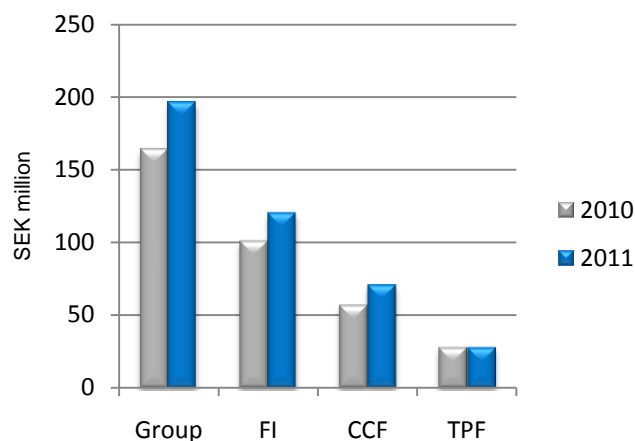


# AAK Interim Report Quarter 2, 2011

## Second quarter 2011

- Net sales in the second quarter increased to SEK 3,907 million (3,594) mainly due to increased raw material prices and a better product mix, partly offset by a negative currency translation impact of SEK 361 million. Volumes decreased by 8 percent due to lower commodity volumes, consistent with the previous quarter. Speciality volumes continued to increase.
- Operating profit, excluding non-recurring items of SEK 3 million, amounted to SEK 196 million (164), an improvement of 20 percent. At fixed exchange rates operating profit improved by 32 percent.
- Earnings per share amounted to SEK 3.04 (2.65), an improvement of 15 percent.

## Operating profit AAK Group and Business Areas, Q2 2011



## First six months 2011

- Net sales in the first six months increased to SEK 7,750 million (7,104) mainly due to increased raw material prices and a better product mix, partly offset by a negative currency translation impact of SEK 640 million. Volumes decreased by 6 percent due to lower commodity volumes. Speciality volumes continued to increase.
- Operating profit excluding non-recurring items of SEK 3 million amounted to SEK 400 million (342), an improvement of 17 percent. At fixed exchange rates operating profit improved by 26 percent.
- Earnings per share amounted to SEK 6.42 (5.44), an improvement of 18 percent.

## Second quarter 2011



## Financial summary

SEK Million	Q2 2011	Q2 2010	Δ %	Q1-2 2011	Q1-2 2010	Δ %
Net Sales	3,907	3,594	+ 9	7,750	7,104	+ 9
Gross Contribution	831	852	-2	1,662	1,692	-2
Operating profit	196	164	+20	400	342	+17
Operating profit per kilo	0.60	0.46	+ 30	0.59	0.48	+23
Financial net	-30	-16	+88	-45	-30	+50
Net result	126	109	+16	265	223	+19
Earnings per share	3.04	2.65	+15	6.42	5.44	+18



## *Chief Executive's Report - Record high second quarter operating profit and AAK Acceleration on track*

### **Second quarter 2011**

Operating profit for the second quarter 2011, excluding non-recurring items of SEK 3 million, reached SEK 196 million (164), an improvement of 20 percent. At fixed exchange rates, operating profit improved by 32 percent. Earnings per share improved by SEK 0.39 or up 15 percent from SEK 2.65 to SEK 3.04.

During the second quarter of 2011 commodity volumes continued to decline, consistent with the previous quarter. The largest contributor to this reduction is our business in the UK which is now being restructured to match the future anticipated volumes with a better mix of speciality products.

Volumes of speciality products in Food Ingredients, Chocolate & Confectionery Fats and Technical Products & Feed continued to increase in line with strategy and the action plans defined in AAK Acceleration. Underlying margins in Chocolate & Confectionery Fats continued to be stable.

### **Continued positive impact of the AAK Acceleration program in Food Ingredients**

In the largest business area, Food Ingredients, operating profit reached SEK 120 million (101\*), an improvement of 19 percent. A continued increased proportion of high-value products with a more profitable product mix led to an operating profit at fixed exchange rates of SEK 131 million (101), an improvement of 30 percent.

The positive development continued in most speciality product areas, in particular for Infant Nutrition (Baby Food) and Dairy Industry.

In the second quarter of 2011 total volumes declined by 13 percent compared to the corresponding quarter in 2010. This decline is consistent with the trend during the previous quarter largely effected by refocusing in the UK market on speciality products. Accordingly, operating profit per kg in this business area has improved significantly.

### **Chocolate & Confectionery Fats – Strong volume growth and stable margins**

The operating result amounted to SEK 70 million (57), an improvement of 23 percent. Volumes increased by 7 percent compared to last year. Operating profit at fixed exchange rates amounted to SEK 80 million (57), an improvement of 40 percent. Underlying margins in Chocolate & Confectionery Fats continued to be stable. The general market conditions remained stable.

### **Technical Products & Feed**

Operating profit was SEK 28 million (28\*). Volumes in the second quarter 2011 decreased by 7 percent compared to the corresponding quarter last year, mainly due to a planned, longer maintenance stop in June affecting primarily low margin feed deliveries. Speciality product volumes in Binol increased.

