



Arne Frank
CEO

Peter Korsholm
CFO

Fredrik Nilsson
Head of IR

A close-up photograph of a glass bottle of AAK beer. The bottle is tilted, showing the golden beer inside. The AAK logo is visible on the bottle. The background is a light blue gradient.

Interim Report Second quarter 2012

Agenda

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Second quarter 2012

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Business Area information

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AAK Acceleration

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Other major events

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Q & A

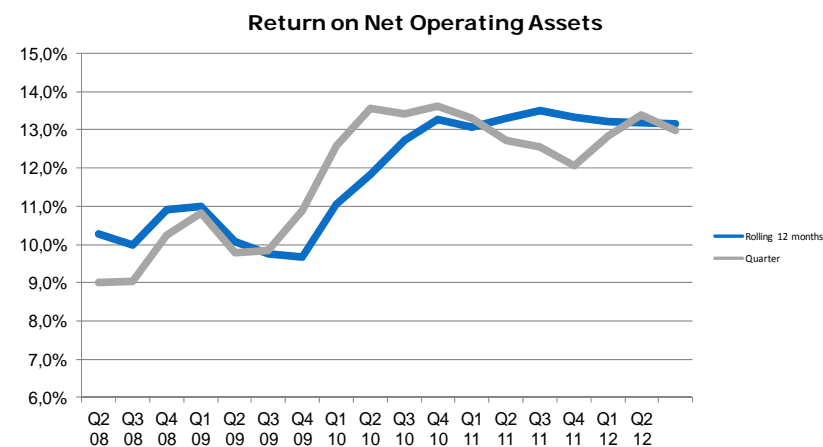
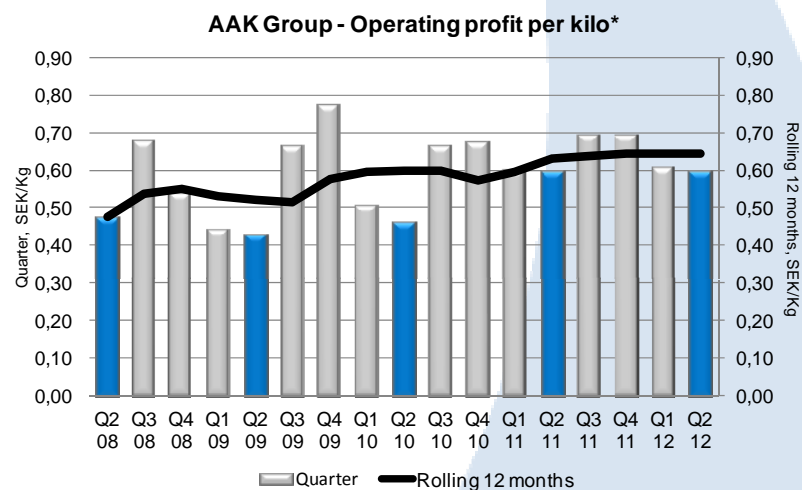
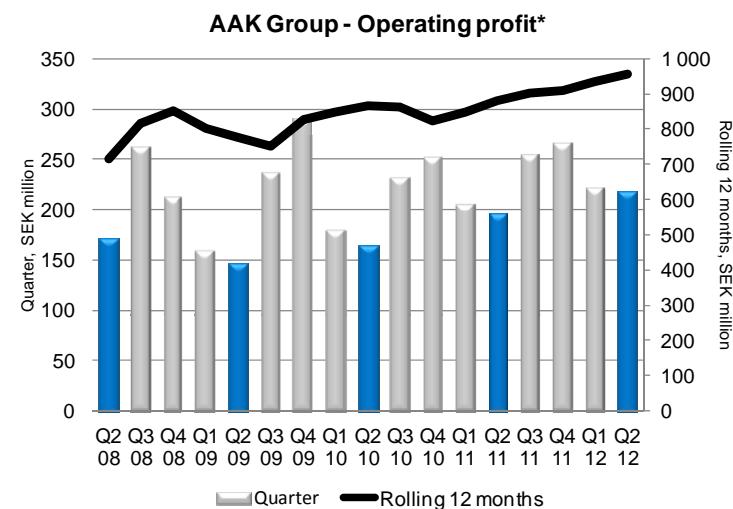
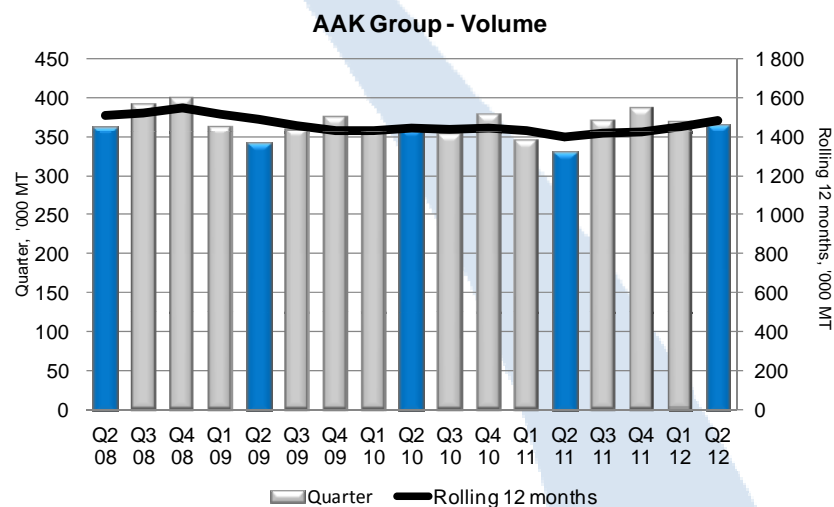
Second quarter 2012

