



*Jan-Olof Lidelfelt
General Manager
Infant Nutrition*

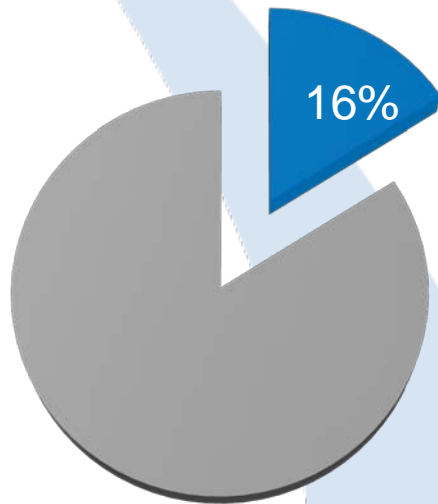
A close-up photograph of a young child with light hair and blue eyes, smiling broadly. The child is wearing a green and white horizontally striped long-sleeved shirt. They are holding a purple sippy cup with both hands. The background is bright and out of focus, suggesting an indoor setting with large windows. A large, light blue curved graphic element is on the right side of the slide, and a solid blue horizontal bar is at the bottom.

Infant Nutrition

Infant Nutrition development

Operating profit (FI) 2011 vs 2010

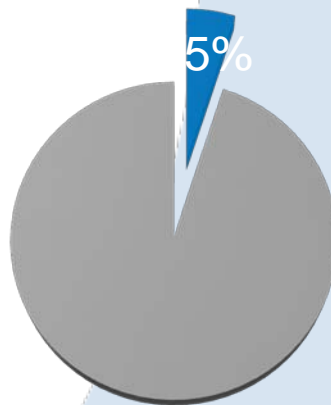
2011



- Volume growth
 - Existing customers
 - Successful project launching
 - New customers
 - New markets

