



Arne Frank
President and CEO

Annual General Meeting
May 8, 2014

Agenda

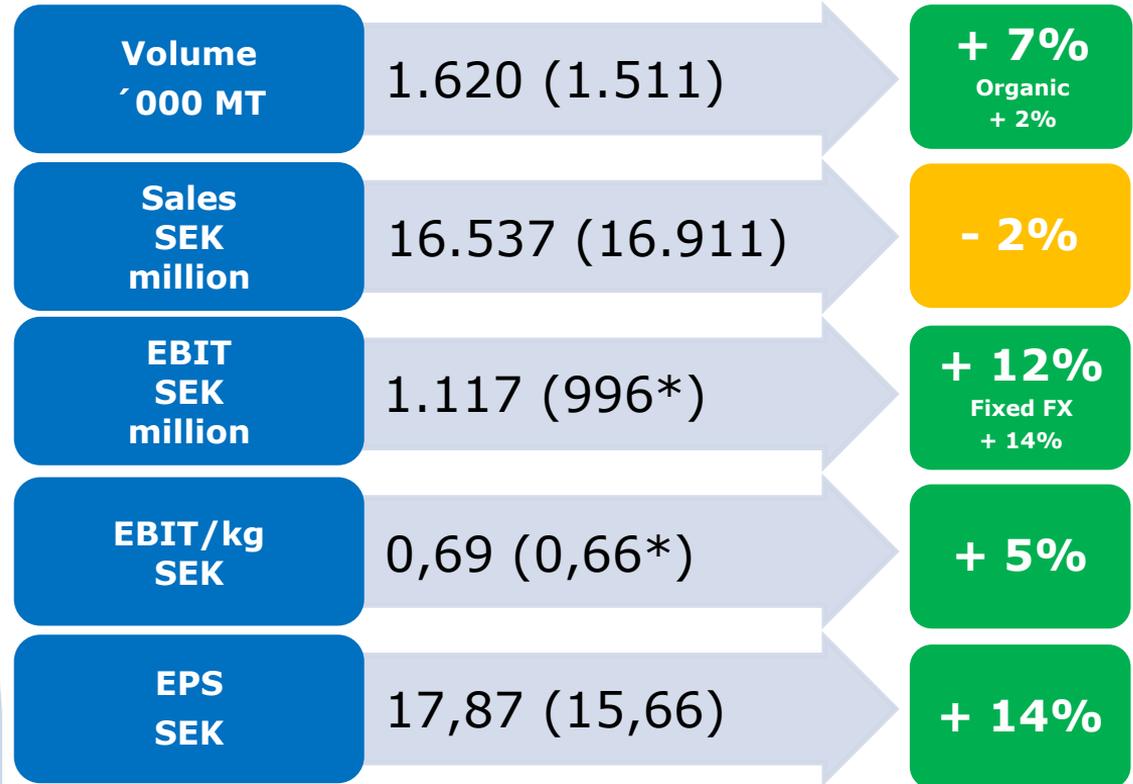
Full year 2013

Important events

AAktion

First quarter 2014

Full year 2013



* Adjusted for Sandy

Important events 2013

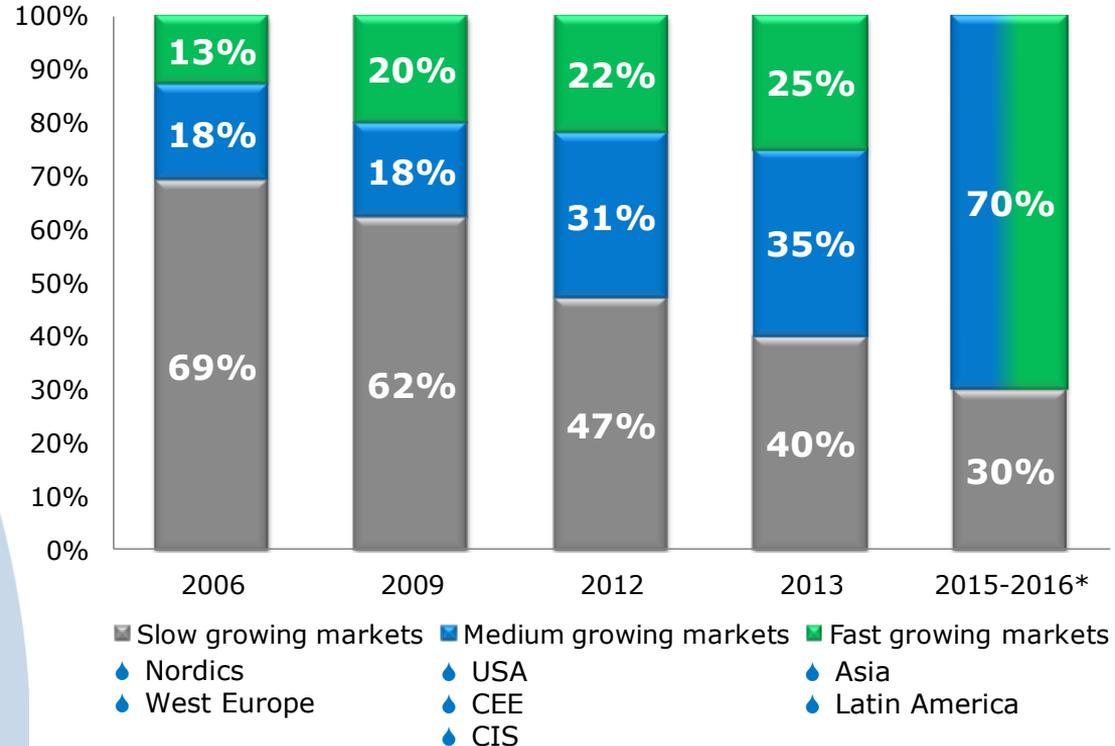
- ◆ Acquisition of Unipro
- ◆ External factors
 - Cocoa butter
 - Nordic Nutrition Recommendation
 - Biodiesel
- ◆ China Innovation Center
- ◆ Corporate Social Responsibility
- ◆ Product development

AAK Turkey, Unipro



- ◆ Strong position and deep customer relationships in the Turkish bakery market
- ◆ Revenues of ~SEK 700 million
- ◆ Volumes ~50,000 MT
- ◆ 37 employees
- ◆ The transaction included
 - Unipro and 9 other established brands mainly within bakery
 - Core management and sales organisation
 - All related know-how
 - 5 year toll manufacturing agreement

Medium and fast growing markets*



* Management ambition – edible oil volume

Cocoa butter



Nordic Nutrition Recommendation

- Focus on lipid quality rather than quantity

- Recognises that a fat is not unhealthy
- Recommends
 - to decrease the intake of saturated fatty acids
 - increased intake of polyunsaturated fatty acids
 - 5-10%E* PUFA, of which min 1%E n-3
 - a high intake of monounsaturated fatty acids
 - to avoid trans unsaturated fatty acids

*%E: percent of total energy intake

Biodiesel



- A proposal to limit Europe's use of food-based fuel crops has been stalled by a vote on the European Parliament's environment committee, and may not now be decided before 2015
- The proposal was delayed by a very narrow margin which indicates a clear change of trend
- The decision may now be delayed until 2015

China Innovation Center

- ◆ Leading center for speciality oils and fats for food and nutritional products within the Chinese food industry
- ◆ Customers offered the possibility to work closely with our Customer Innovation team
- ◆ Focus on Chocolate & Confectionery, Bakery and Dairy solutions
- ◆ Training at the industry renowned AAK Academies
- ◆ Located in Shanghai



