Interim Report

AarhusKarlshamn AB (publ)

Interim report – January - June 2006*

- Net sales totalled SEK 5,396 (5,252) million.
- The operating profit, excluding the impact of IAS 39 and excluding non recurring items of SEK 107 million, amounted to SEK 220 (236) million.
- During 2005 the profit from subcontracting in Chocolate & Confectionery Fats amounted to SEK 60 million for the full year and SEK 30 million for the first six months. This business discontinued at the end of 2005.
- The operating profit after adjustment for IAS 39 was SEK 124 million.
- The profit after tax amounted to SEK 60 million.
- Earnings per share were SEK 1.48.

"We see an increased share of speciality products and improved gross contribution per tonne. The merger continues as planned.

Total positive synergies will increase from earlier communicated SEK 150 million to SEK 175 million. The synergies will have full impact from the fourth quarter 2007 and full year impact on 2008.
The total non-recurring costs during 2005 and 2006 are estimated at approximately SEK 250 million.

The possibility of additional synergies through cost improvements in a second wave of restructuring is promising", says CEO, Jerker Hartwall in a comment to the report.

Interim report for the period April-June 2006*

- Net sales totalled SEK 2,599 (2,770) million. Gross contribution per tonne has improved gradually following the specialisation strategy but sales have decreased mainly due to the strategic change in the product mix and a temporary shortage of shea nuts.
- The operating profit, excluding the impact of IAS 39 and excluding non recurring item of SEK 102 million, amounted to SEK 101 (117) million. Higher energy costs of SEK 10 million (net) has affected the result in the second quarter.
- During 2005 the profit from subcontracting in Chocolate & Confectionery Fats amounted to SEK 60 million for the full year and SEK 20 million for the second quarter. This business discontinued at the end of 2005.
- The operating profit after adjustment for IAS 39 amounted to SEK -2 million.
- Loss after tax was SEK 6 million.

* Comparable figures in brackets refer to 2005 pro forma.

The President's comments

Speciality products

During the first six months of 2006 growth has been positive, especially in the area of trans free fats in the USA, speciality products in nutrition foods, functional foods and cosmetics. In addition, sales of CBE (Cocoa Butter Equivalents) has grown by 10 percent despite the group's anticipated shortage of shea nuts during 2006 (as communicated earlier). The acquisition of the wet food division of Lion Food (sauces, marinades, dressings) is a reinforcement of our strategy to integrate forwards in the value chain – a strategy that has been developed in the UK and the Nordic Region in order to reduce dependence on bulk oils and lower margins. FoodService activities in the group generated total sales after the acquisition of SEK 1,400 million, representing almost 25 percent of the business area.

The high growth rate witnessed in the first quarter within CBE for the chocolate industry was hampered in the second quarter by the shortage of the important raw material, shea nuts. However growth is expected to return in 2007. The adopted investment of SEK 150 million for the considerable expansion of our chocolate-fat capacity is, as before, an identified merger-benefit with a significant positive effect on cash flow through the avoidance of duplication of investments. This investment is planned to be operational by the end of 2007.

Margins within bulk oils and fats have strengthened after several years of downward trend. The share of speciality fats continues to increase but has been negatively affected by the aforementioned shortage of shea nuts.

Offensive acquisition in The UK

The "wet foods" division was acquired from Lion Food Ltd in the second quarter. This operation has annual sales of GBP 14 million and will significantly increase AAK UK's activities within the sector for sauces, dressings and marinades. The transaction also includes the rights to the long-established Lion brand name for "wet foods".

The new operations will be managed under the AAK Food name at the plant in Runcorn outside Manchester in the UK.

This acquisition is expected to be profitable in 2007 after being integrated into the AAK UK organisation.

Expansion in the USA

A decision has been made to extend production capacity in Newark, USA. Trans-free products are now growing rapidly in many parts of the world, following the strong health trend. This is a prioritised strategic growth area for AAK where we are one of the leading providers of trans-free solutions. The investment is estimated to approximately SEK 40 million and will give positive profit impact during 2007.

