

The image features a large, bold, blue 'AAK' logo at the top center. Below it, the text 'AarhusKarlshamn' is written in a blue, sans-serif font. The background is a photograph of a rolling green hillside covered in yellow wildflowers under a blue sky with scattered white clouds. A single tree is visible on the left side of the hill.

AAK

AarhusKarlshamn

Interim report January –September
2006

Jerker Hartwall
President and CEO

Anders Byström
Vice President and CFO

Financial Highlights 1st nine months 2006

- Sales up 365 MSEK/4,9 %
 - *Includes currency 105, oper variance +260 MSEK*
- Gross Margin (excl IAS) down, 102 MSEK
- **Operating profit excl IAS 39 and non recurring items of 117 MSEK amounted to 347 (377) MSEK**
- **Subcontracting in CCF during 2005 of 60 MSEK full year and 45 MSEK first 9 months**
- Operating profit including IAS 39 and non recurring items 232 MSEK
- IAS 39 impact 2 (40) MSEK.

Financial Highlights Q3 2006

- Sales up 221 MSEK/9,8 %
 - *Includes currency 148, oper variance +73 MSEK*
- Gross Margin (excl IAS) down, 33 MSEK
- **Operating profit excl IAS 39 and non recurring items of 10 MSEK amounted to 127 (141) MSEK**
- **Subcontracting in CCF during 2005 of 60 MSEK full year and 15 MSEK Q3 2005**
- Operating profit including IAS 39 and non recurring items 108 MSEK
- IAS 39 impact -9 (13) MSEK.

EBIT Reconciliation 9 months

MSEK	2006	2005
Per Operations (in the report)	232	417
Adj to IAS 39	-2	-40
IFRS Base	230	377
Non recurring items	117	
Per Bullit point operating profit <i>(excl IAS 39 and non recurring)</i>	347	377
Adjustments subcontracting		-45
"Underlying profitability"	347	332

EBIT Reconciliation Q3

MSEK	2006	2005
Per Operations (in the report)	108	154
Adj to IAS 39	9	-13
IFRS Base	117	141
Non recurring items	10	
Per Bullit point operating profit <i>(excl IAS 39 and non recurring)</i>	127	141
Adjustments subcontracting		-15
"Underlying profitability"	127	126

Condensed Balance Sheet

MSEK

	Sept 30 2006	Dec 31 2005
Fixed Assets	3 553	3 463
Inventory	1 448	1 429
Receivables	1 767	1 732
Cash	419	211
Current Assets	3 634	3 372
Total Assets	7 187	6 835
Equity	3 523	3 554
Long term liabilities	1 834	1 401
Current liabilities	1 830	1 880
Total liabilities	3 664	3 281
Total Equity and liabilities	7 187	6 835
Equity/assets ratio	49%	52%

Dividend at the extraordinary shareholders meeting in November 10, 2006

- Ordinary dividend 4 SEK per share
- Extraordinary dividend 25 SEK per share
- Company "overcapitalized", totally 1,2 billion SEK paid back to the shareholders
- After the dividend Equity/total assets > 30 %.

Cash flow

	Cash Flow 2006			
	Q1	Q2	Q3	Total
Cash flow from operating activities before changes in net operating assets	173	25	138	336
Changes in net operating assets	-272	43	20	-209
Cash flow from Operating activities	-99	68	158	127
Cash Flow from Investing activities	-124	-139	-109	-372
Cash flow after investments	-223	-71	49	-245
Cash Flow from Financing activities	230	74	153	457
Total Cash Flow	7	3	202	212

Operations Group

(SEK million)	3 months Jul-Sep 2006	Pro forma 3 months Jul-Sep 2005	9 months Jan-Sep 2006	Pro forma 9 months Jan-Sep 2005
Net sales	2,476	2,255	7,872	7,507
Gross contribution	652	707	1,906	2,046
Operating profit	108	154	232	417
Of which value changes in raw materials and currency derivatives	-9	13	2	40

- Q3
 - *Increase share of specialities (except for CBE)*
 - *Result excl non recurring costs in line with last year despite lack of sheanuts*
 - *Non recurring costs 10 MSEK (cost of listing + merger related costs)*
 - *Positive synergy effects*
- Jan - Sept
 - *Lower contributionmargin due to CCF mainly CBE*
 - *Non recurring costs of 117 MSEK and no subcontracting CCF 15 MSEK*
 - *Higher running costs due to consolidation of plants and production changes.*

Chocolate & Confectionery Fats

(SEK million)	3 months Jul-Sep 2006	Pro forma 3 months Jul-Sep 2005	9 months Jan-Sep 2006	Pro forma 9 months Jan-Sep 2005
Net sales	557	561	2,315	2,268
Gross contribution	227	257	619	746
Operating profit	37	54	50	169
Volumes (000 tonnes)	74	77	218	230