## **AAK strengthens its positions in North America by acquiring the flaked shortenings market leader, Golden Foods/Golden Brands**

As announced on July 1, 2011 AAK has acquired the Golden Foods/Golden Brands business of Louisville, Kentucky, the leading North American processor of speciality fats and oils and manufacturer of shortenings for the bakery and food service industries.

The acquisition of Golden Foods/Golden Brands in the US is an integral part of the AAK Acceleration program, which calls, beyond organic growth, for selective acquisitions that synergistically benefit our customers; it significantly strengthens our ability to supply existing and new customers with a broader portfolio of speciality oils and fats solutions. As one of the largest speciality oil markets in the world, expansion in the US is also particularly exciting.

The product lines that AAK has acquired expand and complement our existing product portfolio and speciality strategy. The Golden Foods/Golden Brands organization will enjoy some AAK products and create good opportunities for mutual cross selling to the combined customer base. Further, the Louisville, Kentucky location also adds a new geographic dimension to our existing site in Port Newark, New Jersey, with significant advantages for all customers but particularly those located in the Midwest. From

now on, AAK's North American customers will enjoy service from two production sites in the US.

Founded in 1982 and located in Louisville, Kentucky, Golden Foods/Golden Brands employs approximately 160 people and had revenue of approximately USD 120 million in 2010.

The acquisition is expected to have only limited impact on the 2011 Group operating profit, but with material benefits beginning from the first quarter, 2012.

## **AAK - Additional rationalization program**

During the second quarter 2011 the company announced an additional rationalization program in the UK operations in order to fully focus on our speciality strategy. This program was announced already in connection with the company's first quarter report in 2011.

The rationalization implies a further move away from larger volume low margin commodity products to more complex, lower volume speciality products at higher margins. The non-recurring costs related to this program have been offset by the additional insurance compensation received as announced in the first quarter report 2011.

The ongoing productivity improvements in the Scandinavian units continue in line with plan.

## **Cash flow**

As earlier predicted and communicated cash flow turned

negative during the second quarter and the first six months as a consequence of significantly increased raw material prices during the last nine months. We have now most likely seen the major effect of the negative cash flow impact of these raw material price increases, subject to future development of raw material world market prices.

## **Concluding remarks**

We continue to see positive effects of the AAK Acceleration program, both in terms of organic growth in speciality products, acquisitive growth and productivity.

Speciality volumes increased organically, especially in Infant Nutrition, Dairy Industry and Chocolate & Confectionery Fats.

The acquisition of Golden Foods/Golden Brands significantly strengthens our ability to supply combined existing and new customers with a broader portfolio of speciality oils and fats solutions in the US.

We are now going into the third quarter and we remain prudently optimistic for the quarter and for the execution of AAK Acceleration.



Arne Frank  
CEO and President

\* Starting with the first quarter of 2011 the Group's operations in crushing will be reported as part of business area Technical Products & Feed. The crushing operation has previously been reported within the business area Food Ingredients. For further information, see page 17.

# The AAK Group, second quarter 2011

## Net sales

Net sales increased by SEK 313 million mainly due to increased raw material prices and a better product mix, partly offset by a negative currency translation impact of SEK 361 million.

Specialty volumes continued to increase in all business areas in line with our strategy. Commodity volumes for Food Ingredients and Technical Products & Feed declined during the second quarter.

## Gross contribution

Excluding translation effects, gross contribution improved by SEK 47 million, the negative currency translation impact was SEK 68 million.

After including currency translation effects, gross contribution decreased by SEK 21 million.

## Operating result

Operating profit for the second quarter 2011 reached SEK 196 million (164), an improvement of 20 percent. At fixed exchange rates, operating profit improved by 32 percent.

Operating profit per kilo increased from SEK 0.46 to SEK 0.60 or by 30 percent due to a higher portion of value added products. Specialty volumes increased; whilst low margin commodity volumes decreased.

## Investments

Group investments in fixed assets totalled SEK 95 million (100), mainly comprising regular maintenance investments.

## Cash flow

As anticipated, cash flow from operating activities was negative SEK 41 million (negative 5), as a result of the significant raw material price increases during the last nine months.

We have most likely seen the major negative cash flow impact of the raw material prices during the second half of 2010 ( six-nine months timing delay because of contracts). Raw material prices have decreased during the first six months of 2011, which will positively affect cash flow the first half of 2012.

Cash flow, after net investments of SEK 95 million (100), was negative SEK 136 million (negative 105).

## Financial position

The equity/assets ratio amounted to 33 percent (34 percent as of 31 December 2010). During the second quarter we have paid SEK 184 million in dividend.

Net debt as of 30 June 2011 amounted to SEK 3,436 million (SEK 2,634 million on 31 December 2010). As of 30 June, the Group had total credit facilities of SEK 6,604 million.

Long term refinancing of SEK 4,200 million was finalized in January 2011 and comprises part of the total committed facilities of SEK 6,000 million for five years or more.

