

AAK



Interim report for the second quarter 2014

Chief Executive's comments

Another record high operating profit

A record high operating profit was achieved for a second quarter, driven by the expected and continued significant improvement in Chocolate & Confectionery Fats and continued improvements in Food Ingredients. Operating profit, excluding acquisition related costs, reached SEK 281 million (244), an improvement of 15 percent compared to the corresponding quarter in 2013.

Operating profit, including acquisition related costs amounting to SEK 9 million, reached SEK 272 million (244), an improvement of 11 percent.

Operating profit per kilo excluding acquisition costs amounted to SEK 0.70 (0.62). The strong improvement was mainly due to the continued improvement in Chocolate & Confectionery Fats but also due to improvements in Food Ingredients and Technical Products & Feed.

Business Area operating profit:

- Food Ingredients reached a result of SEK 198 million (184), an improvement of 8 percent.
- Chocolate & Confectionery Fats improved by 40 percent, reaching SEK 91 million (65).
- Technical Products & Feed improved by 4 percent to SEK 24 million (23).

Earnings per share increased by 11 percent, to SEK 4.14 (3.74).

Sales amounted to SEK 4,114 million (4,034). The increase was mainly due to the positive impact of the Unipro acquisition.

Business development

Speciality and semi-speciality volumes in Food Ingredients were stable during the second quarter. Infant Nutrition volumes showed some growth but materially less than expected, mainly due to market disruption in relation to new Chinese regulations for Infant formula producers. This market is expected to continue to grow more strongly from the fourth quarter, 2014. Dairy Fat Alternatives showed double-digit growth. Commodity volumes continued to decrease.

Chocolate & Confectionery Fats developed very well with high double-digit growth in Cocoa Butter Equivalent (CBE).

However, the severe crisis in Ukraine continues to influence our Chocolate & Confectionery Fats business materially.



Stronger than expected operational cash flow

Operating cash flow including changes in working capital amounted to positive SEK 168 million (576). As earlier communicated working capital increased and the increase amounted to SEK 99 million (decrease 343) due to increased raw material prices during the fourth quarter 2013. Working capital is expected to continue to increase due to the forecasted growth in Chocolate & Confectionery Fats.

Continued strong ROCE evolution

Return on Capital Employed (ROCE), calculated on a rolling 12 months basis, was 16.8 percent (16.4 at December 31, 2013). The ROCE for the second quarter was 15.5 percent (15.4 percent at June 30, 2013).

AAK has acquired bakery fats specialist in Belgium

On April 9, 2014, AAK announced agreement to acquire the oils and fats business of CSM Benelux NV in Merksem. The company is a leading bakery fats supplier to mainly the bakery markets in Belgium, the Netherlands and France. The acquired business employs around 100 people and had revenues of approximately SEK 970 million in 2013.

The transaction was completed on July 1, 2014.

AAK strengthens its geographical footprint by acquiring FANAGRA in Colombia

Subsequent to June 30, 2014, AAK has acquired Fabrica Nacional de Grasas S.A. (FANAGRA), a Colombian company that specializes in vegetable oils and fats for the bakery segment. The company has 155 employees and had revenues of approximately SEK 270 million last year, with an annual volume of 30,000 tonnes.

Refinancing

AAK has signed new committed credit facilities. The new credit facilities are partly a five-year club deal of EUR 400 million (approximately SEK 3,600 million), partly two committed three-year bilateral facilities, totaling SEK 1,500 million. All facilities include an extension option of one plus one year.

AAktion

In January 2014, we launched the company program for 2014-2016, "AAktion". The new program is intended to further strengthen the focus on "Sales-Innovation-Execution" and is developing according to plan.

Concluding remarks

Based on AAK's customer value propositions for health and reduced costs, and our customer product co-development and solutions approach, we continue to remain prudently optimistic about the future.

The main drivers are the continued positive underlying development in Food Ingredients and the continued improvement in Chocolate & Confectionery Fats.

