



Interim Report

Third quarter, 2017

AAK

Acting CEO's comments

All-time high operating profit

Our determined, focused and hard work based upon our clear strategy is continuing to yield good results. For the 27th consecutive quarter, a record-high operating profit was achieved. The Group reported a double-digit year-on-year improvement for the third quarter.

Operating profit reached SEK 475 million (431 excluding acquisition costs), an improvement of 10 percent compared to the corresponding quarter in 2016.

The currency translation impact was negative SEK 14 million of which SEK 9 million was related to Food Ingredients and SEK 5 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates and excluding acquisition costs improved by 13 percent.

Food Ingredients reported another quarter with double-digit profit growth driven by a continued improved product mix, including a higher portion of customer co-developed solutions.

Chocolate & Confectionery Fats has seen a stronger than projected growth in demand, combined with some production disruptions in Aarhus, Denmark, which have resulted in increased production and supply chain costs. This will gradually start to improve towards the end of the fourth quarter. Despite these challenges the profit growth was solid with a strong single-digit volume growth. The mix continued to improve with strong growth for both speciality and semi-speciality products.

Ramp-up costs for our new factories in Brazil and China have, according to plan, been absorbed in the reported profit for the two above-mentioned business areas.

Technical Products & Feed was back to stable growth in operating profit after some challenging quarters. The raw material prices in our fatty acids business have been back to more normal levels for several months.

Total volumes continued to grow nicely and increased by 8 percent (11). Organic volume growth was 4 percent (4). The demand for speciality and semi-speciality products continued to be strong and generated organic volume growth of 4 percent (5).

Business area operating profit:

- Food Ingredients improved by 15 percent, reaching SEK 288 million (251). At fixed foreign exchange rates operating profit was up 18 percent.
- Chocolate & Confectionery Fats reported a result of SEK 198 million (190), an improvement of 4 percent. At fixed foreign exchange rates operating profit was up 7 percent.
- Technical Products & Feed reached SEK 25 million (24), an improvement by 4 percent.



Operating profit per kilo reached SEK 0.87 (0.85 excluding acquisition costs). The currency translation impact was negative SEK 0.03. At fixed foreign exchange rates operating profit per kilo was up 6 percent.

Operating profit per kilo for Food Ingredients improved to SEK 0.79 (0.75), mainly as a consequence of the improved product mix, offset by ramp-up costs in Brazil and China and two months' dilution from our acquisition in 2016. At fixed foreign exchange rates operating profit per kilo improved by 9 percent.

Operating profit per kilo for Chocolate & Confectionery Fats reached SEK 1.80 (1.88). There was continued strong organic volume growth for both speciality and semi-speciality products, offset by the above-mentioned production disruptions and ramp-up costs. At fixed foreign exchange rates operating profit per kilo declined by 2 percent.

Technical Products & Feed reported a solid operating profit per kilo, SEK 0.36 (0.35).

Earnings per share increased by 20 percent, to SEK 7.21 (6.00).

Sales amounted to SEK 6,553 million (5,678). The increase was mainly due to higher raw material prices, a positive product mix, organic volume growth, and the effect of the acquisition in 2016. This was partly offset by a negative currency translation impact of SEK 200 million.

Food Ingredients

The demand for speciality and semi-speciality products was good, generating organic volume growth of 3 percent (2). The picture between the different segments was mixed though.

The Bakery segment had another challenging

quarter, particularly within the European market. The development in North Latin America and the US continued to be weak. However, there was good growth in Asia, the Nordics and South Latin America.

The Dairy segment continued the strong trend from 2016 and once again reported high double-digit organic volume growth. All regions showed very strong growth except the Nordics where the development was modest.

Special Nutrition, comprised of Infant, Senior and Medical Nutrition, reported high double-digit volume growth with a significantly better product mix compared to the corresponding quarter last year. This was driven by a double-digit volume growth for our Infant Nutrition product range Akonino®. Our other Infant Nutrition product range InFat®, sold through Advanced Lipids AB, a joint venture of AAK and Enzymotec, also showed double-digit volume growth in the quarter.

Foodservice reported declining volumes in the quarter. This was mainly due to continued challenging market conditions in the Nordics.

Chocolate & Confectionery Fats

The organic volume growth for the business area increased by 9 percent (15). There was continued strong organic volume growth for both speciality and semi-speciality products, with several showing exceptional volume growth – in mature as well as in emerging markets.

Cash flow

Operating cash flow including changes in working capital amounted to SEK 492 million (negative 135). Cash flow from working capital amounted to SEK 156 million (negative 467).

Strong inventory management combined with some positive impact from lower raw material prices have impacted cash flow favorably. However, this was partly offset by a continued strong organic volume growth and working capital tied up for our new factories in Brazil and China.

There has been a decrease in raw material prices since mid-first quarter which will have a positive impact on cash flow with a time lag of 6–9 months. However, we have started to see a modest increase in raw material prices since some months.

Return on Capital Employed (ROCE)

Calculated on a rolling 12 months basis,

Return on Capital Employed (ROCE) was 15.4 percent (15.8 at December 31, 2016). ROCE declined due to increased raw material prices, investments in Brazil and China, and the acquisition in 2016. The ROCE for the third quarter was 15.3 percent compared to 13.9 percent for the corresponding quarter 2016.