Merger related costs

The Group is currently in an intensive phase of merger-related activities. The change of the distribution channels, from distributors to our own sales companies, for example in the United States, Ukraine and Russia will enable better margins and faster growth in the future. The second quarter includes non-recurring items related to the termination of these main distributors, amounting to SEK 72 million.

The change of the production structure in the UK, where three production units will be concentrated in one main facility in Hull will reduce our costs and create an effective plant for the important British market. At the same time significant production optimization is carried out in the two large plants in Denmark and Sweden for the purpose of specialization which will create substantially more efficient plants in the future.

There are a large number of other change projects within the entire Group in addition to these major initiatives. The second quarter includes several non recurring items in addition to the termination of distributorship mentioned above. These non recurring items aggregate SEK 30 million for the second quarter and SEK 35 million for the first six months and they are related to cost reductions including severance pay and extra administrative merger related costs.

All together non recurring costs in the first six months amounted to SEK 107 million of which SEK 102 million affected the second quarter.

The planned change projects that where mentioned in the year end report implied that 2006 will be characterised by high running costs, non recurring costs and temporary lost income due to renovation of production capacity.

During 2005 the profit from subcontracting in Chocolate & Confectionery Fats amounted to SEK 60 million for the full year and SEK 30 million first six months and SEK 20 million for the second quarter. This business discontinued at the end of 2005.

Rapidly rising energy prices have also burdened the Group by SEK 15 million in the first six months, of which SEK 10 million affected the second quarter.

Altogether the result for the first six months 2006 amounted to SEK 220 million compared to SEK 236 million 2005.

Synergies

Synergies throughout the entire value chain were identified in conjunction with the merger – from the supply of raw-material components to sales. As is characteristic in the processing industry, the majority of the synergies are within the areas of plant rationalisations and streamlining.

Intensive work has taken place in the first half-year to implement the planned changes and these projects continue as planned. The changes in the distribution channels that affected the second quarter earnings, which costs of SEK 72 million, represent an offensive action where we have secured the customer relations on these important markets.

Altogether the actions taken will lead to increased synergies of approximately SEK 25 million annually prospectively. The Group's total synergies are on track and being realised progressively.
During the first six months we can see the positive impact of the synergies and the impact of the earlier implemented productivity improvement program, amounting to SEK 35 million.
Considering all the actions taken, total synergy gains will increase from earlier communicated SEK 150 million to SEK 175 million. Positive synergies will have full impact from the fourth quarter 2007 and full year impact on 2008.
The total non recurring costs incurred in order to gain these synergies is estimated at approximately SEK 250 million during 2005 and 2006. The synergy related to non recurring items during 2005 amounted to SEK 91 million and non recurring items during the first six months 2006 amounted to SEK 107 million.
Management is estimating that approximately SEK 50 million of additional non recurring costs will be incurred in 2006. This implies a total of non recurring costs of approximately SEK 250 million which will be incurred in order to realise annual savings of SEK 175 million. The possibility of additional synergies through cost improvements in a second wave of restructuring is promising. These will be presented when the detailed analysis has been concluded.

The future

Our objective is to increase our share of products with a high degree of specialisation and attractive margins through organic growth in combination with organic investments and acquisitions. A very important stage in this direction is the decision to significantly expand our CBE capacity for the rapidly growing segment of cocoa butter equivalents, where the global capacity utilisation is very high. Growth has exceeded our expectations and has resulted in our purchases of raw materials, particularly shea nuts, not meeting demand, which in turn is limiting growth in 2006. However the growth is expected to return in 2007. Further more the company has resolved to invest in an extension of the production facilities in the USA in order to meet the increased demand for trans free fats. This investment is expected to generate positive earnings in 2007.

In 2007, we are anticipating significant improvements related to these change processes implemented during 2006.