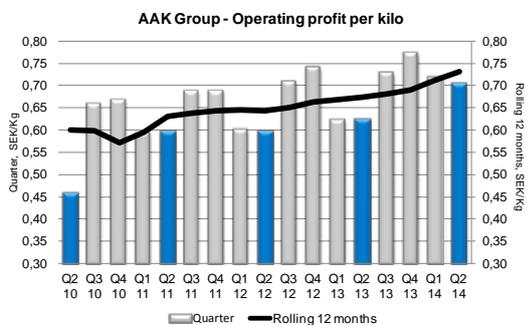
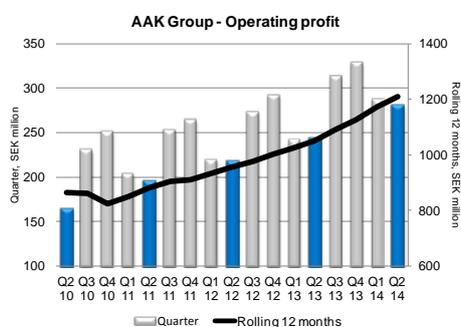
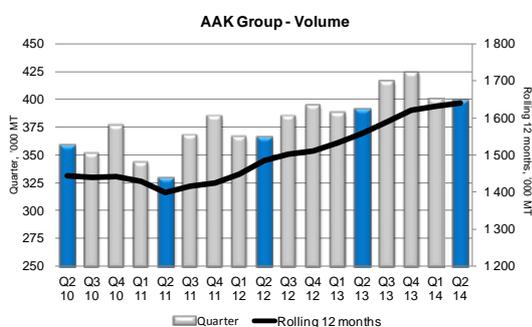


Arne Frank
Chief Executive Officer and President

Financial highlights and key ratios

SEK million	Q2 2014	Q2 2013	Δ %	Q1-2 2014	Q1-2 2013	Δ %	Full year 2013
Income statement							
Volumes (MT)	399	391	+2	799	780	+2	1,620
Operating profit excluding acquisition costs	281	244	+15	568	486	+17	1,127
Operating profit including acquisition costs	272	244	+11	559	486	+15	1,117*
Net profit	174	154	+13	363	311	+17	741
Financial position							
Total assets	10,916	9,418	-	10,916	9,418	-	10,045
Equity	4,811	3,996	-	4,811	3,996	-	4,364
Net working capital	2,987	2,448	-	2,987	2,448	-	2,581
Net interest-bearing debt	2,482	2,328	-	2,482	2,328	-	2,255
Cash flow							
EBITDA	364	330	+10	742	660	+12	1,460
Cash flow from operating activities	168	576	-71	249	789	-68	1,300
Cash flow from investing activities	-142	-164	-13	-309	-259	+19	-732
Free cash flow	26	412	-94	-60	530	-	568
Earnings per share							
Earnings per share before dilution	4.14	3.74	+11	8.67	7.53	+15	17.87
Earnings per share after dilution	4.09	3.69	+11	8.57	7.43	+15	17.62
Key figures							
Volume growth, %	+2	+7	-	+2	+7	-	+7
Operating profit per kilo (excl. acquisition cost)	0.70	0.62	+13	0.71	0.62	+15	0.69
Return on Capital Employed (R12 months)	16.8	14.9	+13	16.8	14.9	+13	16.4
Net debt / EBITDA	1.61	1.69	-5	1.61	1.69	-5	1.54

*) The full year 2013 includes acquisition costs of SEK 10 million incurred in the third quarter.



Operating profit and operating profit per kilo in the diagrams above has been adjusted to exclude acquisition costs.

The AAK Group, Second quarter 2014

Volumes

Volumes increased by 2 percent (organic growth negative 2 percent) compared to the second quarter 2013.

Speciality and semi-speciality volumes in Food Ingredients were stable during the second quarter. Infant Nutrition volumes showed some growth but materially less than expected, mainly due to market disruption in relation to new Chinese regulations for Infant formula producers. This market is expected to continue to grow more strongly from the fourth quarter, 2014. Dairy Fat Alternatives showed double-digit growth. Commodity volumes continued to decrease.

Chocolate & Confectionery Fats developed very well with high double-digit growth in Cocoa Butter Equivalent (CBE).

Net sales

Net sales increased by SEK 80 million mainly due to the acquisition of Unipro.

Operating profit

Operating profit, excluding acquisition related costs, reached SEK 281 million (244), an improvement of 15 percent compared to the corresponding quarter in 2013.

Operating profit, including acquisition related costs amounting to SEK 9 million, reached SEK 272 million (244), an improvement of 11 percent.

Operating profit per kilo excluding acquisition related costs, continued to improve to SEK 0.70 (0.62), an increase of 13 percent. Operating profit per kilo in Food Ingredients increased by 7 percent at SEK 0.77 (0.72), largely affected by a favourable product mix with stable growth in specialities and semi-specialities and low commodity volumes. Operating profit per kilo in Chocolate & Confectionery Fats improved by 32 percent at SEK 1.23 (0.93), as a result of a better product mix with higher CBE volumes and improved margins. Technical Products & Feed was stable at SEK 0.35 (0.35) per kilo.