- Higher utilization in dedicated plant

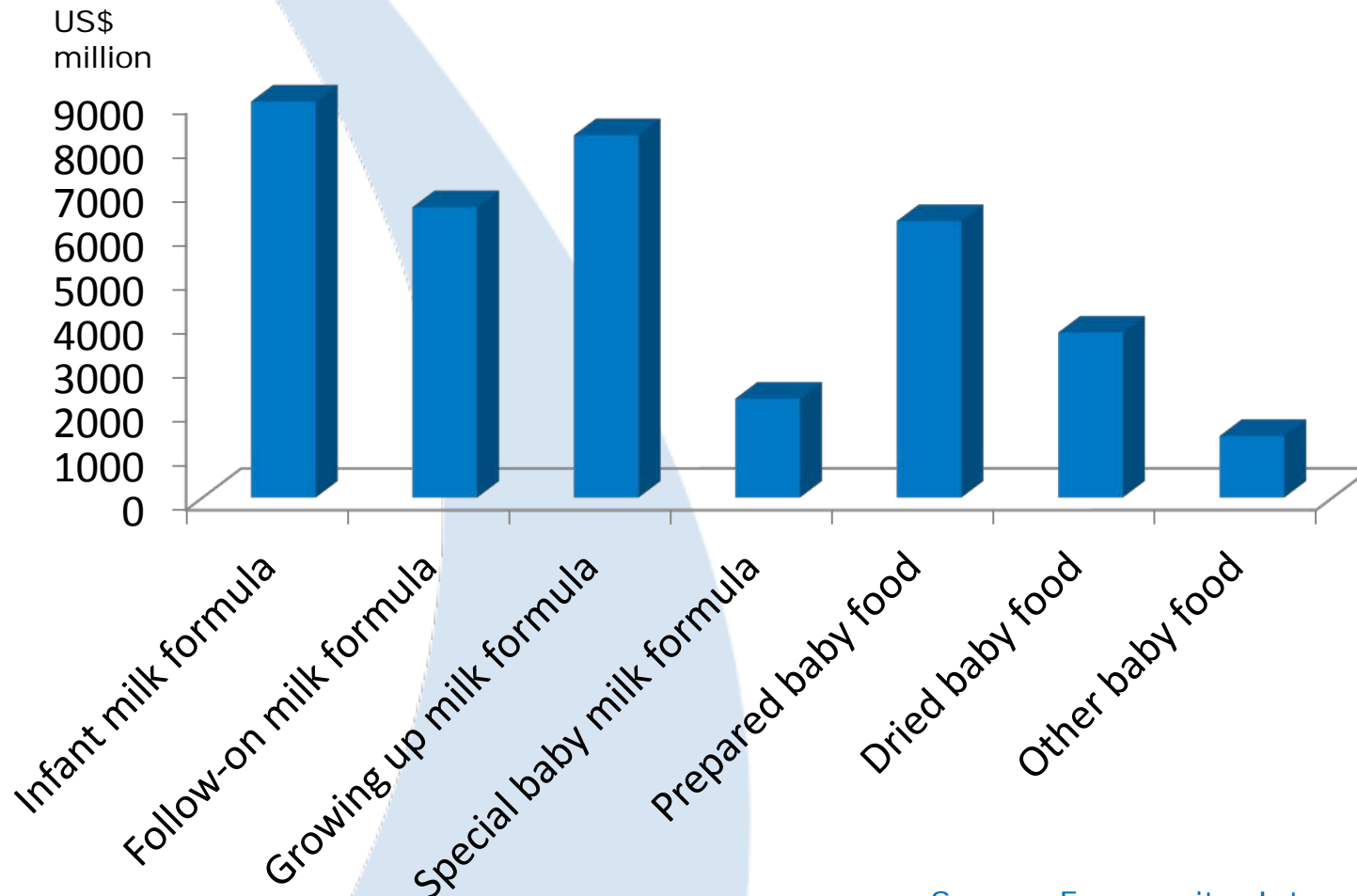
2010



Global Baby Food Retail Value Sales by Category 2010



-AAK's focus is milk formula producers



Source: Euromonitor International

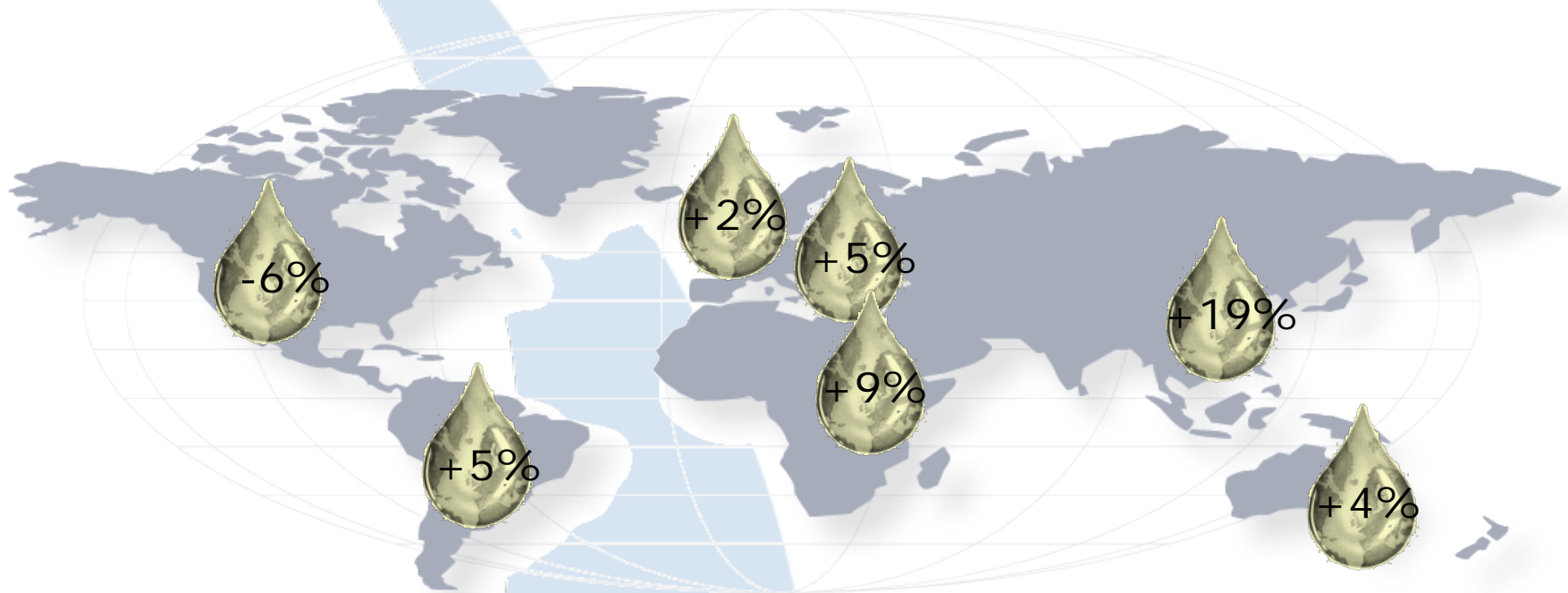
Infant Milk Formula industry



- ◆ 1.8 million MT/yr Infant milk formula ~400 000 MT/yr Oils & Fats ingredients
- ◆ Consolidated industry – 5 multinationals hold 62% (70 % in 2006) of the world market
- ◆ Local markets are dominated by global players and some strong domestic leaders. Chinese companies increase share of domestic market
- ◆ China is 26 % of the world market in value. Up from 15 % in 2006
