

## **Uelzena holds its ground in the face of a difficult market situation Despite unfavorable conditions, the dairy and food group from Northern Germany can look back at a satisfactory business year.**

Uelzen, 30 June 2017 - At the General Meeting of Uelzena eG, Claus-Peter Witt, the outgoing Chairman of the Management Board and his successor Jörn Dwehus presented a mixed view on the 2016 business year. The Uelzena Group was able to hold its ground in spite of the volatile market and increase its sales slightly because of the strategic diversification of its product divisions. Sales rose by 0.6 percent to €529m. The sales volume for the main product groups rose by 2.4 percent to more than 221m kg. In particular, sales in the strategic business fields, Ingredients and Instant Beverages saw a positive development. With targeted expansion of the business with industrial customers, the Uelzena Group will continue to assume a leading role in specific market segments.

### **Further increase in milk processing**

The amount of milk raw materials received in 2016 constituted a new record; it rose by 0.8 percent to approximately 532m kg. The number of employees increased to 693 (plus 30). Chairman of the Management Board, Claus-Peter Witt reported that despite the poor market situation the milk price paid in 2016 was 27.15 cent/kg, which is above the Federal average. Unfortunately, the milk price could not be kept at last year's level (29.12 cent/kg). While for Frank Schuppert, Chairman of the Supervisory Board, the prices were disappointing from a producer's point of view, he emphasized that the Uelzena Group has developed into one of the best dairies in Northern Germany over the last ten years. He expressed his thanks to Claus-Peter Witt for the many years he has successfully worked for the company and shaped its development. He also wished successor Jörn Dwehus much success.

### **Successful expansion of the industrial business**

The largest product segment with a 32 percent share of sales was milk powder, followed by butter and butterfat with 23 percent. In the field of non-dairy specialty products, instant beverages, health foods and contract manufacturing contributed with 20 percent to the overall sales of the Uelzena Group. Cheese production at the Altmark-Käserei Uelzena GmbH, as well as the production of sweetened condensed milk and dairy products for the delicatessen industry at the WS Warmsener Spezialitäten GmbH were cut back slightly because of market prices. In the strategic business fields, Ingredients and Contract Manufacturing, Instant Beverages and Health Products, sales rose by 5.8 percent. This demonstrates that the Uelzena Group is strengthening its position as a professional supplier to the food and branded products industries.

### **Uelzena calls for more transparency in milk production with a pilot project**

The elect Chairman of the Management Board Jörn Dwehus introduced the third sustainability report of the Uelzena Group. Covering five strategic fields of action, the Uelzena Group has worked towards sustainable development and continued to reduce its CO<sub>2</sub> emissions. For the first time in the business year 2016, an independent body audited and certified the progress made in this respect. The focus in 2016 was placed on the start of the sustainability module milk; Uelzena is a participating dairy in this pilot project. The industry, retail trade and consumers continue to show interest in the sustainable production of milk and animal welfare issues. In close cooperation with the farmers, more transparency will be provided.

More information on sustainability issues and the current sustainability report can be downloaded at <https://www.uelzena.de/en/sustainability/>

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## About the Uelzena Group

**Uelzena eG with its headquarters in Uelzen**, Lower Saxony and its five subsidiaries in Germany is one of the leading suppliers and innovative problem solvers in the food processing and milk refining business. The Uelzena Group is active in the following fields:

- **Ingredients for the food industry** (milk powder, milk fat, sweetened condensed milk, cream, yoghurt and fermented milk products for the delicatessen industry and specialty ingredients) **and contract manufacturing** (processing of the customers' raw materials)
- **Instant beverages** (cocoa- and coffee-containing instant drinks, toppings and coffee creamers)
- **Health foods** (products for weight management and sports nutrition as well as contract manufacturing of customer recipes)
- Other **dairy products** (butter, butterfat, cheese)

The company focuses on doing business with international customers from the industry. For many years, the Uelzena Group has been supplying many well-known international producers of branded products. In Germany, the Group is a leading supplier of concentrated butter to food retailers and butter and butterfat to the bakery trade.

## Uelzena Group 2016

Total turnover:	529m EURO	(+ 0.6%)
Main sales groups:	221m kg	(+ 2.4%)
Milk volume:	532m kg	(+ 0.8%)
Operating companies:	6	
Employees:	693	(+ 30)

## 2016 – Facts and figures in a nutshell

- 221m kg (+2.4%) - Increase in sales in the main product groups due to the focus on business with industrial customers for ingredients and instant beverages.
- 693 employees in five production and distribution sites with a processing quantity of 532m kg of milk raw materials
- 0.6% increase in turnover despite volatile markets and difficult conditions for dairy products
- Milk price payments lower than last year, but still above the Federal average
- The Uelzena Group will join the sustainability module of QM Milk as a pilot dairy and provide even more transparency in terms of the sustainable production of raw materials.