The costs for Group Functions have increased by SEK 4 million mainly due to increased investments in R&D, in line with the innovation focus in the new company program, AAKtion. In addition, the second quarter operating result included acquisition related costs of SEK 9 million.

Net financial cost

The net financial cost increased slightly and amounted to SEK 31 million (28). The second quarter included one-off costs related to refinancing.

Cash flow and Investments

Operating cash flow in the second quarter came out stronger than expected and amounted to positive SEK 168 million (576). As earlier predicted and communicated working capital increased - the increase amounted to SEK 99 million (decrease by 343 last year). Working capital is expected to continue to increase due to the forecasted growth in Chocolate & Confectionery Fats.

After net investments amounting to SEK 142 million (164), cash flow was positive SEK 26 million (positive 412).

AAK acquires bakery fats specialist in Belgium

On April 9, 2014 AAK announced agreement to acquire the oils and fats business of CSM Benelux NV in Merksem. The company is a leading bakery fats supplier to mainly the bakery markets in Belgium, the Netherlands and France. The acquired business employs around 100 people and had revenues of approximately SEK 970 million in 2013.

The business produces a variety of bakery fat solutions, margarines and pumpable shortenings. The acquisition includes the factory in Merksem, an experienced sales force, application specialists offering customized solutions, and a bakery innovation center. The innovation center will give customers the opportunity to work closely with AAK's Customer Innovation teams.

The transaction was completed on July 1, 2014

AAK strengthens its geographical footprint by acquiring FANAGRA in Colombia

Subsequent to June 30, 2014, AAK has acquired Fabrica Nacional de Grasas S.A. (FANAGRA), a Colombian company that specializes in vegetable oils and fats for the bakery segment. The company has 155 employees and had revenues of approximately SEK 270 million last year, with an annual volume of 30,000 tonnes.

Refinancing

AAK has signed new committed credit facilities. The facilities replaced our existing committed facilities, which matured early 2016, and will be used to finance current operations and potential acquisitions.

The new credit facilities are partly a five-year club deal of EUR 400 million (approx SEK 3,600 million), partly two committed three-year bilateral facilities, totaling SEK 1,500 million. All facilities include an extension option of one plus one year. The new committed credit facilities have been obtained at more favourable conditions than the previous facilities. The transaction implied some one-off costs in the second quarter reported under financial items.

Altogether, the company has committed credit facilities of approximately SEK 5,600 million.

Financial position

The equity/assets ratio amounted to 44 percent (43 percent at December 31, 2013). Net debt at June 30, 2014, amounted to SEK 2,482 million (SEK 2,255 million on December 31, 2013). During the second quarter, the company paid a dividend of SEK 250 million.

At June 30, 2014, the Group had total committed credit facilities of approximately SEK 5,600 million (4,716 as of December 31, 2013), with approximately SEK 3,120 million of unused committed credit facilities.

Employees

The average number of employees at June 30, 2014 was 2,221 (2,207 at December 31, 2013).

Business Area Food Ingredients, Q2 2014

	SEK million	Q2 2014	Q2 2013	Δ %	Q1-2 2014	Q1-2 2013	Δ %	Full year 2013
Operating profit								
+8 %		256	255	0	508	505	+1	1,049
		2,635	2,659	-1	5,205	5,211	-0	10,798
Operating profit per kilo								
+7 %		0.77	0.72	+7	0.73	0.68	+7	0.73

Volumes

Food Ingredients reported stable volume development. During the second quarter, speciality and semi-speciality volumes continued to develop well. The recent improvements in Dairy Fat Alternatives continued and showed double-digit growth during the second quarter.

The growth of Infant Nutrition continued but less quickly than expected following some market disruption in relation to new regulations and approval procedures for Infant formula manufacturers. The new regulation became effective in May 2014.

By introducing these new regulations, the Chinese authorities are aiming at further improving food safety and good quality products for Infant nutrition. We expect the situation to normalize shortly and we expect this market to continue to grow more strongly from the fourth quarter, 2014.

For comparable units, volumes decreased by 3 percent due to low commodity volumes.

