



Arne Frank
CEO

Capital Market Days
November 12 and 22, 2013



Forward-looking statements



This presentation includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein.

This presentation contains a number of forward-looking statements including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. AAK has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated.

Given these uncertainties, readers should not put undue reliance on any forward-looking statements. Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and AAK does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

Agenda



09.30 – 10.00	AAK Acceleration Arne Frank, CEO
10.00 – 10.15	Financial update Peter Korsholm, CFO
10.15 – 10.40	Infant Nutrition Karel Stoschek, Director Infant Nutrition
10.40 – 11.00	Break
11.00 – 11.15	CSR and palm oil update Anne Mette Olesen, CMO
11.15 – 11.40	Chocolate & Confectionery Fats René Schou, Marketing Director CCF
11.40 – 12.35	AAK's growth markets Arne Frank, CEO Torben Friis Lange, President Asia Europe Africa Octavio Díaz de León, President AAK N. Latin America Edmond Borit, President AAK South America
12.35 – 13.00	Q&A
13.00 – 14.00	Lunch

AAK participants



Arne Frank
President and CEO



Peter Korsholm
CFO



Torben Friis Lange
President Asia Europe
Africa



Octavio Díaz de León
President AAK
North Latin America



Edmond Borit
President AAK
South America



Karel Stoschek
Director Infant
Nutrition



Anne Mette Olesen
CMO



René Schou
Marketing Director
CCF



Fredrik Nilsson
Director Group
Controlling & IR

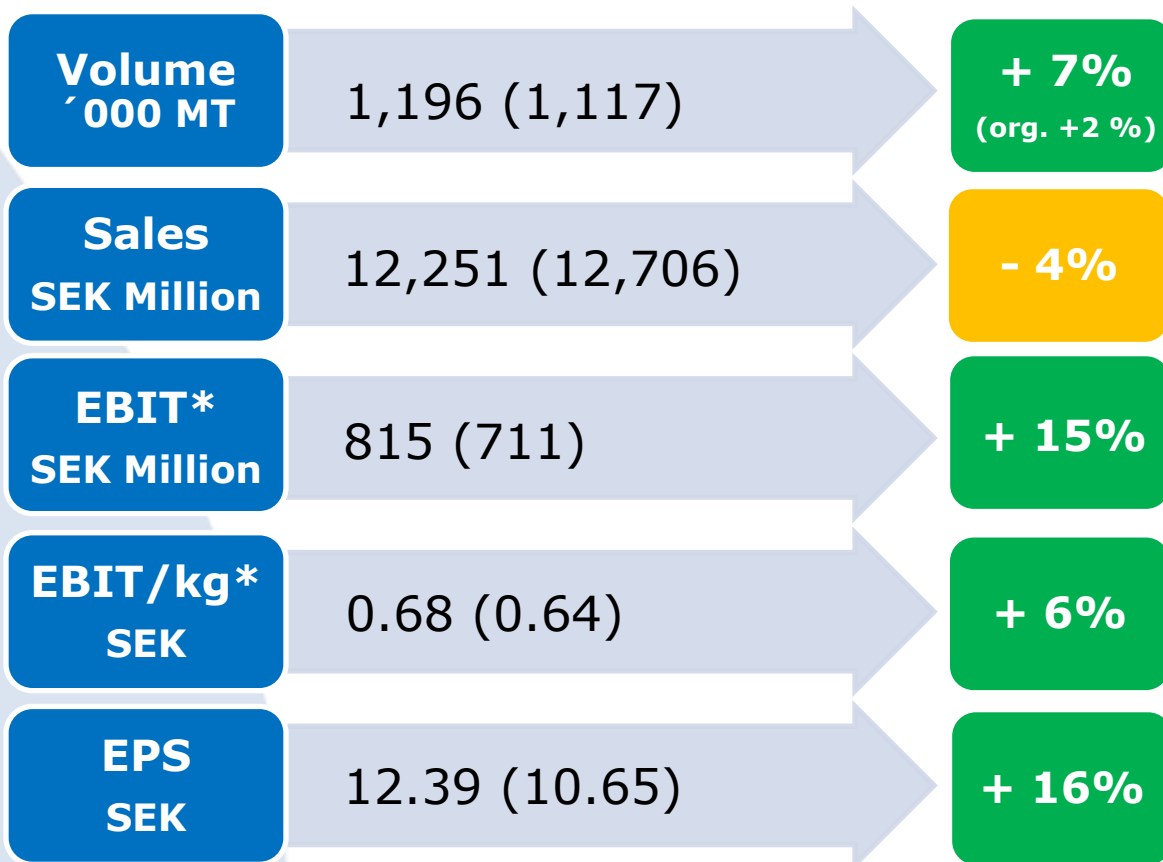


Lena Ingvarsson
Marketing Director
Dairy



Malin Thors Rosenquist
Commercial Product
Manager Dairy

Year to date

























* Excl acquisitions costs and at fixed FX rates





Since last Capital Market Day

- 
- AAK Acceleration
 - Acquisition of Unipro
 - Other external factors
 - Cocoa butter
 - Nordic Nutrition Recommendation
 - Biodiesel
 - China Innovation Center
 - CSR
 - Product development

AAK Acceleration



KPI Q3 13	KPI Q2 13
	
	
	
	
	
N.A	N.A
	
	
	
	
	
	

 Ahead of plan
  Slightly ahead of plan
  On plan
  Behind plan



- ◆ Strong position and deep customer relationships in the Turkish Bakery market
- ◆ Revenues of ~ SEK 700 million
- ◆ The transaction included
 - Unipro and 9 other established brands for Bakery and Industrial fats
 - Core management and sales organization
 - All related know-how
 - Transaction closed Sept 1
 - Integration is off to a good start

AAK Acceleration - Efficiency



- 
- A close-up photograph of industrial machinery, featuring several large, polished metal pulleys and a black rubber conveyor belt. The machinery is part of a larger system, likely for processing vegetable oil, and is set against a light blue background.
- ◆ Increased productivity since early 2010
 - Karlshamn, Sweden, ~60%
 - Aarhus, Denmark, ~35%
 - Hull, UK, ~30% with shrinking volumes
 - Mexico, ~30%
 - ◆ Part of the savings are reinvested in;
 - New product development
 - Sales force
 - Customer innovation resources

Cocoa butter



Nordic Nutrition

2012 · Part 1

Summary, principles and use

Nordic Nutrition Recommendation

- Focus on lipid quality rather than quantity

- Recognise that a fat is not unhealthy
 - Recommend
 - to decrease the intake of saturated fatty acids
 - increased intake of polyunsaturated fatty acids
 - 5-10%E* PUFA, of which min 1% n-3
 - a high intake of monounsaturated fatty acids
 - to avoid trans unsaturated fatty acids from any source
- *%E: percent of total energy intake



Biodiesel



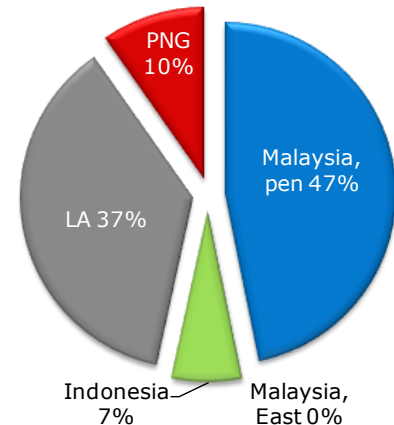
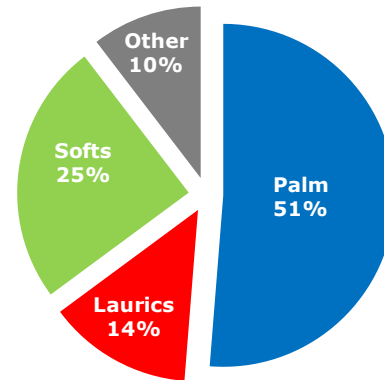
- A proposal to limit Europe's use of food-based fuel crops has been stalled by a vote on the European Parliament's environment committee, and may not now be decided before 2015
- The draft legislation would have limited to 6% the share of Europe's transport fuel that such crops could make up by 2020

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
- Support execution of AAK Acceleration
- Located in Shanghai

AAK and palm oil



- ◆ AAK follows UN Global Compact, and the RSPO standard and/or full traceability
- ◆ AAK does not source from suppliers involved in deforestation nor destruction of peatland
- ◆ According to NGO's the issues about deforestation are concentrated to Indonesia and East Malaysia (Borneo)
- ◆ For AAK, most palm oil, +90%, is sourced from peninsula Malaysia, Papua New Guinea and Latin America
- ◆ Less than 10% of AAK's palm oil is sourced from Indonesia, strong additional measures are taken to ensure AAK suppliers are not involved in HCV deforestation nor destruction of peatland

Product development – FI



- Cisao 81-16 – for cake icings
 - Minimizes post-hardening over time
 - Smooth texture, 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
 - Reduce 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/LFC **AAK**

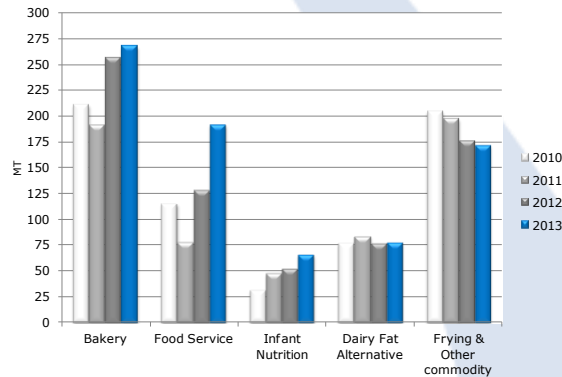
💧 Lipex® SheaLight

- 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
- Lipex® SheaLight hence an ideal emollient for new applications
- Significant interest in the product – sales expected from second half of 2014

