



Interim Report

Second quarter, 2016

AAK

Chief Executive's comments

All-time high operating profit for a second quarter

Again, a record-high operating profit was achieved with a continued double-digit year-on-year improvement for the Group.

Operating profit reached SEK 368 million (326 excluding non-recurring items), an improvement of 13 percent compared to the corresponding quarter in 2015. The currency translation impact was negative SEK 8 million (positive 39), mainly related to Food Ingredients.

Food Ingredients reported a strong quarter due to a further improved product mix and positive contributions from recent acquisitions.

Chocolate & Confectionery Fats reported an impressive quarter with high single-digit volume growth and a double-digit profit growth.

Technical Products & Feed reported a good quarter, however, with a mixed picture between the segments.

Total volumes continued to grow nicely and were up 6 percent (12). Organic volume growth was 1 percent (last year 4 percent) despite continued declining commodity volumes in Food Ingredients, where the growth in 2015 was exceptional. However, the demand for speciality and semi-speciality products was strong, generating organic volume growth of 5 percent (3).

Business area operating profit:

- Food Ingredients improved by 8 percent, reaching SEK 238 million (221).
- Chocolate & Confectionery Fats reported a result of SEK 146 million (116), an improvement of 26 percent.
- Technical Products & Feed improved by 5 percent, reaching SEK 23 million (22).

Operating profit per kilo reached SEK 0.78 (0.73 excluding non-recurring items). The currency translation impact was negative SEK 0.02 (positive 0.09).

Operating profit per kilo in Food Ingredients increased from SEK 0.71 to SEK 0.74, mainly as a consequence of the improved product

mix. At fixed foreign exchange rates operating profit per kilo improved by 7 percent.

Operating profit per kilo for Chocolate & Confectionery Fats improved strongly and reached SEK 1.76 (1.61), an improvement of 9 percent.

Technical Products & Feed reported a stable operating profit per kilo, SEK 0.35 (0.35).



Earnings per share increased by 2 percent, to SEK 5.47 (5.38). Increased financial costs due to extended borrowings in high-interest rate countries (Brazil, China and India) had a very unfavorable impact on earnings per share.

Sales amounted to SEK 5,090 million (4,954). The increase was mainly due to the positive product mix, partly offset by a negative currency translation impact of SEK 221 million, and the effect of acquisitions.

Food Ingredients

The demand for speciality and semi-speciality products was good, generating organic volume growth of 3 percent (4). The picture between the different segments was mixed though.

The Bakery segment had another challenging quarter globally. Volumes continued to decline, although at a slower pace than during the first quarter 2016.

The Dairy segment continued the strong trend from the last three quarters and reported double-digit organic volume growth despite the very low prices on milk fat. North Latin America, the U.S. and the Nordics showed particularly strong growth in this segment.

Infant Nutrition reported a strong volume development. This was driven by product range Akonino®, which showed an impressive double-digit volume growth.

Foodservice reported organic volume growth with good development particularly in the U.K. and the U.S. Volumes in the Nordics were stable.

Commodity products showed a negative volume development after an exceptional growth in 2015.

Chocolate & Confectionery Fats

Total volumes increased by 15 percent (negative 3). Organic volume growth in the quarter was 11 percent (negative 3).

Organic volume growth within high-end products continued during the second quarter. After some challenging quarters, low-end products were also back to organic volume growth.

After two years of severely deteriorating market conditions in Russia and Ukraine, the strong growth in the first quarter continued also during the second quarter, but still from a low level.

Cash flow

Operating cash flow including changes in working capital amounted to SEK 520 million (389). Cash flow from working capital was positive, amounting to SEK 158 million (83). The strong improvement in working capital was mainly related to good inventory management and increased accounts payables. This was despite the negative impact from substantially increased raw material prices during the last quarters, combined with working capital tied up for the two greenfield investments. The greenfield investments will continue to have a negative impact on working capital during 2016.

Return on Capital Employed (ROCE)

Calculated on a rolling 12 months basis, Return on Capital Employed (ROCE) was 16.0 percent (15.7 at December 31, 2015). ROCE improved despite being negatively effected by higher working capital due to increased raw material prices, initial greenfield investments in Brazil and China, and acquisitions. The ROCE for the second quarter was 15.2 percent compared to 15.6 percent for the corresponding quarter 2015.

Acquisition of California Oils Corporation

AAK has after the balance sheet date acquired the leading West Coast based vegetable oils company California Oils Corporation from Mitsubishi Corporation of Japan. California Oils Corporation, also known as CalOils, had last year revenues of approximately SEK 1,350 million and a volume of approximately 110,000 MT, with 65 employees.

A strong presence on the U.S. West Coast has been priority for AAK since several years. The

West Coast encompasses 20 percent of the U.S. population and this expansion has been identified as an important component of AAK's long-term growth strategy. The acquisition of CalOils will transform AAK into a true national speciality and semi-speciality edible oils company in the U.S.

Greenfield investments

During the second quarter we have inaugurated our new factory in Brazil. Some limited volumes have been delivered. To be able to deliver the whole product range a gradual ramp-up will continue during the coming quarters.

Our China greenfield project continues to develop according to plan.

Brexit

In regards to Brexit and the UK's EU referendum, our initial assessment is that this will have a limited effect on AAK's operations and results. Nearly all products coming from our UK factories are produced for local customers producing for the local market. There will also be a continued demand for healthy and cost efficient solutions. A limited portion of our production at our UK factories is exported to other countries and here the weaker sterling will bring some limited advantages. Less than 7 percent of the AAK Group's operating profit is generated in the UK.

