



## Chief Executive's comments

### Again record high operating profit

Record high operating profit in the fourth quarter 2013, driven by the expected and continued significant recovery in Chocolate & Confectionery Fats. Operating profit was SEK 328 million (292), an improvement of 12 percent compared to the corresponding quarter in 2012. Operating profit at fixed exchange rates improved by 14 percent.

Operating profit per kilo amounted to SEK 0.77 (0.74\*). The improvement was mainly due to the continued recovery in Chocolate & Confectionery Fats.

Business Area operating profit:

- Food Ingredients reached a result of SEK 218 million (220\*), in line with the exceptionally strong fourth quarter last year.
- Chocolate & Confectionery Fats improved by 40 percent and reached SEK 115 million (82\*).
- Technical Products & Feed improved by 14 percent and reached SEK 24 million (21).

Earnings per share increased by 10 percent, to SEK 5.49 (5.01).

Sales amounted to SEK 4,286 million (4,205). The increase was mainly due to increased volumes and the positive impact of the Unipro acquisition partly offset by a negative currency translation impact.

### Business development

During the fourth quarter volumes increased by 8 percent, mainly due to Food Ingredients which increased by 10 percent. Dairy volumes increased significantly and volumes also increased in Infant Nutrition, Bakery and Food Service. Unipro, which was acquired in September 2013, developed according to plan. Chocolate & Confectionery Fats volumes increased by 4 percent with a more profitable product mix. Technical Products & Feed improved as well.

### Operational cash flow

Operating cash flow including changes in working capital amounted to SEK 208 million (439). As expected working capital increased by SEK 118 million (decrease 112). Working capital is expected to continue to increase because of the expected growth in Chocolate & Confectionery Fats.



### Continued strong ROCE evolution

Return on Capital Employed (ROCE), calculated on a rolling 12 months basis, was 16.5 percent compared to 14.2 percent at year-end last year. The ROCE for the fourth quarter was 16.1 percent compared to 14.7 percent for the fourth quarter 2012.

### Increased dividend

The proposed dividend is SEK 6.00 (5.25) per share, an increase of SEK 0.75 or 14 percent.

### AAK Acceleration - AAKtion

We continue to see positive effects of the AAK Acceleration program (Growth-Efficiency-People). In January 2014 we launched the company program for 2014-16, "AAKtion". The new 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, 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

\*) Hurricane Sandy had a negative impact on operating profit in the fourth quarter 2012 by an estimated SEK 21 million. All volumes related to lost shipments and the related profit in this report have been adjusted to include insurance compensation. See further page 9.

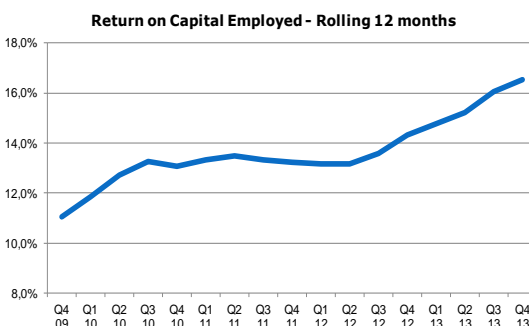
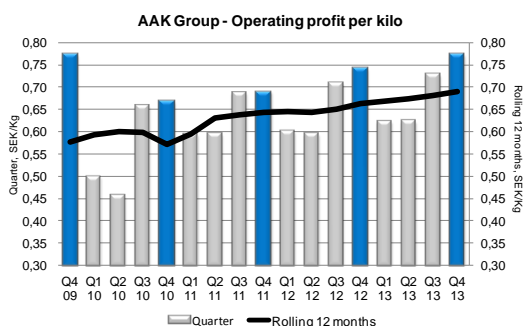
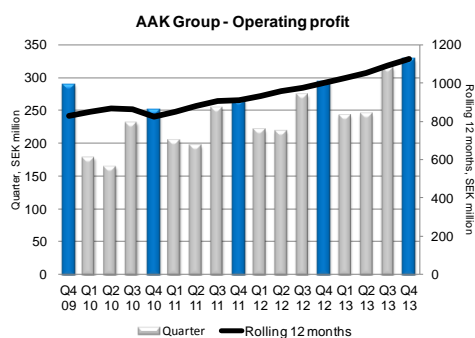
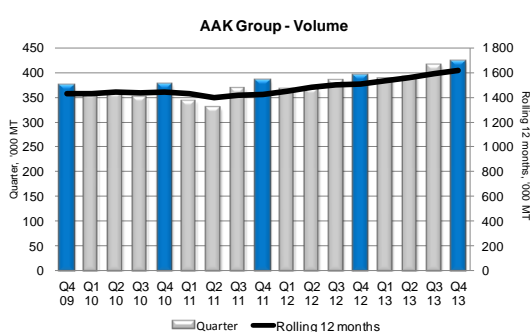
## Financial highlights and key ratios

