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CEO

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Fourth Quarter and Full-year 2010

Today`s agenda



Fourth Quarter and Full-year 2010

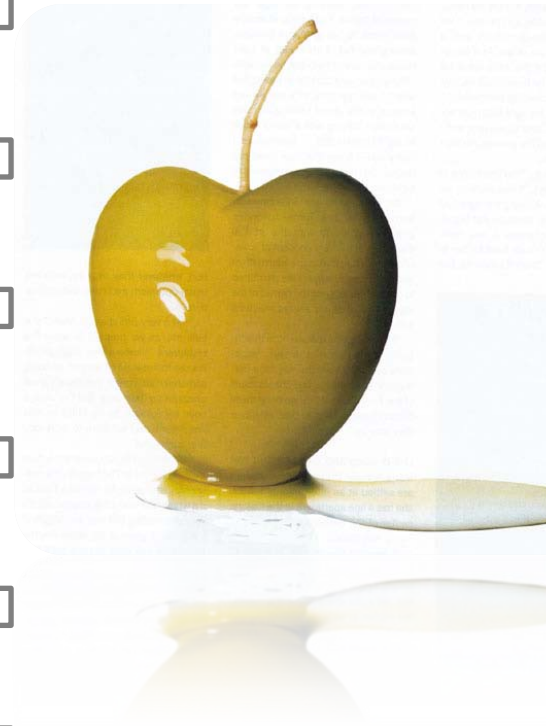
Business Area information

Major Events Q4 and full-year 2010

AAK Acceleration

Other items

Q & A



Fourth quarter 2010



- ◆ Net sales amounted to SEK 3,930 million (3,788).
 - The fourth quarter showed volume growth for the two main business areas Food Ingredients and Chocolate & Confectionery Fats.
 - The earlier reported market conditions have continued.
 - Negative currency translation impact of SEK 149 million.
- ◆ Operating profit reached SEK 251 million (289). As earlier commented the fourth quarter 2009 included several non repeatable exceptional items. Hence this is a satisfactory result, in line with our long term improvement plans.
- ◆ For comparable units, adjusted for divestments and fixed exchange rates, the operating profit amounted to SEK 258 million (287).



Fourth quarter – Business Area summary



◆ Food Ingredients

-4 %

- Operating profit reached SEK 137 million (143) a decline entirely due to negative translation impacts.
- The fourth quarter 2010 showed volume growth of 1 percent.
- The positive development continued in all speciality product areas such as Infant Nutrition (Baby Food), Bakery and Bakery Services, Dairy Industry and Food Service.

◆ Chocolate & Confectionery Fats

-28 %

- Reported an operating profit of SEK 106 million (147).
- The general market conditions for the first nine months of 2010 have continued during the fourth quarter.
- Volumes increased by 1 percent.

◆ Technical Products & Feed

+0 %

- Operating profit at SEK 31 million (31).

Highlights full year 2010



- ◆ Operating profit reached SEK 824 million (827).
- ◆ Adjusted for divestments and at fixed exchange rate operating profit was up 6 percent to SEK 855 million (810).
- ◆ Earnings per share has improved by SEK 4.01, up 40 percent from SEK 10.14 to SEK 14.15.
- ◆ Proposed dividend of SEK 4.50 (4.25), an increase by SEK 0.25, or 6 percent.



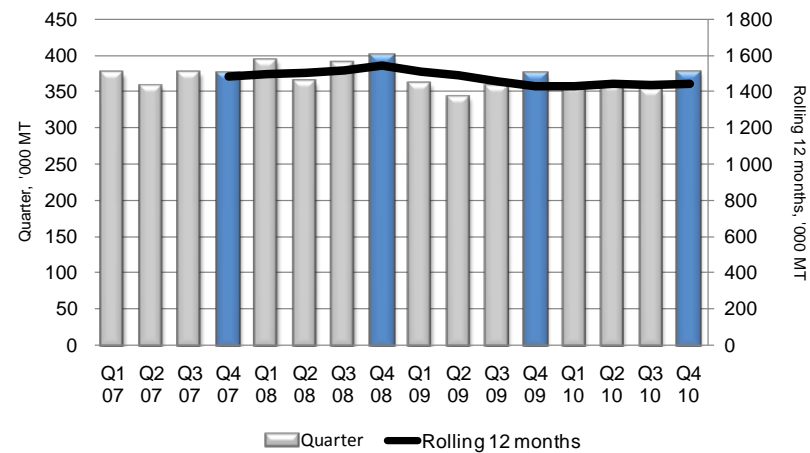
Financial summary



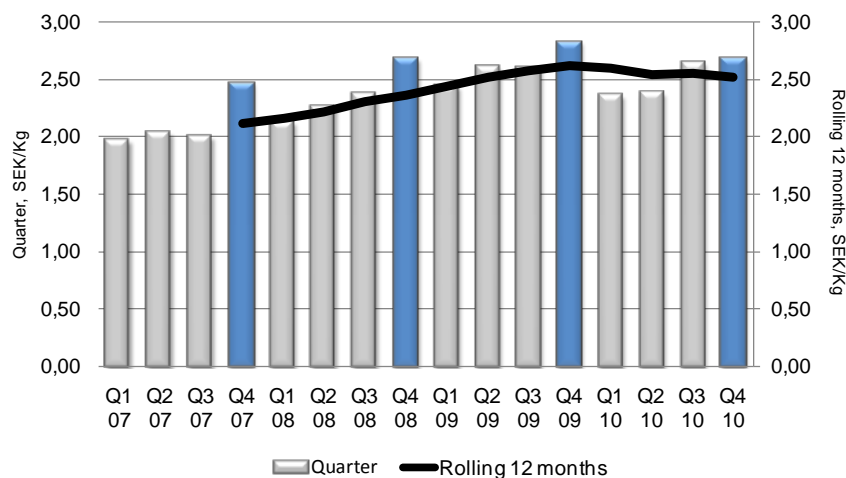
◆ Focus the analysis on:

- Volume
- Gross Margin per kilo
- Operating profit per kilo
- Improvement in Operating profit
- Return on Net Operating Assets
- Net Debt / EBITDA

