



Arne Frank
CEO

Fredrik Nilsson
CFO

Anders Byström
Director IR

The background of the slide features a close-up, low-angle shot of a beer bottle. The bottle is filled with a golden beer, and the AAK logo is visible on the glass. The bottle is positioned on the left side of the frame, with a large, light blue curved shape on the right side. A blue horizontal bar at the bottom contains the text for the interim report.

Interim report Third quarter 2014

Agenda



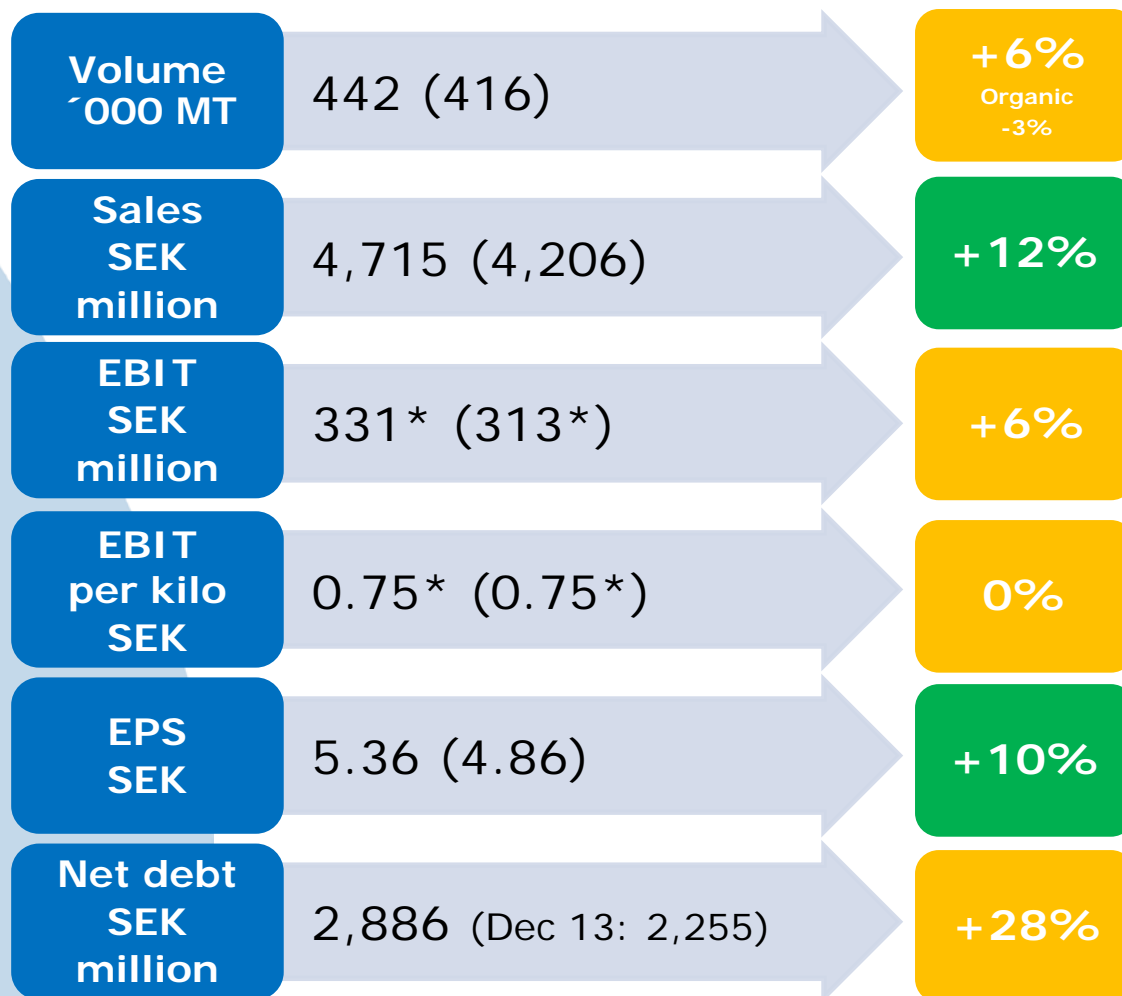
Third quarter 2014

Business area information

AAKtion

Q & A

Third quarter 2014



* Excluding acquisition costs and non-recurring items

Third quarter 2014



♦ Operating profit, AAK Group

- Operating profit, excluding acquisition costs and non-recurring items, reached SEK 331 million (313), an improvement of 6 percent. The currency translation impact was positive SEK 16 million
- Operating profit per kilo excluding acquisition costs and the non-recurring items, remained stable at SEK 0.75 (0.75) despite the dilutive impact of the recent acquisitions and our challenges for InFat® in China