Net sales

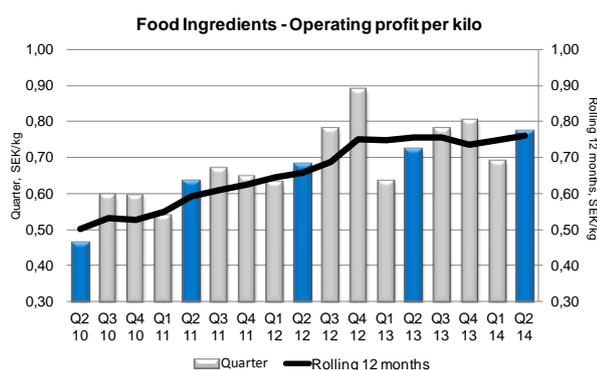
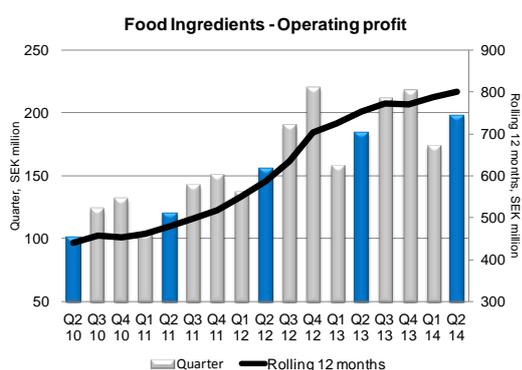
Net sales decreased by SEK 24 million mainly due to lower volumes partly offset by the positive impact of the Unipro acquisition.

Operating profit

Operating profit improved by 8 percent at SEK 198 million (184).

Operating profit per kilo at SEK 0.77 (0.72) due to the favourable product mix with low commodity volumes.

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



Business Area Chocolate & Confectionery Fats, Q2 2014

	SEK million	Q2 2014	Q2 2013	Δ %	Q1-2 2014	Q1-2 2013	Δ %	Full year 2013
Operating profit								
+40 %								
Volumes		74	70	+6	151	141	+7	300
Net sales		1,116	964	+16	2,294	2,000	+15	4,200
Operating profit per kilo								
+32 %								
Operating profit		91	65	+40	207	149	+39	369
Operating profit per kilo		1.23	0.93	+32	1.37	1.06	+29	1.23

Volumes

Volumes increased by 6 percent. The product mix improved strongly with high double-digit growth in speciality products. This despite the very difficult general situation in Ukraine, materially influencing our activities.

For comparable units, volumes decreased by 2 percent due to reduced low-end product volumes.

Net sales

Net sales for Chocolate & Confectionery Fats increased by SEK 152 million as a consequence of increased volumes and the Unipro acquisition.

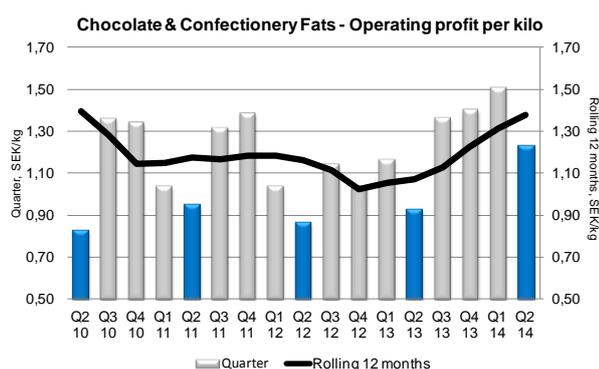
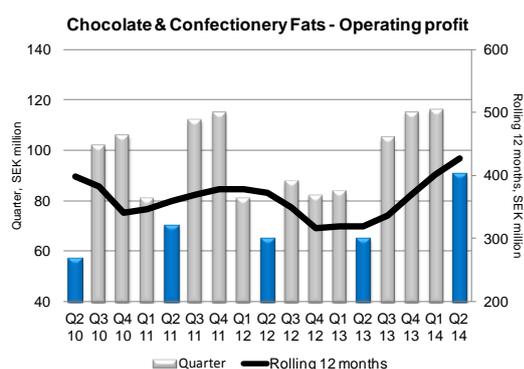
Operating profit

As expected, operating profit improved significantly, by 40 percent, and reached SEK 91 million (65).

Margins have been positively impacted by the dramatic increase in cocoa butter prices since 2013.

Operating profit per kilo improved by 32 percent to SEK 1.23 (0.93).

The performance of this business area is expected to continue to improve compared to the same quarters last year but not at all at the same pace as in the first and second quarter 2014.