- Q3
 - *CBE volumes down significantly due to lack of sheanuts, therefore gross contribution margin per ton declines.*
 - *No subcontracting 15 MSEK.*
 - *Positive impact of synergies.*
- Jan - Sept
 - *CBE growth hampered by lack of sheanuts.*
 - *Same YTD volume as last year of CBE.*
 - *No subcontracting 45 MSEK.*
 - *Non recurring costs (in Q 2) of 72 MSEK.*

Food Ingredients

(SEK million)	3 months Jul-Sep 2006	Pro forma 3 months Jul-Sep 2005	9 months Jan-Sep 2006	Pro forma 9 months Jan-Sep 2005
Net sales	1,506	1,569	4,402	4,249
Gross contribution	351	354	1,030	989
Operating profit	72	75	179	177
Volumes (000 tonnes)	221	237	649	664

- Q3
 - *Higher share of specialties.*
 - *Increased gross contribution per ton.*
 - *Higher running costs due to consolidation of plants in the UK and production changes.*
- Jan - Sept
 - *Substantial sales increases for specialties for example in the US (transfree) and Food Ingredients Continental Europe (dairy fats and functional food). Lower volume of bulk oils.*
 - *Increased gross contribution margin per ton.*

Technical Products & Feed

(SEK million)	3 months Jul-Sep 2006	Pro forma 3 months Jul-Sep 2005	9 months Jan-Sep 2006	Pro forma 9 months Jan-Sep 2005
Net sales	256	233	761	726
Gross contribution	50	46	150	150
Operating profit	12	11	38	44
Volumes	68	63	187	203

- Q3
 - *Change in trend; first quarter this year which is better than last year and improved gross contribution margin per ton.*
 - *Increased fatty acid.*
- Jan - Sept
 - *Higher share of specialties; improved gross contribution margin per ton.*

Global industry driving forces

Healthy products

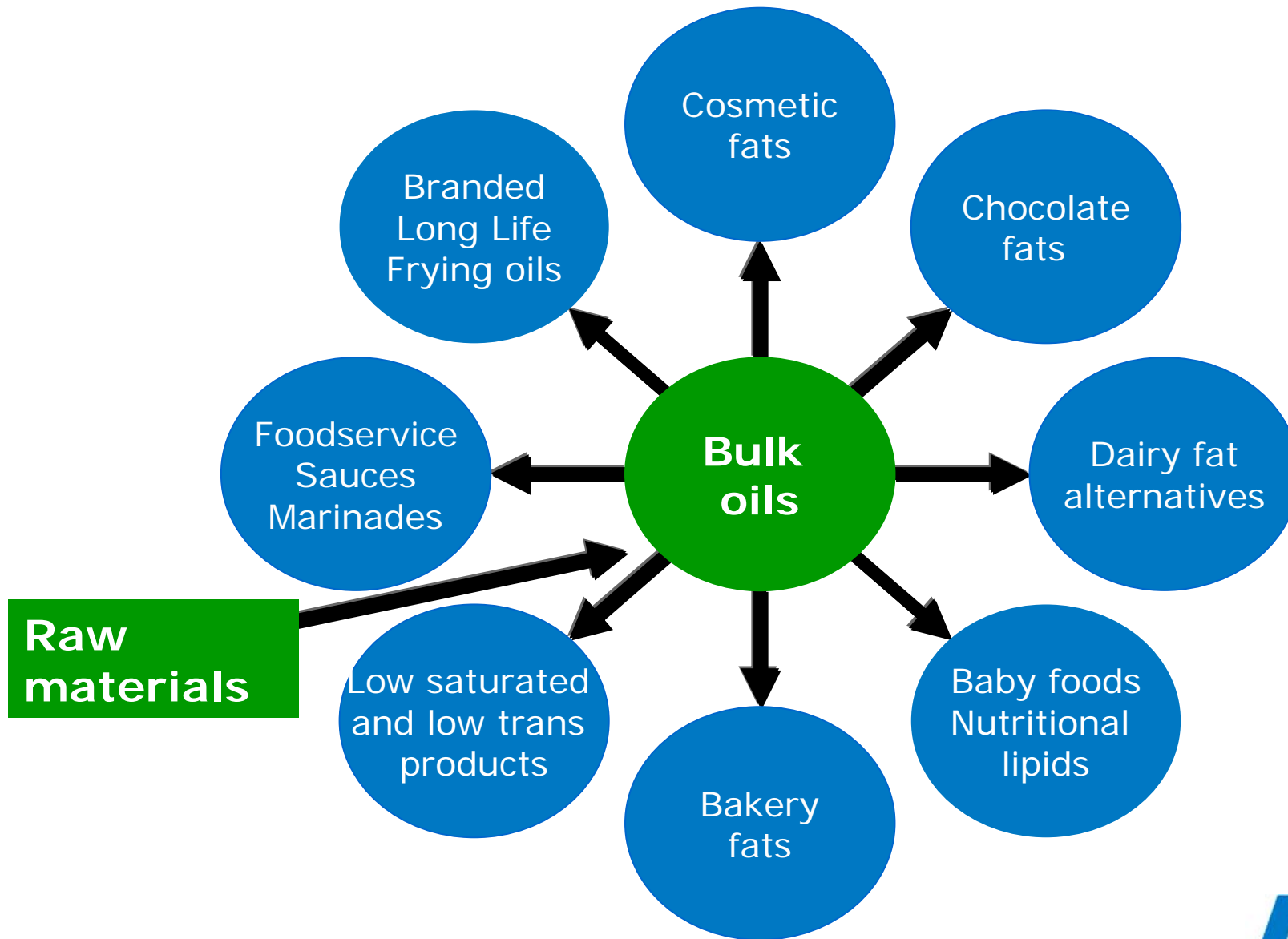
Food safety (risk-free products)