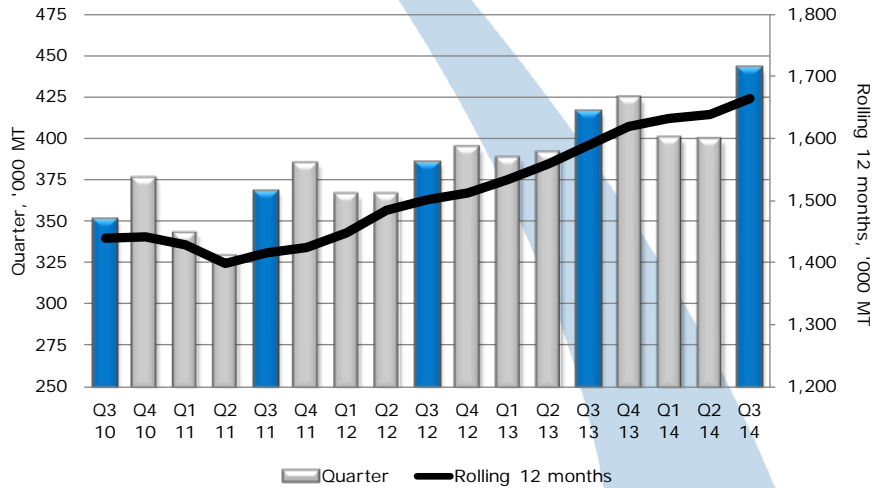
♦ Operating profit, business areas

- Food Ingredients remained stable at SEK 211 million (211) compared to the very strong third quarter 2013
- Chocolate & Confectionery Fats improved significantly, by 19 percent, and reached SEK 125 million (105)
- Technical Products & Feed remained stable at SEK 24 million (24)

