



Arne Frank
CEO

Annual General Meeting
May 17th 2011

Agenda

- ◆ AAK 2010 – Results
- ◆ AAK Acceleration
- ◆ AAK – Key Events
- ◆ AAK First quarter 2011 – Results



The AAK Group 2010

- ◆ Operating result, SEK **824 Million** (827).
- ◆ Operating profit adjusted for divestments and at fixed exchange rates.
- ◆ Earnings per share SEK **14,15** (10,14).

Unchanged**+6%****+40%**

The Nordic region

Western Europe

Eastern Europe

North America

South America

Food Ingredients



Product areas

- ◆ Bakery
- ◆ Dairy Fat Alternatives
- ◆ Food Service
- ◆ Baby Food
- ◆ Frying Oils

Growth areas

- ◆ All time high operating profit, SEK 475 Million (427), an improvement by 11 percent
- ◆ At fixed exchange rates operating profit improved by 17 percent
- ◆ Positive development in all our specialty product areas

- ◆ Health
 - Reduction/elimination of trans fat and saturated fat
- ◆ Sustainability
 - Raw materials
 - Production methods and logistics
- ◆ Customer product co-development

Chocolate & Confectionery Fats



Product areas

- ◆ Cocoa Butter Equivalent, CBE and CBI
- ◆ Cocoa Butter Alternatives, CBR and CBS
- ◆ Filling fats
- ◆ Cosmetics

Growth areas

- ◆ Health
 - Reduction/elimination of trans fat and saturated fat
- ◆ Cost efficiency
- ◆ World wide logistics
- ◆ Product development

- ◆ Operating profit amounted to SEK 341 Million (398), a decrease by 14 percent.
- ◆ At fixed exchange rates, operating profit decreased by 12 percent
- ◆ Stabilized margins

Technical Products & Feed



Product areas

- ◆ Fatty acids and glycerine for various special applications.
- ◆ Vegetable Biolubricants
- ◆ Proteins and fats for animal feed.

Growth areas

- ◆ Cost efficiency
- ◆ Sustainability
 - Environmental friendly products
- ◆ Product safety, nutrition and hygiene

- ◆ Record high operating profit SEK 97 Million (82), an improvement by 18 percent
- ◆ The market continued to enjoy signs of market recovery

SWOT – AAK

Strengths

Strong customer relations

- Very good reputation among customers.
- Strong platforms in Europe and Americas.

Customized value made solutions

- High technological competence
- Multi raw materials
- CSR & Sustainability

Weaknesses

Asia

- Limited presence in China.

Internal barriers

- High cost base.
- Internally focused.

More speciality products

- Accelerate the specialization strategy.

Global accounts

- Central purchasing at global accounts.

Position in the value chain

- Vertically integrated competitors may occasionally have an advantage.

Strong competition and pressure on margins

- Overcapacity in certain areas.

Opportunities

Threats

AAK Acceleration – 3 Priority Areas



Growth



Efficiency



People



AAK Acceleration - Growth



Growth

- ◆ Bakery
- ◆ Dairy
- ◆ Chocolate & Confectionery Fats
- ◆ Food Service
- ◆ Infant Nutrition
- ◆ Acquisitions
- ◆ Fast-growing Economies



AAK Acceleration – Efficiency



Efficiency

- Purchasing
- Productivity



AAK Acceleration – People



People

- ◆ Sales Management & Sales Processes
- ◆ Human Resources
- ◆ Internal Communication



AAK 2010 – Key Events

- ◆ Product development
- ◆ New organization and new Executive Team
- ◆ Opening of sales offices in Germany and China
- ◆ CSR – Sustainability
- ◆ Raw material prices
- ◆ Elimination of the IAS 39 effect
- ◆ Refinancing
- ◆ Share option program

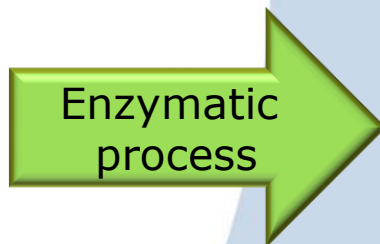
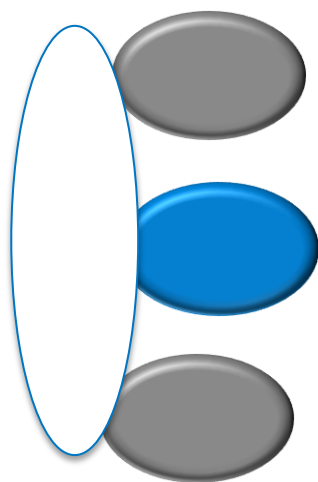