New factories

The ramp-up of our new factories in Brazil and China is progressing according to plan with volumes increasing quarter by quarter. The official inauguration of our new factory in Zhangjiagang, China was held in the beginning of September with more than 200 customers and distributors participating.

The AAK Way

The key focus of our company program The AAK Way is to enable the company to continue to deliver strong organic growth. This will be achieved by focusing on five priority areas: Go to Market, Operational Excellence, Special Focus Areas, Innovation, and People. The implementation of the program is developing according to plan.

CEO and President Arne Frank has passed away

It was with great grief we received this sad notification in July. Arne's hope for a positive outcome of his ongoing cancer treatment could unfortunately not be realized. Arne Frank joined AAK as CEO and President in 2010. With very great success he developed AAK into a world-leading player in the market for value-adding vegetable oils and fats. Arne will be deeply missed within AAK, both on a personal and professional level.

In this unfortunate situation, AAK's Management has, together with its teams, very professionally continued to execute on the company's strategy.

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.

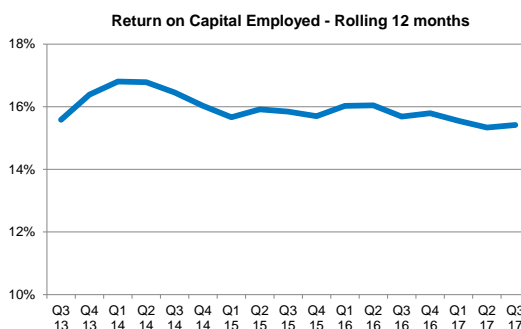
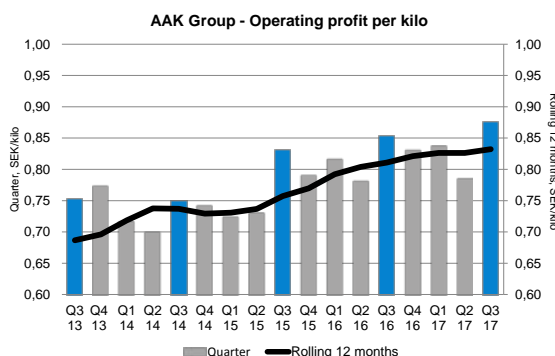
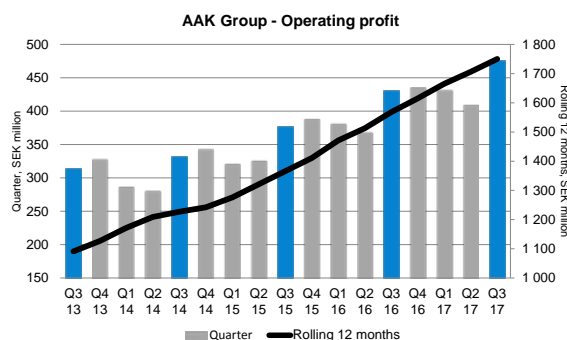
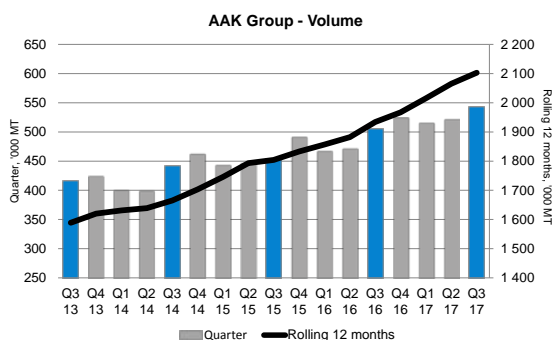
Fredrik Nilsson
Chief Financial Officer and acting CEO

Financial highlights and key ratios

SEK million (unless otherwise stated)	Q3 2017	Q3 2016	Δ %	Q1-3 2017	Q1-3 2016	Δ %	Full year 2016
Income statement							
Volumes ('000 MT)	543	505	+8	1,579	1,442	+10	1,966
Operating profit excluding non-recurring items	475	431 ¹⁾	+10	1,315	1,180 ¹⁾	+11	1,615 ²⁾
Operating profit including non-recurring items	475	416 ¹⁾	+14	1,315	1,165 ¹⁾	+13	1,615 ²⁾
Net profit	315	263	+20	863	753	+15	1,040
Financial position							
Total assets	16,535	16,091	-	16,535	16,091	-	17,184
Equity	7,406	7,087	-	7,406	7,087	-	7,576
Working capital	4,346	4,047	-	4,346	4,047	-	3,604
Net interest-bearing debt	3,233	3,165	-	3,233	3,165	-	2,620
Cash flow							
EBITDA	595	530	+12	1,680	1,505	+12	2,079
Cash flow from operating activities	492	-135	-	255	369	-	1,213
Cash flow from investing activities	-175	-708	-	-519	-1,094	-	-1,421
Free cash flow	317	-843	-	-264	-725	-	-208
Earnings per share							
Earnings per share, SEK	7.21	6.00	+20	19.93	17.03	+17	23.71
Key figures							
Volume growth, %	+8	+11	-	+10	+7	-	+7
Operating profit per kilo (excl. non-recurring items), SEK	0.87	0.85	+2	0.83	0.82	+1	0.82
Return on Capital Employed (R12 months), %	15.4	15.7	-2	15.4	15.7	-2	15.8
Net debt / EBITDA, multiple	1.43	1.59	-10	1.43	1.59	-10	1.26

1) Acquisition costs of SEK 15 million related to California Oils Corporation have been recorded during the third quarter 2016.