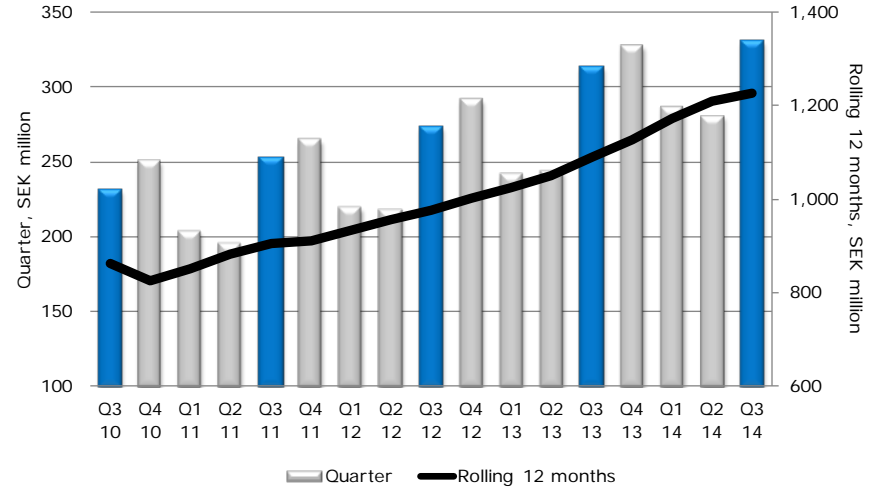
Financial summary – AAK Group



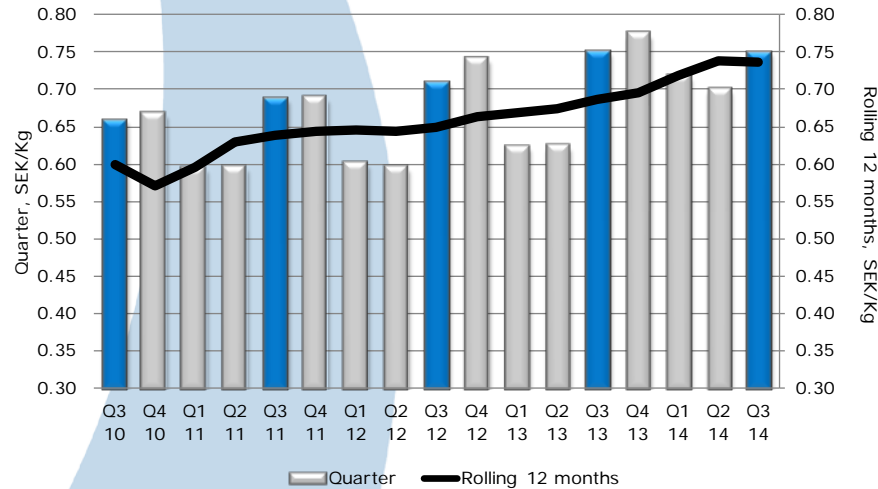
Volume



Operating profit



Operating profit per kilo



Cash flow



SEK million	Q3 2014	YTD 2014	Q3 2013	YTD 2013	Full year 2013
EBITDA	442	1,185	390	1,049	1,460
Paid interest	-29	-90	-27	-80	-96
Paid tax	-100	-239	-55	-209	-261
Non-cash items	4	-15	7	-3	-20
Change in working capital (WC)	-369	-644	-12	335	217
Cash flow from operating activities incl change in WC	-52	197	303	1,092	1,300
Cash flow from investments	-352	-661	-329	-589	-732
Free cash flow	-404	-464	-26	503	568

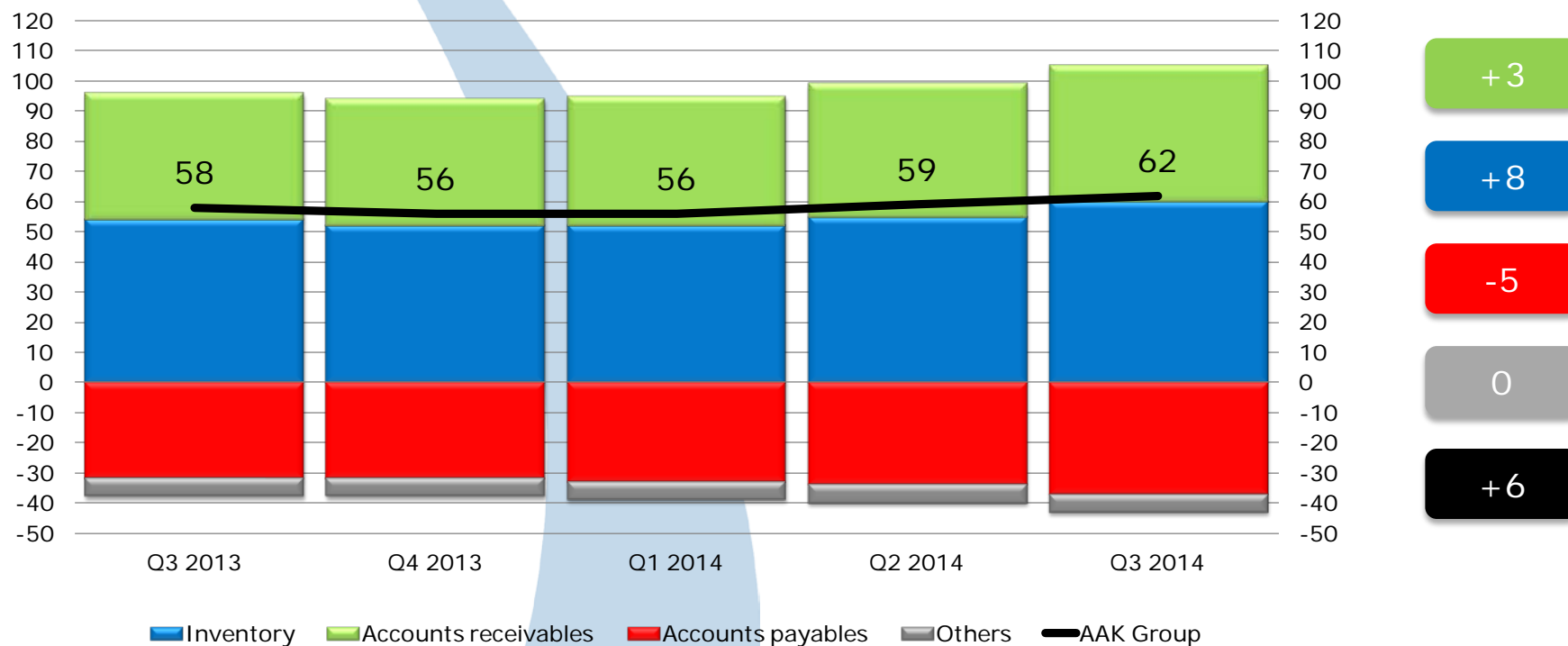
- Operating cash flow in the third quarter came out as expected and amounted to negative SEK 52 million (positive 303 million)
 - As predicted and communicated previously, working capital increased
- Working capital is expected to be relatively stable during the fourth quarter 2014. However, in the first quarter 2015 we do expect material improvements following today's low prices on our main raw materials

