-current assets totaled MSEK 34 (50).

The equity ratio was 42.5 percent (45.0, year-end).

The average number of employees in the Parent Company was 919 (955).

Parent Company condensed income statement

MSEK	2018 Jan-Apr	2017 Jan-Apr
Net sales, external	3,295	3,177
Net sales, intra-Group	773	763
Net sales, total	4,068	3,940
Change in products in progress, finished goods and work in progress for third parties	-679	-455
Other operating income	84	77
	3,473	3,562
Operating expenses		
Raw materials and consumables	-1,878	-2,044
Merchandise	-719	-704
Other external costs	-529	-479
Employee benefits expense	-276	-274
Depreciation, amortization and impairment	-57	-52
Total operating expenses	-3,459	-3,553
Operating income	14	9
Income from financial items	-117	392
Income after financial items	-103	401
Tax	32	-16
Net income for the period	-71	385

Parent Company condensed statement of financial position

MSEK	2018 Apr 30	2017 Apr 30
ASSETS		
Intangible assets	487	499
Property, plant and equipment	719	756
Investments in Group companies	7,795	8,933
Investments in joint ventures/associates	1,222	1,235
Receivables from Group companies	4,598	2,801
Other securities held as non-current assets	167	187
Other non-current receivables	313	180
Total non-current assets	15,301	14,591
Inventories	1,824	1,557
Receivables from Group companies	12,410	10,857
Other current receivables	2,396	2,239
Short-term investments, incl. cash and bank balances	1,174	1,171
Total current assets	17,804	15,824
TOTAL ASSETS	33,105	30,415
EQUITY AND LIABILITIES		
Equity	13,700	13,253
Untaxed reserves	466	466
Provisions	120	137
Non-current liabilities	5,710	4,503
Current liabilities to Group companies	7,353	6,744
Other current liabilities	5,756	5,312
TOTAL EQUITY AND LIABILITIES	33,105	30,415
Equity ratio	42.5	44.8

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 are expected to 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.

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. The comparative figures for 2017 have been restated according to the new organisation.

Provision in connection with the EU Commission's ongoing investigation

A provision of MSEK 440 has previously been recognized in the financial statements, in connection with the European Commission's ongoing investigation of Lantmännen Agroetanol and two other ethanol producers for alleged violation of EU competition law.

Lantmännen's net sales

MSEK	Jan-Apr 2018	Jan-Apr 2017	jan-dec 2017
Net sales from contracts with customers:			
Lantmännen Lantbruk Sweden	3,928	3,822	11,169
Lantmännen Lantbruk Finland	1,145	-	1,754
Lantmännen Maskin Sweden	1,224	1,025	3,629
Agriculture Sector, other and eliminations	45	40	108
Agriculture Sector	6,342	4,887	16,660
Lantmännen Agroetanol	504	730	1,903
Lantmännen Reppe	151	154	454
Lantmännen Aspen	278	213	721
Energy Sector, other and eliminations	-3	-3	-10
Energy Sector	930	1,094	3,068
Lantmännen Cerealia	1,342	1,302	3,980
Lantmännen Unibake	3,581	3,341	10,726
Food Sector, other and eliminations	-123	-114	-357
Food Sector	4,800	4,529	14,349
Swecon Sweden	1,171	1,111	3,881
Swecon Germany	893	824	2,816
Swecon Baltic	80	69	233
Swecon Business Area, other and eliminations	-1	-1	-6
Swecon Business Area	2,143	2,003	6,924
Real Estate Business Area	50	42	109
Other operations	176	316	637
Eliminations	-885	-864	-2,660
Total	13,556	12,007	39,087
Net sales from leasing activities:			
Swecon Business Area	134	135	437
Real Estate Business Area	139	134	402
Eliminations	-85	-78	-240
Total	188	191	599
Total net sales	13,744	12,198	39,686

**Financial assets and liabilities
with information on fair value, April 30, 2018**

MSEK	Carrying amount	Fair value
Assets		
Other shares and interests	437	437
Other financial assets	291	291
Other non-current assets	38	38
Trade and other receivables	5,812	5,812
Current interest-bearing assets	37	37
Cash and cash equivalents	1,774	1,774
Total financial assets	8,389	8,389
Liabilities		
Non-current interest-bearing liabilities	6,178	6,168
Other non-current liabilities	30	30
Current interest-bearing liabilities	3,512	3,512
Trade and other payables	5,904	5,904
Total financial liabilities	15,624	15,614

**Financial assets and liabilities
measured at fair value, by level, April 30, 2018**

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	95	6	-	101
Other financial assets measured at fair value	317	0	120	437
Total assets	412	6	120	538
Liabilities				
Derivatives with negative fair value	80	23	-	103
Total liabilities	80	23	-	103

**Financial assets and liabilities
with information on fair value, April 30, 2017**

MSEK	Carrying amount	Fair value
Assets		
Other shares and interests	555	555
Other financial assets	219	219
Other non-current assets	1	1
Trade and other receivables	4,887	4,887
Current interest-bearing assets	48	48
Cash and cash equivalents	1,830	1,830
Total financial assets	7,540	7,540
Liabilities		
Non-current interest-bearing liabilities	4,984	4,993
Other non-current liabilities	26	26
Current interest-bearing liabilities	3,271	3,271
Trade and other payables	5,166	5,166
Total financial liabilities	13,447	13,456

**Financial assets and liabilities
measured at fair value, by level, April 30, 2017**

MSEK	Level 1	Level 2	Level 3	Total
Assets				
Derivatives with positive fair value	45	24	-	69
Other financial assets measured at fair value	542	11	123	676
Total assets	587	35	123	745
Liabilities				
Derivatives with negative fair value	25	48	-	73
Total liabilities	25	48	-	73

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 position

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 key figures (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.
EBITDA according to bank definition.	Income before finance income and costs, tax, depreciation and impairment and profit share from associated companies, on a rolling 12-month basis, adjusted for acquired and divested companies.	To calculate the key ratio Net debt according to bank definition/EBITDA according to banking definition.
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 according to bank definition	Net debt comprises interest-bearing liabilities minus subordinated debentures less cash and cash equivalents.	To calculate the key ratio Net debt according to bank definition/EBITDA according to banking definition.
Net debt according to bank definition/EBITDA according to bank definition.	Net debt according to bank definition divided by EBITDA according to bank definition.	Indicates how fast a company can repay its debt (expressed in years).
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, May 31, 2018



Per Olof Nyman
President & CEO
Lantmännen

Auditors' Review Report

This year-end report has not been reviewed by the company's auditors.

For more information, please contact

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This information is information that Lantmännen ek för is required to disclose under the EU Market Abuse Regulation.
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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.