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*CFO*

Financial update

# Third quarter

- ◆ Net sales in the third quarter increased to SEK 4,462 (3,774) million
  - Increased raw material prices and better product mix
  - Negative currency translation impact of SEK 246 million
  - Volumes increased by 5 percent due to increases in speciality volumes, including the impact of the Golden Foods/Golden Brands acquisition (SEK 225 million in net sales); commodity volumes were down, mainly as earlier predicted in the UK.
- ◆ Operating profit, amounted to SEK 246 million (231), an improvement of 6 percent
  - At fixed exchange rates operating profit improved by 13 percent
- ◆ Earnings per share amounted to SEK 3.48 (3.73)
  - Decrease of 7 percent, due substantially to the impact of revaluing interest rate swap contracts arranged to fix forward interest rates

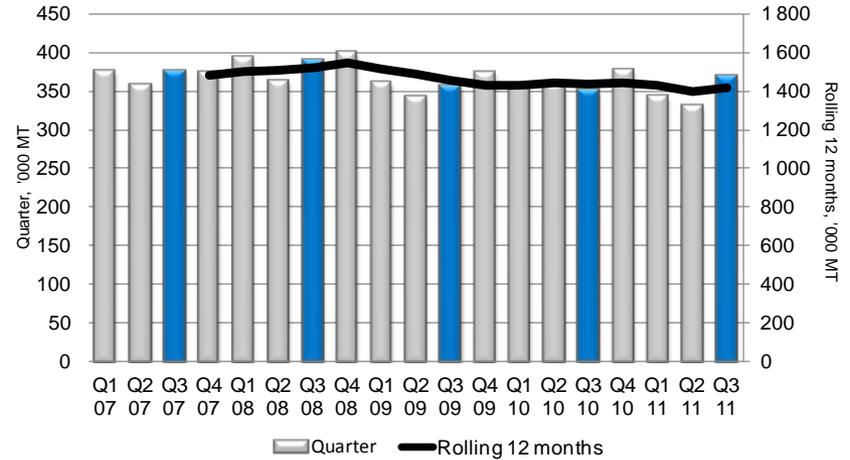
# Financial summary



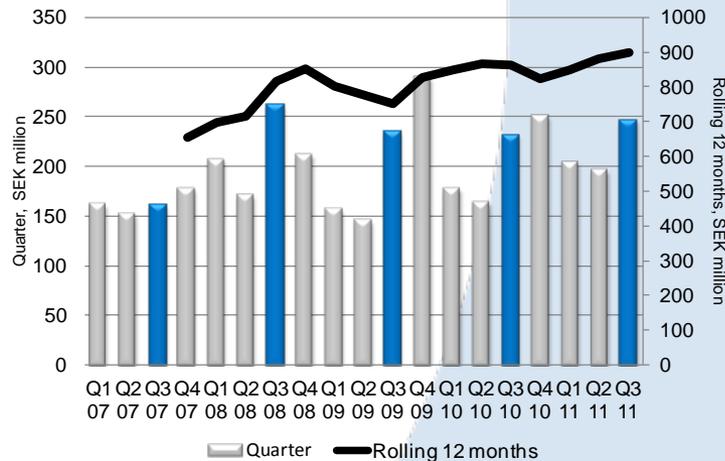
Focus the analysis on:

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

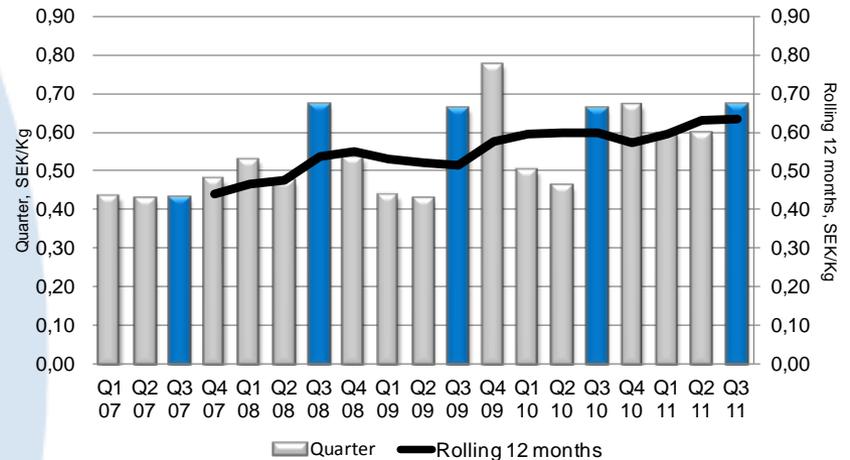
AAK Group - Volume



AAK Group - Operating profit



AAK Group - Operating profit per kilo



# Financial summary



## Focus the analysis on:

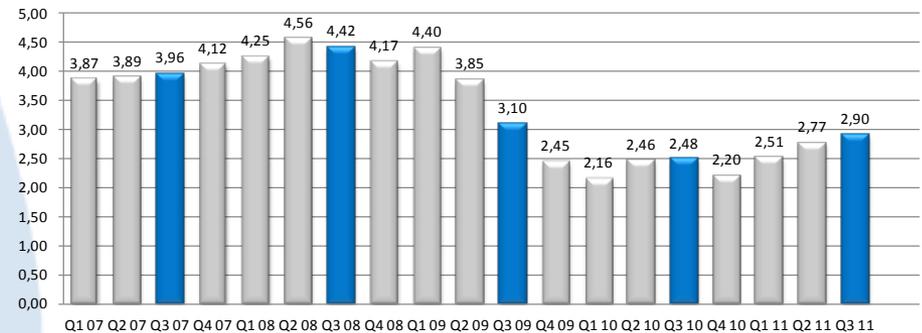
- Volume
- Operating profit
- Operating profit per kilo

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

Return on Net Operating Assets - Rolling 12 months



NET DEBT/EBITDA



# Third quarter



## ◆ Food Ingredients

+15%

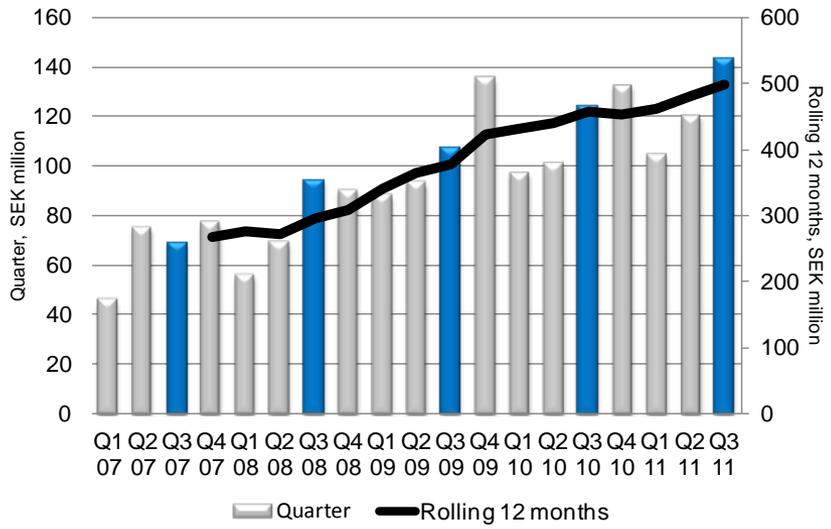
+22%

- Operating result amounted to SEK 143 million (124)
  - The result includes negative translation effects of SEK 8 million
  - Continued increased portion of high value products
  - The business area had a favourable product mix and generally also very high yields in the plants
  - Volumes increased by 3 percent compared to last year mainly due to the acquisition in US