Working capital days

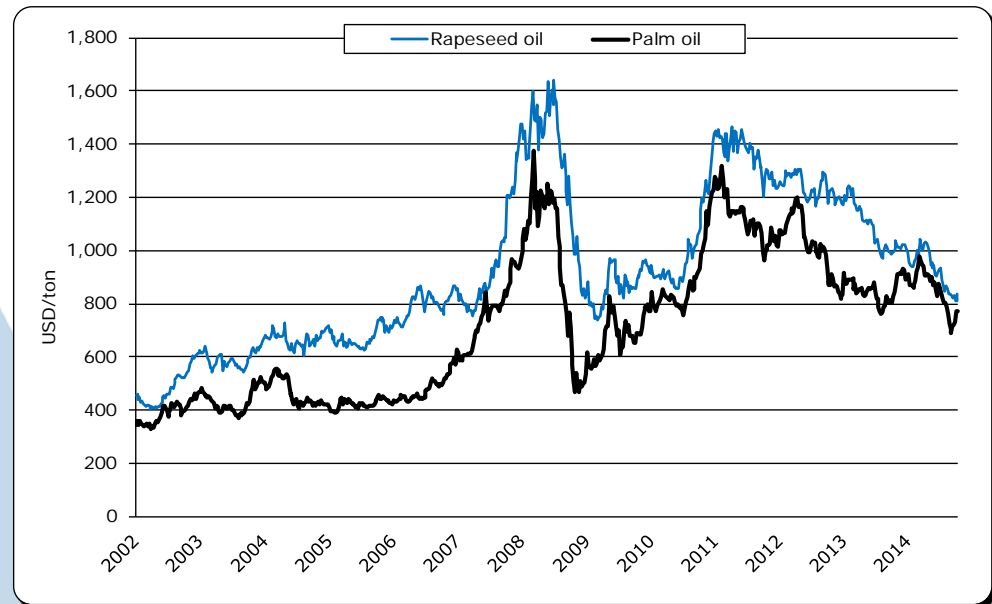
Rolling 12 months



Change since
year-end 2013

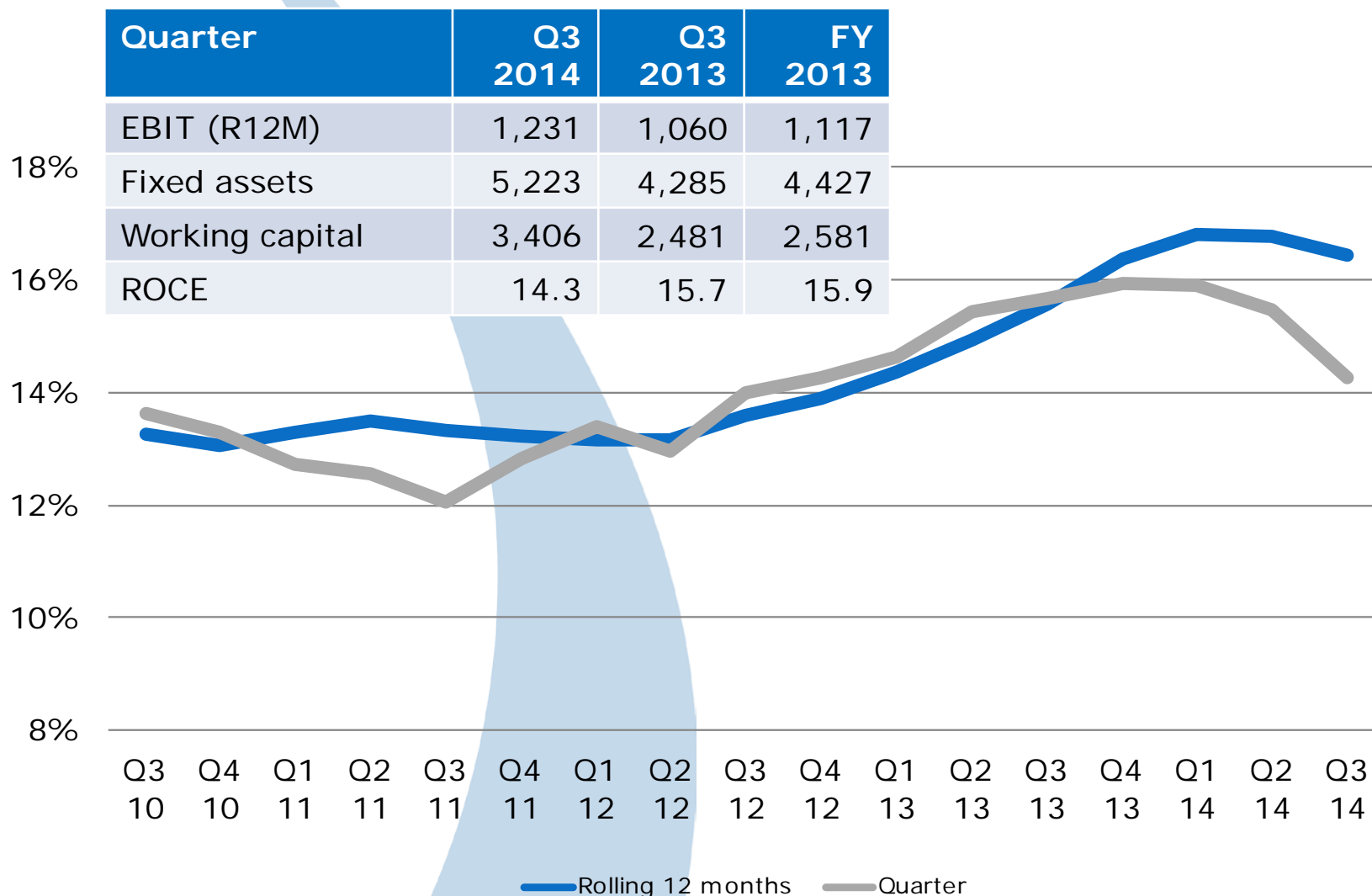


Raw material prices



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

ROCE – third quarter 2014



Business trends - third quarter 2014



	Share of volume	Nord	WE	UK	USA	CEE	CIS	Asia	LA
Food Ingredients	65%								
Chocolate & Confectionery Fats	19%								
Technical Products & Feed	16%								
AAK Group	100%								

0%

Third quarter 2014

- Operating profit remained stable at SEK 211 million (211) compared to the very strong third quarter 2013. The FX impact was positive SEK 10 million
- Operating profit per kilo declined, as expected, from SEK 0.78 to SEK 0.71
