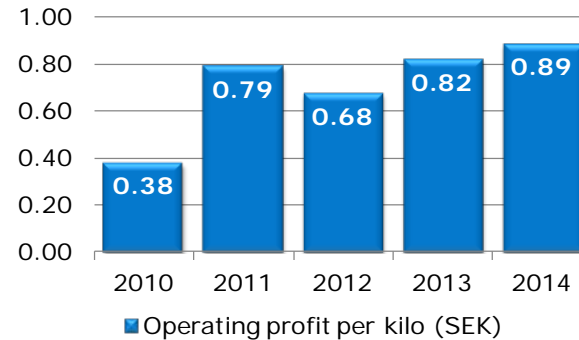
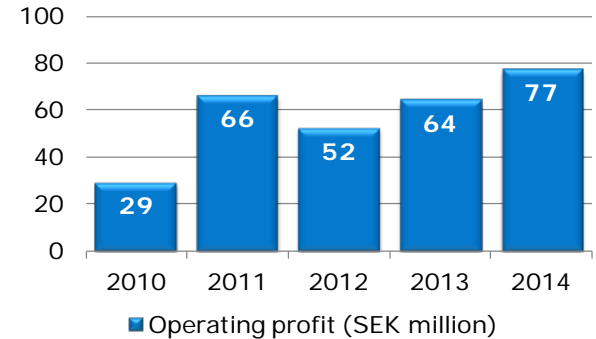
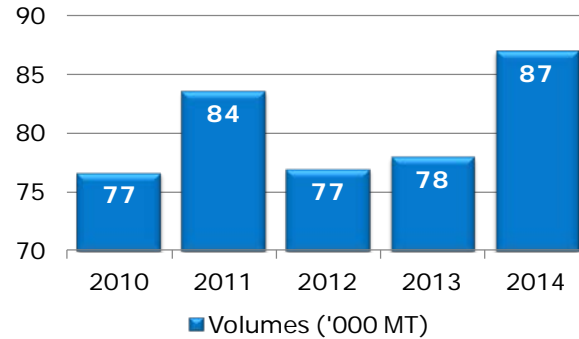


A photograph of various dairy products on a wooden table. In the foreground, there is a block of yellow butter with a silver butter knife resting on it. To the right, a small glass is filled with white milk. In the background, a wicker basket contains several round, golden-brown bread rolls. To the left of the bread, a glass bowl is filled with granola. Further back, a glass pitcher is filled with pink smoothie. The background is softly blurred, showing a window with white curtains and some greenery.

Lena Ingvarsson
Marketing Director Dairy

Dairy

Dairy – January to September



Global Dairy market in scope

- ◆ Market size year 2013 MT 66,2 million
- ◆ Market size year 2013 USD 309 billion
- ◆ Market growth 2014-2016 CAGR 3,4%



