



*Arne Frank*  
CEO

*Anders Byström*  
CFO

*Fredrik Nilsson*  
Head of IR

The background of the slide is a circular inset image showing a close-up of a stock exchange floor. The floor is made of dark, polished stone tiles. Large, gold-colored letters spell out 'THE STOCK EXCHANGE' and 'STOCK MARKET' across the tiles. In the foreground, a person's hand is visible, holding a pen and pointing at a table with columns labeled 'High' and 'Low'. The table contains various numbers, likely stock prices or market data. The overall scene is dimly lit, with a blueish tint.

**Interim Report**  
**First quarter 2011**

# Today's agenda

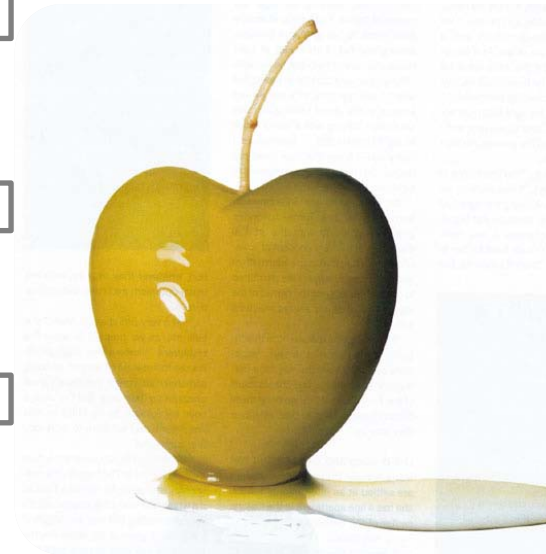
First quarter 2011

Business Area information

AAK Acceleration

Other major events

Q & A



# First quarter 2011

- ◆ Net sales increased to SEK 3,843 million (3,510)
  - Increased raw material prices.
  - Negative currency translation impact of SEK 253 million.
  - Volume decreased by 4 percent due to lower commodity volumes. Speciality volumes continued to increase.
- ◆ Operating profit at SEK 204 million (178), an improvement by 15 percent.
- ◆ Operating profit at fixed exchange rates improved by 21 percent.
- ◆ Earnings per share amounted to SEK 3.38 (2.79), an improvement by 21 percent.



# First quarter – Business Area summary



## ◆ Food Ingredients

+7%

- Operating result amounted to SEK 104 million (97).
- The result includes negative translation effects of SEK 8 million.
- Margins continued to improve as a result of the specialisation strategy with focus on a higher proportion of high-value products.

## ◆ Chocolate & Confectionery Fats

+7 %

- Operating result amounted to SEK 81 million (76).
- Underlying margins in Chocolate & Confectionery Fats continued stable and the general market conditions have remained stable.
- Volumes increased by 3 percent compared to last year.

## ◆ Technical Products & Feed

+56 %

- Operating profit amounted to SEK 39 million (25).
- Volumes in the first quarter 2011 increased by 6 percent mainly in product segment technical products and feed.