AAK and palm oil



- ◆ AAK policy: We follow the UN Global Compact initiative and RSPO rules, with great focus work towards full traceability as well as that we completely refuse suppliers involved in deforestation or destruction of peatland
- ◆ The main problems with deforestation and destruction of peatland are concentrated to Indonesia and East Malaysia (Borneo)
 - AAK sources approximately 90% of our palm oil from the peninsula Malaysia, Papua New Guinea and Latin America
 - Less than 10% of AAK's palm oil is sourced from Indonesia and East Malaysia (and with a strictly enforced policy as per the above)
- ◆ AAK promises full traceability before the end of this year

Product development – FI



- ◆ Cisao 81-16 – for cake icings
 - Minimizes post-hardening over time
 - Smooth textures, good spreadability
- ◆ Akoblend Flow & Fluid
 - Liquid butter replacers offering improved productivity and lower handling and mixing costs
- ◆ Akomix LS 25
 - Developed for ice cream products
 - Reduces the SAFA with more than 70%
 - Nominated for FIE award, Dairy Innovation of the year



Product development – CCF



- Illexao™ MT 20
 - Improved milk fat tolerance resulting in improved processing
- Chocofill™ NH 110
 - For steep melting non-hydrogenated fillings without tempering
 - Nominated for Confectionery Innovation of the year at FIE

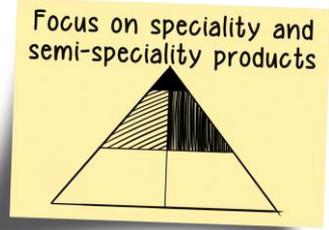


Product development – PC

💧 Lipex® SheaLight

- New eco designed emollient ester
- Shea emollients known for their skin nourishing, moisturising and anti-inflammatory properties
- Very first shea product that maintains the skin nourishing properties of shea, while leaving the skin with a dry and powdery feel
- An ideal emollient for new applications
- Significant interest in the product – sales expected from second half of 2014

