

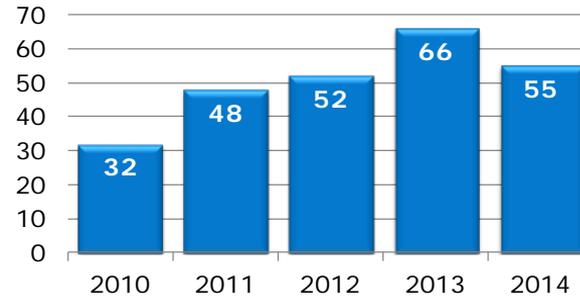


Karel Stoschek
Director Infant Nutrition

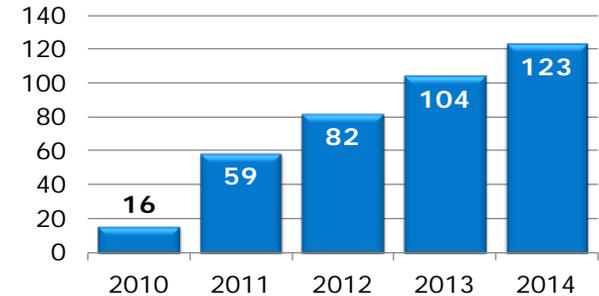
A close-up photograph of a baby's face, looking directly at the camera. The baby has light skin and blue eyes. A red object is partially visible in the foreground, obscuring the lower part of the face. The background is blurred.

Infant Nutrition

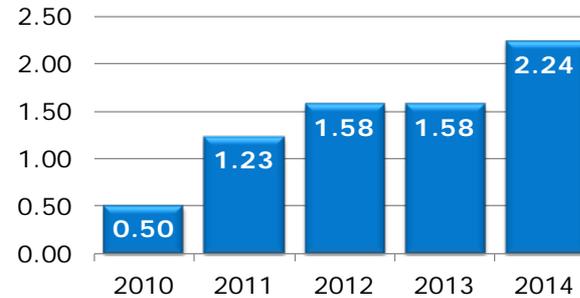
Infant Nutrition – January to September



■ Volumes ('000 MT)



■ Operating profit (SEK million)



■ Operating profit per kilo (SEK)

