



Agrial continues its strategic quest to create value for its dairy farmer-members as it prepares to buy German company ROTKÄPPCHEN PETER JÜLICH GROUP, specialised in cow's and goat's milk cheeses.

The acquisition of ROTKÄPPCHEN PETER JÜLICH GROUP, which owns 3 famous brands in Germany, would represent further fulfilment of the strategy of Eurial, the Dairy division of Agrial, focused on developing strong brands and important territorial entrenchment in Europe. This acquisition should take place in January 2019, subject to approval by the German Competition Authority.

A family-owned German based company in Dortmund, ROTKÄPPCHEN PETER JÜLICH specialises in the manufacture and sale of branded cheeses. Its three main brands enjoy significant presence on the retail market: ROTKÄPPCHEN and RÜGENER BADEJUNGE are two soft cow's milk cheeses whilst DER GRÜNE ALTENBURGER is the number 1 goat's cheese in Germany. ROTKÄPPCHEN PETER JÜLICH GROUP has 138 employees and a large sales team (25 sales representatives covering all of Germany), an industrial site in Lumpzig (near Leipzig) and it posted consolidated sales of 40 million euros in 2017.

For Pascal Le Brun, President of the Agrial dairy farmers' organisation, *"this acquisition will be a new and determined step in our quest to create value for the Cooperative's dairy farmers. Our aim is to be less dependent on the global commodities markets by strengthening the weight of our brands and our international business. This is a long-term strategy that is built step-by-step and for which all the elected farmers and teams are dedicating all their energy, for our farmer-members."*

Winning value through important commercial and industrial synergies

Already present in Germany through private labels, Eurial would strengthen its positions on a growing German cheese market, giving its brands new development perspectives for both cow's and goat's milk cheeses.

Commercial synergies therefore but also industrial synergies as from the first quarter of 2019, Eurial's factories in France would manufacture over 1,000 tons of soft cow's milk cheese for the German market, representing around 7 million litres of milk from Agrial members. Part of ROTKÄPPCHEN PETER JÜLICH GROUP's production was until now outsourced to another industrial site in Germany. This acquisition would mean redeployment of industrial activities between the German factory in Lumpzig and French factories of Agrial's Dairy division.

According to Olivier Athimon, CEO of Agrial's Dairy division, *"this investment in Germany is directly in phase with our projects in Italy and Spain, bolstering our international development first and foremost with a stronger presence in Europe. Finding a partner who is present on the cow's and goat's cheese markets is a real advantage for Eurial's development in Germany."*

For Peter Jülich, owner of ROTKÄPPCHEN PETER JÜLICH GROUP, *"selling our family-owned company to Agrial, whose cooperative values are very close to ours, would be an important guarantee for the longevity of the company and the future of our employees. In a cheese market that is flourishing in Germany, this acquisition would also represent an opportunity to continue to develop our brands and consolidate our sales teams with new brands that are famous in France."*

An investment made possible through closely managed industrial and logistics costs

This acquisition is perfectly in line with Agrial's Horizon 2025 strategy, aiming to conquer value-creating markets at the service of its cooperative members. The development has been made possible by an important initiative over the last years to manage the Group's industrial and logistic costs.

The focus between 2017 and 2018 particularly concerned merging dairy factory activities at La-Chapelle-Saint-Laurent and La-Chapelle-Thireuil in La-Chapelle-Thireuil, closing the site in Givors, improving milk logistics on a European scale (generating annual savings of 1.1 million euros) and reducing energy consumption at its ultra-fresh industrial sites (€400,000 annual savings).

ABOUT AGRIAL AND ITS EURIAL DAIRY DIVISION

Agrial is a French farming and food cooperative company supporting its cooperative farmer members to promote and commercialize their production. Based on iconic brands, the Group has 150 processing sites in 15 countries and develops food-processing activities in the fields of milk, fresh produce, beverages and meat. As a committed company, Agrial develops responsible and high performing agricultural practices and offers consumers safe, healthy and tasty food. Agrial's 13,000 cooperative members and 22,000 employees together uphold the company values: sustainability, proximity, solidarity and daring. In 2017, the Group achieved a turnover of €5.5 billion.

Eurial, Agrial's Dairy division, processed milk from 3,800 regular cow's milk farmers, 600 goat's milk farmers and 250 organic cow's milk farmers. With 24 industrial sites in France and 4 outside France, Eurial is the European leader on the goat's cheese market with its Soignon brand, no. 1 in mozzarella for industrial use in France with the Maestrella brand, no. 1 in speciality butters in France with Grand Fermage and no. 1 in ultra-fresh produce in France with its supermarket own-brands. Agrial's Milk division has 4,800 employees and generated 2.3 billion euros in turnover in 2017, 35% in export.

For more information: agrrial.com