AAK Acceleration



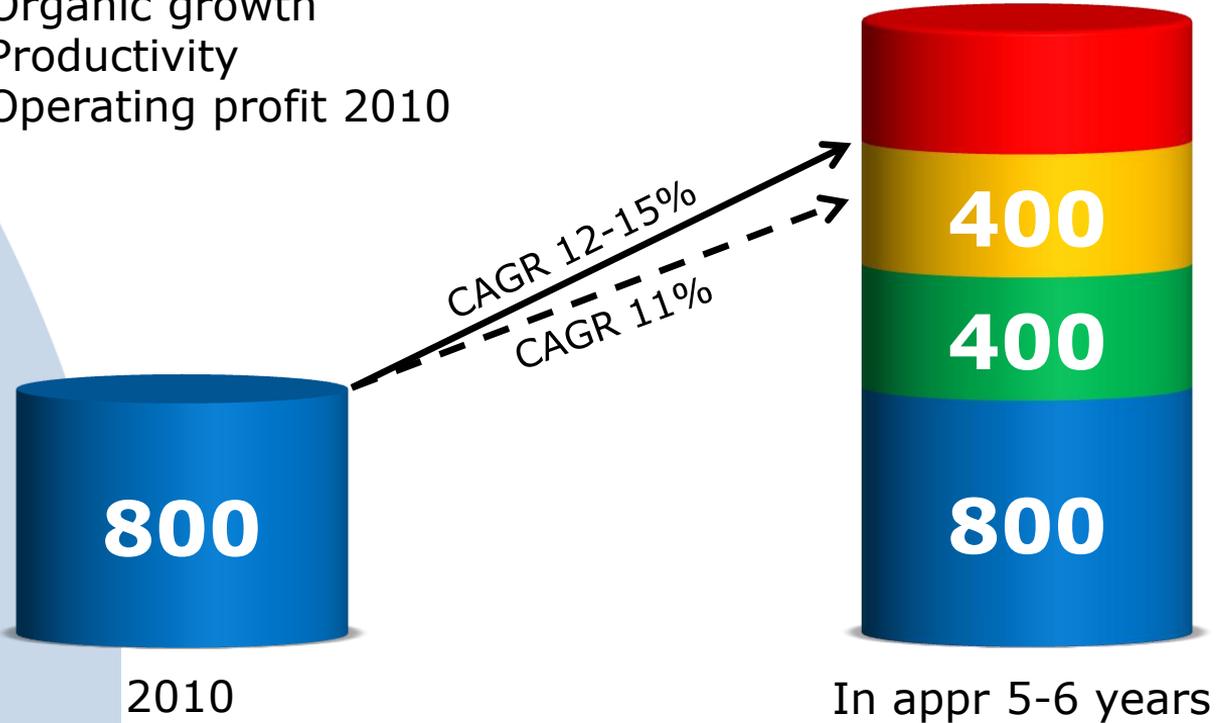
Focused Segment approach

Bakery	█	█	█	█	█	█	█
CCF	█	█	█	█	█	█	█
Dairy	█	█	█	█	█	█	█
Infant	█	█	█	█	█	█	█
TPF	█	█	█	█	█	█	█
FS	█	█	█	█	█	█	█