2) Non-recurring items for the full year 2016 amounted to SEK 0 million and consist of acquisition costs of SEK 15 million and a net positive impact of SEK 15 million related to the acquisition of California Oils Corporation.



The AAK Group, third quarter 2017

Volumes

Volumes continued to grow nicely, by 8 percent (11). Organic volume growth was 4 percent (4) due to an increased demand for speciality and semi-speciality products, which alone generated organic volume growth of 4 percent (5).

Net sales

Sales amounted to SEK 6,553 million (5,678). The increase was mainly due to higher raw material prices, a positive product mix, organic volume growth, and the effect of the acquisition in 2016. This was partly offset by a negative currency translation impact of SEK 200 million.

Operating profit

Operating profit reached SEK 475 million (431 excluding acquisition costs), an improvement of 10 percent compared to the corresponding quarter in 2016.

The currency translation impact was negative SEK 14 million of which SEK 9 million was related to Food Ingredients and SEK 5 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates and excluding acquisition costs improved by 13 percent.

Operating profit per kilo reached SEK 0.87 (0.85 excluding acquisition costs). The currency translation impact was negative SEK 0.03. At fixed foreign exchange rates operating profit per kilo was up 6 percent.

Net financial cost

Net financial cost decreased and amounted to SEK 31 million (47). The lower financial costs are due to the company optimizing financing in a few high-interest rate countries. The company has, in addition, temporarily benefited from the structure in the interest market.

Cash flow and investments

Operating cash flow including changes in working capital amounted to SEK 492 million (negative 135). Cash flow from working capital amounted to SEK 156 million (negative 467).

Strong inventory management combined with some positive impact from lower raw material prices have impacted cash flow favorably. However, this was partly offset by a continued strong organic volume growth and working capital tied up for our new factories in Brazil and China.

There has been a decrease in raw material prices since mid-first quarter which will have a positive impact on cash flow with a time lag of 6–9 months. However, we have started to see a modest increase in raw material prices since some months.

Cash flow from investing activities amounted to SEK 175 million (261 excluding acquisition).

Financial position

The equity/assets ratio amounted to 45 percent (44 percent at December 31, 2016). Net debt at September 30, 2017, amounted to SEK 3,233 million (SEK 2,620 million at December 31, 2016). At September 30, 2017, the Group had total committed credit facilities of SEK 6,138 million (6,139 as of December 31, 2016), with SEK 3,006 million of unused committed credit facilities at quarter-end.

Employees

The average number of employees at September 30, 2017 was 3,480 (3,256 at December 31, 2016). The increase of employees is related to recently made acquisitions and our new factories in Brazil and China.

Update on AAK's CEO

AAK's Board of Directors is expecting to announce a new CEO and President during the fourth quarter. Fredrik Nilsson will continue as acting CEO and President until further notice.

Business Area Food Ingredients, Q3 2017

	Q3 2017	Q3 2016	Δ%	Q1-3 2017	Q1-3 2016	Δ%	Full year 2016
Operating profit							
+15 %							
Operating profit per kilo							
+5 %							
Volumes ('000 MT)	364	336	+8	1,069	971	+10	1,325
Net sales, SEK million	4,345	3,792	+15	13,197	10,561	+25	14,707
Operating profit, SEK million	288	251	+15	808	718	+13	996
Operating profit per kilo, SEK	0.79	0.75	+5	0.76	0.74	+3	0.75

Volumes

Food Ingredients reported organic volume growth of 3 percent (0). The demand for speciality and semi-speciality products continued to be good, generating organic volume growth of 3 percent (2). However, the picture between the different segments was mixed.

The Bakery segment had another challenging quarter, particularly within the European market. The development in North Latin America and the US continued to be weak. However, there was good growth in Asia, the Nordics and South Latin America.

The Dairy segment continued the strong trend from 2016 and once again reported high double-digit organic volume growth. All regions showed very strong growth except the Nordics where the development was modest.

Special Nutrition, comprised of Infant, Senior and Medical Nutrition, reported high double-digit volume growth with a significantly better product mix compared to the corresponding quarter last year. This was driven by a double-digit volume growth for our Infant Nutrition product range Akonino®. Our other Infant Nutrition product range InFat®, sold through Advanced Lipids AB, a joint venture of AAK and Enzymotec, also showed double-digit volume growth in the quarter.

Foodservice reported declining volumes in the quarter. This was mainly due to continued challenging market conditions in the Nordics.

Commodity products showed 4 percent (-9) organic volume growth.