AAKtion

Our company program for 2014–2016, "AAKtion", is developing according to plan. The program is intended to further strengthen the focus on "Sales-Innovation-Execution".

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 a continued improvement in Chocolate & Confectionery Fats.

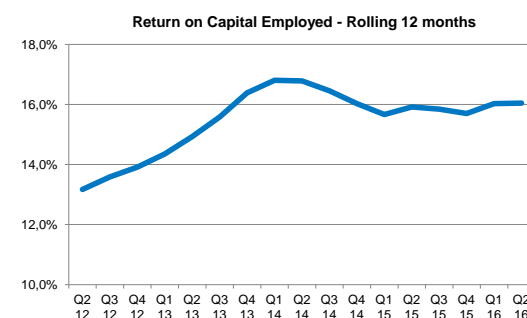
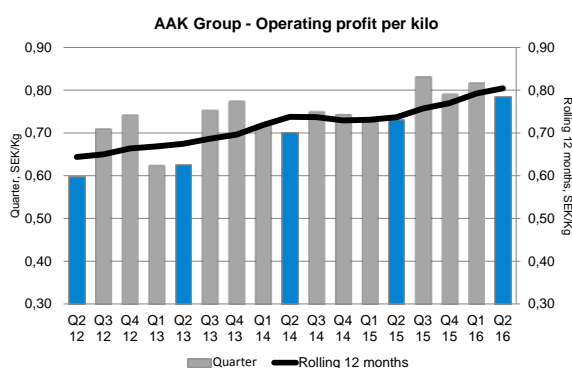
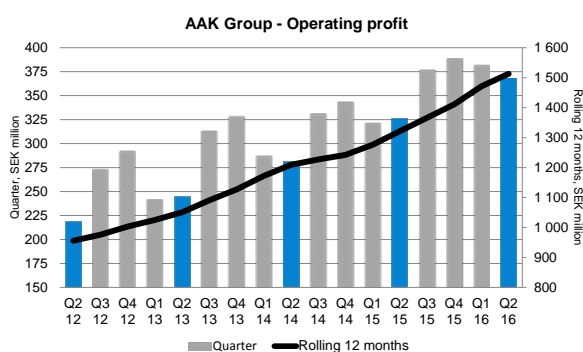
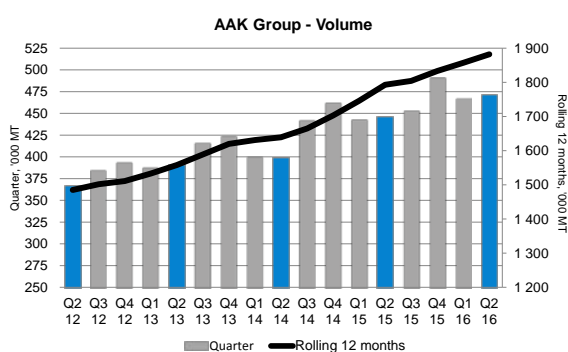
Arne Frank
Chief Executive Officer and President

Financial highlights and key ratios

SEK million (unless otherwise stated)	Q2 2016	Q2 2015	Δ %	Q1-2 2016	Q1-2 2015	Δ %	Full year 2015
Income statement							
Volumes ('000 MT)	471	446	+6	938	889	+6	1,833
Operating profit excluding non-recurring items	368	326 ¹⁾	+13	749	647 ¹⁾	+16	1,411 ²⁾
Operating profit including non-recurring items	368	339 ¹⁾	+9	749	660 ¹⁾	+13	1,409 ²⁾
Net profit	241	229	+5	490	445	+10	945
Financial position							
Total assets	14,245	12,616	-	14,245	12,616	-	13,896
Equity	6,765	6,220	-	6,765	6,220	-	6,650
Net working capital	3,221	3,208	-	3,221	3,208	-	3,087
Net interest-bearing debt	2,342	2,032	-	2,342	2,032	-	2,083
Cash flow							
EBITDA	482	445	+8	975	871	+12	1,840
Cash flow from operating activities	520	389	-	504	817	-	1,736
Cash flow from investing activities	-194	-74	-	-386	-234	-	-1,016
Free cash flow	326	315	-	118	583	-	720
Earnings per share							
Earnings per share before dilution, SEK	5.47	5.38	+2	11.03	10.49	+5	22.17
Earnings per share after dilution, SEK	-	5.36	-	-	10.44	-	22.12
Key figures							
Volume growth, %	+6	+12	-	+6	+11	-	+8
Operating profit per kilo (excl. non-recurring costs), SEK	0.78	0.73	+7	0.80	0.73	+10	0.77
Return on Capital Employed (R12 months), %	16.0	15.9	+1	16.0	15.9	+1	15.7
Net debt / EBITDA, multiple	1.20	1.15	+4	1.20	1.15	+4	1.13

1) As a result of the sale of the company's office building in M.P. Bruuns Gade, Aarhus, Denmark, a net profit of SEK 45 million was recorded during the second quarter 2015. At the end of the second quarter 2015 an assessment of previously made non-recurring provisions, and during the last few quarters communicated, has resulted in increased provisions of SEK 32 million. A non-recurring, net positive impact of SEK 13 million has been reported in the Income Statement on page 12.