- Convenience products

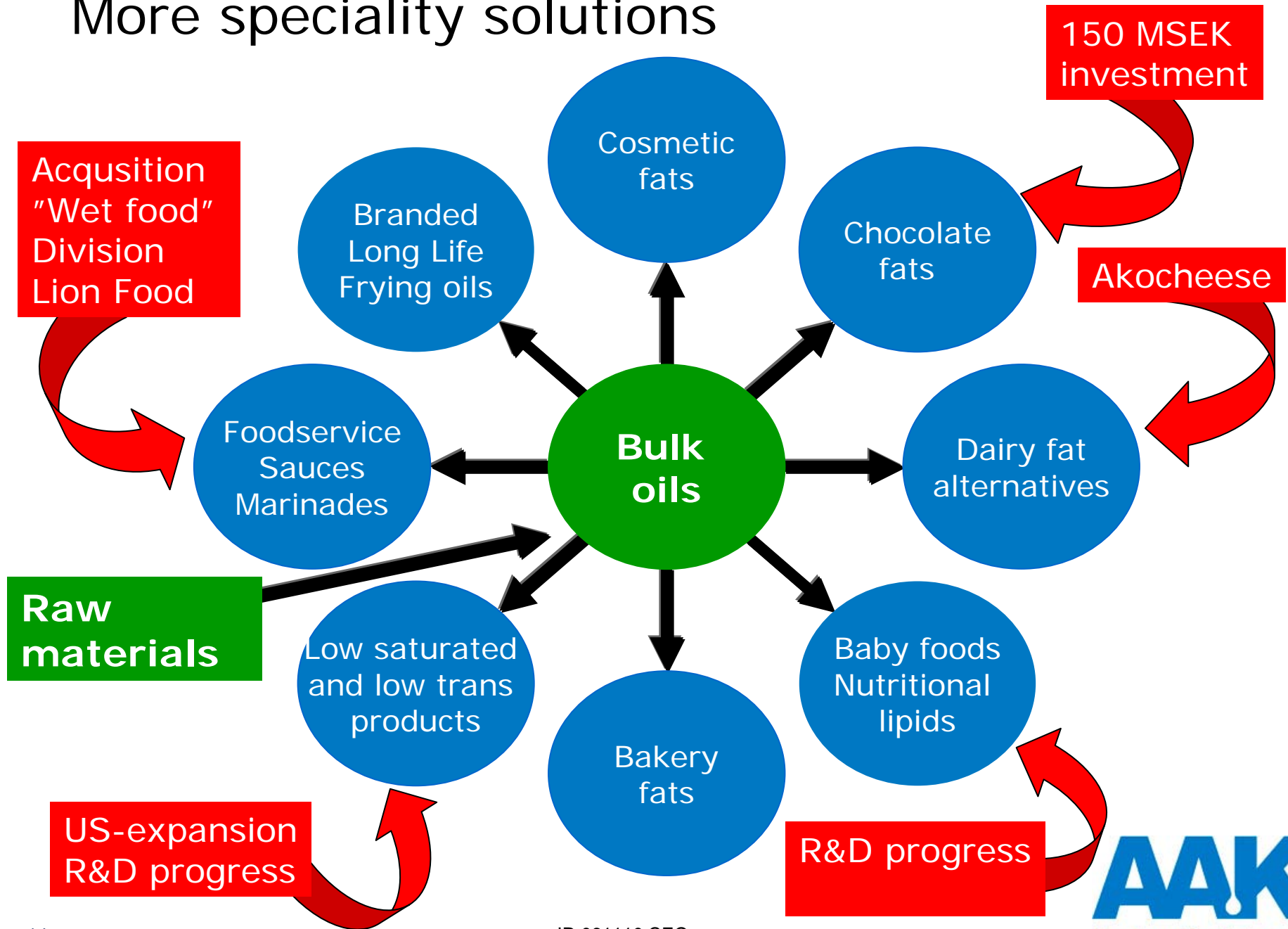
- Cost pressure

Changes
positive for AAK

More speciality solutions

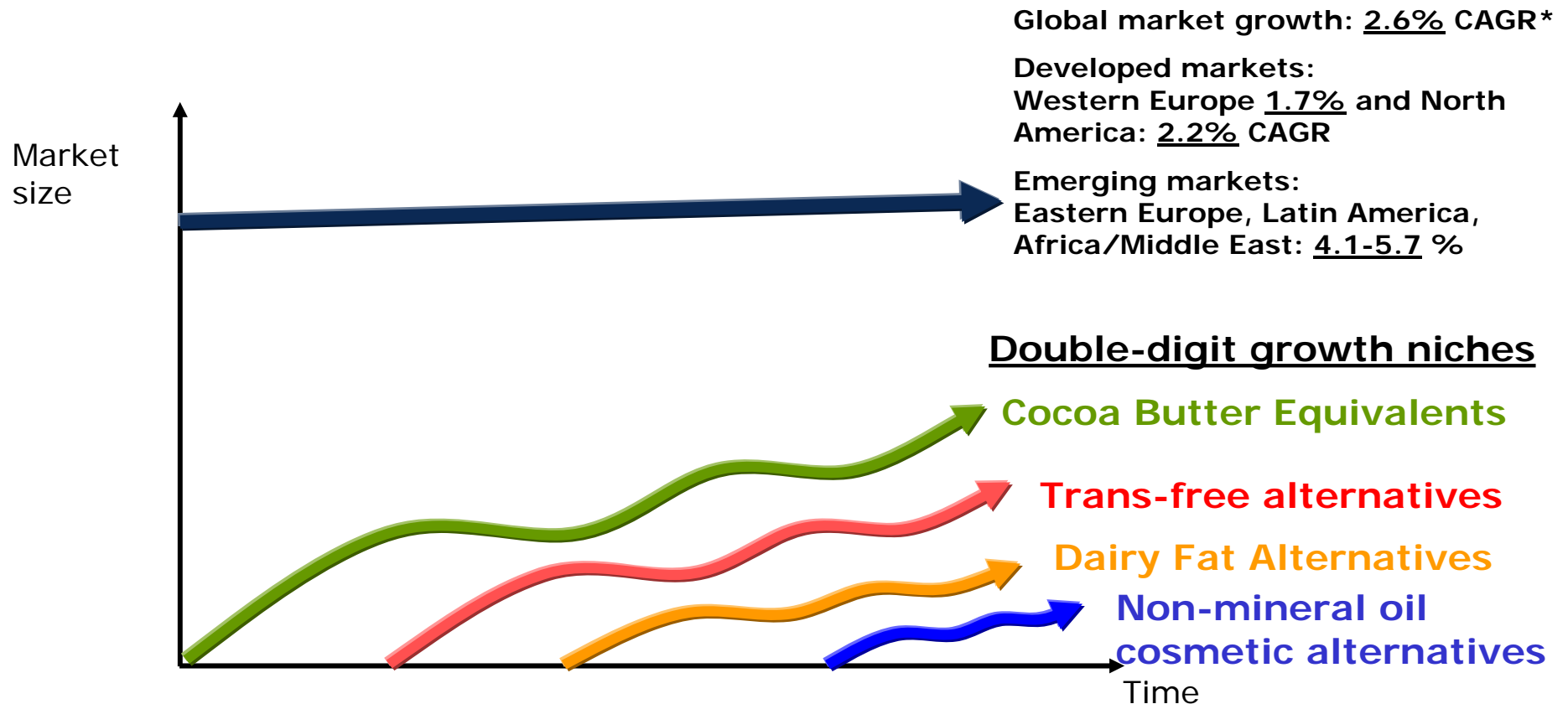