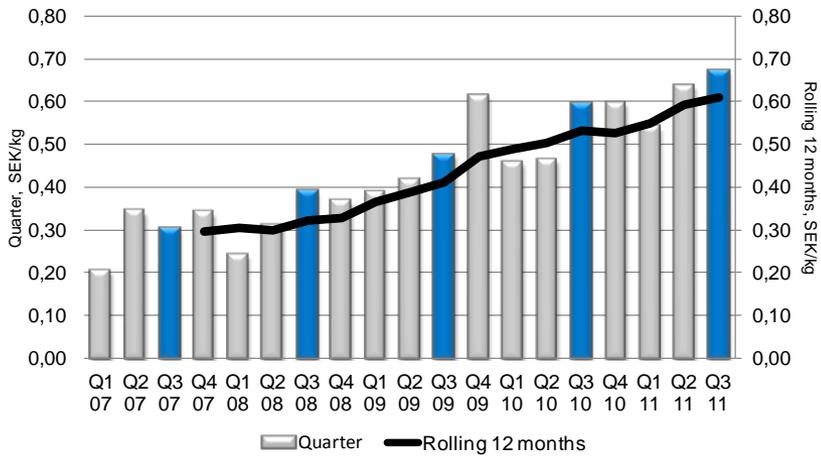
# Food Ingredients



**Food Ingredients - Operating profit**



**Food Ingredients - Operating profit per kg**





# Acquisition of Golden Foods/ **AAK** Golden Brands - Financial impact



- ◆ July to December 2011
  - Limited impact on AAK Group operating profit
- ◆ Operating profit per kilo in line with current group average from January 2012
- ◆ Full year volume (2012) in the range of 70 000 - 80 000 MT
- ◆ Integration on track
- ◆ The acquisition is reported in the Food Ingredients business area

## ◆ Chocolate & Confectionery Fats

- Operating result amounted to SEK 112 million (102)

- The result includes negative translation effects of SEK 8 million
- Margins in Chocolate & Confectionery Fats continued to be stable but with a slightly unfavourable product and customer mix.
- Volumes increased by 13 percent compared to last year