2) Non-recurring items for the full year 2015 amounted to negative SEK 2 million and consist of acquisition costs of SEK 15 million and SEK 45 million in net profit as a result of the sale of the company's office building in M.P. Bruuns Gade, Aarhus, Denmark. An assessment of previously made non-recurring provisions has resulted in increased provisions of SEK 32 million.



The AAK Group, Second quarter 2016

Volumes

Volumes increased by 6 percent (12) compared to the second quarter 2015. Organic volume growth was 1 (last year 4 percent) despite continued declining commodity volumes in Food Ingredients, where the growth in 2015 was exceptional. However, the demand for speciality and semi-speciality products was strong, generating organic volume growth of 5 percent (3).

Net sales

Sales amounted to SEK 5,090 million (4,954). The increase was mainly due to the positive product mix, partly offset by a negative currency translation impact of SEK 221 million, and the effect of acquisitions.

Operating profit

Operating profit reached SEK 368 million (excluding non-recurring items 326), an improvement of 13 percent compared to the corresponding quarter in 2015. The currency translation impact was negative SEK 8 million (positive 39), mainly related to Food Ingredients.

Operating profit per kilo reached SEK 0.78 (0.73 excluding non-recurring items). The currency translation impact was negative SEK 0.02 (positive 0.09).

Net financial cost

Net financial cost increased, amounting to SEK 39 million (30). The Group's borrowings in high-interest rate countries (Brazil, China and India) have increased due to ongoing greenfield projects and recently made acquisitions.

Cash flow and investments

Operating cash flow including changes in working capital amounted to SEK 520 million (389). Cash flow from working capital was positive, amounting to SEK 158 million (83). The strong improvement in working capital was mainly related to good inventory management and increased accounts payables. This was despite the negative impact from substantially increased raw material prices during the last quarters, combined with working capital tied up for the two greenfield investments. The greenfield investments will continue to have a negative impact on working capital during 2016.

Financial position

The equity/assets ratio amounted to 47 percent (48 percent at December 31, 2015). Net debt at June 30, 2016, amounted to SEK 2,342 million (SEK 2,083 million at December 31, 2015).

At June 30, 2016, the Group had total committed credit facilities of SEK 6,119 million (5,924 as of December 31, 2015), with SEK 3,832 million of unused committed credit facilities at quarter-end.

Employees

The average number of employees at June 30, 2016 was 2,770 (2,738 at December 31, 2015). The increase of employees is related to recently made acquisitions and ongoing greenfield projects.

Events after the balance sheet

AAK has after the balance sheet date acquired the leading West Coast based vegetable oils company California Oils Corporation from Mitsubishi Corporation of Japan. For further details, please refer to www.aak.com.

Business Area Food Ingredients, Q2 2016

	Q2 2016	Q2 2015	Δ%	Q1-2 2016	Q1-2 2015	Δ%	Full year 2015
Operating profit							
+8 %							
Operating profit per kilo							
+4 %							
Volumes ('000 MT)	322	311	+4	636	613	+4	1,258
Net sales, SEK million	3,474	3,397	+2	6,769	6,642	+2	13,556
Operating profit, SEK million	238	221	+8	467	416	+12	903
Operating profit per kilo, SEK	0.74	0.71	+4	0.73	0.68	+7	0.72

Volumes

The business area reported negative organic volume growth of 3 percent (positive 9) due to continued declining commodity volumes, where the growth in 2015 was exceptional. The demand for speciality and semi-speciality products was good, generating organic volume growth of 3 percent (4). The picture between the different segments was mixed though.

The Bakery segment had another challenging quarter globally. Volumes continued to decline, although at a slower pace than during the first quarter 2016.

The Dairy segment continued the strong trend from the last three quarters and reported double-digit organic volume growth despite the very low prices on milk fat. North Latin America, the U.S. and the Nordics showed particularly strong growth in this segment.

Infant Nutrition reported a strong volume development. This was driven by product range Akonino®, which showed an impressive double-digit volume growth.

Foodservice reported organic volume growth with good development particularly in the U.K. and the U.S. Volumes in the Nordics were stable.

Net sales

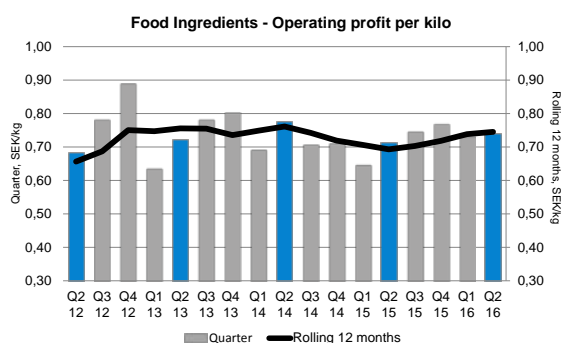
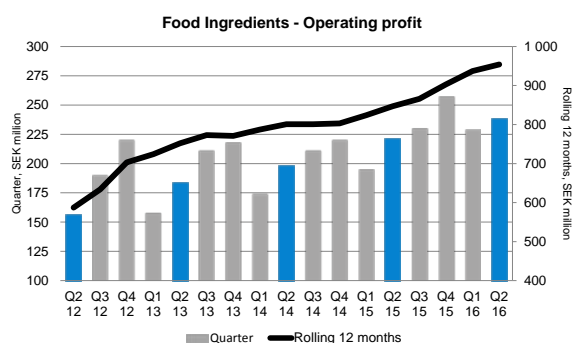
Sales amounted to SEK 3,474 million (3,397). The increase was mainly due to acquisitions and an improved product mix, partly offset by lower commodity volumes, and a negative currency translation impact of SEK 181 million.