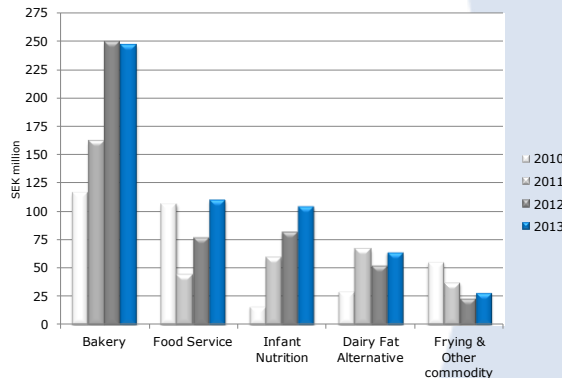
Food Ingredients – January to September



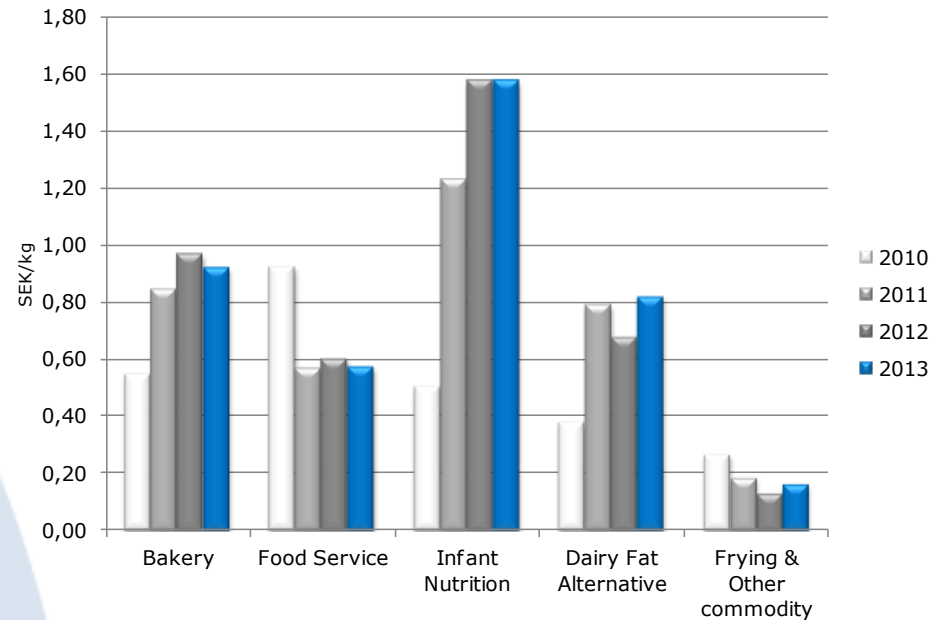
Volume



EBIT

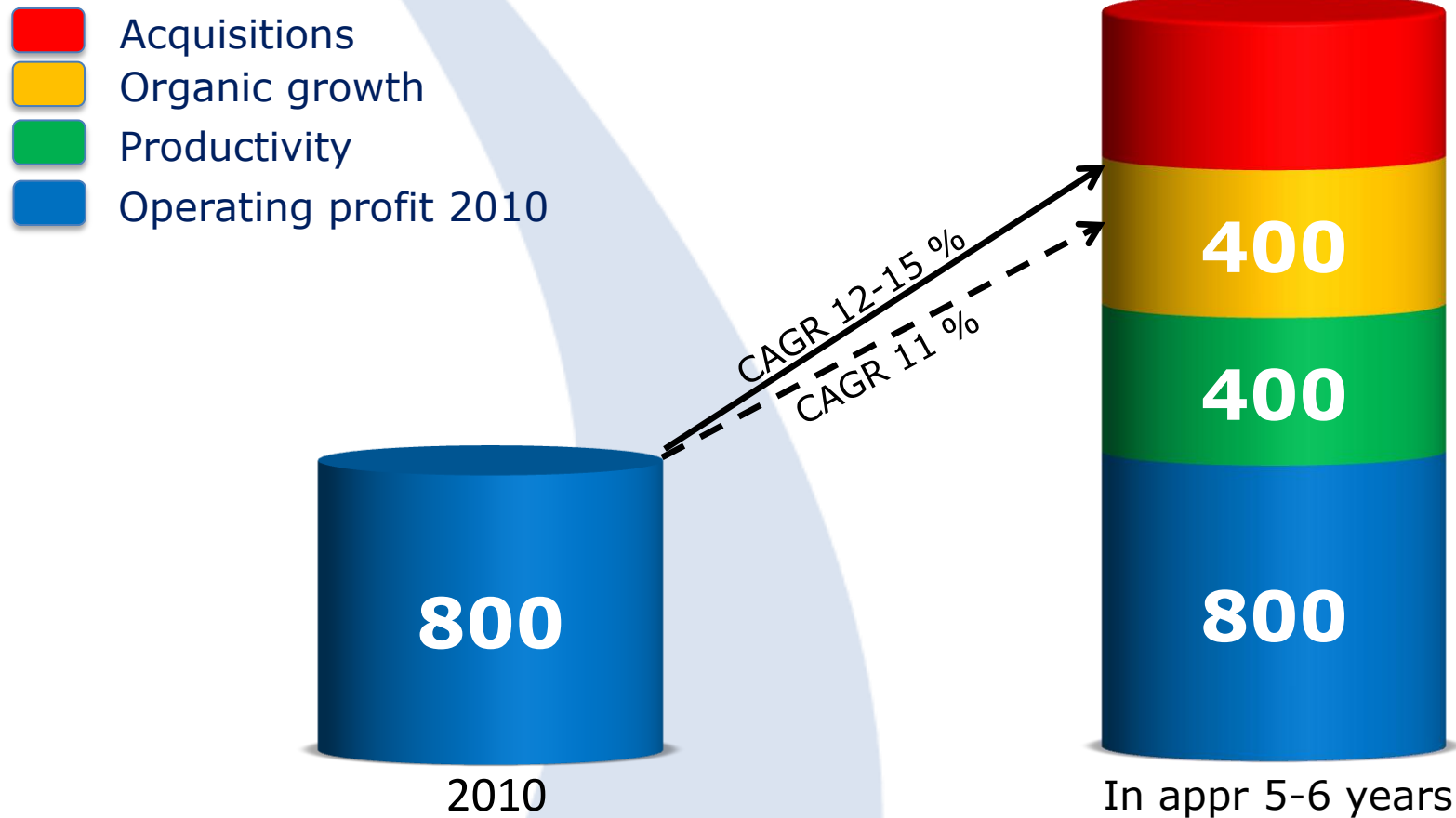


EBIT/kg



AAK Acceleration

- Management growth ambition



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



2014 – Execution





Peter Korsholm
CFO

Financial update

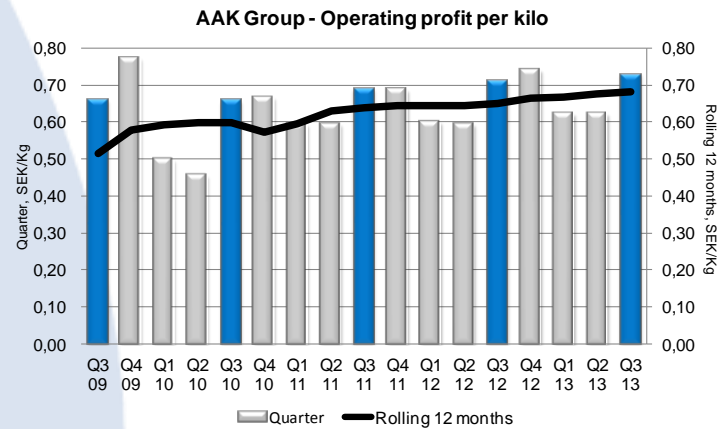
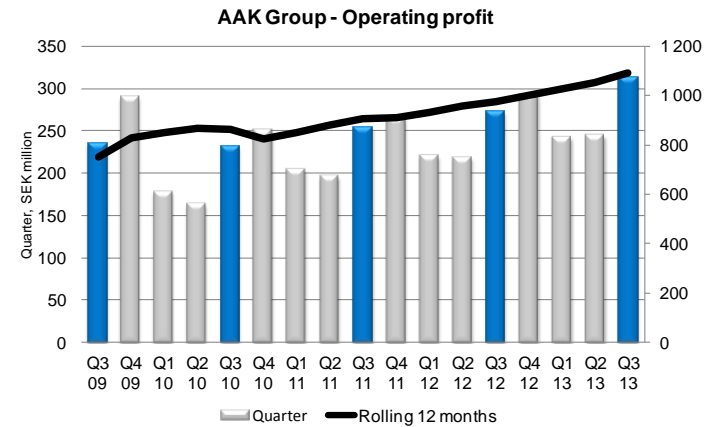
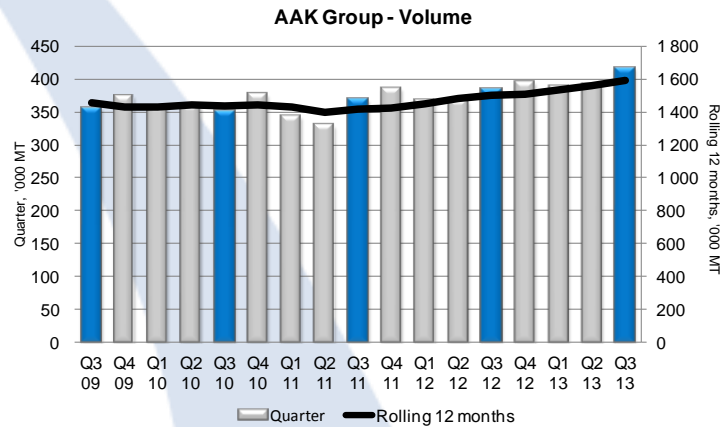
Quarterly trends



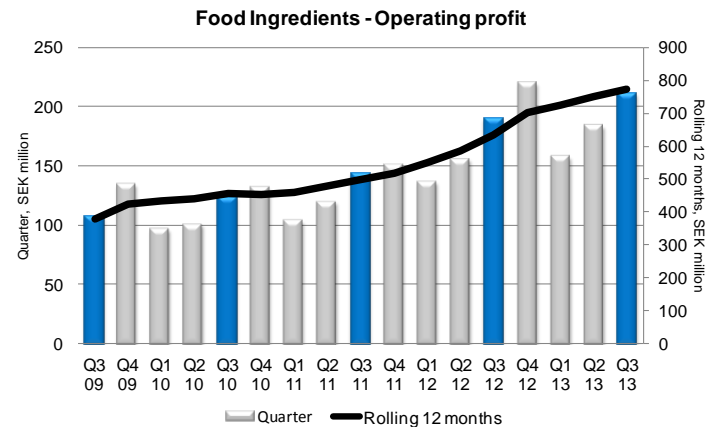
	YTD	Q3	Q2	Q1
Volume '000 MT	1,196 (1,117)	+ 8%	+ 7%	+ 6%
EBIT SEK million	815 (711)*	+ 16%	+ 15%	+ 13%
EPS SEK	12.39 (10.65)	+ 19%	+ 19%	+ 10%

* Excl acquisitions costs and at fixed FX rates

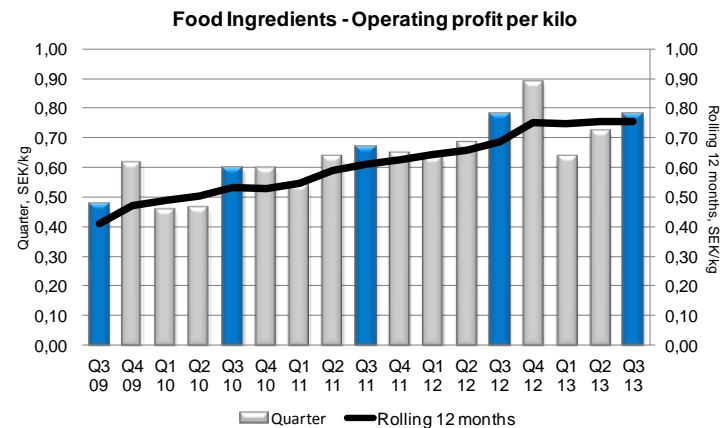
Financial summary



Food Ingredients



Q3
+ 11%



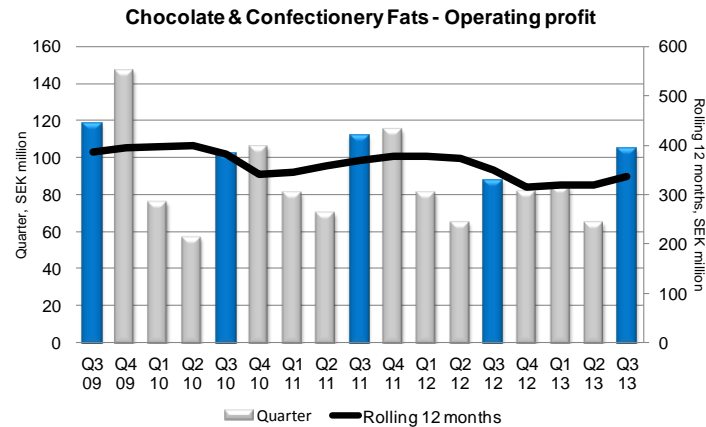
Q3
0%

Food Ingredients - organic volume growth

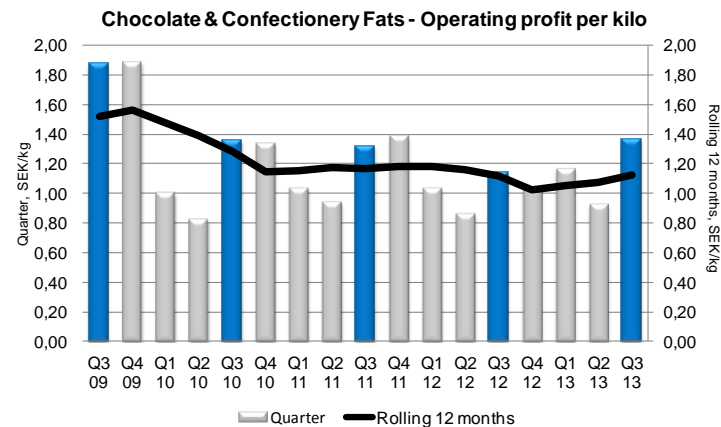


	YTD	Q3	Q2	Q1
Speciality & semi-speciality	+ 7%	+ 11%	+ 8%	+ 2%
Commodity	-2%	+5%	-3%	-9%
Total	+ 4%	+9%	+2%	-2%

Chocolate & Confectionery Fats

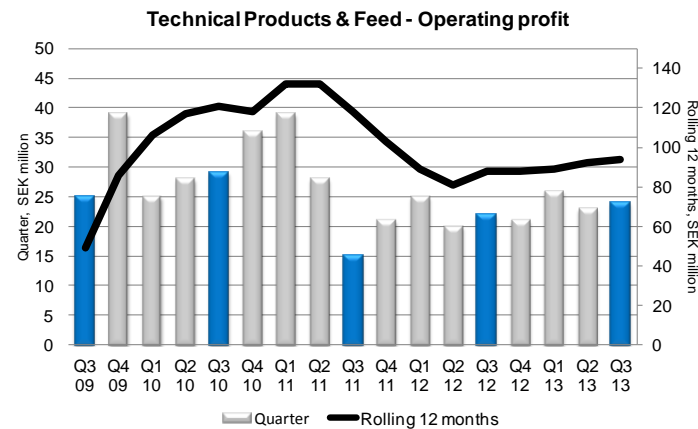


**Q3
+ 19%**



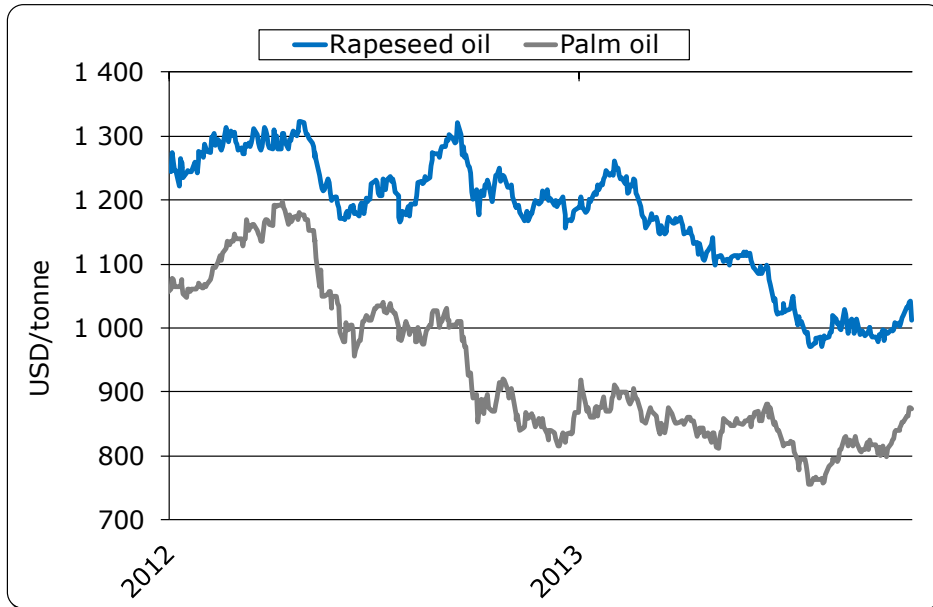
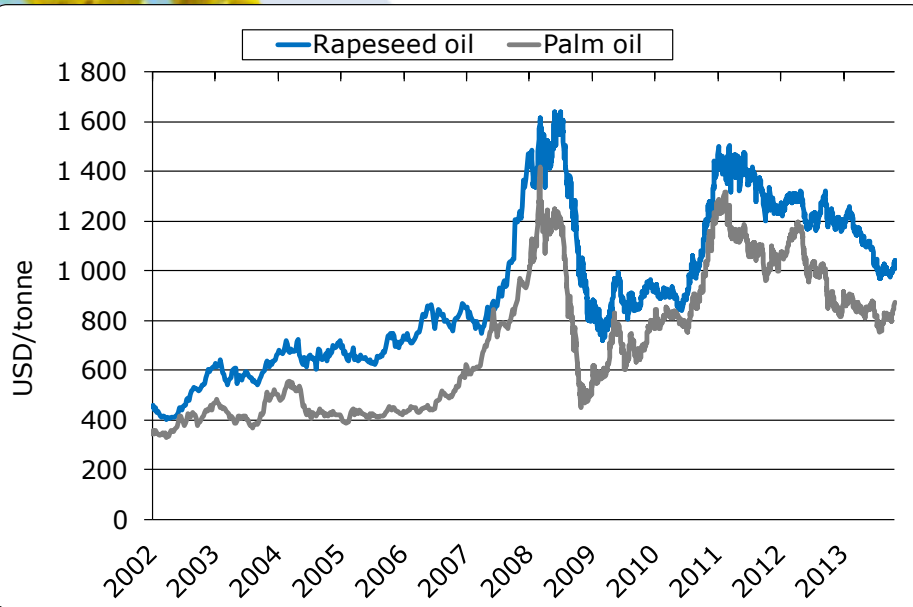
**Q3
+ 19%**

