Press Release

Oetker Group satisfied with 2013 business year

Sales revenue pushed down by currency translation effects

<Bielefeld, 17.06.2014> At the Annual Press Conference held in Bielefeld on Tuesday, Richard Oetker, General Partner of Dr. August Oetker KG, stated that the Oetker Group had “recorded a satisfactory result in 2013 even though the business year had its ups and downs, with noticeable currency translation effects and continued political uncertainty in many countries worldwide”. In this connection, the Group’s business divisions performed satisfactorily in reporting year 2013, keeping sales revenue almost stable at EUR 10,844 million (previous year: EUR 10,942 million). Disregarding deconsolidations and first-time consolidations, growth adjusted for currency translation effects stood at 0.8% (previous year: 4.6%).

EUR 3,519 million or 32.4% of total sales revenue was generated in Germany (previous year: EUR 3,475 million or 31.8%). The proportion of the Oetker Group’s total sales revenue generated outside Germany remained largely stable at EUR 7,325 million or 67.6% (previous year: EUR 7,467 million or 68.2%). Of this, 23.4% (EUR 2,537 million) was attributable to other EU countries (previous year: 23% or EUR 2,518 million) and 3.2% (EUR 344 million) to the rest of Europe (previous year: 2.9% or EUR 319 million). Sales in the rest of the world made up 41% (EUR 4,444 million) compared with 42.3% (EUR 4,630 million) in the previous year. The breakdown of total sales revenue among the individual divisions changed very slightly year-on-year. With 48.5%, Shipping still accounted for the largest share of total sales revenue (previous year: 50%). Taken together, the three consumer goods-oriented areas made up 47.1% of total sales revenue (previous year: 45.9%). 23.8% of sales revenue was generated by the Food Division (previous year: 22.9%), 17% by Beer and Non-Alcoholic Beverages (previous year: 16.8%), and 6.3% by Sparkling Wine, Wine and Spirits (previous year: 6.2%). Other Interests made up 4.4% of total sales revenue (previous year: 4.1%).

The total number of employees increased by 1.9% to 26,907 (previous year: 26,406). Staffing levels in the Food Division rose by 4.4% to 12,272 employees (previous year: 11,752). The Beer and Non-Alcoholic Beverages Division recorded a slightly lower headcount. In the past year, the Radeberger Group employed 5,689 people (previous year: 5,725), representing a fall of 0.6%. There was also a slight downturn in the number of people employed in the Sparkling Wine, Wine and Spirits Division. At Henkell & Co. Sektkellerei, the headcount was down 0.6% on the previous year with 2,028 employees (previous year: 2,040). Staffing levels at Hamburg Süd also fell by 0.5% to 4,491 employees over the past business year (previous year: 4,512). In the Other Interests Division, the number of employees rose from 2,377 to 2,427, up 2.1% year-on-year. The Banking Division also recorded a greater increase, growing by 7.4% to 628 employees (previous year: 585).

Satisfactory growth for Food Division in 2013

The Food Division, which consists of the branded food products and bulk consumer business, lifted its sales revenue by 3% to EUR 2,577 million (previous year: EUR 2,501 million). Adjusted for currency translation and consolidation effects, sales grew by 4.1%.

Performance varied widely among Dr. Oetker's national companies. All in all, Dr. Oetker GmbH recorded a satisfactory sales and earnings result.

Sales by the German companies increased by 2.4% (previous year: 1.9%), while those of its international affiliated companies grew by 2.3% over the past year (previous year: 10.1%). In the past year, the ambient food segment maintained its position well on a market that was rendered even more competitive owing to the expansion of no-name and retailer own brands and to the arrival of new brand name manufacturers on the market, and even succeeded in recording marginal growth. The Frozen Food segment performed very well in Germany last year, generating a respectable increase in sales. Demand for frozen pizza remains strong and the market offers further potential for generating growth and increasing market share in Germany. One highlight of the past business year was the launch of the innovative Dr. Oetker Pizza Burger, which gave a fresh boost to the frozen pizza market. The Chilled Products segment was also up against very intensive competition in 2013. Nonetheless, Chilled Products posted a respectable sales performance and further expanded its leading position in the ready desserts market segment.

On an international level, business performance varied somewhat. Italian national company cameo set a new sales record in the past business year, also increasing its market share once again. Dr. Oetker France also recorded respectable growth and increased its share of the frozen pizza market again. The national companies in Eastern Europe also recorded respectable growth in the past business year. The main driver in this regard was the frozen pizza range with its “Guseppe” product. All in all, business outside Germany accounted for 67% of total sales revenue (previous year: 67%).