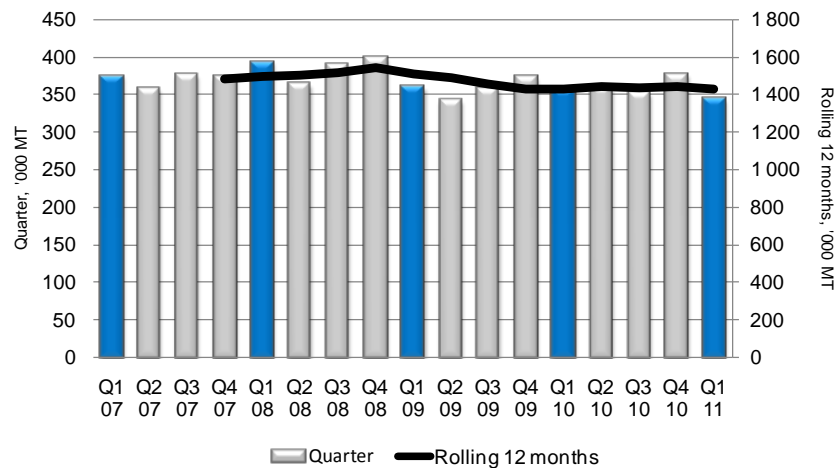
# Financial summary



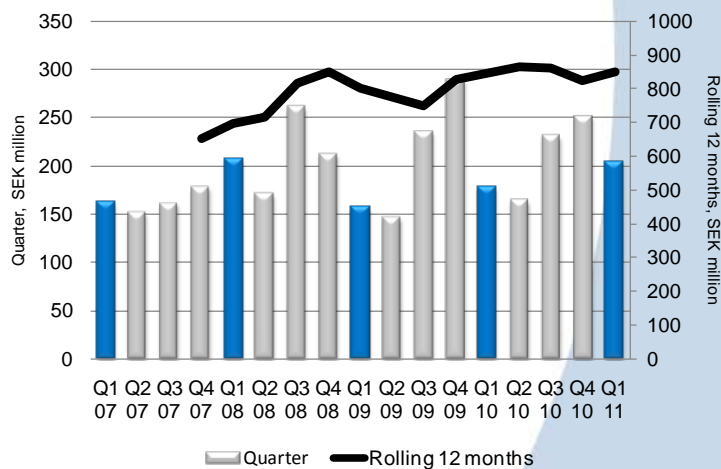
◆ Focus the analysis on:

- Volume
- Operating profit
- Operating profit per kilo
- Return on Net Operating Assets
- Net Debt / EBITDA

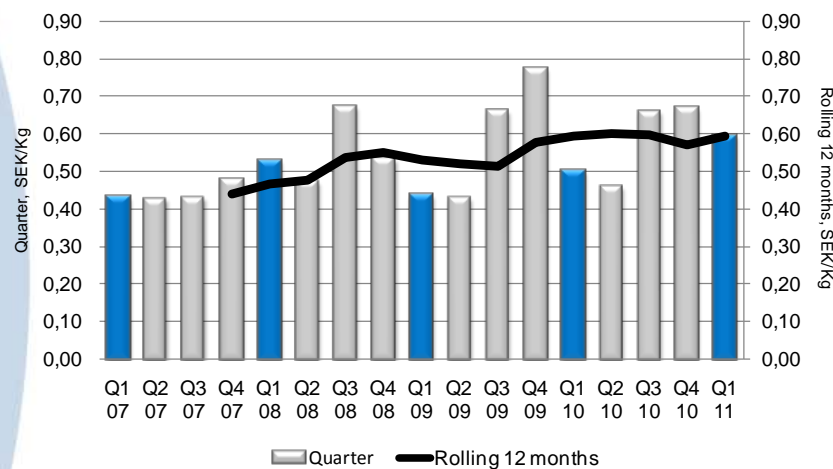
AAK Group - Volume



AAK Group - Operating profit



AAK Group - Operating profit per kilo



# Financial summary

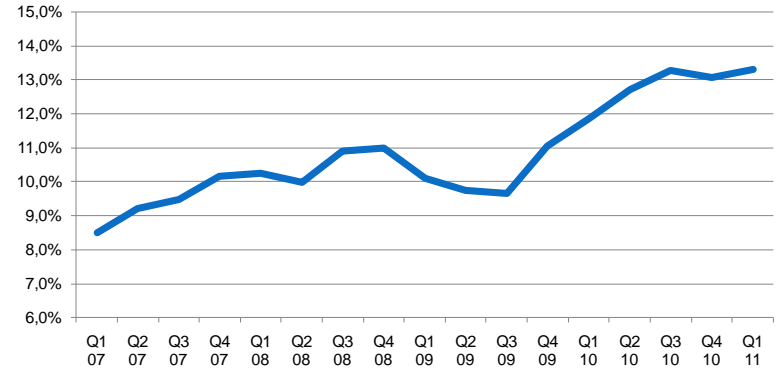


◆ Focus the analysis on:

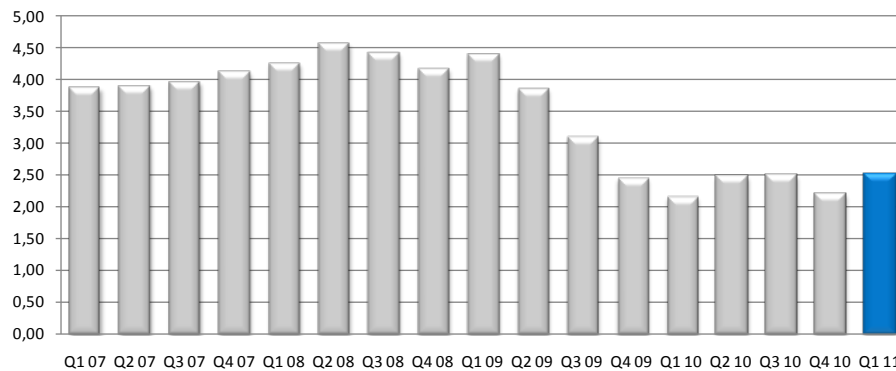
- Volume
- Operating profit
- Operating profit per kilo

