

# Press release

## AAK increases its presence in the U.S. further as leading California based company is acquired

AAK has acquired the leading West Coast based vegetable oils company California Oils Corporation from Mitsubishi Corporation of Japan. California Oils Corporation, also known as CalOils, had last year revenues of approximately SEK 1,350 million and a volume of approximately 110,000 MT, with 65 employees.

“A strong presence on the U.S. West Coast has been priority for AAK since several years. The West Coast encompasses 20 percent of the U.S. population and this expansion has been identified as an important component of AAK’s long-term growth strategy. The acquisition of CalOils will transform AAK into a true national speciality and semi-speciality edible oils company, improving our ability to serve existing customers on a national scale while at the same time creating new customer opportunities”, says Terrence W. Thomas, President AAK USA. “CalOils has important market positions up and down the West Coast. This acquisition establishes AAK as the leading supplier of speciality and semi-speciality oils to the bakery, dairy and chocolate and confectionery industries in California and across the west coast of the U.S. and Canada. In the medium term it also supports our U.S. foodservice platform, Oasis Foods, to develop into a national supplier.”

CalOils’ facility, which is AAK’s fourth production site in the U.S., is based in Richmond, California.

“This acquisition is an integral part of our company program AAKtion”, says Arne Frank, CEO, AAK Group. “Not only will it strengthen AAK’s presence in a very important market, we will also bring our customer co-development concept to a national level in the United States and Canada. The acquisition will serve as a platform for increased sales of speciality and semi-speciality products within Food Ingredients and Chocolate & Confectionery Fats.”

The acquisition price is subject to final calculation of normalized working capital and is expected to be less than 3 percent of AAK’s turnover on a cash and debt free basis. The acquisition cost is funded by existing credit facilities. The transaction is expected to be finalized between end of August to end of September, 2016 and is expected to start contributing to AAK’s operating profit from the third quarter, 2017.

Further information about the acquisition will be presented and discussed during today’s Press & Analyst Conference at 1 p.m. CET, held in connection with AAK’s Interim report for the second quarter 2016. To access the call, please register in advance at [www.aak.com](http://www.aak.com) by clicking the link for registration under the Investor tab.

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This information is information that AAK AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:10 a.m. CET on July 15, 2016.



*AAK is a leading provider of value-adding vegetable oils & fats. Our expertise in oils & fats within food applications, our wide range of raw materials and our broad process capabilities enable us to develop innovative and value-adding solutions across many industries – Chocolate & Confectionery, Bakery, Dairy, Infant Nutrition, Foodservice, Personal Care, and more. AAK's proven expertise is based on more than 140 years of experience within oils & fats. Our unique co-development approach brings our customers' skills and know-how together with our own capabilities and mindset for lasting results. Listed on the NASDAQ OMX Stockholm and with our headquarters in Malmö, Sweden, AAK has 20 different production facilities, sales offices in more than 25 countries and more than 2,700 employees. We are AAK – **The Co-Development Company.***

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