



Arne Frank
CEO

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AAK's Interim Report Second quarter 2013

Agenda

A circular inset image on the left side of the slide shows a close-up of a yellow flower, likely a rapeseed, with a green stem and leaves. The background of the flower is a blurred field of similar flowers under a blue sky.

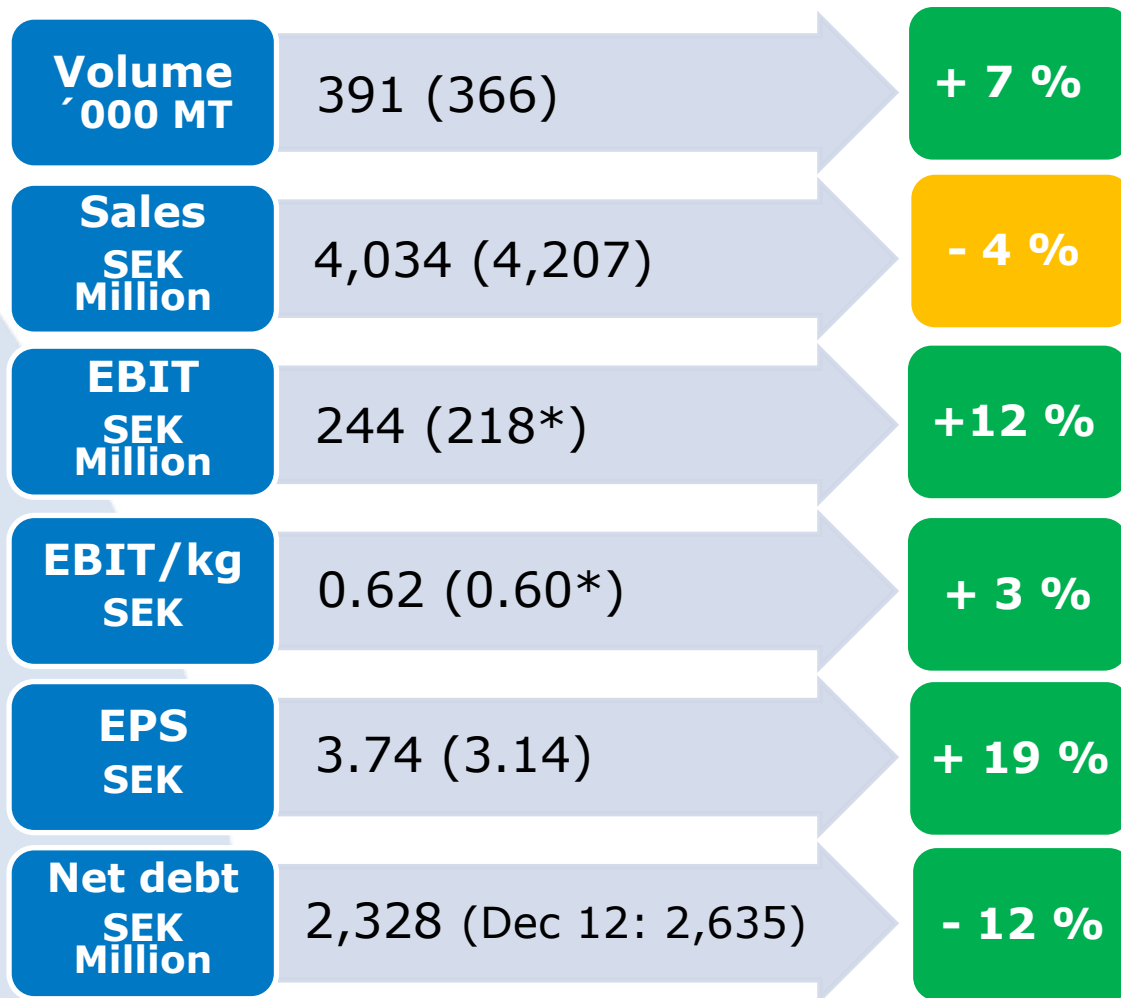
Q2 2013

Business Area information

AAK Acceleration

Q & A


Q2 2013



* Adjusted for acquisition costs

Second quarter 2013

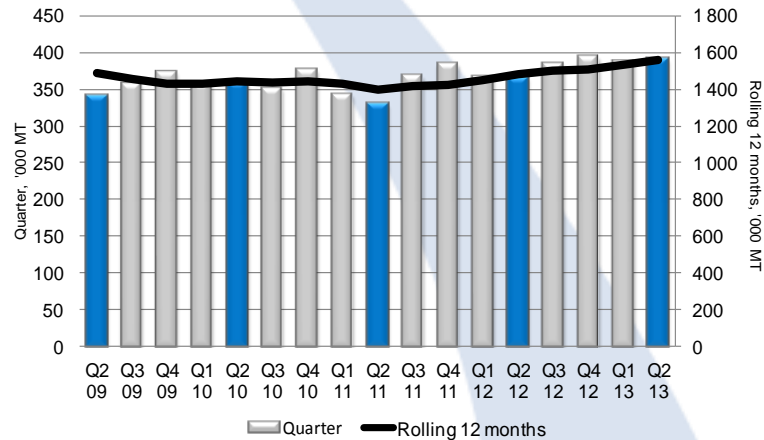


- 
- A black and white photograph of an hourglass with a gold-colored bulb. The hourglass is filled with Swedish Krona coins, with some coins visible in the top and bottom bulbs. The background is dark and out of focus.
- Operating profit was at a record high for a second quarter, at SEK 244 million (218), an improvement of 12 percent. Negative currency translation impact of SEK 6 million. Operating profit at fixed exchange rates improved by 15 percent
 - Food Ingredients reached a record high operating profit of SEK 184 million (156), an improvement of 18 percent
 - Chocolate & Confectionery Fats remained stable at SEK 65 million (65)
 - Technical Products & Feed reported improved operating profit at SEK 23 million (20)
 - Operating profit per kilo improved to SEK 0.62 (0.60)
 - Cash flow from operating activities incl changes in working capital amounted to SEK 576 million (351)
 - EBITDA improved by SEK 31 million, from SEK 299 million to SEK 330 million
 - Positive cash flow from reduction in working capital was SEK 343 million (196)