SEK million	Q4 2013	Q4 2012		Δ %	Full year 2013	Full year 2012		Δ %
<b>Income statement</b>								
Volumes (MT)	424	394		+8	1,620	1,511		+7
Adjusted operating profit (EBIT)*	328	292	***	+12	1,127	1,003	***	+12
Operating profit (EBIT)	328	271		+21	1,117	975		+15
Net profit	229	206		+11	741	647		+15
<b>Financial position</b>								
Total assets	10,045	9,760	**	+3	10,045	9,760	**	+3
Equity	4,364	3,836	**	+14	4,364	3,836	**	+14
Net working capital	2,581	2,761		-7	2,581	2,761		-7
Net interest-bearing debt	2,255	2,635	**	-14	2,255	2,635	**	-14
<b>Cash flow</b>								
EBITDA	410	357		+15	1,460	1,322		+10
Cash flow from operating activities	208	439		-53	1,300	1,539		-16
Cash flow from investing activities	-143	-99		+44	-732	-794		-8
Free cash flow	65	340		-81	568	745		-24
<b>Earnings per share</b>								
Earnings per share before dilution	5.49	5.01		+10	17.87	15.66		+14
Earnings per share after dilution	5.40	4.97		+9	17.62	15.56		+13
<b>Key figures</b>								
Volume growth, %	+8	+2		-	+7	+6		-
Adjusted operating profit per kilo	0.77	0.74		+4	0.69	0.66		+5
Operating profit per kilo (excl. acquisition cost)	0.77	0.69		+12	0.69	0.65		+6
Return on Capital Employed	16.5	14.2		+16	16.5	14.2		+16
Net debt / EBITDA	1.54	1.92	**	-20	1.54	1.92	**	-20

\*) The full year 2013 includes acquisition costs of SEK 10 million incurred in the third quarter and the full year 2012 includes SEK 7 million acquisition related costs incurred in the second quarter 2012.

\*\*) Restated figures according to revised accounting standard IAS19 pension, see Attachment 1 of this report.

\*\*\*) Hurricane Sandy had a negative impact on operating profit in the fourth quarter 2012 by an estimated SEK 21 million. All volumes related to lost shipments and the related profit in this report have been adjusted to include insurance compensation. See further page 9.





## The AAK Group, fourth quarter 2013

### Volumes

Volumes increased by 8 percent (4 percent organic growth) compared to the fourth quarter 2012. This was mainly due to increased speciality and semi-speciality volumes in all segments and the Unipro acquisition. Dairy volumes increased significantly and volumes also increased in Infant Nutrition, Bakery and Food Service. Chocolate & Confectionery Fats volumes increased by 4 percent with a more profitable product mix. Technical Products & Feed improved as well.

### Net sales

Net sales increased by SEK 81 million mainly due to the volume growth and the acquisition partly offset by a negative impact of currency translation of SEK 51 million.

### Operating profit

The operating profit was a record high quarterly result and reached SEK 328 million (292\*), an improvement of 12 percent. The impact of currency translation was negative SEK 4 million following the strengthening of the Swedish krona. The operating profit at fixed exchange rates improved by 14 percent.

The strong improvement compared to last year was partly due to the negative impact of Sandy\*. The operating profit reached SEK 328 million (271), an improvement by 21 percent.

Operating profit per kilo continued to improve at SEK 0.77 (0.74\*), an improvement by 4 percent. Operating profit per kilo in Food Ingredients was SEK 0.80 (0.89\*) per kilo, the decrease compared to last year was due to the exceptional fourth quarter last year and the faster growth in the fourth quarter 2013 of semi-specialities compared to other product segments. Operating profit per kilo in Chocolate & Confectionery Fats improved by 35 percent at SEK 1.40 (1.04\*) per kilo, as a result of a better product mix and higher Cocoa Butter Equivalent (CBE) margins. Technical Products & Feed improved by 10 percent at SEK 0.34 (0.31) per kilo.

\*) Hurricane Sandy had a negative impact on operating profit in the fourth quarter 2012 by an estimated SEK 21 million. All volumes related to lost shipments and the related profit in this report have been adjusted to include insurance compensation. See further page 9.

\*\*) Restated figures according to revised accounting standard IAS19 pension, see Attachment 1 of this report.

### Net financial cost

The net financial cost at SEK 23 million (22), was in line with last year.

### Cash flow and Investments

Operating cash flow in the fourth quarter amounted to SEK 208 million (439). As expected working capital developed negatively and increased by SEK 118 million (a decrease by 112 last year). Working capital is expected to continue to increase because of the expected growth in Chocolate & Confectionery Fats.

After net investments amounting to SEK 143 million (99), cash flow was positive SEK 65 million (positive 340).

### Financial position

The equity/assets ratio amounted to 43 percent (39\*\* percent at 31 December 2012). Net debt at 31 December 2013, amounted to SEK 2,255 million (SEK 2,635\*\* million on 31 December 2012).

At 31 December 2013, the Group had total committed credit facilities of approximately SEK 4,716 million (5,599), with SEK 2,230 million of unused committed credit facilities at year-end.

### Employees

The average number of employees at 31 December 2013 was 2,207 (2,211 on 31 December 2012). The reduction related to the ongoing restructuring of the UK operations was partly offset by the addition of employees in growth markets as well as the acquisition of Unipro.

### Hurricane Sandy

There was no exceptional impact on the operating profit related to Hurricane Sandy in the fourth quarter 2013. However, insurance compensation has been recorded, please see further comments on pages 9 and 12.