Business Area Technical Products & Feed, Q2 2014

	SEK million	Q2 2014	Q2 2013	Δ %	Q1-2 2014	Q1-2 2013	Δ %	Full year 2013
Operating profit								
+4 %								
Operating profit per kilo								
0 %								
Volumes		69	66	+5	140	134	+4	271
Net sales		363	411	-12	744	834	-11	1,539
Operating profit		24	23	+4	53	49	+8	97
Operating profit per kilo		0.35	0.35	0	0.38	0.37	+3	0.36

Volumes

Volumes increased by 5 percent compared to the corresponding quarter in 2013. This was mainly driven by the Feed and the Binol businesses.

Net sales

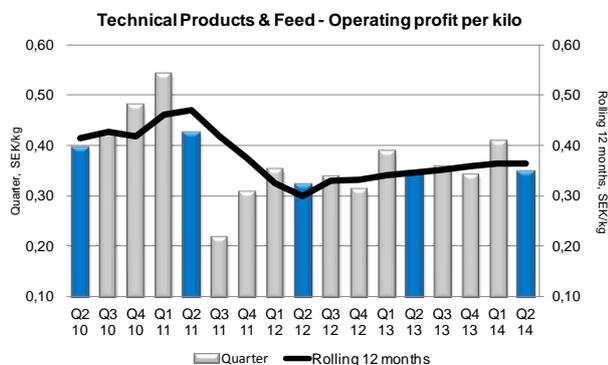
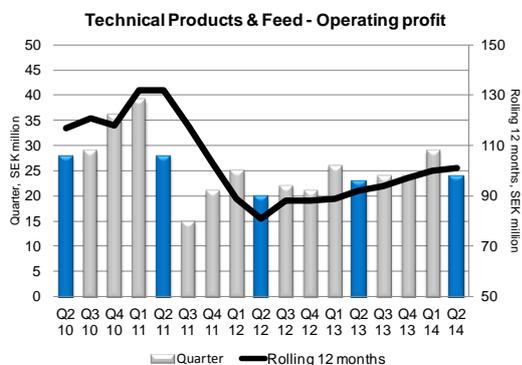
Net sales for the business area decreased by SEK 48 million or by 12 percent as a result of changed product mix.

Operating profit

Operating profit improved to SEK 24 million (23), explained mainly by the volume improvements.

Operating profit per kilo at SEK 0.35 (0.35) remained stable.

For 2014, operating profit is expected to be stable or to improve slightly compared to the prior year.



The AAK Group, first six months 2014

Volumes

Volumes increased by 2 percent during the first six months mainly due to acquisitions. Organic growth was negative 1 percent due to low commodity volumes.

Net sales

Net sales increased by SEK 198 million mainly as a result of the Unipro acquisition.

Operating result

Operating profit excluding acquisition related costs for the first six months of 2014 was a record high, reaching SEK 568 million (486), an improvement of 17 percent.

Operating profit including acquisition related costs amounting to SEK 9 million, reached SEK 559 million (486), an improvement of 15 percent.

Operating profit per kilo excluding acquisition related costs continued to improve at SEK 0.71 (0.62), an increase of 15 percent. Operating profit per kilo in Food Ingredients increased by 7 percent at SEK 0.73 (0.68), largely affected by a favourable product mix with stable growth in specialities and semi-specialities but lower commodity volumes. Operating profit per kilo in Chocolate & Confectionery Fats improved by 29 percent at SEK 1.37 (1.06), as a result of a better product mix with higher volumes and margins. Technical Products & Feed improved by 3 percent at SEK 0.38 (0.37) per kilo.

Net financial cost

Net financial cost increased to SEK 57 million (51). One-off costs related to refinancing have impacted during the first six months.

Cash flow

Cash flow after changes in working capital for the first six months of 2014 amounted to SEK 249 million (789), including increased working capital of SEK 275 million (improvements 347) due to increased raw material prices.

AAK strategic investment in Brazil

AAK has decided to commence construction of a new speciality and semi-speciality edible oils factory in Jundiai, São Paulo, Brazil. The investment is expected to be approximately SEK 400 million over a two-year period. The start-up of the new factory is planned for the latter part of 2015 and fully utilized it will increase AAK's total capacity by 100,000 to 120,000 MT.

The new factory will expand our product portfolio of Food Ingredients and Chocolate & Confectionery Fats products in Brazil and particularly strengthen our ability to supply Bakery and Dairy solutions as well as further develop our Chocolate & Confectionery Fats business. The new factory will include an Innovation Center which will give our customers the possibility to work closely with AAK's Customer Innovation team.

