Press release

Oetker Group satisfied with 2010 business year

Respectable performance by the six divisions

<Bielefeld, 21.06.2011> “For much of the global economy, the past year signified a recovery from the previous crisis years. The Oetker Group also benefited from this upturn”, stated Richard Oetker, General Partner of Dr. August Oetker KG, at the Annual Press Conference held in Bielefeld on Tuesday. Following the most severe sales slump to date in 2009 (-13.9%), the company succeeded in returning to pre-crisis levels last year with a year-on-year increase in sales of 18.9%.

Sales rose to EUR 9,457 million (previous year: EUR 7,956 million), with the share of international sales increasing to 66.6% (previous year: 61.8%). 33.4% of total sales revenue was generated in Germany (previous year: 38.2% or EUR 3,038 million), and 66.6% in the remaining countries (previous year: 61.8% or EUR 4,918 million). Of this, 27.9% (EUR 2,635 million) was attributable to other EU countries (previous year: 25.9% or EUR 2,057 million) and 2.7% or EUR 258 million to the rest of Europe (previous year: 3.4% or EUR 275 million). Sales in the rest of the world made up 36.0% or EUR 3,401 million (previous year: 32.5% or EUR 2,586 million).

The breakdown of total sales revenue among the individual divisions changed somewhat year-on-year. With 46.9%, Shipping is still the largest division, while Other Interests make up 4.5% of total sales revenue and the consumer goods-oriented areas accounted for 48.6% of total sales revenue. 24.5% of sales revenue was generated by the Food Division, 17.3% by Beer and Non-Alcoholic Beverages, and 6.8% by Sparkling Wine, Wine and Spirits.

The number of employees increased by 4.3% to 25,591 across all areas. Staffing levels in the Food Division rose by 3.7% to 11,275 employees (previous year: 10,876), while the number of people employed in the Beer and Non-Alcoholic Beverages Division increased from 5,291 to 5,943. The Sparkling Wine, Wine and Spirits Division recorded a drop in its workforce from 2,126 to 2,073 people. An average of 4,099 people were employed at Hamburg Süd in the past business year (previous year: 4,046). When trainees and third-party mariners are included, this figure increases to 4,870 people. In the Other Interests Division, the number of employees remained constant year-on-year at 2,200. The Banking Division recorded a slight drop of –2.0% to 592 employees (previous year: 604).

Satisfactory sales and earnings result for Food Division in 2010

The Food Division, which consists of the branded food products and bulk consumer business, lifted its sales revenue by 8.3% to EUR 2,318 million (previous year: EUR 2,139 million). As in the previous year, this growth was due above all to the good performance of the Dr. Oetker brand, which grew by 8.8%.

Overall, revenue growth was achieved in all regions. Sales on the German market increased by 5.7% (previous year: –4.7%), while the West region improved on the previous year by 10.3% (previous year: 16.7%). The business climate in the East region, which had been hit hard by the economic crisis, recovered from its 2009 lows. The currencies of the Eastern European countries also stabilized *vis-à-vis* the euro. On the back of these developments, the national companies in Eastern Europe generated sales gains of 10.6%. Overall, accumulated foreign sales once again recorded a dynamic performance, growing by 10.4% to EUR 1.28 billion. The share of total sales revenue attributable to foreign sales increased in line with strategic objectives to a new level of 66.3% (previous year: 65.4%).

Over the past few years, the Martin Braun Group established itself as the leader of the bakery pre-products market. In spite of difficult market conditions, the company recorded marked sales growth in 2010. In addition, the group continued to pursue its growth and internationalization strategy in the past business year. As well as expanding core markets, its focus was on bolstering the European bulk markets and entering international growth markets.