- Volumes growth of 11 percent
- Net sales amounted to SEK 4,207 million (3,907) in the second quarter
- Operating profit (EBIT), reached SEK 218 million (196), before acquisition related costs of SEK 7 million, an improvement of 11 percent
 - Food Ingredients reached a record high second quarter of SEK 156 million (120), an improvement by 30 percent
 - Chocolate & Confectionery Fats reached SEK 65 million (70)
 - Technical Products & Feed had another challenging quarter but reached SEK 20 million (28)

Second quarter 2012

- Operating profit per kilo excluding acquisition costs was SEK 0.60 (0.60)
- Very strong operational cash flow of SEK 351 million (-41). Includes changes in working capital which improved by SEK 196 million (-272)
- Earnings per share increased by 3 percent, from SEK 3.04 to SEK 3.14

Financial summary



* Excluding acquisition related costs

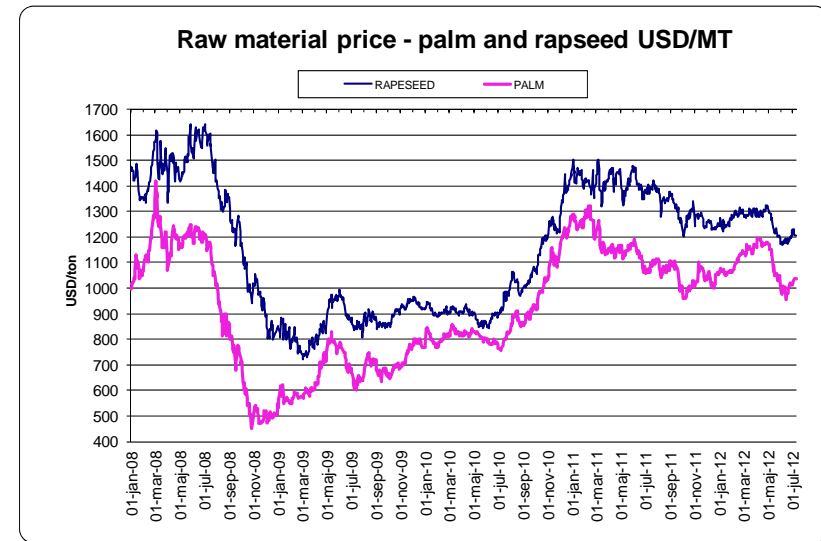
Strong cash flow



SEK million	Q2 2012	Q2 2011	Q1-2 2012	Q1-2 2011
Cash flow from operating activities	155	231	400	435
Change in working capital	196	-272	335	-834
Cash flow from operating activities incl change in working capital	351	-41	735	-399
Cash flow from investments	-517	-95	-623	-163
Free cash flow	-166	-136	112	-562

