

# AarhusKarlshamn Q 3, 2007

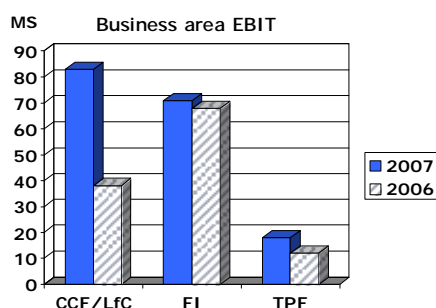
INTERIM REPORT, THIRD QUARTER 2007  
QUARTERLY REPORT PER 30 SEPTEMBER 2007

- Net sales +36 %, SEK 3,360 million (2,476).
- Operating profit +27 %, SEK 161 million (127).
- Result after tax, SEK 118 million (59).
- Earnings per share SEK 2.85 (1.44).



*"Cocoa Butter Equivalents (CBE) growth and synergies have been the main factors contributing to the improvement in results", says CEO Jerker Hartwall in a comment to the report.*

## OPERATING PROFIT Q 3



## KEY FIGURES

SEK million	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Rolling 12 months
Net sales	3,360	2,476	9,296	7,872	12,353
Gross contribution, excluding IAS 39	750	663	2,213	1,976	2,960
Operating profit excluding IAS 39	161	127	475	347	583
Non-recurring items	-	-10	-150	-117	-

## BUSINESS AREAS – GROSS CONTRIBUTION PER KG

### Chocolate & Confectionery Fats

**Q 3**, +21 %, SEK 3.36 to SEK 4.05 per kg  
**Q 1-3**, +19 %, SEK 3.50 to SEK 4.15 per kg



### Food Ingredients

**Q 3**, +4 %, SEK 1.59 to SEK 1.66 per kg  
**Q 1-3**, +4 %, SEK 1.57 to SEK 1.64 per kg



### Technical Products & Feed

**Q 3**, +8 %, SEK 0.75 to SEK 0.81 per kg  
**Q 1-3**, -1 %, SEK 0.80 to SEK 0.79 per kg



## THE CEO's COMMENTS

Cocoa Butter Equivalents (CBE) growth and synergies have been the main factors contributing to the improvement in results.

### Third quarter 2007

As expected, the third quarter result showed a continuing clear improvement over the preceding year, with Cocoa Butter Equivalents (CBE) growth and synergies being the main contributory factors. Food Ingredients' results were stable, in spite of strongly rising raw materials prices.

Technical Products & Feed continues to show improved results resulting from the rationalisation measures implemented.

### The speciality strategy

Growth in the market for (CBE) is strong. Capacity utilisation for chocolate fats is very high and our new, significant expansion of capacity is now ready to begin testing during the fourth quarter.

AAK is the world leader in CBE, which is why the key ingredient, shea, is a particularly crucial factor. To increase the availability of shea, a number of projects are being run to strengthen the logistics chain from West Africa to our factory in Aarhus. We are now seeing positive results from the initiatives we have taken.

Over the next few years, the raw materials supply of shea nuts could constitute a restriction on AAK's expansion in the CBE segment.

### Important events

#### Lantmännen

The discussions with Lantmännen on expanding crushing capacity (oil extraction) are progressing according to plan.

AAK will use its share of the output of the crushing plant for producing food oils, while Lantmännen will use its share for Biodiesel production.

### Acquisition

Business Area Technical Products & Feed has concluded an agreement for the acquisition of the Deinking Chemicals business unit from Ciba Specialty Chemicals Oy in Finland. Products used by Deinking (removing ink from recycled paper) are based on speciality fatty acids. The acquisition represents a forward integration in the value chain. The business unit has sales of around SEK 25 million, and will exert a positive impact on results from the beginning of next year.

### Rationalisation programme

The second quarter's results were charged with SEK 150 million relating to a rationalisation programme primarily involving the Swedish and Danish production units, which will generate an additional SEK 100 million in savings on a full-year basis by late 2009. SEK 50 million of the restructuring costs will not impact cash flow.

The production facility in Aarhus will specialise in the production of speciality fats, with the focus on Cocoa Butter Alternatives. The production plant in Karlshamn will continue to develop as a multi-production unit, concentrating on Food Ingredients, Lipids for Care and Technical Products & Feed.

Some production will gradually be switched between Aarhus and Karlshamn. This is a complex process and will not be fully implemented before the end of 2009.