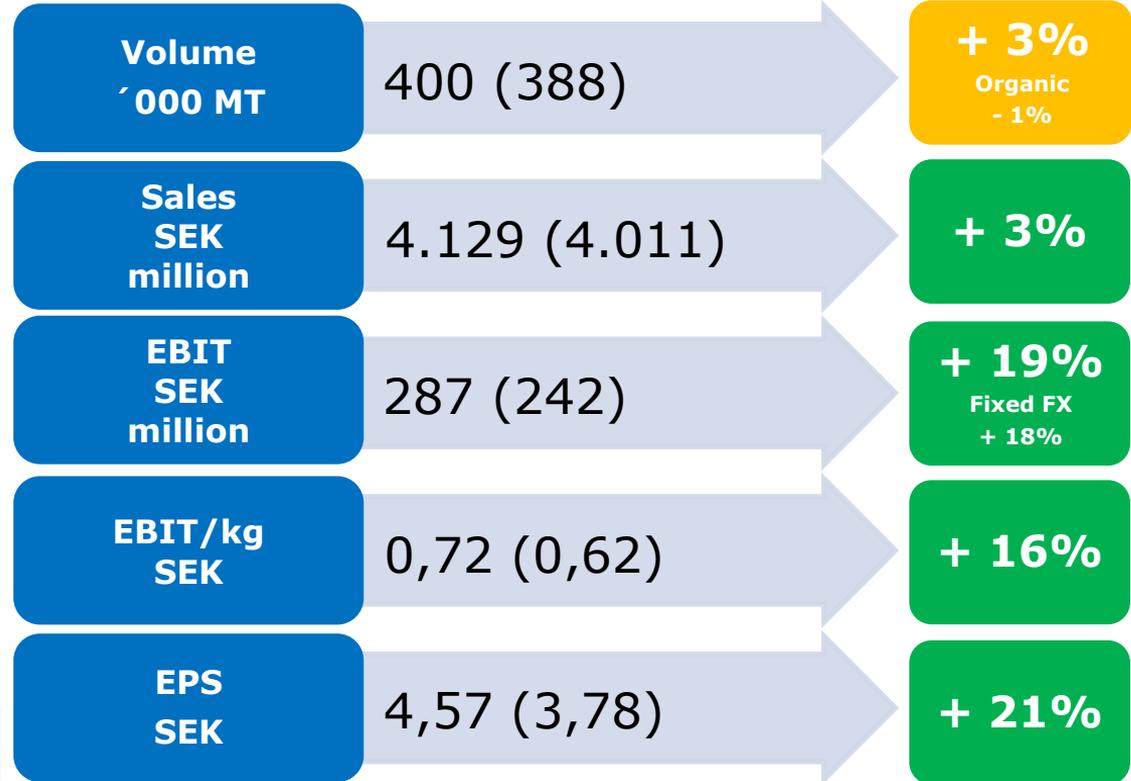
Management growth ambition*

- Acquisitions
- Organic growth
- Productivity
- Operating profit 2010

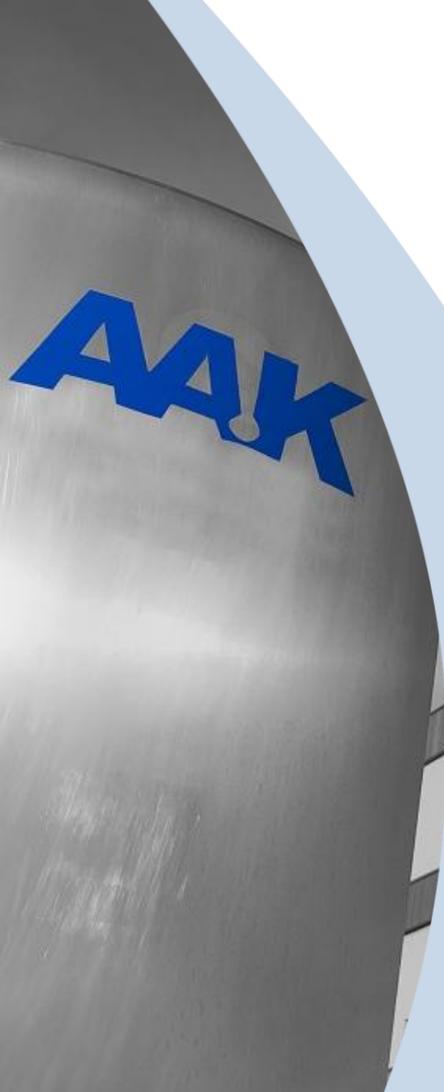


*As expressed at the Capital Market Day November 10, 2010 and at fixed exchange rates.