## Business Area Food Ingredients, Q4 2013

	SEK million	Q4 2013	Q4 2012	Δ %	Full year 2013	Full year 2012	Δ %
Operating profit							
<b>-1 %</b>							
	Volumes*	272	248	+10	1,049	937	+12
	Net sales	2,807	2,648	+6	10,798	10,729	+1
Operating profit per kilo	Operating profit*	218	220	-1	771	703	+10
<b>-10 %</b>	Operating profit per kilo*	0.80	0.89	-10	0.73	0.75	-3

### Volumes

Food Ingredients reported a volume growth of 10 percent compared to the corresponding quarter in 2012, attributable mainly to volume increases of speciality and semi-speciality in all segments and the acquisition of Unipro in Turkey. Dairy volumes increased significantly and volumes also increased in Infant Nutrition, Bakery and Food Service. For comparable units volume increased by 6 percent.

### Net sales

Net sales increased by SEK 159 million mainly due to increased volumes and the positive impact of the Unipro acquisition partly offset by a negative currency translation impact.

### Operating profit

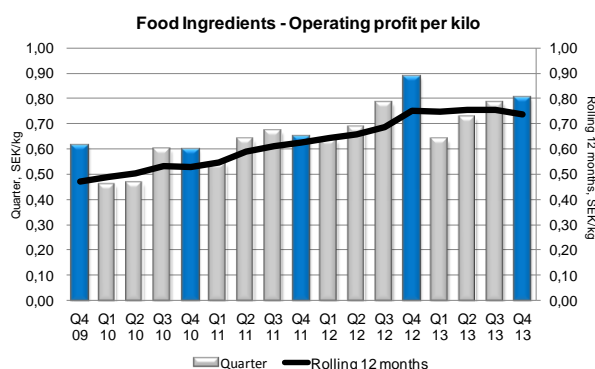
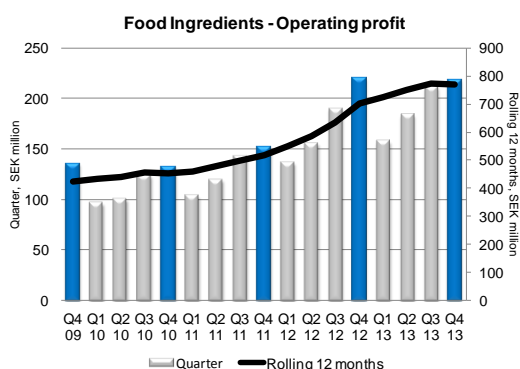
As expected the operating profit for the fourth quarter was slightly lower than last year. However, the operating profit was still a strong performance at SEK 218 million (220\*). As the currency translation impact was negative by SEK 3 million, the 2013 fourth quarter at fixed exchange rates was in line with the exceptionally high operating result 2012. In the fourth quarter 2012 we reported an extraordinarily favourable product mix

and production efficiency which during 2013 was normalized.

The fourth quarter 2013 was characterized by continued strong development in speciality and semi-speciality products. In particular we noticed a significant recovery in Dairy. Infant Nutrition and Food Service continued their positive developments. Unipro, which was acquired in September 2013, developed according to plan

Operating profit per kilo was quite high at SEK 0.80 (0.89\*) but lower than last year mainly due to the faster growth of semi-speciality versus other product segments. For the full year operating profit per kilo at SEK 0.73 (0.75\*) was lower than last year mainly due to the effect of relatively higher growth of semi-speciality products and the impact of lower margins in the acquired units.

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 expected to be approximately at the 2013 growth rate.



\*) Hurricane Sandy had a negative impact on operating profit of Food Ingredients in the fourth quarter 2012 by an estimated SEK 6 million. All volumes related to lost shipments and the related profit in this report have been adjusted to include insurance compensation. See further page 9.

# Business Area Chocolate & Confectionery Fats, Q4 2013

	SEK million	Q4 2013	Q4 2012	Δ %	Full year 2013	Full year 2012	Δ %
Operating profit							
<b>+40 %</b>							
Volumes*		82	79	+4	300	309	-3
Net sales		1,141	1,135	+1	4,200	4,583	-8
Operating profit per kilo							
<b>+35 %</b>							
Operating profit*		115	82	+40	369	316	+17
Operating profit per kilo*		1.40	1.04	+35	1.23	1.02	+21

## Volumes

Total volume increased by 4 percent. Organic growth was flat. The product mix evolved favourably.

## Net sales

Net sales for Chocolate & Confectionery Fats increased by SEK 6 million as a consequence of increased volume partly offset by an unfavourable currency translation impact of SEK 14 million.

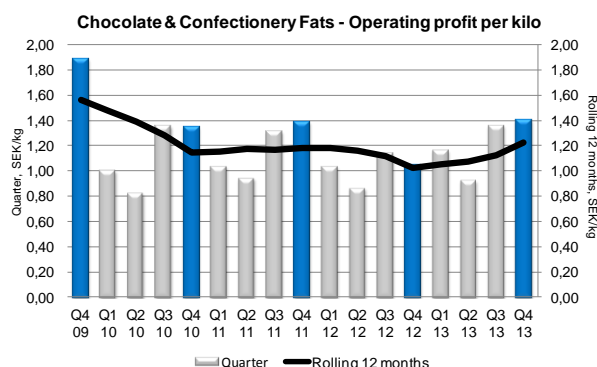
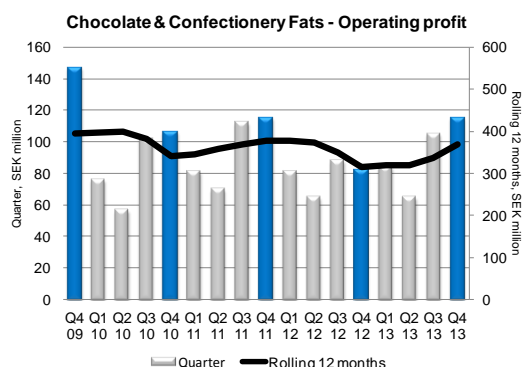
## Operating profit

As expected operating profit improved significantly by 40 percent, and reached SEK 115 million (82\*). The impact of currency translation was negative SEK 1 million. Operating profit at fixed exchange rates improved by 41 percent.