 - Operating profit per kilo excl. the dilutive impact of the acquisitions would have been SEK 0.08 higher
- All in all, a stable quarter
 - There was a negative effect from the new additional direct tax in Mexico
 - Dairy solutions reported high single-digit growth and Infant Nutrition, product range Akonino®, also grew very strongly while InFat® and commodity volumes continued to decrease
 - For comparable units, volumes were negative by 3 percent



Food Ingredients – organic volume growth

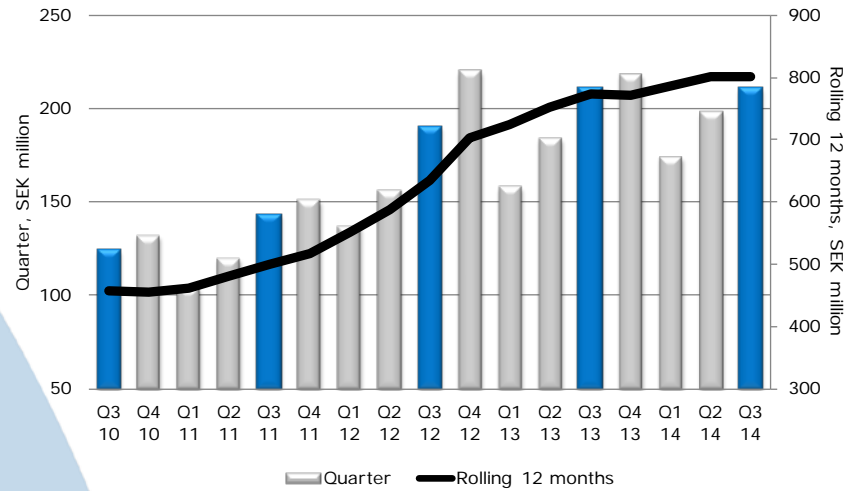


	2014 YTD	2014 Q3	2014 Q2	2014 Q1	2013 FY
Speciality & semi-speciality	-1%	-3%	+1%	+1%	+7%
Commodity	-7%	-2%	-10%	-7%	-1%
Total	-3%	-3%	-3%	-2%	+4%

