

PROPOSED APPROPRIATION OF EARNINGS AND THE BOARD OF DIRECTORS' STATEMENT IN RELATION TO THE PROPOSAL

Proposal of appropriation of earnings:

The Board of Directors and the Chief Executive Officer propose that

The disposable profit brought forward	SEK 3,391,559,530
New share issue	SEK 39,809,700
<u>profit/loss for the year</u>	<u>SEK 1,061,353,177</u>
Total	SEK 4,492,722,407

be appropriated as follows;

To be distributed to shareholders, a dividend of SEK 6.00 per share	SEK 246,731,034 ¹
<u>to be carried forward</u>	<u>SEK 4,245,991,373</u>
Total	SEK 4,492,722,407

The consolidated and Parent's financial statements will be presented for adoption by the Annual General Meeting on 8 May 2014.

Statement on the proposed dividend

The Board of Directors has proposed that the 2014 Annual General Meeting approve an appropriation of profits under which the shareholders will receive a dividend of SEK 6.00 per share. The proposed dividend therefore totals approximately SEK 247 million. The objective for the dividend in the long term is to correspond to 30 – 50 percent of consolidated profits after tax, while always considering AAK's long-term financing requirements. The Parent has no financial instruments valued under Chap. 4 § 14a of the Swedish Annual Accounts Act (1995:1554). The Board of Directors hereby makes the following statement regarding the proposed dividend, in accordance with Chap. 18 § 4 of the Swedish Companies Act (2005:551).

Retained profits from the previous year total SEK 3,392 million and the profit for the 2013 financial year totals SEK 1,061 million (SEK 741 million for the Group). Provided that the 2014 Annual General Meeting approves the Board's proposed appropriation of profits, a total of SEK 4,246 million will be carried forward. The Company's restricted equity will be fully covered after distribution of the dividend.

It is the view of the Board that the Company and the Group will retain sufficient equity after distribution of the proposed dividend in relation to the nature, scope and risks

¹ Calculated based on the number of outstanding shares as per the balance sheet date.

associated with its business operations. In making this assessment, the Board has taken account of the historical development of the Company and the Group, budgeted performance and economic situation.

It is the Board's opinion that the Company and the Group are in a position and have the capacity, both short- and long term, to meet all their obligations. The proposed dividend represents a total of 5.0 percent of the Company's equity and 5.7 percent of the Group's equity attributable to the Parent's shareholders.

After payment of the dividend, the equity/assets ratio of the Company and the Group will be 87 percent and 41 percent, respectively. These ratios are good in relation to other businesses in our industry. The Board of Directors have assessed that the Company is in a good position to meet future business risk as well as withstand possible losses. Distribution of the dividend will not negatively affect the ability of the Company to make further investment as planned by the Board of Directors.

The proposed dividend distribution will have a temporary negative effect on the Company's and Group's ability to meet certain current liabilities. However, the Company and Group have sufficient access to both short and long-term credit that can be obtained at short notice.

The Board of Directors are therefore of the view that the Company and the Group are prepared for likely changes to liquidity, as well as unforeseen events. In addition, the Board of Directors has considered other known circumstances that may materially affect the financial position of the Company and the Group. No circumstance has arisen that makes the proposed dividend distribution appear unjustifiable.

It is proposed that the record date for the dividend shall be 13 May 2014, and it is estimated that the dividend will be received by the shareholders on 16 May 2014.

Malmö in February 2014
The Board of Directors
AarhusKarlshamn AB (publ)