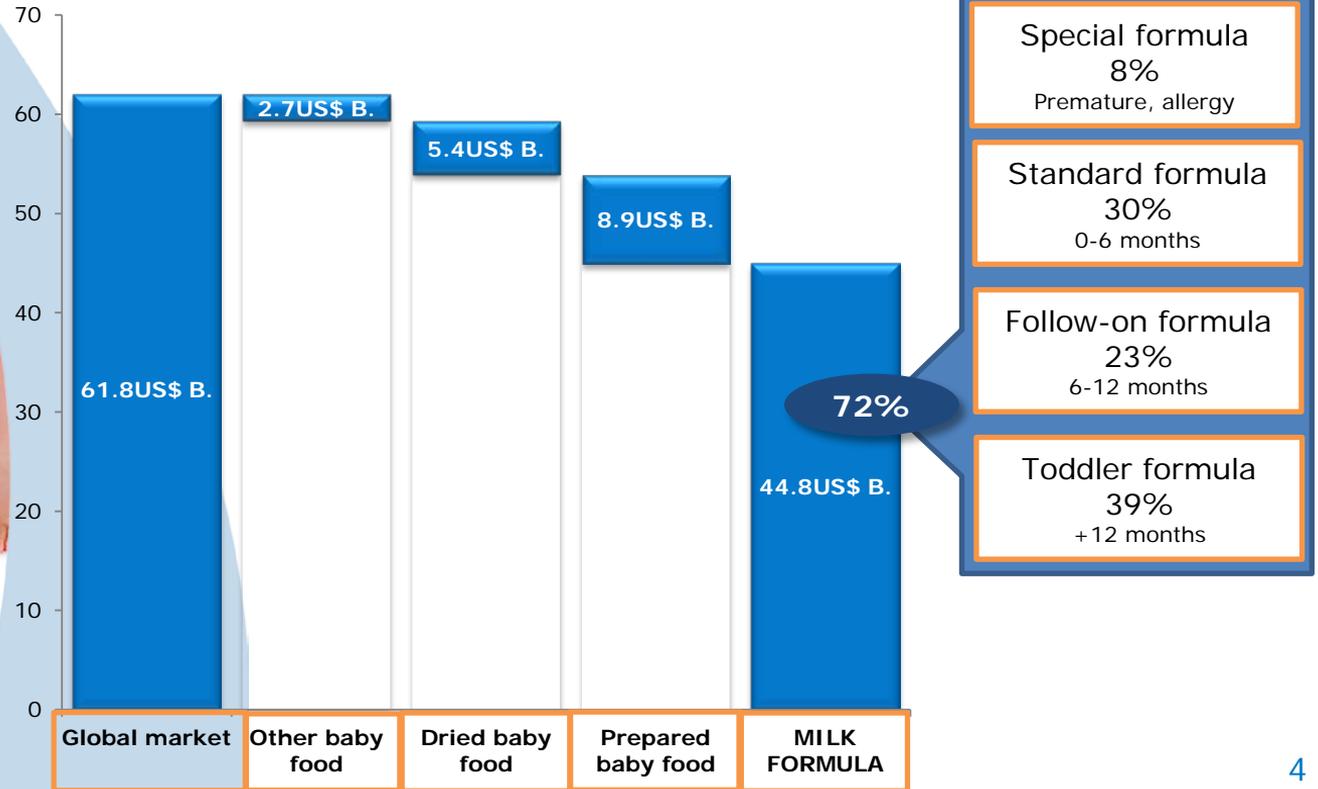
The first 1,000 days



- ◆ Infant milk formula includes all essential nutrients and energy for infants to grow and develop normally
- ◆ Vegetable oils and fats provide the essential building blocks for the body, including the brain and the eyes
- ◆ Oils and fats account for 50% of the energy in the formula

Global baby food retail value

Estimate 2014



Infant milk formula market



Estimate 2014



- 2.4 million MT/yr infant milk formula
- ~660,000 MT /yr oils & fats

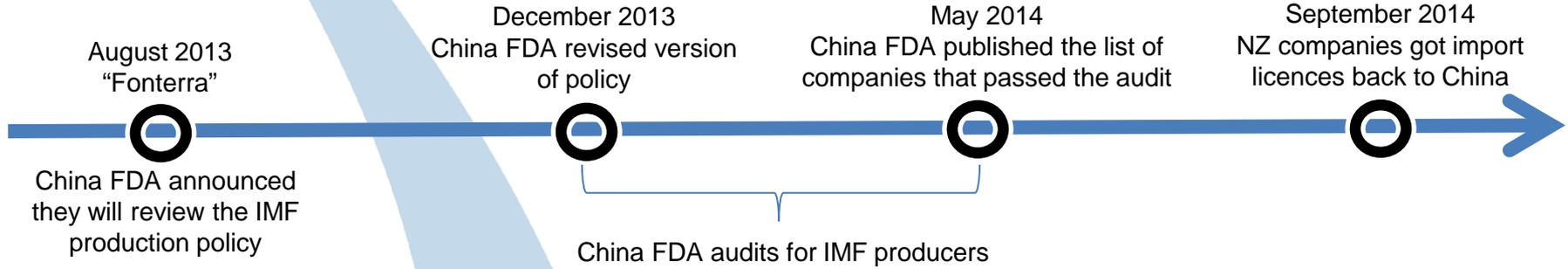


- Consolidated market:
- Top 4 companies have 57% share
- Top 10 companies have 73% share



- 29% global value share
- Local companies increasing share
- > 100 brands in the market

China: new infant milk powder policy



Audit in China - integrated supply chain:

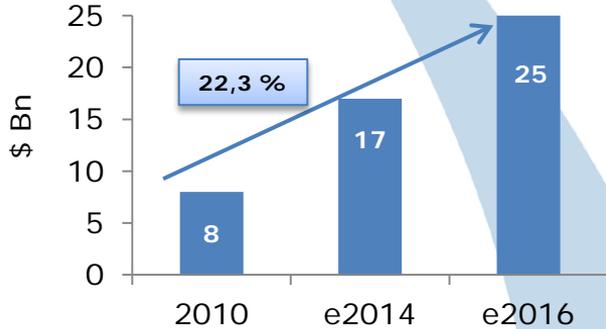
- ◆ Local toll-production stopped
- ◆ Local base-powder production stopped
- ◆ Local packing operation stopped

Outcome:

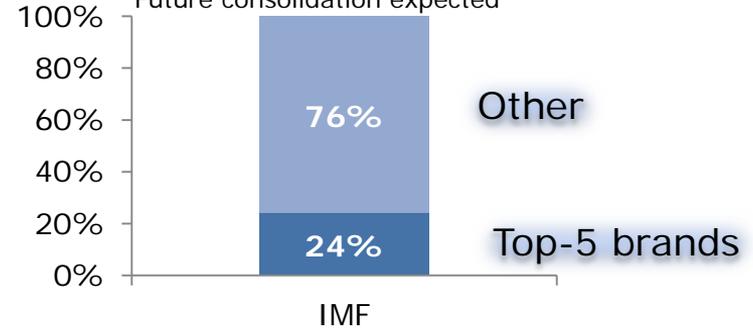
- ◆ China FDA approved 82 Infant Milk Formula producers
- ◆ They are approved for 2014-2017
- ◆ 1/3 of producers' licenses not renewed