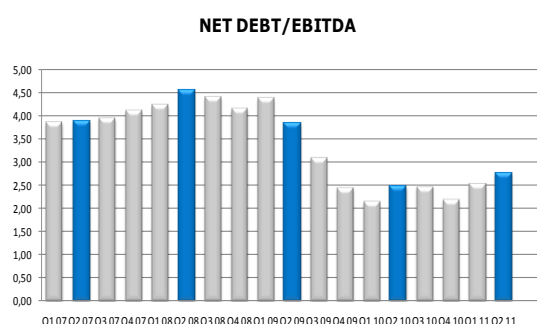
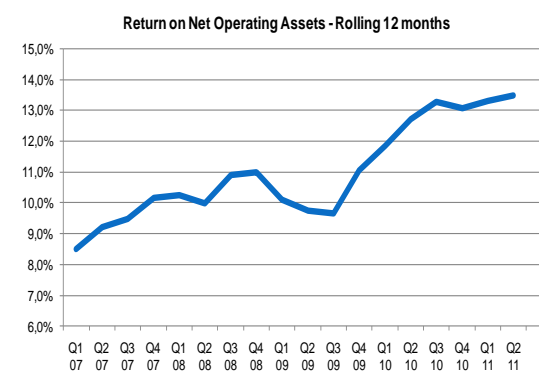
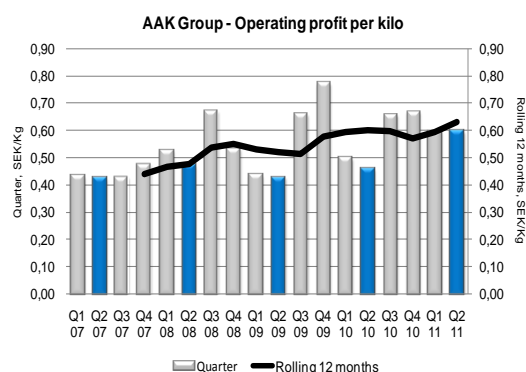
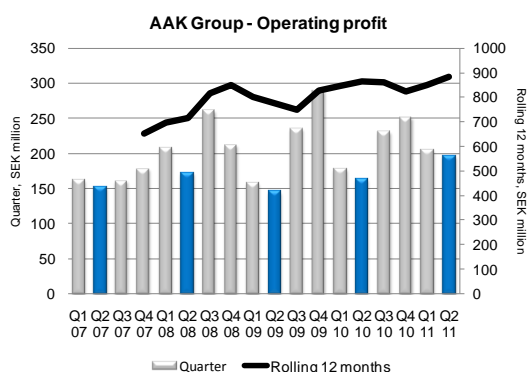
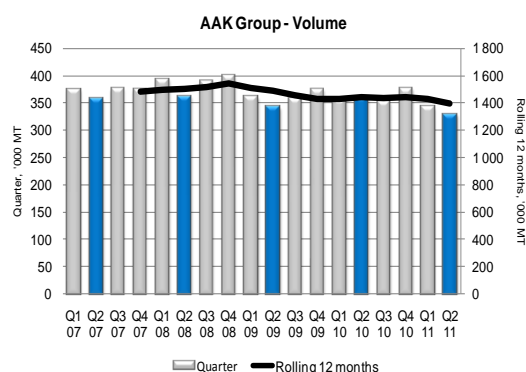
## Employees

The average number of employees in the Group as at 30 June 2011 was 1,987 (2,101 on 31 December 2010), a reduction of 114 employees compared to year-end and 137 employees compared to the corresponding quarter last year. The net change consists of a reduction at our sites in Scandinavia, partly offset by increases in focused growth markets.

## The Parent Company and Group Functions

The Parent Company is a holding company for the AAK Group. Its functions are primarily concerned with joint Group activities related to development and administration.

## Group – Q2 2011



## Volume and operating profit per kilo

### Volume Q2 2011

AAK Group	Food Ingredients	Chocolate and Confectionery Fats	Technical Products & Feed
<b>- 8 percent</b>	<b>- 13 percent</b>	<b>+ 7 percent</b>	<b>- 7 percent</b>
358,000 MT to 329,000 MT	218,000 MT to 189,000 MT	69,000 MT to 74,000 MT	71,000 MT to 66,000 MT

### Operating profit per kilo

AAK Group	Food Ingredients	Chocolate and Confectionery Fats	Technical Products & Feed
<b>+ 30 percent</b>	<b>+ 37 percent</b>	<b>+ 14 percent</b>	<b>+ 8 percent</b>
0.46 SEK to 0.60 SEK	0.46 SEK to 0.63 SEK	0.83 SEK to 0.95 SEK	0.39 SEK to 0.42 SEK



# Business Area Food Ingredients, Q2 2011



## Net sales

Net sales for the business area increased by SEK 139 million due to increased raw material prices and a better product mix, partly offset by negative currency translation impact of SEK 217 million.

Volumes for the business area declined in the second quarter by 13 percent, mainly due to structural changes in the UK and generally lower commodity volumes.