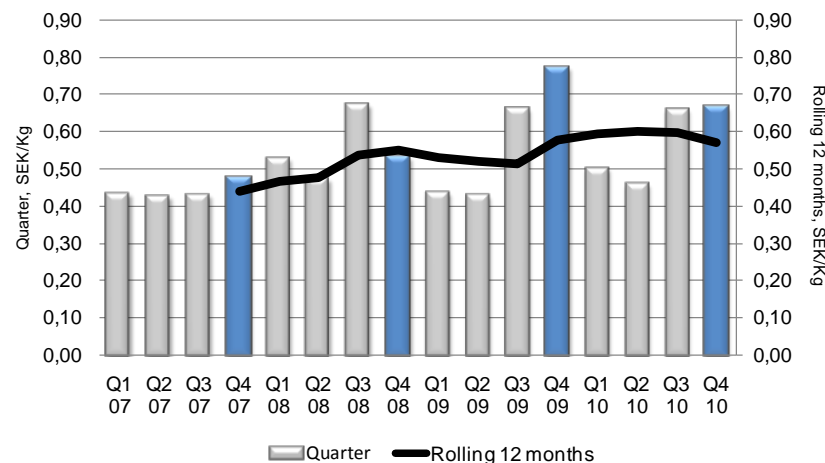
AAK Group - Volume



AAK Group - Gross Margin per kilo



AAK Group - Operating profit per kilo



Financial summary

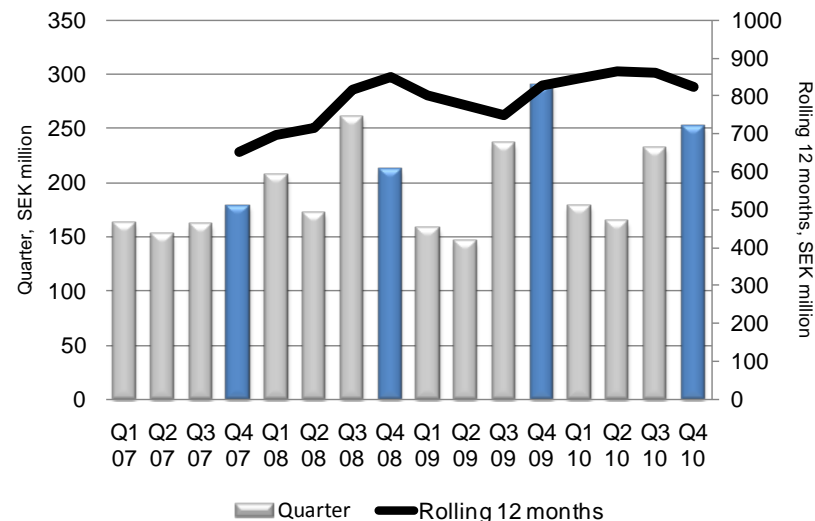


◆ Focus the analysis on:

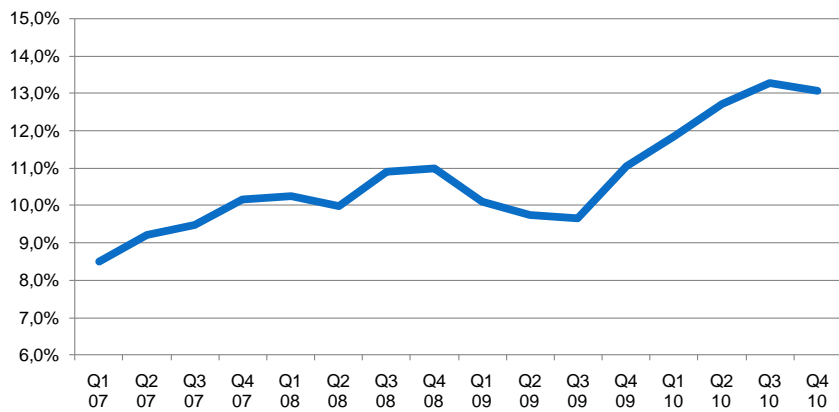
- Volume
- Gross Margin per kilo
- Operating profit per kilo

- **Improvement in Operating profit**
- **Return on Net Operating Assets**
- **Net Debt / EBITDA**

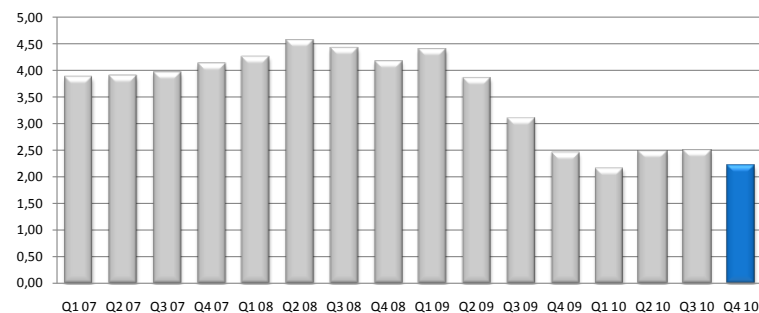
AAK Group - Operating profit



Return on Net Operating Assets - Rolling 12 months



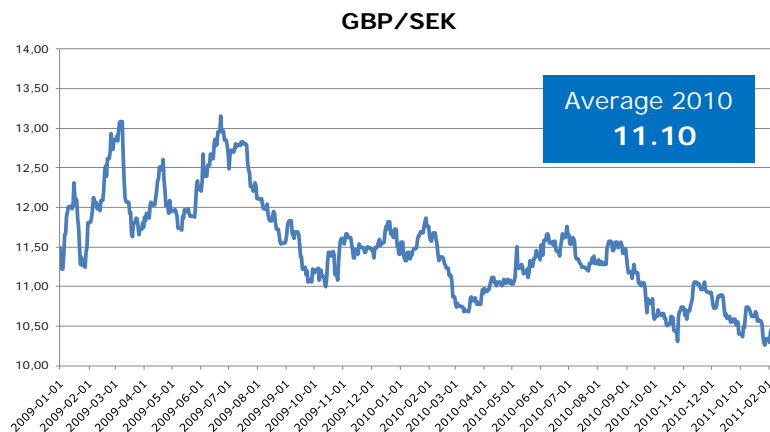
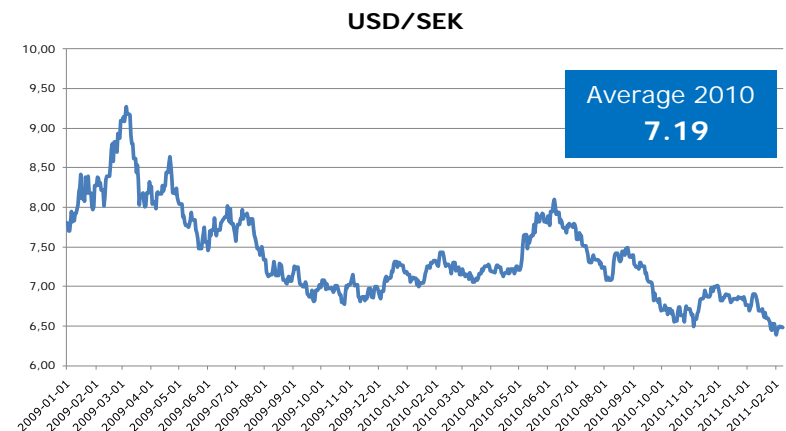
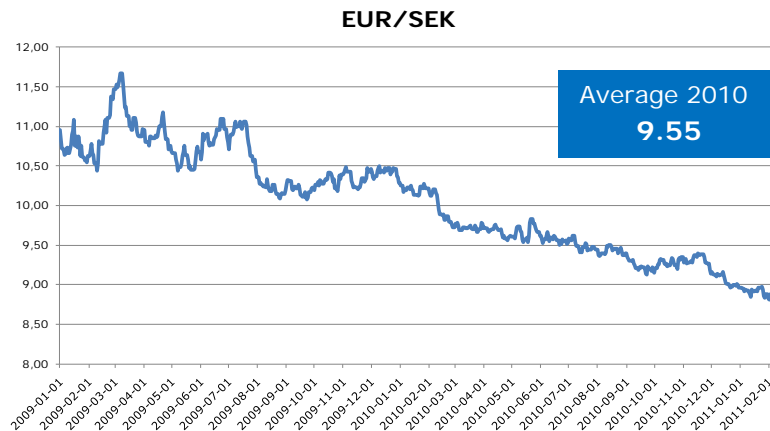
NET DEBT/EBITDA