+10%

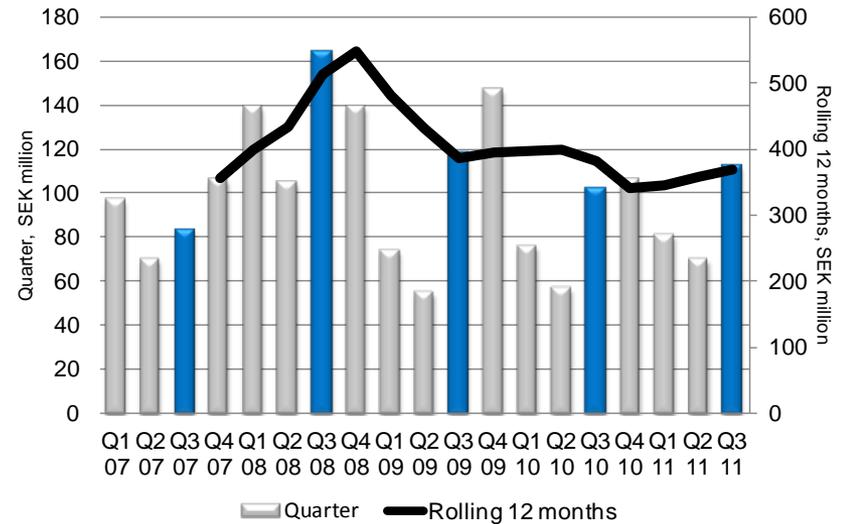
+18%



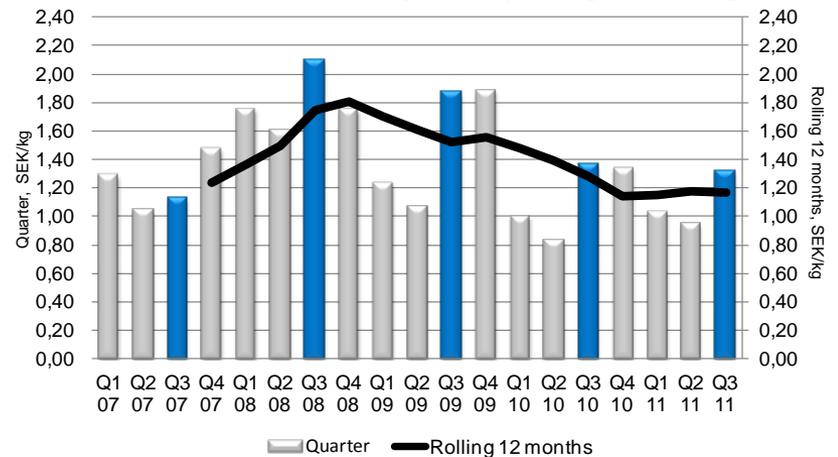
# Chocolate & Confectionery Fats



**Chocolate & Confectionery Fats - Operating profit**



**Chocolate & Confectionery Fats - Operating profit per kg**



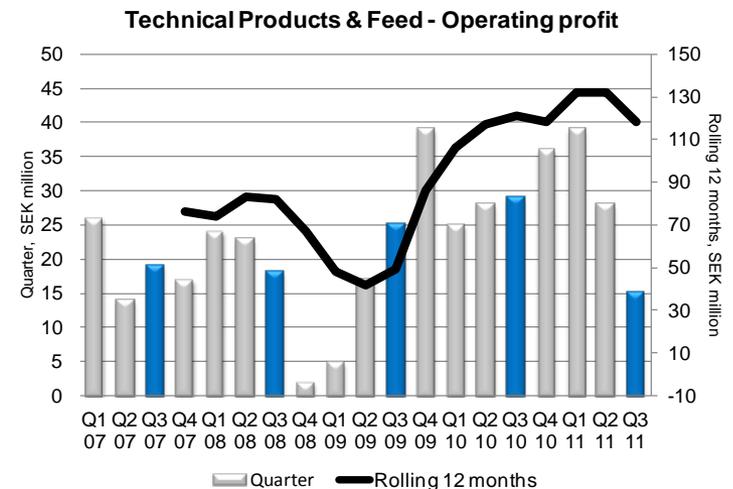
# Third quarter



## ◆ Technical Products & Feed

**-48%**

- Operating profit amounted to SEK 15 million (29)
- The reduced profitability in the business area during the third quarter was due to
  - Increased raw material costs for fatty acids
  - Crushing margins under pressure
  - The planned but longer than normal maintenance stop in Karlshamn



# Cash flow

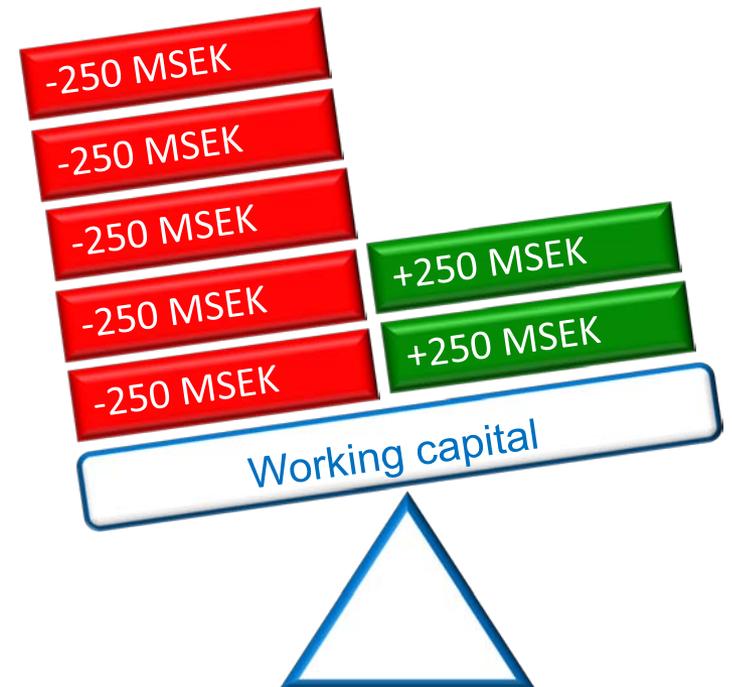
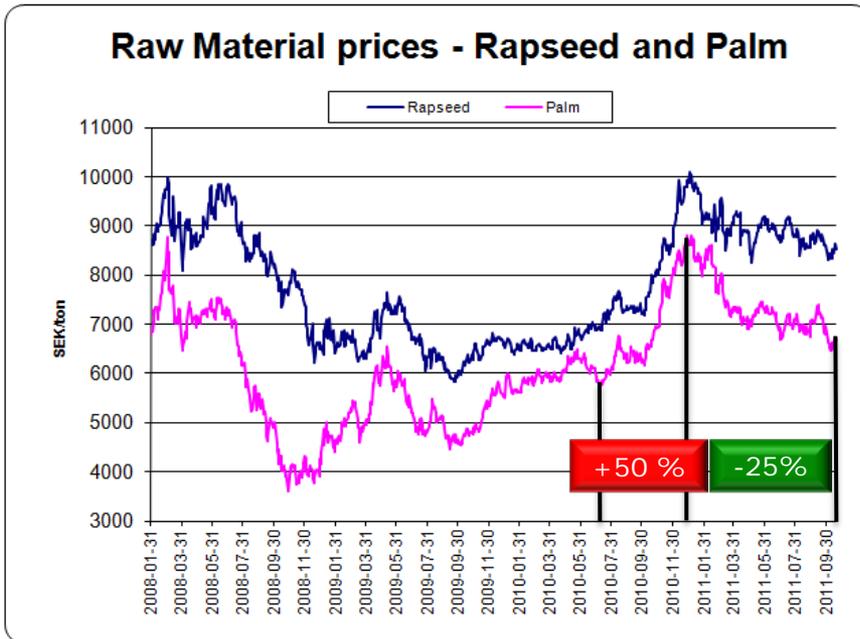