The underlying CBE margin improved driven by the increase in cocoa butter prices which have risen significantly during 2013.

Operating profit per kilo improved by 35 percent to SEK 1.40 (1.04\*) mainly due to higher CBE margins and a better product mix with increased volumes of CBE and Personal Care.

The performance of this business area is expected to continue to improve.



\*) Hurricane Sandy had a negative impact on operating profit for Chocolate & Confectionery Fats in the fourth quarter 2012 by an estimated SEK 5 million. All volumes related to lost shipments and the related profit in this report have been adjusted to include insurance compensation. See further page 9.

## Business Area Technical Products & Feed, Q4 2013

	SEK million	Q4 2013	Q4 2012	Δ %	Full year 2013	Full year 2012	Δ %
Operating profit							
<b>+14 %</b>	Volumes	70	67	+4	271	265	+2
	Net sales	338	422	-20	1,539	1,599	-4
Operating profit per kilo	Operating profit	24	21	+14	97	88	+10
<b>+10 %</b>	Operating profit per kilo	0.34	0.31	+10	0.36	0.33	+9

### Volumes

Volumes increased by 4 percent compared to the corresponding quarter in 2012. This was mainly driven by increased volumes in the feed business.

### Net sales

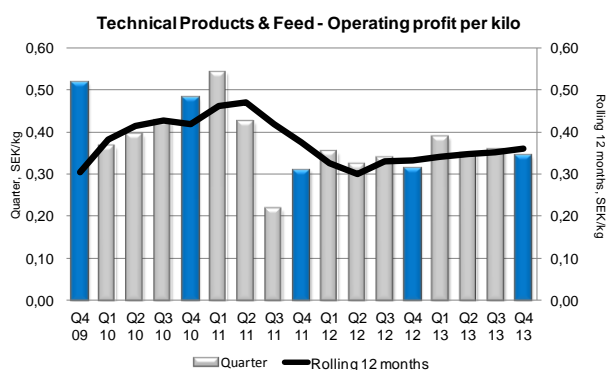
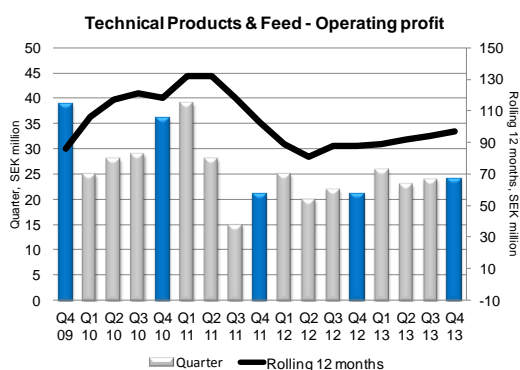
Net sales for the business area decreased by SEK 84 million or by 20 percent as a result of lower raw material prices.

### Operating profit

Operating profit improved to SEK 24 million (21), explained mainly by improved feed business.

Operating profit per kilo at SEK 0.34 (0.31) improved by 10 percent.

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



## *The AAK Group, full year 2013*

### **Volume**

Volume increased by 7 percent (organic growth 2 percent) during 2013 due to organic growth of speciality and semi-specialities but also growth from acquisitions.

### **Net sales**

Net sales decreased by SEK 374 million mainly due to lower raw material prices and a negative currency translation impact of SEK 328 million. The positive impact of acquisitions was more than offset by the lower raw material prices.

### **Operating result**

Operating profit for the full year of 2013 excluding acquisition related costs was a record high, reaching SEK 1,127 million (1,003\*), an improvement of 12 percent. The impact of currency was negative SEK 23 million. At fixed exchange rates operating profit improved by 15 percent.

During 2012 the operating profit was affected by one-off items related to the superstorm Sandy\*. Operating profit for the full year of 2013 including the impact last year of Sandy\* and including acquisition related costs was SEK 1,117 million (975), an improvement of 15 percent.

Operating profit per kilo improved from SEK 0.66\* to SEK 0.69 or by 5 percent as a consequence of a higher proportion of high value products in the product mix.

### **Net financial cost**

Net financial cost was lower at SEK 100 million (109). Borrowings were lower than last year.

### **Cash flow**

Cash flow after changes in working capital for the full year of 2013 amounted to SEK 1,300 million (1,539), including reduced working capital of SEK 217 million (589).

### **Recent acquisition of Unipro**

During the third quarter 2013 AAK strengthened its position in Turkey by acquiring Unipro from Unilever. Unipro is a leading supplier of oils and fats to the Industrial and Bakery markets in Turkey and the surrounding region.

Founded in 1990 and located in Istanbul, Unipro employs approximately 37 people and had revenues of approximately SEK 700 million in 2012 and approximately 50,000 tons of annual deliveries.

The acquisition of Unipro includes ten established brands, a core management and sales organization, all related know-how and the Unipro company name for Bakery and Industrial fats. In connection with the acquisition, AAK has entered a five-year toll manufacturing agreement with Unilever relating to the supply of Unipro products. The impact of this acquisition on AAK's 2013 operating profit was limited.