- **Return on Net Operating Assets**
- **Net Debt / EBITDA**

Return on Net Operating Assets - Rolling 12 months



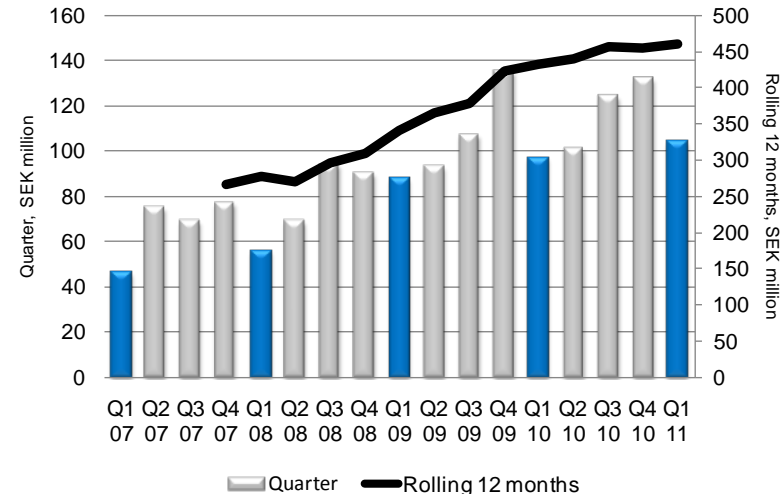
NET DEBT/EBITDA



# Food Ingredients



Food Ingredients - Operating profit



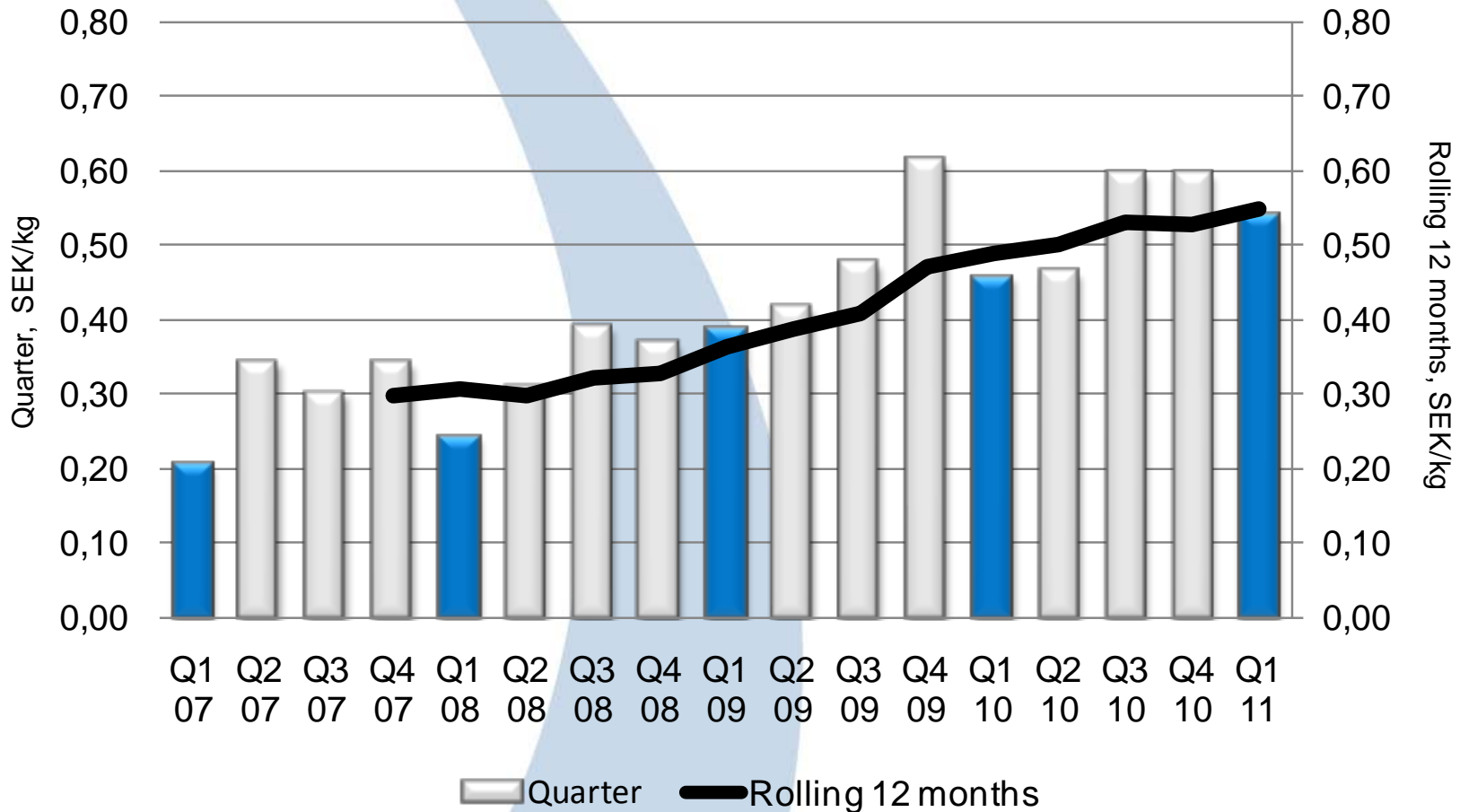
## First quarter 2011

- ◆ Operating profit amounted to SEK 104 million (97) an increase by 7 percent.
  - The result includes negative translation effects of SEK 8 million.
  - At fixed exchange rates, operating profit was up 15 percent versus last year.
  - Speciality volumes continue to increase.
  - Particularly in one market - Large potential identified for a more focused specialization strategy. As a consequence volumes were down 10 percent, otherwise the business area's volumes were down 2 percent. The rationalization work has already commenced.
- ◆ Already good results from the AAK Acceleration program.
  - Especially Infant Nutrition (Baby Food) and Dairy Industry developed very well during the quarter.