## Gross contribution

Gross contribution declined to 412 SEK million (443\*), mainly due to negative currency translation effects of SEK 37 million.

## Operating result

Operating profit amounted to SEK 120 million (101\*), an increase of 19 percent. The

result includes negative currency translation effects of SEK 11 million. At fixed exchange rates, operating profit was up 30 percent compared to last year.

Margins continued to improve.

## External factors/activities

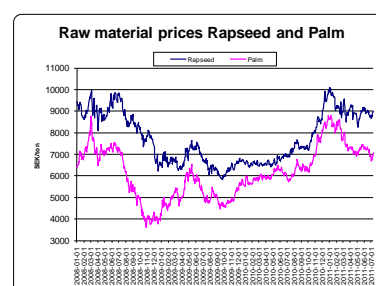
The "AAK Acceleration" programme addresses significant growth opportunities in our speciality products such as Infant Nutrition (Baby Food), Bakery, Dairy Industry and Food Service.

## Acquisition of Golden Foods/Golden Brands

Subsequent to the end of the second quarter 2011 the company acquired Golden Foods/Golden Brands in the US, which will be an integral part of the Food Ingredients business. This acquisition will

have only limited impact on the 2011 operating profit, but it will have material benefits beginning from the first quarter, 2012.

## Raw material prices for palm and rapeseed oil, SEK/tonne



\* Starting with the first quarter of 2011 the Group's operations in crushing will be reported as part of business area Technical Products & Feed. The crushing operation has previously been reported within the business area Food Ingredients. For further information, see page 17.

\*\* All figures are excluding non recurring items.

## Financial summary\*\*

SEK Million	Q2 2011	Q2 2010	Δ	%	Q1-2 2011	Q1-2 2010*	Δ	%	Full Year 2010*	Rolling 12 months*
Net Sales	2,345	2,206	+6		4,596	4,224	+9		8,667	9,039
Gross Contribution	412	443	-7		803	856	-6		1,826	1,774
Operating profit	120	101	+19		224	198	+13		454	480
Operating profit per kilo	0.63	0.46	+37		0.58	0.46	+26		0.53	0.59
Volumes ('000 tonnes)	189	218	-13		383	430	-11		861	814

# Business Area Chocolate & Confectionery Fats, Q2 2011



## Net sales

Net sales for the business area improved by SEK 125 million, or by 12 percent, due to volume growth, better product mix and raw material price increases, partly offset by negative translation effects of SEK 144 million.

## Gross contribution

Excluding translation effects gross contribution increased by SEK 40 million.

During the second quarter the business area experienced negative translation effects of SEK 31 million. After including these, gross contribution increased by SEK 9 million.

## Operating result

The operating result reached SEK 70 million (57), an increase of 23 percent. This result included a negative

translation impact of SEK 10 million.

At fixed exchange rates, operating profit was up 40 percent compared to last year.

Compared to last year, volume increased by 7 percent and operating profit per kg improved from SEK 0.83 to SEK 0.95. Prices for CBE continued to be stable during the second quarter.

The general market conditions were stable.

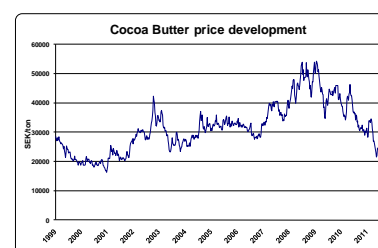
## External factors/activities

The second quarter is seasonally the weakest quarter in the Chocolate & Confectionery Fats business area. There was continued strong demand in the Americas (North and South) and moderate demand in Europe.

Customers in Russia continue to be mainly focused on standard and economy brands in chocolate and confectionery while demand for premium products is still relatively low.

This is due to disposable income growth being limited and employment levels remaining unstable. (Source: Euromonitor)

## Cocoa butter, SEK/tonne



\* All figures are excluding non-recurring items

## Financial summary\*

SEK Million	Q2 2011	Q2 2010	Δ	%	Q1-2 2011	Q1-2 2010*	Δ	%	Full Year 2010*	Rolling 12 months*
Net Sales	1,146	1,021	+12		2,303	2,124	+8		4,474	4,653
Gross Contribution	320	310	+3		646	643	+0		1,394	1,397
Operating profit	70	57	+23		151	133	+14		341	359
Operating profit per kilo	0.95	0.83	+14		0.99	0.92	+8		1.14	1.18
Volumes ('000 tonnes)	74	69	+7		152	145	+5		298	305

# Business Area Technical Products & Feed, Q2 2011



## Net sales

Net sales for the business area improved by SEK 49 million, or 13 percent, mainly due to increased raw material prices and a better product mix.

Volumes in the second quarter 2011 decreased by 7 percent compared to the corresponding quarter last year. During the second quarter there was a planned, and slightly longer than normal, maintenance stop which resulted in reduced low

commodity volumes, mainly affecting the feed product segments.

## Gross contribution

Gross contribution was unchanged in the second quarter 2011.