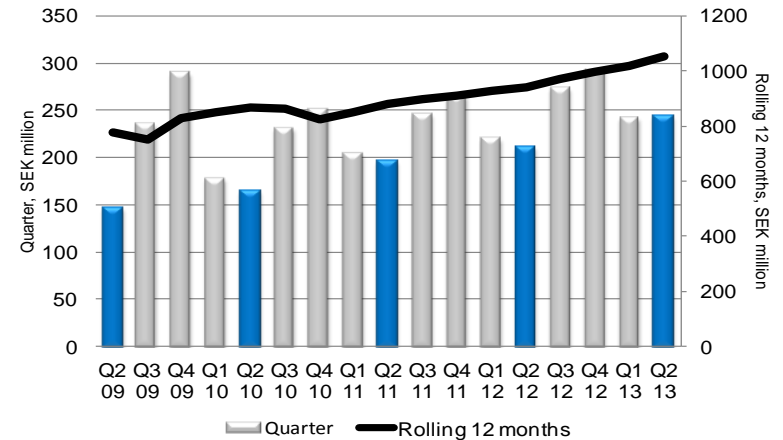
Financial summary



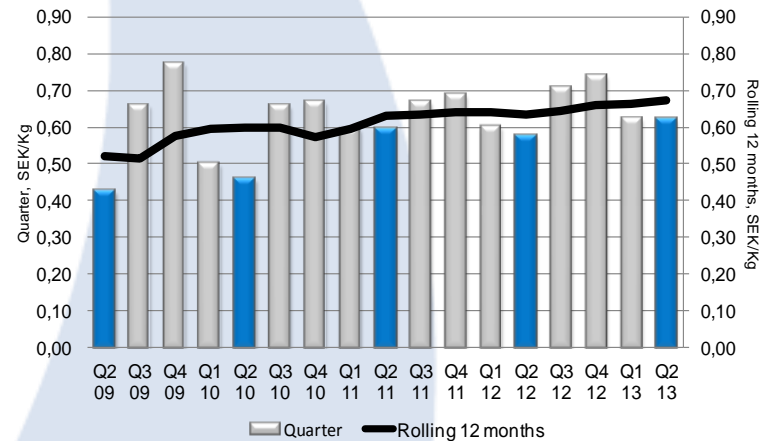
AAK Group - Volume



AAK Group - Operating profit

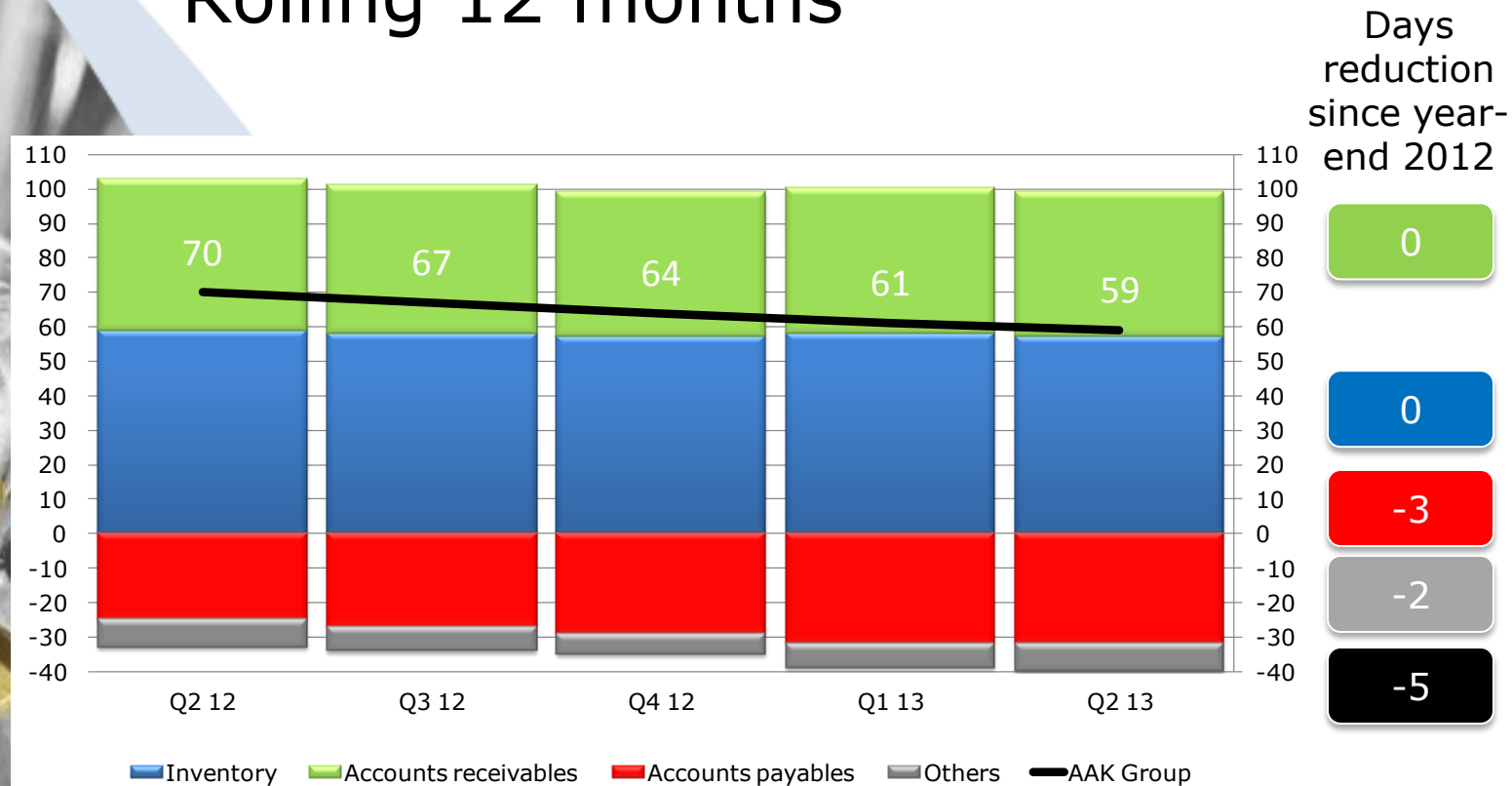


AAK Group - Operating profit per kilo