\*) Hurricane Sandy had a negative impact on operating profit in the fourth quarter 2012 by an estimated SEK 21 million. All volumes related to lost shipments and the related profit in this report have been adjusted to include insurance compensation. See further page 9.



## General information

### Related parties

The ongoing business with Unitata Berhard in Malaysia has ceased to qualify as related party transactions since Carl Bek-Nielsen and Martin Bek-Nielsen have resigned from the AAK Board. There are no other significant changes that have taken place in relations or transactions with related parties since 2012.

### Hurricane Sandy and insurance compensation

AAK's two plants in the New Jersey area were temporarily shut down on October 29, 2012 due to Hurricane Sandy. No employees were injured at either of the plants.

The plant in Port Newark was back in production (with reduced capacity) on November 26, 2012 and was by the end of the year 2012 back at almost full capacity. At the end of the first quarter 2013 the plant was back at full capacity.

AAK has insurance cover for property damage and business interruption.

During the fourth quarter of 2013 there were no exceptional effects on operating profit related to Hurricane Sandy.

It is not likely that the insurance settlement will be finalized until the later part of 2014.

### 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 2012.

### Accounting principles in 2013

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 2012. The accounting policies are unchanged, compared with those applied in 2012, except for the changes implied by the implementation of IAS 1 and IFRS 13.

### IAS 19 (Pension) disclosure

Effective as of January 1, 2013 the company has implemented the IAS 19 accounting for pension obligations in line with the IFRS accounting requirements. There is no significant impact on the balance sheet or key ratios related to this change in accounting principles. Please refer to Attachment 1 of this report showing the impact of the restatement.

### Definitions

For definitions, see the 2012 Annual Report.

### Nomination Committee

At the Annual General Meeting 2013, Mikael Ekdahl (Melker Schörling AB), Henrik Didner (Didner & Gerge fonder), Åsa Nisell (Swedbank Robur fonder) and Lars-Åke Bokenberger (AMF Fonder), were elected members of the Nomination Committee in respect of the Annual General Meeting 2014. Mikael Ekdahl was elected chairman of the Nomination Committee.

### Annual General meeting

The Annual General Meeting will be held on May 8, 2014 at 14.00 CET in Malmö, Sweden (Europaporten). The Annual Report for 2013 is expected to be distributed to the shareholders during the week starting April 14, 2014 and will at that time also be available on AAK's website and at its head office.

Shareholders who wish to participate at the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB on Friday May 2, 2014. To be eligible to participate in the Annual General Meeting, shareholders with nominee-registered holdings should temporarily re-register their shares in their own names through the agency of their nominees so that they are recorded in the share register in good time before Friday May 2, 2014. Notification of attendance should be made to AAK's head office no later than 16:00 CET on Friday May 2, 2014.

### Proposed dividend

The Board of Directors and the CEO propose that a dividend of SEK 6.00 (5.25) per share be paid for the financial year 2013. The proposed recording day for the dividend is May 13, 2014. It is expected that the dividend will reach the shareholders on May 16, 2014.

### 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 full year of 2013 were SEK 72 million (50). The result for the Parent Company after financial items amounted to SEK 1,061 million (120).

Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totalled a negative of SEK 661 million (negative 626 as at 31 December 2012). Investments in intangible and tangible assets amounted to SEK 0 million (0).

The Parent Company's balance sheet and income statement are shown on pages 12-13.

### Accounting policies

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

### Changes in the balance sheet

No major change since year-end.

Malmö, February 4, 2014



Melker Schörling  
Chairman of the Board



Märta Beckeman  
Board member



Ulrik Svensson  
Board member



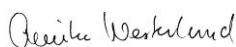
Märta Schörling  
Board member



Lillie Li Valeur  
Board member



Arne Frank  
Chief Executive Officer  
and President



Annika Westerlund  
Trade union  
representative



Leif Håkansson  
Trade union  
representative

The information is that which AarhusKarlshamn AB (publ) is obliged to publish under the provisions of the Stock Exchange and Clearing Operations Act and/or the Trading in Financial Instruments Act. The information was released to the media for publication on February 5, 2014 at 08.15 am CET.

## *Report of Review of Interim Financial Information*

We have reviewed this report for the period 1 January 2013 to 31 December 2013 for AarhusKarlshamn AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report 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.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 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.

