

## **Uelzena Group reports new sales high**

**The dairy and food group from Northern Germany generated growth in all strategic business fields. Milk processing, number of employees and environmental efforts developed positively.**

Uelzen, 01.07.2016 - At the general meeting of Uelzena eG in Uelzen, Germany, Claus-Peter Witt, Chairman of the Management Board, presented a mixed picture of the 2016 business year. Because of unfavorable market situations, the Uelzena Group was not able to maintain last year's sales level. It fell by six percent to €526m. Contrary to this, the sales volume for the main product groups rose by more than 21 percent to above 211m kg. Sales and turnover in the strategic business fields of ingredients, instant beverages and health foods experienced positive development. With the targeted expansion of the business with industrial customers, the Uelzena Group will continue to assume a leading role in specific market segments.

### **For the first time: 528m kg of milk processed**

The delivery of milk raw materials rose in 2015 by almost 4 percent to a new record high of approximately 528m kg. The number of employees rose by 8 to 663. According to the Chairman of the Management Board Claus-Peter Witt, milk price payments had to be reduced by 8.4 ct/kg to 29.19 ct/kg due to the poor market situation in 2015. Nevertheless, the price was again at the national average for the fifth consecutive year. While for Frank Schuppert, Chairman of the Board, the prices were not satisfactory from the producer's point of view, he did emphasize that the Uelzena Group has developed into one of the best dairies in Northern Germany over the last ten years.

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

The largest product segment with a 32 percent share of sales has been milk powder, followed by butter and butterfat with 21 percent. The expanded sales volume for milk powder is the result of strategic cooperation of the four cooperatives that joined forces in the milk powder plant MTW Norddeutschland GmbH, Neumünster. In the field of non-dairy specialty products, which includes instant beverages, health foods and contract manufacturing, a six percent growth was generated; these segments now contribute with 21 percent to the overall group sales. The 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 Warmseener Spezialitäten GmbH were cut back slightly because of market prices.

### **Uelzena's production is even more environmentally friendly**

For the second time, the Uelzena Group presented a sustainability report for the business year 2015. The production at the Uelzena sites during the last four years developed very positively and clearly improved in terms of environmental friendliness. Compared to the reference year 2012, the wastewater volume was reduced by 14 percent, the wastewater load by 26 percent and CO<sub>2</sub> emissions by 49 percent. Witt emphasized that an integrated business strategy aimed at sustainability does not only secure the broad acceptance of milk production but is also required for success in the industrial customer sector because an increasing number of brand producers take sustainability criteria into consideration in the selection of their suppliers.

For more information:

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## About the Uelzena Group

The **Uelzena Group with its headquarters in Uelzen**, Lower Saxony, and 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, milkfat, sweetened condensed milk as well as cream, yoghurt and fermented milk products for the delicatessen industry and specialty ingredients) **and contract manufacturing** (processing of the customer's 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 the 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 2015

Total turnover:	526m Euro	(- 6%)
Sales volume of main product groups:	211m kg	(+ 21%)
Milk volume:	528m kg	(+ 4%)
Operating companies:	6	
Employees:	663	(+ 1%)

## 2015 – Facts and figures in brief

- Focusing on the business with industrial customers (ingredients, instant beverages, health foods) resulted in a 21 percent growth in sales for the main product groups.
- 663 employees at five production and distribution sites and an all-time high processing volume of 528m kg of milk raw materials.
- Turnover dropped slightly by 6 percent because of the global fall in market prices for dairy products.
- Milk price payments on a national average for the fifth consecutive year.
- Uelzena sites increase their environmental efforts in production: Compare to the reference year 2012, the wastewater volume was reduced by 14 percent, the wastewater load by 26 percent and CO<sub>2</sub> emissions by 49 percent.