## Operating result

Operating profit was SEK 28 million (28\*), unchanged compared to the corresponding quarter last year. The improvement in operating profit

per kilo was mainly due to reduced low margin commodity volumes.

## External factors/activities

The biolubricant business continued to enjoy signs of market recovery. However, crushing margin seems to be under pressure in Europe.

\* Starting with the first quarter of 2011 the Group's operations in crushing will be reported as part of business area Technical Products & Feed. The crushing operation has previously been reported within the business area Food Ingredients. For further information, see page 17.

## Financial summary

SEK Million	Q2 2011	Q2 2010*	Δ %	Q1-2 2011	Q1-2 2010*	Δ %	Full year 2010*	Rolling 12 months*
Net Sales	416	367	+13	851	756	+13	1,667	1,762
Gross contribution	99	99	+0	213	193	+10	405	425
Operating profit	28	28	+0	67	53	+26	118	132
Operating profit per kilo	0.42	0.39	+8	0.49	0.38	+29	0.42	0.47
Volumes ('000 tonnes)	66	71	-7	138	139	-1	282	281



## *The AAK Group, first six months 2011*

### **Net sales**

Net sales increased by SEK 646 million due to increased raw material prices and better product mix, partly offset by a negative currency translation impact of SEK 640 million.

Commodity volumes for Food Ingredients continued to decline in the second quarter, but speciality volume increased in Food Ingredients, Chocolate & Confectionery Fats and Technical Products & Feed.

There are no major changes in the general market conditions for speciality products compared to last year.

### **Gross contribution**

Excluding currency translation effects, gross contribution improved by SEK 92 million, while negative currency translation impact was SEK 122

million. After including currency translation effects, gross contribution decreased by SEK 30 million.

### **Operating result**

Operating profit, excluding non-recurring items of SEK 3 million, reached SEK 400 million (342), an improvement of 17 percent. At fixed exchange rates, operating profit amounted to SEK 432 million (342), an improvement of 26 percent.

Operating profit per kilo increased from SEK 0.48 to SEK 0.59 or by 23 percent due to a higher share of value added products. Volumes increased in the case of speciality products whilst low margin commodity volumes decreased.

### **Investments**

Group investments in fixed assets totalled SEK 163 million (179), mainly comprising regular maintenance investments.

### **Cash flow**

As anticipated, cash flow from operating activities was negative SEK 399 million (positive 310), as a result of the significant raw material price increases during the last six to nine months.

Cash flow, after net investments of SEK 163 million (179), was negative SEK 562 million (positive 131). Further, during the second quarter we paid a dividend of SEK 184 million.

## General information

### Related parties

No significant changes have taken place in relations or transactions with related parties since 2010.

### Insurance compensation

As announced in the first quarter report 2011, the company did during the second quarter finalize the insurance case related to business interruption in 2008 and 2009.

The net impact of this settlement is basically offset by UK restructuring costs. The restructuring cost included some elements of non cash flow nature.

### Risk and uncertainty factors

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

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

### External risks

The AAK Group is exposed to the fierce competition that characterises the industry, as well as fluctuations in raw material prices affecting working capital.

### Financial risk

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

### Operational risk

The raw materials used in the operation are agricultural products, and availability may therefore vary due to climatic and other external factors.

### Accounting principles in 2011

This interim report is prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. For information regarding the accounting policies applied, see the 2010 Annual Report. The accounting policies are unchanged, compared with those applied in 2010.

As from 1 October 2010, AAK has started to use full hedge accounting based on fair value hedging in accordance with IAS 39. Therefore the company does not report any IAS 39 impact commencing the first quarter 2011.

### Definitions

For definitions see the 2010 Annual Report.

### Events after the balance sheet date

On July 1st the company acquired Golden Food/Golden Brands in the US. For further information see page 3.

### The Parent Company

The Parent Company's invoiced sales during second quarter 2011 were SEK 21 million (22).

The result for the Parent Company after financial items amounted to negative SEK 21 million (0).

Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totalled negative SEK 26 million (positive 160 as at 31 December 2010). Investments in intangible and tangible assets amounted to SEK 0 million (0).

The Parent Company's balance sheet and income statement are shown on pages 18-19.

### Accounting policies

AarhusKarlshamn AB (publ) is the Parent Company of the AAK Group. The Company has prepared its financial reports in accordance with the Annual Accounts Act and RFR 2 Reporting for legal entities.

### Changes in the balance sheet

No major changes since year-end.

The Board of Directors and the CEO declare that the interim report gives a full and fair view of the operation, position and performance of the Company and the Group, and describes the significant and uncertainty factors faced by the Company and the Companies which are members of the Group.

Malmö, July 20, 2011



Melker Schörling  
Chairman of the Board



Carl Bek-Nielsen  
Vice Chairman



Martin Bek-Nielsen  
Board member



Mikael Ekdahl  
Board member



John Goodwin  
Board member



Märit Beckeman  
Board member



Harald Sauthoff  
Board member



Ulrik Svensson  
Board member



Arne Frank  
Chief Executive Officer  
and President



Annika Westerlund  
Trade union  
representative



Leif Håkansson  
Trade union  
representative

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 July 20, 2011 at 11 am CET.

