Today’s agenda

Second quarter 2011

Business Area information

AAK Acceleration – Acquisition of Golden Foods/Golden Brands

Other major events

Q & A
Record high second quarter 2011

- Net sales increased to SEK 3,907 million (3,594)
  - Increased raw material prices and better product mix
  - Negative currency translation impact of SEK 361 million
  - Volume decreased by 8 percent due to lower commodity volumes mainly in the UK. Speciality volumes continued to increase

- Operating profit at SEK 196 million (164), an improvement by 20 percent
  - Record high second quarter operating profit

- Operating profit at fixed exchange rates improved by 32 percent

- Earnings per share amounted to SEK 3.04 (2.65), an improvement by 15 percent
Second quarter– Business Areas

- **Food Ingredients**
  - Operating result amounted to SEK 120 million (101)
    - The result includes negative translation effects of SEK 11 million
    - Strong improvement in operating profit per kilo
    - Higher portion of speciality products
    - Volumes decreased by 13 percent compared to last year mainly in the UK

- **Chocolate & Confectionery Fats**
  - Operating result amounted to SEK 70 million (57)
    - The result includes negative translation effects of SEK 10 million
    - Underlying margins in Chocolate & Confectionery Fats continued stable and the general market conditions have remained stable
    - Volumes increased by 7 percent compared to last year

- **Technical Products & Feed**
  - Operating profit amounted to SEK 28 million (28)
    - Volumes decreased by 7 percent compared to last year
Financial summary

Focus the analysis on:

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

- Focus the analysis on:
  - Volume
  - Operating profit
  - Operating profit per kilo
  - Return on Net Operating Assets
  - Net Debt / EBITDA

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Return on Net Operating Assets - Rolling 12 months

NET DEBT/EBITDA
Food Ingredients

Second quarter 2011

- Operating profit amounted to SEK 120 million (101) an increase by 19 percent
  - Record high second quarter
  - The result includes negative translation effects of SEK 11 million
  - At fixed exchange rates, operating profit was up 30 percent versus last year
  - Speciality volumes continue to increase
  - UK - Large potential identified for a more focused specialization strategy. The rationalization work has already commenced. As a consequence volumes were down 13 percent

- 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

Quarter, SEK/kg

Quarter
Rolling 12 months, SEK/kg

0,00  0,10  0,20  0,30  0,40  0,50  0,60  0,70  0,80

Q1 07  Q2 07  Q3 07  Q4 07  Q1 08  Q2 08  Q3 08  Q4 08  Q1 09  Q2 09  Q3 09  Q4 09  Q1 10  Q2 10  Q3 10  Q4 10  Q1 11  Q2 11

Quarter  Rolling 12 months
Chocolate & Confectionery Fats

Second quarter 2011

- The operating result amounted to SEK 70 million (57)
  - Includes a negative translation impact of SEK 10 million
  - At fixed exchange rates, operating profit was up 40 percent versus last year
  - Volume growth of 7 percent
  - Stable CBE prices

- The general market conditions were stable

- Continued strong demand in the Americas (North and South) and moderate demand in Europe
Chocolate & Confectionery Fats
- EBIT per kg, SEK, rolling 12 months

Interim Report Q2 2011
Second quarter 2011

- Operating profit amounted to SEK 28 million (28), unchanged compared to last year
  - During the second quarter – planned and slightly longer than normal maintenance stop
  - Decreased volumes of 7 percent – mainly low margin commodity volumes affecting the feed product segment
- The biolubricant business continued to enjoy signs of market recovery
- Crushing margin seems to be under pressure in Europe
Cash flow