More speciality solutions



How to grow when markets don't?

New solutions replacing the old ones!

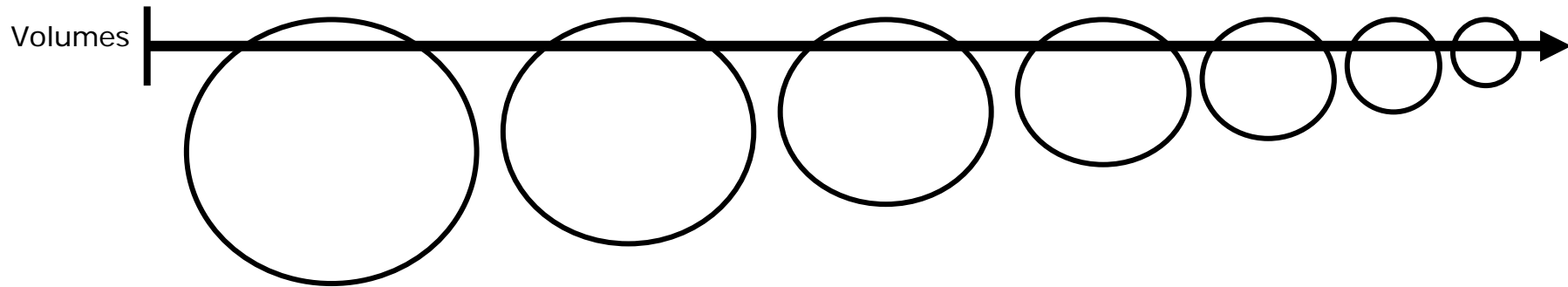


*) Source: Euromonitor 2006, % constant value growth 2005-10.