Food Ingredients

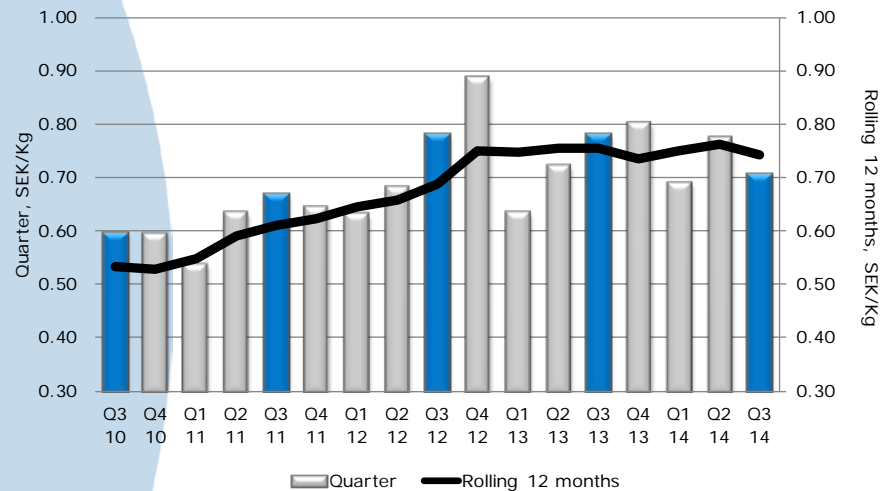


Operating profit



0%

Operating profit per kilo



-9%



Chocolate & Confectionery Fats



+19%

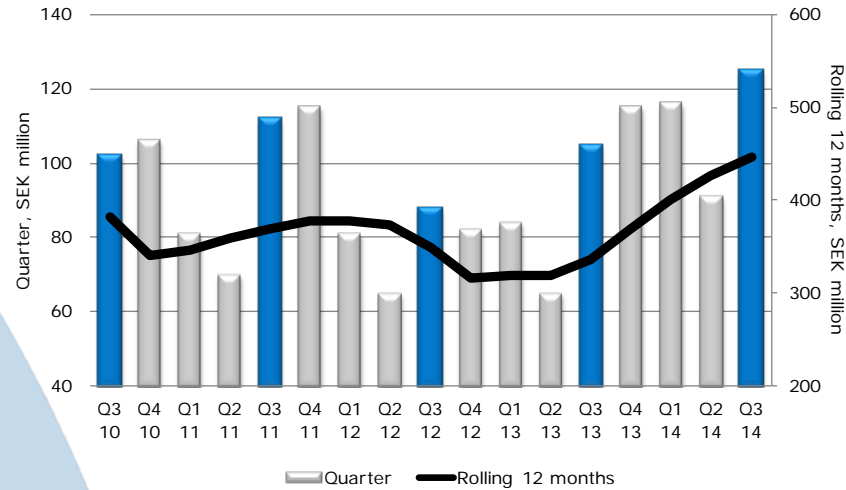
Third quarter 2014

- ◆ As expected, operating profit improved significantly, by 19 percent, and reached SEK 125 million (105)
 - Margins continued to improve driven by the dramatic increase in cocoa butter prices since 2013
 - The currency translation impact was positive SEK 7 million
- ◆ Operating profit per kilo improved by 17 percent to SEK 1.59 (1.36)
- ◆ Volumes increased by 2 percent
 - The product mix improved strongly with high double-digit growth in speciality products
 - In Ukraine volumes continued to decline, while in Russia volumes continued to grow
 - For comparable units, volumes decreased by 2 percent due to reduced low-end product volumes