# Food Ingredients

## EBIT per kg, SEK, rolling 12 months

**Food Ingredients - Operating profit per kg**

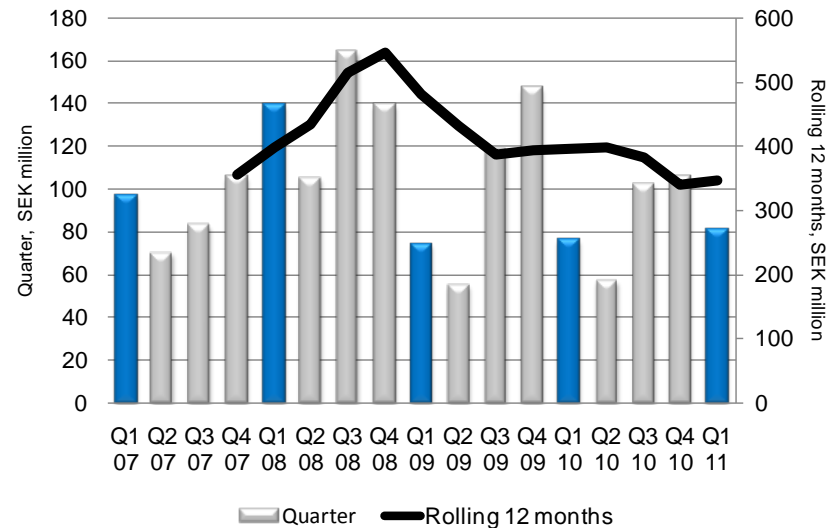




# Chocolate & Confectionery Fats



Chocolate & Confectionery Fats - Operating profit

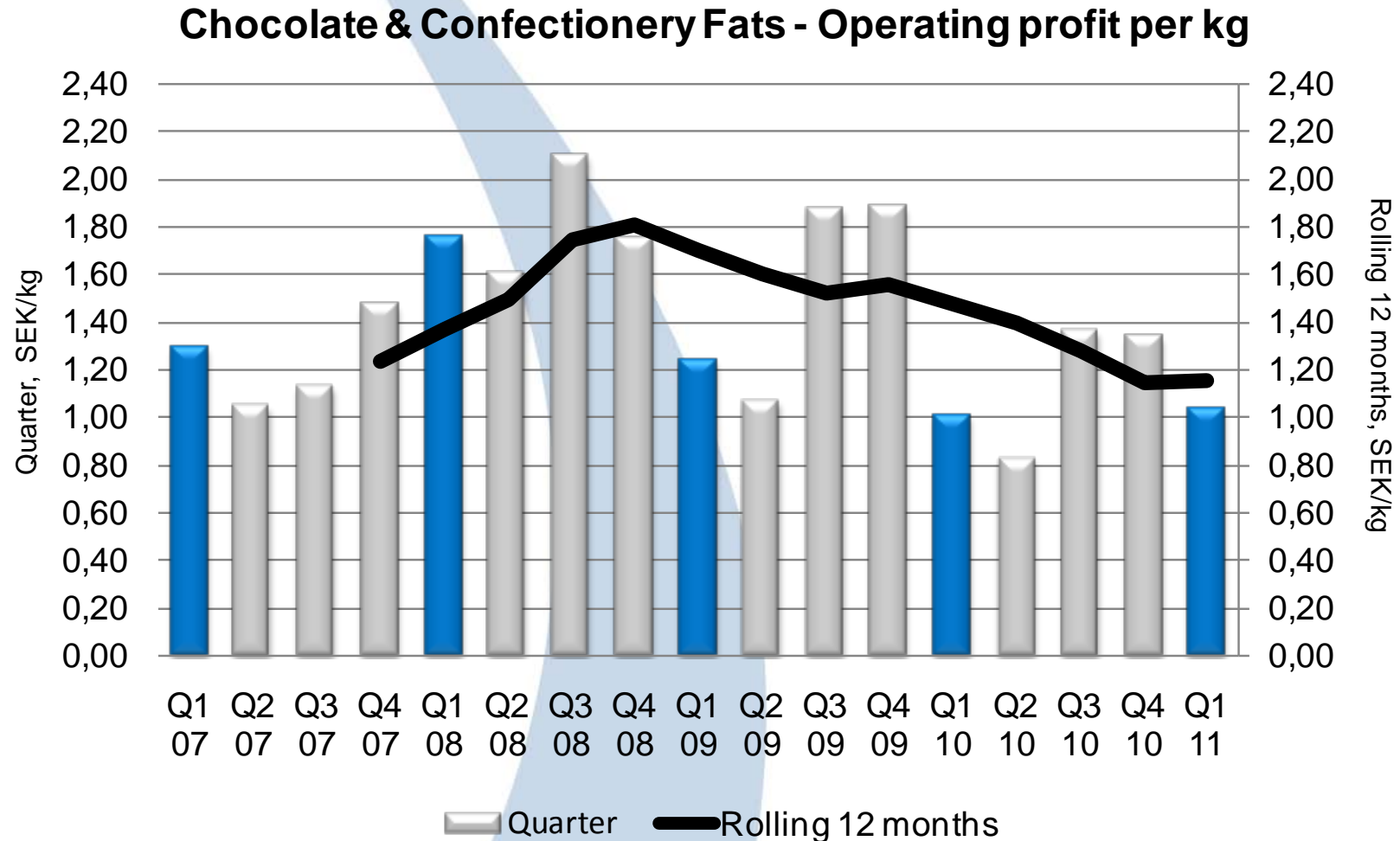


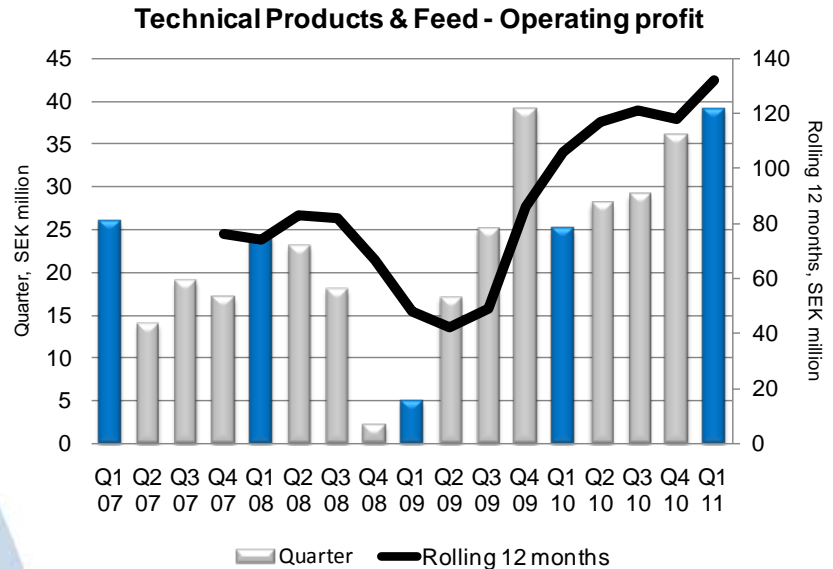
## First quarter 2011

- ◆ The operating result amounted to SEK 81 million (76).