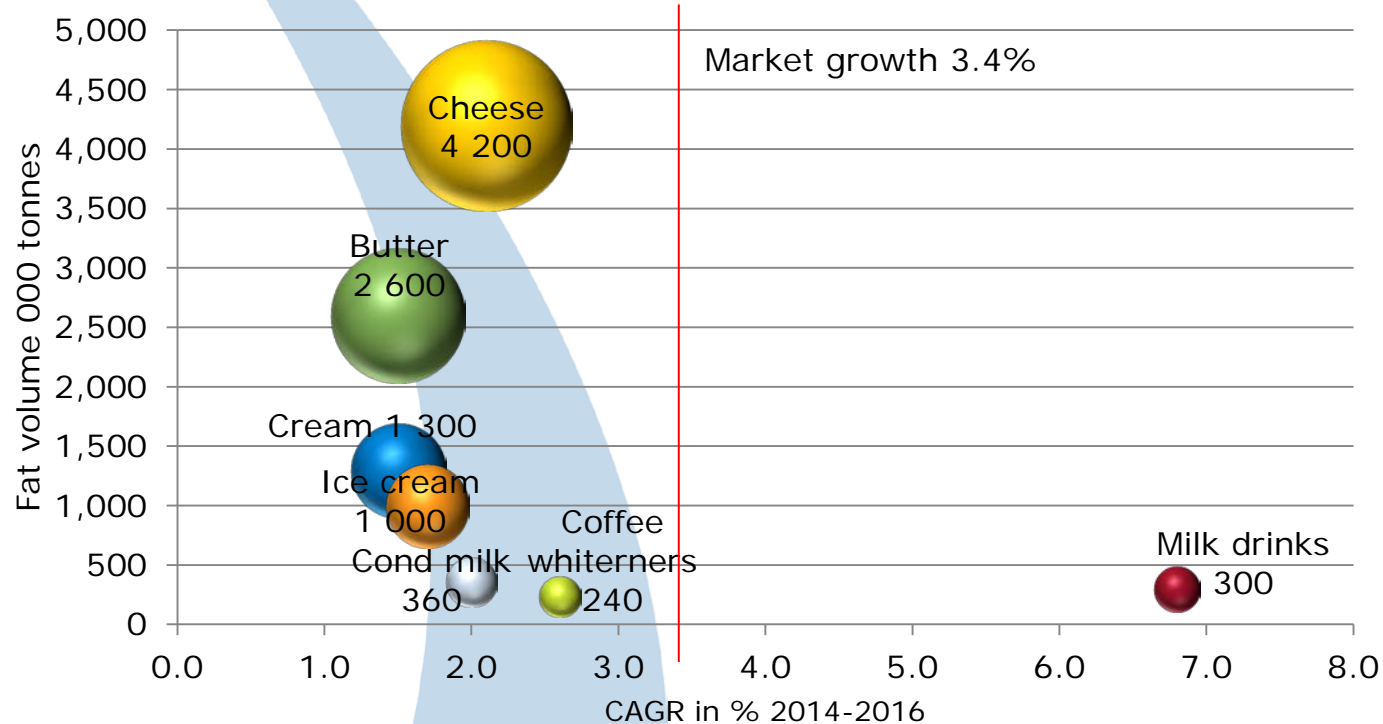
Applications:

- ◆ Cream/Toppings
- ◆ Ice cream
- ◆ Powdered milk
- ◆ Milk drinks
- ◆ Non-dairy milk alternatives
- ◆ Coffee whiteners
- ◆ Butter
- ◆ Cheese
- ◆ Condensed milk



