



Arne Frank
CEO

Fredrik Nilsson
CFO

Anders Byström
Director IR

A close-up photograph of a glass bottle containing a golden-yellow liquid. The bottle is tilted, and the liquid is visible. The AAK logo is embossed on the glass. The bottle is set against a light blue background with a large, curved, light blue shape on the right side.

AAK's Interim Report First Quarter 2014

Agenda



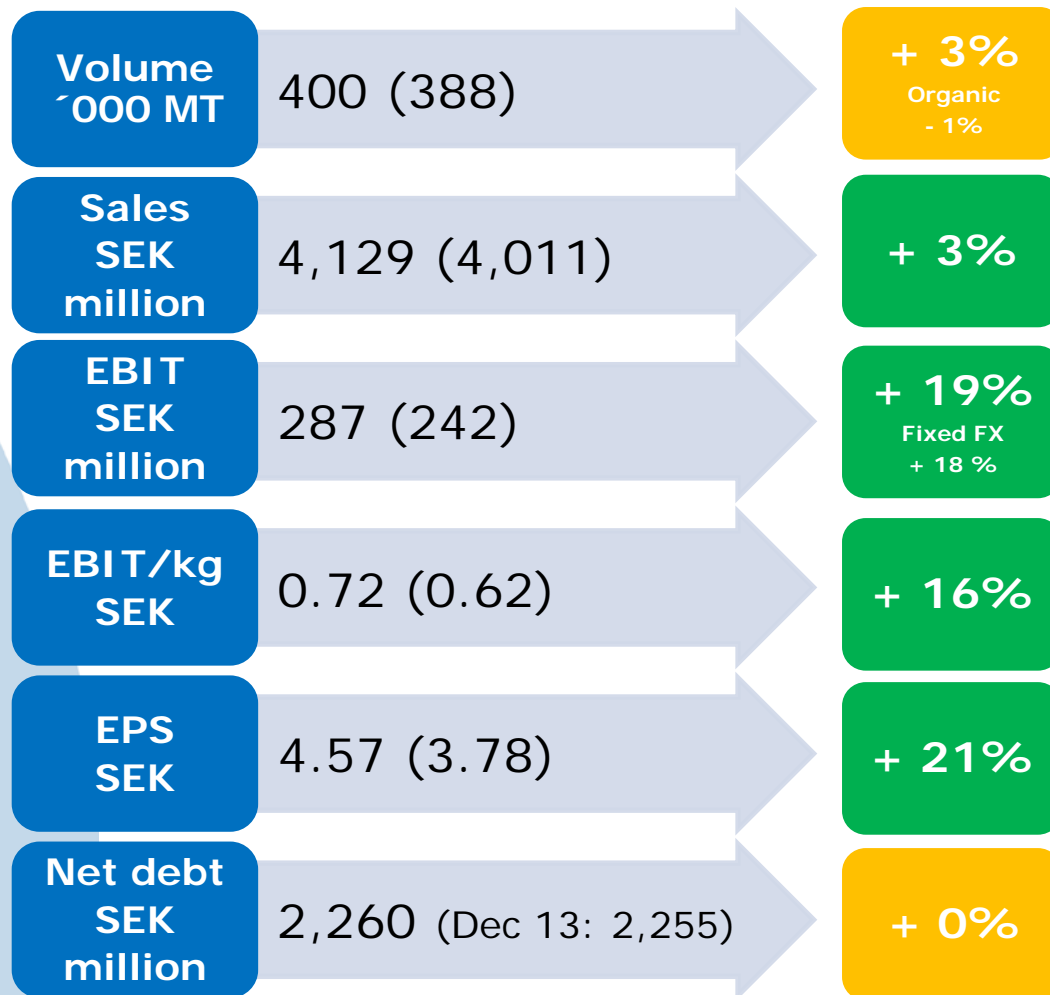
First quarter 2014

Business area information

AAKtion

Q & A

First quarter 2014



First quarter 2014

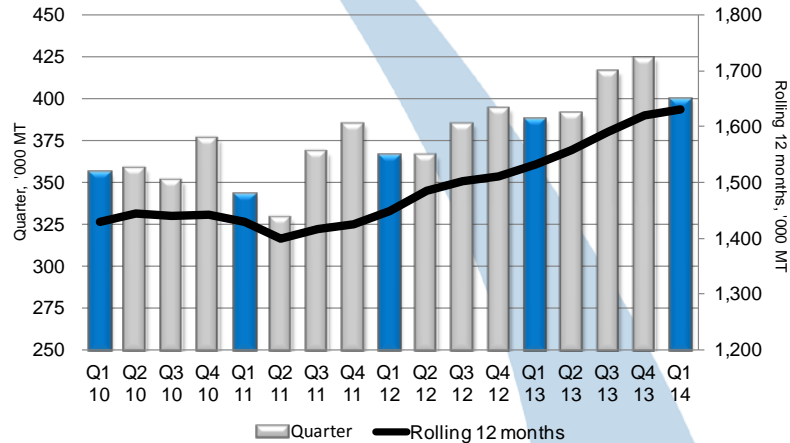


- ◆ Operating profit, AAK Group
 - Record high first quarter result
 - Operating profit was SEK 287 million (242), an improvement of 19 percent
 - Operating profit per kilo continued to improve at SEK 0.72 (0.62), an improvement of 16 percent
- ◆ Operating profit, business areas
 - Food Ingredients reached a result of SEK 174 million (158), an improvement of 10 percent
 - Chocolate & Confectionery Fats improved significantly by 38 percent to SEK 116 million (84)
 - Technical Products & Feed improved by 12 percent to SEK 29 million (26)