### Future prospects for the full year 2007

The Company is expecting a clear improvement in operating profit, primarily due to cost synergies and CBE growth.

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**Financial overview**

<b>Income statement SEK million</b>	<b>Q 3 2007</b>	<b>Q 3 2006</b>	<b>Change %</b>	<b>Q 1-3 2007</b>	<b>Q 1-3 2006</b>	<b>Change %</b>	<b>Full year 2006</b>	<b>Rolling 12 month</b>
Net sales	3,360	2,476	36	9,296	7,872	18	10,929	12,353
Gross contribution excl. non-recurring items and IAS 39	750	663	13	2,213	1,976	12	2,723	2,960
Operating profit excl. non-recurring items and IAS 39	161	127	27	475	347	37	455	583
Operating profit/loss incl. non-recurring items and IAS 39	224	108	107	352	232	52	342	462
Profit/loss after net financial items	168	86	95	219	174	26	268	313
Profit/loss for the period after tax	118	59	107	153	119	32	177	211
Thereof shareholders' share	116	58	107	148	115	32	171	204
Earnings per share, SEK	2.85	1.44	105	3.64	2.92	28	4.18	5.01

**Key figures**

	<b>Q 3 2007</b>	<b>Q 3 2006</b>	<b>Full year 2006</b>
Number of outstanding shares at close of period ('000)	41,384	41,384	41,384
Thereof own shares ('000)	516	589	539
Return on capital employed, %*	7.5	4.0	5.9
Return on equity, %*	8.4	2.1	5.5
Equity per share, SEK	54.90	85.59	56.01
Net debt/equity ratio	1.67	0.52	1.31
Equity/assets ratio, %	29	49	33
Average number of employees	2,552	2,539	2,529

\* Rolling 12 months.

**Gross contribution\*\***

<b>SEK million</b>	<b>Q 3 2007</b>	<b>Q 3 2006</b>	<b>Q 1-3 2007</b>	<b>Q 1-3 2006</b>	<b>Full year 2006</b>
Chocolate & Confectionery Fats	298	249	895	758	1,019
Food Ingredients	380	351	1,103	1,030	1,461
Technical Products & Feed	59	51	174	150	202
Group Functions	13	12	41	38	41
Subtotal excluding IAS 39 effects	750	663	2,213	1,976	2,723
IAS 39 effects	63	-9	27	2	44
Total the Group	813	654	2,240	1,978	2,767

**Operating profit\*\***

<b>SEK million</b>	<b>Q 3 2007</b>	<b>Q 3 2006</b>	<b>Q 1-3 2007</b>	<b>Q 1-3 2006</b>	<b>Full year 2006</b>
Chocolate & Confectionery Fats	83	38	250	137	164
Food Ingredients	71	68	197	179	268
Technical Products & Feed	18	12	53	38	53
Group Functions	-11	9	-25	-7	-30
Subtotal excluding IAS 39 effects	161	127	475	347	455
IAS 39 effects	63	-9	27	2	44
Total the Group	224	118	502	349	499

\*\* All amounts are excluding non-recurring items.

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## **The Group, third quarter**

Unless otherwise specified, all amounts on pages 4-7 exclude IAS 39 effects.

### **Net sales**

The Group's net sales increased by SEK 884 million, 36 percent, due primarily to the strong increase in raw material costs. The negative currency effect totalled SEK 85 million.

### **Gross contribution**

Gross contribution rose by SEK 87 million, 13 percent, including a negative currency effect of SEK 14 million. Gross contribution per kilo improved, primarily due to the increased proportion of speciality products in Chocolate & Confectionery Fats and particularly because of increased CBE volumes.

### **Operating profit**

Operating profit excluding IAS 39 amounted to SEK 161 (127) million, an improvement of SEK 34 million. The profit includes a negative currency effect of SEK 5 million. During the third quarter, synergy effects increased by SEK 25 million. The full effect of SEK 175 million will be realised during from and including the fourth quarter of 2007.

The result includes the effect of IAS 39 (fair value movements in raw materials and currency derivatives) which affected results by SEK 63 million. These changes in fair value affect profit/loss but have no cash flow effects.

### **Profit after financial items**

The Group's profit after financial items amounted to SEK 168 (86) million. Net financial items totalled SEK -56 (-22) million, with an increased interest charge resulting from higher borrowing.

### **Investments**

The Group's investment amounted to SEK 175 (111) million. The largest individual investment during the period was the expansion in CBE capacity in Aarhus.