Dairy market by main applications

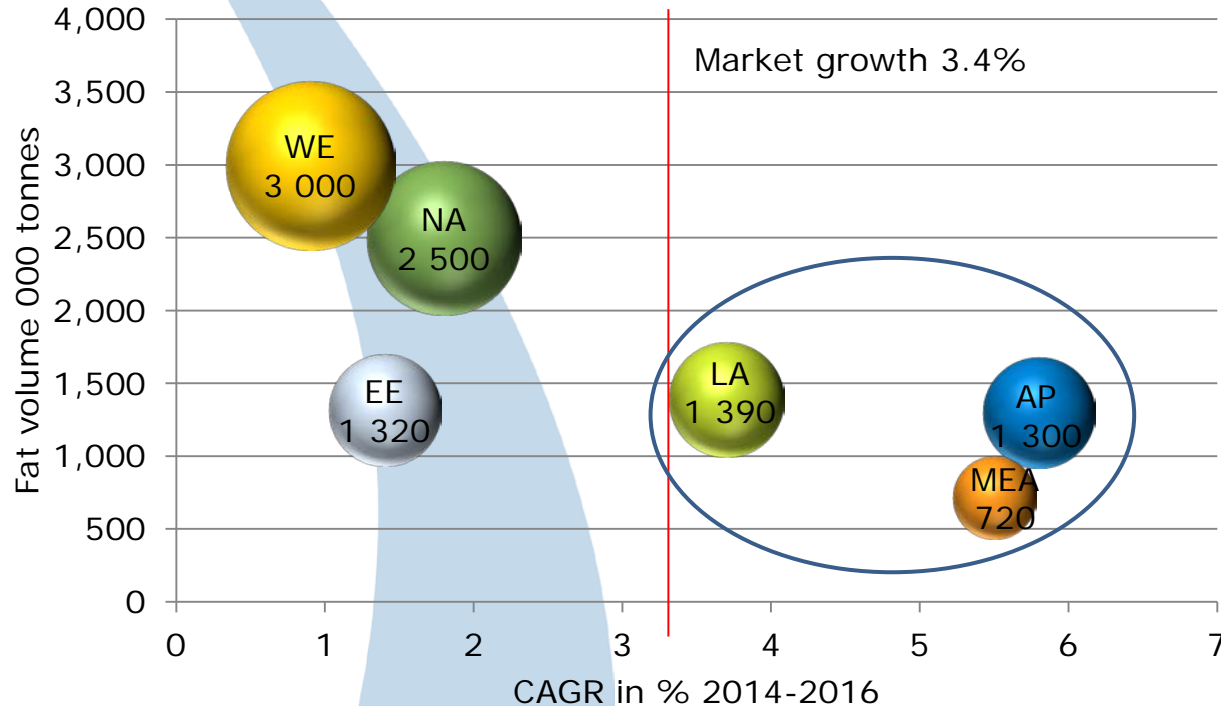
- Forecasted growth vs. fat volume 2013



The use of vegetable fat is limited and varies depending on application

Dairy market by regions

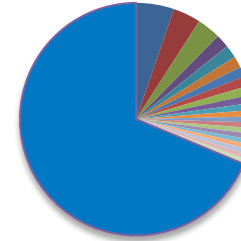
- Forecasted growth vs. fat volume 2013



The use of vegetable fat is limited and varies depending on application

Trends for key players within scope (2013 - retail value %)

Key players	Market share	Growth trend
Company A	6,5	↓
Company B	5,4	→
Company C	3,3	→
Company D	2,8	→
Company E	1,7	→
Company F	1,5	↗
Company G	1,4	↓
Company H	1,3	→
Company I	1,2	↗
Company J	1,2	→



Diverse market, the 20 biggest players make up < 1/3 of the market

- Generally good growth, specifically for Asian players
- Newcomers increasing market shares on milk drinks

Trends in Dairy market

- from a fat perspective

Health
and
wellness



- ◆ Non-trans
- ◆ Non-hydro
- ◆ SAFA reduction
- ◆ Decreased cholesterol
- ◆ Omega 3 and Omega 3/6

Sustainability



- ◆ Responsible and sustainable sourcing
- ◆ Carbon footprint

Back to
nature



- ◆ Natural – Organic
- ◆ Free from
- ◆ Clean label

Dairy market characteristics

Key revenue drivers

- ◆ Population growth
- ◆ Growing middle class in developing countries
- ◆ Urbanisation

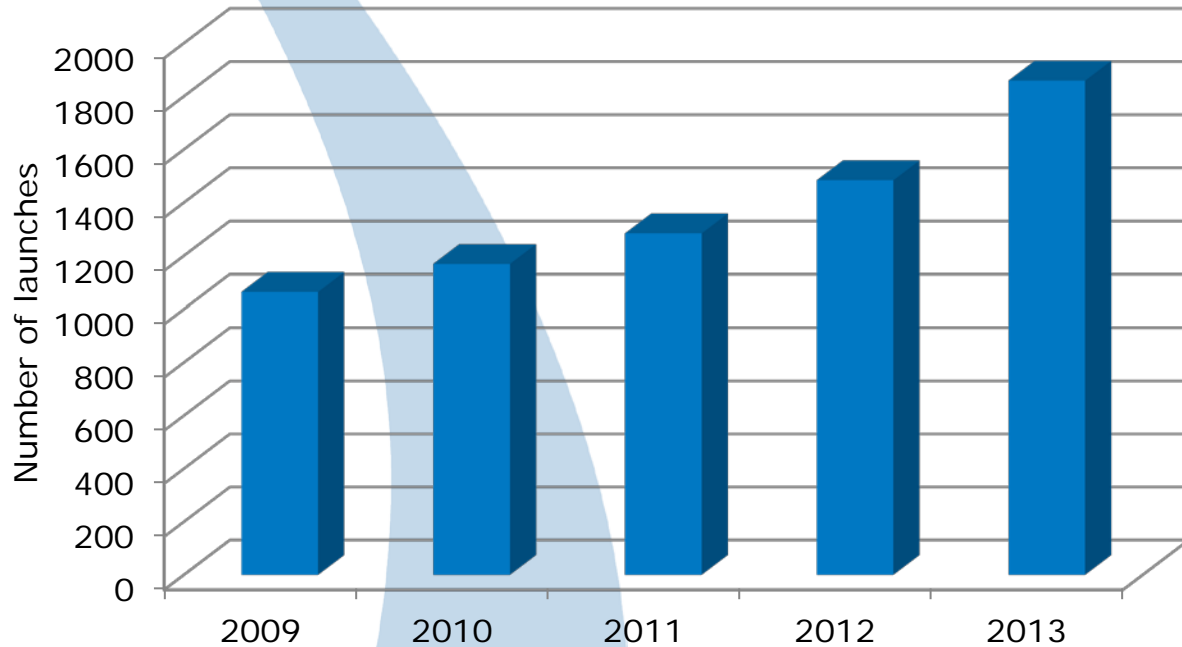
Key profit drivers

- ◆ Health categories
- ◆ Natural
- ◆ Convenience

Key pains

- ◆ Dairy Side Stream
- ◆ Affordable dairy products for a larger market
- ◆ Lack of milk in some markets
- ◆ General health concern