In a difficult market environment, the Martin Braun Group – which markets a complete range of convenience products with a focus on sweet and savory baking products, breads, desserts and ice cream for bulk consumers – also performed well in 2013 with a respectable sales growth of 7.4%. In some cases, double-digit growth rates were achieved, particularly in the international business. 2013 saw above all the Sweet Baking Ingredients (Braun brand) and the Frozen Bakery Goods (Wolf ButterBack brand) product areas further expand their market position in the major European bakery product markets such as Austria, Switzerland, Russia, Spain and Italy. This means that foreign sales now account for over 50% of total sales revenue for the Martin Braun Group.

As Germany's largest specialist market and supplier of fine foods, the FrischeParadies Group continued the positive performance of previous years in 2013. In spite of the stagnating market situation in the restaurant and hotel sectors, market share was increased and above-average sales growth generated. This positive performance was due in particular to the domestic business. Activities in Mallorca and exports to Poland, the Czech Republic and the Baltic States also enjoyed above-average growth. The positive development in the private customer business is strengthening the strategic diversification approach among target customers.

Unit sales and sales revenue remain stable for Beer and Non-Alcoholic Beverages Division

The Radeberger Group, Germany's largest private brewing group, which forms the Beer and Non-Alcoholic Beverages Division within the Oetker Group, can look back on a respectable business year. The Group succeeded in keeping both unit sales and sales revenue stable in spite of the clearly declining market. In addition to a weak start to the year across the entire beer market, the business year was affected by the capricious weather and the mid-year flood disaster, with prices also rising towards the end of the year. The brewing group kept its total sales revenue at EUR 1,843 million, which was on a par with the previous year.

Flagship brand Radeberger Pilsner continued its successful course in 2013, increasing both unit sales and sales revenue substantially, reinforcing its position among the top five pils brands in the German retail sector and building on its leading position on the domestic market. In 2013, Schöfferhofer generated attention with its own TV commercial for its non-alcoholic variant. In spite of the late summer, beer mix flagship product Schöfferhofer Grapefruit maintained a stable performance, thereby remaining the product with the greatest buyer reach in this segment. Jever and Clausthaler also enjoyed encouraging growth. Original Selters mineral water also continued its successful growth, once again securing new customers among upmarket hotels and restaurants. Ti, the new tea beverage in the Radeberger Group portfolio made of natural, organic ingredients, was launched in 2013 in three flavors – Green Tea & Mango, White Tea & Cranberry-Acai and Peppermint Tea & Blackberry – and took the first important steps towards establishing itself in the new tea beverage market segment.

The beer market poses new challenges for the sector in 2014 as well. All players have to deal extensively with strong competitive pressure, rising costs for raw materials, energy, personnel, packaging and transport, shifting target groups and, as a result, changing demand patterns. In this exciting, challenging year, the Radeberger Group is well prepared and optimistic with numerous customized campaigns based on its brands. Along with other breweries, the Radeberger Group was affected by proceedings by the Federal Cartel Office in which the authorities put forward allegations of price-fixing. The Radeberger Group filed an objection to the fine imposed in April 2014 on the grounds that it had not been involved in price-fixing arrangements.

Unit sales and sales revenue growth in the Sparkling Wine, Wine and Spirits Division

The Sparkling Wine, Wine and Spirits Division continued its healthy growth in 2013, generating sales revenue of EUR 687 million (previous year: EUR 675 million). This corresponds to a 1.8% increase in sales compared with 2012. Of this, EUR 316 million is attributable to the German domestic market and EUR 371 million to foreign markets. At the same time, the Henkell & Co. Group's unit sales increased to 238.5 million bottles of sparkling wine, wine and spirits (previous year: 242.6 million) in the reporting year. While the sparkling wine sector was up slightly year-on-year with 158 million bottles, unit sales of wine increased by 14.6% to 39.5 million bottles. In the same period, spirits fell by 2.4% to 45.1 million bottles.

Domestic unit sales of Henkell & Co.'s sparkling wine stood out in 2013, in some cases with marked growth for the Henkell, Fürst von Metternich and Söhnlein Brillant brands. Fürst von Metternich recorded a particularly impressive unit sales performance. The leading German premium sparkling wine increased by a remarkable 16.5% in 2013, chalking up unit sales of 7 million 1/1 bottles. At international level, the Italian Mionetto, Hungarian Törley and Czech Bohemia brands contributed to the good results of the core brands in the sparkling wines segment. The Henkell & Co. Group's wine business increased by 14.6% to 39.5 million bottles in the reporting period. Unit sales were generated primarily in Hungary, Slovakia and the Czech Republic. While Hungary was on a par with the previous year with its BB wines, growth was driven by Víno Mikulov and Habánské Sklepy wines in the Czech Republic and by Vitis wines in Slovakia. With the acquisition of Copestick Murray, the British wine brand "I heart" was added to the portfolio. Demand for Schloss Johannisberg, the renowned German Riesling wines, remains high worldwide in the fine châteaux wines segment. Unit sales of spirits for the Group fell slightly by 2.4% to 45.1 million bottles in business year 2013. Based on the sound business development and further internationalization, the Henkell & Co.