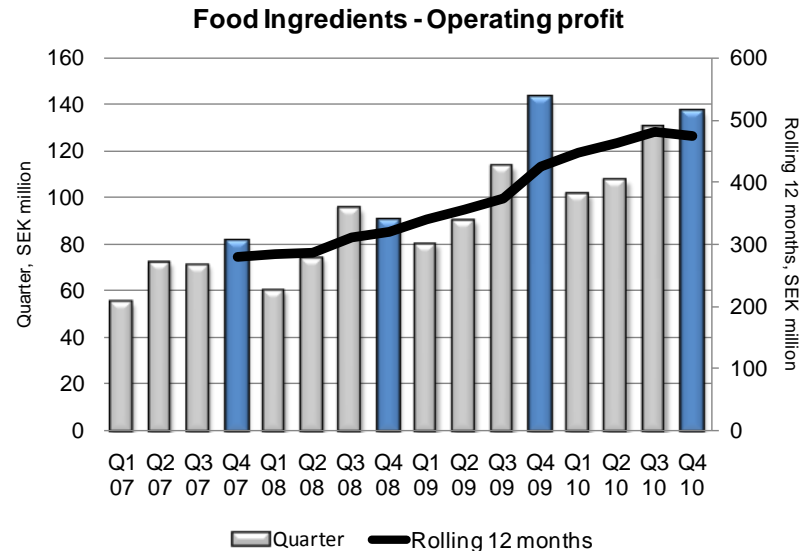
Translation impact of a stronger SEK



- The result for full-year 2010 includes negative translation effects of SEK 31 million.



Food Ingredients



Fourth quarter 2010

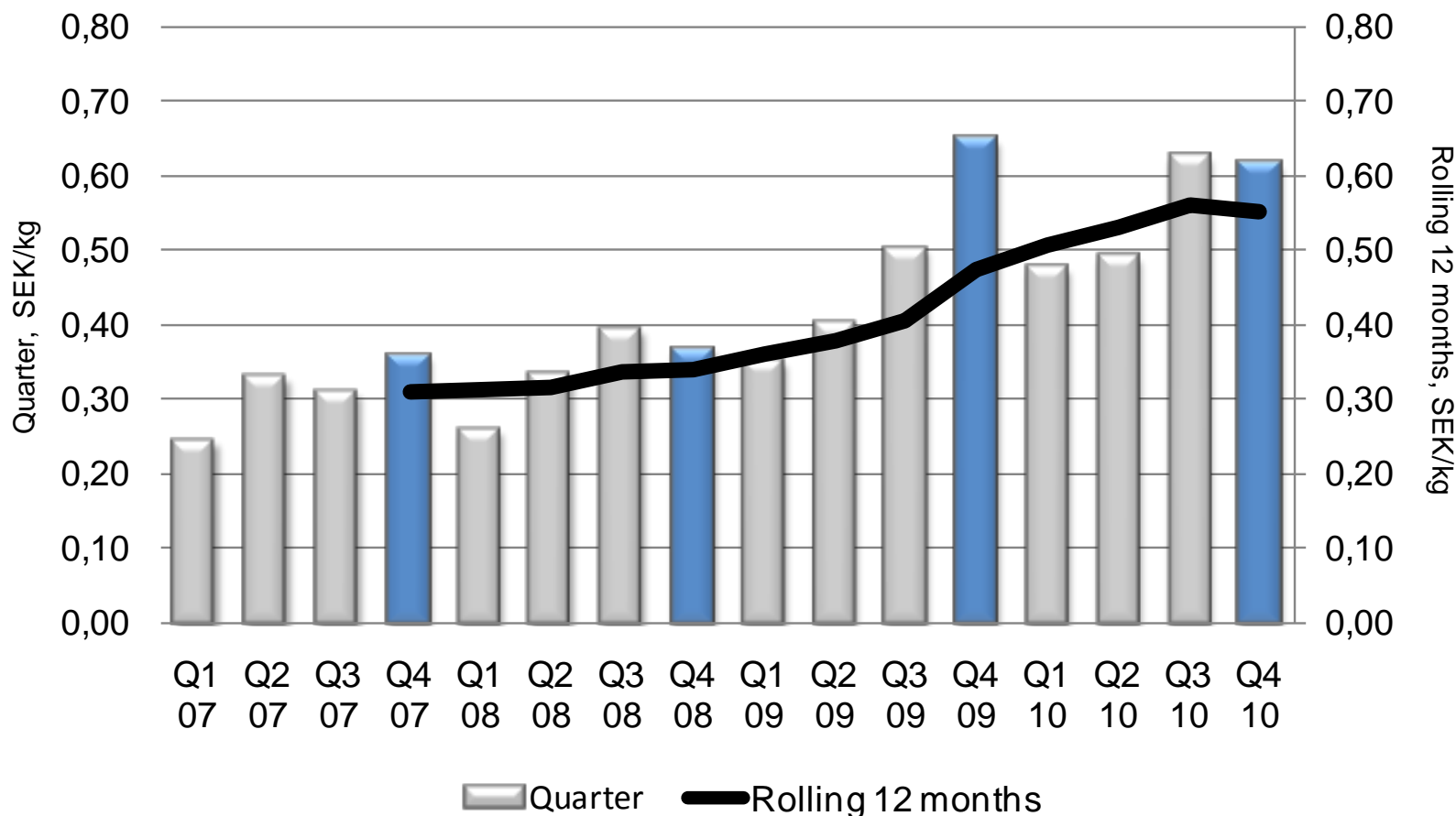
- ◆ In the largest business area, Food Ingredients, operating profit reached SEK 137 million (143) a decline entirely due to negative translation impacts.
- ◆ The positive development continued in all speciality product areas such as Infant Nutrition (Baby Food), Bakery and Bakery Services, Dairy Industry and Food Service.
- ◆ Actions to reduce costs and improve the competitive positions are currently being executed and the business area continued to benefit from the on-going rationalisation programme. Realised cost savings have partly been matched by increased investments in organic growth outside Scandinavia.