Number of Dairy product launches - with vegetable oils and fats

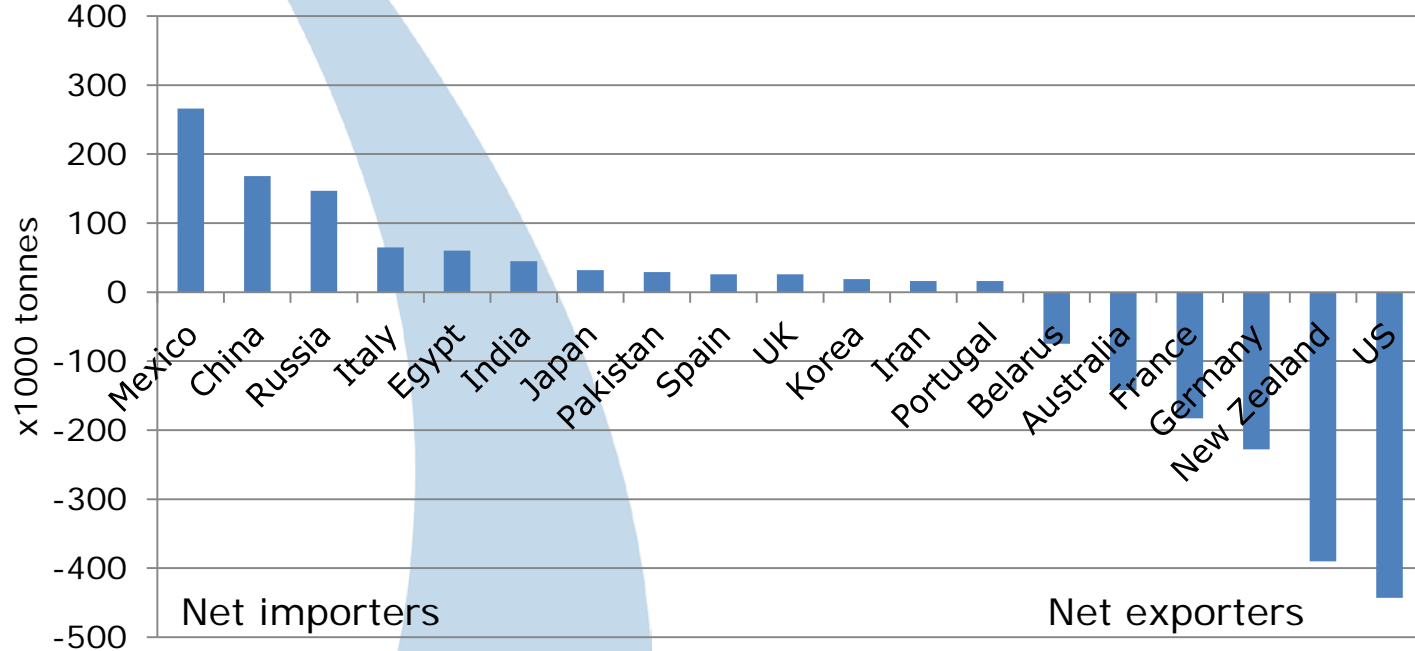


Steady increase of numbers of product launches
with vegetable oils and fats in dairy products

Potential markets

- Dairy Extension and Dairy Side Stream Management

Skim Milk Powder



Dairy Extension

- An opportunity for Dairies

Dairy Extension manage:

Availability

- ◆ Possibility to have stable availability of raw material

Affordability

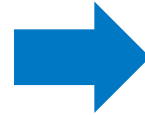
- ◆ Add vegetable fat to create affordable food

Volatility

- ◆ Vegetable fat reduces the volatility

Sustainability

- ◆ Act responsibly by addressing Global Sustainability Initiative



Dairy Extension
Affordable food



Side Stream Management

- creating new value for Dairies

- ◆ Turn side stream fractions into value
- ◆ Reduce waste, act responsibly
- ◆ Steady output of the side stream fractions
- ◆ Creating new valuable extension of the product range
- ◆ Possibility to create healthier product segment
- ◆ Improve profitability for the total business