  - Includes a negative translation impact of SEK 3 million.
  - At fixed exchange rates, operating profit was up 11 percent versus last year.
  - Volume growth of 3 percent.
- ◆ The general market conditions are basically unchanged compared to the second half of 2010. Stable prices for CBE.
- ◆ Continued strong demand in the Americas (North and South) and moderate demand in Europe.

# Chocolate & Confectionery Fats

- EBIT per kg, SEK, rolling 12 months





## First quarter 2011

- ◆ Operating profit amounted to SEK 39 million (25), an improvement by 56 percent.
  - Volume growth of 6 percent.
- ◆ The improvement in operating result was mainly due to increased demand for technical products and feed.
- ◆ Technical products continued to enjoy signs of market recovery.

# Cash flow

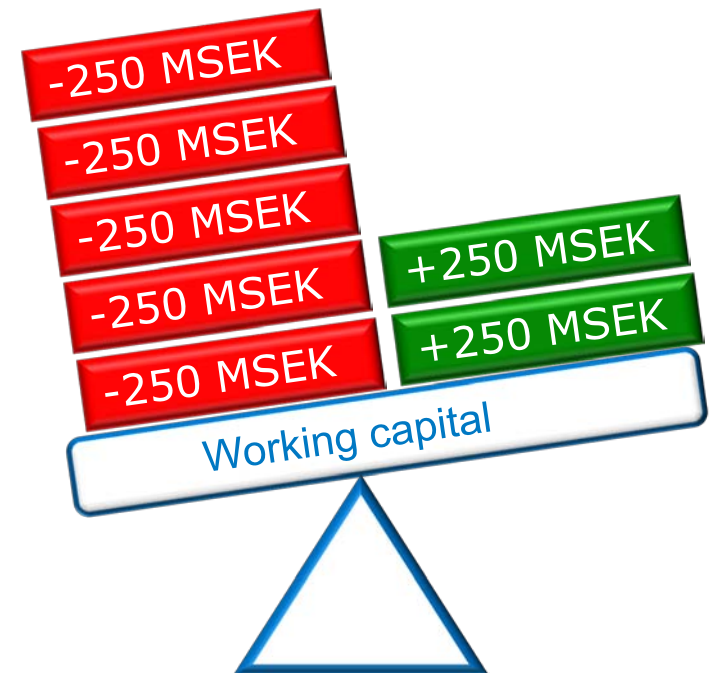
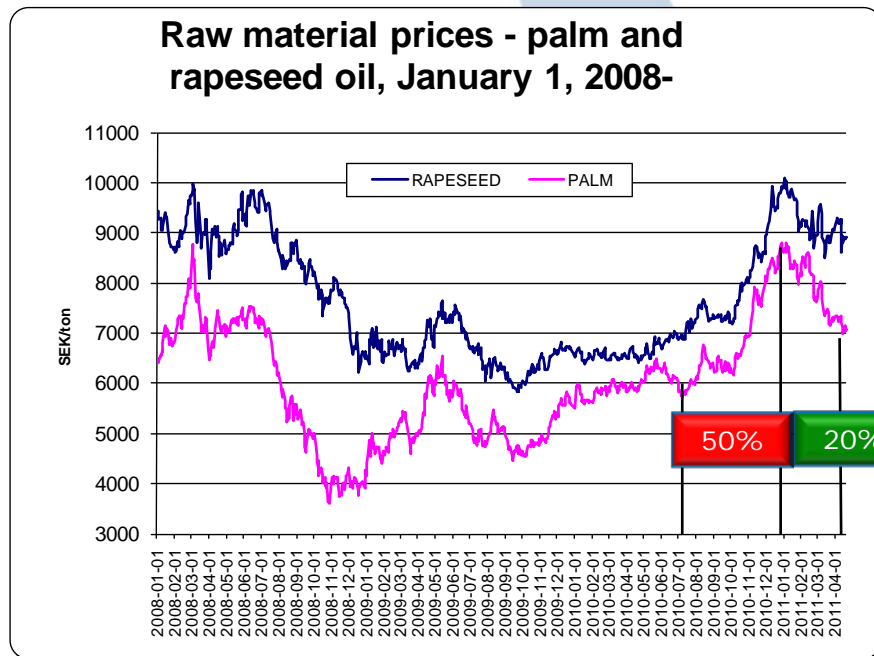