Growth

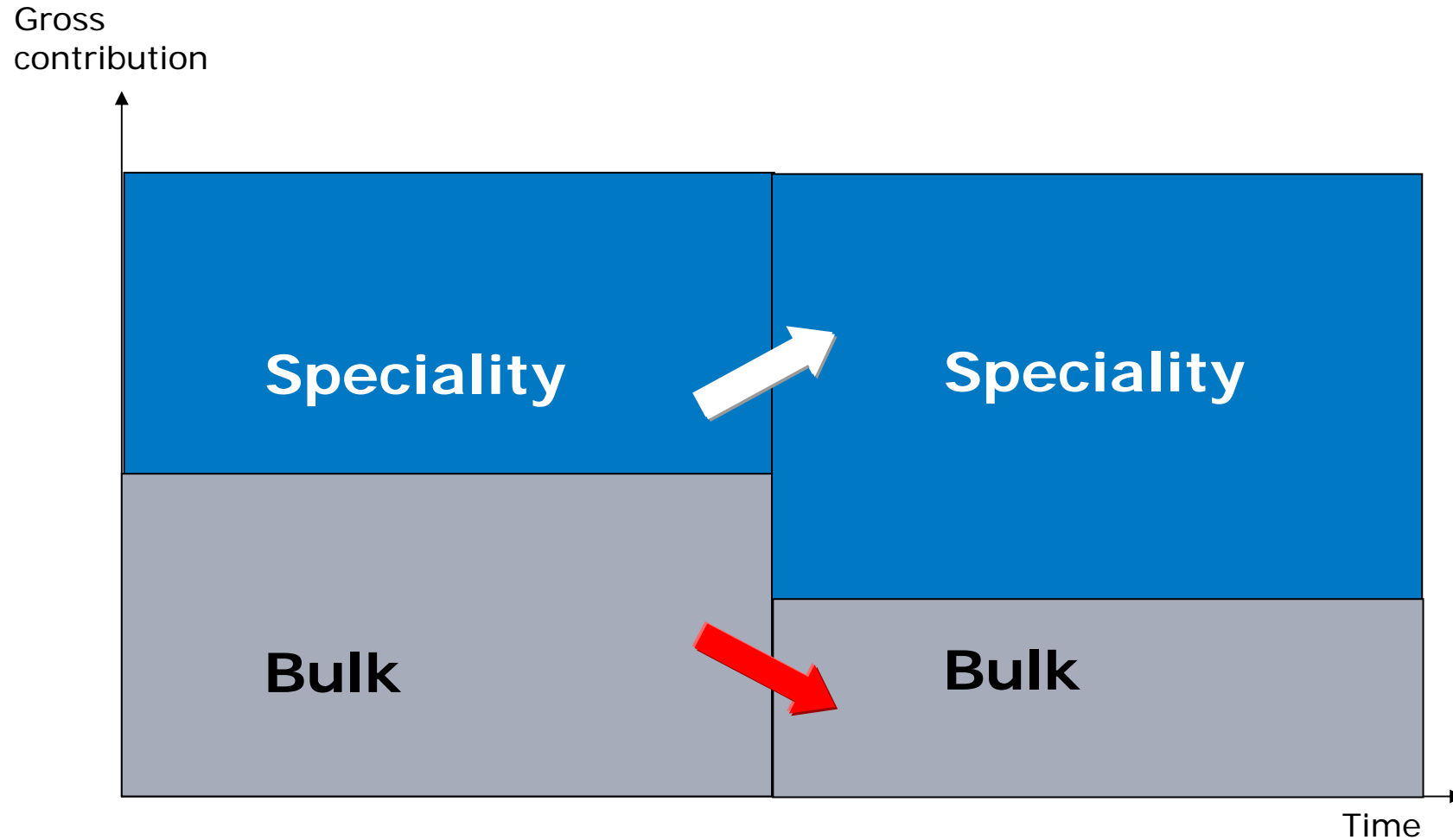
Standard

Speciality

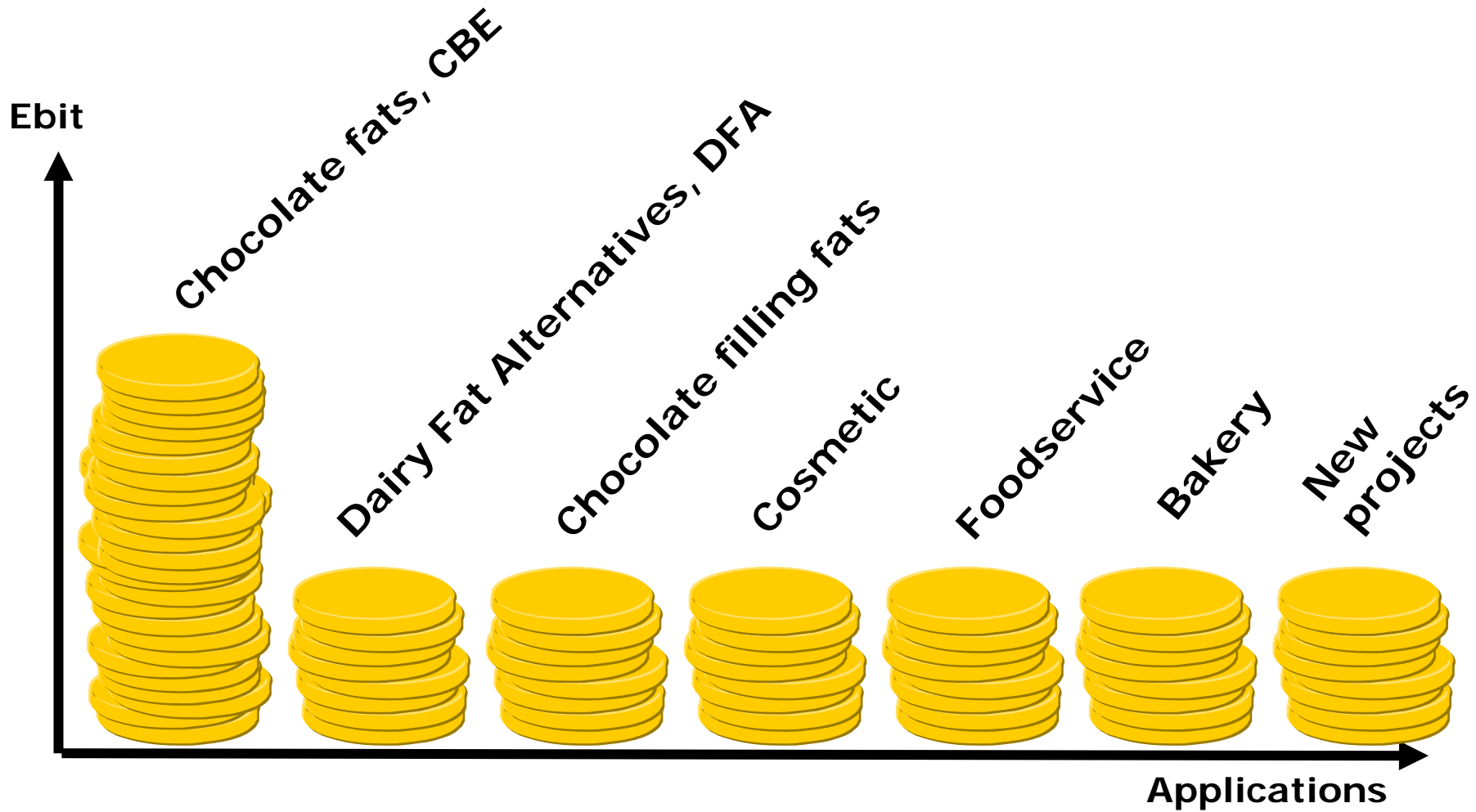