China market remains attractive

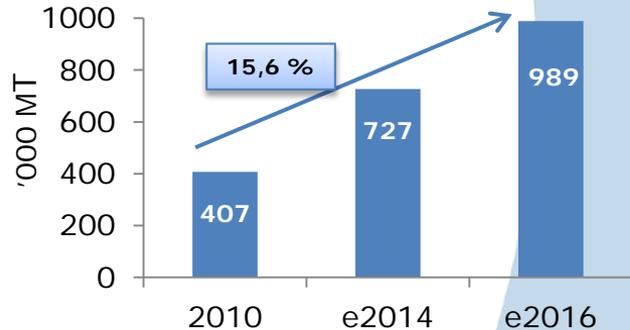
China infant milk formula retail value



China infant milk formula - brand share
Future consolidation expected



China infant milk formula total volume



- Market growth remains attractive
- Market value is likely to grow faster than volume
- Future market consolidation expected
- E-commerce channel expanding

Go to market



The first choice for value-added vegetable oil solutions

Single oils

- Organic (approved by COFCC)
- MCT
- Low 3MCPD



The natural choice for healthy development

Customised oil blends

- The ideal combination
- Security from start to finish
- Specifications guaranteed



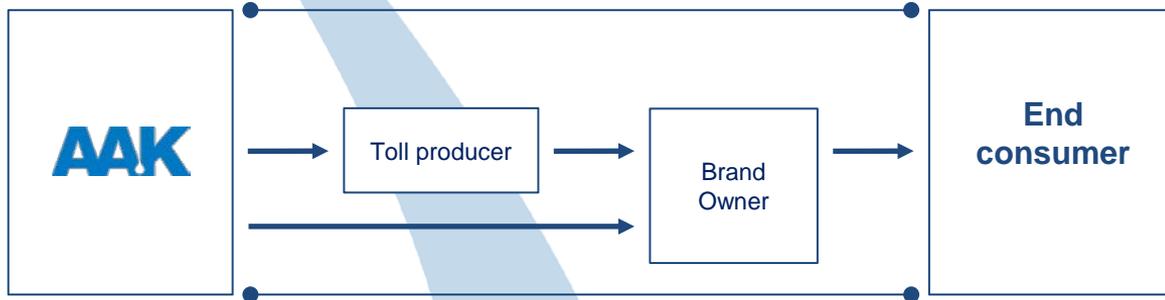
- A clinically-proven ingredient
- One step closer to human milk



Diagram of the enzymatic process of INFAT

INFAT is sold by Advanced Lipids a joint venture of AAK and Enzymotec.

AAK Customer case



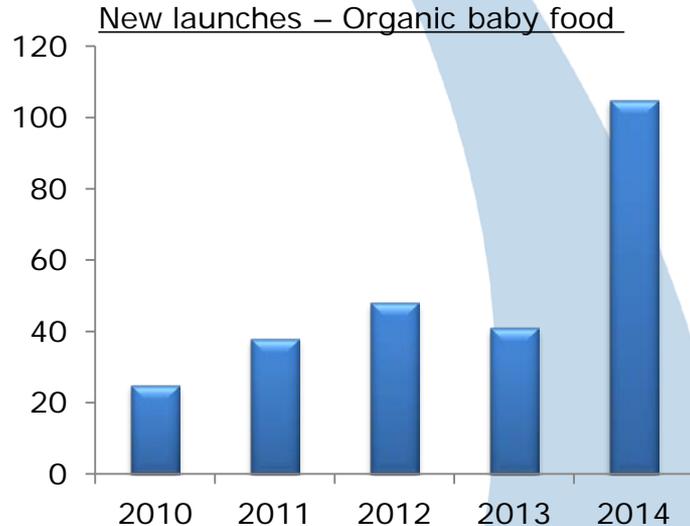
Customer Pain:

- ◆ With Brand owner:
 - ◆ Food safety
 - ◆ Tailored fat composition
 - ◆ CSR
- ◆ With Toll producer:
 - ◆ Correct quality
 - ◆ Effective logistics solution
 - ◆ Product analysis

AAK co-development:

- ◆ With Brand owner:
 - ◆ Sourcing the raw materials
 - ◆ Global view on market
 - ◆ Developing an unique blend
- ◆ With Toll producer:
 - ◆ Regulatory and specifications
 - ◆ Logistics solution
 - ◆ Tailored service package

Expanding organic category



- ◆ Organic baby food market is strong in EU
- ◆ Fast growing in China and Asia
- ◆ AAK is the only company in Europe to have a certificate from COFCC to produce vegetable oils for organic infant milk formulas for China
- ◆ Akonino® Organic



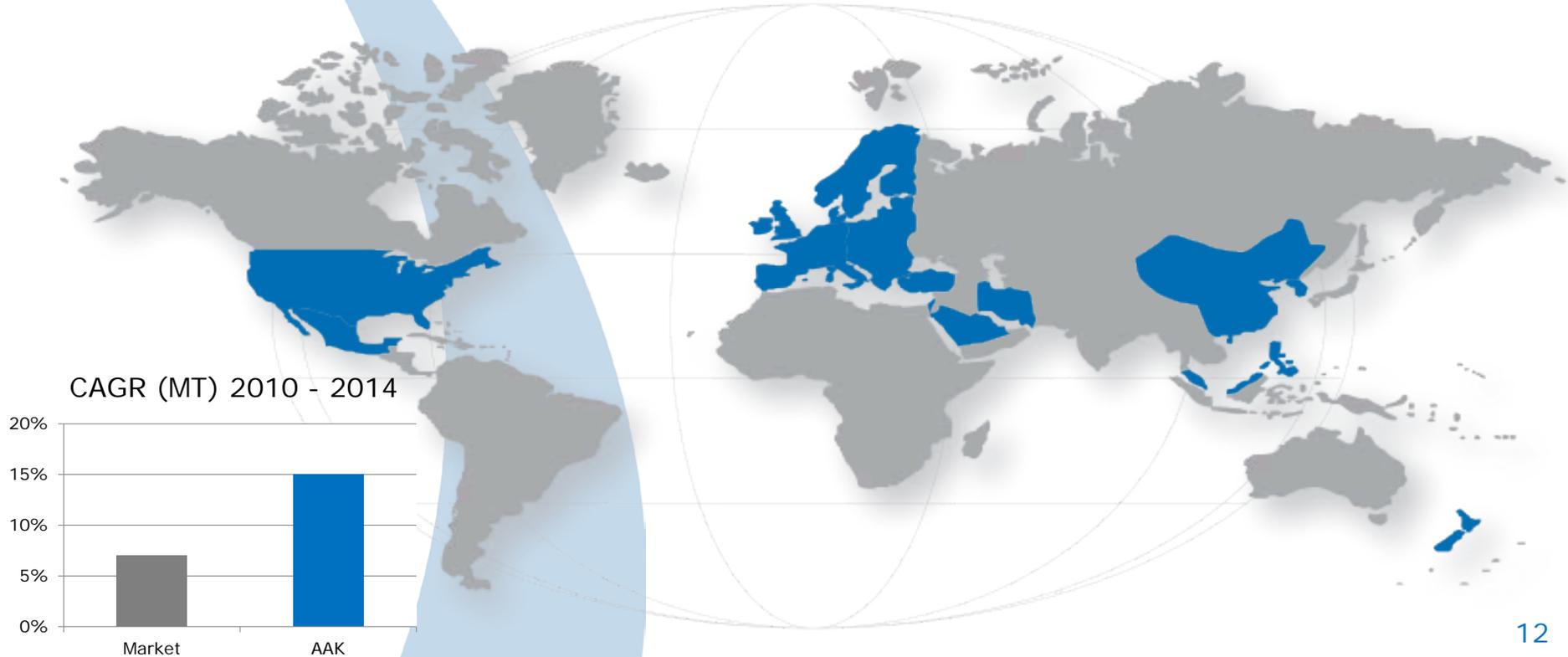
Average annual volume growth

2010-2016 (Euromonitor total milk formula volume growth)

Global growth rate:
+7% by volume



AAK increasing market share



AAK position for future growth



Category Growth Trends

Economic growth and job creation

Increase number of women in workforce

Middle class and dual-income family emerge

Increasing spend on premium nutrition

- ◆ Commitment on quality
- ◆ Continues investment in customer co-development
- ◆ Balanced portfolio to match customer needs:
 - ◆ Semi-speciality blends
 - ◆ Speciality blends
 - ◆ Speciality single oils
- ◆ Geographical development:
 - ◆ Malaysia
 - ◆ Brazil – greenfield
 - ◆ China – greenfield
 - ◆ Europe – preparing for customers' capacity increases