SEK million	Q 1 2011	Q 1 2010
Cash flow from operating activities (incl financing and tax)	204	221
Change in working capital	-562	94
<b>Cash flow from operating activities incl change in working capital</b>	<b>-358</b>	<b>315</b>
Cash flow from investments	-68	-79
<b>Free cash flow</b>	<b>-426</b>	<b>236</b>

- As earlier predicted, cash flow from operating activities was negative SEK 358 million (positive 315), as a result of the significant price increases during the last six to nine months.
- Negative cash flow will continue during the coming quarters but the impact will be mitigated, during the later part of the year, through a focused effort to ensure that suppliers share part of this burden.
- The ongoing internal working capital improvement project continued to impact positively.

# Raw material prices

- Significant raw material price increases during the last six to nine months:
  - Negative cash flow impact.
  - 10 percent change in all raw material prices will effect working capital by +/-SEK 250 million.



# AAK Acceleration – 3 Priority Areas



Growth



Efficiency



People



# AAK Acceleration - Growth



**Growth**

- ◆ Bakery
- ◆ Dairy
- ◆ Chocolate & Confectionery Fats
- ◆ Infant Nutrition
- ◆ Food Service
- ◆ Merger & Acquisitions
- ◆ Fast-growing Economies



# AAK Acceleration – Efficiency



**Efficiency**

- ◆ Purchasing
- ◆ Productivity





# AAK Acceleration – People



**People**

- Sales Management & Sales Processes
- Mobilize Ourselves
- Internal Communication



# Rationalization programs

- ◆ Ongoing rationalization programs in Scandinavia:
  - Progressing in line with plan.
  - Savings of SEK 200 million (annualised), which will be realized in the latter part of 2011.
- ◆ During the second quarter 2011 AAK will implement an additional rationalization program to:
  - Fully focus on our speciality strategy in all entities.
  - The rationalization program implies a move away from larger volume low margin commodity products to more complex, lower volume speciality products at higher margins.
  - The total cost for this rationalization program is estimated at approximately SEK 40 million.
  - Annual savings of approximately SEK 30 million with full impact during the second quarter 2012.



# The insurance case

- ◆ The company is expecting to finalize the insurance case during the second quarter 2011.
- ◆ The additional insurance compensation is expected to be in the range of the earlier mentioned restructuring cost.



# Concluding remarks from CEO



- ◆ We start to see positive effects of the AAK Acceleration program.
- ◆ Specialty volumes especially for Infant Nutrition, Dairy Industry and Chocolate & Confectionary Fats developed positively.
- ◆ During the period AAK has opened sales offices in China and in Germany to support the growth strategy.
- ◆ During 2011 we will expand our capacity in the US factory.
- ◆ We are now going into the second quarter and we remain prudently optimistic for the quarter and for the execution of AAK Acceleration.



# Questions & Answers



# The first choice for value-added vegetable oil solutions

The AAK logo is rendered in a bold, white, sans-serif font. The letters 'A', 'A', and 'K' are connected at the base. A small, white oil drop icon is positioned between the second 'A' and the 'K'. The logo is centered horizontally against a background of a vast, rolling field of bright yellow rapeseed flowers under a clear blue sky with a few wispy clouds. A few green trees are visible on the horizon line.