SEK million	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Cash flow from operating activities	257	255	692	585
Change in working capital	-68	-340	-902	-360
Cash flow from operating activities incl change in working capital	<b>189</b>	<b>-85</b>	<b>-210</b>	<b>225</b>
Cash flow from investments	-410	-65	-573	-244
Free cash flow	<b>-221</b>	<b>-150</b>	<b>-783</b>	<b>-19</b>

- ◆ Raw material prices during the first nine months 2011 has decreased, which will positively affect cash flow the first half of 2012 and could potentially have a positive impact already in the fourth quarter of 2011
- ◆ We have now largely reversed negative cash flow impact of the dramatic raw material price increases during the last six months 2010

# Raw material prices

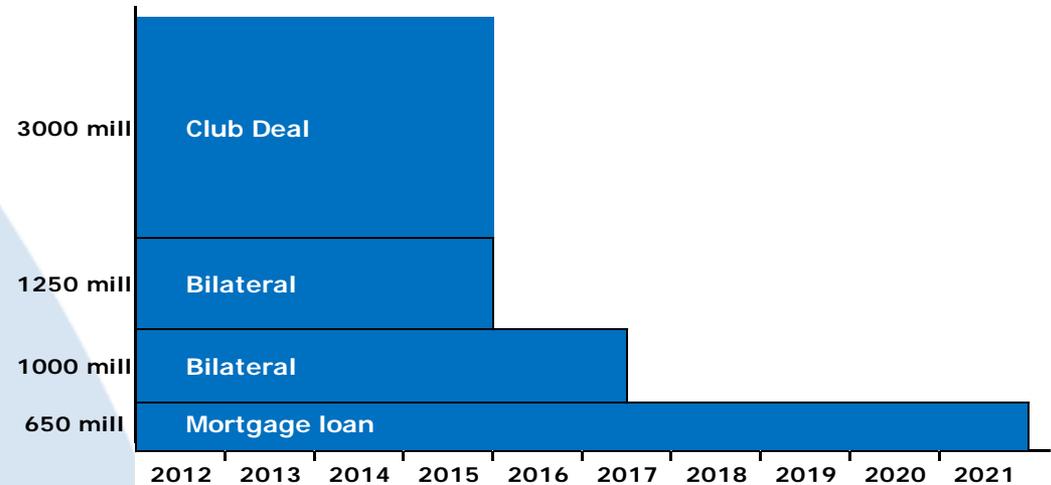
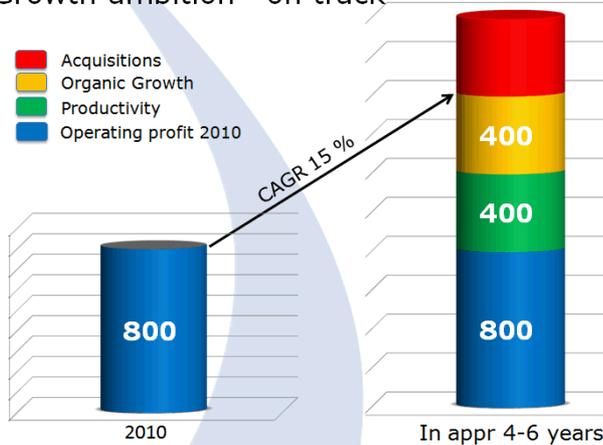
- ◆ Significant raw material price increases during the last six to nine months
  - Negative cash flow impact
  - 10 percent change in all raw material prices will effect working capital by +/-SEK 250 million