Technical Products & Feed



Q3
+ 9%

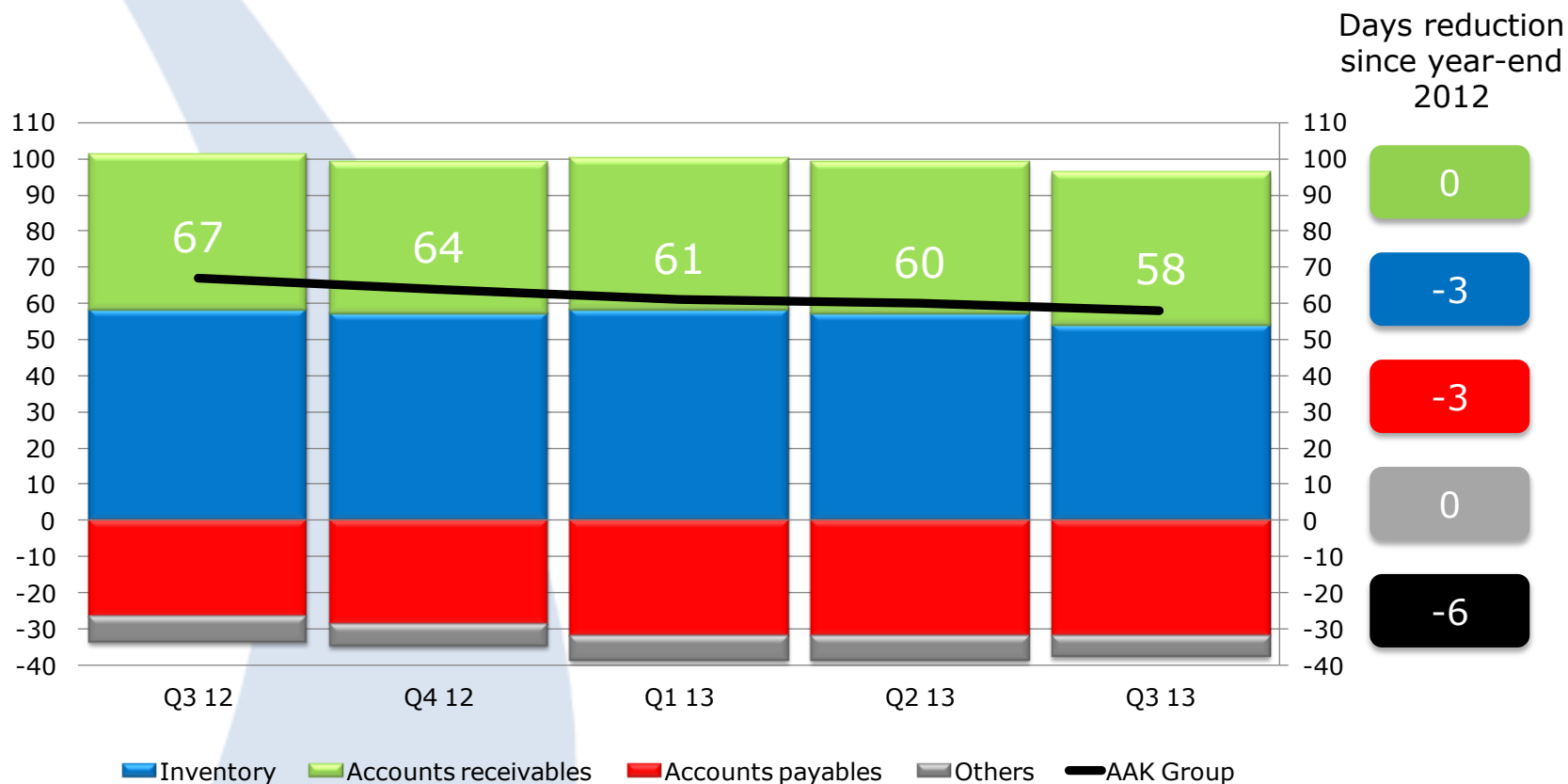
Key raw material prices



- 10 percent change in all raw material prices will effect working capital by +/-SEK 250 million
- Time lag of six to nine months

Working capital days

Rolling 12 months

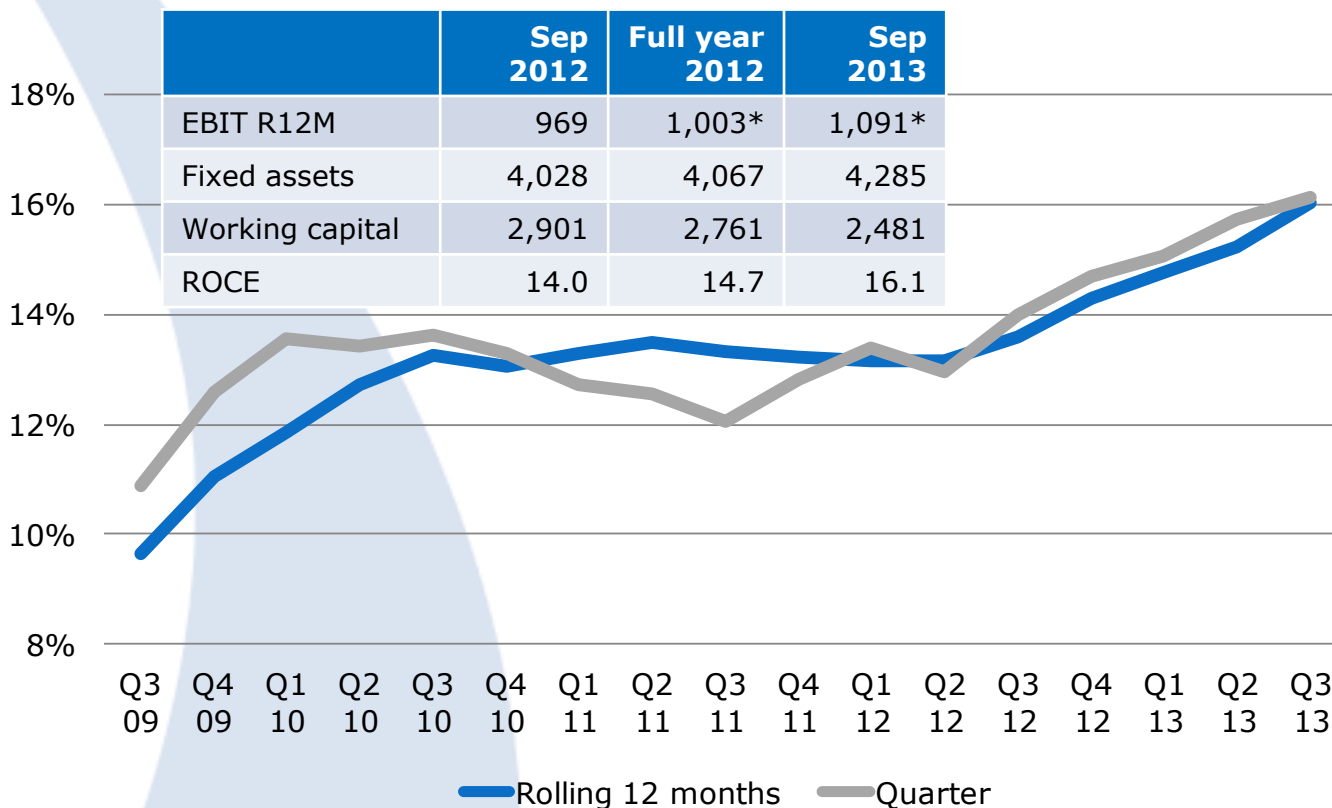


Cash flow



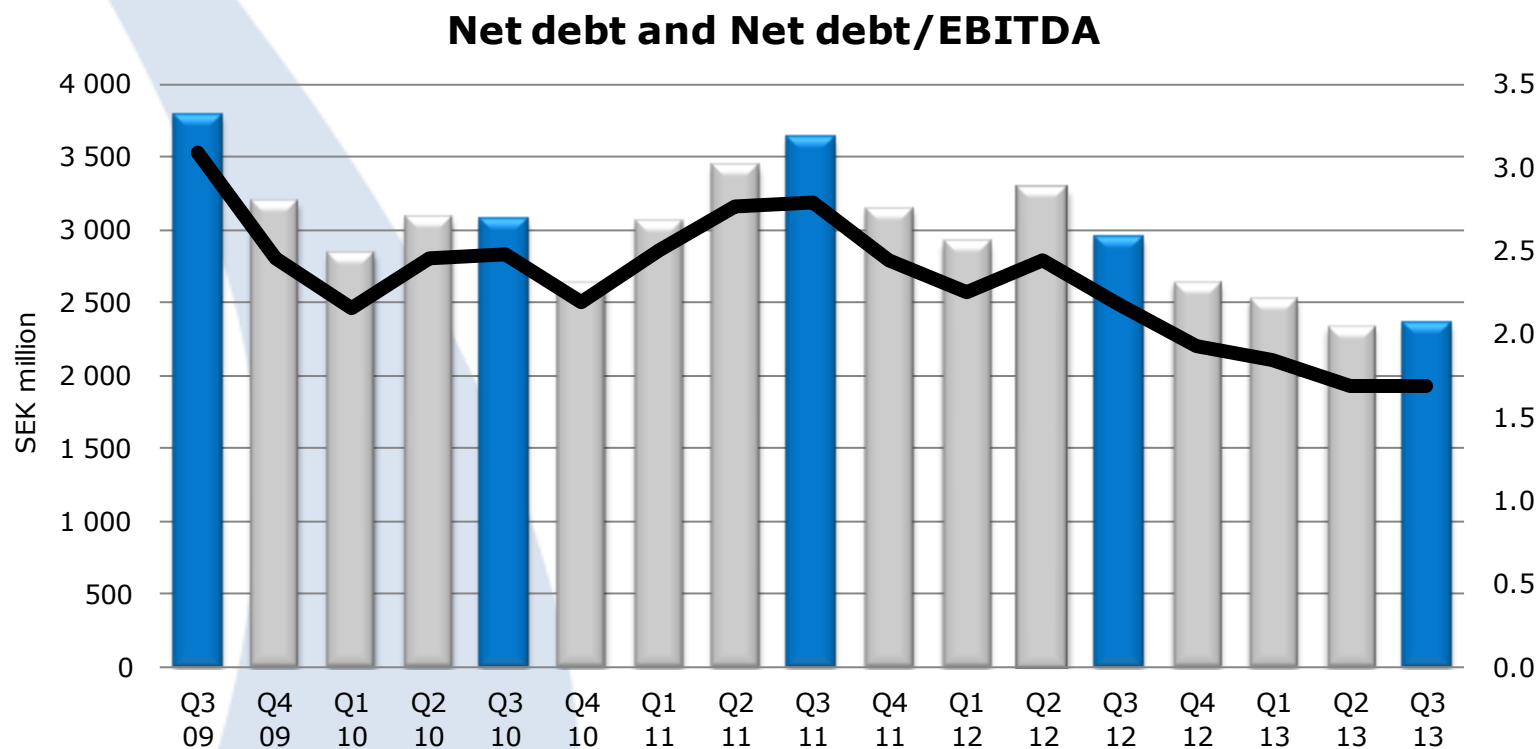
SEK million	Q3 2013	Q3 2012	YTD 2013	YTD 2012
EBITDA	390	361	1,050	965
Paid interest	-27	-31	-80	-89
Paid tax	-55	-111	-209	-259
Non-cash items	7	4	-4	6
Change in working capital	-12	141	335	476
Cash flow from operating activities incl change in working capital	303	364	1,092	1,099
Cash flow from investments	-329	-71	-589	-695
Free cash flow	-26	293	503	404

ROCE – 30 September 2013



* Adjusted for Sandy and acquisition costs

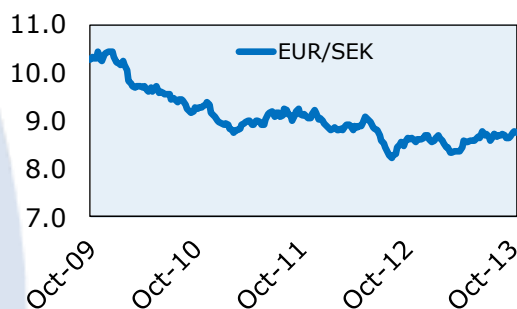
Net debt



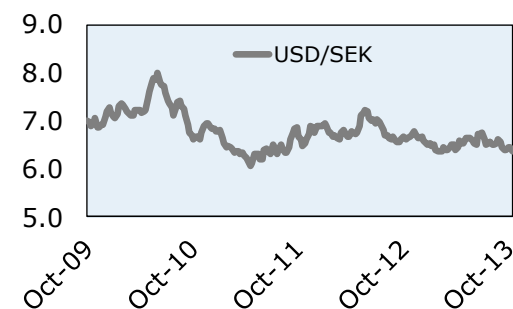
FX exposure



Currency	Movement	EBIT impact	Sales impact
USD	Weakened	Negative	Negative
MXN	Weakened	Negative	Negative
GBP	Weakened	Negative	Negative
EUR/DKK	Weakened	Negative	Negative
YTD 2013 Effect		-17 MSEK	-262 MSEK