- ◆ Global average annual growth 6 % 2006-11.

Source: Euromonitor International

Average annual Growth Infant milk formula 2007-2010



◆ Global annual average growth + **6%**

Source: Calculated from Euromonitor data

Infant Milk Formula

– the product

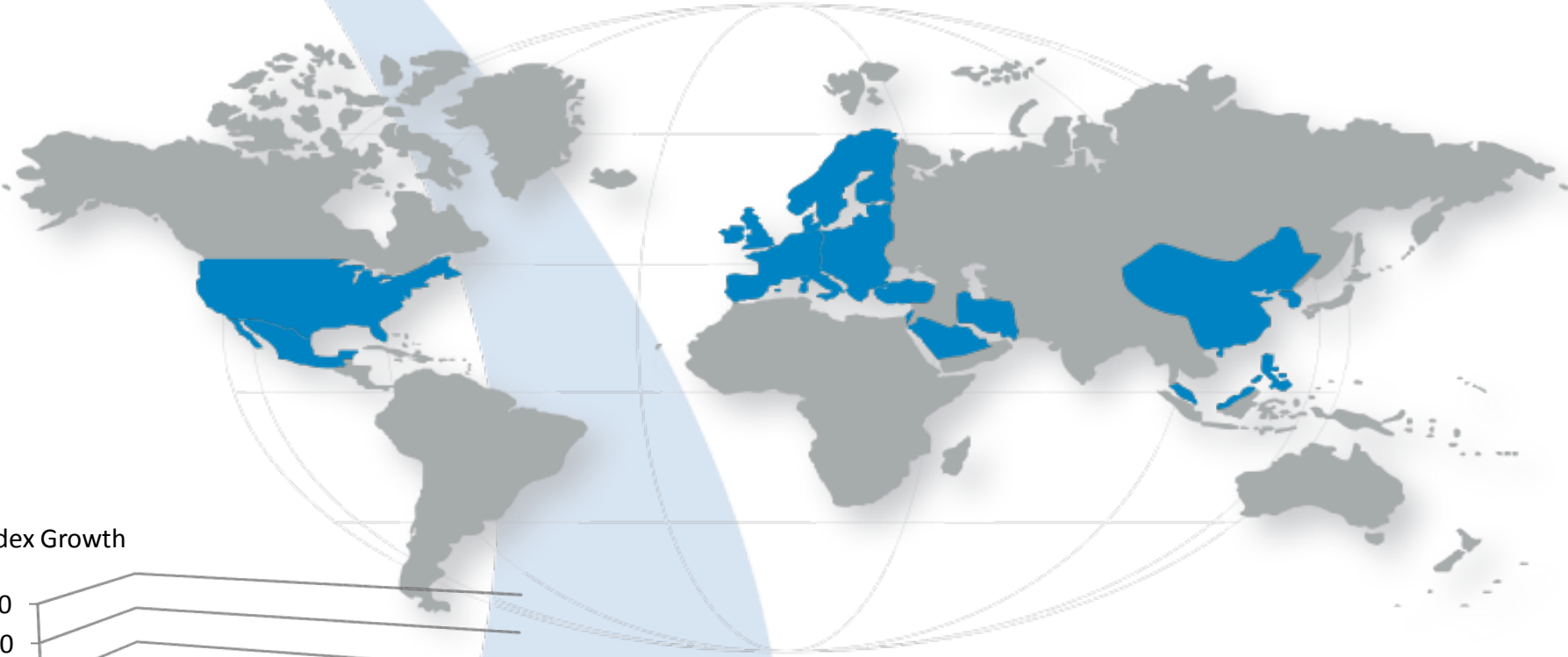
- Spray dried powder or “ready to eat” emulsion with milk protein, *vegetable oils* and micronutrients (vitamins, minerals, amino acids etc.)
- Target is to **mimic human breast milk** as closely as possible
- Vegetable oils is around 25 % by weight and 50 % of calories
- AAK supplies vegetable oils, which give
 - Energy
 - Essential fatty acids
 - Linoleic acid
 - Linolenic acid
 - (Arachidonic acid)
 - (DHA)

