

HOCHDORF Group Press Release: HOCHDORF strives for Germany

HOCHDORF takes over Uckermärker Milch GmbH

Hochdorf, 22 September 2014 – The HOCHDORF Group has signed an agreement to acquire 60% of Uckermärker Milch GmbH as well as a 26% share in each of Ostmilch Handels GmbH, Ostmilch Handels GmbH & Co. Frischdienst Oberlausitz KG and Ostmilch Handels GmbH & Co. Frischdienst Magdeburg KG. These investments are being made in the context of the strategic development of the Baby Care area and traditional milk derivatives. The acquisition allows the company to match production capacity to growth. Ostmilch Handels GmbH retains a 40% share in Uckermärker Milch GmbH. The acquisition is expected to be completed at the beginning of January 2015. The purchase price is to remain undisclosed.

The HOCHDORF Group has been producing infant formula since 1908, primarily for the Swiss market up to 2006. From 2006, this area has successfully shifted its focus to the international market. In recent years, sales results in the Baby Care area have shown an increase in double figures each year and existing production capacities have been fully exhausted.

Making continued growth possible

The HOCHDORF Group aims to continue the growth of its Baby Care division and has been keen to expand its production capacity within the EU. Its acquisition of the Uckermärker Milch GmbH milk plant at Prenzlau, Germany, can be seen as part of this strategy. The HOCHDORF Group is acquiring a 60% share in the German company Uckermärker Milch GmbH. It is also acquiring a 26% share in the German company Ostmilch Handels GmbH and its two directly-related limited partnerships. Ostmilch Handels GmbH retains the remaining 40% of Uckermärker Milch GmbH and markets its products. "In Uckermärker Milch GmbH we have found a milk plant with a dry milk facility that we can extend for use in infant milk formula production," explains Dr. Thomas Eisenring, CEO of HOCHDORF Holding Ltd. HOCHDORF anticipates an overall investment comprising the purchase price and infant formula investments in the coming years of around CHF 20-25 million. The Group is planning to finance this via a capital increase and from its own funds. Details of the planned capital increase will be provided at a later date.

Thomas Eisenring is convinced that the EU takeover will strengthen the HOCHDORF Group's competitive position internationally. In the future HOCHDORF plans to use the plant to produce infant formula and other products for Europe and the Central and South American markets. For these markets, a production site based in Switzerland and the "Swissness" sales argument are of less significance than they are in the Asian market, for instance, explains the HOCHDORF CEO.

The acquisition of shares in these companies is subject to the approval of the German competition authorities and other customary closing conditions. The acquisition is expected to be completed at the beginning of January 2015.

Contact: Dr. Christoph Hug, Head of Corporate Communications HOCHDORF Group
Tel: +41 (0)41 914 65 62 / +41 (0)79 859 19 23, christoph.hug@hochdorf.com

About the HOCHDORF Group

The HOCHDORF Group, based in Hochdorf, achieved consolidated gross sales revenue of CHF 376.1 million in 2013. It is one of the leading foodstuff companies in Switzerland, employing 362 staff as of 31.12.13 (338 full-time staff). Made from natural ingredients such as milk and wheat germ, HOCHDORF products have been contributing to our health and wellbeing since 1895 – from babies to senior citizens. Its customers include the food industry and the wholesale and retail sectors. Its products are sold in over 70 countries. The shares are traded on the SIX Swiss Exchange in Zurich (ISIN CH0024666528).

Uckermärker Milch GmbH

Uckermärker Milch GmbH was founded in 1889 and is a medium-sized company that processes up to 1,000,000 kg of milk into curd, butter and dry milk products daily. The company has a staff of 150 and is one of the largest employers in Prenzlau, Germany. The products made at the plant are sold both on the domestic and international markets. In 2013 the company achieved a turnover of around EUR 150 million.

Ostmilch Handels GmbH

Ostmilch Handels GmbH is an internationally operating commercial enterprise for milk products with an annual trade volume of around EUR 340 million. The company was founded in 1991 and is active in the areas of trade, logistics and warehousing. In 2008, Ostmilch Handels GmbH took over the operational business of the milk products company Leonhardt mbH and became a shareholder in the dairy company Uckermärker Milch GmbH. Ostmilch Handels GmbH is one of the leading companies in Germany trading in butter and milk powder for the food industry and retail market. The company has offices in Berlin and Bad Homburg.

Ostmilch Handels GmbH & Co. Frischdienst Oberlausitz KG

Ostmilch Handels GmbH & Co. Frischdienst Oberlausitz KG is a partner company of Ostmilch Handels GmbH. It was founded in 1991 and provides logistical services on behalf of Ostmilch Handels GmbH and other customers within the dairy industry. Its annual turnover is around EUR 7 million.

Ostmilch Handels GmbH & Co. Frischdienst Magdeburg KG

Ostmilch Handels GmbH & Co. Frischdienst Magdeburg KG is a partner company of Ostmilch Handels GmbH. Founded in 1993; it trades in milk products and a variety of foodstuffs for the commercial sector. Its annual turnover is around EUR 12 million.