### **Cash flow**

Cash flow from operating activities before investments amounted to SEK -129 (160) million. Working capital increased by SEK 359 million, due primarily to stock building of shea for delivery next year and the effect of sharply rising raw materials prices. Cash flow after investments of SEK 175 (111) million was SEK -305 (49) million.

### **Financial position**

The Group's equity as at 30 September 2007 totalled SEK 2,277 (2,319) million and the balance sheet total was SEK 7,990 million. The equity/assets ratio was 29 (49) percent. The Group's net borrowings as at 30 September 2007 amounted to SEK 3,804 million. Unutilised credit facilities granted totalled SEK 904 million.

### **Personnel**

The average number of employees in the Group as at 30 September 2007 was 2,552 (31 December 2006, 2,529) as a result of acquisitions.

### **Group Functions**

The activities of the Group Functions are primarily concerned with functions related to Group development and administration. In addition to the costs in the Parent Company, Group Functions include, the operation in Ceylon Trading. Last year's figures included non-recurring items of SEK 10 million mainly expenses related to the listing on Stockholm Stock Exchange, OMX last year.

# AarhusKarlshamn

## THIRD QUARTER 2007

### QUARTERLY REPORT, 30 SEPTEMBER 2007

## Business area

### Chocolate & Confectionery Fats

(including Lipids for Care)

#### Net sales

Net sales for the business area rose by SEK 239 million, 30 percent, largely as a consequence of higher Cocoa Butter Equivalents volumes.

#### Gross contribution

Gross contribution improved by SEK 49 million, 20 percent in comparison with the preceding year. This improvement in price and product mix is due to a significantly higher proportion of CBE, while volumes of other simple chocolate fat replacers fell. Gross contribution per kilo improved by 21 percent, from SEK 3.36 to SEK 4.05 per kilo, due to a favourable product mix.

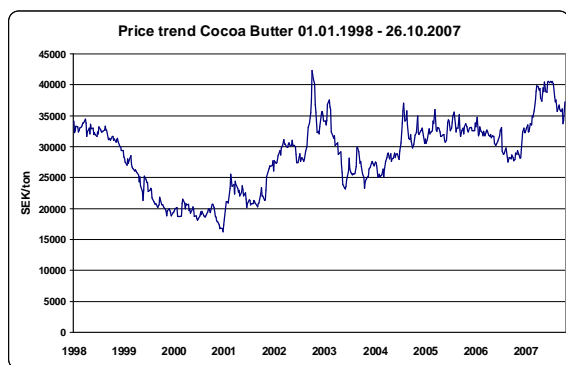
#### Operating profit

Results improved by SEK 45 million, 118 percent, mainly due to increased access to the CBE raw material, shea, in comparison with the preceding year. Profits for Lipids for Care also improved over the preceding year.

#### Price trend – cocoa butter

The price diagram below shows that the cocoa butter price - the component which CBE replaces – remains at a high level. CBE prices have also risen due to limited global supply.

#### Price trend Cocoa butter



#### External factors/activities

Growth in the market for CBE is strong. CBE growth will be the single largest driving force in the Group's profit growth over the next few years.

Capacity utilisation for chocolate fats is very high, and our new, significant expansion of capacity is now ready to begin testing during the fourth quarter.

Despite a good supply of the key ingredient, shea, in West Africa, the management of the whole logistics chain, from tree to factory, must be improved to meet AAK's demand for raw materials.

Even though we obtained a large quantity of shea from last year's harvest, we have not obtained the quantity we require to satisfy the high demand for CBE.

To increase the availability of shea, a number of projects are being run to strengthen the logistics chain from West Africa to our factory in Aarhus. We are now seeing positive results from these initiatives.

For the next few years, the raw material supply of shea may constitute a restriction on AAK's expansion in the CBE segment. The cost of raw materials acquisition will probably increase.



## Chocolate & Confectionery Fats

(including Lipids for Care)

SEK million	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Rolling 12 months
Net sales	1,035	796	2,784	2,439	3,696
Gross contribution	298	249	895	758	1,156
Gross contribution per kilo	4.05	3.36	4.15	3.50	4.00
Operating profit excl. non-recurring items	83	38	250	137	277
Operating profit incl. non-recurring items	83	38	154	65	228
Volumes (thousand tonnes)	74	74	216	217	289



# AarhusKarlshamn

## THIRD QUARTER 2007

### QUARTERLY REPORT, 30 SEPTEMBER 2007

## Business area

### Food Ingredients

#### Net sales

Net sales for the business area rose by SEK 633 million, 48 percent, mainly as a result of significantly increased raw material prices.