Source oanda.com



Value creation priorities

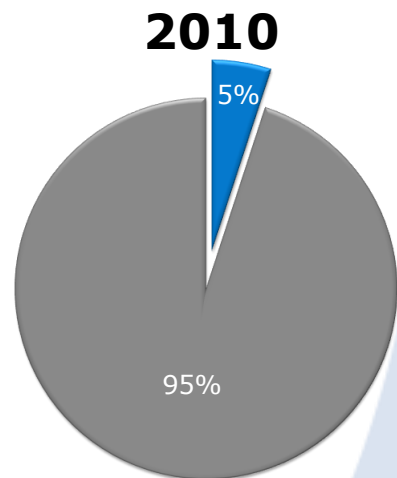
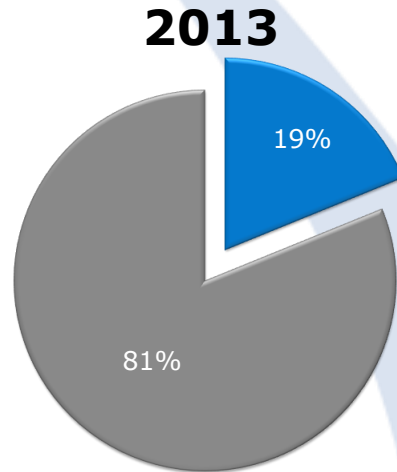
- 
- Strengthen growth
 - Customer co-development
 - Emerging markets
 - Selective acquisitions
 - Continue improving EBIT/Kg
 - Speciality and semi-speciality vs. commodity products
 - Efficiency
 - Capital efficiency
 - Working capital management



Karel Stoschek
Director Infant Nutrition

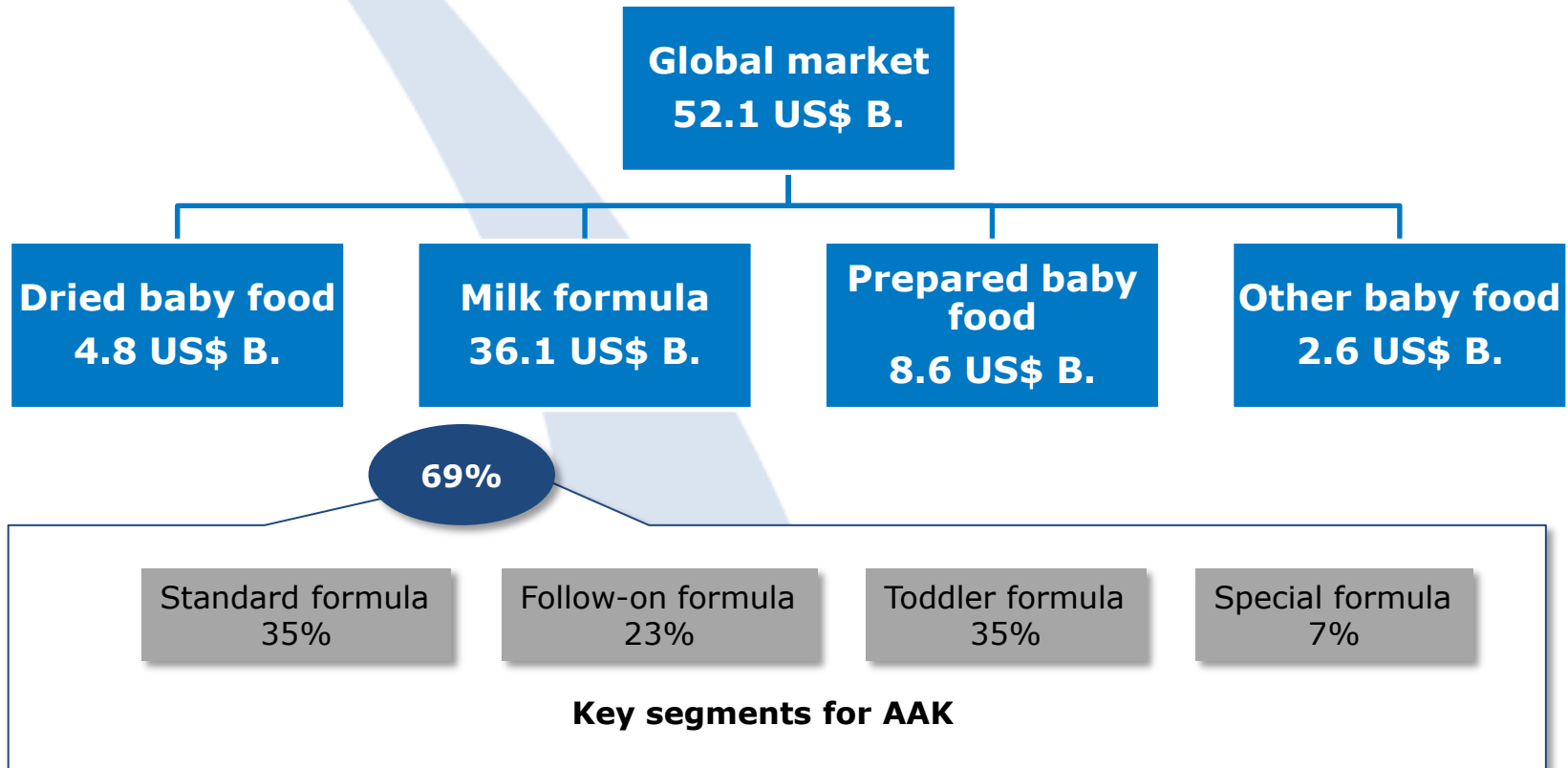
Infant Nutrition

Operating profit - FI



- Volume growth
 - Existing customers
 - New customers
 - New markets
- Higher utilization in dedicated plant
- Focus on speciality blends

Global baby food retail value

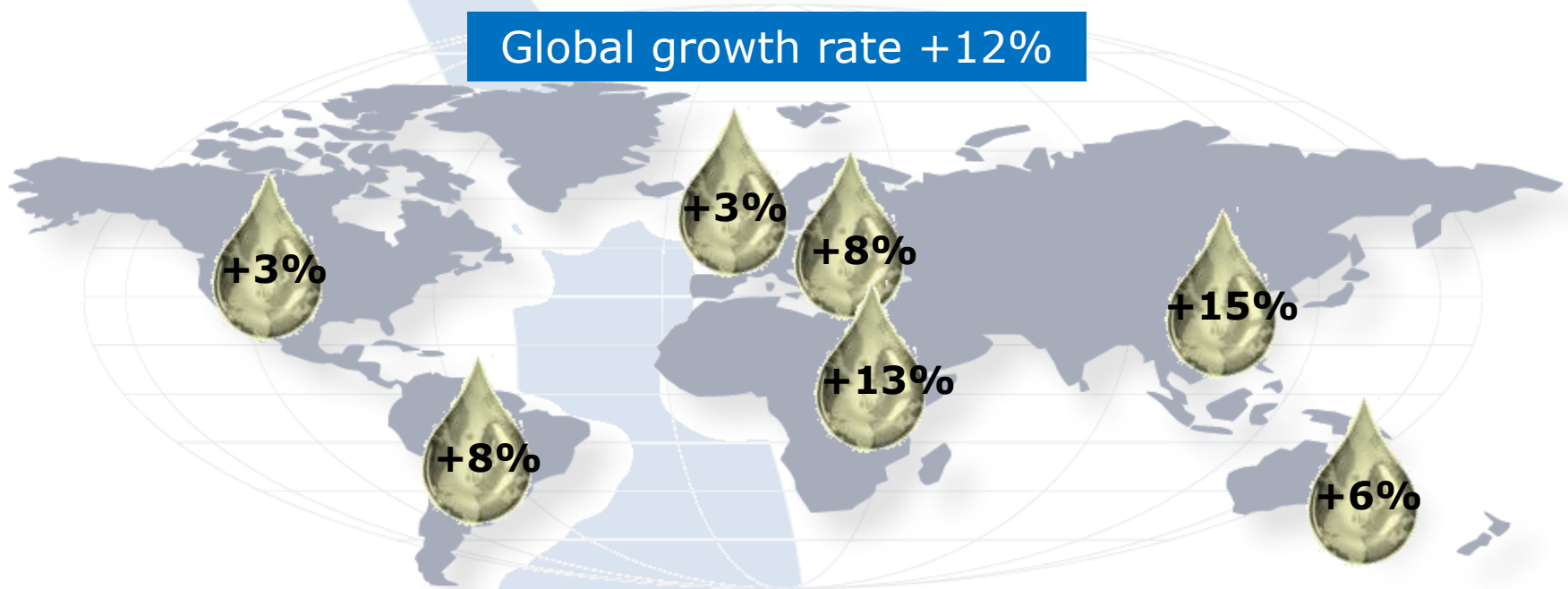


Infant milk formula market



- ◆ 2.1 million MT/yr Infant milk formula
~600,000 MT /yr oils & fats as an ingredient
- ◆ Consolidated industry – 5 multinationals
(Nestlé, Danone, Mead Johnson, Abbott, Wyeth) hold ~ 60% of the world market
- ◆ Chinese companies increase share of domestic market
- ◆ China is 26% of the world market in value

Average annual growth infant milk formula 2010-2016 (retail sales by value)





Infant formula market characteristics

Key revenue drivers

- Population growth in emerging markets
- Urbanisation
- Growth in middle class

Key profit drivers

- Food safety
- Consolidation of market
- High demand for premium blends

Key pains

- Changing regulatory
- Share of voice in the global press
- Global big brands

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 as an ingredient, which gives energy and essential components



AAK operates in infant milk formula market with

- High quality infant nutrition single oils
- Akonino ®
 - Customized oil blends for infant milk formula producers
 - Organic oil blends
- Global Production
 - All AAK factories are audited to produce high quality infant grade products

INFAT® sn2 palmitate

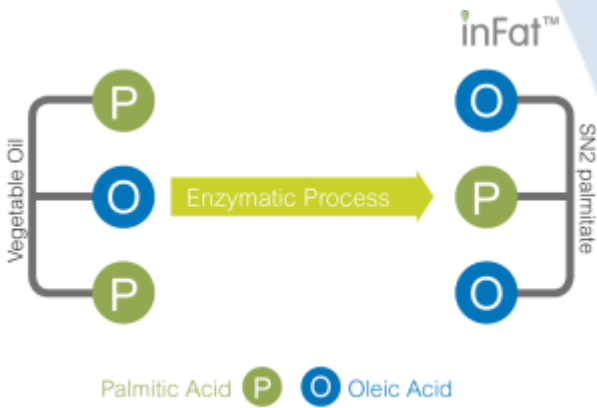
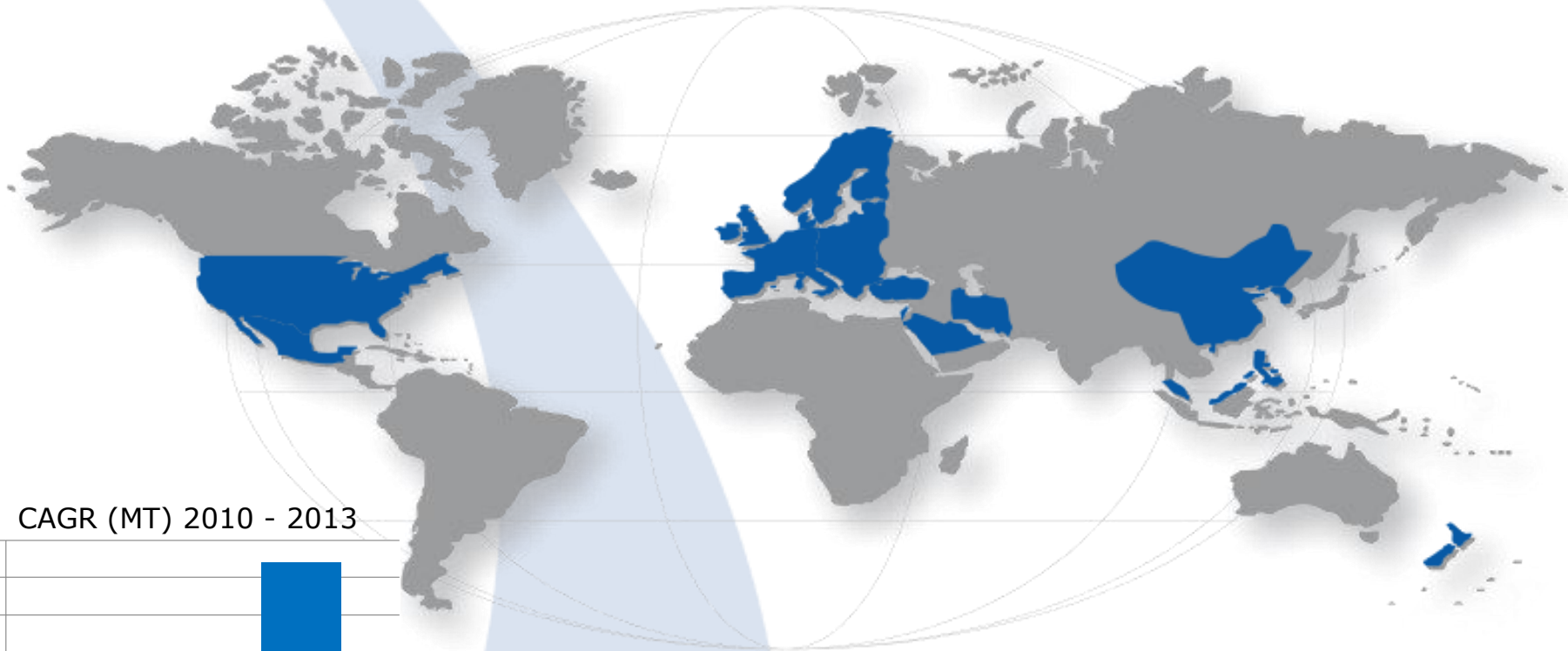