The major expansion investment of our chocolate-fat capacity will also be completed next year, thus providing considerable growth potential for the future.

Our goal is to achieve and effective and restructured AAK by 2008 with strong market positions, good growth and synergies in the order of SEK 175 million.

Our financial strength will also enable us to develop our global ambitions as well as products with higher added-value. We will be active in the ongoing consolidation process.

Group management

The organisation progresses rapidly in all levels. After the starting phase the next step is to move the broad Group Management with 12 persons to consisting of six persons represented by the CEO, CFO and four business area managers.

Jerker Hartwall, CEO

Anders Byström, CFO

Jörgen Balle, President of Chocolate & Confectionery Fats will also be responsible for Lipids for Care.

Ian McIntosh, President of Food Ingredients UK will also be responsible for Food Ingredients Nafta (USA, Mexico).

Håkan Christensson, remains as President of Food Ingredients Continental Europe.

Magnus Jörsmo, remains as President of Technical Products & Feed.

Operations
Group

(SEK m)	3 months Apr-Jun 2006	Pro forma 3 months Apr-Jun 2005	6 months Jan-Jun 2006	Pro forma 6 months Jan-Jun 2005
Net sales	2,599	2,770	5,396	5,252
Gross contribution	567	685	1,254	1,339
Operating profit	-2	127	124	263
Of which value changes in raw materials and currency derivatives	-1	10	11	27

First six months, January – June

The Group's total sales increased by SEK 144 million. Adjusted for currency effects, sales declined by SEK 16 million.

The gross contribution excluding the impact of IAS 39 declined by SEK 69 million. Excluding currency effects, the margin fell by SEK 41 million, due primarily to the rebuilding of the crusher in Denmark and the shortage of shea nuts within the Chocolate & Confectionery Fats business area. For Food Ingredients, the share of speciality products increased. The result for 2005 includes temporary subcontracting with an profit of SEK 30 million.

The operating profit excluding the impact of IAS 39 amounted to SEK 113 (236) million, representing a decrease of SEK 123 million. The profit has been affected by non recurring items totalling SEK 107 million. Non recurring costs includes termination of distributorship SEK 72 million and staff redundancies SEK 19 million, extra merger related administrative costs SEK 16 million.

The result for the previous year included temporary subcontracting processing with an profit of SEK 60 million for the full year 2005 and SEK 30 million during the first six months.

Excluding these items, the operating profit during the first six months 2006 is in line with last year.

Second quarter, April-June

The Group's total sales declined by SEK 171 million (6 percent) compared with last year.

The gross contribution excluding the impact of IAS 39 fell by SEK 107 million, due primarily to shortage of shea nuts and lower deliveries from Feed Materials (business area Product Technical & Feed) because of a longer than planned maintenance stop.

The operating profit excluding the impact of IAS 39 decreased by SEK 118 million, due essentially to the Chocolate & Confectionery Fats business area, which has reported a profit that is SEK 107 million lower than last year. The profit has been affected by restructuring costs of SEK 102 million. Non recurring costs include the termination of distributors SEK 72 million and staff redundancies and extra merger related administrative costs.

During 2005 the profit from subcontracting in Chocolate & Confectionery Fats amounted to SEK 60 million for the full year and SEK 30 million first six months and SEK 20 million for the second quarter. This business discontinued at the end of 2005.

Excluding these items, the operating profit during the second quarter 2006 is in line with last year.

Chocolate & Confectionery Fats

(SEK m)	3 months Apr-Jun 2006	Pro forma 3 months Apr-Jun 2005	6 months Jan-Jun 2006	Pro forma 6 months Jan-Jun 2005
Net sales	884	943	1,758	1,707
Gross contribution	128	247	392	489
Operating profit	-50	57	13	115
Volumes (000 tonnes)	69	80	144	156

First six months, January-June

Sales in the first half-year were in line with last year. The share of speciality products increased, and there exists considerable potential in the market to increase the share of speciality products in the future. Market growth for CBE continues to be strong. Sales grew by SEK 51 million in the first six months of the year, with no significant currency impact.

