



COMPANY PORTRAIT

Success using the best from milk

In 1971, Theobald Alfons Müller took over his father's dairy in Aretsried in the German state of Bavaria – at that time it had just four employees. Today, the Unternehmensgruppe Theo Müller is Germany's largest private dairy and is represented by subsidiary companies in other European countries. In 2008, more than 4,500 employees achieved a turnover of approximately EUR 2.3 billion. Since 2001 alone, the Group has invested over EUR 400 million in projects, such as expanding the plant in Leppersdorf, Saxony, to transform it into the most modern dairy in Europe. Almost 100% of Germans are familiar with the Müller brand. The Group also comprises the brands Sachsenmilch, Weihenstephan and Käserei Loose. The Group's last major project was the construction of the world's first bioethanol facility in 2007, which produces the environmentally-friendly fuel additive made from a by-product from the production of cheese.

(Aretsried, May 2009) With annual revenues of approximately EUR 2.3 billion (in 2008), the Unternehmensgruppe Theo Müller is Germany's largest private dairy. In the UK, Müller has held the market leading position in the yoghurt sector since 1995 with its brand Müller Corner. In 2008, over 2.4 billion kilogrammes of milk were processed into dairy products such as yoghurt, desserts, milk drinks and cheese at the sites in Germany and the United Kingdom. More than 90% of the milk processed in Germany comes from domestic farmers.



Since 2001, the family-run business has invested more than EUR 400 million in new facilities, machines and technology. In addition, double-digit investments are being poured into the development of new products each year. The Group comprises subsidiary companies with their own separate and powerful brands: Müller, Weihenstephan, Sachsenmilch and Käserei Loose. Private labels and basic milk products, such as butter UHT milk, lactose powder and whey protein round off the product portfolio.

More than just “Lick the lid of life”

The Müller brand from the Alois Müller GmbH & Co. KG dairy in the Swabian town of Aretsried forms the core of the group. It rose to prominence as a result of its pioneering product innovations, such as “Müller Reine Buttermilch” and “Müllermilch”. These were later joined by “Müller Rice”, “Müller Corner” with its patented split-pot system, and “Froop”. Celebrities such as football legend Gerd Müller, national football coach Jürgen Klinsmann, and star of the soap opera Lindenstraße, Annemarie Wendl (alias ‘Else Kling’) advertised the Müller products in a series of striking nationwide campaigns. Today, almost all Germans are familiar with the Müller brand. Products for the Italian market are also produced at the company’s headquarters in Aretsried.

The premium segment is served by the Weihenstephan GmbH & Co. KG dairy in Freising (Bavaria). The brand has been part of the Group since 2001 with products such as “Frischer Fruchtquark”, the multiple-award winning “Weihenstephan Kochsahne”, lactose-free milk, Weihenstephan Alpenmilch, Rahmjoghurt and “Frischer Tafelbutter”, which was awarded the rating of “very good” by the consumer magazine Ökotest.

The largest plant in the Unternehmensgruppe Theo Müller is located at the Leppersdorf site near Dresden in the German state of Saxony. There, Sachsenmilch produces a wide range of dairy products, including 90,000 tonnes of cheese annually, whey



derivates, fresh milk products, desserts and butter. In 2007, Sachsenmilch achieved a first in Germany: UHT milk became available in bottles which were not made out of glass but specially modified, environmentally-friendly and lightweight PET. The Käserei Loose GmbH & Co. KG cheese factory is also based in Leppersdorf, where low-fat, protein-rich acid curd cheese and cooking cheese are manufactured under the Loose brand name.

The plant in Leppersdorf is one of the biggest investment projects in the history of the Unternehmensgruppe Theo Müller. Since 1994, more than EUR 600 million have been poured into the construction of one of the most modern dairies in Europe, and 1,521 new jobs have been created (average staff numbers for 2008). From the milk which is delivered (more than 1.5 billion kilogrammes in 2008), a variety of products – from yoghurt and cheese to so-called basic milk products, such as UHT milk, milk protein, whey protein and lactose – are manufactured in a complex facility, part of which is fully automated.

In 2007, the group of companies at the Leppersdorf site invested a further EUR 22 million in constructing the world's first bioethanol facility which, from 2008 onwards, will produce 10 million litres of the environmentally-friendly fuel additive each year from molasses, a by-product of whey.

Müller expanding throughout Europe

In addition to the three German production sites, since 1987 the group of companies has also been active in the UK with the subsidiary Müller Dairy Ltd. In 1992, the first plant outside Germany was opened in Market Drayton (in the Midlands). Müller Dairy soon grew to become the market leader in the yoghurt segment.



The Müller brand is also represented with distribution branches and the brand's own products in Italy, and in the Netherlands the Unternehmensgruppe Theo Müller markets the Almhof brand.

An instinctive feel for consumers' differing tastes from one country to another is crucial to the Group's success throughout Europe. Extensive test phases prior to each market launch ensure that each nation's precise needs are taken into consideration with specific products. The Group is also remaining true to this approach as it expands into eastern European markets. A sales company was established in Prague, which has been serving the Czech and Slovak markets with 19 different Müller products since March 2008. Furthermore the Unternehmensgruppe Theo Müller has a 76% holding in the Czech dairy Pragolaktos headquartered in Prague and one of the the country's largest dairy companies. The brand was also launched in Romania in 2008, and Müller entered the Polish market in January 2009. The target group are quality-conscious customers who, in view of their growing purchasing power, are open to high-quality dairy products. Production for these markets will be carried out in Germany and, due to its geographical location, the site in Leppersdorf offers the strategic advantage of having shorter delivery channels.

Müller in Israel

With the brand's entry into the Israeli market in February 2008, Müller products stepped beyond Europe's borders for the very first time. Besides their Hebrew-language packaging design, the products are manufactured according to strict super-kosher rules under the watchful eye of rabbis – for the Israeli consumer, this is proof of especially good quality. The yoghurts are produced under licence of Milko Dairies, a subsidiary company of Central Bottling Company Ltd. (CBC). The joint venture with CBC was further extended to the Romanian and Bulgarian markets in 2008.



In addition to the milk-processing subsidiaries, the Unternehmensgruppe Theo Müller also consists of the packaging company Optipack GmbH, the company's own logistics company Culina, Fahrzeugtechnik Aretsried GmbH, and Müller Naturfarm, one of the largest fruit-processing companies in Germany and, with annual production of 100,000 tonnes, the third largest in Europe.

Müller makes milk modern

The financial success of the group of companies is associated above all with Theobald Alfons Müller (Theo Müller). In 1971, he took over his father's business in the Swabian town of Aretsried and transformed the four-man dairy into a pan-European corporate group. Müller was the first German dairy to set up a national sales network. With carefully thought out, quality-conscious milk processing, continuous process improvements and technological innovations, the Unternehmensgruppe Theo Müller regularly succeeds in implementing its deep understanding of consumers' needs in its dairy products. And the focus is always on providing the best from milk.

The group of companies is still owned by the family to this day. Besides Stefan Müller, the other members of the company's management board are Dr. Edgar Lange, Hans-Peter Gai and Denis Schrey.