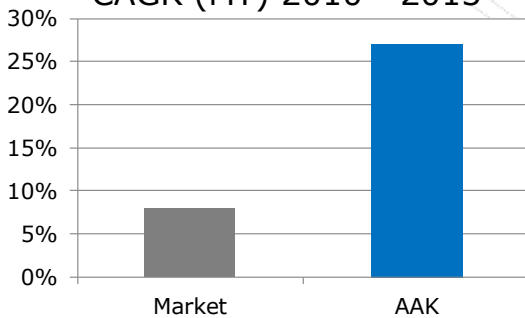
Diagram of the enzymatic process of INFAT

- INFAT® is a clinically-proven SN2 palmitate ingredient that mimics the fat structure and properties of human milk fat
- This unique fat enables easy digestion and optimized uptake of calcium, fat recovery and energy
- INFAT® is sold and marketed by Advanced Lipids, a joint venture of AAK and Enzymotec

AAK gains market share



CAGR (MT) 2010 - 2013





Main drivers for AAK growth



- ◆ Focus on infant nutrition
- ◆ Increased demand for high quality oils & fats and special ingredients
- ◆ Food safety
- ◆ Global growth with multinationals
- ◆ Premium segment grows rapidly

AAK is well positioned for further growth

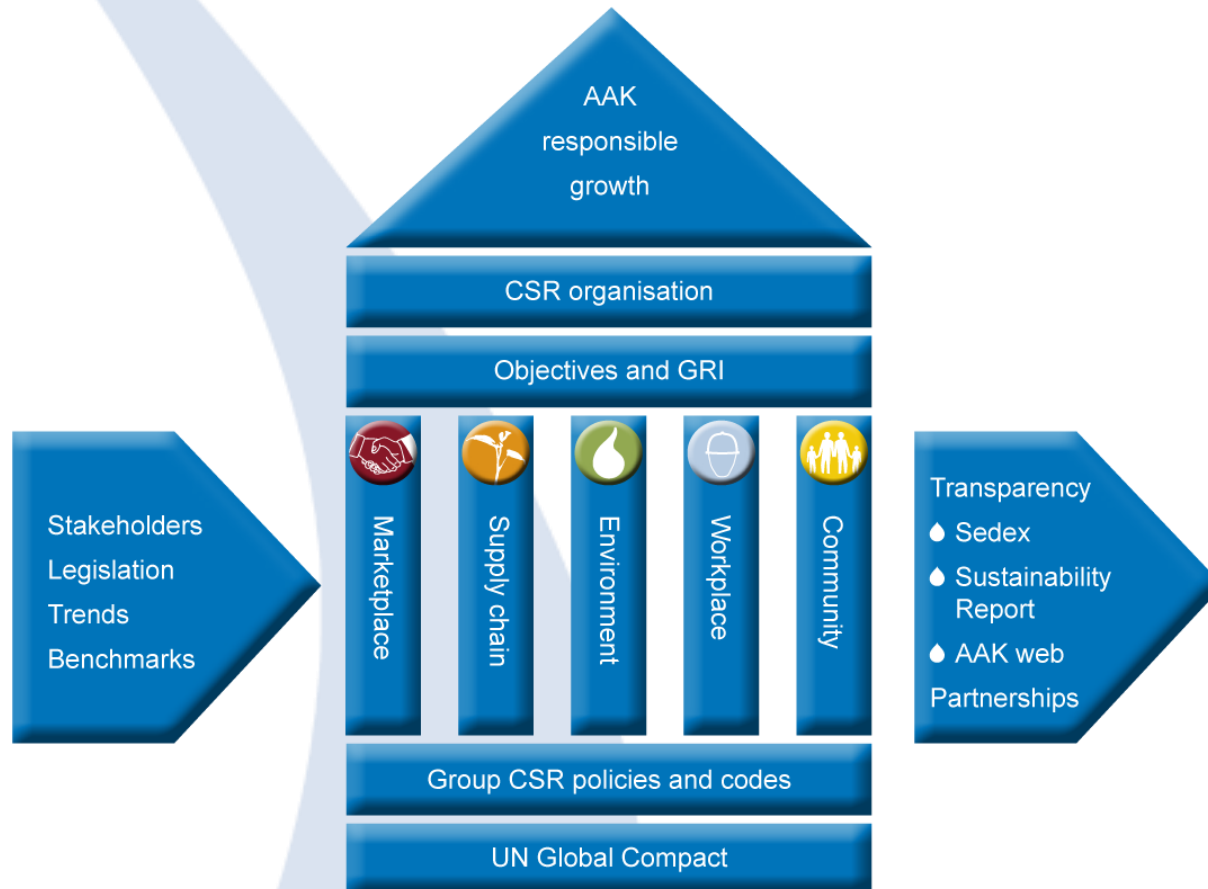
- ◆ Comprehensive product range
- ◆ A track record to grow globally with major producers
- ◆ Global account management with local presence for key customers
- ◆ Strong focus on food safety and quality
- ◆ Strong position in Europe
- ◆ New supply chain in Asia through our Malaysian customisation plant



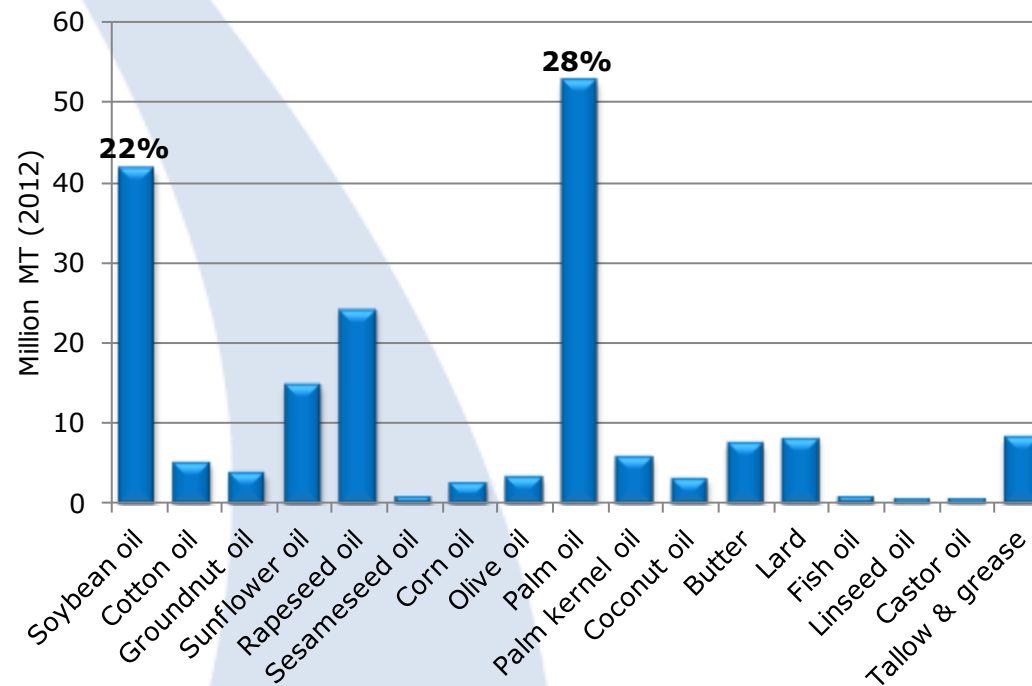
Anne Mette Olesen
CMO

CSR and palm oil update

Responsible growth at AAK



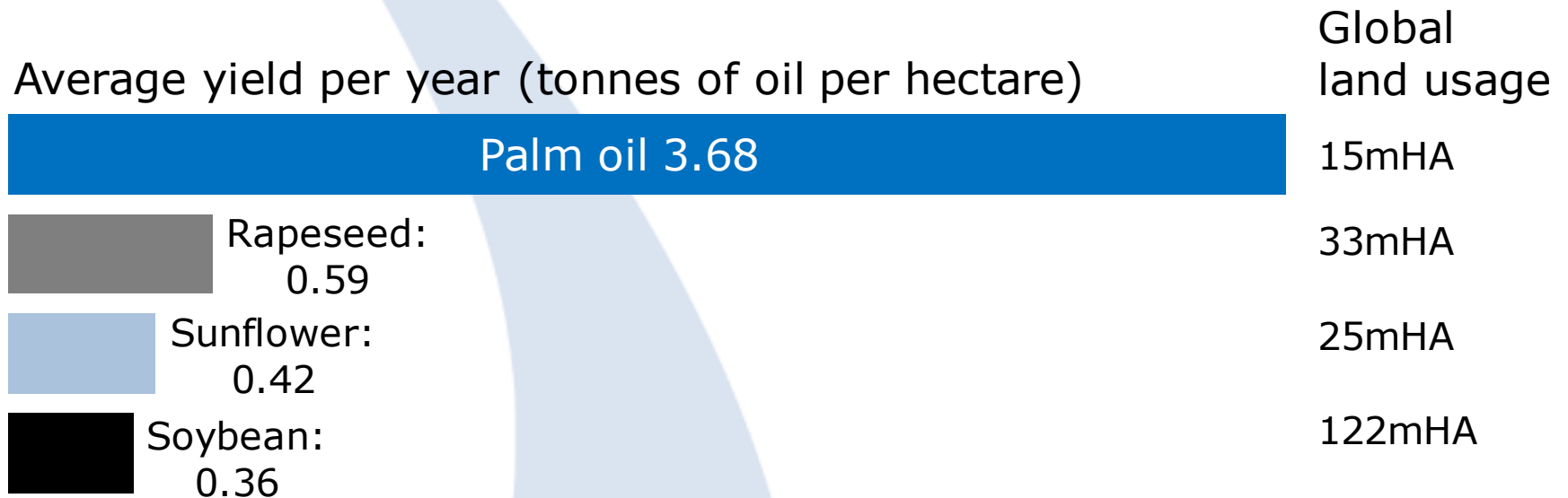
Edible oils in 2012



💧 Total market 185 million MT (including ~25 million MT for biodiesel)

Source: FEDIOL data

Palm the most efficient crop



💧 Around 10x the land usage is required to switch from palm to soybeans

Source: palmoilworld.org

Palm oil



- ◆ A highly versatile vegetable oil
- ◆ Used in many food and non-food products
- ◆ Produced in tropical countries
- ◆ The world's top selling vegetable oil
- ◆ Rapidly growing in market share



Palm oil growing areas



Palm oil

Palm oil

Palm oil

86% from Indonesia and Malaysia

Palm oil criticism



- 💧 Pesticide use
- 💧 Forest and peatland conversion
- 💧 Biodiversity loss and animal habitat
- 💧 Climate change
- 💧 Land ownership conflicts
- 💧 Workers' rights and conditions
- 💧 Treatment of smallholders

Roundtable on Sustainable Palm Oil

- ◆ Founded in 2004 with seven members
- ◆ Multi-stakeholder association
- ◆ Not for profit
- ◆ Secretariat in Malaysia
- ◆ AAK a founder member and on the Board
- ◆ Seven constituencies – growers, traders and processors, consumer goods manufacturers, retailers, banks, social NGO's and environmental NGO's
- ◆ Consensus based



Reflections on RSPO today

💧 Achievements

- Recognized benchmark for sustainable palm
- More than 1,000 members across all stakeholders
- Well founded third party certification process
- 15% of palm production certified (9 million MT)
- Established supply chain mechanisms

💧 Criticisms

- Moves too slowly due to consensus based decisions
- Complaint panel ineffective
- Membership is green-washing
- Not strong enough criteria on deforestation and peatland development
- Moves too quickly for some producers
- Demand is only 50% of supply

RSPO

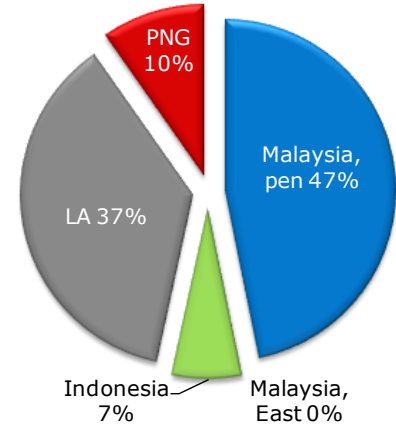
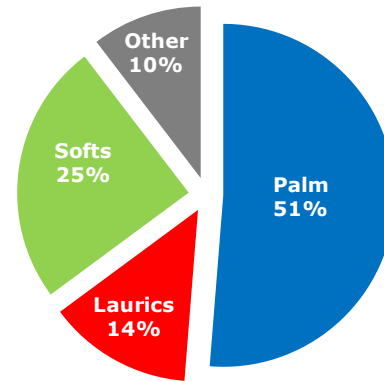
Roundtable on Sustainable Palm Oil

An imperfect solution?