The gross contribution fell by SEK 119 million partly due to shortage of nuts and partly due to fact that 2005 included temporary subcontracting with an income of SEK 20 million.

The operating profit decreased by SEK 102 million. Chocolate & Confectionery Fats activities are undergoing major changes in the merger, resulting in non recurring costs of SEK 72 million of which SEK 68 million is due to the termination of distributorsship.

The result for the previous year included temporary subcontracting as mentioned above.

Second quarter, April-June

Total sales for the period fell due to the lack of shea nuts.

The result for the previous year included temporary subcontracting processing as mentioned above.

Food Ingredients

(SEK m)	3 months Apr-Jun 2006	Pro forma 3 months Apr-Jun 2005	6 months Jan-Jun 2006	Pro forma 6 months Jan-Jun 2005
Net sales	1,377	1,392	2,896	2,680
Gross contribution	348	344	679	635
Operating profit	58	63	107	102
Volumes (000 tonnes)	213	219	428	427

First six months, January-June
Total sales increased by SEK 216 million (8 percent). Excluding exchange rate effects, the rise amounted to SEK 135 million (5 percent) while volumes were unchanged. Significant sales successes have been achieved in the USA, particularly for products with low or no trans content, while the share of standard products declined.

Non recurring items in the amount of SEK 6 million has affected the profit.

Second quarter, April-June
Total sales declined by SEK 15 million while volumes decreased by 3 percent.

The operating profit declined by SEK 5 million, and was affected by the reversal of negative goodwill in the amount of SEK 10 million offset by higher energy costs.

Food Ingredients Continental Europe
Total sales, January-June, increased by 7 percent compared with last year. Sales of standard products declined while the share of speciality products increased. The operating profit was in line with last year.

Total sales during the second quarter increased by 4 percent. The volumes of bulk oils and fats are down but the relation of added value has improved.
The operating profit was slightly below last year mainly due to high energy costs.

Food Ingredients UK
Total sales, January-June was in line with last year. Volumes of bulk oils and fats declined and the proportion of added value has improved. The acquisition of Lion Food in April, which represents a strategically important step for our FoodService operations in the UK but did not impact upon the second quarter.

The operating profit improved slightly, despite restructuring of the plants which is continues as planned.

Total sales for the second quarter was lower than last year due to lower volumes of standard products.

The operating profit improved slightly, due to the positive income recognition of negative goodwill related to the Lion Food acquisition in the amount of SEK 10 million. On the other hand, higher energy costs for SEK 10 million and non-recurring costs for staff reductions in conjunction with the restructuring of the plants in the UK burdened the results.

Food Ingredients Nafta, USA
Total sales for the first six months and the second quarter increased significantly compared to last year, particularly within products with low trans.

The operating profit improved considerably to be more in line with the profitability of other operations.

Food Ingredients Nafta, Mexico
Total sales for the first six months and second quarter increased compared to last year. The operating profit was slightly lower than last year due to the hurricanes in 2005 that destroyed roads and bridges, thus resulting in cost increases.

Technical Products & Feed

(SEK m)	3 months Apr-Jun 2006	Pro forma 3 months Apr-Jun 2005	6 months Jan-Jun 2006	Pro forma 6 months Jan-Jun 2005
Total sales	240	239	505	493
Gross contribution	50	52	100	104
Operating profit	14	17	26	33

First six months, January-June
Total sales increased by SEK 12 million (2 percent), volumes within feed materials decreased due to a long maintenance stop while fatty acids volumes increased mainly due to increased volumes of fractionated speciality fatty acids.

Second quarter, April-June
Sales were negatively affected by a longer maintenance stop in feed materials. The volumes of fatty acids increased significantly due to increased volumes of fractionated speciality fatty acids. The gross contribution and operating profit was in line with last year.