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, February 4, 2014

PricewaterhouseCoopers AB



Sofia Götmar-Blomstedt  
Lead auditor  
Authorised Public Accountant

## Income statement

SEK million	Group		Parent			
	Q4 2013	Q4 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012
Net sales	4,286	4,205	16,537	16,911	72	50
Other operating income *	54	71	172	108	0	5
<b>Total operating income</b>	<b>4,340</b>	<b>4,276</b>	<b>16,709</b>	<b>17,019</b>	<b>72</b>	<b>55</b>
Raw materials and supplies	-3,262	-3,309	-12,792	-13,388	-	-
Other external expenses	-346	-325	-1,265	-1,173	-78	-72
Cost for remuneration to employees	-323	-279	-1,189	-1,119	-57	-47
Amortisation and impairment losses	-82	-86	-343	-347	-1	-1
Other operating expenses	1	-6	-3	-17	0	0
<b>Total operating costs</b>	<b>-4,012</b>	<b>-4,005</b>	<b>-15,592</b>	<b>-16,044</b>	<b>-136</b>	<b>-120</b>
<b>Operating result (EBIT)</b>	<b>328</b>	<b>271</b>	<b>1,117</b>	<b>975</b>	<b>-64</b>	<b>-65</b>
Income from shares in group companies	-	-	-	-	1,146	185
Interest income	2	2	6	8	-	156
Interest expense	-23	-22	-81	-102	-20	-156
Other financial items	-2	-2	-25	-15	-1	0
<b>Total financial net</b>	<b>-23</b>	<b>-22</b>	<b>-100</b>	<b>-109</b>	<b>1,125</b>	<b>185</b>
<b>Result before tax</b>	<b>305</b>	<b>249</b>	<b>1,017</b>	<b>866</b>	<b>1,061</b>	<b>120</b>
Income tax	-76	-43	-276	-219	0	-4
<b>Net result</b>	<b>229</b>	<b>206</b>	<b>741</b>	<b>647</b>	<b>1,061</b>	<b>116</b>
Attributable to non-controlling interests	3	1	9	7	-	-
Attributable to the Parent company's shareholders	226	205	732	640	1,061	116

\*) include insurance compensation related to Hurricane Sandy.

## Comprehensive income

SEK million	Group		Parent			
	Q4 2013	Q4 2012	Full year 2013	Full year 2012	Full year 2013	Full year 2012
Income for the period	229	206	741	647	1,061	116
Items that will not be reclassified:						
Revaluation of defined benefit schemes	-7	-16	-7	-64	-	-
	<b>-7</b>	<b>-16</b>	<b>-7</b>	<b>-64</b>	<b>-</b>	<b>-</b>
Items that might be reclassified:						
Exchange differences on translation of foreign operations	51	0	-54	-98	-	-
Fair value changes in cash flow hedges	-5	0	21	-13	-	-
Tax related to fair value changes in cash flow hedges	1	0	-5	3	-	-
	<b>47</b>	<b>0</b>	<b>-38</b>	<b>-108</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>269</b>	<b>190</b>	<b>696</b>	<b>475</b>	<b>1,061</b>	<b>116</b>
Attributable to non-controlling interests	3	0	10	6	-	-
Attributable to the Parent company's shareholders	266	190	686	469	1,061	116

## Condensed balance sheet

SEK million	Group		Parent	
	31.12.2013	31.12.2012*	31.12.2013	31.12.2012
<b>Assets</b>				
Goodwill	1,115	1,045	-	-
Other intangible assets	123	87	0	1
Tangible assets	3,027	2,800	1	2
Financial assets	162	135	5,476	7,060
<b>Total non-current assets</b>	<b>4,427</b>	<b>4,067</b>	<b>5,477</b>	<b>7,063</b>
Inventory	2,501	2,583	-	-
Current receivables	2,885	2,780	146	134
Cash and cash equivalents	232	330	0	0
<b>Total current assets</b>	<b>5,618</b>	<b>5,693</b>	<b>146</b>	<b>134</b>
<b>Total assets</b>	<b>10,045</b>	<b>9,760</b>	<b>5,623</b>	<b>7,197</b>
<b>Equity and liabilities</b>				
Shareholders' equity*	4,330	3,812	4,909	4,020
Non-controlling interests	34	24	-	-
<b>Total equity including non-controlling interests</b>	<b>4,364</b>	<b>3,836</b>	<b>4,909</b>	<b>4,020</b>
<b>Total non-current liabilities*</b>	<b>2,797</b>	<b>3,257</b>	<b>-</b>	<b>2,500</b>
Accounts payables	1,727	1,480	18	12
Other current liabilities	1,157	1,187	696	665
<b>Total current liabilities</b>	<b>2,884</b>	<b>2,667</b>	<b>714</b>	<b>677</b>
<b>Total equity and liabilities</b>	<b>10,045</b>	<b>9,760</b>	<b>5,623</b>	<b>7,197</b>

No changes have arisen in contingent liabilities.

\*) Restated figures according to revised accounting standard IAS19 pension, see Attachment 1 of this report.



## AAK Group – Change in equity

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	732	9	741
Other comprehensive income	-46	1	-45
<b>Total comprehensive income</b>	<b>4,498</b>	<b>34</b>	<b>4,532</b>
New issue of shares	42	-	42
Stock options	5	-	5
Dividend	-215	-	-215
<b>Closing equity 31 December 2013</b>	<b>4,330</b>	<b>34</b>	<b>4,364</b>

SEK million	Total equity capital*	Non-controlling interests	Total equity incl. non-controlling interests
Openings equity 1 January 2012*	3,524	18	3,542
Profit for the period	640	7	647
Other comprehensive income*	-171	-1	-172
<b>Total comprehensive income</b>	<b>3,993</b>	<b>24</b>	<b>4,017</b>
Stock options	13	-	13
Dividend	-194	-	-194
<b>Closing equity 31 December 2012</b>	<b>3,812</b>	<b>24</b>	<b>3,836</b>

\*) Restated figures according to revised accounting standard IAS19 pension, see Attachment 1 of this report.

During 2013, 223,650 new shares have been issued which have increase equity by SEK 42 million.