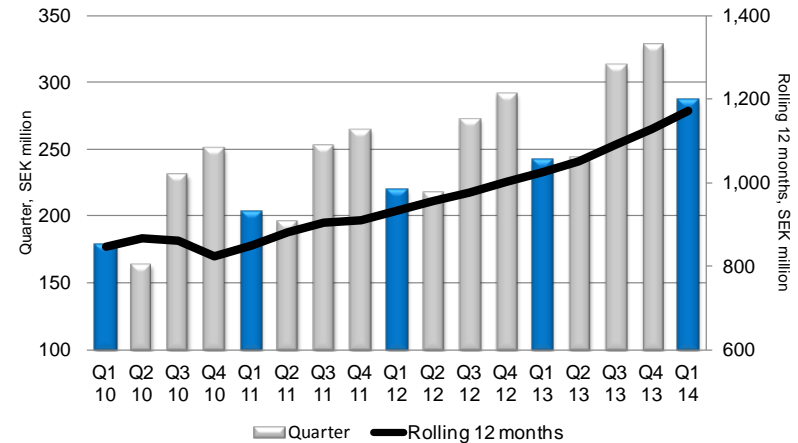
Financial summary



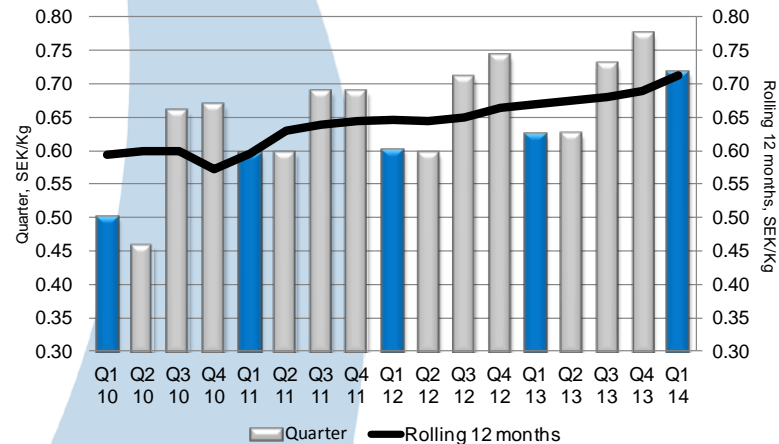
AAK Group - Volume



AAK Group - Operating profit



AAK Group - Operating profit per kilo



Cash flow

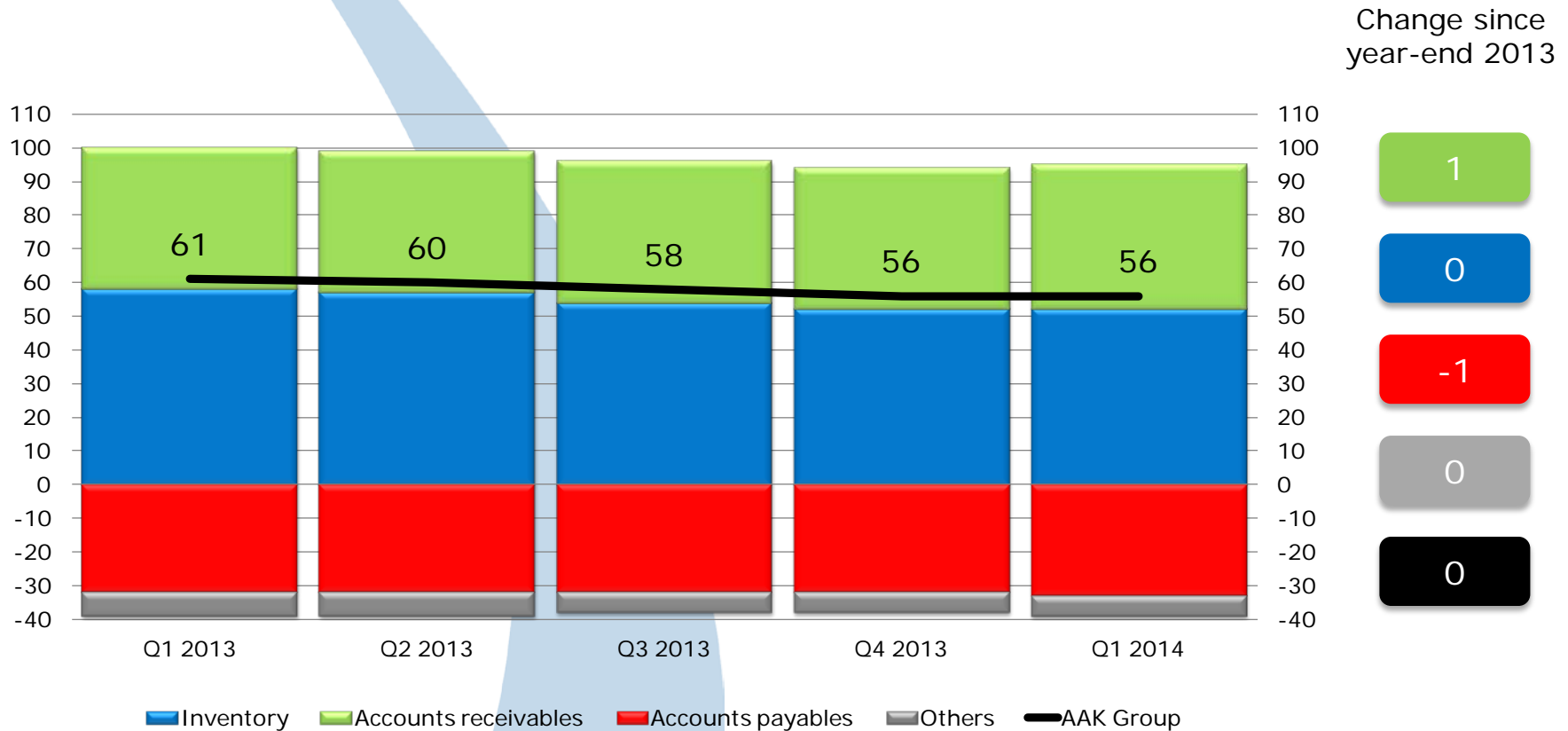


SEK million	Q1 2014	Q1 2013	Full year 2013
EBITDA	378	330	1,460
Paid interest	-29	-26	-96
Paid tax	-75	-97	-261
Non-cash items	-17	2	-20
Change in working capital	-176	4	217
Cash flow from operating activities incl change in working capital	81	213	1,300
Cash flow from investments	-167	-95	-732
Free cash flow	-86	118	568