- Cash flow from operating activities including changes in working capital was positive SEK 351 million (negative 41)
 - Positive cash flow from reduction in working capital was SEK 196 million (negative 272)
- Cash flow, after net investments of SEK 517 million (95) was negative SEK 166 million (negative 136)
- Net debt/EBITDA at 30 June 2012 was 2.39 (31 December 2011: 2.44)

Raw material prices



- 10 percent change in all raw material prices will effect working capital by +/-SEK 250 million
- Time lag of six to nine months

Food Ingredients



Second quarter 2012

- ◆ A record high operating profit reached SEK 156 million (120), an increase of 30 percent
- ◆ Operating profit per kilo improved substantially by 8 percent
 - From SEK 0.63 per kilo to 0.68 SEK per kilo
- ◆ Significant volume growth by 21 percent
 - For comparable units 2 percent
- ◆ Continued strong developments in many speciality product areas, in particular:
 - Bakery
 - Infant Nutrition
- ◆ We continue to remain clearly optimistic for the future of this business area

+30%



Second quarter 2012

- AAK Louisville has started to contribute to the Group result according to plan
- The AAK Louisville integration is continuing in line with plan
- Operating profit per kilo in line with current group average from January 2012
- The acquisition is reported in the Food Ingredients business area

Acquisition of Oasis Foods Company – May 25, 2012



• Oasis Foods

- Strong position in Food Service
- Revenues of SEK 925 million and 160 employees
- Located in Hillside, New Jersey

• Food Service

- Edible oils
- Margarine
- Spreads
- Shortenings
- Mayonnaise
- Sauces and dressings

• Strategic rationale

- Excellent platform for our Food Service strategy
- Significantly broadens our product offerings in the United States



Acquisition of Crown-Foods A/S in Denmark – May 31, 2012



◆ Crown-Foods A/S

- Scandinavian market leader producing sauces and dressings for Food Service customers
- Revenues of SEK 60 million and 20 employees
- Located in Mørkøv, Denmark
- The acquisition will be included in the Food Ingredients business area

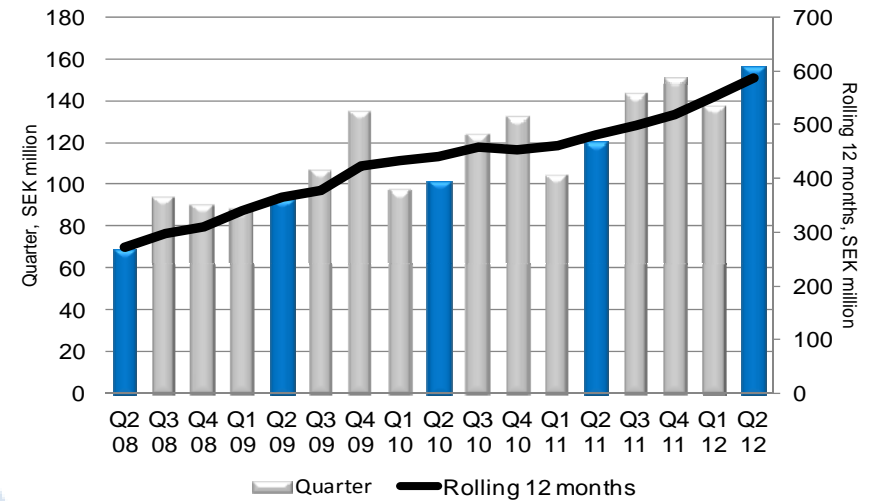
◆ Strategic rationale

- Strengthen our ability to supply a broader portfolio of Food Service products in Scandinavia