Reasons for customers to choose AAK

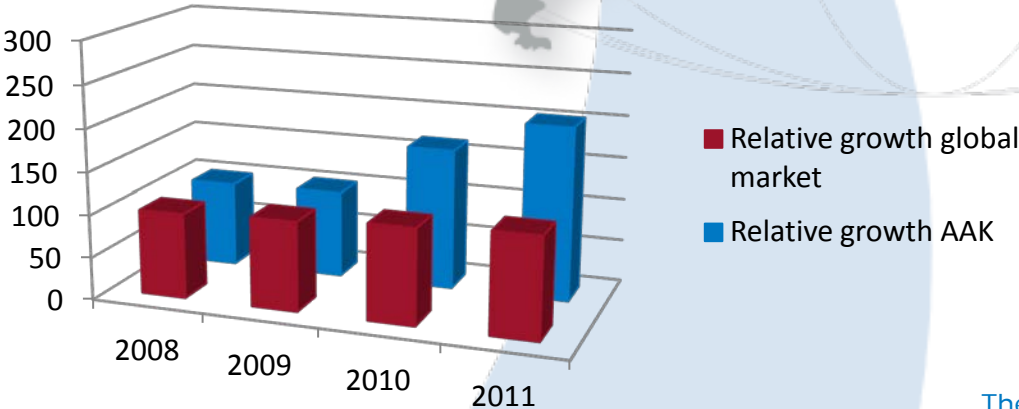


- ◆ A comprehensive product range for infant nutrition
 - Oil blends with defined fatty acids composition
 - Speciality products
- ◆ Safety and consistency
 - High food safety standards
 - Good quality and shelf life
 - Flexible and on time deliveries
- ◆ Advanced technical expertise
 - Lipid experts available for customer projects
 - Advanced analytical capabilities
- ◆ A global Supply Chain

AAK gains markets shares



Index Growth



Main drivers for growth in AAK sales to Infant Formula Manufactures

- Focus on Infant Nutrition
 - Management focus through AAK Acceleration
 - Dedicated team
- Food Safety
 - Melamine scandal has prompted Chinese brands to use imported products
 - German focus on contaminants

Main drivers for growth in AAK sales to Infant Formula Manufactures

- We have earned the confidence of our customers by being the safe and consistent alternative
 - We grow with multinationals in new countries
- Premium segment grows rapidly in some markets
 - Increasing demand for blends with ultra high quality
 - Increasing demand for speciality ingredients
 - Infat™ (sold through our JV. Advanced Lipids) further strengthened by clinical data

Main drivers for growth in AAK sales to Infant Formula Manufactures

- ◆ Focus on Infant Nutrition
- ◆ Food Safety
- ◆ We have earned the confidence of our customers by being the safe and consistent alternative
- ◆ Premium segment grows rapidly in some markets

AAK is well positioned for further growth

- ◆ A flawless track record with major producers
- ◆ Top quality standards
- ◆ Strong focus on food safety
- ◆ Multi stock factories
- ◆ High technical competence
- ◆ Special processing facilities and excellent Supply Chain
- ◆ Advanced technical expertise and strong network

AAK is well placed to serve the demanding customers in the infant formula segment