#### Gross contribution

Gross contribution improved by SEK 30 million, 9 percent, to SEK 380 million in comparison with the previous year. Gross contribution per kilo improved from SEK 1.59 to SEK 1.66 per kilo.

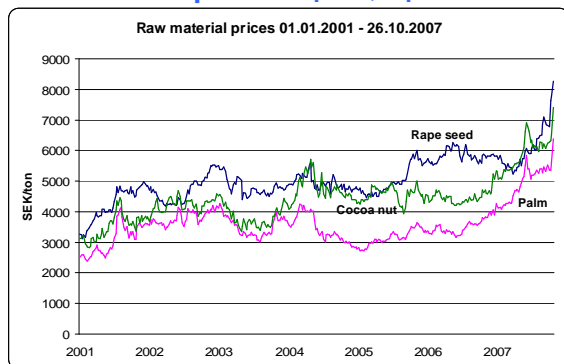
#### Operating profit

Results improved by SEK 3 million, 4 percent, due to synergy effects. Costs during the quarter were higher than in the preceding year as a result of high capacity utilisation, with high maintenance costs and increased energy prices.

#### External factors/activities

The accelerating consumption of vegetable oils in the energy sector has driven up raw material prices for the Group and this trend will probably continue. This is leading to further competitive pressure in the retail sector, resulting in every player in the food industry value chain coming under strong price pressure. The need for innovative and cost-effective solutions is increasing. Rising palm prices are increasing the amount of capital the Group has tied up, especially in inventories.

#### Raw material prices – palm, rapeseed and soya



#### Continental Europe

During the third quarter, capacity utilisation in Continental Europe was high, with increased volumes.

#### UK

Sales during the quarter rose and the product mix of speciality products improved. Operating profit increased in comparison with the preceding year.

#### USA

Sales and volumes rose. Operating profit is unchanged on the previous year.

#### Mexico

Sales, volume and operating profit improved in comparison with the previous year.



### Food Ingredients

SEK million	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Rolling 12 months
Net sales	1,939	1,306	5,378	4,402	7,153
Gross contribution	380	351	1,103	1,030	1,534
Gross contribution per kilo	1.66	1.59	1.64	1.57	1.69
Operating profit excl. non-recurring items	71	68	197	179	286
Operating profit incl. non-recurring items	71	68	148	173	210
Volumes (thousand tonnes)	229	220	673	654	907

# AarhusKarlshamn

## THIRD QUARTER 2007

### QUARTERLY REPORT, 30 SEPTEMBER 2007

#### Business area

### Technical Products & Feed

#### Net sales

Net sales for the business area rose by SEK 61 million, 24 percent as a result of significantly higher volumes, particularly in Feed, along with high capacity utilisation.

#### Gross contribution

Gross contribution improved by SEK 8 million, 16 percent to SEK 59 million in comparison with the previous year. This improvement was due both to increased volumes and high capacity utilisation. Gross contribution per kilo improved by 8 percent, due to an increased proportion of speciality fatty acids from SEK 0.75 to SEK 0.81 per kilo.

#### Operating profit

Profit improved by SEK 6 million, 50 percent, due mainly to high capacity utilisation and improved profits within all units. The business area has shown improved profits over the last four quarters as a result of the rationalisation measures implemented and the higher proportion of speciality fatty acids.

#### External factors/activities

Rising palm oil prices served to the competition from Asia. Measures taken within the EU to increase the proportion of biomass for energy production mean that we continue to face rising raw material prices. The joint venture with Lantmännen will further strengthen AAK's competitiveness.

#### Tefac

Both sales and profits have increased, due primarily to an increase in the proportion of speciality fatty acids.

After the end of the quarter, Tefac signed an agreement for the acquisition of the Deinking Chemicals business unit from Ciba Specialty Chemicals Oy in Finland, which will have a positive impact on results from the beginning of next year.

#### Binol

Binol continues to strengthen its position in the Nordic region as the leading supplier of vegetable-based lubricants, especially for the metal working industry. Both sales and volumes have improved. Overall, there has been a substantial improvement in operating profit.

#### Feed

Sales, volumes and operating profit have all improved.