Increased sales in Beer and Non-Alcoholic Beverages Division

The Radeberger Group ended the last business year with a respectable result. The German beer market remained highly competitive in 2010, with continuing pressure on bars and restaurants and bad weather conditions leaving their mark on the beer market. This effect was exacerbated by aggressive pricing by many premium brands on the market, which was detrimental to margins and brand value. In this environment, the Radeberger Group remained true to its principle of “value over volume” and succeeded in increasing its sales revenue by 3.1% in spite of a 2% decline in unit sales. In total, the Radeberger Group recorded sales revenue of EUR 1,636 million and unit sales of 13.1 million hectoliters of beverages.

Both Radeberger Pilsner and Clausthaler – a byword for premium non-alcoholic beer – succeeded in matching the previous year’s levels. Jever boosted its sales in the year under review, due in particular to volume sales; the non-alcoholic Jever Fun also recorded overproportional growth. Furthermore, significant increases were reported by Selters, the Radeberger Group’s high-priced premium mineral water. In addition, the brewery group expanded its portfolio of imported brands and has been the sole importer of Guinness and Kilkenny draft beer as well as Stowford Cider since 2010.

Continued growth in the Sparkling Wine, Wine and Spirits Division

The Sparkling Wine, Wine and Spirits Division continued its healthy growth in 2010 after a very positive 2009. Together with its subsidiaries, the Henkell & Co. Group recorded sales revenue of EUR 644 (previous year: EUR 628 million) and unit sales of 240.6 million bottles of sparkling wine, wine and spirits (previous year: 238 million). This corresponds to a 2.6% increase in sales compared with 2009. At 157.9 million bottles, unit sales of sparkling wine were comparable with the previous year's level (158.5 million), while unit sales of wine – primarily generated in Hungary and the Czech Republic – dropped to 33.2 million bottles (previous year: 34.1 million). Since September, the Spirits segment has enjoyed further growth as a result of the newly acquired Kuemmerling, Jacobi 1880 and Fürst von Bismarck brands. In total, unit sales of spirits were up 9% to 49.5 million bottles (previous year: 45.4 million).

The positive growth of Kupferberg Gold and the products of Italian subsidiary Mionetto made key contributions to the sparkling wine business in Germany. 2010 was another successful year for Kupferberg Gold, with the long-established brand recording double-digit growth in unit sales. Spirits also played a significant role in the growth of the Henkell Group, in particular the German vodka market leader, Gorbatschow, which continued to grow, increasing unit sales by 10.1%.

Shipping Division on course again

The Hamburg Süd Group**,** to which the Brazilian shipping company Aliança also belongs, benefited last year when the global economy picked up following the crisis year 2009. In the container liner services, the shipping group grew by approximately 23% to 2.9 million TEU (1 TEU = 20 foot standard container) compared with the previous year's figure of 2.3 million TEU. Given that freight rates recovered as well as volumes, liner shipping revenue increased by just over 45% to almost EUR 3,932 million. Including the conventional bulk and product tanker shipping, total sales for shipping increased by 38.8% year-on-year to EUR 4,430 million.

The fleet operated by the Hamburg Süd Group consisted on average of a total of 169 ships in 2010, 40 of which were owned by the Group. 56 ships were employed in the tramp division and 113 in the liner services. The slot capacity of the container vessels deployed in the liner services increased by 22% to 371,000 TEU compared with the previous year.

Performance varies within the Other Interests Division

The companies in this division performed differently in their respective markets. Overall, the Other Interests Division increased its earnings by 4.6% to EUR 429 million.

In the past year, the German chemicals sector recovered overall from the economic downturn in 2009. However, at the beginning of 2010, Chemische Fabrik Budenheim was faced with rising raw material costs and falling prices on its sales markets as a result of competition that put severe pressure on margins. Owing to this situation, Budenheim fell short of its ambitious budgeted figures for margins and volumes. Overall, however, the company succeeded in matching the previous year's sales. Furthermore, the company stepped up its international activities over the past business year: in June, a lubricant production facility in Shanghai commenced operations; in December, a sales company was set up in India.

For Dr. Oetker Verlag, 2010 was characterized by a marked shift in the sales markets that caused its sales to fall slightly year-on-year. Growth was generated solely through internet sales.

