

## Media release

### International strategy

### Emmi sells its minority stake in siggi's

*Lucerne, 5. January 2018* – Emmi has owned a 22 % stake in The Icelandic Milk and Skyr Corporation (siggi's) following two transactions in 2012 and 2013, when Emmi was also a contract manufacturer for the brand. Siggi's, headquartered in New York, is the pioneer in the production and distribution of Icelandic style Yogurt skyr in the United States. Now, the shareholders of siggi's have jointly decided to sell the company to French dairy group Lactalis, pending regulatory approval in the US. Emmi will profit significantly from this transaction in the financial year 2018.

The United States are Emmi's largest foreign market. The majority of sales there are generated by the exports of Swiss cheese, as well as locally produced cow's and goat's milk specialties. In addition, Emmi holds a minority stake of 22 % in siggi's.

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Emmi will focus its US business even more on niches like goat's milk products (Cypress Grove, Redwood Hill Farm & Creamery, Meyenberg), organic, lactose free cow's milk products (Green Valley Organic) , organic cows's milk cheeses (Cowgirl Creamery) and speciality cheeses from Wisconsin and Switzerland (Emmi Roth USA).

### Impressive growth story

Siggi's was founded by Siggi Hilmarsson who, after moving to New York from Iceland, found American yogurt too sweet and full of extra ingredients. He started making his own yogurt in his kitchen. The recipe was based on skyr, the Icelandic style yogurt Siggi grew up eating in his native country. With seed investment from his former professor, Siggi started selling the yogurt at an outdoor market in downtown Manhattan in 2006. Since then the company has gone from a natural foods start-up to a fast growing yogurt brand in conventional grocery.

### Significant impact on Emmi's net profit in 2018

The parties have agreed not to disclose terms of the deal. Emmi expects - based on current estimations - that the positive effect of this transaction on its net profit of the financial year 2018 will be in the range of a mid two-digit million Swiss franc amount. The transaction is subject to approval by the relevant competition authorities. Its closing is planned for January 31, 2018.

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### About siggi's

Siggi's was founded in 2005 by Siggi Hilmarsson who, after moving to New York from Iceland, found American yogurt too sweet. He started making his own yogurt, with less sugar, in his home kitchen. His yogurt recipe was skyr, the traditional strained yogurt of Iceland, which has been made there for over 1,000 years. The company's big break came in 2008 when Whole Foods market decided to distribute siggi's products nationally in its stores. Today siggi's products are available nationwide in accounts such as Whole Foods, Publix, Target, Wegmans and Starbucks. Based in New York City the company has 50 employees and is operating out of five dairy plants in New York, Wisconsin, Minnesota and Pennsylvania.

### About Lactalis

Founded in France over 80 years ago by André Besnier, the Lactalis family group is the world's largest dairy company, employing more than 75,000 people in 85 countries worldwide. Lactalis is active in all categories of the dairy market, and is the number one cheese manufacturer in the world. The Group's prestigious brands include Président®, Galbani®, Parmalat®, Stonyfield Farm®, Bridel, Rachel's Organic, and Skånemejerier.

### About Emmi

Emmi is the leading Swiss milk processor and one of the most innovative premium dairies in Europe. In Switzerland, the company focuses on the development, production and marketing of a full range of dairy and fresh products as well as the production, ageing and trade of mainly Swiss cheeses. Outside Switzerland, Emmi concentrates on brand concepts and specialities in established European and North American markets, and increasingly in emerging markets outside of Europe. The primary focus in fresh products is on lifestyle, convenience and health products. In the cheese business, Emmi positions itself as the leading company worldwide for Swiss cheese. Emmi's customers are the retail trade, the hospitality and catering sector and the food industry.

In Switzerland, the Emmi Group includes around 25 production sites of every size. Abroad, Emmi and its subsidiaries have a presence in 13 countries, seven of which have production facilities. Emmi exports products from Switzerland to around 60 countries.

In 2016, Emmi posted net sales of CHF 3,259 million and a net profit of CHF 140 million. In the first half of 2017, it generated sales of CHF 1,600 million and a net profit of CHF 66 million. The company employs nearly 5,900 staff (full-time equivalents), of which 3,000 in Switzerland.