AAK palm oil policy

- ♦ Founding member of and **engaged in RSPO, and its Board**. Recognizes RSPO certification as the standard for sustainable palm oil, however **not perfect**
- ♦ **Focus on one well established and recognized system is important to** progress towards a fully sustainable palm oil supply chain
- ♦ Palm oil must be **produced without HCV deforestation or destruction of peatland**
- ♦ **Need faster progress** towards full sustainability in the palm oil supply chain

AAK and palm oil



- ◆ AAK follows UN Global Compact, and the RSPO standard and/or full traceability
- ◆ AAK does not source from suppliers involved in deforestation nor destruction of peatland
- ◆ According to NGO's the issues about deforestation are concentrated to Indonesia and East Malaysia (Borneo)
- ◆ For AAK, most palm oil, +90%, is sourced from peninsula Malaysia, Papua New Guinea and Latin America
- ◆ Less than 10% of AAK's palm oil is sourced from Indonesia, strong additional measures are taken to ensure AAK suppliers are not involved in HCV deforestation nor destruction of peatland

René Schou
Marketing Director CCF

Chocolate & Confectionery Fats

The market in scope

Confectionery in scope

- Market size USD Billion **116**
- Market size MT Million **8.6**
- Market growth 2013-2016 CAGR **2.4%**

Chocolate

- Market size USD Billion **107**
- Market size MT Million **7.5**
- Avg fat content **30%**
- Growth 2013-16 CAGR **2.4%**

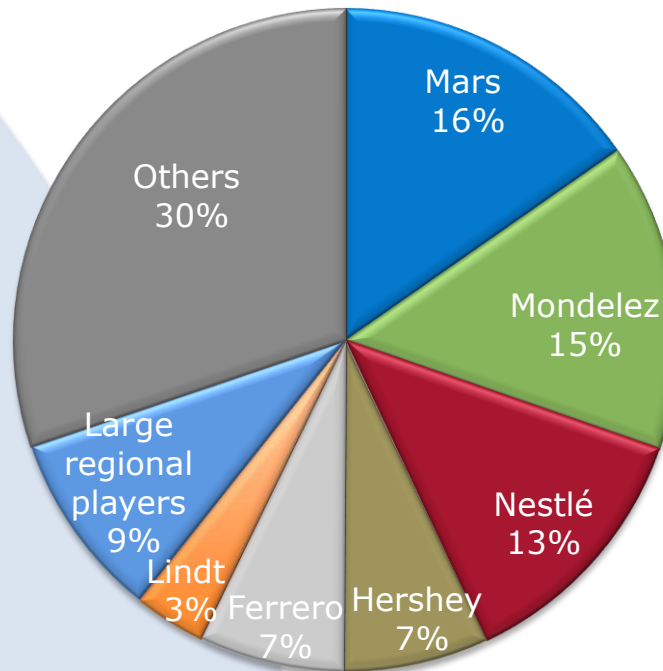
Caramel and toffee

- Market size USD Billion **9**
- Market size MT Million **1.1**
- Avg fat content **10%**
- Growth 2013-16 CAGR **2.5%**

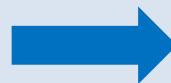
Chocolate segments

- ◆ Alfajores
- ◆ Bagged selflines/softlines
- ◆ Boxed assortments
- ◆ Chocolate with toys
- ◆ Countlines
- ◆ Seasonal chocolate
- ◆ Tablets
- ◆ Other chocolate confectionery

Key players in the market (value)



- The big five, all growing above market average
- Large regional players
- Small players



AAK has a strong position with all major players in the chocolate industry

Trends in market

Rise of global middle class

- Strong population growth
- Rising income levels in emerging economies

Convenience and accessibility

- Urbanization
- Consumers pressed for time
- Increasing need for on-the-go meals and prepared food

Health and wellness

- Global obesity epidemic
- General health trend
- Rising health care costs

Premiumisation

- Emerging markets are trading up
- Mature markets are focusing on premium products for value growth

Food safety and security

- Global health scares
- Increasing brand risks
- Increasing regulatory scrutiny

Increasing retailer power

- Food retailers consolidating
- Launching of private labels to capture more profit

Trends in market

– from a fat perspective



Premiumisation

- Light
- Aerated
- Melting behaviour
- Soft fillings
- Creaminess
- Higher cocoa content

Health and wellness

- Low/non-trans
- Low in saturated fatty acids
- Non-hydrogenated
- Low in fat

Sustainability

- Responsible and sustainable sourcing

Back to nature

- Organic
- Natural
- Clean label

Market characteristics



Key revenue drivers

- Population growth
- Urbanisation
- Growth in middle class in developing countries
- Premiumisation

Key profit drivers

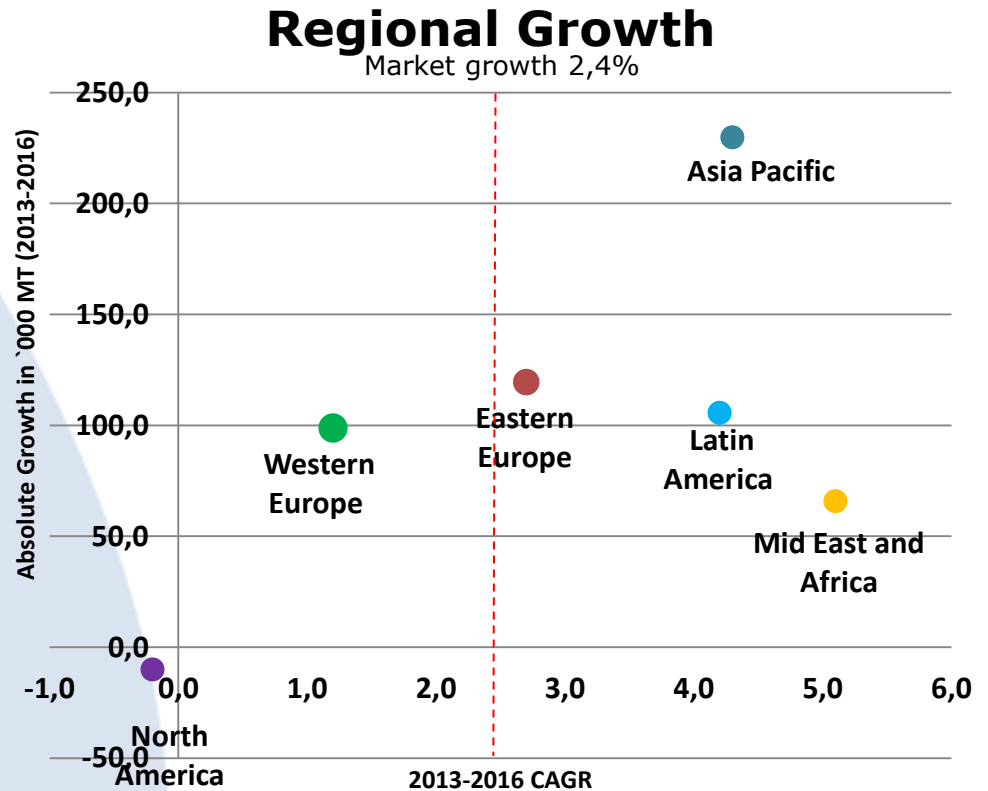
- Premiumisation
- Pack sizes
- Sustainability
- Health categories
- Consolidation of market

Key pains

- Sustainability
- Global obesity trend
- Overcapacity in some segments
- Difficulties of transporting chocolate in tropical climate

Projected growth by regions

(Volume)



Source: Euromonitor and Global Industry Analytics Inc.

Cocoa butter market

Cocoa liquor
1.1 Million MT

Cocoa butter
1.0 Million MT

Cocoa powder
0.75 Million MT



Strong growth potential



- ◆ Increasing consumption of chocolate
 - Consumption of chocolate is rising in the developing regions
- ◆ Mature markets growing outside chocolate
 - Growth to be found through alternative applications like Bakery, Dairy and Ice cream
- ◆ Cost savings
 - Manufacturers are seeking ways to reduce cost
- ◆ Strong and broad portfolio of solutions
 - Addressing key needs in the industry
 - Chocolate improvers
 - Health and wellness

New product development



◆ 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



◆ CEBES™ EG 80

- Providing extreme gloss to chocolate



AAK is well positioned for future growth

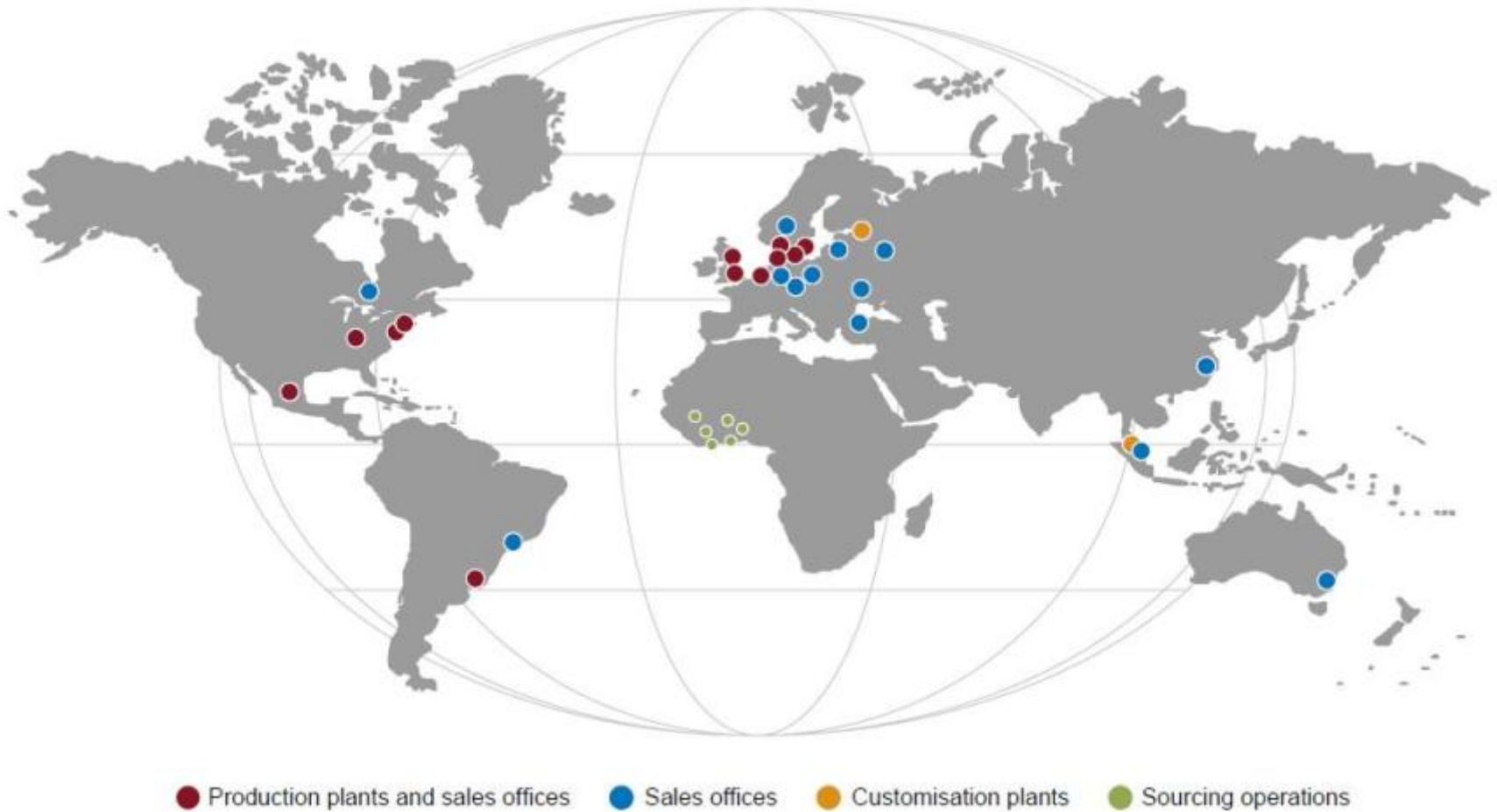


- 💧 A strong passion for chocolate
- 💧 Unmatched on customer innovation and customer co-development
- 💧 Addresses key needs of the industry with strong solutions
- 💧 Far ahead of market on health trends
- 💧 Second to none in oils & fats knowledge
- 💧 A "small" big company

The background of the slide is composed of several images. On the left, there is a vertical strip showing a busy street in an Asian city, likely Shanghai, with many pedestrians and tall buildings. On the right, there is a large, curved image of a modern skyscraper with a glass facade. A blue diagonal shape separates these two images. A semi-transparent blue horizontal band across the middle contains the text 'AAK's growth markets'.