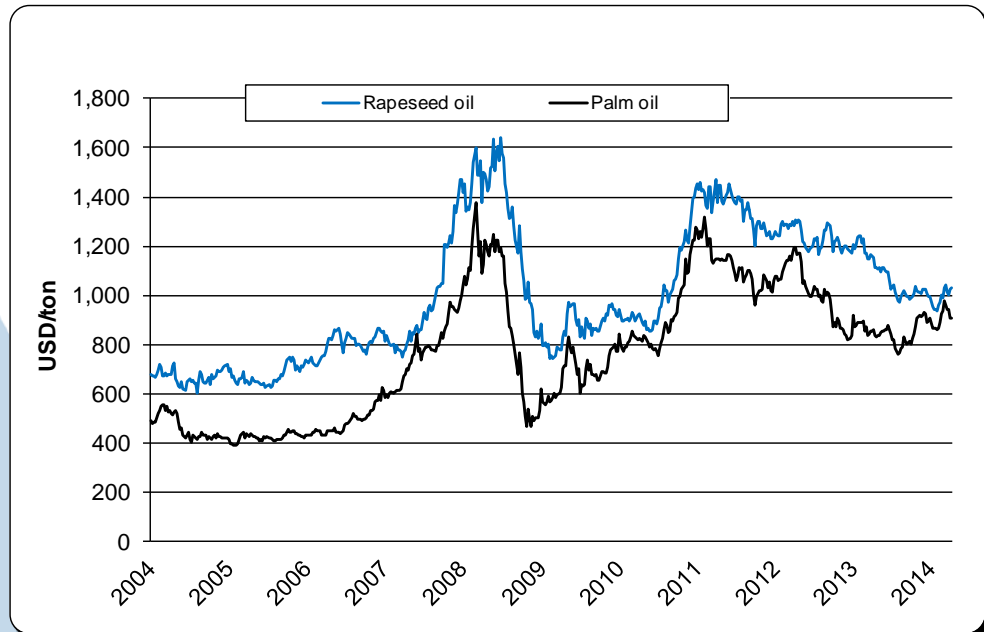
- 💧 Cash flow from operating activities incl. change in working capital amounted to SEK 81 million (213)
 - As earlier predicted and communicated working capital increased and the increase amounted to SEK 176 million (decrease by 4 last year)
- 💧 Working capital is expected to continue to increase due to the expected growth in Chocolate & Confectionery Fats