After the effects of the global economic crisis took their toll on Oetker Group's hotels in 2009, business improved considerably in the past year, with sales increasing by double digits.

The hotels that were hardest hit by the economic crisis, Le Bristol and Hotel du Cap – Eden Roc, returned to a positive growth trend. Similarly, Brenner's Park Hotel in Baden-Baden and Château St. Martin & Spa in Vence generated increased revenue once again. Although market conditions remained difficult in 2010, Château St. Martin & Spa recorded double-digit growth in sales.

Bankhaus Lampe’s conservative business model proves its worth again

Bankhaus Lampe KG held its own in a market environment that, as a result of the European sovereign debt crisis, saw major upheaval on the financial markets and doubts regarding the stability of various eurozone countries and the single currency. The bank’s conservative business model and its decision to limit business activity to classic, simple products proved effective once again. In addition, the bank systematically avoided investing in Portugal, Italy, Ireland, Greece and Spain and further improved its risk profile with the sale of Atlantic Vermögensverwaltungsbank.

Bankhaus Lampe’s consolidated balance sheet total was EUR 3,139 million, which was down on the previous year (EUR 3,368 million). Balance sheet equity increased to EUR 196 million (previous year: EUR 183 million) following an injection of shareholder funds and retained profits and accounted for 6.2% of the balance sheet total (previous year: 5.4%).

Customer receivables increased by EUR 6 million to EUR 1,485 million. At EUR 2,657 million, customer deposits fell by EUR 67 million year-on-year, amounting to 84.7% of the balance sheet total and establishing a very stable balance between customer receivables and their refinancing from the deposit business. This means that Bankhaus Lampe has a very solid balance sheet structure. The interest surplus from the banking business fell from EUR 50 million to EUR 39 million; the contribution from the private bank’s customer business did not change significantly compared with the previous year. Reported net earnings amounted to EUR 14 million; this is to be used in its entirety to further strengthen core capital as part of a “distribute/contribute scheme”.

Satisfactory earnings performance in 2010

According to Dr. Ernst F. Schröder, Head of Finance and General Partner in Dr. August Oetker KG, the company’s performance in 2010 continued to be respectable. The Oetker Group’s consolidated balance sheet closed with a balance sheet total of EUR 7,473 million (previous year: EUR 6,906 million). This is an increase of EUR 567 million (+8.2%) compared with 2009.

Excluding first-time consolidation, investments in tangible and intangible fixed assets amounted to EUR 597 million in 2010, up EUR 152 million on the corresponding figure in the previous year. Depreciation amounted to EUR 550 million, which was down EUR 16 million year-on-year. The limited partner capital of parent company Dr. August Oetker KG remained constant at EUR 450 million. The total equity reported in the consolidated financial statements as of 31.12.2010 amounts to EUR 2,391 million, up EUR 319 million on the previous year. The equity ratio was 32.0%. Dr. Ernst F. Schröder described the 2010 result as satisfactory overall.

He added that cash flow was well over EUR 600 million and was very respectable with regard to quality and quantity.

Concerning the outlook on the current business year, Dr. Schröder stated: “So far, all divisions have reported restrained business development and are facing major challenges.” Nonetheless, the Oetker Group is continuing to invest carefully in its markets and has a rock-solid foundation. Accordingly, the Group is confident that it is well equipped for the future.

These documents can be called up from the Oetker Group’s press section as of 12 noon on June 21, 2011: www.oetker-gruppe.de

Please address all queries to:

Dr. August Oetker KG

Public Relations Department

Dr. Jörg Schillinger

Tel.: +49 (0) 521/155-2619

Fax: +49 (0) 521/155-2995

E-mail: joerg.schillinger@oetker.de

To request pictures, please contact:

Dr. August Oetker KG

Public Relations Department

Eva Tatje

Tel. +49 (0) 521/155-3014

Fax: +49 (0) 521/ 155-11-3014

E-mail: eva.tatje@oetker.de