# Credit facilities

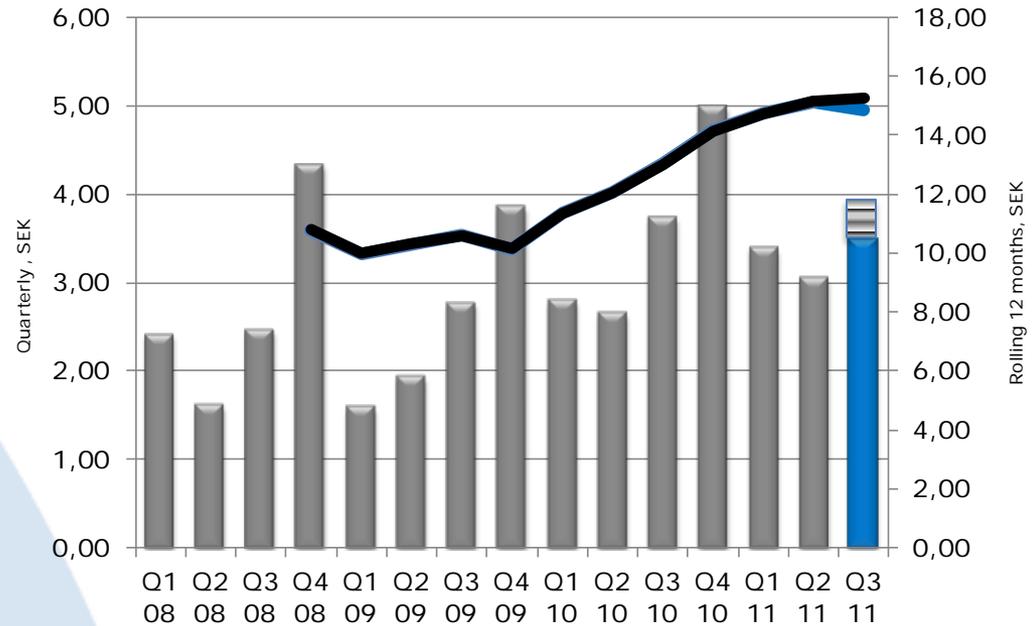
- Long term refinancing of SEK 4,200 million was finalized in January 2011

## AAK Acceleration - Management Growth ambition\* on track



- Part of total committed facilities of SEK 6,000 million
- 5 years or more
- Supporting AAK Acceleration

# Earnings per share



- ◆ Improved earnings per share by 40 percent (rolling 12 months) since Q3 2009).
- ◆ EPS in Q3 2011 at SEK 3.48 affected by the impact of revaluing interest rate swap contracts.

# Stock option program



- ◆ 70 senior executives and key managers bought warrants at market price
  - Dilution of maximum 3.54 percent

Strike	SEK 188
Warrant	SEK 21
<b>Break-even</b>	<b>SEK 209</b>