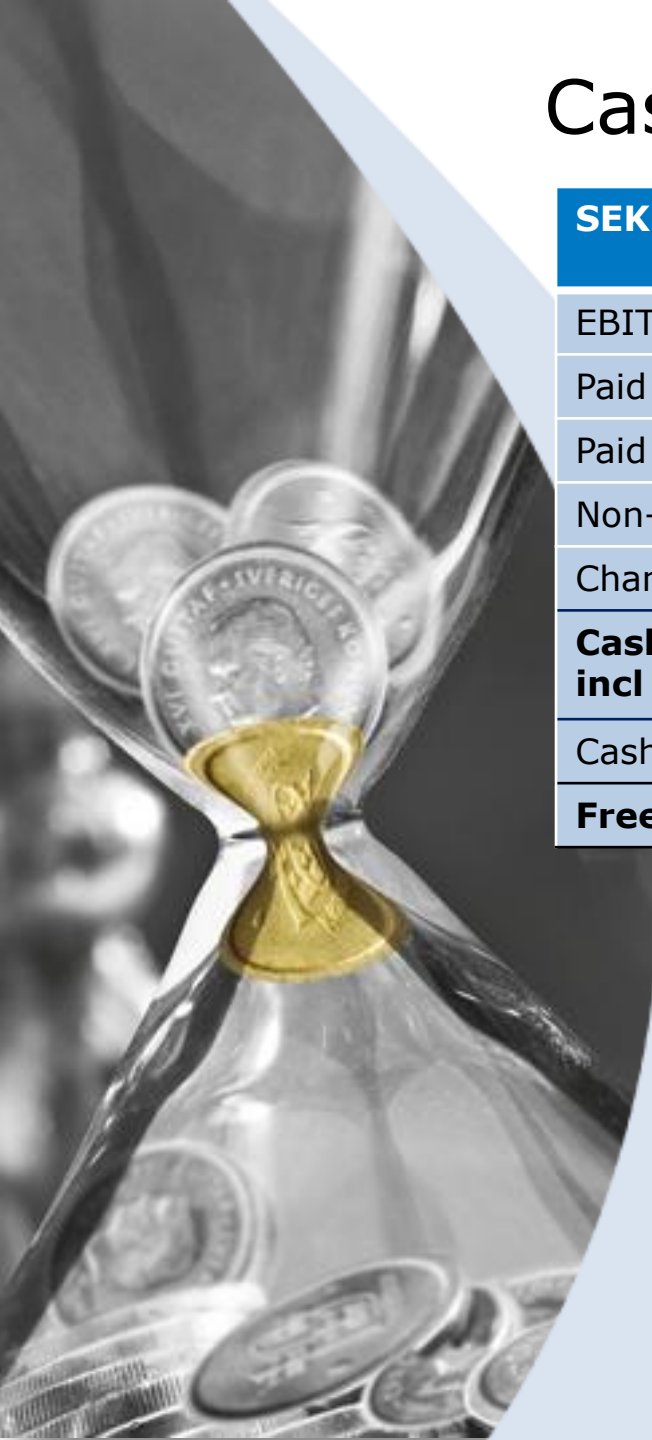


Working capital days

Rolling 12 months



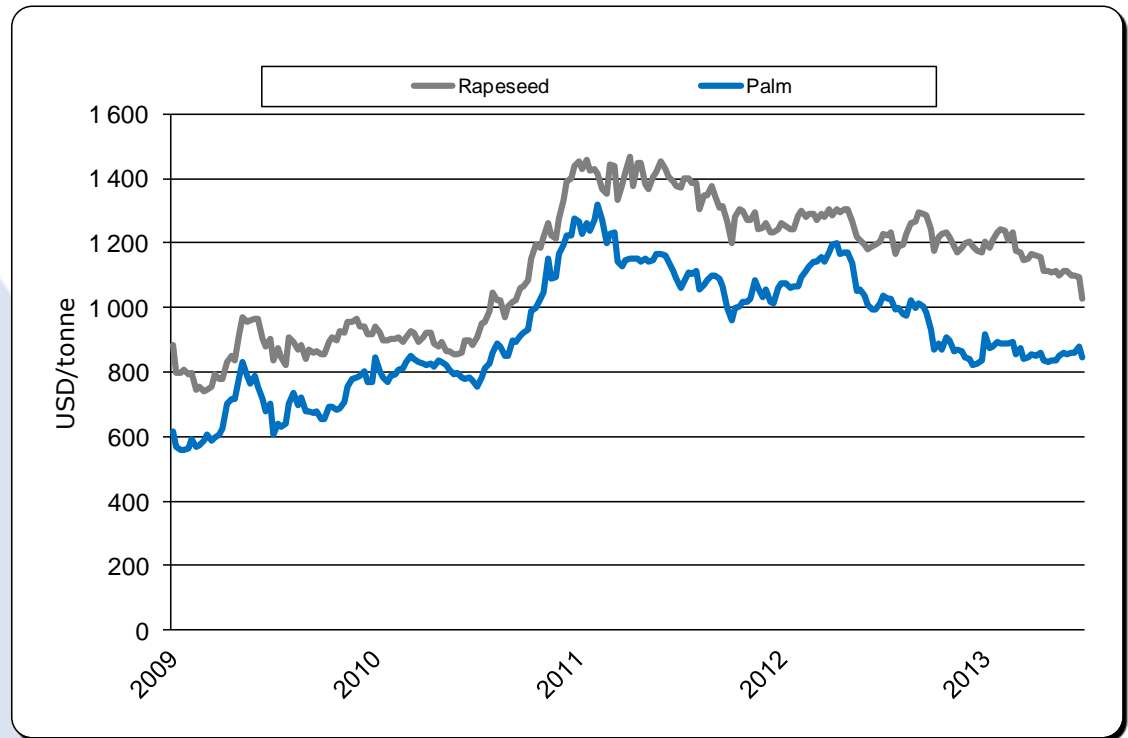
Cash flow

A black and white photograph of an hourglass with coins inside, positioned on the left side of the slide. The top bulb of the hourglass is filled with several Swedish Krona coins, and the bottom bulb is also filled with coins. The hourglass is made of a dark material, possibly metal or wood, and the coins are scattered throughout the bulbs.