Working capital days

Rolling 12 months

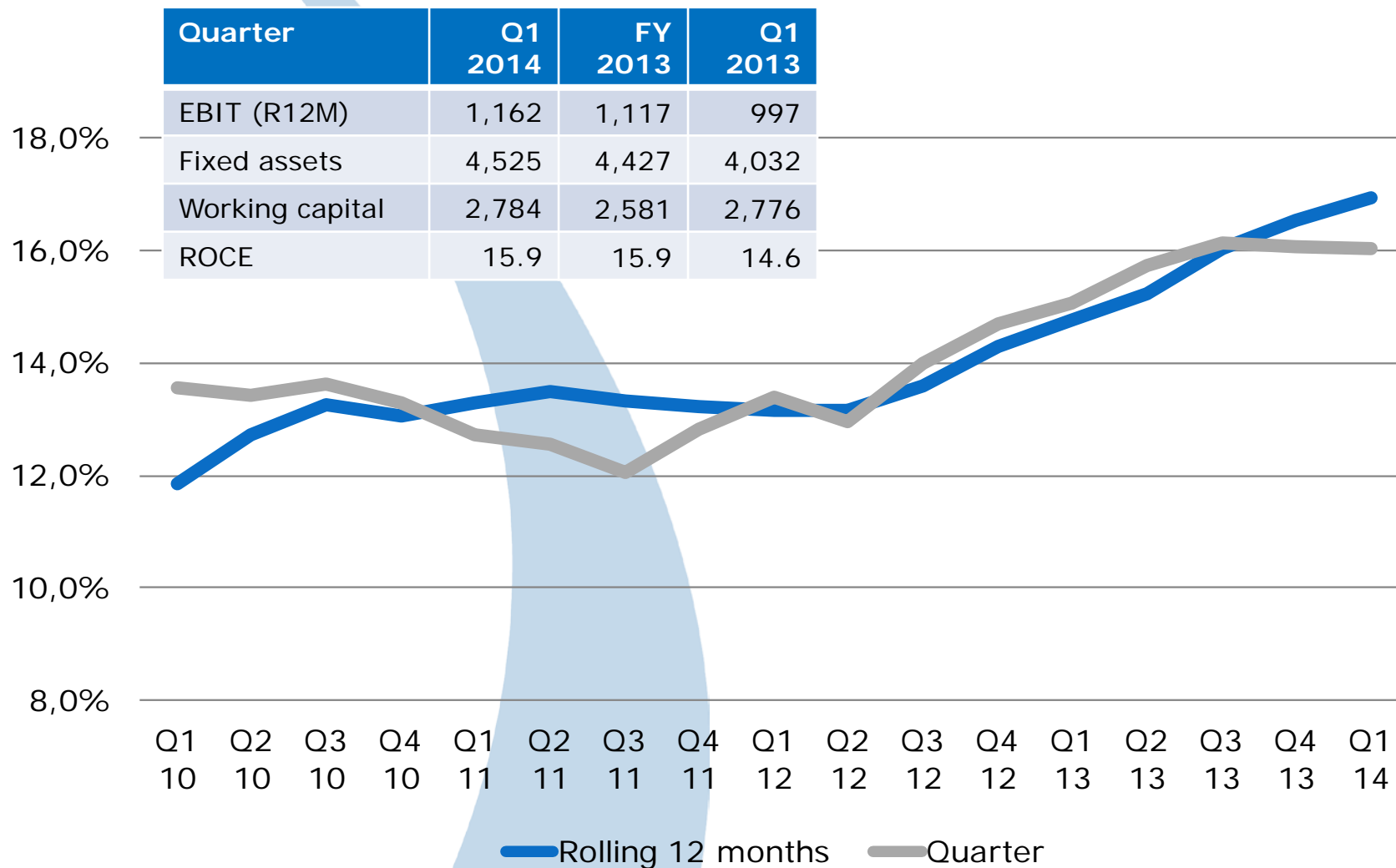


Raw material prices



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

ROCE – First quarter 2014



Business trends first quarter 2014



	Share of volume	Nord	WE	UK	USA	CEE	CIS	Asia	LA
Food Ingredients	63%	→	→	→	→	→	→	→	→
Chocolate & Confectionery Fats	19%	→	→		→	→	→	→	→
Technical Products & Feed	18%	→							
AAK Group	100%	→	→	→	→	→	→	→	→

+10%

First quarter 2014

- Operating profit improved by 10 percent to SEK 174 million (158)
 - Solid development for the speciality and semi-speciality products while the demand for commodity volumes were materially down
- Operating profit per kilo at SEK 0.69 (0.63). Relatively high during the quarter due to a favourable product mix
- Volume growth by 1 percent
 - For comparable units volumes decreased by 2 percent