AAK's growth markets

AAK in the world

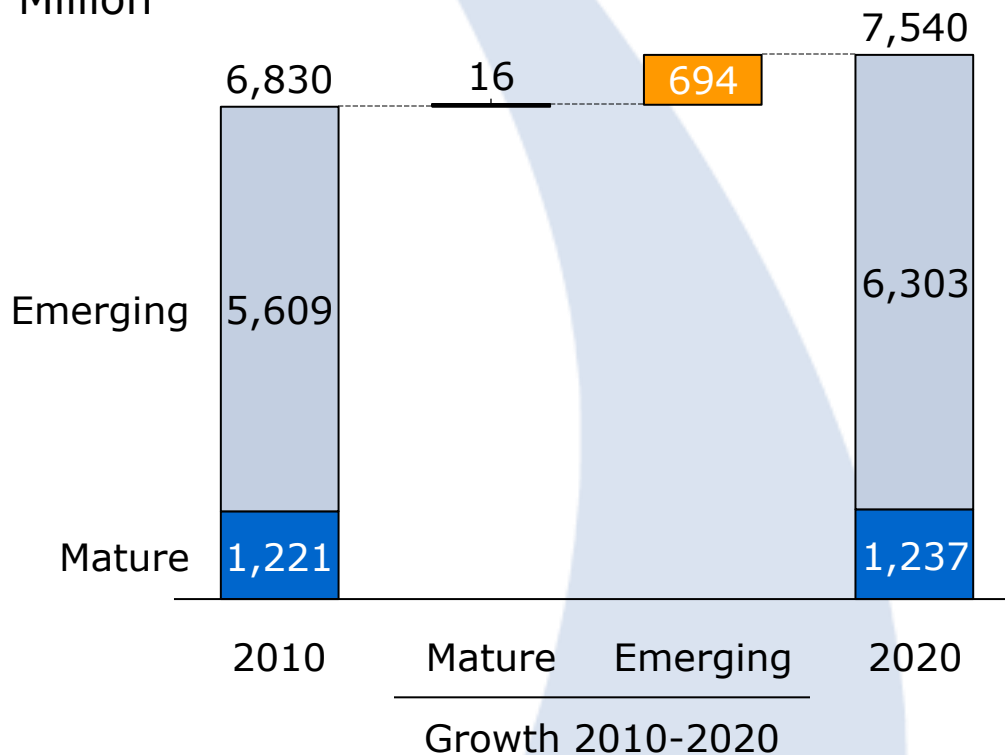


The answer to why is quite given



World population

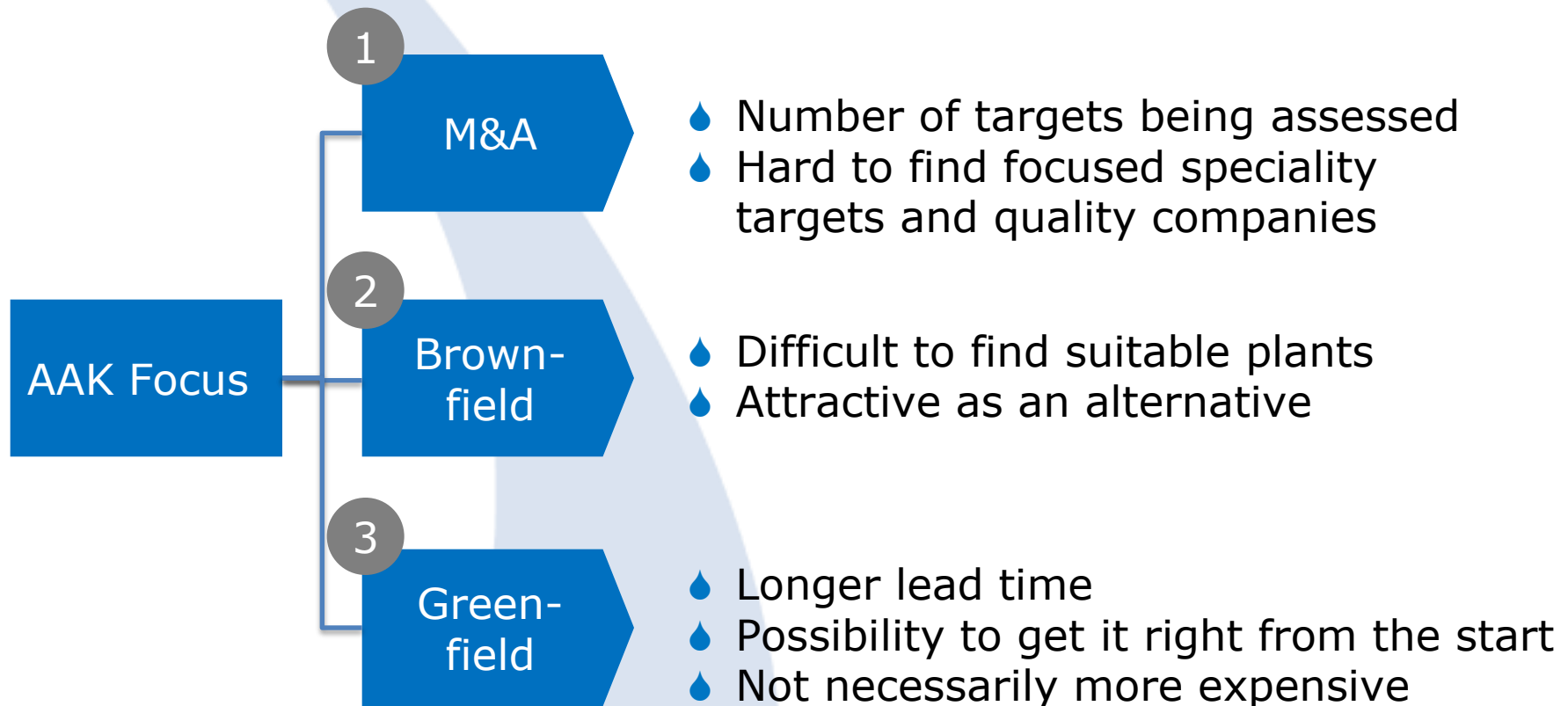
Million



Urbanisation is perhaps the single biggest driver of lifestyle change. By 2020 we expect 55% of the world's population to live in towns and cities. This creates busier lives, bigger incomes, a growing need for convenience, and also delivers more sophisticated retail infrastructure. All of which underpin demand for processed food and beverages.

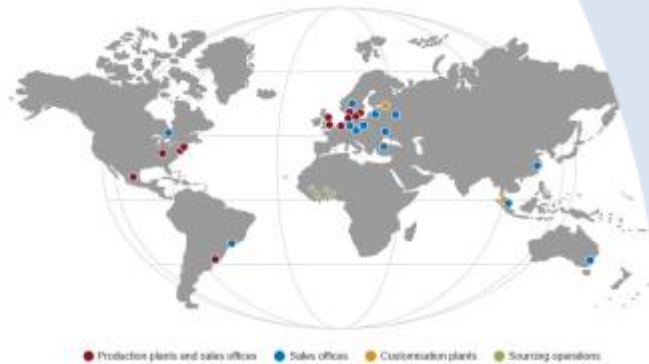
*Euromonitor 2013
- the Ingredient Curve*

Strengthen our presence in growth markets



AAK's focus regions/countries

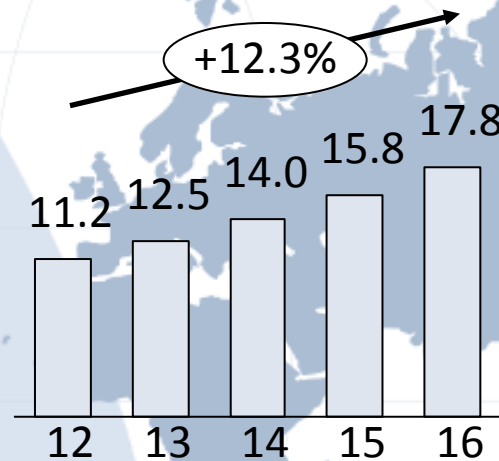
- China
- Turkey
- CIS
- South America
- Latin America



China is the growth engine of vegetable oils and fats

- Population 1.35 billion
- The world's second largest economy
- Urbanisation rate constantly growing
- Projected CAGR of key food segments: 7% from 2012 to 2016

Consumption* (MT million)



* Vegetable oils & fats
Source: Euromonitor



Food industry market trends in China



- ◆ Economic changes to a more sustainable growth model from an export driven economy to a domestic consumption driven
 - Increased individual consumption
- ◆ Growing middle class with diversified needs
 - Oils & fats demand will grow due to urbanisation increase, population growth and disposable income growth
- ◆ Consumer loyalty to brands will drive growth within speciality oils & fats
- ◆ Significant growth rates in the industries and segments AAK operates within



Market potentials in China



- ◆ Demand for oils & fats is estimated to be 12 million MT in 2013
 - Mid and high-end speciality oils demand are estimated to be 1.0 million MT in 2013
 - YoY growth estimated to be not less than 6% to +1.3 million MT in 2018
- ◆ Provides room for AAK to grow core business
- ◆ Infant Nutrition is AAK's fastest growing segment in China

Opportunities in China



Industrial
bakery fats

Whipping
cream

Traditional
bakery/
bakery
chains

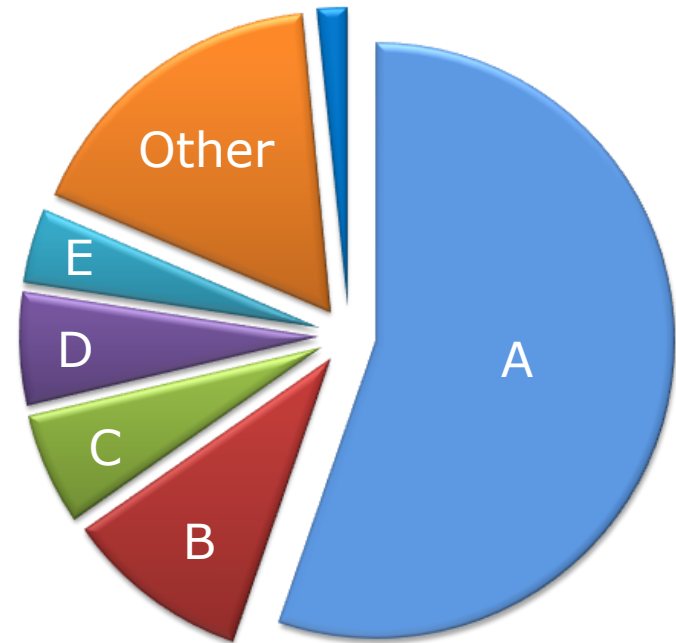
Milk
beverage

Ice cream
fats

Infant
Nutrition

Chocolate

Market shares in the Chinese speciality and semi-speciality oil market



■ Competitor A ■ Competitor B ■ Competitor C ■ Competitor D
■ Competitor E ■ Other ■ AAK

Extensive exposure and activities in China



Food Ingredients



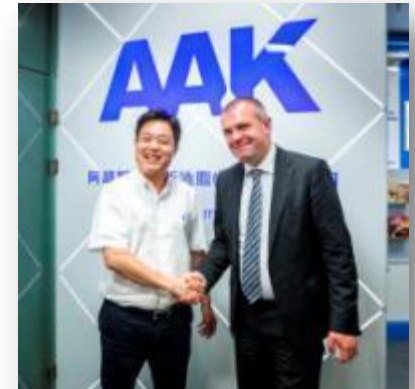
Bakery



AAK Academy



Innovation Prize at Personal Care Ingredients Exhibition



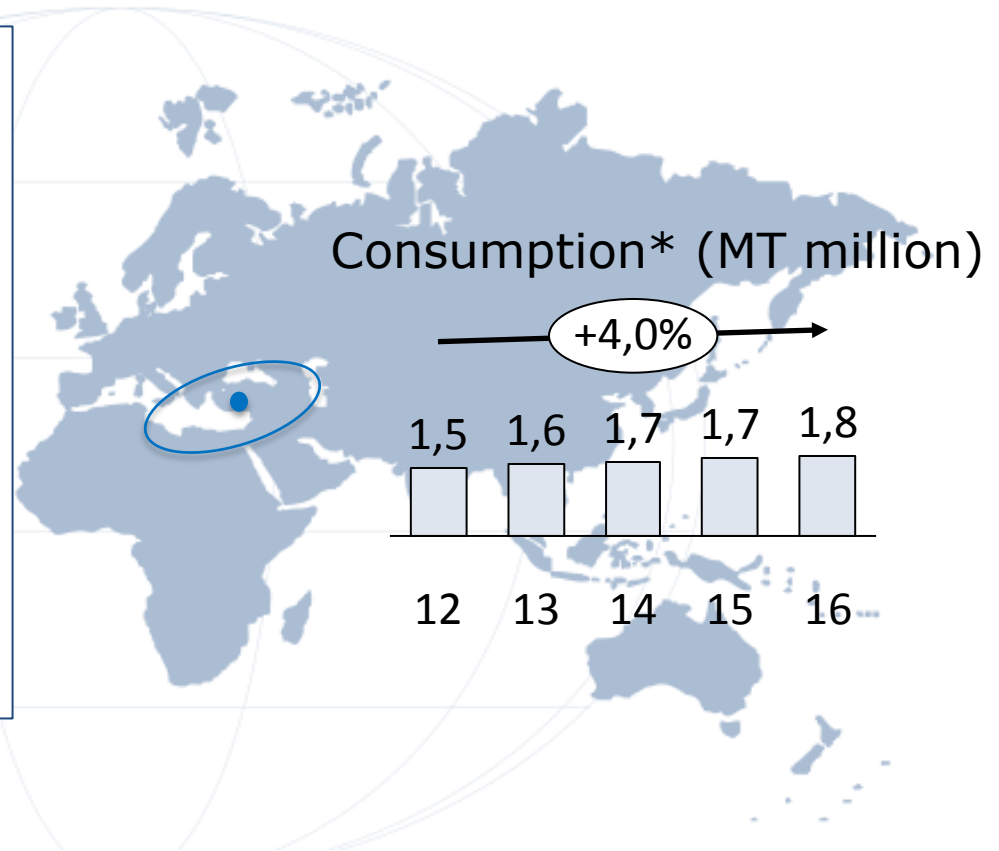
Visit by Finance Minister of Denmark

AAK China innovation center grand opening October 8, 2013



Turkey – our platform in South Eastern Europe and MENA

- 76 million inhabitants
- 16th largest economy
- Urbanisation rate constantly growing
- Packaged food market valued at US\$40 billion with 5.2% expected growth 2013-2017
- US\$16 billion in food exports



* Vegetable oils & fats

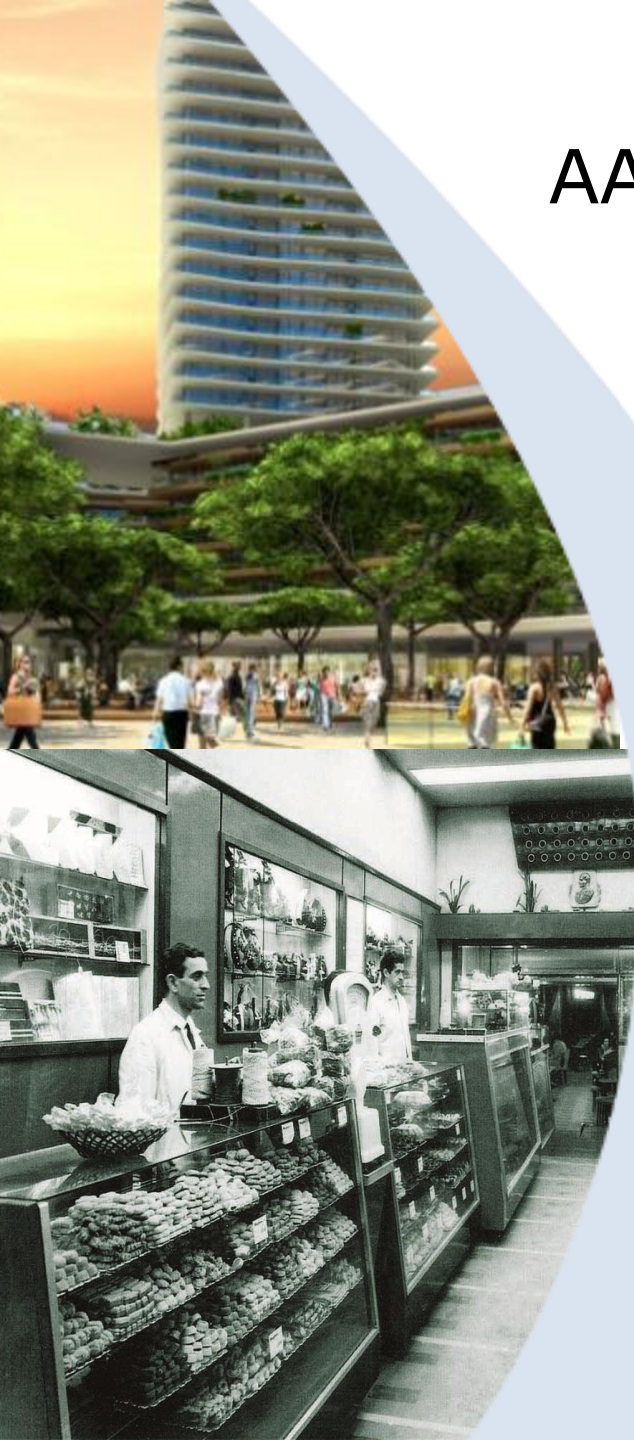
Source: Euromonitor, Turkish Ministry of Agriculture