<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q2 2011</th>
<th>Q2 2010</th>
<th>YTD 2011</th>
<th>YTD 2010</th>
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</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>231</td>
<td>109</td>
<td>435</td>
<td>330</td>
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<tr>
<td>Change in working capital</td>
<td>-272</td>
<td>-114</td>
<td>-834</td>
<td>-20</td>
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<tr>
<td><strong>Cash flow from operating activities incl</strong></td>
<td><strong>-41</strong></td>
<td><strong>-5</strong></td>
<td><strong>-399</strong></td>
<td><strong>310</strong></td>
</tr>
<tr>
<td><strong>change in working capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from investments</td>
<td>-95</td>
<td>-100</td>
<td>-163</td>
<td>-179</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>-136</strong></td>
<td><strong>-105</strong></td>
<td><strong>-562</strong></td>
<td><strong>131</strong></td>
</tr>
</tbody>
</table>

- As earlier predicted and communicated cash flow turned negative during the second quarter as consequence of significantly increased raw material price increases during the last nine months.
- Most likely we have now seen the major effect of the negative cash flow impact of these raw material price increases.
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**
- Bakery
- Dairy
- Chocolate & Confectionery Fats
- Infant Nutrition
- Food Service
- Merger & Acquisitions
- Fast-growing Economies

**Efficiency**
- Purchasing
- Productivity

**People**
- Sales Management & Sales Processes
- Mobilize Ourselves
- Internal Communication
Acquisition of Golden Foods/Golden Brands – Effective July 1, 2011

- Golden Foods/Golden Brands
  - The leading North American supplier of flaked shortenings
  - Revenue of USD 120 million and 160 employees
  - Located in Louisville, Kentucky

- Bakery
  - American biscuits
  - Pizza dough
  - Cookies
  - Pastries and pies

- Food Service
  - Quick service restaurants and casual dining
  - Schools and institutions
Flaked shortenings

- Shortening
  - An edible fat used to make baked goods tender or flaky

- Pros with flaked shortenings
  - Properties – taste and texture
  - Ability to add colour, flavour, aroma and mix ingredients with the fat
  - Handling – does not require special liquid oil handling equipment
The flaked shortening specialist

- Flakes are primarily used in the industrial baking industry
  - American biscuits/cookies
  - Breads
  - Pizza

- Offer flakes in various sizes, flavors, and colors

- Committed to custom product development to meet customers’ functional needs
Strategic rationale

- Expand and complement our existing product portfolio
- Expand and complement our existing channel and customer footprint
- Cross selling
- Adds a new geographic dimension in North America
  - Two production sites in US – one located on the East Coast and now one in the Midwest.
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 will be included in the Food Ingredients business area
Rationalization programs

- **During the second quarter 2011**
  - As announced earlier an additional rationalization program in the UK operations in order to fully focus on our speciality strategy
  - The rationalization implies a further move away from larger volume low margin commodity products to more complex, lower volume speciality products at higher margins
  - One off cost offset by one off income

- **Ongoing rationalization programs in Scandinavia**
  - Progressing in line with plan
## Financial calendar

<table>
<thead>
<tr>
<th>Year</th>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>2011</td>
<td>November 7*</td>
<td>Q3 2011 Interim report</td>
</tr>
<tr>
<td>2011</td>
<td>November 15</td>
<td>Capital Market Day Stockholm</td>
</tr>
<tr>
<td>2011</td>
<td>November 17</td>
<td>Capital Market Day Copenhagen</td>
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* Changed from November 4.
Concluding remarks from CEO

- We continue to see positive effects of the AAK Acceleration program, both in terms of organic growth in speciality products, acquisitive growth and productivity.

- Speciality volumes increased organically, especially in Infant Nutrition, Dairy Industry and Chocolate & Confectionery Fats.

- The acquisition of Golden Foods/Golden Brands significantly strengthens our ability to supply combined existing and new customers with a broader portfolio of speciality oils and fats solutions in the US.

- We are now going into the third quarter and we remain prudently optimistic for the quarter and for the execution of AAK Acceleration.
The first choice for value-added vegetable oil solutions
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Cocoa Butter

Cocoa Butter price development

SEK/ton

Raw material price development

Raw material prices Rapseed and Palm

SEK/ton