Chocolate & Confectionery Fats

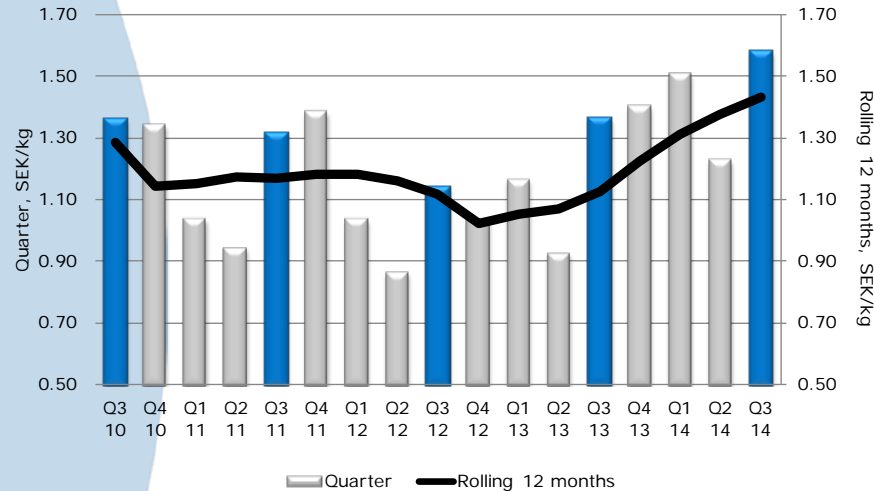


Operating profit



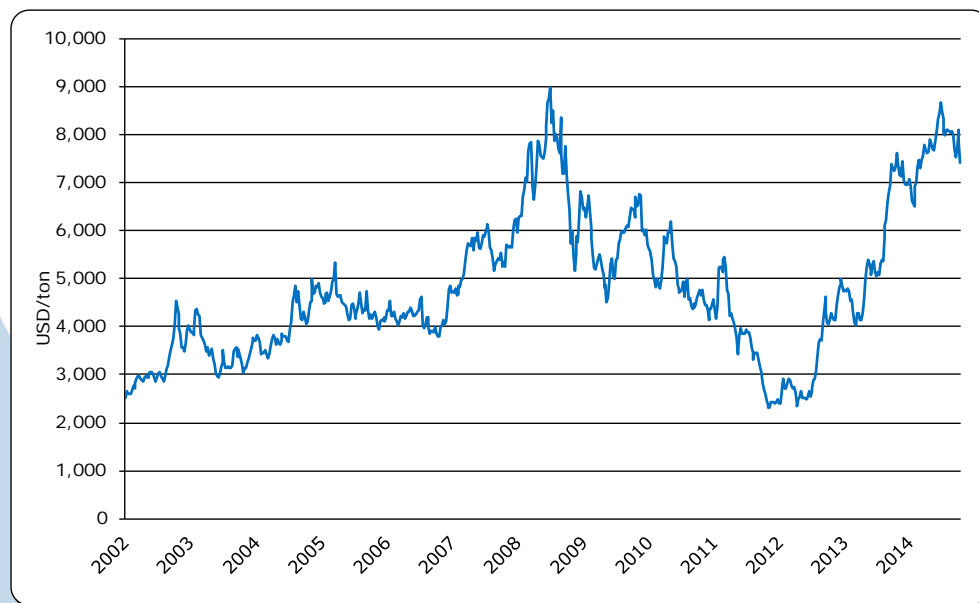
+19%

Operating profit per kilo



+17%

Cocoa butter price



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

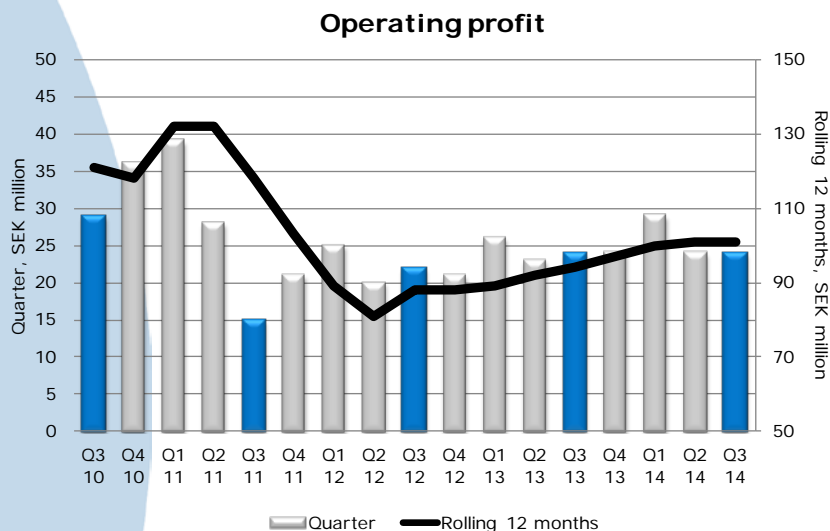
Technical Products & Feed



Third quarter 2014

0%

- Operating profit remained stable at SEK 24 million (24)
- Volumes decreased by 5 percent compared to the corresponding quarter in 2013
 - Mainly related to lower sales of technical products



+0%

Business area guidance



- Food Ingredients
 - Operating profit for the full year 2014 is expected to improve compared to last year
- Chocolate & Confectionery Fats
 - The performance of this business area is expected to continue to improve significantly compared to the same quarters last year
- Technical Products & Feed
 - For 2014, operating profit is expected to be stable or to improve slightly compared to the prior year

The first choice for value-added vegetable oil solutions



SALES

Sales



Customer co-development



INNOVATION

Innovation



EXECUTION

Service



Quality



Productivity



PEOPLE

😊 Ahead of plan

😊 On plan

😞 Behind plan

Fabrica Nacional de Grasas S.A. (FANAGRA)