Food Ingredients – organic volume growth

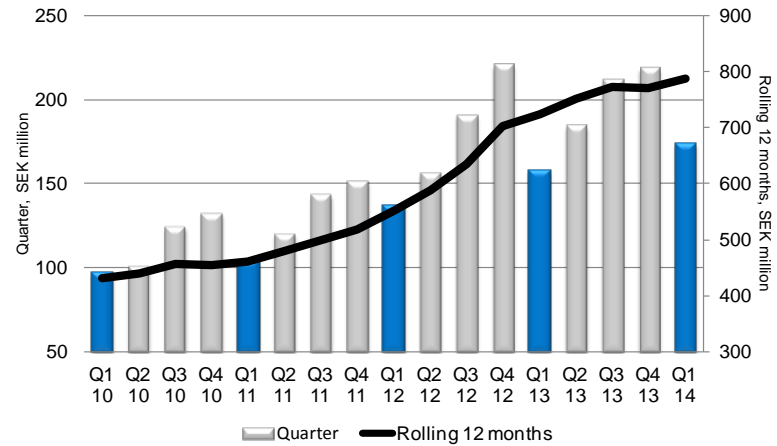


	2014 Q1	2013 FY	2013 Q1
Speciality & semi-speciality	+ 1%	+ 7%	+ 2%
Commodity	-7%	-1%	-9%
Total	- 2%	+ 4%	-2%

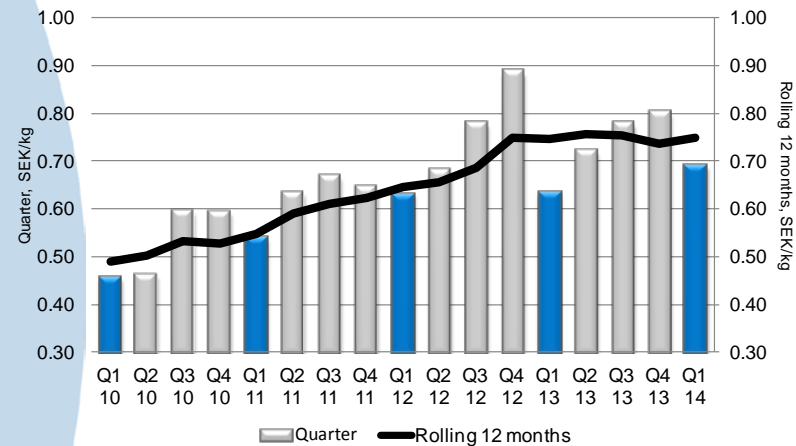
Food Ingredients



Food Ingredients - Operating profit



Food Ingredients - Operating profit per kilo





Chocolate & Confectionery Fats

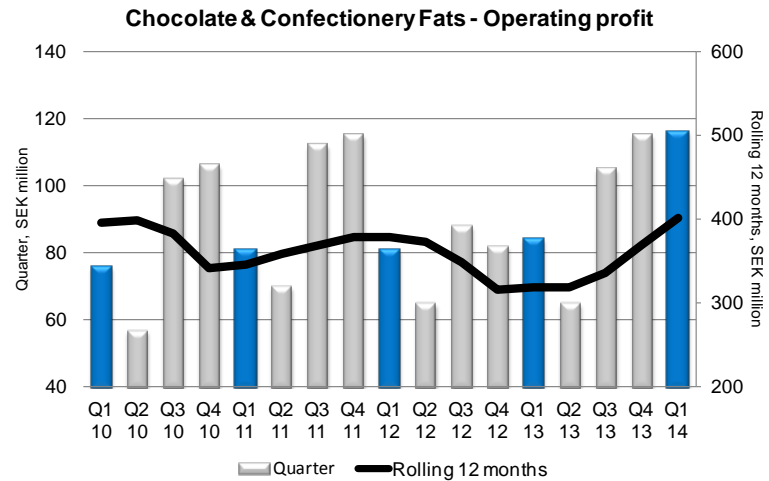


+38%

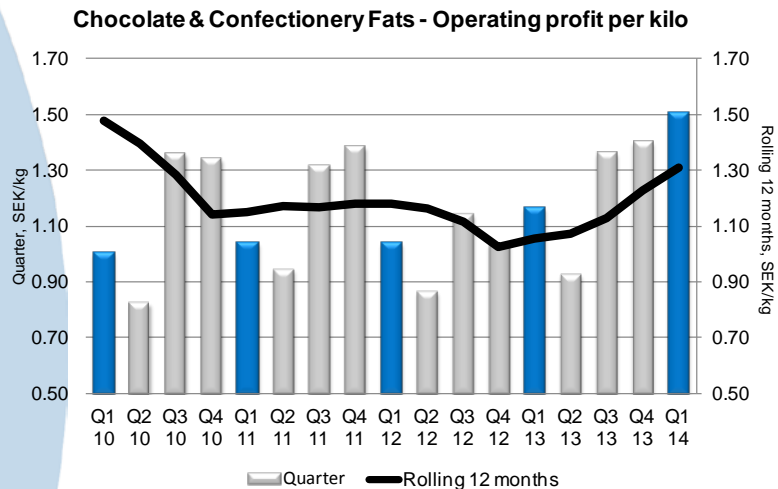
First quarter 2014

- Operating profit improved significantly by 38 percent and reached SEK 116 million (84)
 - The CBE margins improved driven by the increase in cocoa butter prices
- Operating profit per kilo at SEK 1.51 (1.17)
 - Improved by 29 percent mainly due to
 - Higher CBE margins
 - Better product mix with increased volumes of CBE and Personal Care
- Total volume increased by 7 percent
 - Organic growth was less than 1 percent