Operating profit

Operating profit improved by 8 percent to SEK 238 million (221). The currency translation impact was negative SEK 7 million (positive 20).

Operating profit per kilo in Food Ingredients increased from SEK 0.71 to SEK 0.74, mainly as a consequence of the improved product mix. At fixed foreign exchange rates operating profit per kilo improved by 7 percent.

We are expecting a continued positive underlying development for this business area.



Business Area Chocolate & Confectionery Fats, Q2 2016

	Q2 2016	Q2 2015	Δ%	Q1-2 2016	Q1-2 2015	Δ%	Full year 2015
Operating profit							
+26 %							
Operating profit per kilo							
+9 %							
Volumes ('000 MT)	83	72	+15	167	144	+16	312
Net sales, SEK million	1,317	1,253	+5	2,679	2,512	+7	5,315
Operating profit, SEK million	146	116	+26	305	252	+21	553
Operating profit per kilo, SEK	1.76	1.61	+9	1.83	1.75	+5	1.77

Volumes

Total volumes for the business area increased by 15 percent (negative 3). Organic volume growth in the quarter was 11 percent (negative 3).

Organic volume growth within high-end products continued during the second quarter. After some challenging quarters, low-end products were also back to organic volume growth.

After two years of severely deteriorating market conditions in Russia and Ukraine, the strong growth in the first quarter continued also during the second quarter, but still from a low level.

Net sales

Net sales for Chocolate & Confectionery Fats increased by SEK 64 million as a consequence of volume growth and acquisitions. This was partly offset by a negative currency translation impact of SEK 40 million.

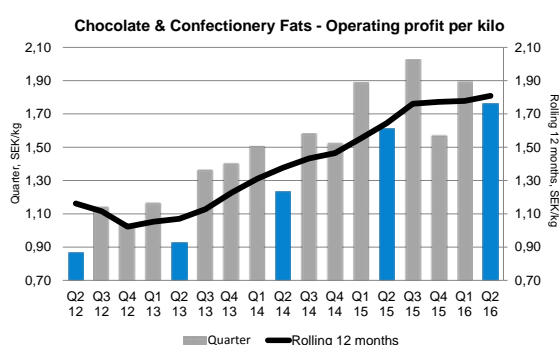
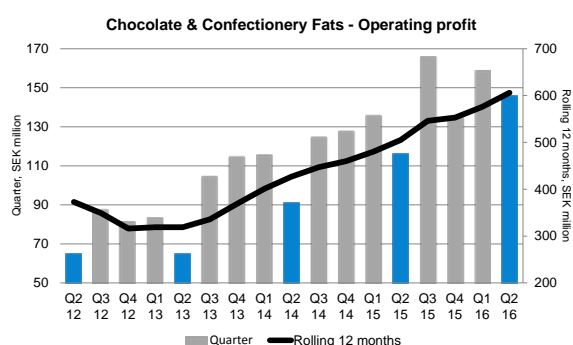
Recent years' strong customer co-development, new innovative solutions, and further expansion of our geographical footprint are continuing to yield positive results.

Operating profit

As expected, operating profit improved further, by 26 percent, and reached SEK 146 million (116). The currency translation impact was negative SEK 1 million (positive 19).

Operating profit per kilo improved by 9 percent to SEK 1.76 (1.61).

We are expecting continued improvement in Chocolate & Confectionery Fats.



Business Area Technical Products & Feed, Q2 2016

	Q2 2016	Q2 2015	Δ%	Q1-2 2016	Q1-2 2015	Δ%	Full year 2015
Operating profit							
+5 %							
Operating profit per kilo							
+0 %							
Volumes ('000 MT)	66	63	+5	135	132	+2	263
Net sales, SEK million	299	304	-2	605	636	-5	1,243
Operating profit, SEK million	23	22	+5	52	45	+16	88
Operating profit per kilo, SEK	0.35	0.35	+0	0.39	0.34	+15	0.33

Volumes

Volumes increased by 5 percent (negative 7) compared to the corresponding quarter in 2015. This was mainly related to volume growth for technical fatty acids, offset by lower feed volumes.

Net sales

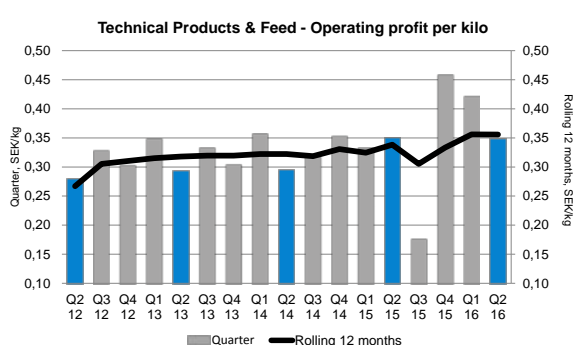
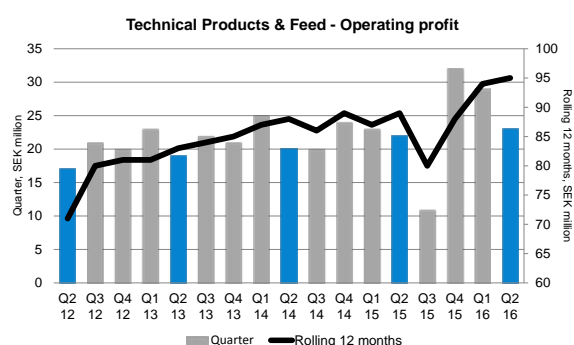
Net sales for the business area decreased by SEK 5 million or by 2 percent as a result of a changed product mix.

