

**Nordisk Ökonomisk Kvaegavl**  
**July 30, 2008**



**Deputy Chairman of the Board**  
**Åke Hantoft**

**Arla Foods organisation**  
**– Business Groups**



*Corporate Center*

**Nordic**



**England**



**International**



**Ingredients**



## A global company

– owned by 8,000 Danish and Swedish cooperative members



Denmark	Sweden	UK	Finland	Others
<ul style="list-style-type: none"> <li>• 4,000 owners / milk suppliers</li> <li>• 4 bn. kg milk</li> </ul>	<ul style="list-style-type: none"> <li>• 4,000 owners / milk suppliers</li> <li>• 2 bn. kg milk</li> </ul>	<ul style="list-style-type: none"> <li>• 1,500 milk suppliers</li> <li>• 2 bn. kg milk</li> </ul>	<ul style="list-style-type: none"> <li>• 1,200 milk suppliers</li> <li>• 200 mill. kg milk</li> </ul>	<ul style="list-style-type: none"> <li>• Argentina</li> <li>• China</li> <li>• Germany</li> <li>• USA</li> <li>• Poland</li> <li>• Canada</li> </ul>

## Our home markets

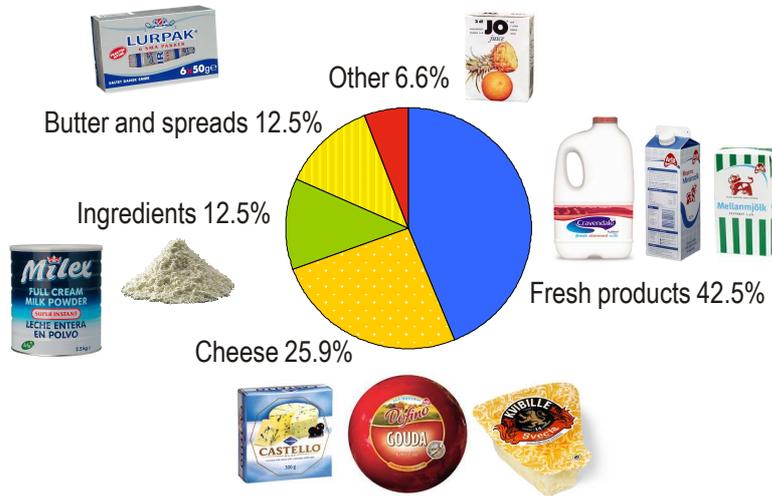
UK, Denmark, Sweden and Finland





## Turnover by products

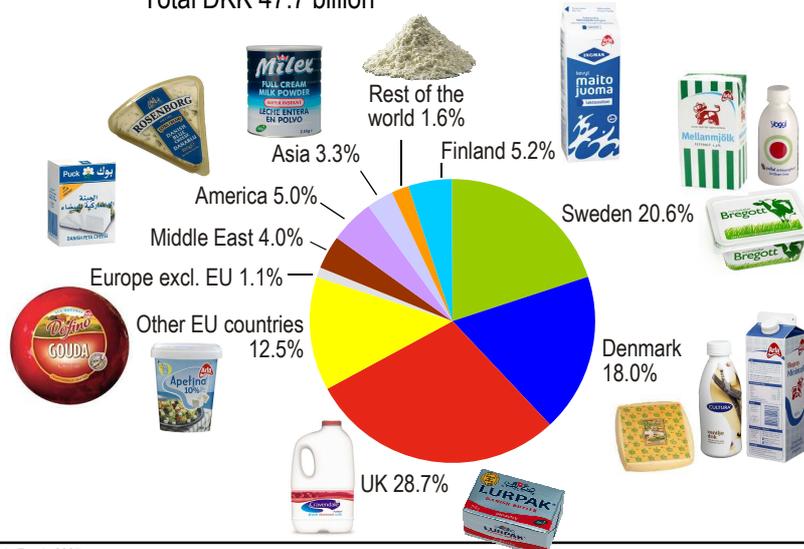
Total DKK 47.7 billion



Arla Foods 2007

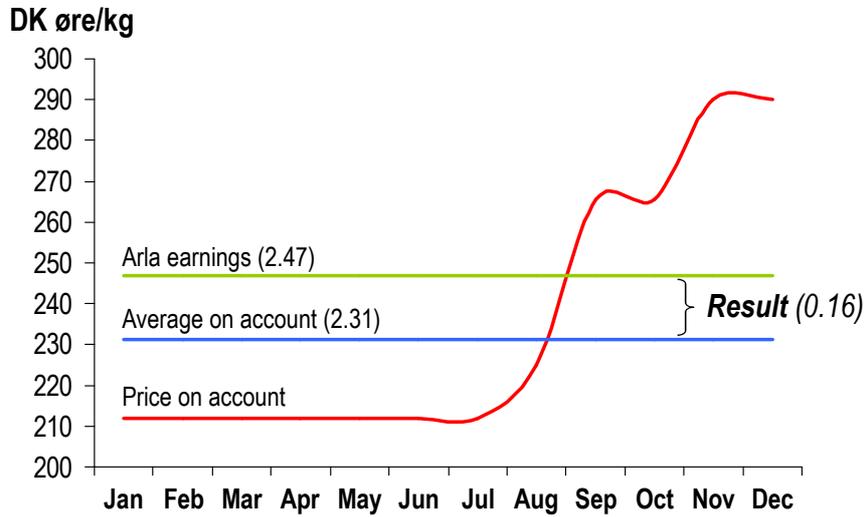
## Turnover by markets

Total DKK 47.7 billion

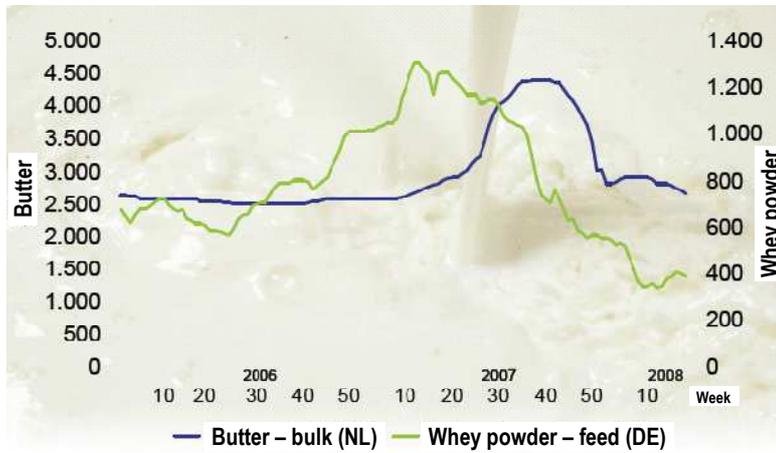


Arla Foods 2007

## Very satisfactory result - 2007



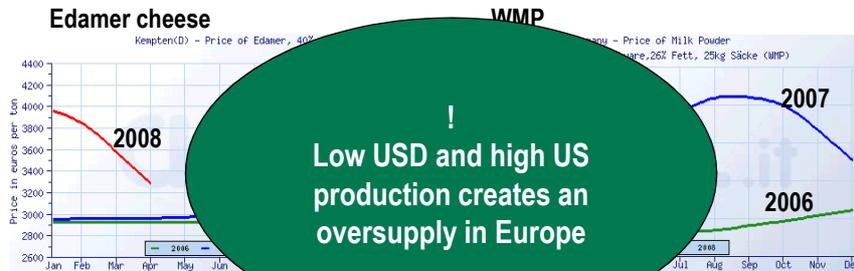
## Development in prices on butter and whey powder



Source: Danish Dairy Board

## The market is changing its balance

Expected market prices 3rd quarter 2008



1. Large EU stocks

1. Stable development
2. No supply from NZ/Aus
3. Large differences in price to butter / SMP

## Prognosis Arla milk price



### Pressure on earnings

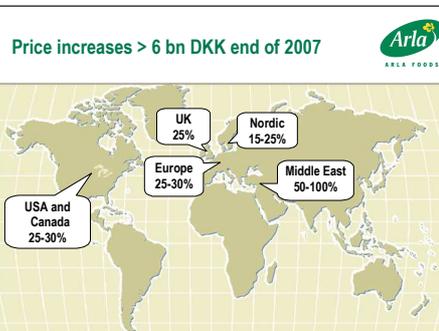
- Loss in currency
- Fall in prices on bulk and private label
- Middle East