General information

Name change

The Annual General Meeting on May 8, 2014 decided to change the company name from AarhusKarlshamn AB (publ) to AAK AB (publ).

Related parties

No significant changes have taken place in relations or transactions with related parties since 2013.

Hurricane Sandy and insurance compensation

Late during the second quarter 2014, the company made a final settlement related to the insurance compensation for Hurricane Sandy. This will mainly result in a positive cash flow effect during the third quarter 2014.

During the second quarter of 2014, there were no exceptional effects on operating profit related to Hurricane Sandy.

AAK initiates arbitration against Enzymotec

As communicated in a press release dated May 16, 2014, AAK AB has initiated an arbitration at ICC, International Court of Arbitration against the company Enzymotec Ltd with respect to certain disputed matters under the Shareholders' Agreement entered into on June 14, 2007 regarding the joint venture company Advanced Lipids AB.

AAK is generally very cautious about taking legal actions. This dispute is commented upon because Enzymotec has released information regarding the dispute.

Risk and uncertainty factors

AAK is a global company represented in many countries and as such is exposed to a number of commercial and financial risks. Accordingly, risk management is an important process for AAK in its work to achieve established targets.

Efficient risk management is an ongoing process conducted within the framework of business control, and is part of the ongoing review of operations and forward-looking assessment of operations.

AAK's long-term risk exposure is assumed not to deviate from the inherent exposure associated with AAK's ongoing business operations.

For a more in-depth analysis of risks, refer to AAK's Annual Report for 2013.

Accounting principles in 2014

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 Annual Report for 2013. The accounting policies are unchanged, compared with those applied in 2013. A number of new and amended standards are effective for periods beginning after January 1, 2014. None of these is expected to have a significant effect on the consolidated financial statements of the Group or the Parent company.

Definitions

For definitions, see the 2013 Annual Report.

The Parent Company and Group Functions

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

The costs for Group Functions have increased mainly as a consequence of the increased management ambition related to growth and AAKtion, specifically Innovation involving additional resources for new product development. Group Functions also included acquisition related costs in the second quarter.

The result for the Parent Company after financial items amounted to negative SEK 46 million (positive 77).

Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totalled a negative of SEK 780 million (negative 661 as at 31 December 2013). Investments in intangible and tangible assets amounted to SEK 1 million (0).

The Parent Company's balance sheet and income statement are shown on pages 13-14.

Accounting policies

AAK 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 change since year-end.

Malmö, July 17, 2014



Melker Schörling
Chairman of the Board



Märit Beckeman
Board member



Ulrik Svensson
Board member



Märta Schörling
Board member



Lillie Li Valeur
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 AAK 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 17, 2014 at 11.30 am CET.

Income statement

SEK million	Group					Parent		
	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Full year 2013	Q1-2 2014	Q1-2 2013	Full year 2013
Net sales	4,114	4,034	8,243	8,045	16,537	36	29	72
Other operating income	30	32	52	86	172	0	0	0
Total operating income	4,144	4,066	8,295	8,131	16,709	36	29	72
Raw materials and supplies	-3,091	-3,137	-6,186	-6,288	-12,792	-	-	-
Other external expenses	-357	-310	-710	-601	-1,265	-37	-28	-78
Cost for remuneration to employees	-333	-288	-656	-579	-1,189	-35	-26	-57
Amortisation and impairment losses	-92	-86	-183	-174	-343	-1	-1	-1
Other operating expenses	1	-1	-1	-3	-3	-	0	0
Total operating costs	-3,872	-3,822	-7,736	-7,645	-15,592	-73	-55	-136
Operating profit (EBIT)	272	244	559	486	1,117	-37	-26	-64
Income from shares in group companies	-	-	-	-	-	-	115	1,146
Interest income	1	1	3	3	6	-	-	-
Interest expense	-25	-19	-47	-38	-81	-8	-11	-20
Other financial items	-7	-10	-13	-16	-25	-1	-1	-1
Total financial net	-31	-28	-57	-51	-100	-9	103	1,125
Result before tax	241	216	502	435	1,017	-46	77	1,061
Income tax	-67	-62	-139	-124	-276	10	-	0
Net result	174	154	363	311	741	-36	77	1,061
Attributable to non-controlling interests	2	1	4	3	9	-	-	-
Attributable to the Parent company's shareholders	172	153	359	308	732	-36	77	1,061