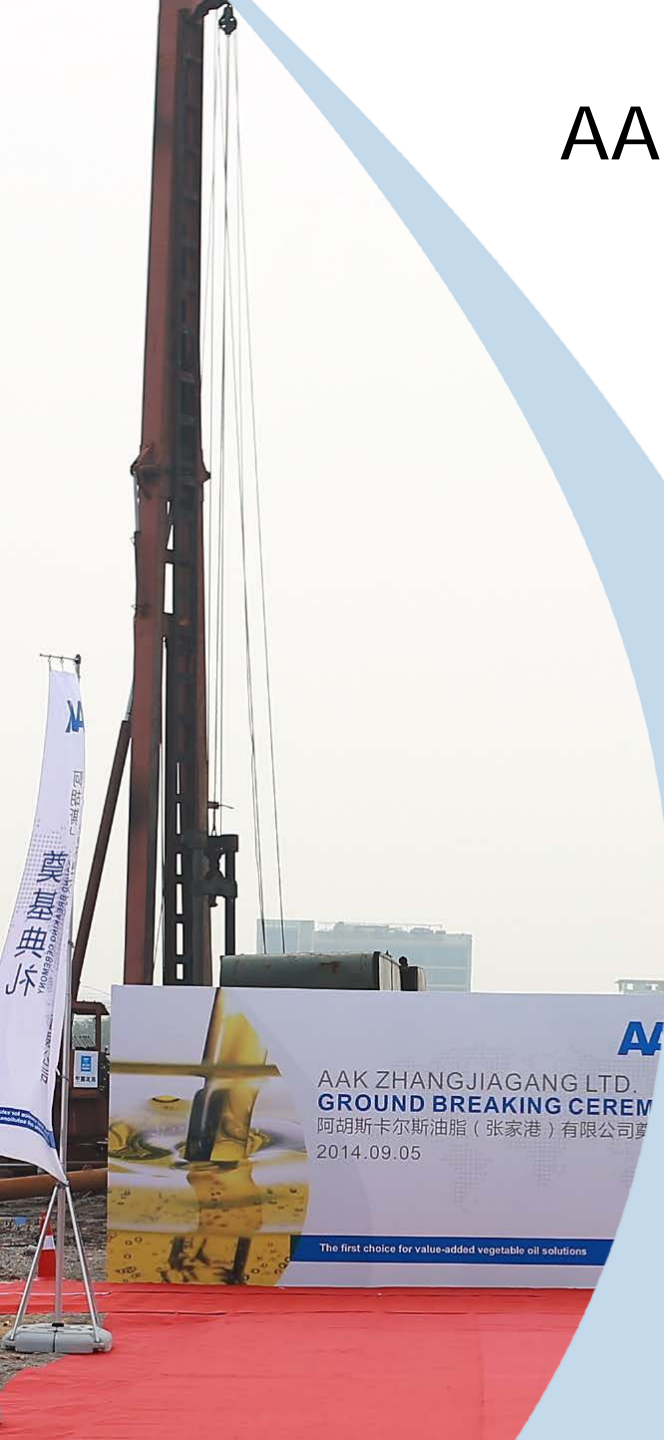


- ◆ Specializes on vegetable oils and fats for the bakery segment
- ◆ Revenues of approximately SEK 270 million in 2013
- ◆ Annual volume of 30,000 tonnes
- ◆ Employs 155 people
- ◆ Limited impact on 2014 operating profit
- ◆ Will fully contribute starting January 2015
- ◆ Slightly dilutive impact on EBIT per kilo

AAK investing in China



- ◆ A new speciality and semi-speciality edible oils factory in Zhangjiagang
 - The region has the highest GDP per capita in mainland China
 - One of the biggest Chinese centers for inbound and outbound logistics for efficient national coverage
- ◆ The investment is expected to amount to approximately SEK 400 million over a two-year period
- ◆ The start-up of the new factory is planned for the beginning of 2016 and fully utilized capacity is approximately 100,000 MT with room for expansion
- ◆ The plant will be able to serve our Bakery, Dairy, Infant Nutrition and Chocolate & Confectionery Fats segments



Concluding remarks from CEO



- Based on AAK's customer value propositions for
 - Health and reduced costs
 - Customer product co-development and solutions approach
- We continue to remain prudently optimistic about the future
- The main drivers are
 - Continued positive underlying development in Food Ingredients
 - Continued improvement in Chocolate & Confectionery Fats

Questions & answers



Financial calendar



Financial calendar 2014/2015

November 12, 2014	Capital market day – Karlshamn, Sweden
February 3, 2015	Fourth quarter and year-end report 2014
April 22, 2015	First quarter report 2015
July 17, 2015	Second quarter report 2015
October 29, 2015	Third quarter report 2015
February 2, 2016	Fourth quarter and year- end report 2015

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solutions