### Technical Products & Feed

SEK million	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Rolling 12 months
Net sales	317	256	915	761	1,211
Gross contribution	59	51	174	150	226
Gross contribution per kilo	0.81	0.75	0.79	0.80	0.77
Operating profit excl. non-recurring items	18	12	53	38	68
Operating profit incl. non-recurring items	18	12	48	38	55
Volumes (thousand tonnes)	73	68	219	187	293

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## **JANUARY - SEPTEMBER**

Sales of SEK 9,296 million (7,872), represented an increase of SEK 1,424 million, 18 percent, due mainly to significantly increased raw material prices and growth in the CBE segment.

Gross contribution rose by SEK 237 million, 12 percent, to SEK 2,213 million with 52 percent of the improvement deriving from the business area Chocolate & Confectionery fats and primarily from the CBE segment.

Gross contribution per kilo grew by 7 percent from SEK 1.87 per kilo to SEK 2.00 per kilo, largely due to increased demand for CBE volumes.

Operating profit for the period January-September, excluding non-recurring items and IAS 39, totalled SEK 475 million (347), an increase of SEK 128 million, 37 percent. Changes in exchange rates since the beginning of the year exerted negative effect of SEK 14 million on the result.

Net financial income/expense was SEK -133 million (-58), and profit after net financial income/expense amounted to SEK 219 million (174), an increase of 26 percent. The tax rate was 30 percent, and the net profit for the period was SEK 153 million (119). Earnings per share were SEK 3.64 (2.92).

Cash flow from operating activities was SEK -126 million (127). Working capital increased by SEK 605 million, due primarily to stock building of shea for delivery next year and the effect of sharply rising raw materials prices. The Group's investments totalled SEK 520 million (372). After investments, acquisitions and disposals, cash flow was SEK -646 million (-245).

The average number of employees was 2,552 (2,529 on 31 December 2006), which represents an increase of 23 persons from the beginning of the year, mainly due to acquisitions.

## **IMPORTANT EVENTS** **ACQUISITION**

### **Croda Food Service**

With the aim of increasing forward integration and strengthening its market position in the bakery sector, AAK has acquired Croda Food

Service from Croda plc. The newly acquired operation, which has sales of over SEK 230 million, is based in Oldham, Great Britain. It supplies the bakery sector with a range to products and services, as well as a specially-designed delivery system. The acquisition will generate profits in 2007.

### **Baby Food**

In the speciality fats area for baby food, AAK has set up a joint venture (50/50), with Enzymotec, an Israeli development company that specialises in advanced lipids (speciality fats) with specific health benefits. The newly-established joint company, "Advanced Lipids", will be responsible for AAK's development of special lipids for baby foods.

## **RELATED PARTIES**

No significant changes have taken place in relations or transactions with related parties since the annual report for 2006.

## **RISKS & UNCERTAINTY FACTORS**

All business operations involve risk – a controlled approach to risk taking is a prerequisite in maintaining good profitability. Risk may be dependent on events in the outside world and may affect a specific sector or market. Risk may also be purely company specific.

At AAK, effective risk management is a continuing process which is carried on within the framework of operational management and forms a natural part of the day-to-day monitoring of the operation.

### **External risks**

The AAK Group is exposed to the fierce competition which characterises the industry, as well as fluctuations in raw material prices which affect capital tied up.

### **Financial risk**

The operations of the AAK Group involve exposure to significant financial risks, particularly currency and raw material price risks.



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### **Operational risk**

The raw materials used in the operation are agricultural products, the availability of which may therefore vary due to climatic and other external factors. The Group considers that no significant risks or uncertainties have emerged beyond those described in AAK's annual report for 2006.

### **ACCOUNTING POLICIES**

This interim report has been prepared in accordance with IFRS, with the application of IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The accounting policies and assessment policies adopted and the basis for assessment are the same as those used in the most recent annual report.

### **COMPULSORY REDEMPTION**

AarhusKarlshamn AB (publ) currently owns about 98.4 percent of the share capital of the subsidiary AarhusKarlshamn Sweden AB (formerly Karlshamns AB). The minority shareholders in this company own approximately 358,000 shares in total.

The compulsory redemption procedure is expected to be completed during the fourth quarter of 2007. Through advance access to the minority shareholdings in June 2006, AarhusKarlshamn AB (publ) consolidated all shares in AarhusKarlshamn Sweden AB in the Company's accounts and the consolidated accounts.

### **INFORMATION DATES**

The Financial statement 2007 will be published on 21 February, 2008.

The interim report for the first quarter 2008 will be published on 21 May, 2008.