SEK million	Q2 2013	Q2 2012	YTD 2013	YTD 2012
EBITDA	330	299	660	604
Paid interest	-27	-31	-53	-58
Paid tax	-57	-118	-154	-148
Non-cash items	-13	5	-11	2
Change in working capital	343	196	347	335
Cash flow from operating activities incl change in working capital	576	351	789	735
Cash flow from investments	-164	-517	-259	-623
Free cash flow	412	-166	530	112

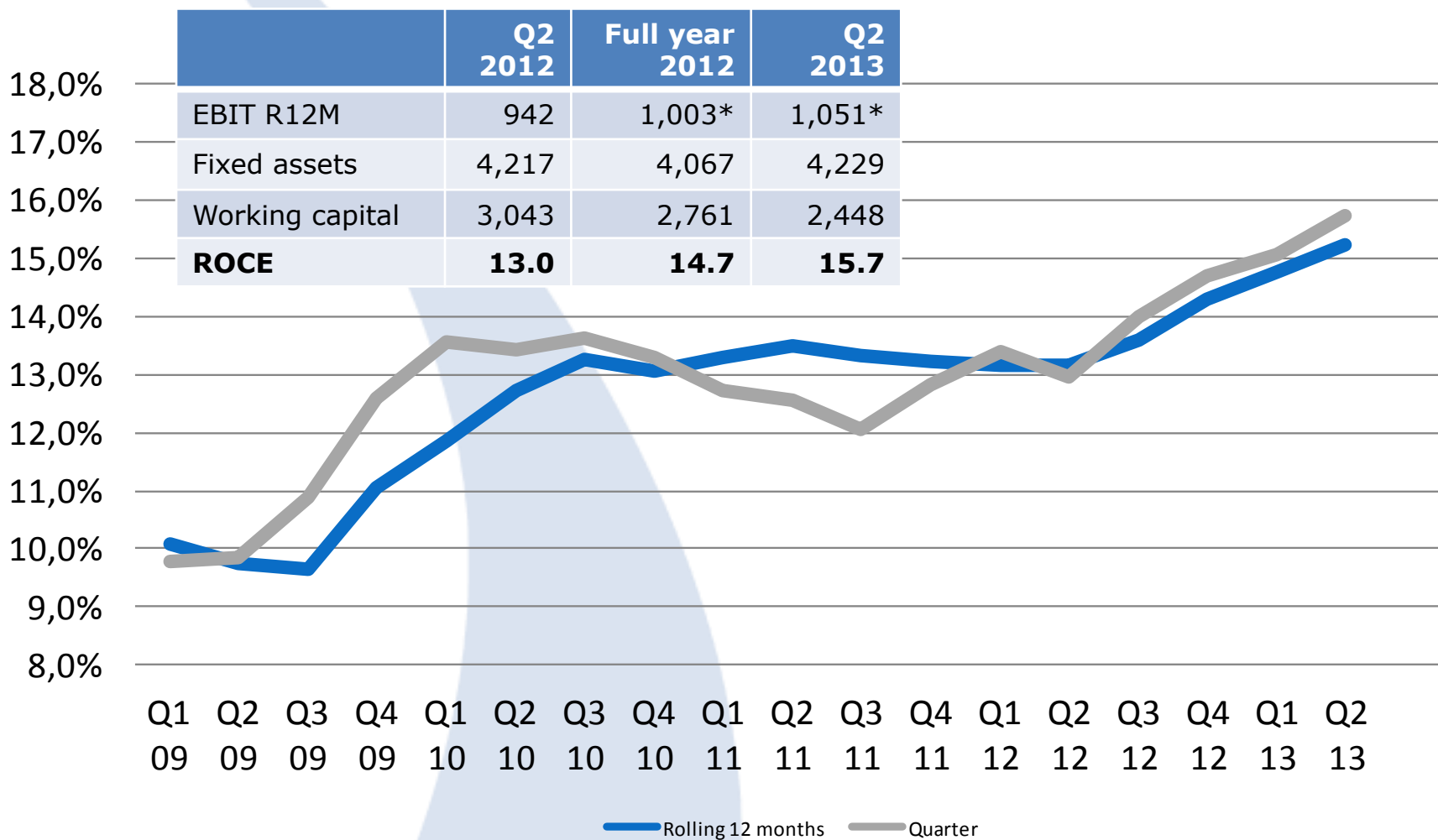
- Cash flow from operating activities including changes in working capital was positive SEK 576 million (351)
- Cash flow, after net investments of SEK 164 million (517) was SEK 412 million (-166)
- During the second half of 2013 working capital will be negatively affected by the expected volume growth in Chocolate & Confectionary Fats