Net sales

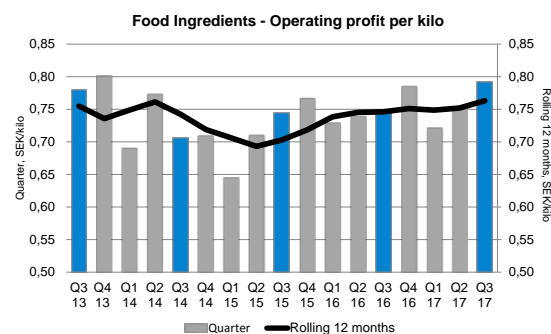
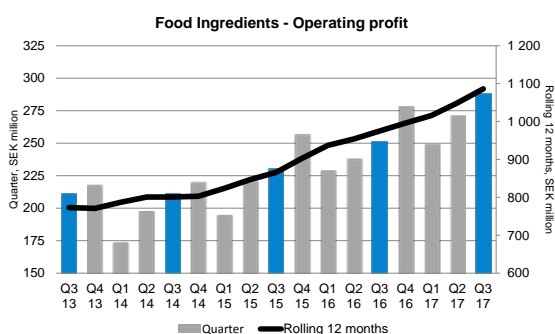
Sales amounted to SEK 4,345 million (3,792). The increase was mainly due to higher raw material prices, a positive product mix, organic volume growth, and the effect of the acquisition in 2016. This was partly offset by a negative currency translation impact of SEK 150 million.

Operating profit

Operating profit improved by 15 percent to SEK 288 million (251), due to a continued improved product mix, including a higher portion of customer co-developed solutions. Ramp-up costs have, according to plan, been absorbed in the reported profit. The currency translation impact was negative SEK 9 million. At fixed foreign exchange rates operating profit was up 18 percent.

Operating profit per kilo for Food Ingredients increased to SEK 0.79 (0.75), mainly as a consequence of the improved product mix, offset by ramp-up costs and two months' dilution from our acquisition in 2016. At fixed foreign exchange rates operating profit per kilo improved by 9 percent.

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



Business Area Chocolate & Confectionery Fats, Q3 2017

	Q3 2017	Q3 2016	Δ%	Q1-3 2017	Q1-3 2016	Δ%	Full year 2016	
Operating profit								
+4 %	Volumes ('000 MT)	110	101	+9	303	267	+13	367
	Net sales, SEK million	1,866	1,580	+18	5,565	4,259	+31	6,117
Operating profit per kilo	Operating profit, SEK million	198	190	+4	559	495	+13	664
-4 %	Operating profit per kilo, SEK	1.80	1.88	-4	1.84	1.85	-1	1.81

Volumes

Total volumes for the business area increased by 9 percent (23). Organic volume growth in the quarter was 9 percent (15).

There was continued strong organic volume growth for both speciality and semi-speciality products, with several showing exceptional volume growth – in mature as well as in emerging markets.

Net sales

Net sales for Chocolate & Confectionery Fats increased by SEK 286 million as a consequence of higher raw material prices, volume growth, and an improved product mix. This was partly offset by a negative currency translation impact of SEK 50 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 4 percent, and reached SEK 198 million (190).

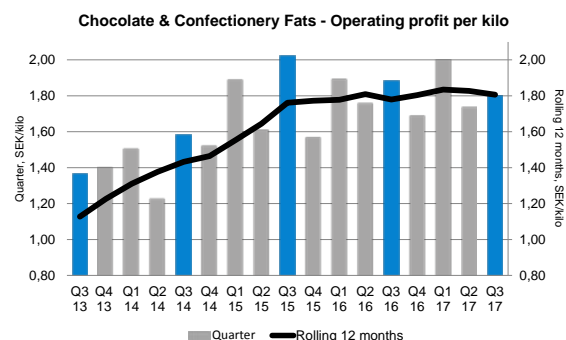
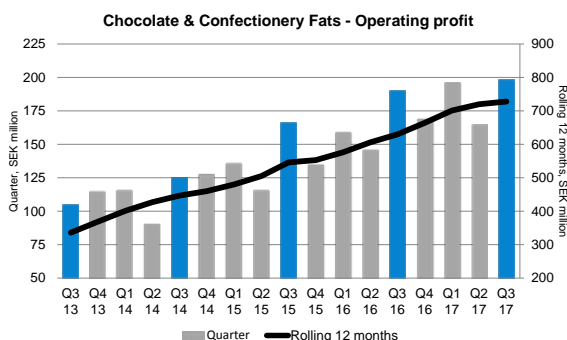
The business area has seen a stronger than projected growth in demand, combined with some production disruptions in Aarhus, Denmark, which have resulted in increased production and supply chain costs. This will gradually start to improve towards the end of the fourth quarter.

Ramp-up costs in Brazil and China have, according to plan, been absorbed in the reported profit.

The currency translation impact was negative SEK 5 million. At fixed foreign exchange rates operating profit improved by 7 percent.

Operating profit per kilo for Chocolate & Confectionery Fats reached SEK 1.80 (1.88). There was continued strong organic volume growth for both speciality and semi-speciality products, offset by the above-mentioned production disruptions and ramp-up costs. At fixed foreign exchange rates operating profit per kilo declined by 2 percent.

We are expecting continued improvement in Chocolate & Confectionery Fats.



Business Area Technical Products & Feed, Q3 2017

	Q3 2017	Q3 2016	Δ%	Q1-3 2017	Q1-3 2016	Δ%	Full year 2016
Operating profit							
+4 %							
Operating profit per kilo							
+3 %							
Volumes ('000 MT)	69	68	+1	207	204	+1	274
Net sales, SEK million	342	306	+12	1,080	911	+19	1,233
Operating profit, SEK million	25	24	+4	53	76	-30	100
Operating profit per kilo, SEK	0.36	0.35	+3	0.26	0.37	-30	0.36

Volumes

Volumes increased by 1 percent (10) compared to the corresponding quarter in 2016.