Food Ingredients

EBIT per kg, SEK, rolling 12 months

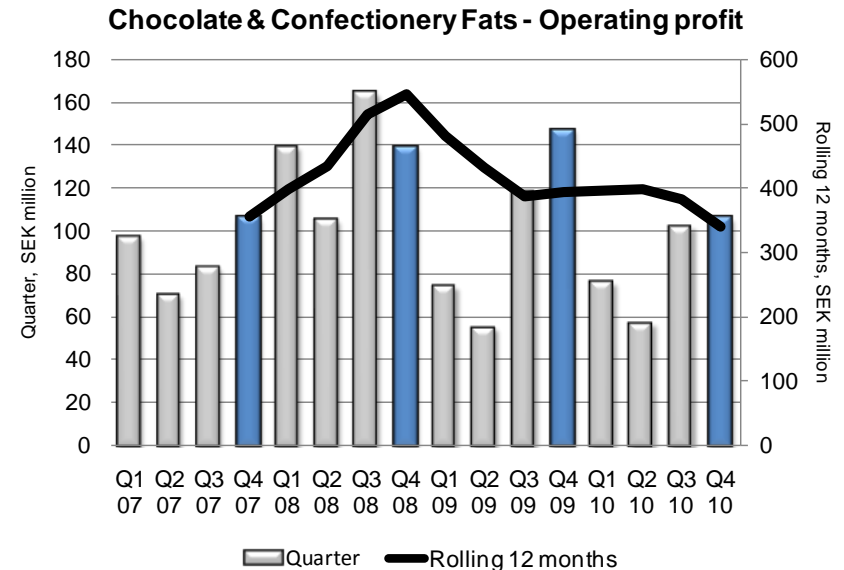


Food Ingredients - Operating profit per kg





Chocolate & Confectionery Fats

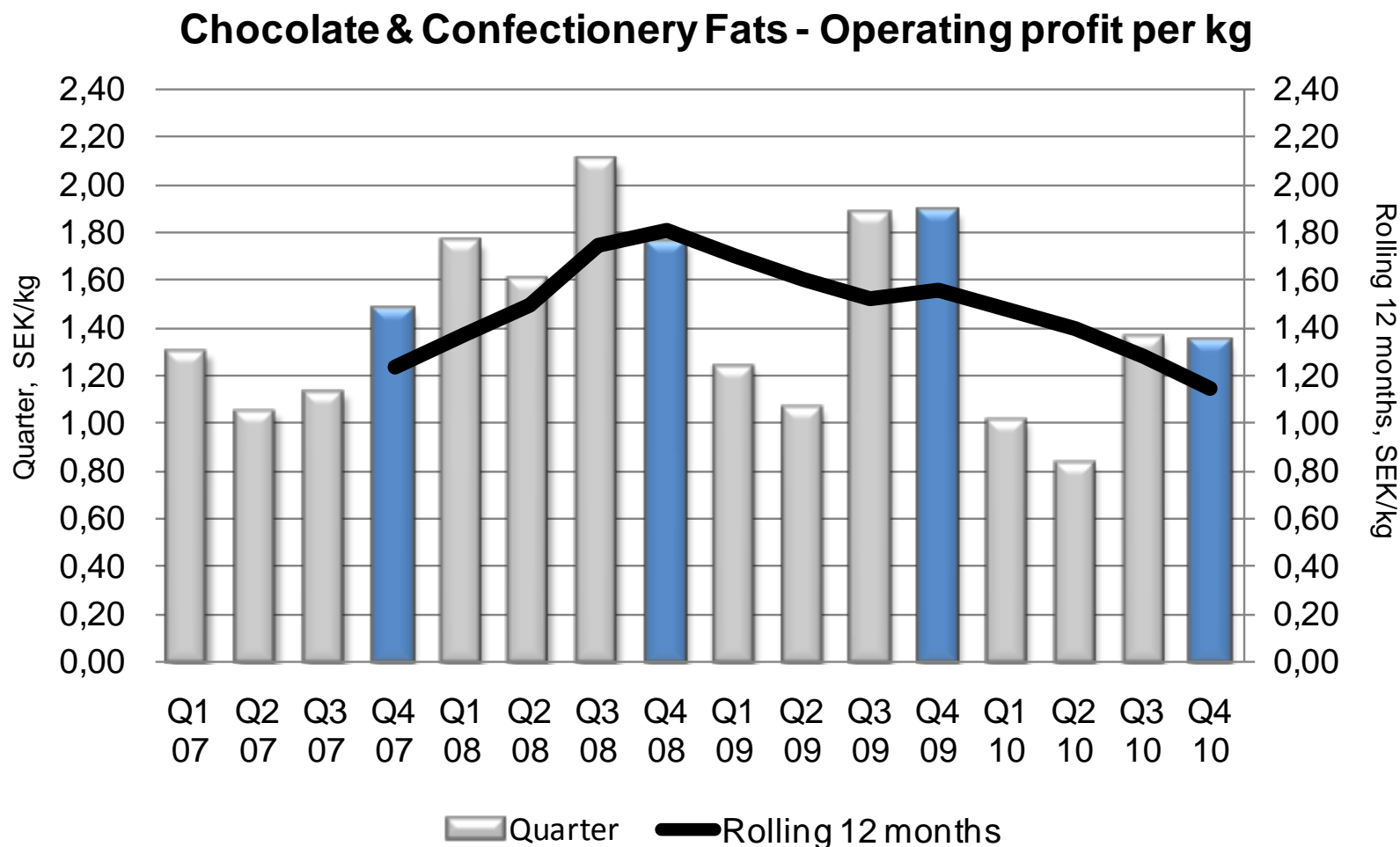


Fourth quarter 2010

- ◆ The operating result of SEK 106 million (147) was below last year mainly due to lower prices.
- ◆ Prices have been stable during 2010.
- ◆ The general market conditions for the first nine months of 2010 have continued during the fourth quarter.
- ◆ Volumes increased by 1 percent compared to last year.