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

ROCE – 30 June 2013



* Rolling 12 months adjusted for Sandy and acquisition costs

Business trends year to date



	Share of volume	Nord	WE	UK	USA	CEE	CIS	Asia	LA
Food Ingredients	65 %	→	→	→	→	→	→	→	→
Chocolate & Confectionery Fats	18 %	→	→		→	→	→	→	→
Technical Products & Feed	17 %	→							
AAK Group	100 %	→	→	→	→	→	→	→	→

Food Ingredients

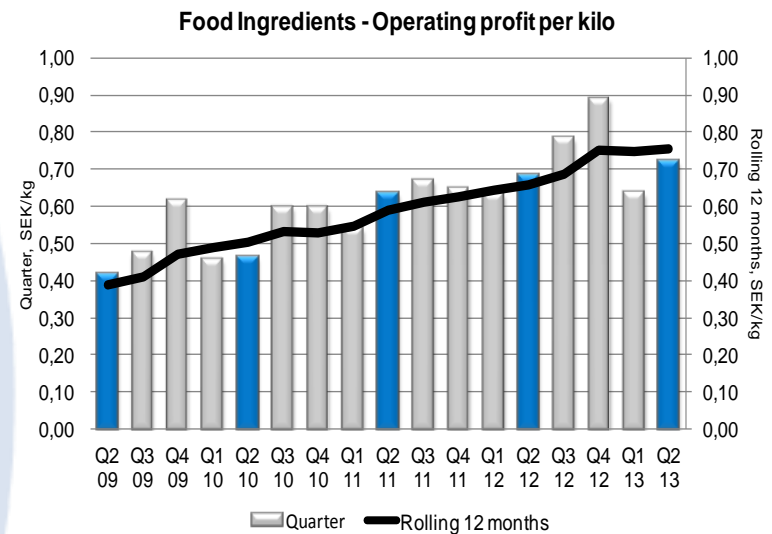
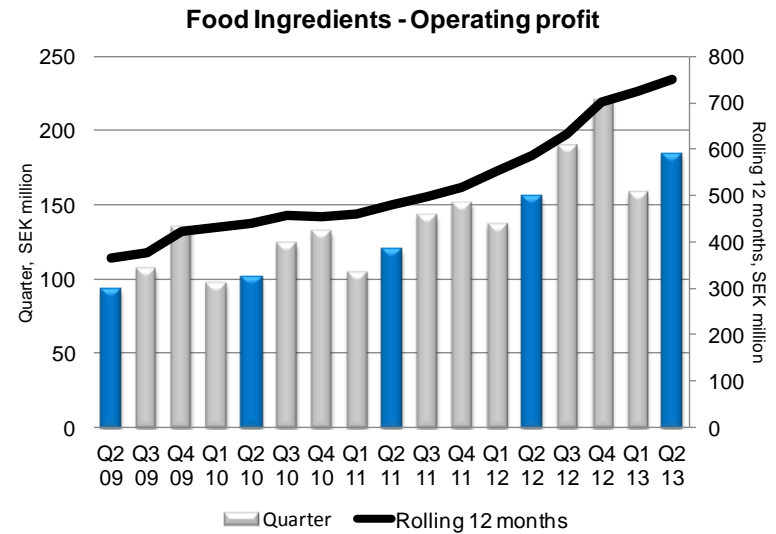
Second quarter 2013

+ 18 %

+ 21 %

- ◆ A record high operating profit reached SEK 184 million (156)
 - Strong organic development in Infant Nutrition and Latin America
 - Food Service and Bakery also showed growth
 - Dairy and commodity volumes in the UK and Scandinavia continued to decline somewhat
 - Negative currency translation impact of SEK 4 million
 - Operating profit at fixed exchange rates improved by 21 percent
- ◆ Operating profit per kilo improved by 6 percent
 - From SEK 0.68 per kilo to SEK 0.72 per kilo
- ◆ Volume growth by 11 percent
 - Attributable mainly to acquired businesses and increases in semi-speciality and speciality products
 - For comparable units volumes increased by 2 percent