InFat™ - closer to mother's milk

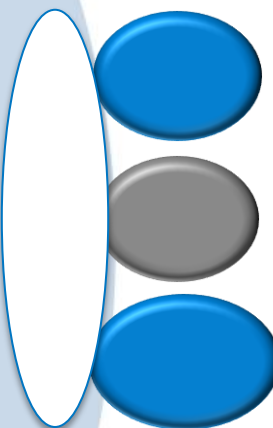
- Functions showed in clinical tests:
 - Happier children with less colic.
 - Stronger skeletal with improved calcium absorption.
 - Further appealing results will be presented at a major scientific conference, ESPGHAN, in May 2011.
 - New reports, which will show more advantages will be published during 2012-2013.



Vegetable oil



Human milk = InFat™



Saturated



Unsaturated



Health trends drives product development



Akomix LS 30, Ice cream fat

- Nutritional and tasty vegetable ice cream
- Half amount of saturated fat
- Wide experience => AAK:s formula



Akobake LS 30, Bakery fat

- Delicious bakery products
- 40 percent amount of lower saturated fat
- Wide experience => AAK:s formula



Fritex HORO, Cooking oil

- Delicious frying food
- Oil with long shelf life and 80 percent of lower saturated fat
- Unique rapeseed oil & unique process => AAK:s formula



New Executive Team



- ◆ Octavio Díaz de León
- ◆ David Smith
- ◆ Torben Friis Lange
- ◆ Anne Mette Olesen
- ◆ Renald Mackintosh
- ◆ Anders Byström
- ◆ Arne Frank
- ◆ Karsten Nielsen
- ◆ Bo Svensson
- ◆ Edmond Borit
- ◆ Jean-Marc Rotsaert

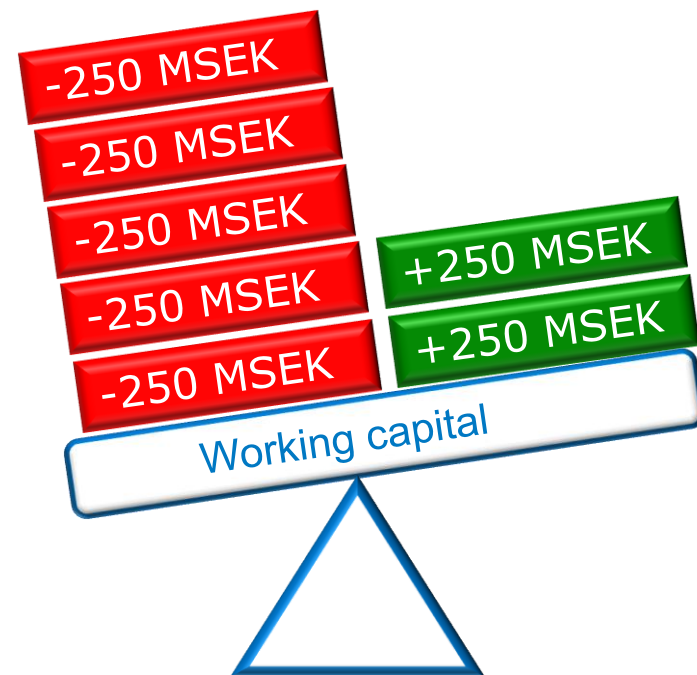
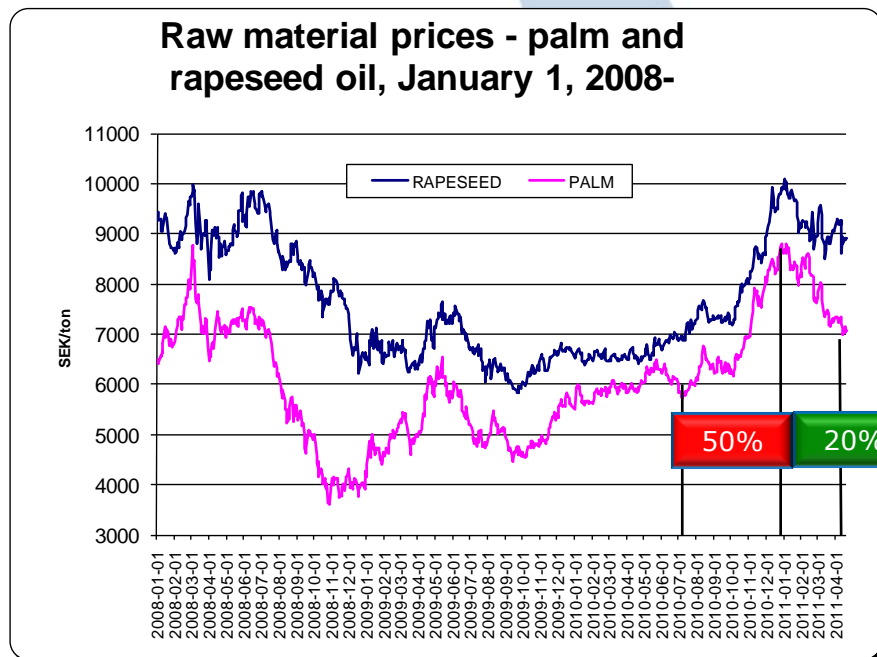
CSR – Sustainability