Net sales

Net sales for the business area increased by SEK 36 million as a result of an improved product mix.

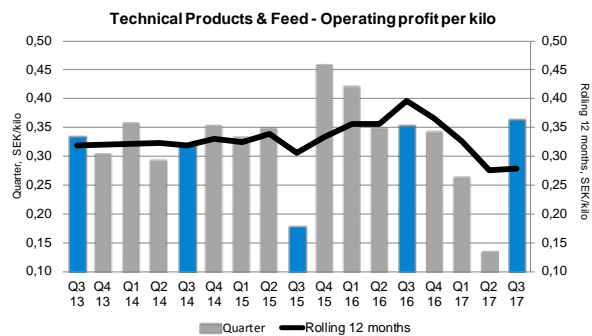
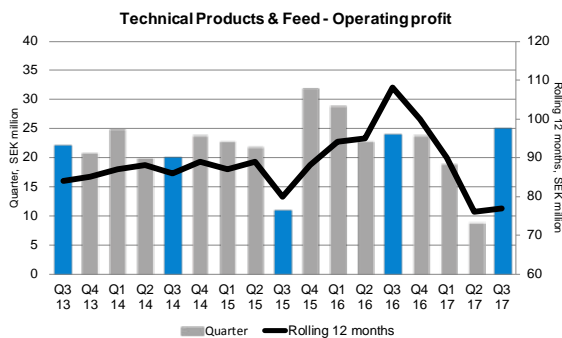
Operating profit

Operating profit improved by SEK 1 million, reaching SEK 25 million (24).

After some challenging quarters the profit level was almost back to historical levels. The raw material prices in our fatty acids business have been back to more normal levels for several months. The feed business continued to improve.

Operating profit per kilo was solid at SEK 0.36 (0.35).

The operating profit is expected to gradually come back to more normal levels during the upcoming quarters.



The AAK Group, first nine months 2017

Volumes

Total volumes were up 10 percent (7) and organic volume growth was up 5 percent (1).

Net sales

Sales amounted to SEK 19,842 million (15,731). The increase was mainly due to higher raw material prices, a positive product mix, organic volume growth, and the effect of the acquisition in 2016. This was partly offset by a negative currency translation impact of SEK 32 million.

Operating result

Operating profit reached SEK 1,315 million (1,180 excluding acquisition costs), an improvement of 11 percent. Operating profit at fixed foreign exchange rates improved by 12 percent. The currency translation impact was negative SEK 1 million.

Operating profit per kilo reached SEK 0.83 (0.82 excluding acquisition costs). There was no currency translation impact.

Net financial cost

Net financial cost decreased and amounted to SEK 94 million (124). The lower financial costs are due to the company optimizing financing in a few high-interest rate countries. The company

has, in addition, temporarily benefited from the structure in the interest market.

Tax cost

Reported tax costs correspond to an average tax rate of 29 percent (28). The reported tax rate is 1 percent higher than last year due to increased earnings in countries with higher tax rates.

Cash flow

Operating cash flow including changes in working capital amounted to SEK 255 million (369). As previously predicted cash flow from working capital was negative, amounting to SEK 650 million (negative 689).

Strong inventory management combined with some positive impact from lower raw material prices have impacted cash flow favorably. However, this was partly offset by a continued strong organic volume growth and working capital tied up for our new factories in Brazil and China.

There has been a decrease in raw material prices since mid-first quarter which will have a positive impact on cash flow with a time lag of 6–9 months. However, we have started to see a modest increase in raw material prices since some months.

General information

Related parties

No significant changes have taken place in relations or transactions with related parties since 2016.

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 2016.

Accounting principles in 2017

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 2016. The accounting policies are unchanged, compared with those applied in 2016. A number of new and amended standards are effective for periods beginning after January 1, 2017. 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)

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 Alternative 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 2016.

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 nine months of 2017 amounted to SEK 71 million (60). The result for the Parent Company after financial items amounted to negative SEK 45 million (negative 57).

The costs for Group Functions have increased mainly as a consequence of the increased management ambition related to growth and The AAK Way, 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 1,669 million (negative 1,301 as at December 31, 2016). Investments in intangible and tangible assets amounted to SEK 0 million (5). 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.

Events after the balance sheet date

As of October 1, 2017, Jens Wikstedt, President SB&N and member of the Executive Committee, has decided to leave AAK in order to pursue other activities. His areas of responsibility have been divided between other members of the Executive Committee.

Malmö, October 26, 2017

Fredrik Nilsson
Chief Financial Officer and acting CEO

For further information, please contact:

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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 08:40 a.m. CET on October 26, 2017.