Improving Margins by shifting product-mix

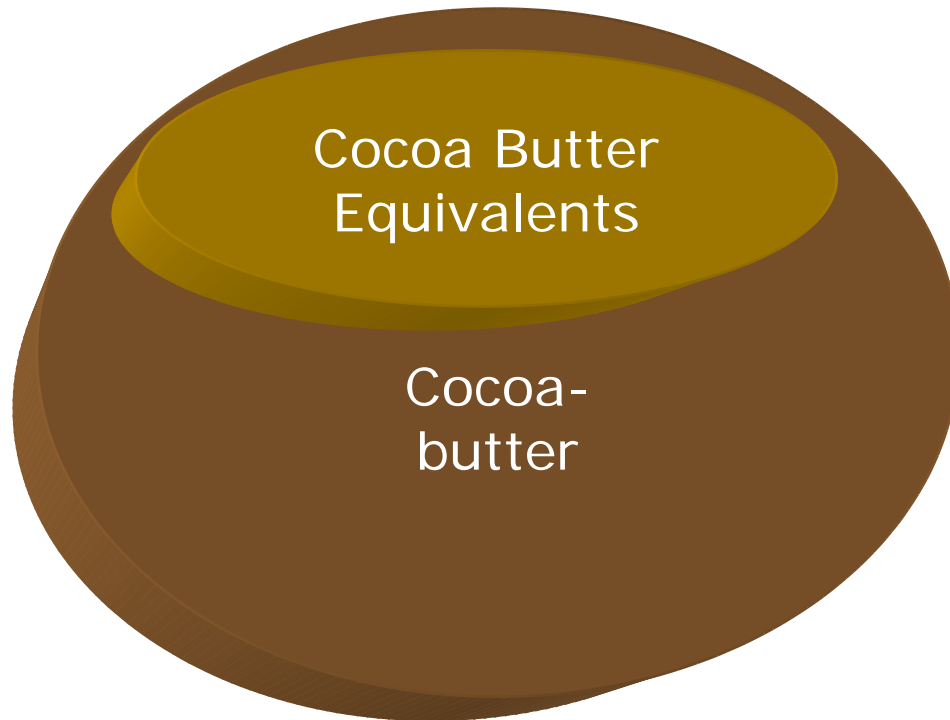
Improving the 50/50 split between bulk and speciality