Sustainability and Cost efficiency

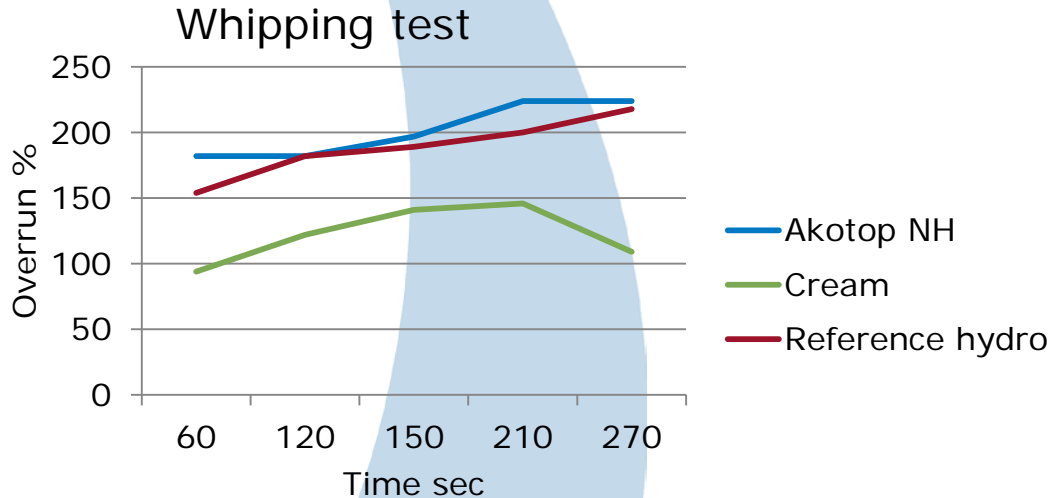


Akotop NH

- non-hydro solution for whipped toppings

Functionality and health

- ◆ Non-hydro and Non-trans
- ◆ Clean label
- ◆ Excellent physical and sensory properties



Akomix LS 25

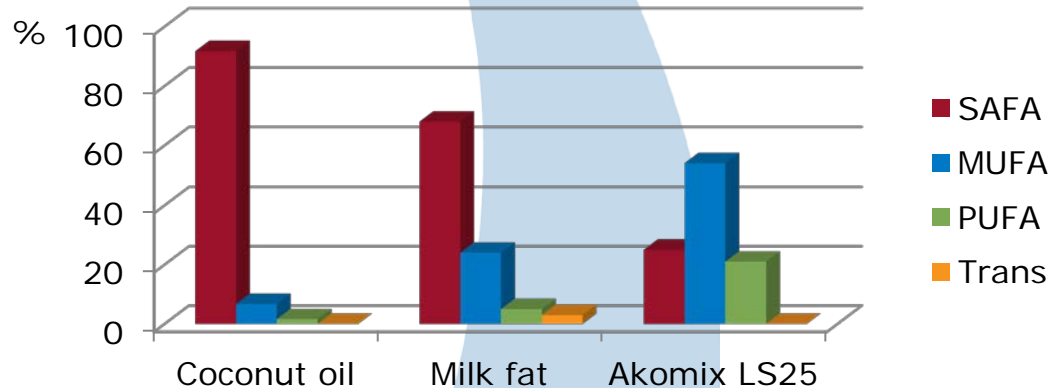
- improved nutritional profile in ice cream



Functionality and health

- taking ice cream innovation to the next level

- Akomix LS 25 reduces saturated fats in the ice cream
- Ice cream based on Akomix LS 25 is allowed to carry, the EFSA approved nutrition and health claims in the EU



An opportunity to profile your ice cream as a better-for-you product in the premium range!



Akoblend SB

- structure builder in churned butter blends

Functionality and cost efficiency

- ◆ Increase the amount of vegetable fats with maintained structure
- ◆ Non-hydro
- ◆ Non-trans
- ◆ Cost efficiency
- ◆ Same equipment can be used

Example:

By addition of 8% Akoblend SB NH, the butter content can be reduced with 25%, with maintained structure and functionality



Dairy for the future

The segment will grow by offering:

- ◆ Dairy Extension for affordable food
- ◆ Side Stream Management
- ◆ Consistent supply
- ◆ Improved functionality
- ◆ Cost efficiency
- ◆ Improved health profile
- ◆ Total concept