Operating profit

Operating profit improved by 5 percent, reaching SEK 23 million (22), due to a positive development of the fatty acids business.

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

The operating profit is expected to be stable or to improve slightly compared to the prior year.



The AAK Group, first six months 2016

Volumes

Total volumes were up 6 percent (11) and organic volume growth was 0 percent (4).

Net sales

Sales amounted to SEK 10,053 million (9,790). The increase was mainly due to acquisitions and an improved product mix, partly offset by lower commodity volumes, and a negative currency translation impact of SEK 369 million.

Operating result

Operating profit reached SEK 749 million (647 excluding non-recurring items), an improvement of 16 percent compared to the corresponding period in 2015. Operating profit at fixed foreign exchange rates improved by 19 percent.

Including non-recurring items from 2015 operating profit improved by 13 percent compared to the corresponding period in 2015.

Operating profit per kilo reached SEK 0.80 (0.73 excluding non-recurring items). The currency translation impact was negative SEK 0.02 (0.08).

Net financial cost

Net financial cost increased, amounting to SEK 77 million (57). The Group's borrowings in high-interest rate countries (Brazil, China and India) have increased due to ongoing greenfield projects and recently made acquisitions.

Cash flow

Operating cash flow including changes in working capital amounted to positive SEK 504 million (817). As previously predicted, cash flow from working capital was negative, amounting to SEK 222 million (positive 169). The substantial increase in raw material prices during the last quarters, combined with working capital tied up for the two greenfield investments, will continue to have a negative impact on working capital during 2016.

Acquisition of California Oils Corporation

AAK has after the balance sheet date acquired the leading West Coast based vegetable oils company California Oils Corporation from Mitsubishi Corporation of Japan. For further details, please refer to www.aak.com.

General information

Related parties

No significant changes have taken place in relations or transactions with related parties since 2015.

Risks 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 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 2015.

Accounting principles in 2016

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 2015. The accounting policies are unchanged, compared with those applied in 2015. A number of new and amended standards are effective for periods beginning after January 1, 2016. None of these is expected to have a significant effect on the consolidated financial statements of the Group or the Parent company.

Alternative Performance Measures (APMs)

New ESMA (European Securities and Markets Authority) guidelines on Alternative Performance Measures (APMs) are effective for the financial year 2016. Accordingly, AAK publishes the explanation of use, definitions as well as reconciliations of its APMs to IFRS financial statements.

AAK presents APMs to reflect underlying business performance and to enhance comparability from period to period. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Definitions of Additional Performance Measures can be found at www.aak.com under the Investor tab.

For reconciliation of Alternative Performance Measures, see pages 16–17.

Definitions

For definitions, see the Annual Report for 2015.

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 Parent Company's invoiced sales during the first six months of 2016 amounted to SEK 39 million (37). The result for the Parent Company after financial items amounted to negative SEK 37 million (negative 42).

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.

Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totalled a negative of SEK 1,407 million (negative 1,007 as at December 31, 2015). Investments in intangible and tangible assets amounted to SEK 5 million (0). The Parent Company's income statement and balance sheet are shown on pages 12–13.

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 changes since year-end.

Malmö, July 15, 2016

Melker Schörling
Chairman of the Board

Marianne Kirkegaard
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.

For further information, please contact:

Fredrik Nilsson

CFO

Mobile: + 46 708 95 22 21

E-mail: fredrik.nilsson@aak.com

This information is information that AAK AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 11:00 a.m. CET on July 15, 2016.

Income statement

SEK million	Group					Parent		
	Q2 2016	Q2 2015	Q1-2 2016	Q1-2 2015	Full year 2015	Q1-2 2016	Q1-2 2015	Full year 2015
Net sales	5,090	4,954	10,053	9,790	20,114	39	37	80
Other operating income	16	74	40	104	194	0	0	0
Total operating income	5,106	5,028	10,093	9,894	20,308	39	37	80
Raw materials and supplies	-3,729	-3,725	-7,353	-7,355	-15,008	-	-	-
Other external expenses	-488	-436	-944	-868	-1,833	-20	-33	-96
Cost for remuneration to employees	-405	-390	-819	-768	-1,590	-53	-43	-88
Amortization and impairment losses	-114	-106	-226	-211	-431	0	-1	-1
Other operating expenses	-2	-32	-2	-32	-37	-	-	-15
Total operating costs	-4,738	-4,689	-9,344	-9,234	-18,899	-73	-77	-200
Operating profit (EBIT)	368	339	749	660	1,409	-34	-40	-120
Income from shares in group companies	-	-	-	-	-	-	-	125
Interest income	2	0	3	1	3	-	-	-
Interest expense	-39	-24	-72	-47	-99	-3	-2	-4
Other financial items	-2	-6	-8	-11	-18	-	-	0
Total financial net	-39	-30	-77	-57	-114	-3	-2	121
Result before tax	329	309	672	603	1,295	-37	-42	1
Income tax	-88	-80	-182	-158	-350	6	9	-1
Net result	241	229	490	445	945	-31	-33	0
Attributable to non-controlling interests	9	2	23	4	12	-	-	-
Attributable to the Parent company's shareholders	232	227	467	441	933	-31	-33	0