Other business

(SEK m)	3 months Apr-Jun 2006	Pro forma 3 months Apr-Jun 2005	6 months Jan-Jun 2006	Pro forma 6 months Jan-Jun 2005
Total sales	98	196	237	372
Gross contribution	41	42	83	111
Operating profit	-24	-10	-22	13
Of which value changes in raw materials and currency derivatives	-1	10	11	27

Other Business includes Lipids for Care, Ceylon Trading, Frank Fontannaz Holdings, BSP Pharma A/S, raw materials and currency effects, as well as costs related to the Group's head office.

The operating loss for the second quarter includes personnel redundancies which amounted to SEK 15 million and increased administration costs of SEK 5 million.

Lipids for Care
Total sales and the gross contribution increased strongly in both the first and second quarter. The operating profit improved on a half-year basis, albeit slightly lower in the second quarter compared with last year due to costs for the termination of a distributor in the important US market.

Ceylon Trading Company Ltd
Ceylon Trading Company Ltd is a holding company with a number of subsidiaries that are not wholly owned. Ceylon Trading's business activity is the manufacture and export of rubber products, the manufacture and distribution of food products, as well as the freight and shipping of vegetable oils.

Frank Fontannaz Holding Ltd
The Fontannaz Group, with offices in London, Rotterdam and Kuala Lumpur, is an international agent in vegetable oils.

BSP Pharma A/S
BSP Pharma is a joint venture between AarhusKarlshamn Denmark A/S and Astion A/S. The mission of the company is to develop and market proprietary anti-inflammatory products of the highest standards in terms of documentation, safety and effectiveness.

Results of raw material positions
Raw material prices fluctuate, and a priority for raw material sourcing is therefore continuously to monitor and manage the group's raw material exposure. In order to streamline purchasing processes, purchases of raw materials are however permitted, within the framework of the trading policy issued by the board, to take limited risks in raw material prices and currencies. Risks related to raw materials are governed by the group's policy regarding raw materials and currencies as described in Note 3 of the Annual Report for 2005.

First six months report, January-June

Profit after net financial items
The Group's pre-tax profit for the first half-year amounted to SEK 88 million. This figure includes value movements in raw materials and currency derivatives, which had a positive effect on earnings of SEK 11 million. Net financial items amounted to SEK -36 million.

The Group's pre-tax loss for the second quarter was SEK -18 million. This figure includes value movements in raw materials and currency derivatives, which had a negative effect on earnings of SEK -1 million. Net financial items amounted to SEK -16 million.

Capital expenditure
The Group's investments in fixed assets amounted to SEK 288 million in the first half-year. The Group's capital expenditure in the second quarter amounted to SEK 134 million.

Cash flow
Cash flow from operating activities amounted to SEK -31 million.

Financial position
The Group's shareholders' equity as at 30 June 2006 was SEK 3,407 million. Total assets amounted to SEK 6,812 million, and the equity/assets ratio was 50 percent.

The Group's net borrowings amounted to SEK 1,842 million as at 30 June 2006. Unused credit facilities as of June, 2006 amounted to SEK 1,870 million.

Acquisitions – January to June 2006 (SEK m)
On 13 April 2006, AAK UK acquired the wet foods division of Lion Food Ltd, which will considerably extend AAK UK’s business in the sauces, dressing and marinades sector in the UK. Also acquired with the business are the rights to the long established Lion brand. The new business will trade as AAK Foods and will continue to operate from its Runcorn site where it is expecting to employ around 130 staff. The result did not impact upon the second quarter.

The purchase price consists of the following components, Mkr:

Cash payment	35
Direct costs in connection with the acquisition	2
Total purchase price	37
Fair value of acquired net assets	47
Negative goodwill	10

The negative goodwill has been recognised in the income statement during the second quarter.