The interim report for the second quarter 2008 will be published on 12 August, 2008.

The interim report for the third quarter 2008 will be published on 31 October, 2008.

### **EVENTS AFTER THE BALANCE SHEET DATE**

Business Area Technical Products & Feed has concluded an agreement for the acquisition of the Deinking Chemicals business unit from Ciba Specialty Chemicals Oy in Finland. Products used by Deinking (removing ink from recycled paper) are based on speciality fatty acids. The acquisition represents a forward integration in the value chain. The business unit has sales of around SEK 25 millions and will exert a positive impact on results from the beginning of next year.

### **THE PARENT COMPANY**

The Company's invoiced sales during the first nine months were SEK 13 million (-). The profit/loss after financial items for the Parent Company amounted to SEK -29 million (78).

Interest-bearing liabilities, minus cash and cash equivalents and interest-bearing assets, total SEK 208 million (83 as at 31 December 2006). Investments in tangible assets amounted to SEK 0 million (1).

The Parent Company's balance sheet and income statement are shown on page 14.

### **Accounting policies**

AarhusKarlshamn AB is the Parent Company of the AarhusKarlshamn Group. The Company has prepared its financial reports in accordance with the Annual Account Act and the Swedish Financial Accounting Standards Council's recommendation RR32:06, Reporting for Legal Entities, as stated in the Annual Report for 2006.

### **Changes in the balance sheet.**

The Parent Company's increased borrowing since the start of the year is substantially attributable to the dividend of SEK 165 million approved by the annual general meeting.

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## THE GROUP'S PERFORMANCE

### Consolidated income statement

SEK million	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Rolling 12 month	Full year 2006
Net sales	3,360	2,476	9,296	7,872	12,353	10,929
Other income	0	-7	16	11	49	53
<b>Total operating income</b>	<b>3,360</b>	<b>2,469</b>	<b>9,312</b>	<b>7,883</b>	<b>12,402</b>	<b>10,982</b>
Raw materials, consumables and goods for resale	-2,505	-1,741	-6,943	-5,745	-9,259	-8,070
Other external costs	-287	-297	-843	-916	-1,113	-1,186
Cost of remuneration to employees	-252	-245	-864	-760	-1,167	-1,063
Depreciation/amortisation and impairment	-86	-74	-296	-225	-377	-306
Other expenses	-6	-4	-14	-5	-24	-15
<b>Total operating expenses</b>	<b>-3,136</b>	<b>-2,361</b>	<b>-8,960</b>	<b>-7,651</b>	<b>-11,940</b>	<b>-10,640</b>
<b>Operating profit</b>	<b>224</b>	<b>108</b>	<b>352</b>	<b>232</b>	<b>462</b>	<b>342</b>
Interest income	0	1	12	9	18	15
Interest expense	-52	-24	-136	-65	-173	-102
Other financial items	-4	1	-9	-2	6	13
<b>Profit before tax</b>	<b>168</b>	<b>86</b>	<b>219</b>	<b>174</b>	<b>313</b>	<b>268</b>
Tax	-50	-27	-66	-55	-101	-91
<b>Net profit</b>	<b>118</b>	<b>59</b>	<b>153</b>	<b>119</b>	<b>211</b>	<b>177</b>
Attributable to minority share	2	1	5	4	7	6
Attributable to Parent Company's shareholders	116	58	148	115	204	171
<b>SHARE DATA</b>						
Number of shares, thousand	41,384	41,384	41,384	41,384	-	41,384
Thereof own shares	516	589	516	589	-	539
Earnings per share, SEK*	2.85	1.44	3.64	2.92	-	4.18
Equity per share, SEK	54.90	85.59	54.90	85.59	-	56.01
Market value on closing date	151.00	199.50	151.00	199.50	-	201.00

\* The calculation of earnings per share is based on a weighted average number of outstanding shares. At present, the Group has no outstanding convertible debentures or outstanding subscription options.