Comprehensive income

SEK million	Group					Parent		
	Q2 2016	Q2 2015	Q1-2 2016	Q1-2 2015	Full year 2015	Q1-2 2016	Q1-2 2015	Full year 2015
Income for the period	241	229	490	445	945	-31	-33	0
Items that will not be reclassified to profit or loss:								
Remeasurements of post employment benefit obligations	-15	-	-15	-	19	-	-	-
	-15	-	-15	-	19	-	-	-
Items that may subsequently be reclassified to profit and loss:								
Translation differences	197	-161	-44	170	44	-	-	-
Fair-value changes in cash flow hedges	7	8	13	8	25	-	-	-
Tax attributable to fair value changes in cash flow hedges	-2	-2	-3	-2	-6	-	-	-
	202	-155	-34	176	63	-	-	-
Total comprehensive income for the period	428	74	441	621	1,027	-31	-33	0
Attributable to non-controlling interests	11	0	22	4	7	-	-	-
Attributable to the Parent company's shareholders	417	74	419	617	1,020	-31	-33	0

Condensed balance sheet

SEK million	Group			Parent		
	30.06.2016	30.06.2015	31.12.2015	30.06.2016	30.06.2015	31.12.2015
Assets						
Goodwill	1,583	1,349	1,567	-	-	-
Other intangible assets	348	121	377	4	0	3
Tangible assets	4,571	3,911	4,295	4	1	1
Financial assets	41	50	52	5,486	5,475	5,476
Deferred tax assets	119	118	97	6	9	-
Total non-current assets	6,662	5,549	6,388	5,500	5,485	5,480
Inventory	3,594	3,049	3,599	-	-	-
Accounts receivables	2,544	2,571	2,426	-	-	-
Other current receivables	960	1,070	1,024	209	71	193
Cash and cash equivalents	485	377	459	0	0	0
Total current assets	7,583	7,067	7,508	209	71	193
Total assets	14,245	12,616	13,896	5,709	5,556	5,673
Equity and liabilities						
Shareholders' equity	6,688	6,171	6,597	4,231	4,532	4,590
Non-controlling interests	77	49	53	-	-	-
Total equity including non-controlling interests	6,765	6,220	6,650	4,231	4,532	4,590
Liabilities to banks and credit institutions	2,476	2,176	2,132	-	-	-
Pension liabilities	153	142	128	8	-	-
Deferred tax liabilities	479	351	454	-	-	-
Non-interest-bearing liabilities	291	155	288	-	-	-
Total non-current liabilities	3,399	2,824	3,002	8	-	-
Liabilities to banks and credit institutions	204	94	287	-	-	-
Accounts payables	2,176	2,079	2,383	10	7	6
Other current liabilities	1,701	1,399	1,574	1,460	1,017	1,077
Total current liabilities	4,081	3,572	4,244	1,470	1,024	1,083
Total equity and liabilities	14,245	12,616	13,896	5,709	5,556	5,673

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 January 1, 2016	6,597	53	6,650
Profit for the period	467	23	490
Other comprehensive income	-48	-1	-49
Total comprehensive income	419	22	441
Non controlling interest	-	2	2
Dividend	-328	-	-328
Closing equity June 30, 2016	6,688	77	6,765

SEK million	Total equity capital	Non-controlling interests	Total equity incl. non-controlling interests
Openings equity January 1, 2015	5,755	45	5,800
Profit for the period	441	4	445
Other comprehensive income	176	-	176
Total comprehensive income	617	4	621
New issue of shares	83	-	83
Dividend	-284	-	-284
Closing equity June 30, 2015	6,171	49	6,220

During 2015, 441,200 new shares have been issued which have increased equity by SEK 83 million.

Financial instruments

SEK million	Asset	Liability
Financial instruments reported in balance sheet June 30, 2016		
Raw material hedge contracts	133	181
FX hedge contracts	128	155
Interest rate swaps	3	46
Total derivatives financial instruments	264	382
Fair value adjustment inventory	105	-2
Total financial instruments	369	380

AAK Group – Cash flow statement

SEK million	Q2 2016	Q2 2015	Q1-2 2016	Q1-2 2015	Full year 2015
Operating activities					
Operating profit	368	339	749	660	1,409
Depreciation and amortization	114	106	226	211	431
Other non-cash items	22	-36	14	-51	-100
Cash flow before interest and tax	504	409	989	820	1,740
Interest paid and received	-34	-31	-72	-57	-114
Tax paid	-108	-72	-191	-115	-270
Cash flow before changes in working capital	362	306	726	648	1,356
Changes in inventory	68	110	-1	186	-292
Changes in accounts receivables	-20	-8	-138	-19	126
Changes in accounts payables	123	-78	-195	-205	148
Changes in other working capital items	-13	59	112	207	398
Changes in working capital	158	83	-222	169	380
Cash flow from operating activities	520	389	504	817	1,736
Investing activities					
Acquisition of intangible and tangible assets	-194	-174	-386	-334	-994
Acquisition of operations and shares, net of cash acquired	-	-	-	-	-123
Proceeds from sale of property, plan and equipment	-	-	-	-	1
Divestment of operations and shares	-	100	-	100	100
Cash flow from investing activities	-194	-74	-386	-234	-1,016
Cash flow after investing activities	326	315	118	583	720
Financing activities					
New share issue	-	33	-	83	107
Changes in loans	58	-20	227	-267	-344
Dividend paid	-328	-284	-328	-284	-284
Cash flow from financing activities	-270	-271	-101	-468	-521
Cash flow for the period	56	44	17	115	199
Cash and cash equivalents at start of period	414	342	459	264	264
Exchange rate difference for cash equivalents	15	-9	9	-2	-4
Cash and cash equivalents at end of period	485	377	485	377	459