Chocolate & Confectionery Fats

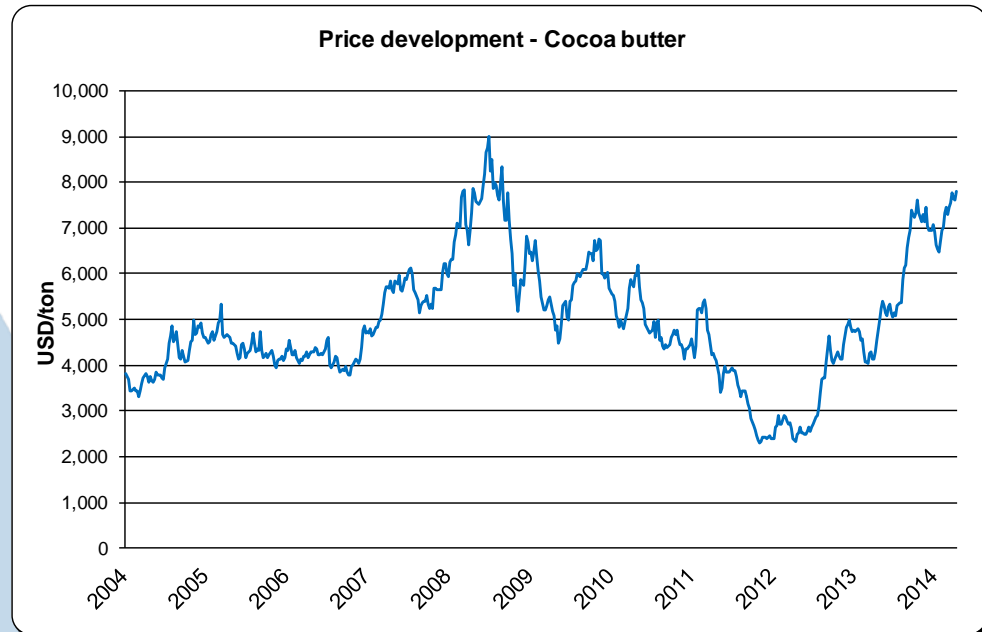


+ 38%



+ 29%

Cocoa butter price



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

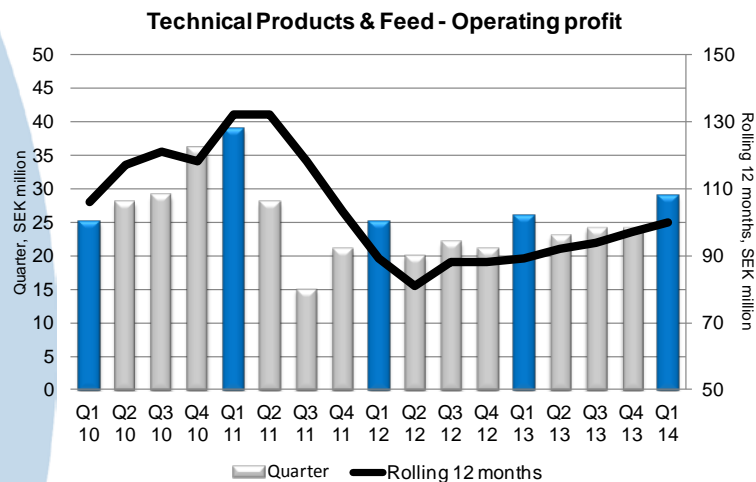
Technical Products & Feed



+12%

First quarter 2014

- Operating profit improved to SEK 29 million (26)
 - Improvements in the more cyclical parts of this business area
- Volumes increased by 6 percent



+ 12%

Business area guidance



◆ Food Ingredients

- We continue to remain optimistic for the future of this business area considering the speciality and the semi-speciality strategy and the strong health profile. Operating profit growth for the full year 2014 is expected to be, with certain quarterly variations, approximately at the 2013 growth rate

◆ Chocolate & Confectionery Fats

- The performance of this business area is expected to continue to improve compared to the same quarters last year, however not necessarily with the same pace as the first quarter 2014