Chocolate & Confectionery Fats

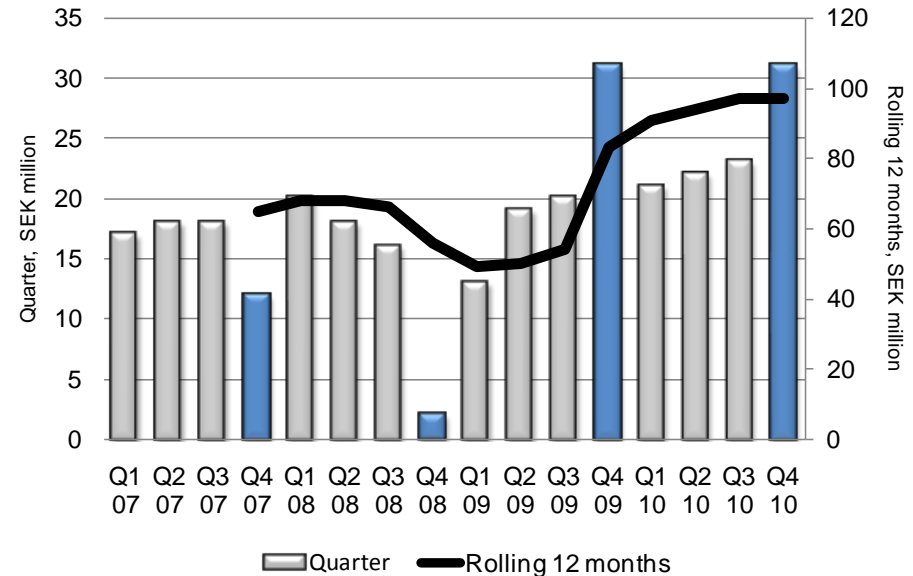
- EBIT per kg, SEK, rolling 12 months



Technical Products & Feed



Technical Products & Feed - Operating profit

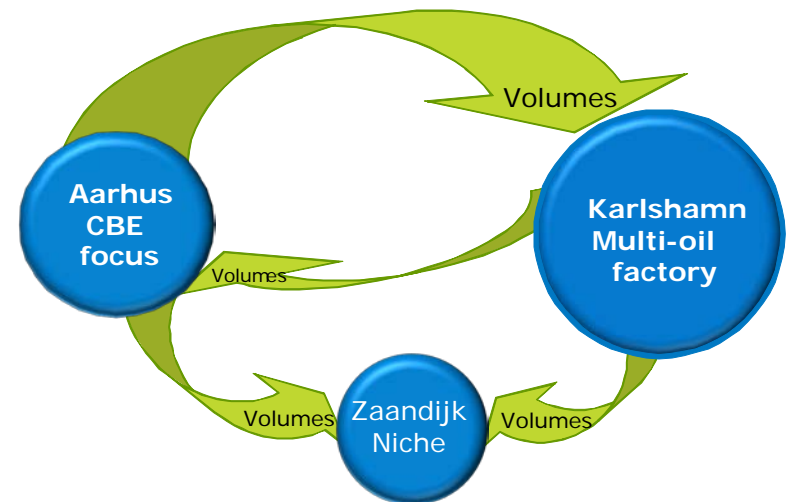
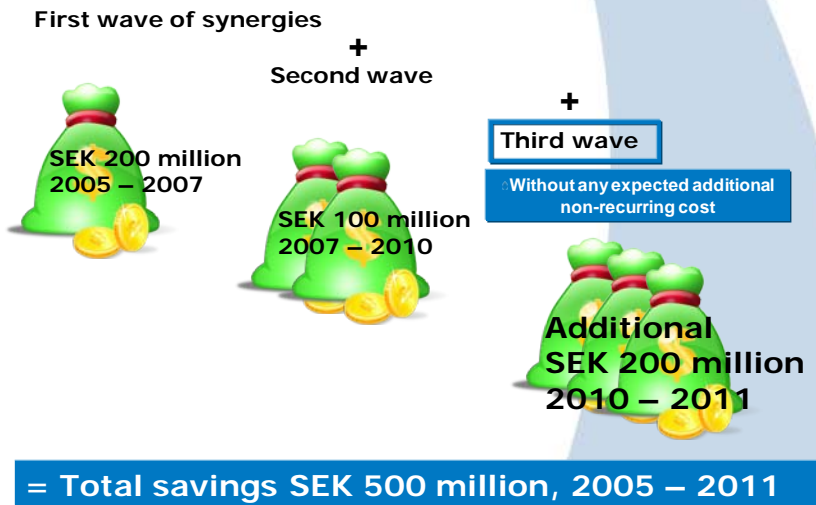


Fourth quarter 2010

- Operating profit at SEK 31 million (31) was in line with the fourth quarter 2009 despite an exceptional Q4 2009.
- Volumes in the fourth quarter 2010 were basically in line with the corresponding quarter 2009.
- Technical products, particularly environmental friendly bio lubricants, continued to experience signs of market recovery.

Ongoing rationalization programmes

- The rationalisation programmes are progressing and are at least in line with plan in all business areas as previously communicated.
- SEK 100 million (annualised) in cost savings was realised in late 2010, and an additional SEK 200 million (annualised) will be realised in the latter part of 2011.



Balance sheet

SEK million	31 Dec 2010	31 Dec 2009
Total Assets	9,252	8,513
Equity	3,188	2,949
Net interest bearing debt	2,634	3,186

- The equity/assets ratio amounted to 34 percent (35 percent as at 31 December 2009).