Food Ingredients



Chocolate & Confectionery Fats

Second quarter 2013

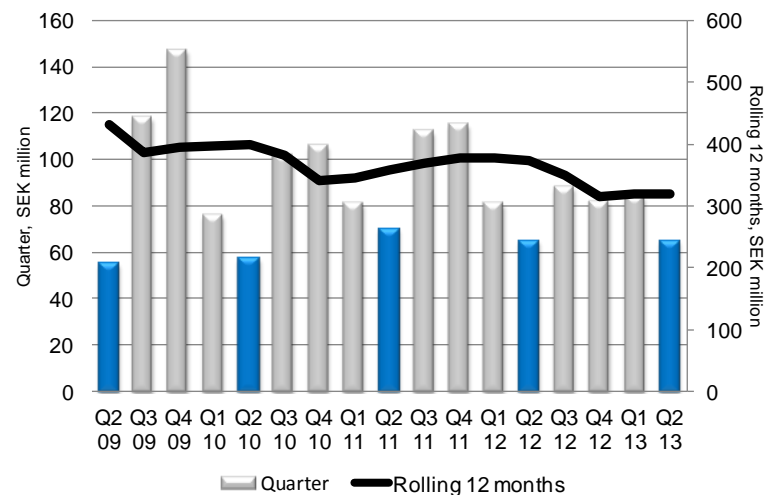
+ 0 %

+ 3 %

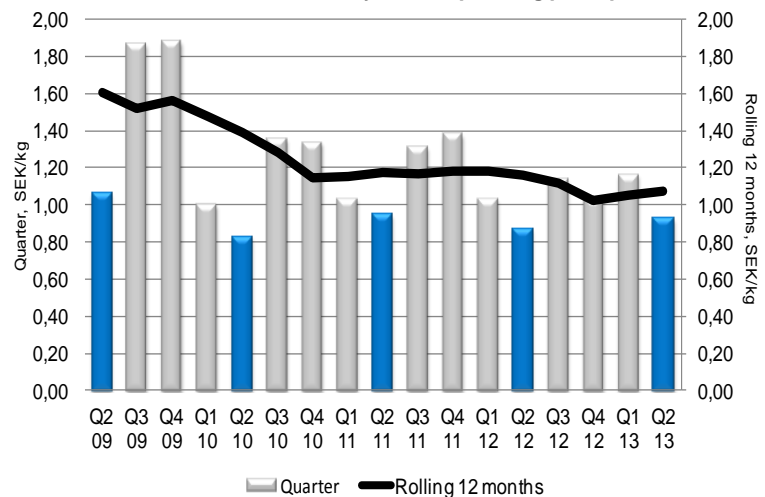
- The operating profit reached SEK 65 million (65)
 - The underlying Cocoa Butter Equivalent (CBE) margin has not yet improved to any material extent because of deliveries out of an existing contract backlog.
 - Negative currency translation impact of SEK 2 million
 - Operating profit at fixed exchange rates improved by 3 percent
- Operating profit per kilo at SEK 0.93 (0.87)
 - Improved by 7 percent mainly due to a better product mix
- Volumes declined by 7 percent

Chocolate & Confectionery Fats

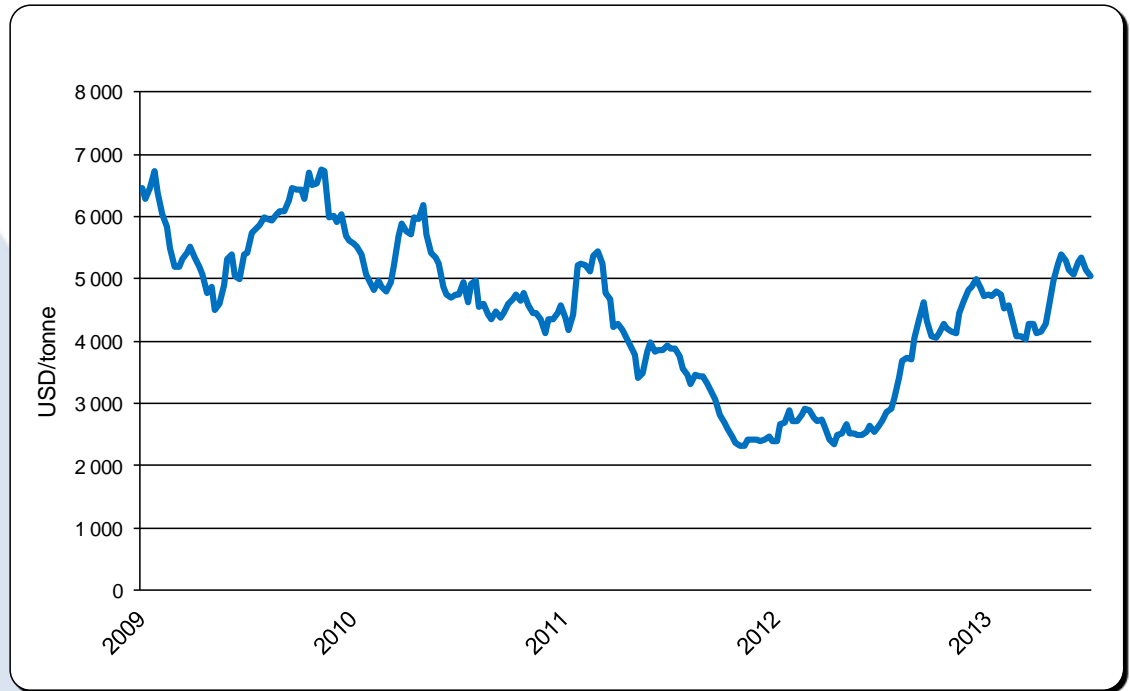
Chocolate & Confectionery Fats - Operating profit



Chocolate & Confectionery Fats - Operating profit per kilo



Cocoa butter price



For information regarding cocoa and cocoa butter please refer to information at www.icco.org.