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**Summary consolidated balance sheet**

<b>SEK million</b>	<b>2007-09-30</b>	<b>2006-09-30</b>	<b>2006-12-31</b>
<b>ASSETS</b>			
Goodwill	607	581	579
Other intangible assets	88	79	59
Tangible assets	2,876	2,764	2,751
Financial assets	153	129	165
<b>Total non-current assets</b>	<b>3,724</b>	<b>3,553</b>	<b>3,554</b>
Inventories	1,900	1,448	1,512
Current receivables	2,234	1,767	1,738
Cash and cash equivalents	132	419	129
<b>Total current assets</b>	<b>4,266</b>	<b>3,634</b>	<b>3,379</b>
<b>TOTAL ASSETS</b>	<b>7,990</b>	<b>7,187</b>	<b>6,933</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	2,243	3,492	2,287
Minority share	34	31	32
<b>Total equity including minority share</b>	<b>2,277</b>	<b>3,523</b>	<b>2,319</b>
<b>Non-current liabilities</b>	<b>3,710</b>	<b>1,834</b>	<b>2,716</b>
Accounts payable	650	572	502
Other current liabilities	1,353	1,258	1,396
<b>Total current liabilities</b>	<b>2,003</b>	<b>1,830</b>	<b>1,898</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,990</b>	<b>7,187</b>	<b>6,933</b>

No changes have arisen in contingent liabilities.

**Change in the Group's equity**

<b>SEK million</b>	<b>Total Equity</b>	<b>Minority</b>	<b>Total share equity incl minority</b>
Opening equity January 1, 2007	2,287	32	2,319
Disposal of own shares	5	-	5
Translation differences	-34	-3	-37
Dividend paid	-163	-	-163
Profit for the period	148	5	157
<b>Closing equity September 30, 2007</b>	<b>2,243</b>	<b>34</b>	<b>2,277</b>

<b>SEK million</b>	<b>Total Equity</b>	<b>Minority</b>	<b>Total share equity incl minority</b>
Opening equity January 1, 2006	3,504	50	3,554
Acquisition of minority interest in AAK Sweden AB	-39	-19	-58
Translation differences	-88	-4	-92
Profit for the period	115	4	119
<b>Closing equity September 30, 2006</b>	<b>3,492</b>	<b>31</b>	<b>3,523</b>

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**Summary cash flow statement for the Group**

SEK million	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Full year 2006
<b>Operating activities</b>					
Cash flow from operating activities before change in working capital	230	138	479	336	502
Change in working capital	-359	22	-605	-209	-325
<b>Cash flow from operating activities</b>	<b>-129</b>	<b>160</b>	<b>-126</b>	<b>127</b>	<b>177</b>
<b>Investing activities</b>					
Cash flow from investing activities	-176	-111	-520	-372	-501
<b>Financing activities</b>					
Cash flow from financing activities	324	153	652	457	254
Cash flow for the period	19	202	6	212	-70
Cash and cash equivalents at start of period	116	211	129	211	211
Exchange rate difference in cash and cash equivalents	-4	6	-4	-4	-12
<b>Cash and cash equivalents at close of period</b>	<b>131</b>	<b>419</b>	<b>131</b>	<b>419</b>	<b>129</b>

Changes in working capital of SEK -605 million include unfavourable translation differences of SEK 43 million.

**Summary income statement and key figures, January – September 2007**

SEK million	Q 3 2007	Q 3 2006	Q 1-3 2007	Q 1-3 2006	Full year 2006
Net sales	3,360	2,476	9,296	7,872	10,929
Gross contribution excl. non-recurring items and IAS 39	750	663	2,213	1,976	2,723
Gross contribution, %	22	27	24	25	25
Operating profit excl. non-recurring items and IAS 39	161	127	475	347	455
Operating margin, %, excl. non-recurring items and IAS 39	5	5	5	4	4
Operating profit/loss incl. non-recurring items excl. IAS 39	161	117	325	230	298
Operating margin, %, incl. non-recurring items excl. IAS 39	5	5	3	3	3
Operating profit/loss incl. non-recurring items and IAS 39	224	108	352	232	342
Operating margin, %, incl. non-recurring items and IAS 39	7	4	4	3	3
Net profit/loss for the period	118	59	153	119	177
Attributable to Parent Company's shareholders	116	58	148	115	171
Attributable to minority share	2	1	5	4	6
Operating profit before depreciation/amortisation (EBITDA)	310	182	648	457	648
Operating cash flow after investments	-305	49	-646	-245	-325
Investments	176	111	520	372	501
- thereof acquisitions	-	-	103	37	37
Equity attributable to Parent Company's shareholders	2,243	3,492	2,243	3,492	2,287
Minority share	34	31	34	31	32
Net borrowings	3,804	1,814	3,804	1,814	3,036
Equity/assets ratio, %	29	49	29	49	33
Net debt/equity ratio, multiple	1.67	0.52	1.67	0.52	1.31
Capital employed	6,637	5,856	6,637	5,856	5,830

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\* The amounts are excluding IAS 39 effects.