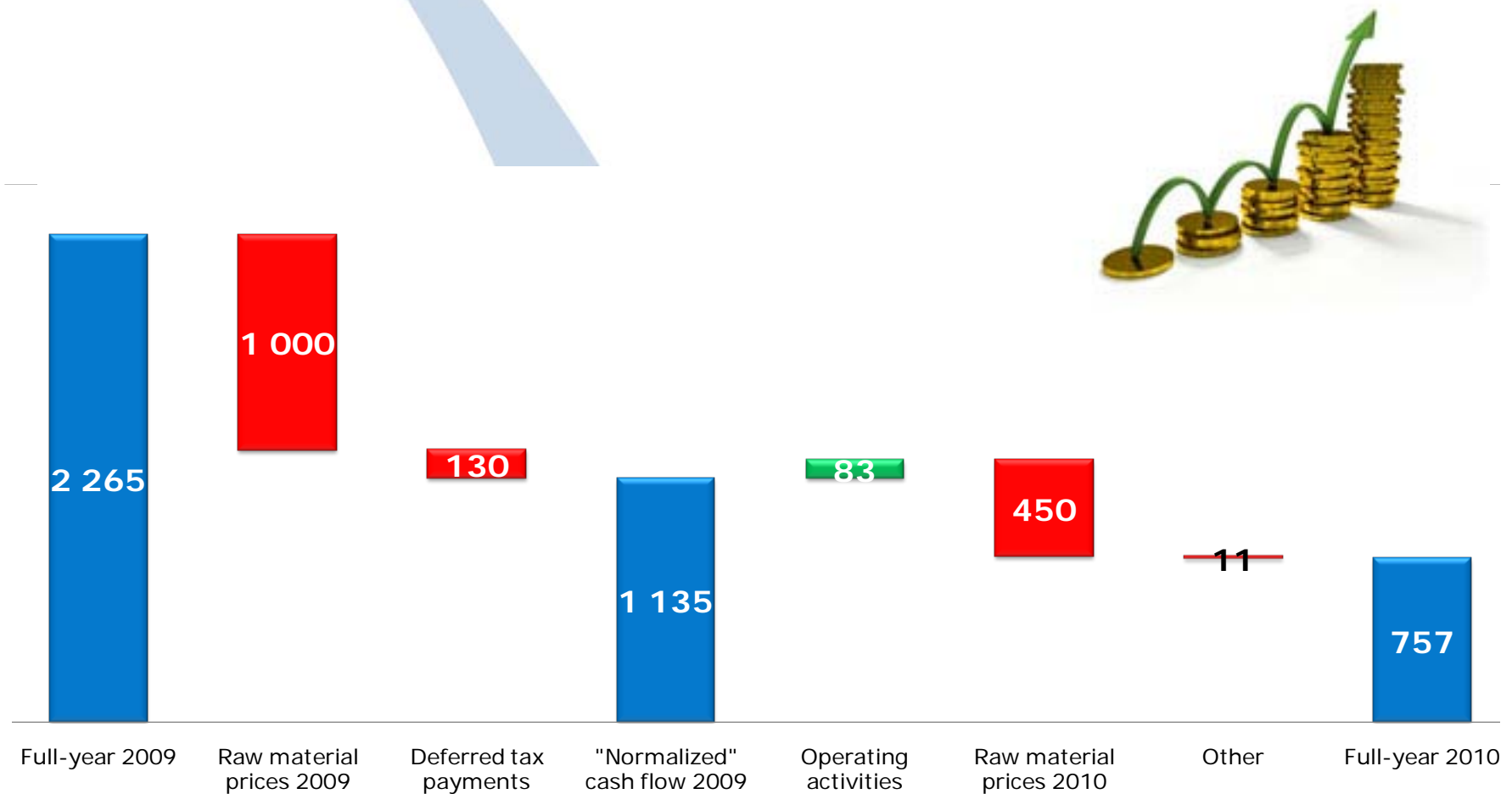
Cash flow



SEK million	Q 4 2010	Q 4 2009	YTD 2010	YTD 2009
Cash flow from operating activities	347	327	1,155	1,073
Paid tax	-58	-49	-281	-78
Change in working capital	243	472	-117	1,270
Cash flow from operating activities incl change in working capital	532	750	757	2,265
Cash flow from investments	-87	-110	-331	-313
Free cash flow	445	640	426	1,952

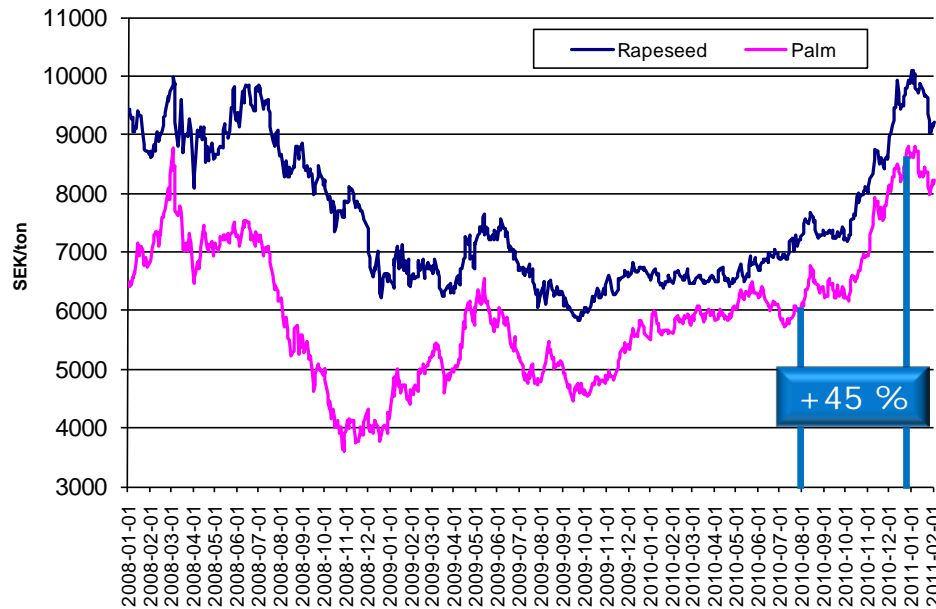
- ◆ Cash flow from operating activities reaching SEK 757 million (2,265).
 - The ongoing internal working capital improvement project continued to impact positively.
 - The majority of the strong cash flow 2009 was due to a significant decline in raw material prices which led to reduced working capital.

Cash flow bridge year to date



Raw material prices

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



- ◆ A 10 percent change in all raw material prices will effect working capital by +/- SEK 250 million.
- ◆ As a consequence of the policy of back-to-back hedging of raw materials there is a time lag between movement in the spot price and the cash flow impact.