- ◆ The first sustainability report was published in 2010.
- ◆ Re-elected on the board for Roundtable for Sustainable Palm Oil (RSPO).
- ◆ More than 1.6 million GreenPalm certificates have been sold since the start.
- ◆ We have our own organization in seven West African countries to secure shea supply.
 - Electrification of villages
 - Micro credits



Raw material prices

- Significant raw material price increases during the last six to nine months:
 - Negative cash flow impact.
 - 10 percent change in all raw material prices will effect working capital by +/-SEK 250 million.



Elimination of the IAS 39 effects

- ◆ AAK has started to apply full hedge accounting from October 1st 2010.
- ◆ There will be no IAS 39 effect, as of the first quarter 2011.



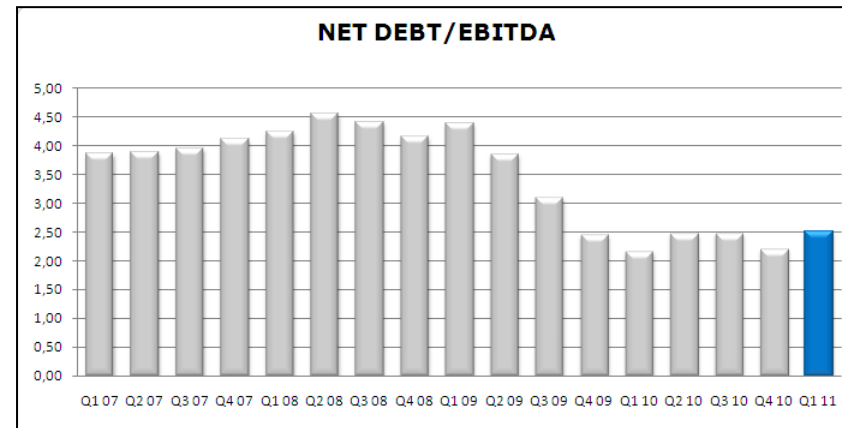
Major interest in AAK.....

◆ Refinancing

- New, agreed credit facilities of totally SEK 6.000 Million with a maturity of five years or longer.
- Significantly higher flexibility.
- Creditors are Nordea, Handelsbanken and Nykredit.

◆ Share option program

- Additional General Meeting in November 2010.
- Issuing of at most 1.500.000 share options.
- Options are bought at market price.



AAK Group first quarter 2011

• Operating profit, SEK **204 Million** (178)

+15%

• Operating profit adjusted for divestments and at fixed exchange rates.

+21%

• Earnings per share, SEK **3,38** (2,79)

+21%

The Nordic region



Western Europa



Eastern Europa



North America



South America



The insurance case

- ◆ The company is expecting to finalize the insurance case during the second quarter 2011.
- ◆ The additional net insurance compensation is expected to be recorded during the second quarter 2011.
- ◆ The insurance compensation is expected to be in the range of the cost of the earlier mentioned rationalization program.



Concluding remarks

- ◆ We start to see positive effects of the AAK Acceleration program. Specialty volumes especially for Infant Nutrition, Dairy Industry and Chocolate & Confectionary Fats developed positively.
- ◆ During the period AAK has opened sales offices in China and in Germany to support the growth strategy. Some of our savings has been re-invested in R&D and technical sales in growing markets.
- ◆ During 2011 we will expand our capacity in the US factory.
- ◆ We are now going into the second quarter and we remain prudently optimistic for the quarter and for the execution of AAK Acceleration.



**Thank you for
your support and
commitment**