Personnel
The Group's average number of employees on 30 June 2006 was 2,541, thereof 130 related to the acquisition in UK.

Parent company
Profit after financial items for the parent company amounted to SEK -28 million for the first six months 2006. The parent company started its operation on 29 September 2005 and therefore there are no comparative numbers. The parent company is a holding company for the AarhusKarlshamn group. The operation in the parent company consists mainly of group wide duties linked to the development and administration of the group.

Accounting principles
AarhusKarlshamn's consolidated financial statements since the start of the new group as of 30 September 2005 are prepared in accordance with International Financial Reporting Standards (IAS/IFRS as endorsed by the European Union) issued by the International Accounting Standards Board and interpretations issued by

the International Financial Reporting Interpretations Committee (IFRIC) and the Swedish Annual Accounts Act. Interim reports are prepared in accordance with IAS 34 (Interim Financial Reporting) and RR 31 (Consolidated Interim Financial Reporting). The most important accounting principles under IFRS, which is the basis for the preparation of this interim report, are set out in Note 2 on page 59 of the Annual Report for 2005.

Principles for pro forma 2005

Pro forma accounts have been prepared to illustrate how the merger of Karlshamn and Aarhus United would appear if it had taken place at an earlier point in time. Pro forma accounts have only been prepared for illustrative purposes, and do not intend to present the financial position or the operating profit that could have been achieved if the merger had been completed at the pro forma reporting dates; nor to indicate the financial position or operating profit for any future point in time or period. The pro forma accounts for January-June 2005 are based on unaudited accounts prepared for Karlshamn in accordance with IFRS, and for Aarhus United in accordance with Danish GAAP. Income statements and balance sheets are thus not fully comparable with accounts for the period January-June 2005. Further details are set out in page 41 of the Annual Report for 2005.

Changes in the capital structure and profit distribution

The Annual General Meeting held on the 23 May this year resolved to convert the amount of SEK 5.169.621.508 from the restricted to the non-restricted equity of the company. The Annual General Meeting was also informed that the Board of Directors are planning to convene an Extraordinary General Meeting during this autumn to decide upon a profit distribution of in total SEK 29 per share, whereof SEK 25 will constitute an one-off dividend. The convening of the shareholders is intended to take place as soon as the adequate registration has been made regarding the Annual General Meetings conversion resolution. The ongoing changes in the capital structure and the one-off dividend are resulting from the overcapitalization of the company following the merger between Aarhus United and Karlshamn in September 2005.

Listing on the Stockholm Stock Exchange

AarhusKarlshamn is planning to apply for a listing at the O-list of the Stockholm Stock Exchange during the month of August, the trading is planned to commence on 11 September 2006. It is expected that an automatic transfer from the O-list to the new Pannordic OMX-list will occur on 2 October, 2006.

Squeeze-out of shares

AarhusKarlshamn is presently the owner of 98.4 per cent of the share capital of the subsidiary AarhusKarlshamn Sweden AB (formerly under the name of Karlshamns AB). The minority of this company holds in total approximately 358,000 shares, which are now in the process of being squeezed out. The squeeze out procedure is estimated to be finalised at the earliest in the end of 2006. AarhusKarlshamn has through a so called advanced entry into possession to the minority shares in June this year consolidated all the shares of AarhusKarlshamn in the company's' and the Groups' accounts.

Reporting schedule

The Interim Report for the third quarter will be published on 10 November 2006.
The year-end report for 2006 will be published in February 2007.