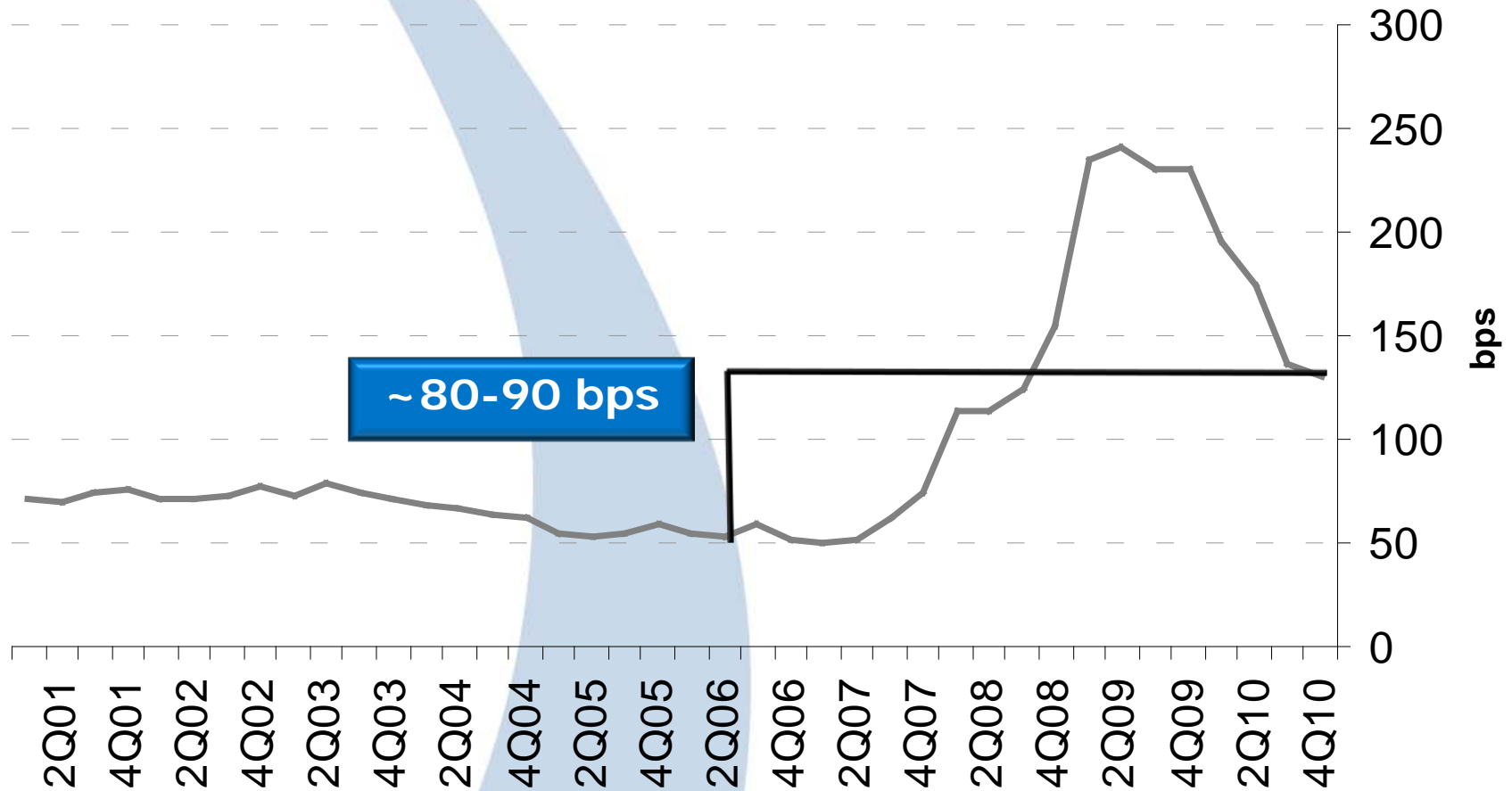
AAK's refinancing completed



- ◆ The Group's net borrowings as at 31 December 2010 amounted to SEK 2,634 million.
- ◆ AAK has signed two new fully committed credit facilities. The new loan terms also includes significantly enhanced flexibility.
- ◆ The Group now has committed credit facilities aggregating SEK 6,000 million with a maturity of five years or more.



Investment Grade Pricing - Interest margin



Elimination of IAS39 effects



- ◆ AAK has implemented procedures permitting to eliminate the IAS39 from October 1, 2010.
- ◆ Q4 included a positive IAS 39 effect of SEK 140 million.
- ◆ Commencing the first quarter 2011 there will be no IAS 39 effect.



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



AAK Executive Committee



- ◆ Octavio Díaz de León
- ◆ David Smith
- ◆ Torben Friis Lange
- ◆ Anne Mette Olesen
- ◆ Renald Mackintosh
- ◆ Anders Byström
- ◆ Arne Frank
- ◆ Karsten Nielsen
- ◆ Bo Svensson
- ◆ Edmond Borit
- ◆ Jean-Marc Rotsaert

Major events 2010, Summary

- ◆ Record high, like for like, operating profit with
 - Food Ingredients reported record high annual operating profit.
 - Stabilized margins in Chocolate & Confectionery Fats.
 - Strong recovery in Technical Products & Feed.
 - Execution of the ongoing Scandinavian rationalisation programme in line with plan.
- ◆ Rolled out company program AAK Acceleration
 - Based upon our speciality strategy.
 - Actionable execution oriented.
 - Mid and long term growth and profit evolution.
 - Growth-Efficiency-People.
- ◆ New global organization with strengthened and more international Executive Committee.



Major events 2010

- ◆ Investment by executives and key managers in a stock option program at market price.
- ◆ Commencing first quarter 2011 there will be no IAS 39 effect to report.
- ◆ Finalized long term refinancing of SEK 4,200 million, with much better flexibility, making up a part of a total committed facilities of SEK 6,000 million for five years or more.



Concluding remarks from CEO



- ◆ Operating profit for 2010 was in line with our expectations.
- ◆ We now have a very strong foundation for our mid- and long-term, the “AAK Acceleration programme”.
- ◆ Focus areas are Growth, Efficiency and People. The prioritized growth areas are; Bakery & Bakery Service, Dairy Industry, Chocolate & Confectionery Fats, Infant Nutrition (Baby Food), Food Service, Fast-growing economies (e.g. China and Brazil) and Merger & Acquisitions.
- ◆ For 2011 we have a cash flow challenge because of significant raw material price increases that occurred in 2010 but with a time lag affecting 2011.
- ◆ We are pleased that we have been able to finalize the refinancing, with improved financial flexibility and we have now total committed facilities of SEK 6,000 million for five years or more