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of AAK AB (publ.) as of September 30, 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. 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 International Standards on Auditing, ISA, and other generally accepted auditing standards

in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, October 25, 2017

PricewaterhouseCoopers

Sofia Götmar-Blomstedt
Authorized Public Accountant

Income statement

SEK million	Group					Parent		
	Q3 2017	Q3 2016	Q1-3 2017	Q1-3 2016	Full year 2016	Q1-3 2017	Q1-3 2016	Full year 2016
Net sales	6,553	5,678	19,842	15,731	22,057	71	60	95
Other operating income	25	25	79	65	109	0	0	-
Total operating income	6,578	5,703	19,921	15,796	22,166	71	60	95
Raw materials and supplies	-4,969	-4,268	-15,207	-11,621	-16,362	-	-	-
Other external expenses	-560	-474	-1,634	-1,415	-1,973	-34	-34	-63
Cost for remuneration to employees	-454	-415	-1,398	-1,234	-1,726	-78	-77	-101
Amortization and impairment losses	-120	-114	-365	-340	-464	-1	0	-1
Other operating expenses	0	-16	-2	-21	-26	-	-3	-3
Total operating costs	-6,103	-5,287	-18,606	-14,631	-20,551	-113	-114	-168
Operating profit (EBIT)	475	416	1,315	1,165	1,615	-42	-54	-73
Income from shares in group companies	-	-	-	-	-	-	-	63
Interest income	2	2	8	5	6	0	0	0
Interest expense	-25	-44	-88	-116	-159	-3	-3	-4
Other financial items	-8	-5	-14	-13	-17	0	0	-
Total financial net	-31	-47	-94	-124	-170	-3	-3	59
Result before tax	444	369	1,221	1,041	1,445	-45	-57	-14
Income tax	-129	-106	-358	-288	-405	7	14	-5
Net result	315	263	863	753	1,040	-38	-43	-19
Attributable to non-controlling interests	10	10	20	33	37	-	-	-
Attributable to the Parent company's shareholders	305	253	843	720	1,003	-38	-43	-19

Comprehensive income

SEK million	Group					Parent		
	Q3 2017	Q3 2016	Q1-3 2017	Q1-3 2016	Full year 2016	Q1-3 2017	Q1-3 2016	Full year 2016
Profit for the period	315	263	863	753	1,040	-38	-43	-19
Items that will not be reclassified to profit or loss:								
Remeasurements of post employment benefit obligations	-19	14	-8	-1	5	-	-	-
	-19	14	-8	-1	5	-	-	-
Items that may subsequently be reclassified to profit or loss:								
Translation differences	-223	39	-655	-5	189	-	-	-
Fair value changes in cash flow hedges	-	8	-	21	23	-	-	-
Tax attributable to fair value changes in cash flow hedges	-	-2	-	-5	-5	-	-	-
	-223	45	-655	11	207	-	-	-
Total comprehensive income for the period	73	322	200	763	1,252	-38	-43	-19
Attributable to non-controlling interests	8	12	17	34	36	-	-	-
Attributable to the Parent company's shareholders	65	310	183	729	1,216	-38	-43	-19

Condensed balance sheet

SEK million	Group			Parent		
	30.09.2017	30.09.2016	31.12.2016	30.09.2017	30.09.2016	31.12.2016
Assets						
Goodwill	1,588	1,644	1,686	-	-	-
Other intangible assets	314	348	357	4	5	5
Tangible assets	5,114	4,875	5,164	3	4	4
Financial assets	26	30	32	5,492	5,486	5,486
Deferred tax assets	111	130	201	8	15	-
Total non-current assets	7,153	7,027	7,440	5,507	5,510	5,495
Inventory	4,276	4,533	4,850	-	-	-
Accounts receivables	3,372	3,055	3,027	-	-	-
Other current receivables	1,189	1,073	1,281	81	199	144
Cash and cash equivalents	545	403	586	0	-	0
Total current assets	9,382	9,064	9,744	81	199	144
Total assets	16,535	16,091	17,184	5,588	5,709	5,639
Equity and liabilities						
Shareholders' equity	7,335	7,035	7,522	3,835	4,218	4,243
Non-controlling interests	71	52	54	-	-	-
Total equity including non-controlling interests	7,406	7,087	7,576	3,835	4,218	4,243
Liabilities to banks and credit institutions	3,354	3,263	2,857	-	-	-
Pension liabilities	150	144	134	14	8	8
Deferred tax liabilities	500	517	520	-	-	-
Non-interest-bearing liabilities	356	301	320	-	-	-
Total non-current liabilities	4,360	4,225	3,831	14	8	8
Liabilities to banks and credit institutions	307	196	217	-	-	-
Accounts payables	2,830	2,670	3,258	10	9	9
Other current liabilities	1,632	1,913	2,302	1,729	1,474	1,379
Total current liabilities	4,769	4,779	5,777	1,739	1,483	1,388
Total equity and liabilities	16,535	16,091	17,184	5,588	5,709	5,639

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, 2017	7,522	54	7,576
Profit for the period	843	20	863
Other comprehensive income	-660	-3	-663
Total comprehensive income	183	17	200
Dividend	-370	-	-370
Closing equity September 30, 2017	7,335	71	7,406

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	720	33	753
Other comprehensive income	9	1	10
Total comprehensive income	729	34	763
New issue of shares	37	-35	2
Dividend	-328	-	-328
Closing equity September 30, 2016	7,035	52	7,087

Financial instruments

SEK million	Asset	Liability
Financial instruments reported in balance sheet September 30, 2017		
Raw material hedge contracts	181	176
FX hedge contracts	193	129
Total derivatives financial instruments	374	305
Fair value adjustment inventory	46	17
Total financial instruments	420	322