AAK Turkey

- The acquisition of Unipro will strengthen AAK's presence in the important Turkish market and the surrounding region
- AAK Turkey is the market leader within traditional bakery
- Opportunity for growth within the Industrial segment where AAK is strong

AAK Turkey opportunities

- ◆ Retail volume and current value growth are increasing in Turkey, Middle East and Africa
- ◆ The baked goods category benefits from growth in the number of young consumers as products like buns, doughnuts, croissants and bakhlava are especially popular among the younger population



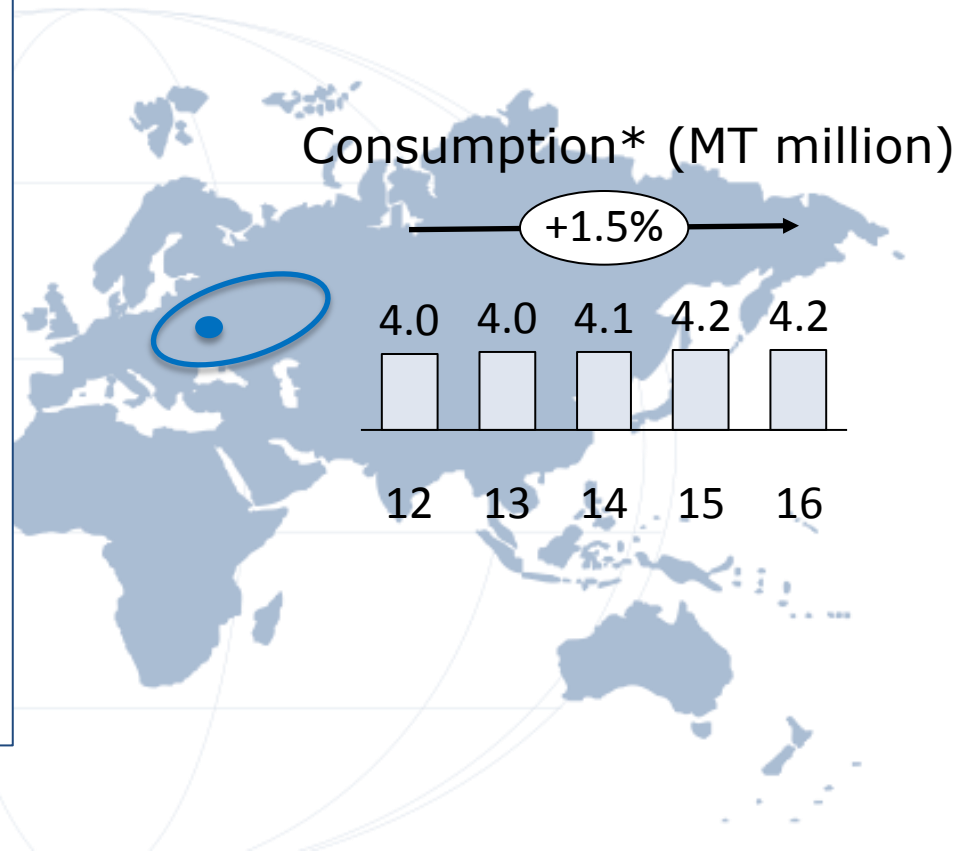
AAK Turkey focus

- ◆ New functional products for CCF, Bakery and Dairy will be introduced to the market in order to differentiate from competitors in the industrial segment
- ◆ AAK customer innovation – AAK Academy and customer seminars in Turkey
- ◆ Strong focus on export opportunities in the neighbouring countries where there is a large growth potential
- ◆ Mostly local competitors



CIS

- +275 million inhabitants
- GDP growth forecasted at 4-5% per year
- Dominated by Russia, which is the 11th largest economy
- Historically high growth in packaged food segment driven by demand in large cities
- Consolidation among retailers



* Vegetable oils & fats in Belarus, Russia and Ukraine
Source: UN, Deutsche Bank, Euromonitor

AAK in CIS

- Established sales in Russia and Ukraine with increased and more aggressive direct sales activities
- Customisation plant in Russia
- Speciality confectionery fats a focus area, but also emerging trends within Bakery and Dairy
- Proven customer innovation with focus on functionalities applying speciality and semi-speciality oils & fats



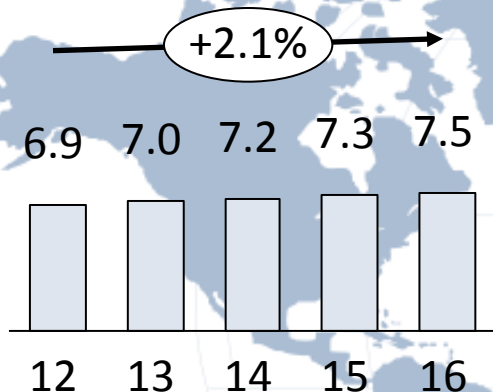
AAK in CIS focus



- Very fast innovation cycles in the market
- A region with significant risk management applied
- Opportunities within Food Ingredients area with a strong supply chain

South America – Brazil a natural next step

Consumption* (MT million)



- Population 400 million
- GDP growth 3.1% 2012-2016
- High level of urbanisation – 325 million 2010 and growing to 385 million 2020
- The packaged food market in Brazil was valued at \$105 billion in 2010, having grown by 44% since 2005

* Vegetable oils & fats in Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Peru, Uruguay & Venezuela
Source: Euromonitor; IMF; UN

South America - industry

- ◆ A world leading industrial country;
 - Chocolate; world's 4th largest manufacturer
 - Biscuits; world's 3rd largest manufacturer
 - Cosmetics; world's 3rd largest market
- ◆ Nestlé runs 31 factories in Brazil
- ◆ Mondeléz (Kraft) has its world's largest chocolate factory in Brazil
- ◆ High protection to local industry

AAK South America

- ◆ Unique platform for a CCF business
 - Production in Montevideo, Uruguay, since 2006
 - Multi-oil processing set-up
- ◆ Only local supplier of CBE in South America
 - Duty free in Mercosur
 - Deliveries in bulk
- ◆ Local commercial and customer innovation teams in Brazil

AAK South America

- ◆ Customer innovation focus
 - Sole oils & fats custom innovation partner of the main regional confectionery company
 - 93% of the total products are low trans products
 - Winner of “Customer A – a fortune 500 company” Supplier Challenge Biscuit in 2012

Source: IBRC – Instituto Brasileiro de Pesquisa e Relacionamento com Clientes



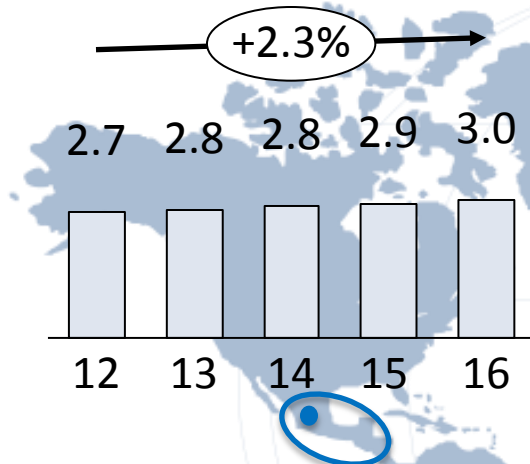
A truly fast-growing economy



- ◆ Artisan bakeries grew 11.5% CAGR in the last 5 years
 - 63,000 small bakeries
 - 44 million customers/year
- ◆ Dairy segment grew 3% CAGR in the last decade
- ◆ Food Service segment grew 14% CAGR in the last 10 years
- ◆ Chocolate segment's growth has been ~ 5% in the past 5 years

Latin America (Mexico, Central America and Caribbean)

Consumption* (MT million)



- Population 188 million
- GDP growth 6.8% 2012-2016
- High level of urbanisation – 122 million 2010 and growing to 130 million 2020
- The packaged food market was valued at \$55 billion in Mexico in 2011

* Vegetable oils & fats (including hydrogenated) in Costa Rica, Dominican Republic, Guatemala and Mexico
Source: Euromonitor; IMF; UN

Facts that make Latin America attractive



- ◆ The oils and fats market is continuously increasing and the size is considerable
- ◆ AAK has a multi-oil processing factory in Morelia, Mexico
- ◆ All segments in which AAK has business are expected to grow in the following years
- ◆ The strong players in the food industry are growing in this region

Strong presence of the big food companies



Customer A



Customer B



Customer C



Customer D



Customer E



Customer F



Customer G

*Only in Mexico, one of our customers have 42 production plants and another one have 13

Latin Amercia – Market



	Bakery	Dairy	CCF	Food service	Infant Nutrition
Mexico	x	x	x	x	x
Guatemala	x		x		
Belize	x				
Colombia	x		x		
Costa Rica			x		
El Salvador	x				
Haití		x			
Honduras	x				
Dominican Republica			x		
Nicaragua			x		
Venezuela	x		x		

Global food trends - new opportunities for Latin America



- ◆ Consumers are more knowledgeable than ever about their food products
- ◆ There is a challenge to innovate in functional foods
- ◆ Healthy aging provides a rapidly growing platform for food producers to position new products
- ◆ Consumers are well aware of the risks of a high intake of sugar in their diets
- ◆ Brands are repositioning with more flavour and marketing goes towards niches

Innovation in AAK Mexico

- ◆ Our focus on innovation has given us an important position in a high competitive environment
 - We offer solutions rather than products
 - Continuous customer training
 - Strong product development
 - Customer innovation

New special tax on packed food and soft drinks in Mexico

- ◆ Special tax of 8% on production and services (IEPS) has been introduced in Mexico for the non-staple foods with a caloric density of 275 kcal or more per 100 grams
- ◆ Soft drinks and sugar added beverages will be taxed \$1 MXN per litre; approximately a 10% tax

Source: Ley del Impuesto Especial sobre Productos y Servicios (IEPS) - 20131031

Growth is focus in Latin America

Focus

1

Innovation



- Niches for more specialized solutions
- New markets

2

Health trends



- Low saturated fats
- Trans free oils
- New segments (e.g. Infant Nutrition)
- Labelling

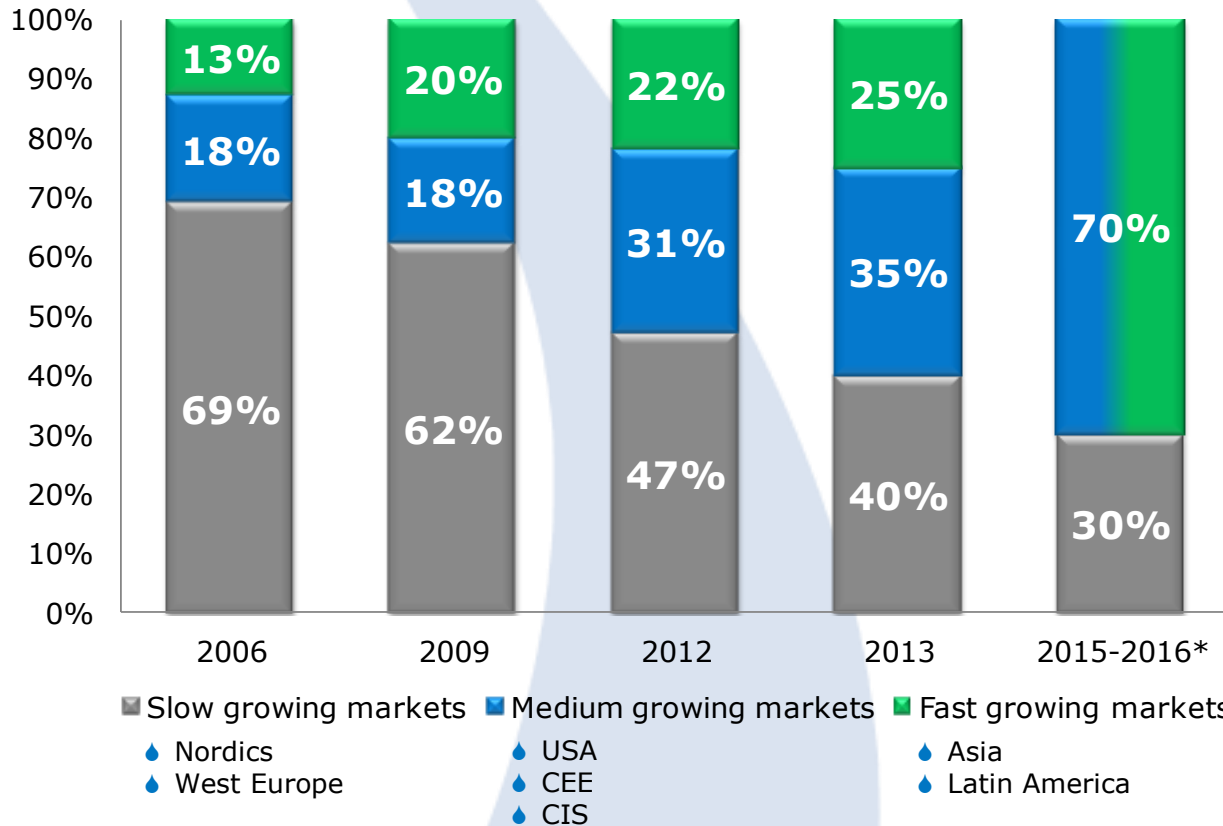
3

M&A



- Accelerated growth

Medium and fast growing markets – New management ambition



* Management ambition – edible oil volume

* Management ambition