## AAK Group - Consolidated income statement

SEK Million	Q2 2011	Q2 2010	Q1-2 2011	Q1-2 2010	Rolling 12 months*	Full year 2010*	Full year 2010
Net sales	3,907	3,594	7,750	7,104	15,454	14,808	14,808
Other operating income	61	6	73	12	85	27	46
<b>Total operating income</b>	<b>3,968</b>	<b>3,600</b>	<b>7,823</b>	<b>7,116</b>	<b>15,539</b>	<b>14,835</b>	<b>14,854</b>
Raw materials and supplies	-3,110	-2,836	-6,179	-5,511	-12,023	-11,310	-11,271
Other external expenses	-256	-275	-495	-553	-1,111	-1,169	-1,169
Cost for remuneration to employees	-307	-291	-563	-566	-1,143	-1,146	-1,146
Amortisation and impairment losses	-96	-92	-180	-185	-371	-376	-376
Other operating expenses	0	-2	-3	-4	-9	-10	-10
<b>Total operating income</b>	<b>-3,769</b>	<b>-3,496</b>	<b>-7,420</b>	<b>-6,819</b>	<b>-14,657</b>	<b>-14,011</b>	<b>-13,972</b>
<b>Operating result (EBIT)</b>	<b>199</b>	<b>104</b>	<b>403</b>	<b>297</b>	<b>882</b>	<b>824</b>	<b>882</b>
Interest income	2	1	3	4	7	8	8
Interest expense	-21	-14	-39	-29	-69	-59	-59
Other financial items	-11	-3	-9	-5	-7	-3	-3
<b>Total financial net</b>	<b>-30</b>	<b>-16</b>	<b>-45</b>	<b>-30</b>	<b>-69</b>	<b>-54</b>	<b>-54</b>
<b>Result before tax</b>	<b>169</b>	<b>88</b>	<b>358</b>	<b>267</b>	<b>813</b>	<b>770</b>	<b>828</b>
Income tax	-43	-27	-93	-79	-191	-187	-202
<b>Net result</b>	<b>126</b>	<b>61</b>	<b>265</b>	<b>188</b>	<b>622</b>	<b>583</b>	<b>626</b>
Attributable to non-controlling interests	1	-1	2	0	4	4	2
Attributable to the Parent company's shareholders	125	62	263	188	618	579	624

\* Rolling 12 months and full-year 2010 are excluding the IAS 39 effect and non-recurring items.

## AAK Group – Comprehensive income

SEK Million	Q2 2011	Q2 2010	Q1-2 2011	Q1-2 2010	Rolling 12 months	Full year 2010
Income for the period	126	61	265	188	703	626
Exchange differences on translation of foreign operations	26	69	-40	10	-279	-229
<b>Total comprehensive income for the period</b>	<b>152</b>	<b>130</b>	<b>225</b>	<b>198</b>	<b>424</b>	<b>397</b>
Attributable to non-controlling interests	1	2	1	2	1	2
Attributable to the Parent company's shareholders	151	128	224	196	423	395

## AAK Group – Condensed balance sheet

SEK Million	30.6.2011	30.6.2010	31.12.2010
<b>Assets</b>			
Goodwill	584	621	580
Other intangible assets	95	97	102
Tangible assets	2,698	2,926	2,718
Financial assets	165	170	133
<b>Total non-current assets</b>	<b>3,542</b>	<b>3,814</b>	<b>3,533</b>
Inventory	3,027	2,185	2,299
Current receivables	2,703	2,410	2,880
Cash and cash equivalents	560	241	540
<b>Total current assets</b>	<b>6,290</b>	<b>4,836</b>	<b>5,719</b>
<b>Total assets</b>	<b>9,832</b>	<b>8,650</b>	<b>9,252</b>
<b>Equity and liabilities</b>			
Shareholders' equity	3,214	2,949	3,164
Non-controlling interests	20	24	24
<b>Total equity including non-controlling interests</b>	<b>3,234</b>	<b>2,973</b>	<b>3,188</b>
<b>Total non-current liabilities</b>	<b>4,272</b>	<b>3,652</b>	<b>3,486</b>
Accounts payable	1,167	642	838
Other current liabilities	1,159	1,383	1,740
<b>Total current liabilities</b>	<b>2,326</b>	<b>2,025</b>	<b>2,578</b>
<b>Total equity and liabilities</b>	<b>9,832</b>	<b>8,650</b>	<b>9,252</b>

No changes have arisen in contingent liabilities.