◆ Technical Products & Feed

- For 2014, the 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

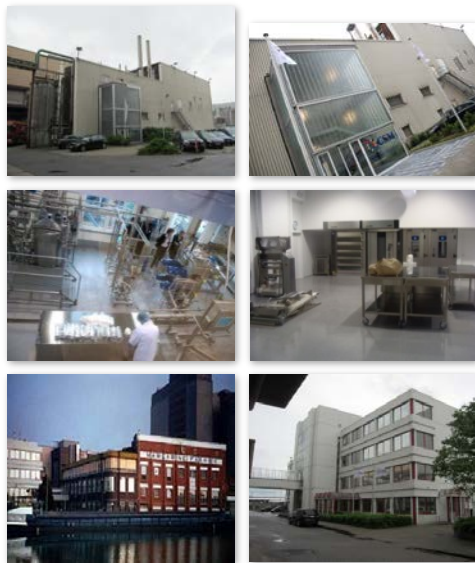
😞 Behind plan

AAK strategic investment in Brazil



- A new speciality and semi-speciality edible oils factory in Jundiai, São Paulo, Brazil
- This investment is expected to approximately amount to SEK 400 million over a two-year period
- The start-up of the new factory is planned for the latter part of 2015
- The factory will strengthen our ability to locally supply Bakery and Dairy solutions as well as further develop our Chocolate & Confectionery business in Brazil
- The new factory will include an Innovation Center

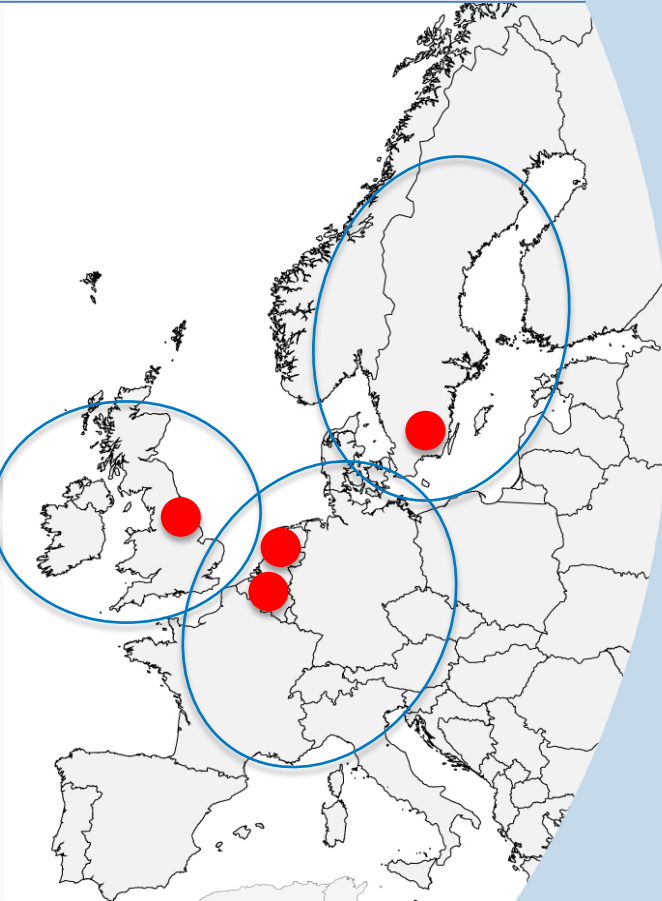
AAK acquires bakery fats specialist in Belgium



- A leading bakery fats supplier to the bakery markets in Belgium, the Netherlands, France and Germany
- The acquired business had revenues of approximately SEK 970 million and volumes of approximately 100 kMT in 2013
- The transaction will include
 - Production facility in Merksem, Belgium
 - Variety of bakery fat solutions, margarines and pumpable shortenings
 - Experienced sales force
 - Team of application specialists
 - Bakery innovation center



Strategic rationale



- ◆ Strengthens AAK's position in the western continental Europe bakery fats market
- ◆ Creates cross-selling opportunities in Bakery and CCF for existing as well as acquired customers and product ranges
- ◆ Innovation center and know-how further strengthens local customer co-development within bakery
- ◆ Adds value to European supply chain through
 - Enabling internal volume transfers
 - Reduced Group CAPEX need
 - Cost synergies
 - Transportation cost reductions

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 improvement in Food Ingredients
 - Continued improvement in Chocolate & Confectionery Fats

Questions & answers



Financial calendar



Financial calendar 2014

May 8, 2014	Annual General Meeting
July 17, 2014	Second quarter report 2014
October 29, 2014	Third quarter report 2014
November 12, 2014	Capital Market Day – Karlshamn, Sweden
February 3, 2015	Fourth quarter and year- end report 2014

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