Questions & Answers





The first choice for value-added vegetable oil solutions



AAK

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



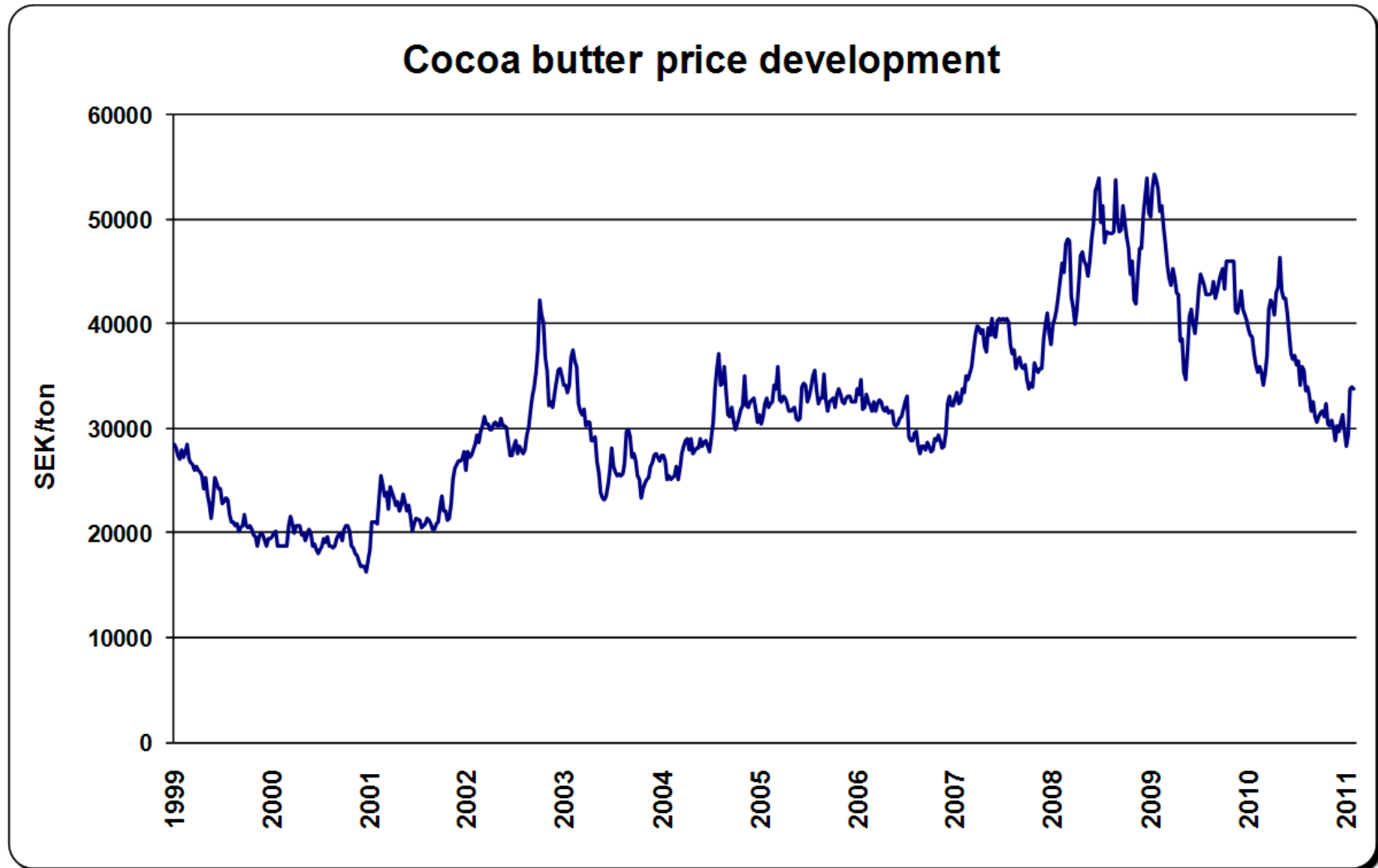
Appendix

Financial calendar



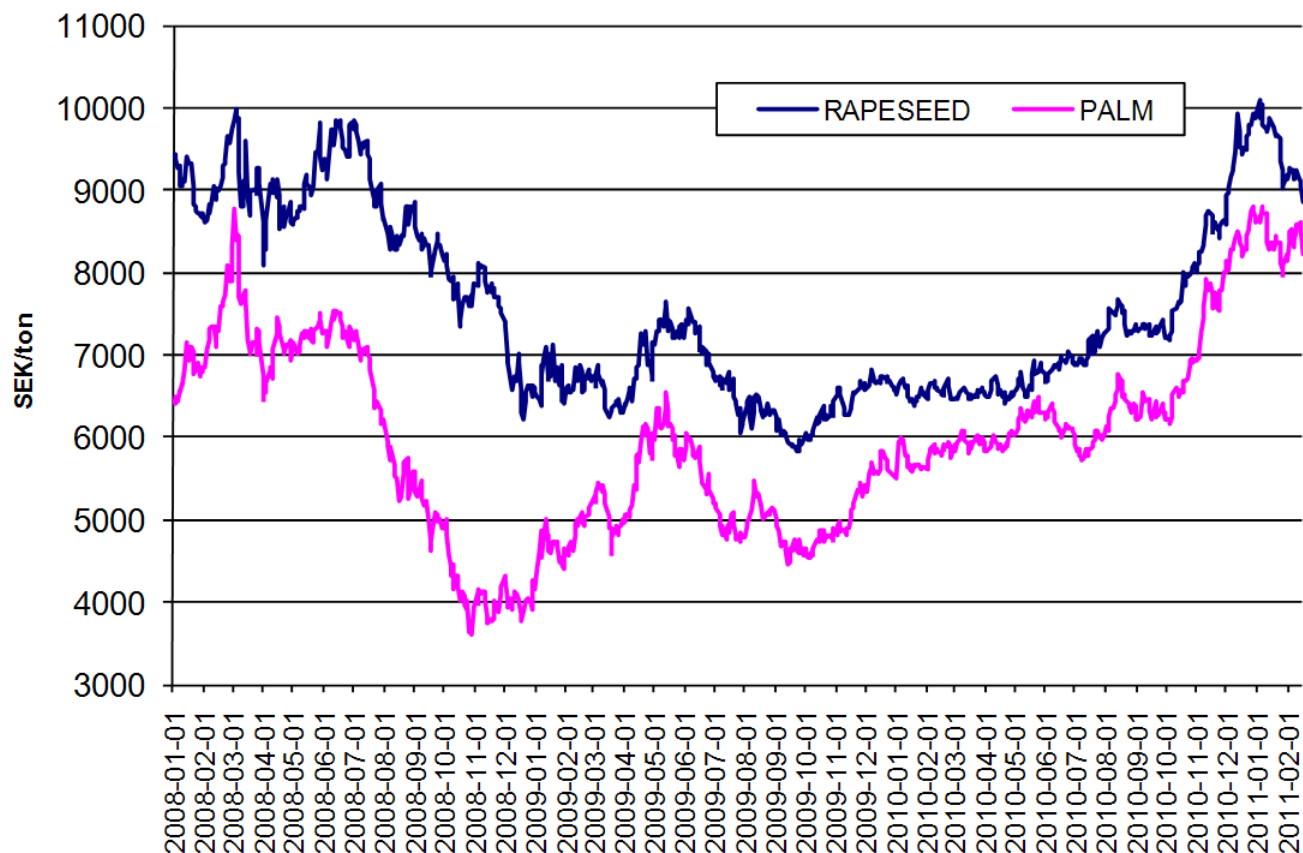
Year	Date	Event
2011	May 4	Q1 2011 Interim report
2011	May 17	Annual General Meeting, Malmoe
2011	July 20	Q2 2011 Interim report
2011	November 4	Q3 2011 Interim report
2011	November 15	Capital Market Day Stockholm

Cocoa Butter



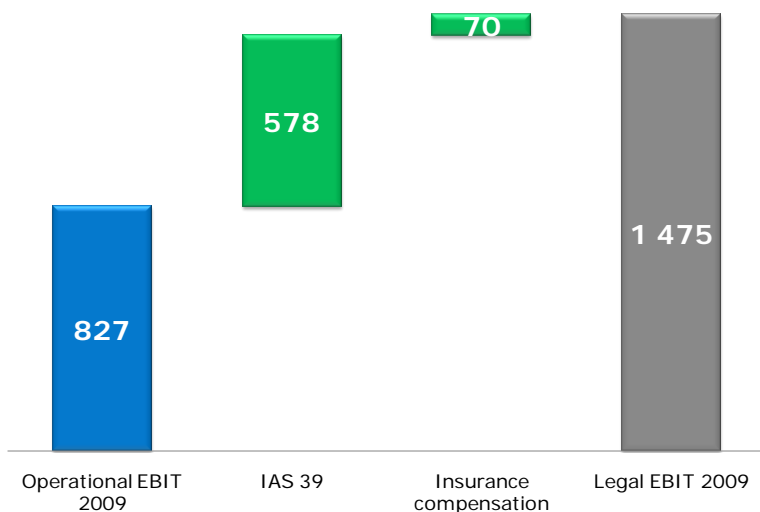
Raw material price development

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



Operating EBIT vs Legal EBIT including the IAS 39 effect

2009



2010