Comprehensive income

SEK million	Group					Parent		
	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Full year 2013	Q1-2 2014	Q1-2 2013	Full year 2013
Income for the period	174	154	363	311	741	-36	77	1,061
Items that will not be reclassified:								
Revaluation of defined benefit schemes	-9	-	-7	-	-7	-	-	-
	-9	-	-7	-	-7	-	-	-
Items that might be reclassified:								
Exchange differences on translation of foreign operations	202	93	246	39	-54	-	-	-
Fair value changes in cash flow hedges	-3	19	-7	29	21	-	-	-
Tax related to fair value changes in cash flow hedges	1	-5	2	-7	-5	-	-	-
	200	107	241	61	-38	-	-	-
Total comprehensive income for the period	365	261	597	372	696	-36	77	1,061
Attributable to non-controlling interests								
Attributable to the Parent company's shareholders	4	3	6	6	10	-	-	-
	361	258	591	366	686	-36	77	1,061

Condensed balance sheet

SEK million	Group			Parent		
	30.06.2014	30.06.2013	31.12.2013	30.06.2014	30.06.2013	31.12.2013
Assets						
Goodwill	1,161	1,076	1,115	-	-	-
Other intangible assets	123	78	123	0	1	0
Tangible assets	3,243	2,926	3,027	2	2	1
Financial assets	180	149	162	5,486	4,532	5,476
Total non-current assets	4,707	4,229	4,427	5,488	4,535	5,477
Inventory	3,029	2,330	2,501	-	-	-
Current receivables	2,903	2,605	2,886	57	39	146
Cash and cash equivalents	277	254	231	0	0	0
Total current assets	6,209	5,189	5,618	57	39	146
Total assets	10,916	9,418	10,045	5,545	4,574	5,623
Equity and liabilities						
Shareholders' equity	4,771	3,966	4,330	4,723	3,882	4,909
Non-controlling interests	40	30	34	-	-	-
Total equity including non-controlling interests	4,811	3,996	4,364	4,723	3,882	4,909
Total non-current liabilities	3,084	2,863	2,797	-	-	-
Accounts payables	2,028	1,534	1,727	4	6	18
Other current liabilities	993	1,025	1,157	818	686	696
Total current liabilities	3,021	2,559	2,884	822	692	714
Total equity and liabilities	10,916	9,418	10,045	5,545	4,574	5,623

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 2014	4,330	34	4,364
Profit for the period	359	4	363
Other comprehensive income	232	2	234
Total comprehensive income	4,921	40	4,961
New issue of shares	100	-	100
Dividend	-250	-	-250
Closing equity 30 June 2014	4,771	40	4,811

SEK million	Total equity capital	Non-controlling interests	Total equity incl. non-controlling interests
Openings equity 1 January 2013	3,812	24	3,836
Profit for the period	308	3	311
Other comprehensive income	58	3	61
Total comprehensive income	4,178	30	4,208
Stock options	3	-	3
Dividend	-215	-	-215
Closing equity 30 June 2013	3,966	30	3,996

During 2014, 532,000 new shares have been issued which have increase equity by SEK 100 million.

Financial instruments

SEK million	Asset	Liability
Financial instruments reported in balance sheet 30 June 2014		
Raw material hedge contracts	139	84
FX hedge contracts	50	29
Interest rate swaps	-	65
Total derivatives financial instruments	189	178
Fair value adjustment inventory	13	3
Total financial instruments	202	181

AAK Group – Cash flow statement

SEK million	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Full year 2013
Operating activities					
Cash flow from operating activities before changes in working capital	267	233	524	442	1,083
Changes in working capital	-99	343	-275	347	217
Cash flow from operating activities	168	576	249	789	1,300
Investing activities					
Cash flow from investing activities	-142	-164	-309	-259	-732
Cash flow after investing activities	26	412	-60	530	568
Financing activities					
Cash flow from financing activities	23	-445	99	-610	-666
Cash flow for the period	49	-33	39	-80	-98
Cash and cash equivalents at start of period	222	282	231	330	330
Exchange rate difference for cash equivalents	6	5	7	4	-1
Cash and cash equivalents at end of period	277	254	277	254	231

AAK Group – Share data

	Q2 2014	Q2 2013	Q1-2 2014	Q1-2 2013	Full year 2013
Number of shares, thousand	41,654	40,898	41,654	40,898	41,122
Earnings per share, SEK*	4.14	3.74	8.67	7.53	17.87
Earnings per share incl dilution, SEK**	4.09	3.69	8.57	7.43	17.62
Earnings per share incl full dilution, SEK***	4.07	3.62	8.54	7.28	17.38
Equity per share, SEK	115.18	96.97	115.18	96.97	105.76
Market value on closing date	446.50	342.00	446.50	342.00	412.00

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

** The calculation of earnings per share is based on weighted average number of outstanding shares including dilution from outstanding subscription options (in accordance with IAS 33).