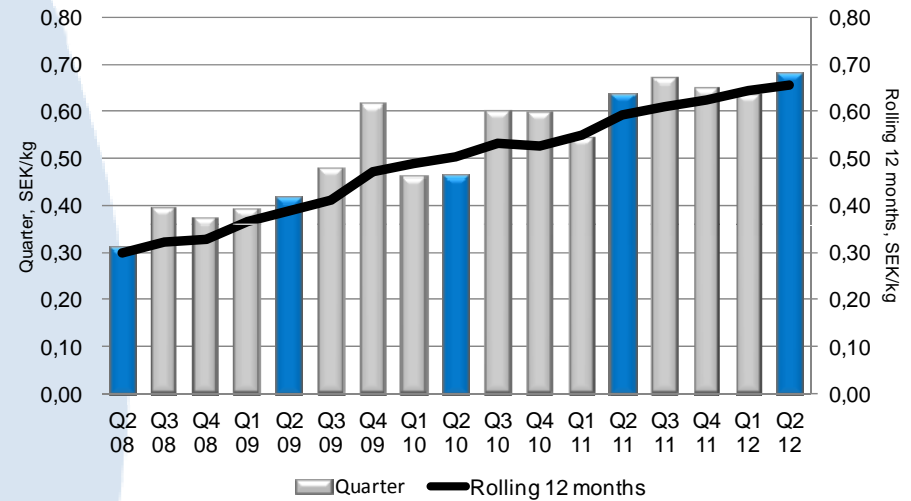
Food Ingredients



Food Ingredients - Operating profit



Food Ingredients - Operating profit per kg





Chocolate & Confectionery Fats



Second quarter 2012

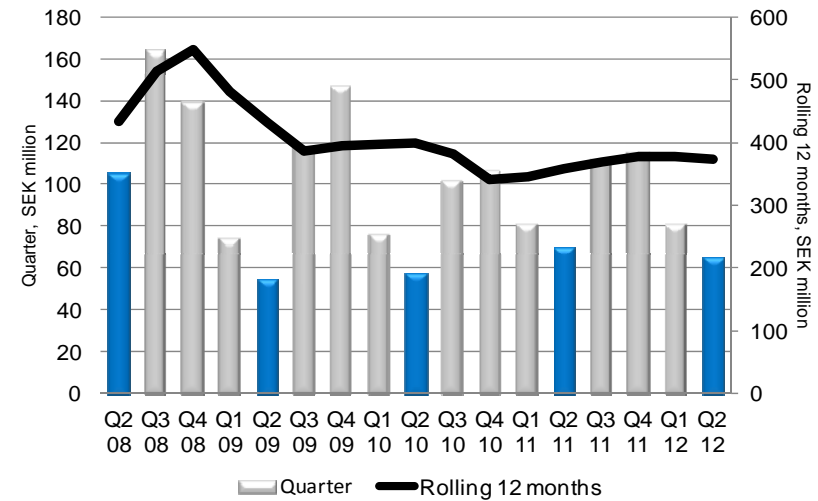
- The operating result reached SEK 65 million (70)
- Operating profit per kilo at SEK 0,87 (0,95) was down mainly due to
 - Customer and product mix changes
 - The pressure on CBE margins continued
- Total volume remained stable, organic growth of 1 percent
- The record low cocoa butter price (approximately 30-40 percent lower than the three year average) represents a clear challenge in the short to medium term
- The business area remain challenged and is expected to be under pressure even during forthcoming quarters
- Seasonally the third and the fourth quarter are the strongest during the year and this seasonality is expected to continue