## Financial instruments

SEK million	Asset	Liability
<b>Financial instruments reported in balance sheet 31 December 2013</b>		
Raw material hedge contracts	129	122
FX hedge contracts	66	85
Interest rate swaps	-	44
<b>Total derivatives financial instruments</b>	<b>195</b>	<b>251</b>
Fair value adjustment inventory	127	9
<b>Total financial instruments</b>	<b>322</b>	<b>260</b>

## AAK Group – Cash flow statement

SEK million	Q4 2013	Q4 2012	Full year 2013	Full year 2012
<b>Operating activities</b>				
Cash flow from operating activities before changes in working capital	326	327	1,083	950
Changes in working capital	-118	112	217	589
<b>Cash flow from operating activities</b>	<b>208</b>	<b>439</b>	<b>1,300</b>	<b>1,539</b>
<b>Investing activities</b>				
Cash flow from investing activities	-143	-99	-732	-794
<b>Cash flow after investing activities</b>	<b>65</b>	<b>340</b>	<b>568</b>	<b>745</b>
<b>Financing activities</b>				
Cash flow from financing activities	-80	-306	-666	-730
<b>Cash flow for the period</b>	<b>-15</b>	<b>34</b>	<b>-98</b>	<b>15</b>
Cash and cash equivalents at start of period	244	294	330	331
Exchange rate difference for cash equivalents	2	2	-1	-16
<b>Cash and cash equivalents at end of period</b>	<b>231</b>	<b>330</b>	<b>231</b>	<b>330</b>

## AAK Group – Share data

	Q4 2013	Q4 2012	Full year 2013	Full year 2012
Number of shares, thousand	41,122	40,898	41,122	40,898
Earnings per share, SEK*	5.49	5.01	17.87	15.66
Earnings per share incl dilution, SEK**	5.40	4.97	17.62	15.56
Earnings per share incl full dilution, SEK***	5.34	4.85	17.38	15.18
Equity per share, SEK	105.76	95.32	105.76	95.32
Equity per share, SEK****	-	93.18	-	93.18
Market value on closing date	412.00	276.00	412.00	276.00

\* 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.

\*\*\*\* Restated figures according to revised accounting standard IAS19 pension, see Attachment 1 of this report.

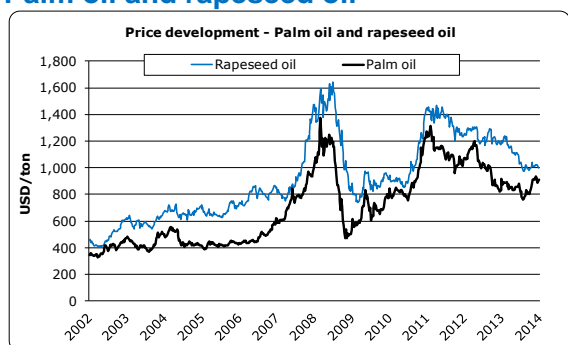
## Quarterly data – Business areas

### Operating profit

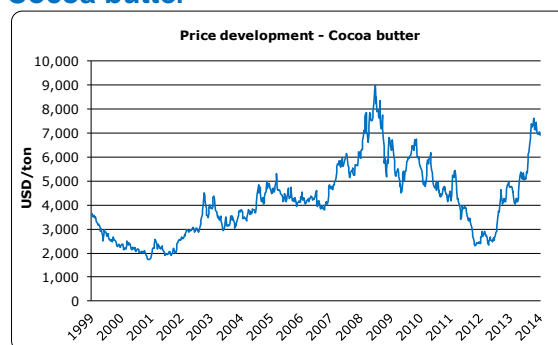
	2012					2013				
SEK million	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Food Ingredients	137	156	190	220	703	158	184	211	218	771
Chocolate & Confectionery Fats	81	65	88	82	316	84	65	105	115	369
Technical Products & Feed	25	20	22	21	88	26	23	24	24	97
Group Functions	-23	-30	-27	-31	-111	-26	-28	-37	-29	-120
<b>Total AAK Group</b>	<b>220</b>	<b>211</b>	<b>273</b>	<b>292</b>	<b>996</b>	<b>242</b>	<b>244</b>	<b>303</b>	<b>328</b>	<b>1,117</b>
Non-recurring items:										
Impact related to Sandy	-	-	-	-21	-21	0	0	0	0	0
<b>Total legal operating profit AAK Group</b>	<b>220</b>	<b>211</b>	<b>273</b>	<b>271</b>	<b>975</b>	<b>242</b>	<b>244</b>	<b>303</b>	<b>328</b>	<b>1,117</b>
Financial net	-24	-31	-32	-22	-109	-23	-28	-26	-23	-100
<b>Result before tax</b>	<b>196</b>	<b>180</b>	<b>241</b>	<b>249</b>	<b>866</b>	<b>219</b>	<b>216</b>	<b>277</b>	<b>305</b>	<b>1,017</b>

## 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](http://www.icco.org)

## *Additional information*

### **Press and analyst conference**

AAK will host a conference call on February 5, 2014 at 1 pm CET. The conference call can be accessed via our home page [www.aak.com](http://www.aak.com).

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

### **Financial calendar 2014**

The interim report for the first quarter 2014 will be published on April 23, 2014.

The interim report for the second quarter 2014 will be published on July 17, 2014.