*** Earnings per share after full dilution is calculated by dividing net income for the period by the total number of average outstanding shares for the period including a conversion of all outstanding share options to ordinary shares.

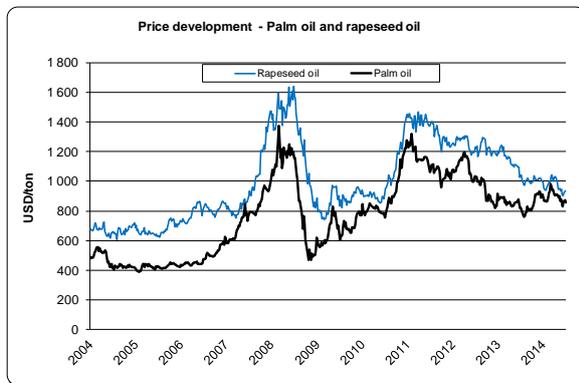
Quarterly data – Business areas

Operating profit

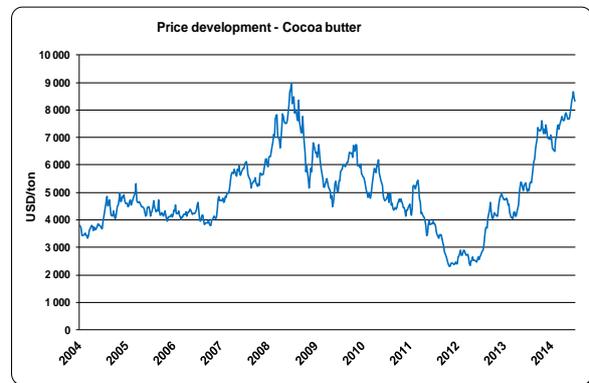
SEK million	2013				Full year	2014	
	Q1	Q2	Q3	Q4		Q1	Q2
Food Ingredients	158	184	211	218	771	174	198
Chocolate & Confectionery Fats	84	65	105	115	369	116	91
Technical Products & Feed	26	23	24	24	97	29	24
Group Functions	-26	-28	-27	-29	-110	-32	-32
Total AAK Group excl acquisition cost	242	244	313	328	1,127	287	281
Acquisition costs			-10		-10		-9
Total legal operating profit AAK Group	242	244	303	328	1,117	287	272
Financial net	-23	-28	-26	-23	-100	-26	-31
Result before tax	219	216	277	305	1,017	261	241

Price trends in raw materials

Palm oil and rapeseed oil



Cocoa butter



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

Additional information

Press and analyst conference

AAK will host a conference call on July 17, 2014 at 1 pm CET. The conference call can be accessed via our home page www.aak.com.

The annual and quarterly reports are also published on www.aak.com.

Financial calendar 2014

The interim report for the third quarter 2014 will be published on October 29, 2014.

A capital market day including a plant visit in Karlshamn, Sweden will be held on November 12, 2014.

The fourth quarter and year-end report for 2014 will be published on February 3, 2015.

Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of AAK AB (publ), may

cause actual developments and results to differ materially from the expectations expressed in this report.

Governing text

The report has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in the event of any discrepancy between the versions.

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The first choice for value-added vegetable oil solutions

AAK is one of the world's leading producers of high value-added speciality vegetable oils and fats solutions. These oils and fats solutions are characterized by a high level of technological content and innovation. AAK's solutions are used as substitute for butter-fat and cocoa butter, trans-free and low saturated solutions but also addressing other needs of our customers. AAK has production facilities in Belgium, Colombia, Denmark, Mexico, the Netherlands, Sweden, Great Britain, Uruguay and the US. Further AAK has also toll manufacturing operations in Russia and Malaysia. The company is organized in three Business Areas; Food Ingredients, Chocolate and Confectionery Fats and Technical Products & Feed. AAK's shares are traded on the NASDAQ OMX, Stockholm, within the Large Cap segment. Further information on AAK can be found on the company's website www.aak.com.

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