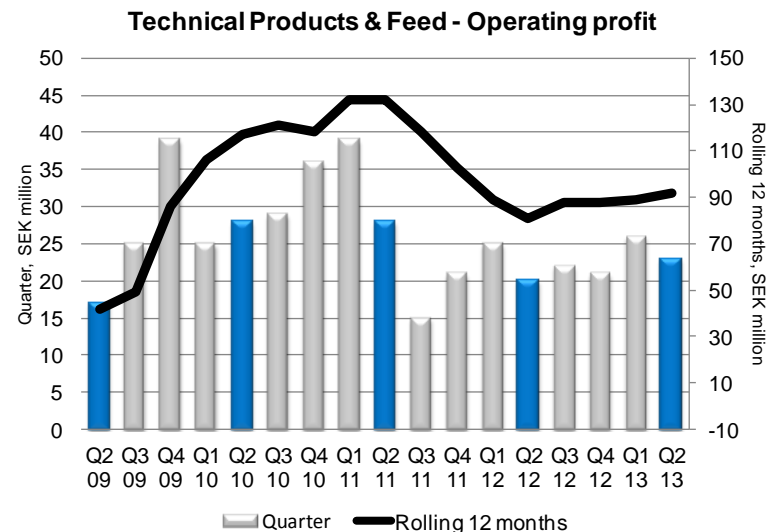
Technical Products & Feed



Second quarter 2013

+ 15 %

- Operating profit of SEK 23 million (20)
 - Improvement was mainly due to a longer maintenance stop in the production facility with consequent low profitability last year
- Volumes increased by 6 percent



AAK Acceleration - Growth

AAK Acceleration projects

KPI
Q2 13

KPI
Q1 13

Bakery



Dairy



CCF



Infant Nutrition



Food Service



Merger & Acquisition

N.A

N.A

Fast-growing economies

- China



- Brazil



Ahead of plan



Slightly ahead of plan



On plan



Behind plan

AAK Acceleration - Efficiency

AAK Acceleration projects

Purchasing
Productivity

**KPI
Q2 13**

**KPI
Q1 13**



Ahead of plan

Slightly ahead of plan



On plan



Behind plan



AAK Acceleration - People

AAK Acceleration projects

**KPI
Q2 13**

**KPI
Q1 13**

Sales



Mobilize Ourselves



Internal communication



Ahead of plan



Slightly ahead of plan



On plan



Behind plan

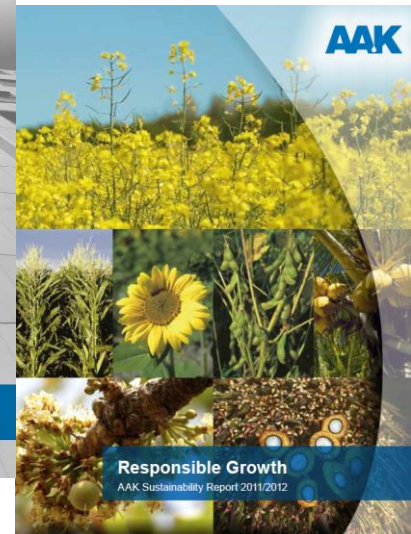
Business area guidance

- ◆ Food Ingredients
 - We continue to remain optimistic for the future, however, we expect the rate of operating profit improvement for the full year 2013 to be low-end double digits
- ◆ Chocolate & Confectionery Fats
 - The performance of the business area is expected to improve significantly during the second half of 2013
- ◆ Technical Products & Feed
 - The next quarters will continue to be challenging and the operating result is expected to be stable

Concluding remarks from CEO

- Based on AAK's customer value propositions for
 - Health and reduced costs
 - Customer product co-development and solutions approach
 - AAK Acceleration program
- We continue to remain prudently optimistic for the future
- The main drivers are expected to be the strong Food Ingredients business and the expected recovery in the second half of 2013 for Chocolate & Confectionary Fats

Questions & Answers



Financial calendar

Financial calendar 2013

30 October, 2013	Third quarter report
12 November, 2013	Capital Market Day – Stockholm
22 November, 2013	Capital Market Day – London
5 February, 2014	Fourth quarter and year-end report

Investor Relations contacts

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