The interim report for the third quarter 2014 will be published on October 29, 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 AarhusKarlshamn 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 (Appointed January 17, 2014)

Phone: + 46 40 627 83 34

Mobile: + 46 708 95 22 21

E-mail: [fredrik.nilsson@aak.com](mailto:fredrik.nilsson@aak.com)

or

Anders Byström, Director External Accounting and Investor Relations

Phone: + 46 40 627 83 32

Mobile: + 46 709 88 56 13

E-mail: [anders.bystrom@aak.com](mailto:anders.bystrom@aak.com)

## Attachment 1 - IAS 19 (Pension) disclosure

Effective as of January 1, 2013 the company has implemented the IAS 19 accounting for pension obligations in line with the IFRS accounting requirements. There is no significant impact on the balance sheet or key ratios related to this change in accounting principles as can be seen from the tables below.

### **Employee benefits – defined benefit schemes**

In the second quarter of 2013, the financial reporting has been impacted by mandatory changes in Accounting standard IAS 19 *Employee Benefits*. The changes refer to the reporting of defined benefit pension plans.

The impact of the changes implies briefly:

- Minor increase in net pension provisions, including special employers' contributions, SEK 31 million
- Immaterial impact on equity/assets ratio, less than 1 percent, from 39.4 percent to 39.0 percent
- The pension costs for AAK will increase in the future

The amendment to IAS 19 eliminates the possibility of applying the corridor method, that is, the possibility of only reporting a portion of actuarial gains and losses as income or expenses as earlier applied by AAK. Instead, all actuarial gains and losses are reported in "Other comprehensive income" when they arise.

The amended standard also implies that the return on plan assets is not reported, as previously, together with the expected return on plan assets but, instead, is reported in the income statement as interest income, calculated according to the discount rate applying at the beginning of the year.

The accounting principles for defined benefit pension plans are, therefore, changed compared with the Group's accounting principles in the annual financial statements for 2012 and compared with interim reports previously reported in 2012. The new principles impact the accounting retroactively and, consequently, the opening balance as of January 1 2012 has been re-calculated. Furthermore, the comparative figures for the quarters have been adjusted.

The transition to the new mandatory accounting principles has implied that net pension provisions, including special employers' contributions, increased by SEK 31 million as of January 1 2012. This increase in the provision has been reported against profit brought forward, which is in equity, implying that the Group's total equity decreased by SEK 23 million after deferred tax.

The equity/assets ratio has been impacted negatively by 1 percent during the quarter.

Revaluation effects of the next quarters 2012 please see table below:



SEK million	Total equity capital	Non-controlling interests	Total equity incl. non-controlling interests
Openings equity January 1, 2012	3,547	18	3,565
Revaluation of defined benefit schemes	-23	-	-23
<b>Adjusted openings balance January 1, 2012</b>	<b>3,524</b>	<b>18</b>	<b>3,542</b>
Profit for the period	140	1	141
Other comprehensive income	-32	1	-31
<b>Total comprehensive income</b>	<b>3,632</b>	<b>20</b>	<b>3,652</b>
<b>Closing equity March 31, 2012</b>	<b>3,632</b>	<b>20</b>	<b>3,652</b>
Profit for the period	128	1	129
Other comprehensive income	4	-	4
<b>Total comprehensive income</b>	<b>132</b>	<b>1</b>	<b>133</b>
Stock options	7	-	7
Dividend	-194	-	-194
<b>Closing equity June 30, 2012</b>	<b>3,577</b>	<b>21</b>	<b>3,598</b>
Profit for the period	167	4	171
Other comprehensive income	-127	-1	-128
<b>Total comprehensive income</b>	<b>40</b>	<b>3</b>	<b>43</b>
Stock options	6	-	6
<b>Closing equity September 30, 2012</b>	<b>3,623</b>	<b>24</b>	<b>3,647</b>
Profit for the period	205	1	206
Other comprehensive income	-16	-1	-17
<b>Total comprehensive income</b>	<b>189</b>	<b>0</b>	<b>189</b>
<b>Closing equity December 31, 2012</b>	<b>3,812</b>	<b>24</b>	<b>3,836</b>

Equity asset ratio, %	As reported earlier	Adjusted
March 31, 2012	39.4	39.0
June 30, 2012	36.6	36.0
September 30, 2012	38.1	37.4
December 31, 2012	40.2	39.3



## The first choice for value-added vegetable oil solutions

AarhusKarlshamn AB (AAK) is one of the world's leading producers of high value-added speciality vegetable fats. Development and production of these fats require significant technological know-how and they are used in various applications within bakery, infant nutrition, dairy, cosmetics, chocolate and confectionery. AAK has production facilities in Denmark, Great Britain, Mexico, the Netherlands, Sweden, Uruguay and the US. The company is organised in three Business Areas; Food Ingredients, Chocolate & Confectionery Fats and Technical Products & Feed. Further information can be found on the company's website [www.aak.com](http://www.aak.com).

### **Investor Relations contact:**

Fredrik Nilsson, CFO (Appointed January 17, 2014)

Phone: + 46 40 627 83 34

Mobile: + 46 708 95 22 21

E-mail: [fredrik.nilsson@aak.com](mailto:fredrik.nilsson@aak.com)

or

Anders Byström, Director External Accounting and Investor Relations

Phone: + 46 40 627 83 32

Mobile: + 46 709 88 56 13

E-mail: [anders.bystrom@aak.com](mailto:anders.bystrom@aak.com)

### **AarhusKarlshamn AB (publ)**

Jungmansgatan 12, 211 19 Malmö, Sweden

Phone: + 46 40 627 83 00, Reg. No. 556669-2850, [www.aak.com](http://www.aak.com)