## AAK Group – Change in equity

SEK Million	Total equity capital	Non controlling interests	Total equity incl. non-controlling interests
Openings equity 1 January 2011	3,164	24	3,188
Profit for the period	263	2	265
Other comprehensive income	-39	-1	-40
<b>Total comprehensive income</b>	<b>3,388</b>	<b>25</b>	<b>3,413</b>
Redemption non-controlling interest	-	-5	-5
Stock options	10	-	10
Dividend	-184	-	-184
<b>Closing equity 30 June 2011</b>	<b>3,214</b>	<b>20</b>	<b>3,234</b>

SEK Million	Total equity capital	Non controlling interests	Total equity incl. non-controlling interests
Openings equity 1 January 2010	2,927	22	2,949
Profit for the period	188	0	188
Other comprehensive income	8	2	10
<b>Total comprehensive income</b>	<b>196</b>	<b>2</b>	<b>198</b>
Dividend	-174	-	-174
<b>Closing equity 30 June 2010</b>	<b>2,949</b>	<b>24</b>	<b>2,973</b>

## AAK Group – Cash flow statement

SEK Million	Q2 2011	Q2 2010	Q1-2 2011	Q1-2 2010	Full year 2010
<b>Operating activities</b>					
Cash flow from operating activities before change in working capital	231	109	435	330	874
Changes in working capital	-272	-114	-834	-20	-117
<b>Cash flow from operating activities</b>	<b>-41</b>	<b>-5</b>	<b>-399</b>	<b>310</b>	<b>757</b>
<b>Investing activities</b>					
Cash flow from investing activities	-95	-100	-163	-179	-331
<b>Cash flow after investing activities</b>	<b>-136</b>	<b>-105</b>	<b>-562</b>	<b>131</b>	<b>426</b>
<b>Financing activities</b>					
Cash flow from financing activities	490	29	595	-222	-188
<b>Cash flow for the period</b>	<b>354</b>	<b>-76</b>	<b>33</b>	<b>-91</b>	<b>238</b>
Cash and cash equivalents at start of period	207	305	540	322	322
Exchange rate difference for cash equivalents	0	12	-12	10	-20
<b>Cash and cash equivalents at end of period</b>	<b>561</b>	<b>241</b>	<b>561</b>	<b>241</b>	<b>540</b>

## AAK Group – Share data

SEK Million	Q2 2011	Q2 2010	Q1-2 2011	Q1-2 2010	Full year 2010
Number of shares, thousand	40,898	40,898	40,898	40,898	40,898
Earnings per share, SEK*	3.04	2.65	6.42	5.44	14.15
Earnings per share, SEK**	3.04	1.50	6.42	4.60	15.26
Equity per share, SEK	78.59	72.11	78.59	72.11	77.38
Market value on closing date	183.50	145.00	183.50	145.00	188.50

\* The calculation of earnings per share is based on weighted average number of outstanding shares excluding the IAS 39 effect (year 2010) and non-recurring items.

\*\* The calculation of earnings per share is based on weighted average number of outstanding shares.

No dilution from outstanding stock options during the second quarter 2011.

## Quarterly data – Business areas

### Gross contribution

SEK Million	2010					2011	
	Q1	Q2	Q3	Q4	Full year	Q1	Q2
Food Ingredients	413	443	448	522	1,826	391	412
Chocolate & Confectionery Fats	333	310	379	372	1,394	326	320
Technical Products & Feed	94	99	100	112	405	114	99
<b>Total AAK Group</b>	<b>840</b>	<b>852</b>	<b>927</b>	<b>1,006</b>	<b>3,625</b>	<b>831</b>	<b>831</b>

### Operating profit

SEK Million	2010					2011	
	Q1	Q2	Q3	Q4	Full year	Q1	Q2
Food Ingredients	97	101	124	132	454	104	120
Chocolate & Confectionery Fats	76	57	102	106	341	81	70
Technical Products & Feed	25	28	29	36	118	39	28
Group Functions	-20	-22	-24	-23	-89	-20	-22
<b>Total AAK Group</b>	<b>178</b>	<b>164</b>	<b>231</b>	<b>251</b>	<b>824</b>	<b>204</b>	<b>196</b>
IAS 39 effect	15	-60	-56	140	39	-	-
Insurance compensation	-	-	-	19	19	-	48
Non-recurring items	-	-	-	-	-	-	-45
<b>Total legal operating profit AAK Group</b>	<b>193</b>	<b>104</b>	<b>175</b>	<b>410</b>	<b>882</b>	<b>204</b>	<b>199</b>
Financial net	-14	-16	-10	-14	-54	-15	-30
<b>Result before tax</b>	<b>179</b>	<b>88</b>	<b>165</b>	<b>396</b>	<b>828</b>	<b>189</b>	<b>169</b>

## Operating profit Q2 2011 by segments – Inclusive and Exclusive non-recurring items

SEK Million	Excl non-recurring items	Non-recurring items	Incl non-recurring items
Food Ingredients	120	-45	75
Chocolate Confectionery Fats	70	+56	126
Technical Products & Feed	28	0	28
Group Functions	-22	-8	-30
<b>Total AAK Group</b>	<b>196</b>	<b>+3</b>	<b>199</b>

## Change in reporting for business areas Food Ingredients and Technical Products & Feed

Starting with the first quarter of 2011, the Group's operations in crushing will be reported as part of the business area Technical Products & Feed. The crushing operation has previously been reported within the business area Food Ingredients.