Malmö, 17 August 2006

Jerker Hartwall
President and CEO
For further information, please call +46 454 826 03

Summary income statement for the Group

(SEK million)	3 months Apr-Jun 2006	6 months Jan-Jun 2006
Net sales	2,599	5,396
Other operating income	13	18
Total operating income	**2,612**	**5,414**
Raw materials, consumables and goods for resale	-1,933	-4,004
Other external costs	-332	-619
Costs for remuneration to employees	-273	-515
Depreciation and impairment losses	-77	-151
Other operating costs	1	-1
Total operating costs	**-2,614**	**-5,290**
Operating profit	-2	124
Interest income	3	8
Interest expense	-21	-41
Other financial items	2	-3
Pre-tax profit	**-18**	**88**
Tax	12	-28
Net profit	**-6**	**60**
Attributable to:		
Minority interest	0	3
Parent company shareholders	-6	57

SHARE DATA	
Number of shares (000)	41,384
There of own shares	589
Earnings per share, SEK	1.48
Shareholders' equity per share, SEK	83.51

PROFIT AFTER NET FINANCIAL ITEMS, QUARTERLY

	2006	
(SEK million)	**Q1**	**Q2**
Net sales	2,797	2,599
Gross contribution	687	567
Operating profit	126	-2
Net financial items	-20	-16
Profit after net financial items	106	-18
- of which fair value movements in raw material and currency derivatives	12	-1

Summary balance sheet for the Group

(SEK million)	30.6.2006	31.12.2005
ASSETS		
Goodwill	577	593
Other intangible fixed assets	83	92
Tangible fixed assets	2,705	2,670
Financial fixed assets	122	108
Total fixed assets	**3,487**	**3,463**
Inventories	1,406	1,429
Current receivables	1,708	1,732
Cash and cash equivalents	211	211
Total current assets	**3,325**	**3,372**
TOTAL ASSETS	**6,812**	**6,835**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	3,407	3,504
Minority shareholding	30	50
Total shareholders' equity incl. minority share	**3,437**	**3,554**
Long-term liabilities	**1,601**	**1,401**
Accounting payable – trade	472	550
Other current liabilities	1,302	1,330
Total current liabilities	**1,774**	**1,880**
TOTAL CHAREHOLDERS' EQUITY AND LIABILITIES	**6,812**	**6,835**

There are no changes in contingent liabilities. Further there are no transactions during the period with related parties.

CHANGES IN SHAREHOLDERS' EQUITY

(SEK million	Total equity	Minority	Total share holders' equity incl., minority
Shareholders' equity opening balance, 1.1.2006	3,504	50	3,554
Purchase of minority in AAK Sweden AB	-39	-19	-58
Revaluation hedge instruments	9		9
- tax effect	-3		-3
Translation differences	-121	-4	-125
Net profit	57	3	60
Shareholders' equity, closing balance	**3,407**	**30**	**3,437**

Summary cash-flow statement for the Group

(SEK million)	Jan-June 2006
Operating activities	
Cash flow from operating activities before changes in net operating assets	198
Changes in net operating assets	-229
Cash flow from operating activities	**-31**
Investing activities	
Cash flow from financing activities	-263
Financing activities	
Cash flow from financing activities	304
Cash flow for the year	10
Liquid funds, opening balance	211
Translation differences	-10
Liquid funds, closing balance	**211**

Summary income statement and key figures, January – June 2006

(SEK million)	Jan-June 2006
Net sales	5,396
Gross contribution	1,243
Gross contribution, %	23
Operating profit	124
Operating profit, %	2
Net profit	60
Of which related to the parent company's share holders	57
Of which related to minority share holders	3
Operating profit before depreciation (EBITDA)	275
Operating cash flow	-42
Capital expenditure	288
Shareholders' equity	3,407
Minority share	30
Net borrowings	1,842
Equity/assets ratio, %	50
Net debt/equity ratio, multiple	0.54
Capital employed	5,710
Earnings per share, excl. Non-recuring items, SEK	1.48
Total number of shares, closing balance	41,384
There of own shares	589

Auditors report from PWC

We have reviewed the interim report for the period 1 January – 30 June 2006 for AarhusKarlshamn AB (publ). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements *SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, in accordance with IAS 34 and the Annual Accounts Act.

Malmö 17 August 2006

PricewaterhouseCoopers AB

Anders Lundin
Authorised Public Accountant

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