Roadmap to growth in 3-5 years



CCF's product drivers



CBE Drivers:

Functionality:

- 100% compatibility,
- Non trans
- Heat stability
- Shelf life

Legislation:

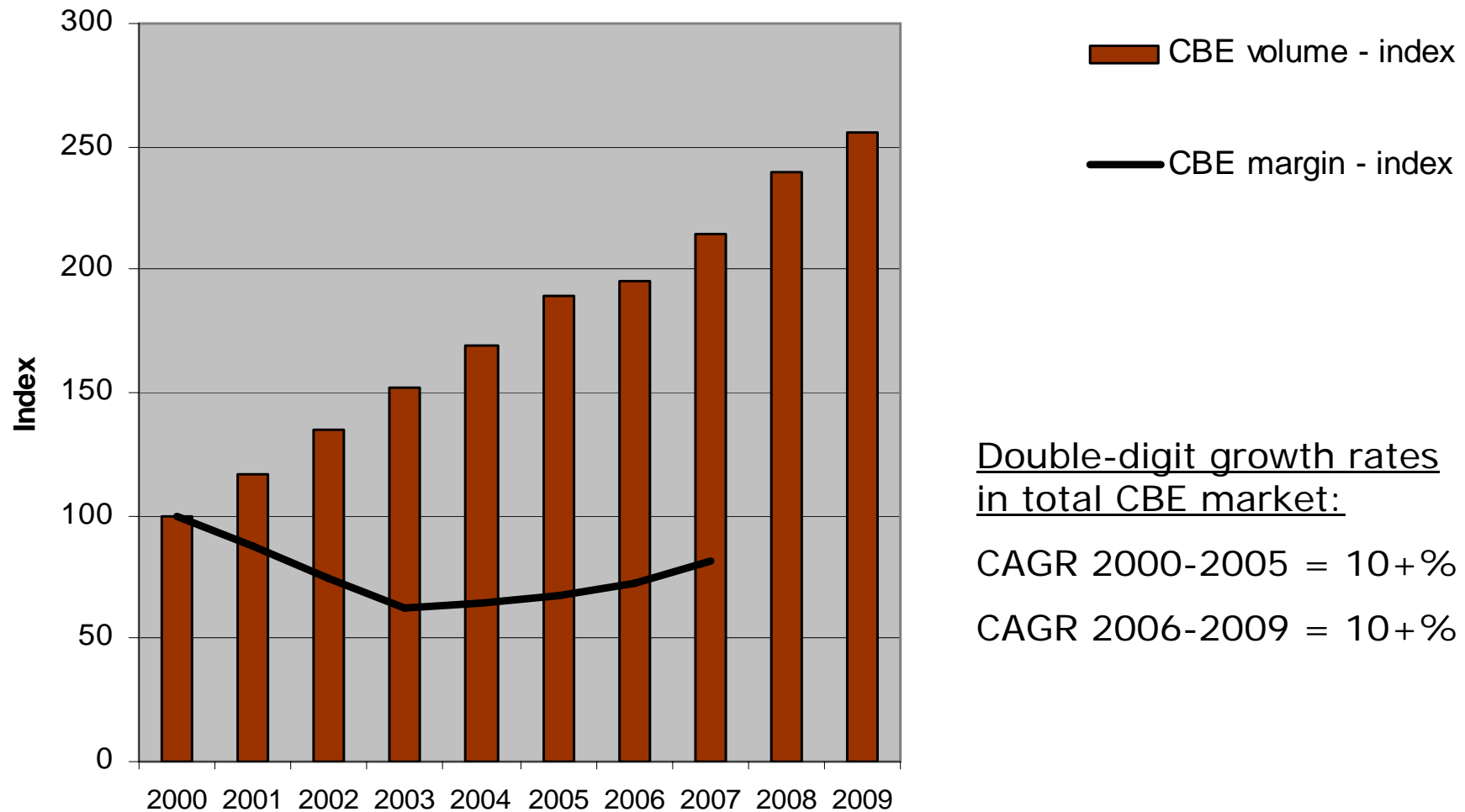
- Usage 5% and unlimited

Global players globalise their brands, recipes, and supply chain (cost focus)

Emerging economies

-> Small/medium price discount to cocoa butter.