Since 1st January 2011 the crusher has been operated by product area Feed, which is within the business area Technical Products & Feed. Below are the sales, gross contribution and operating profit for the respective quarters in 2010 according to the new

reporting structure. Earlier reported volumes are unchanged after this change in reporting for AAK business areas as reported volumes include only processed products and not sale of crude oil.

### Sales

SEK million	2010	Q1	Q2	Q3	Q4	Full Year
Food Ingredients	<b>New</b>	<b>2,018</b>	<b>2,206</b>	<b>2,154</b>	<b>2,289</b>	<b>8,667</b>
	Old	2,062	2,241	2,233	2,391	8,927
Technical Products & Feed	<b>New</b>	<b>389</b>	<b>367</b>	<b>416</b>	<b>495</b>	<b>1,667</b>
	Old	345	332	337	393	1,407

### Gross contribution

SEK million	2010	Q1	Q2	Q3	Q4	Full Year
Food Ingredients	<b>New</b>	<b>413</b>	<b>443</b>	<b>448</b>	<b>522</b>	<b>1,826</b>
	Old	442	476	480	554	1,952
Technical Products & Feed	<b>New</b>	<b>94</b>	<b>99</b>	<b>100</b>	<b>112</b>	<b>405</b>
	Old	65	66	68	80	279

### Operating profit

SEK million	2010	Q1	Q2	Q3	Q4	Full Year
Food Ingredients	<b>New</b>	<b>97</b>	<b>101</b>	<b>124</b>	<b>132</b>	<b>454</b>
	Old	101	107	130	137	475
Technical Products & Feed	<b>New</b>	<b>25</b>	<b>28</b>	<b>29</b>	<b>36</b>	<b>118</b>
	Old	21	22	23	31	97

## Parent company - income statement

SEK Million	Q1-2 2011	Q1-2 2010	Full year 2010
Net sales	21	22	42
Other operating income	1	0	2
<b>Total operating income</b>	<b>22</b>	<b>22</b>	<b>44</b>
Other external expenses	-26	-20	-47
Cost for remuneration to employees	-19	-23	-44
Amortisation and impairment losses	-1	0	-1
Other operating expenses	0	0	0
<b>Total operating expenses</b>	<b>-46</b>	<b>-43</b>	<b>-92</b>
<b>Operating result (EBIT)</b>	<b>-24</b>	<b>-21</b>	<b>-48</b>
Interest income	82	82	164
Interest expense	-79	-61	-140
Other financial items	-	-	-
<b>Total financial net</b>	<b>3</b>	<b>21</b>	<b>24</b>
<b>Result before tax</b>	<b>-21</b>	<b>0</b>	<b>-24</b>
Income tax	-1	2	8
<b>Net result</b>	<b>-22</b>	<b>2</b>	<b>-16</b>

## Parent company – Comprehensive income

SEK Million	Q1-2 2011	Q1-2 2010	Full year 2010
Net result for the period	-22	2	-16
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>-22</b>	<b>2</b>	<b>-16</b>



## Parent company – Condensed balance sheet

SEK Million	30.6.2011	30.6.2010	31.12.2010
<b>Assets</b>			
Other intangible assets	1	1	1
Tangible assets	4	4	4
Financial assets	7,670	7,689	7,667
<b>Total non-current assets</b>	<b>7,675</b>	<b>7,694</b>	<b>7,672</b>
Current receivables	105	90	54
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>105</b>	<b>90</b>	<b>54</b>
<b>Total assets</b>	<b>7,780</b>	<b>7,784</b>	<b>7,726</b>
<b>Equity and liabilities</b>			
Shareholders' equity	3,968	4,142	4,174
<b>Total equity</b>	<b>3,968</b>	<b>4,142</b>	<b>4,174</b>
<b>Total non-current liabilities</b>	<b>3,692</b>	<b>3,540</b>	<b>3,402</b>
Accounts payable	9	3	11
Other current liabilities	111	99	139
<b>Total current liabilities</b>	<b>120</b>	<b>102</b>	<b>150</b>
<b>Total equity and liabilities</b>	<b>7,780</b>	<b>7,784</b>	<b>7,726</b>

## *Information and contact details*

### **Publication dates**

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The annual and quarterly reports are also published on [www.aak.com](http://www.aak.com)

### **Investor Relations contact:**

Arne Frank, President and CEO  
Phone: + 46 40 627 83 00

Anders Byström, Chief Financial Officer  
Phone: + 46 40 627 83 00

Fredrik Nilsson, Head of Investor Relations  
Phone: + 46 40 627 83 34  
Mobile: + 46 708 95 22 21  
E-Mail: [fredrik.nilsson@aak.com](mailto:fredrik.nilsson@aak.com)

**AarhusKarlshamn AB (publ)**  
Jungmansgatan 12, 211 19 Malmö, Sweden  
Phone: + 46 40 627 83 00, Reg. No. 556669-2850, [www.aak.com](http://www.aak.com)