AAK Group – Cash flow statement

SEK million	Q3 2017	Q3 2016	Q1-3 2017	Q1-3 2016	Full year 2016
Operating activities					
Operating profit	475	416	1,315	1,165	1,615
Depreciation and amortization	120	114	365	340	464
Other non-cash items	-126	-15	-291	-1	-37
Cash flow before interest and tax	469	515	1,389	1,504	2,042
Interest paid and received	-35	-49	-99	-121	-163
Tax paid	-98	-134	-385	-325	-403
Cash flow before changes in working capital	336	332	905	1,058	1,476
Changes in inventory	387	-540	408	-541	-818
Changes in accounts receivables	-69	-403	-493	-541	-489
Changes in accounts payables	-6	446	-329	251	814
Changes in other working capital items	-156	30	-236	142	230
Changes in working capital	156	-467	-650	-689	-263
Cash flow from operating activities	492	-135	255	369	1,213
Investing activities					
Acquisition of intangible and tangible assets	-176	-265	-526	-651	-977
Acquisition of operations and shares, net of cash acquired	-	-447	-	-447	-449
Proceeds from sale of property, plan and equipment	1	4	7	4	5
Cash flow from investing activities	-175	-708	-519	-1,094	-1,421
Cash flow after investing activities	317	-843	-264	-725	-208
Financing activities					
Changes in loans	-400	761	628	988	645
Dividend paid	-	-	-370	-328	-328
Cash flow from financing activities	-400	761	258	660	317
Cash flow for the period	-83	-82	-6	-65	109
Cash and cash equivalents at start of period	639	485	586	459	459
Exchange rate difference for cash equivalents	-11	0	-35	9	18
Cash and cash equivalents at end of period	545	403	545	403	586

AAK Group – Share data

	Q3 2017	Q3 2016	Q1-3 2017	Q1-3 2016	Full year 2016
Number of shares, thousand	42,288	42,288	42,288	42,288	42,288
Earnings per share, SEK*	7.21	6.00	19.93	17.03	23.71
Equity per share, SEK	173.45	166.35	173.45	166.35	177.87
Market value on closing date, SEK	616.50	633.50	616.50	633.50	599.50

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

Quarterly data – Business Areas

Operating profit

SEK million	2016				Full year	2017		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3
Food Ingredients	229	238	251	278	996	249	271	288
Chocolate & Confectionery Fats	159	146	190	169	664	196	165	198
Technical Products & Feed	29	23	24	24	100	19	9	25
Group Functions	-36	-39	-34	-36	-145	-33	-36	-36
Total AAK Group excl non-recurring items	381	368	431	435	1,615	431	409	475
Acquisition costs and non-recurring items	-	-	-15	15	-	-	-	-
Total operating profit AAK Group	381	368	416	450	1,615	431	409	475
Financial net	-38	-39	-47	-46	-170	-41	-22	-31
Result before tax	343	329	369	404	1,445	390	387	444

Alternative Performance Measures (APMs)

Organic volume growth

%	Q3 2017	Q3 2016	Q1-3 2017	Q1-3 2016	Full year 2016
Food Ingredients					
Organic volume growth	3	-0	3	-2	-2
Acquisitions/divestments	5	9	7	7	7
Volume growth as reported	8	9	10	5	5
Chocolate & Confectionery Fats					
Organic volume growth	9	15	13	12	13
Acquisitions/divestments	-	8	-	7	5
Volume growth as reported	9	23	13	19	18
Technical Products & Feed					
Organic volume growth	1	10	1	5	4
Acquisitions/divestments	-	-	-	-	0
Volume growth as reported	1	10	1	5	4
AAK Group					
Organic volume growth	4	4	5	1	2
Acquisitions/divestments	4	7	5	6	5
Volume growth as reported	8	11	10	7	7

EBITDA

SEK million	Q3 2017	Q3 2016	Q1-3 2017	Q1-3 2016	Full year 2016
Operating profit (EBIT)	475	416	1,315	1,165	1,615
Add back depreciation and amortization	120	114	365	340	464
EBITDA	595	530	1,680	1,505	2,079

Return on Capital Employed (ROCE)

SEK million	30.09.2017	R12M 2017	Full year 2016
Total assets	16,535	16,930	17,184
Cash and cash equivalents	-545	-550	-586
Financial assets	-34	-19	-3
Accounts payables	-2,830	-2,980	-3,258
Other non-interest bearing liabilities	-1,627	-1,933	-2,293
Capital employed	11,499	11,448	11,044
Operating profit (Rolling 12 months)	1,765	1,765	1,615
Return on Capital Employed (ROCE), %	15.3	15.4	14.6

Working capital

SEK million	30.09.2017	Full year 2016
Inventory	4,276	4,850
Accounts receivables	3,372	3,027
Other current receivables, non-interest bearing	1,155	1,278
Accounts payables	-2,830	-3,258
Other current liabilities, non-interest bearing	-1,627	-2,293
Working capital	4,346	3,604

Net debt

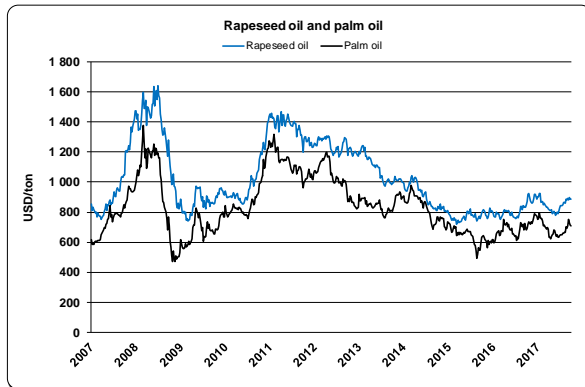
SEK million	30.09.2017	Full year 2016
Current interest bearing receivables	34	3
Cash and cash equivalents	545	586
Pension liabilities	-150	-134
Non-current liabilities to banks and credit institutions	-3,354	-2,857
Current liabilities to banks and credit institutions	-307	-217
Other interest-bearing liabilities	-1	-1
Net debt	-3,233	-2,620