**AAK**

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Further Investor Relations information is  
available from the company's webpage at

<http://www.aak.com/en/Investor/>



**Appendix**

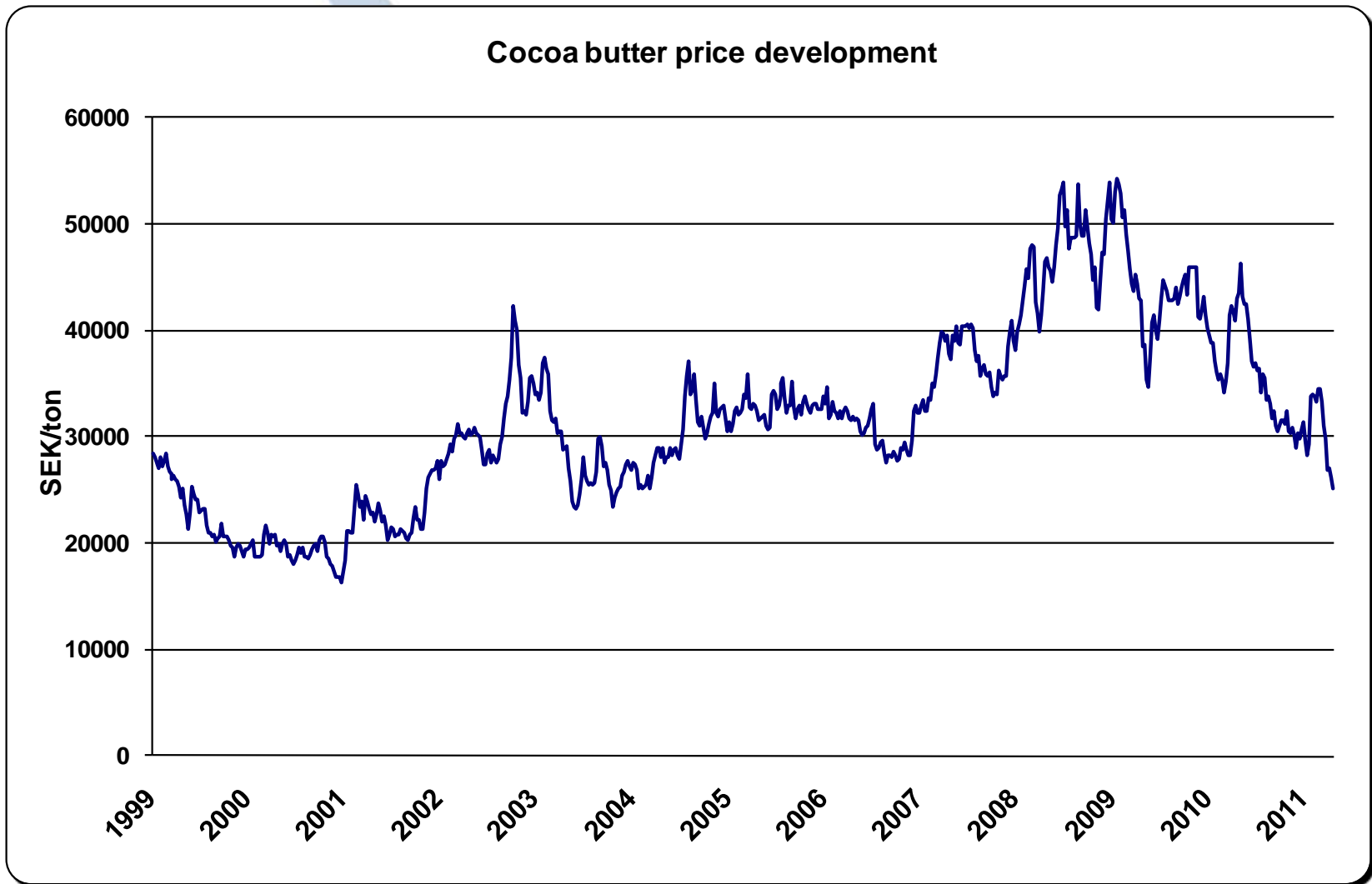


# Financial calendar



Year	Date	Event
2011	May 17	Annual General Meeting, Malmoe
2011	July 20	Q2 2011 Interim report
2011	November 4	Q3 2011 Interim report
2011	November 15	Capital Market Day Stockholm
2011	November 17	Capital Market Day Copenhagen

# Cocoa Butter



# Raw material price development

## Raw material prices - palm and rapeseed oil, January 1, 2008-