The CBE market is the main CCF growth driver



Double-digit growth rates
in total CBE market:

CAGR 2000-2005 = 10+%

CAGR 2006-2009 = 10+%

Source: CBE market data is based on AAK intelligence, no official sources exist

From African shea tree to CBE component

Timing of events

<i>Events</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Wild shea trees flowering	■	■	■														
Wild shea trees fruiting			■	■	■												
African locals collect nuts						■	■	■	■	■							
Local village drying and de-shelling						■	■	■	■	■							
Local African marketplaces									■	■	■	■					
Regional African warehousing										■	■	■					
Export Shipping											■	■	■	■	■	■	■
Scandinavian warehousing												■	■	■	■	■	■
Extraction and fractionation												■	■	■	■	■	■

The Future

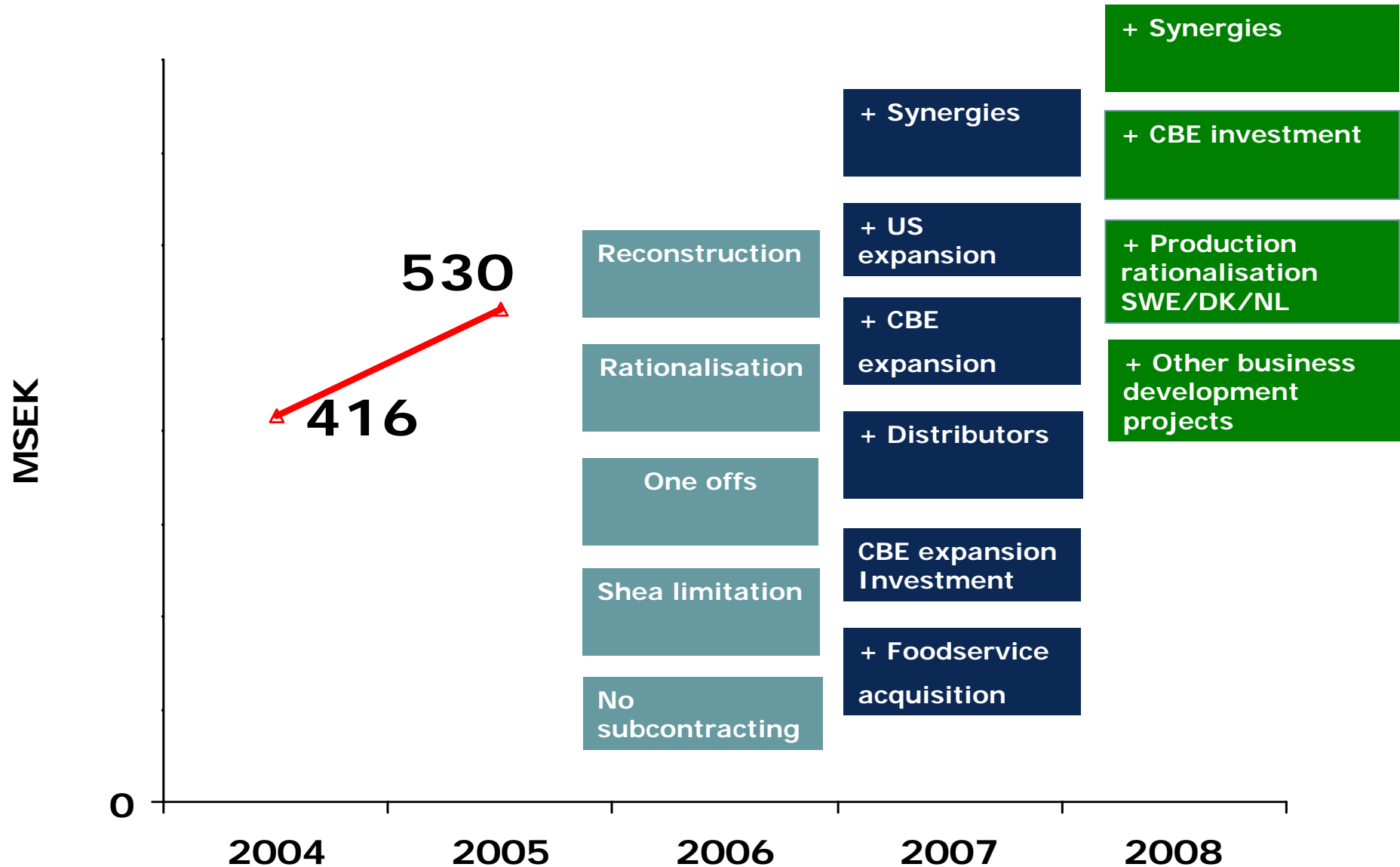
2006 The year 2006 will witness considerable restructuring within our entire value chain

- higher operational costs
- non recurring costs

2007 In 2007, we are anticipating significant improvements related to these change processes implemented during 2006.

2008 Our goal is to achieve, fully by 2008, an effective and restructured AAK with strong market positions, good growth and synergies in the order of SEK 175 million.

Three-year plan



Summary nine months

- Specialisation continues
- Synergy implementation follows plan (175 Mkr – 2008)
- New productivity program under development
- Lack of Shea nuts under 2006
- Shea nuts for 2007 looks good
- CBE Market grows (Cocoa Butter Equivalents)

A long bridge with multiple pylons and cables spans across a vast blue body of water under a clear sky. The bridge is the central focus of the image.

AAK vision:

The first choice
for value added
vegetable oil
solutions

AAK
AarhusKarlshamn