AAK Group – Share data

	Q2 2016	Q2 2015	Q1-2 2016	Q1-2 2015	Full year 2015
Number of shares, thousand	42,288	42,160	42,288	42,160	42,288
Earnings per share, SEK*	5.47	5.38	11.03	10.49	22.17
Earnings per share incl dilution, SEK**	-	5.36	-	10.44	22.12
Earnings per share incl full dilution, SEK***	-	5.36	-	10.46	22.16
Equity per share, SEK	158.15	147.06	158.15	147.06	156.77
Market value on closing date, SEK	599.50	491.30	599.50	491.30	627.50

* 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). No outstanding share options since December, 2015.

*** 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. No outstanding share options since December, 2015.

Quarterly data – Business areas

Operating profit

SEK million	2015				Full year	2016	
	Q1	Q2	Q3	Q4		Q1	Q2
Food Ingredients	195	221	230	257	903	229	238
Chocolate & Confectionery Fats	136	116	166	135	553	159	146
Technical Products & Feed	23	22	11	32	88	29	23
Group Functions	-33	-33	-31	-36	-133	-36	-39
Total AAK Group excl non-recurring items	321	326	376	388	1,411	381	368
Acquisition costs and non-recurring items	-	13	-	-15	-2	-	-
Total legal operating profit AAK Group	321	339	376	373	1,409	381	368
Financial net	-27	-30	-28	-29	-114	-38	-39
Result before tax	294	309	348	344	1,295	343	329

Alternative Performance Measures (APMs)

Organic volume growth

%	Q2 2016	Q2 2015	Q1-2 2016	Q1-2 2015	Full year 2015
Food Ingredients					
Organic volume growth	-3	9	-3	8	5
Acquisitions/divestments	7	12	7	13	8
Volume growth as reported	4	21	4	21	13
Chocolate & Confectionery Fats					
Organic volume growth	11	-3	11	-5	-2
Acquisitions/divestments	4	-	5	-	1
Volume growth as reported	15	-3	16	-5	-1
Technical Products & Feed					
Organic volume growth	5	-7	2	-4	-2
Acquisitions/divestments	-	-2	-	-2	-1
Volume growth as reported	5	-9	2	-6	-3
AAK Group					
Organic volume growth	1	4	0	4	3
Acquisitions/divestments	5	8	6	7	5
Volume growth as reported	6	12	6	11	8

EBITDA

SEK million	Q2 2016	Q2 2015	Q1-2 2016	Q1-2 2015	Full year 2015
Operating profit (EBIT)	368	339	749	660	1,409
Add back depreciation and amortization	114	106	226	211	431
EBITDA	482	445	975	871	1,840

Return on Capital Employed (ROCE)

SEK million	30.06.2016	R12M 2016	Full year 2015
Total assets	14,245	13,516	13,896
Cash and cash equivalents	-485	-425	-459
Financial assets	-7	-5	-8
Accounts payables	-2,176	-2,181	-2,383
Other non-interest bearing liabilities	-1,693	-1,569	-1,571
Capital employed	9,884	9,336	9,475
Operating profit (Rolling 12 months)	1,498	1,498	1,409
Return on Capital Employed (ROCE), %	15.2	16.0	14.9

Working capital

SEK million	30.06.2016	Full year 2015
Inventory	3,594	3,599
Accounts receivables	2,544	2,426
Other current receivables	960	1,024
Accounts payables	-2,176	-2,383
Other current liabilities	-1,701	-1,574
Working capital	3,221	3,092

Net debt

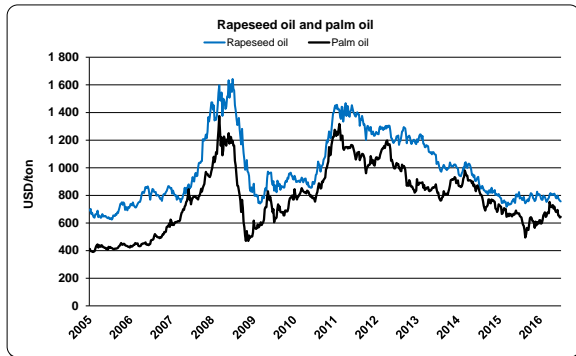
SEK million	30.06.2016	Full year 2015
Current interest bearing receivables	7	8
Cash and cash equivalents	485	459
Pension liabilities	-153	-128
Non-current liabilities to banks and credit institutions	-2,476	-2,132
Current liabilities to banks and credit institutions	-204	-287
Other interest-bearing liabilities	-1	-3
Net debt	-2,342	-2,083

Equity to assets ratio

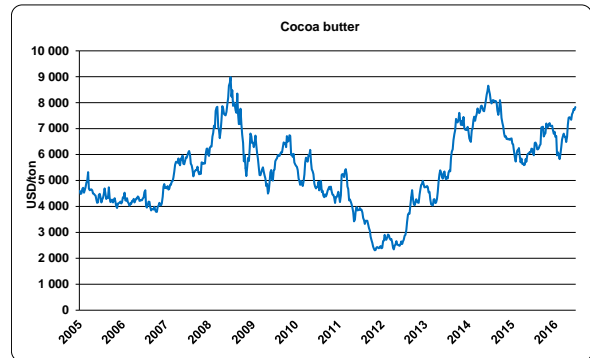
SEK million	30.06.2016	Full year 2015
Shareholders' equity	6,688	6,597
Non-controlling interests	77	53
Total equity including non-controlling interests	6,765	6,650
Total assets	14,245	13,896
Equity to assets ratio, %	47.5	47.9

Price trends in raw materials

Rapeseed oil and palm 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 15, 2016 at 1 p.m. 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 2016

The interim report for the third quarter 2016 will be published on October 26, 2016.