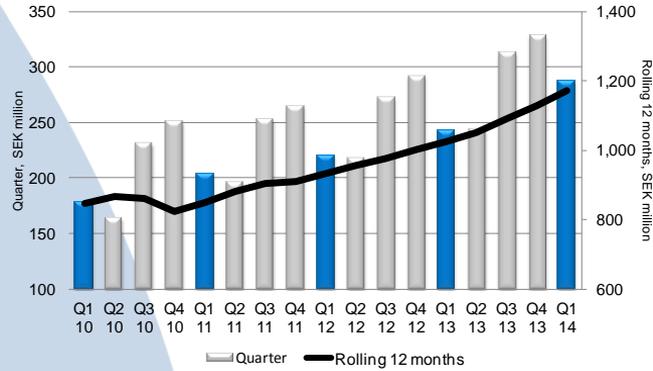
First quarter 2014



Group

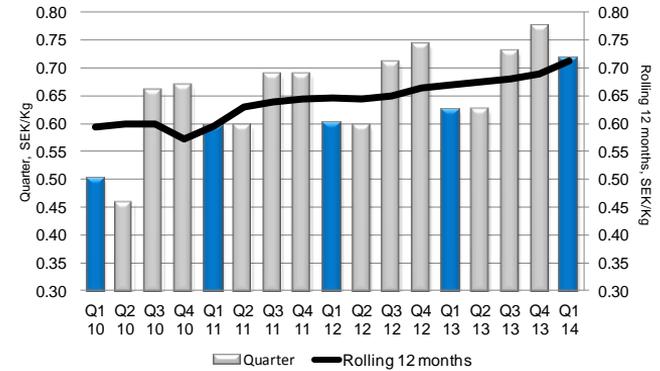


AAK Group - Operating profit



**Q1
+ 19%**

AAK Group - Operating profit per kilo

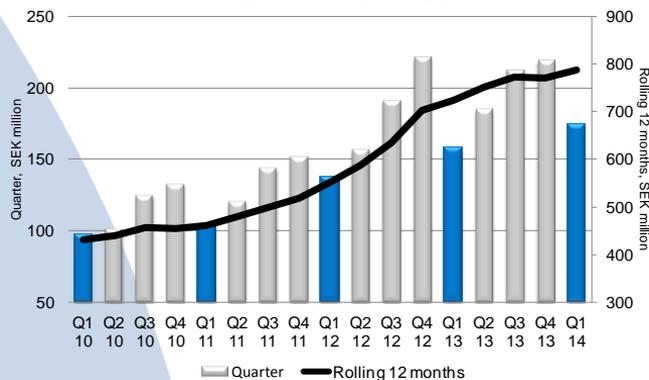


**Q1
+ 16%**

Food Ingredients

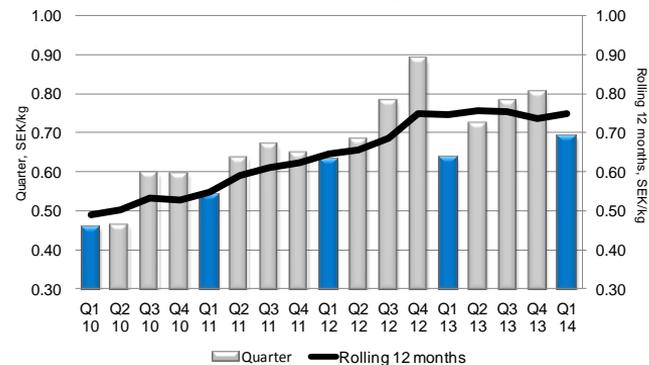


Food Ingredients - Operating profit



**Q1
+ 10%**

Food Ingredients - Operating profit per kilo



**Q1
+ 10%**

Food Ingredients

- organic volume growth

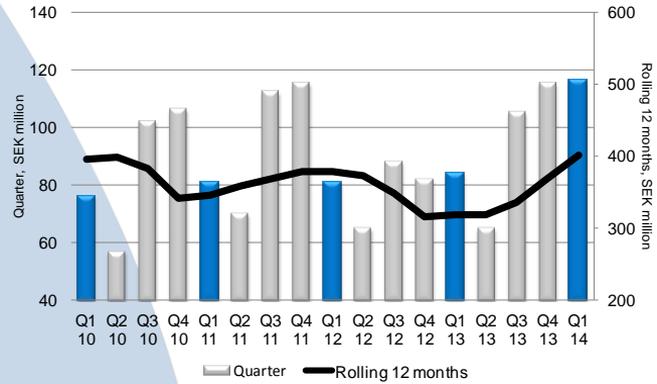


	2014 Q1	2013 FY	2013 Q1
Speciality & semi-speciality	+ 1%	+ 7%	+ 2%
Commodity	- 7%	- 1%	- 9%
Total	- 2%	+ 4%	- 2%

Chocolate & Confectionery Fats

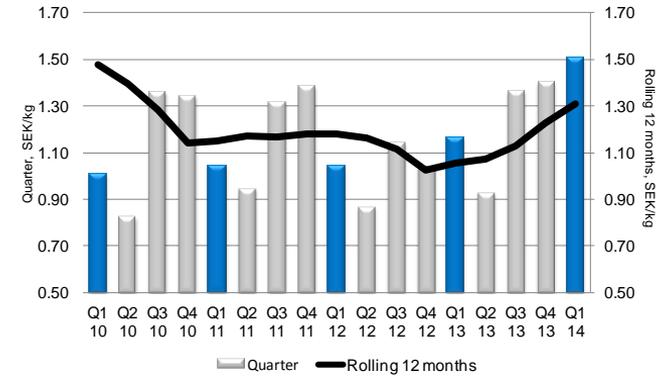


Chocolate & Confectionery Fats - Operating profit



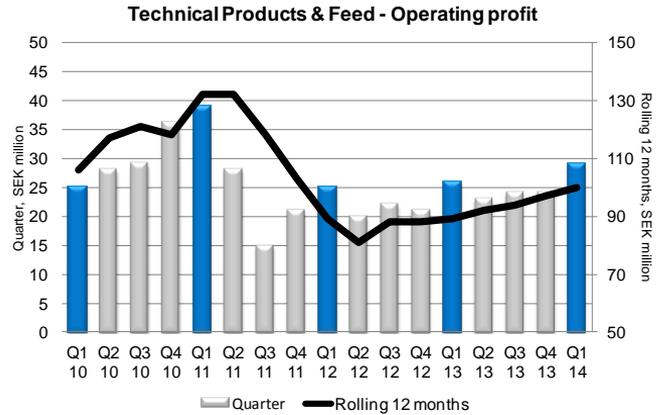
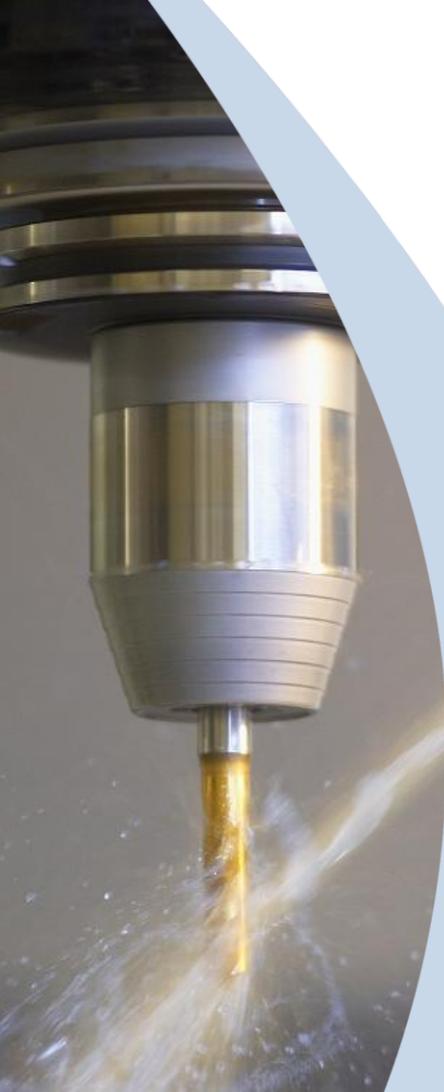
Q1
+ 38%

Chocolate & Confectionery Fats - Operating profit per kilo



Q1
+ 29%

Technical Products & Feed



Kv1
+ 12%

Brazil

- ◆ New speciality and semi-speciality edible oils factory in Jundiai, São Paulo, Brazil
- ◆ Investment of approximately SEK 400 million
- ◆ The start-up of the new factory is planned for the latter part of 2015
- ◆ Fully utilized it will increase AAK's total capacity by 100,000 to 120,000 MT
- ◆ The new factory will expand our product portfolio of Food Ingredients and Chocolate & Confectionery products in Brazil

AAK acquires bakery fats specialist in Belgium, CSM Merksem



- ◆ Leading bakery fats supplier to the bakery markets in Belgium, the Netherlands and France
 - Employs around 100 people
 - Revenues of approximately SEK 970 million in 2013
- ◆ The business produces a variety of bakery fat solutions, margarines and pumpable shortenings
- ◆ The acquisition includes
 - Factory in Merksem
 - Experienced sales force
 - Application specialists offering customized solutions
 - Bakery innovation center



Value creation priorities

- ◆ Strengthen growth
 - Customer co-development
 - Emerging markets
 - Selective acquisitions
- ◆ Continue improving EBIT/Kg
 - Speciality and semi-speciality vs. commodity products
 - Efficiency
- ◆ Capital efficiency
 - Working capital management



2014 – Execution – AAKtion!