**Consolidated income statement**

SEK million	2006					2007		
	Q 1	Q 2	Q 3	Q 4	Full year	Q 1	Q 2	Q 3
Net sales	2,797	2,599	2,476	3,057	10,929	2,971	2,965	3,360
Gross contribution								
incl. non-recurring items*	675	567	663	745	2,650	737	726	750
Gross contribution								
excl. non-recurring items*	675	638	663	747	2,723	737	726	750
Operating result excl non-recurr. items*	119	101	127	108	455	162	152	161
Financial items	-20	-16	-22	-16	-74	-36	-41	-56
Profit/loss after financial items	106	-18	86	94	268	128	-77	168
-thereof fair value movements in raw materials and currency derivatives	12	-1	-9	42	44	2	-38	63

**Gross contribution excl. non-recurring items, business areas\***

SEK million	2006					2007		
	Q 1	Q 2	Q 3	Q 4	Full year	Q 1	Q 2	Q 3
Chocolate & Confectionery Fats	287	222	249	261	1,019	307	289	298
Food Ingredients	331	348	351	431	1,461	358	365	380
Technical Products & Feed	50	49	51	52	202	57	58	59

**Operating profit/loss excl. non-recurring items, business areas\***

SEK million	2006					2007		
	Q 1	Q 2	Q 3	Q 4	Full year	Q 1	Q 2	Q 3
Chocolate & Confectionery Fats	72	27	38	27	164	97	70	83
Food Ingredients	45	66	68	89	268	55	72	71
Technical Products & Feed	12	14	12	15	53	17	18	18
Group Functions	-10	-6	9	-23	-30	-7	-8	-11
Operating profit AAK Group	119	101	127	108	455	162	152	161



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**THE PARENT COMPANY'S PERFORMANCE**

**The Parent Company's income statement**

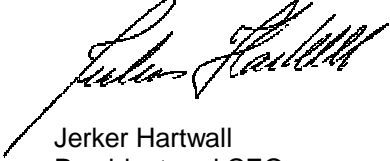
<b>SEK million</b>	<b>Q 1-3 2007</b>	<b>Q 1-3 2006</b>
Net sales	13	-
Other income	0	0
<b>Total operating income</b>	<b>13</b>	<b>0</b>
Other external costs	-15	-29
Personnel costs	-19	-14
Depreciation/amortisation and impairment	0	0
Other expenses	0	0
<b>Total operating expenses</b>	<b>-34</b>	<b>-43</b>
<b>Operating loss</b>	<b>-21</b>	<b>-43</b>
Interest income and similar profit/loss items	0	127
Interest expense	-8	-6
<b>Profit/loss before tax</b>	<b>-29</b>	<b>78</b>
Tax	-	-
<b>Profit/loss for the year</b>	<b>-29</b>	<b>78</b>

**Summary balance sheet for the Parent Company**

<b>SEK million</b>	<b>2007-09-30</b>	<b>2006-09-30</b>	<b>2006-12-31</b>
<b>ASSETS</b>			
Other intangible assets	0	1	0
Tangible assets	2	1	2
Financial assets	5,838	5,852	5,838
<b>Total non-current assets</b>	<b>5,840</b>	<b>5,854</b>	<b>5,840</b>
Current receivables	20	17	93
Cash and cash equivalents	-	-	-
<b>Total current assets</b>	<b>20</b>	<b>17</b>	<b>93</b>
<b>TOTAL ASSETS</b>	<b>5,860</b>	<b>5,871</b>	<b>5,933</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	4,318	5,650	4,512
<b>Total equity</b>	<b>4,318</b>	<b>5,650</b>	<b>4,512</b>
<b>Non-current liabilities</b>	<b>150</b>	<b>-</b>	<b>-</b>
Accounts payable	1	10	4
Other current liabilities	1,391	211	1,417
<b>Total current liabilities</b>	<b>1,392</b>	<b>221</b>	<b>1,421</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,860</b>	<b>5,871</b>	<b>5,933</b>

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Malmö, 1 November, 2007



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This report has not been reviewed by the Company's auditors.

The information is that which AarhusKarlshamn AB (publ) is obliged to publish under the provisions of the Stock Exchange and Clearing Operations Act and/or the Trading in Financial Instruments Act. The information was released to the media for publication on 1 November 2007 at 8.45 a.m.



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