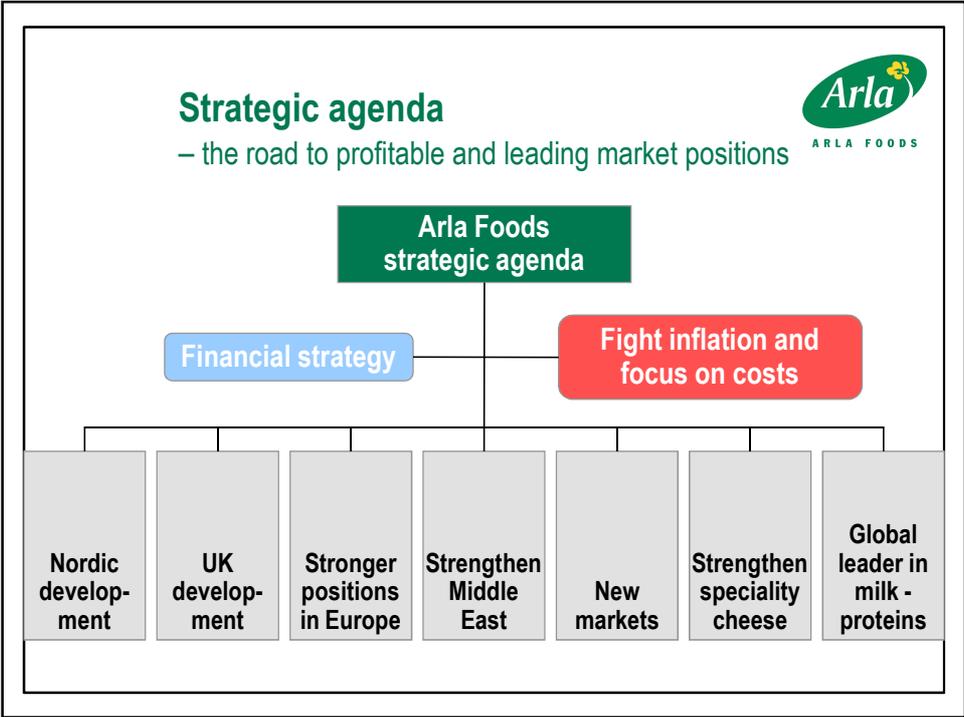
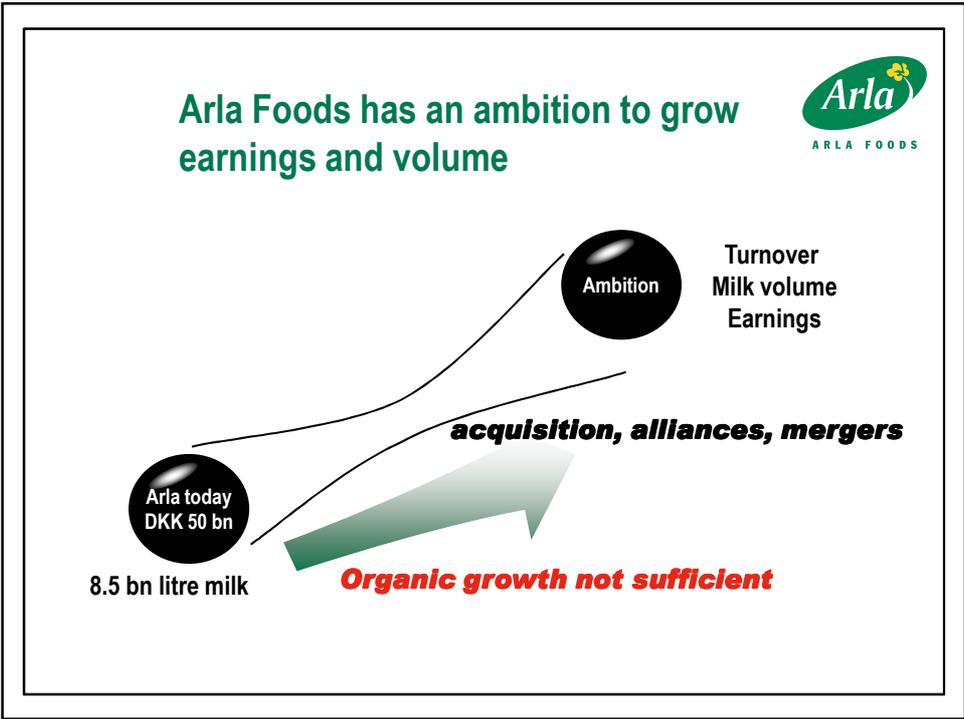


Price increases of 100% affect sales



### Implemented price increases





## Creating real competitive power in Northern Europe

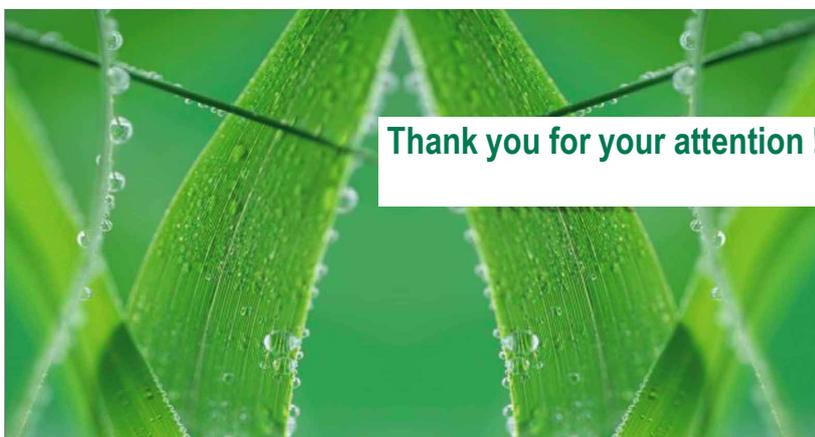
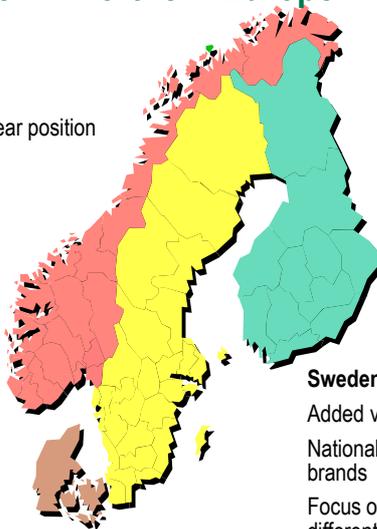


**Norway:**  
Develop a clear position

**Finland:**  
Develop a clear no. 2 position  
Broader product offering

**Denmark:**  
Growth through new products, channels and differentiation

**Sweden:**  
Added value  
National distribution of own brands  
Focus on new products and differentiation



**Thank you for your attention !**