A capital market day will be held in Stockholm, Sweden, on November 16, 2016.

The fourth quarter and year-end report for 2016 will be published on February 3, 2017.

Forward-looking statements

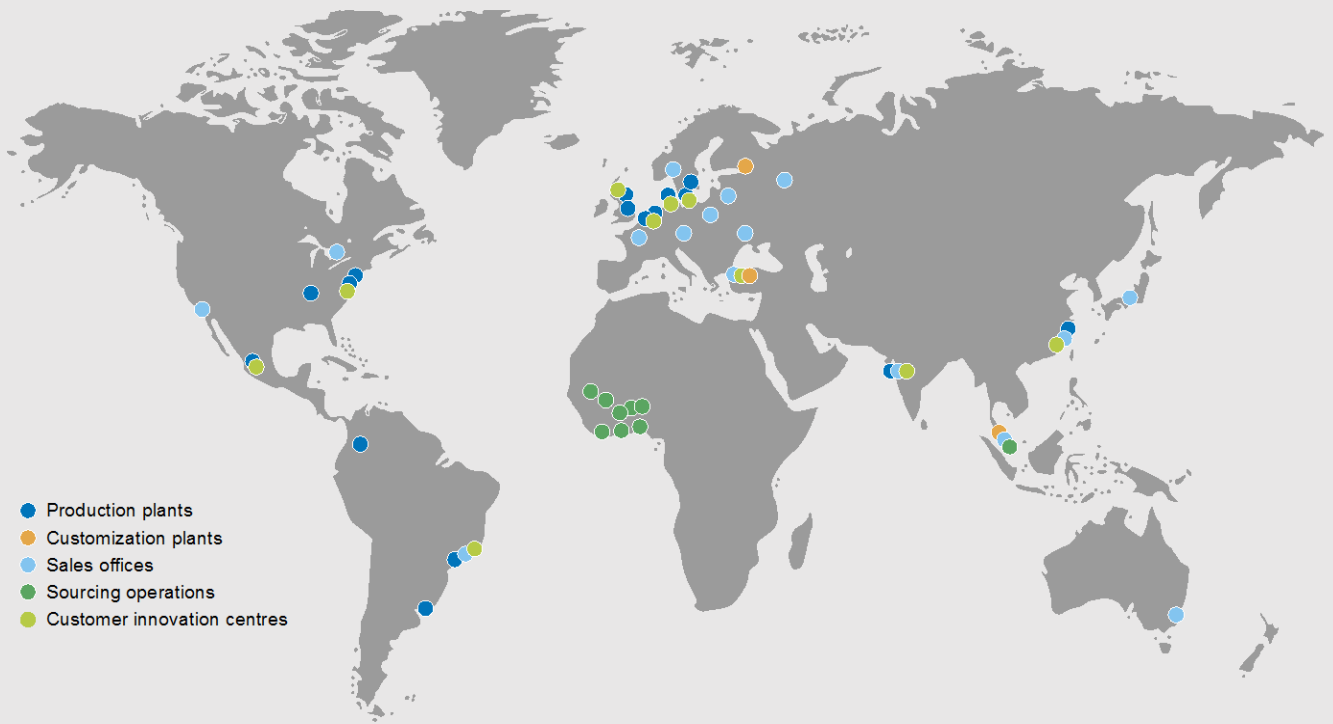
This report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of AAK AB (publ.), may cause actual developments and results to differ materially from the expectations expressed in this report.

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.

Investor Relations contact:

Fredrik Nilsson
CFO
Mobile: + 46 708 95 22 21
E-mail: fredrik.nilsson@aac.com



The first choice for value-adding vegetable oil solutions

We develop and provide value-adding vegetable oil solutions in close collaboration with our customers, enabling them to achieve long lasting business results.

We do so through our in-depth expertise in oils & fats within food applications, working with a wide range of raw materials and broad process capabilities.

Through our unique co-development approach we bring together our customers' skills and know-how with our capabilities and mindset. By doing so, we solve customer specific needs across many industries – Chocolate & Confectionery, Bakery, Dairy, Infant Nutrition, Foodservice, Personal Care, and more.

AAK's proven expertise is based on more than 140 years of experience within oils & fats. With our headquarters in Malmö, Sweden, 20 production facilities and customization plants, and sales offices in more than 25 countries, our more than 2,700 employees are dedicated to providing innovative value-adding solutions to our customers.

So no matter where you are in the world, we are ready to help you achieve long lasting results.

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AAK AB (publ.)

Skrivaregatan 9, SE-215 32 Malmö, Sweden
 Phone: + 46 40 627 83 00, Reg. No. 556669-2850, www.aak.com