-7%

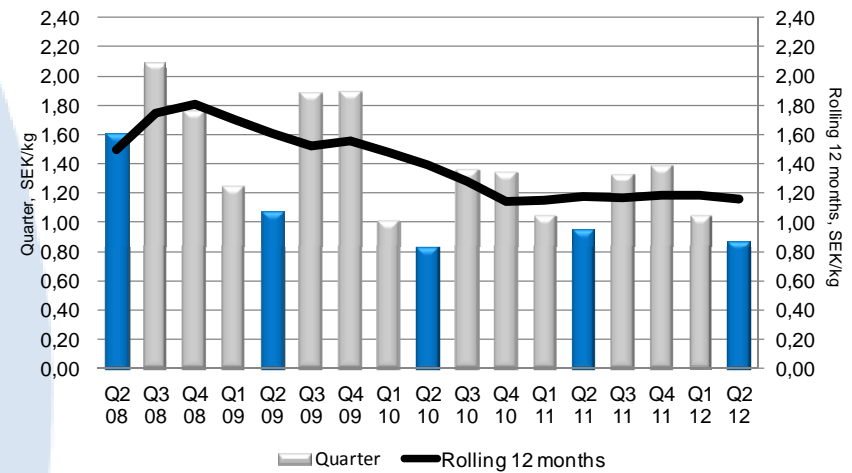
Chocolate & Confectionery Fats



Chocolate & Confectionery Fats - Operating profit



Chocolate & Confectionery Fats - Operating profit per kg



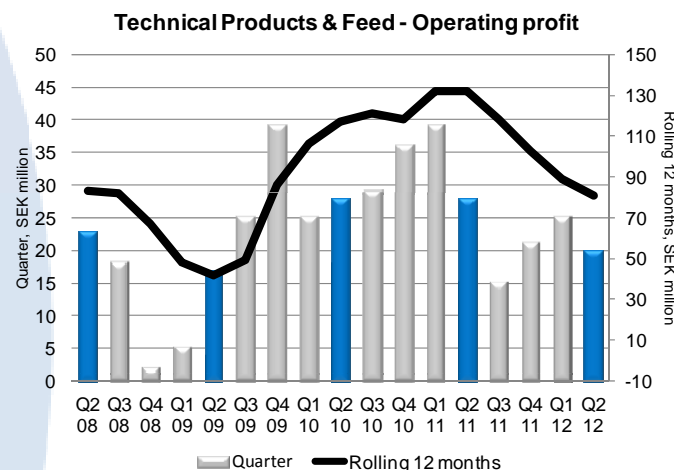
Technical Products & Feed



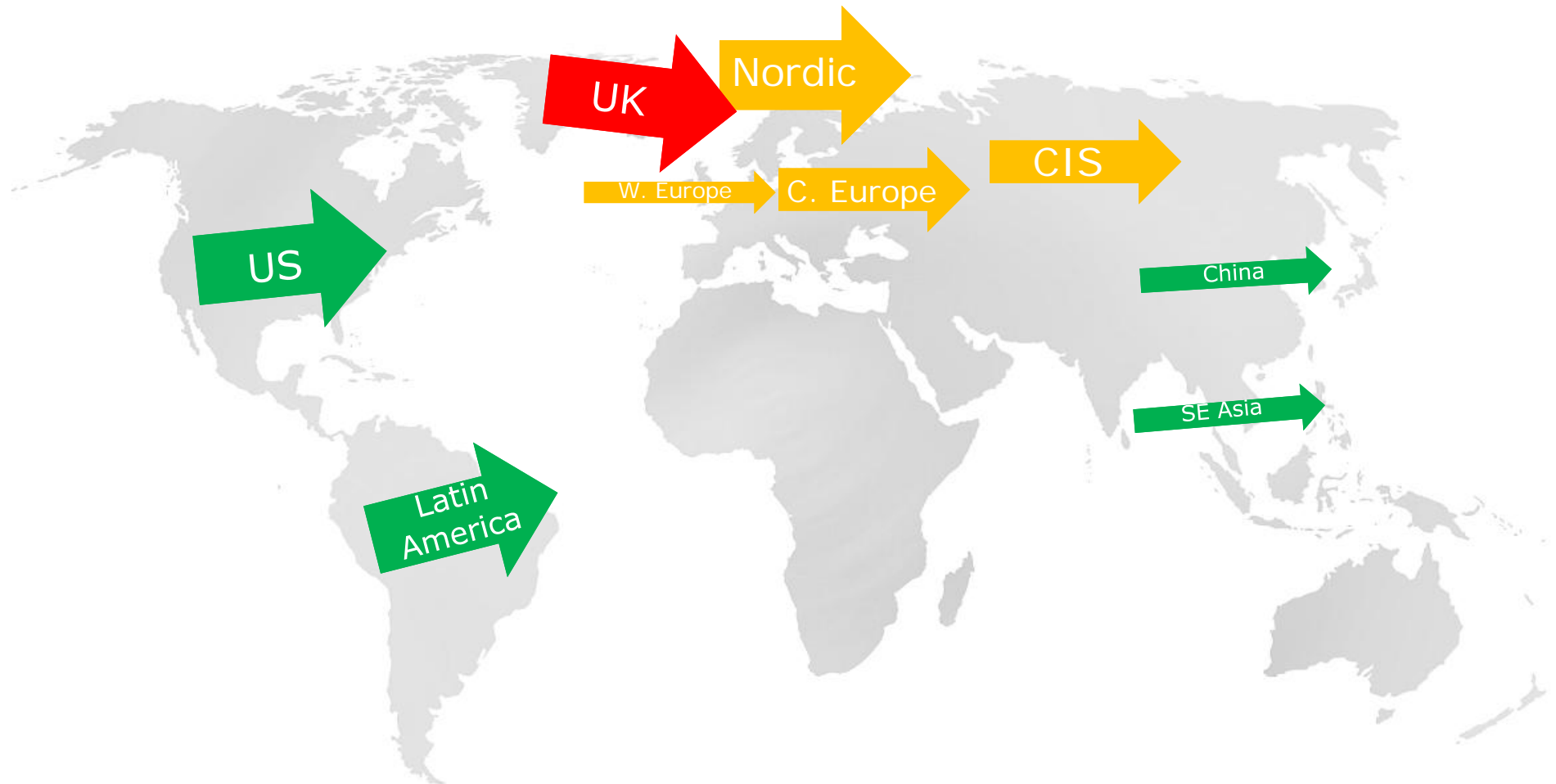
Second quarter 2012

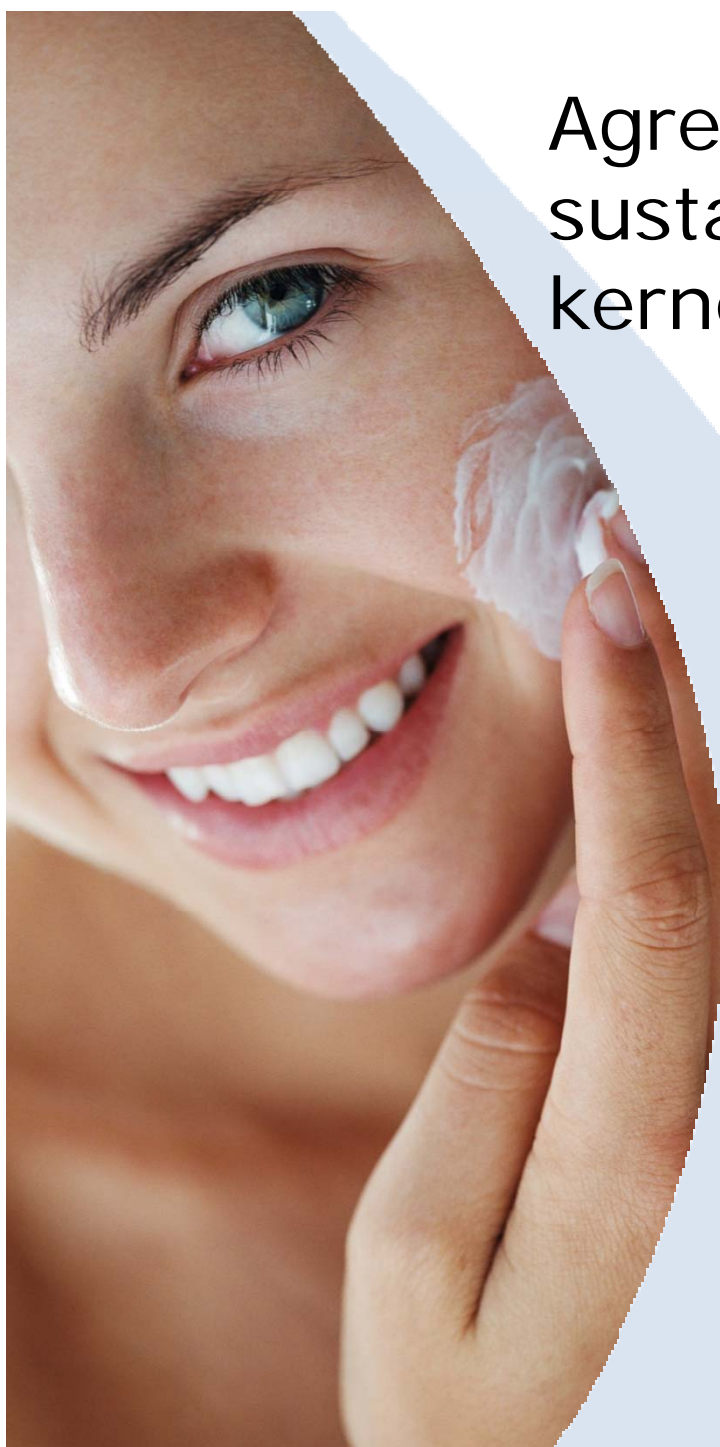
-29%

- Operating profit was SEK 20 million (28)
- Volumes decreased by 6 percent
- Continued pressure on margins for technical fatty acids and in crushing
- Some volumes during the annual maintenance stop have been sourced externally to fulfill customer obligations, at significantly reduced margins
- As previously communicated the next quarter/ quarters will continue to be challenging, but profitability is expected to improve



Q2 volume trends by region





Agreement to develop the sustainable trade of shea kernels



- AAK and L'Oréal, have signed an agreement to develop the trade of shea kernels targeting to:
 - Improve the volumes
 - Improve the quality of the raw material
 - Secure improved living conditions for women in Burkina Faso, West Africa
- L'Oréal will now actively support AAK's programme and will be the receiver of the shea emanating from the project until at least 2014
- The agreement is linked to an initiative that AAK announced earlier this year

AAK Acceleration - Growth

AAK Acceleration projects

KPI
Q2

KPI
Q1

Bakery



Dairy



CCF



Infant Nutrition



Food Service



Merger & Acquisition

N.A

N.A

Fast-growing economies

- China



- Brazil



Ahead of plan



On plan



Slightly ahead of plan



Behind plan

AAK Acceleration - Efficiency

AAK Acceleration projects

Purchasing
Productivity

KPI
Q2

KPI
Q1



Ahead of plan



On plan



Slightly ahead of plan



Behind plan

AAK Acceleration - People

AAK Acceleration projects

Sales

Mobilize Ourselves

Internal communication

KPI
Q2

KPI
Q1



Ahead of plan



Slightly ahead of plan



On plan



Behind plan

Concluding remarks from CEO



- The impact on our industry from the more difficult general economy in Europe is difficult to predict
- However, based on AAK's customer value propositions for:
 - Health
 - Reduced costs
 - Customer product co development and solutions approach
 - and the AAK Acceleration program
- We continue to remain prudently optimistic for the future mainly driven by a very strong Food Ingredients business

Questions & Answers



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Further Investor Relations material can be
found at www.aak.com/en/Investor



Financial calendar



Financial calendar 2012

7 November, 2012	Interim report for the third quarter 2012
19 November, 2012	Capital Market Day in Stockholm
21 November, 2012	Capital Market Day in Copenhagen
7 February, 2013	Fourth quarter and full-year report 2012

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vegetable oil
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