Equity to assets ratio

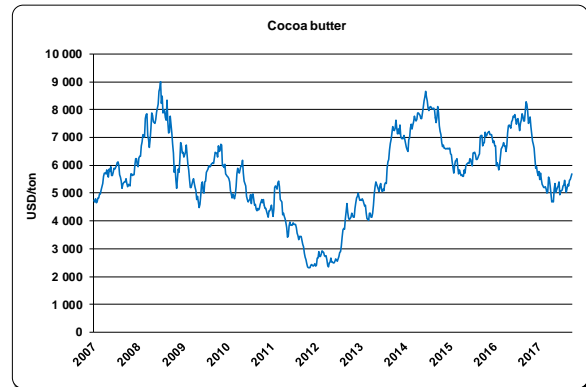
SEK million	30.09.2017	Full year 2016
Shareholders' equity	7,335	7,522
Non-controlling interests	71	54
Total equity including non-controlling interests	7,406	7,576
Total assets	16,535	17,184
Equity to assets ratio, %	44.8	44.1

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 October 26, 2017 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 2017–2018

A capital market day will be held in Stockholm, Sweden, on November 28, 2017.

The fourth quarter and year-end report for 2017 will be published on February 5, 2018.

The interim report for the first quarter 2018 will be published on April 23, 2018.

The Annual General Meeting will be held in Malmö, Sweden on May 30, 2018.

The interim report for the second quarter 2018 will be published on July 18, 2018.

The interim report for the third quarter 2018 will be published on October 25, 2018.

The fourth quarter and year-end report for 2018 will be published on February 1, 2019.

Forward-looking statements

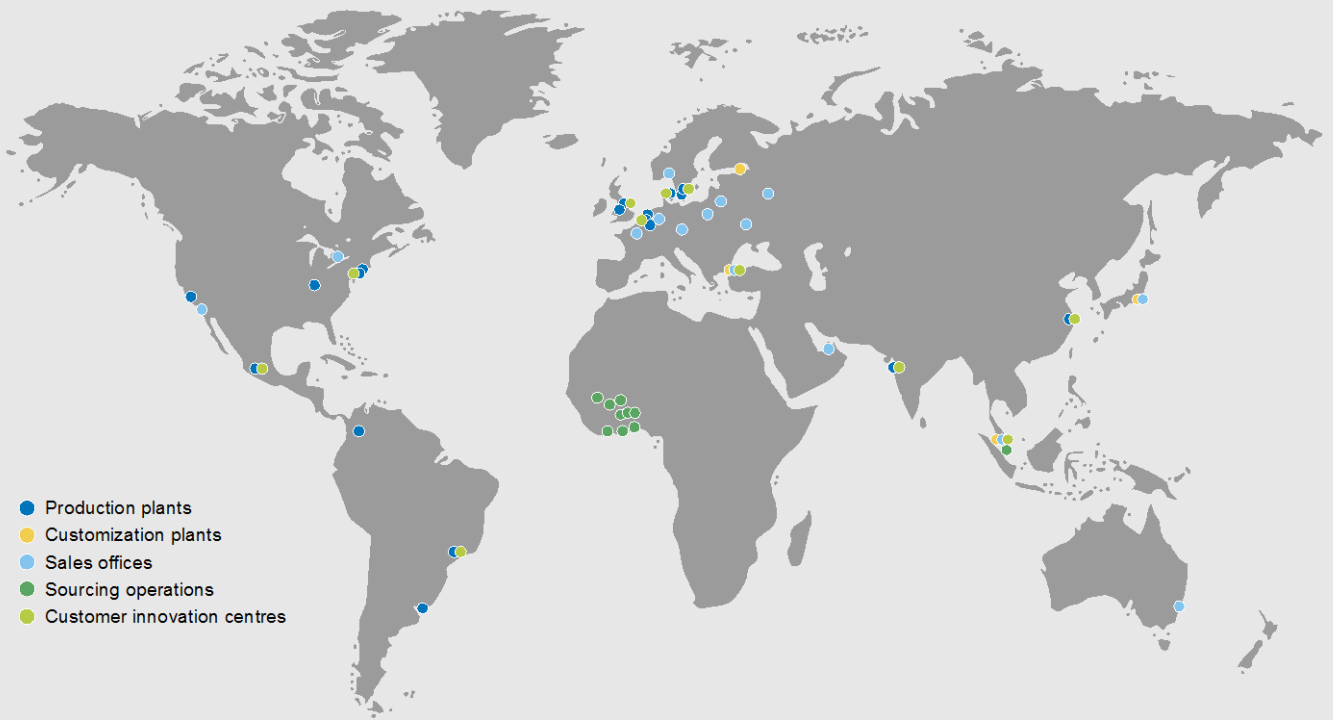
This report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of AAK AB (publ.), may cause actual developments and results to differ materially from the expectations expressed in this report.

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-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, Special 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 3,000 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.

We are AAK – The Co-Development Company.



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