Group sees itself as being well positioned to cope with future challenges. Its declared objective is to step up expansion activities in all countries.

Shipping Division holds its own in a difficult environment

The Hamburg Süd Group constitutes the Oetker Group's Shipping Division. Its core business is container liner shipping including all upstream and downstream logistics services with German carrier Hamburg Süd and Brazilian shipping company Aliança. It is also active in the break-bulk and product tanker sector with Rudolf A. Oetker (RAO), Furness Withy Chartering and Aliança Bulk (Aliabulk) and, with the Hamburg Süd Travel Agency, as special services provider for business travel, cruises, etc. Hamburg Süd held its own in a difficult environment in 2013. The total sales revenue for the Shipping Division fell by 3.9% to EUR 5,254 million with freight rates declining slightly and with the most important trading currency, the US dollar, being devalued by around 4% against the euro. Given the modest market growth and operational problems in the severely congested ports of Brazil, Hamburg Süd – together with its Brazilian subsidiary Aliança – increased its transport volume in the liner business by only 1% year-on-year to around 3.3 million TEU (1 TEU = 20-foot standard container).

As at December 31, 2013, the Hamburg Süd fleet consisted of a total of 154 ships, 45 of which were owned by the Group. 103 ships were used in the liner services and 51 were exclusively chartered for the tramp division (break-bulk ships, product tankers). In the reporting year, the first four of a total of six ships of the "Cap San" series were added to the Group's own fleet. With a capacity of 9,600 TEU, they are the Hamburg Süd Group's largest ships to date. These have 2,100 connections for refrigerated containers on board, meaning that they have the largest reefer capacity worldwide. The slot capacity used in the liner services increased by around 6% to 457,000 TEU, the average ship capacity by 7% to 4,437

TEU. The shipping group continued its strategy for increasing the efficiency of its fleet. The rising average capacity of the ships continually pushes down costs per slot.

All in all, Hamburg Süd was able to improve the performance of the liner services year-on-year. However, owing to the pressure on rates in the Asia-South America routes and to the continued unsatisfactory performance of the Mediterranean activities and the service between Europe and India/Pakistan, the overall result is not yet in line with objectives. The break-bulk and product tanker activities did not lead to a positive result in 2013 either and were roughly on a par with the previous year's level. Hamburg Süd will be expanding its activities in the core routes to and from South America and will add to its network where appropriate. Given the high proportion of modern ships and containers owned by the Group itself, the focus of management activities in 2014 is on continually improving all cost positions. All in all, Hamburg Süd expects the operating result for the shipping group for 2014 to be roughly on a par with the previous year's level.

Performance varies within the Other Interests Division

The companies in this division recorded different performances in their respective markets. Overall, the Other Interests Division increased its earnings by 6.3% to EUR 483 million (previous year: EUR 454 million).

Chemicals company Budenheim recorded encouraging growth in sales and earnings, outperforming both the chemicals sector and the general economy by a significant margin. As a result of intensified competition, companies in the German chemicals sector were forced to make price concessions of around 1% due to lower raw materials costs. While industrial production grew by 1.5%, sales revenue increased only by 0.5%.

Budenheim fared considerably better than this, growing in unit sales and sales revenue in its core business. Not including acid trading, Budenheim recorded a 1.9% increase in production. Total sales revenue reached a plus of 5.8%, around 80% of which was generated outside Germany.

Business year 2013 once again saw the Dr. Oetker Verlag publishing house faced with major challenges. The consolidation of space in the German book trade appears to have largely run its course; however, the rising sales revenue stemming from digital books is not yet sufficient to compensate for the reduction in space. Under these difficult general conditions, Dr. Oetker Verlag invested greatly in digital projects and its digital cookbooks have generated great interest. Since spring 2013, all the publishing house's books have been available in print and digital form. One particular highlight was the new digital cookbook "Dr. Oetker Grundkochbuch".

Last year saw the Oetker Group's hotels continue the positive performance of previous years, generating marked sales growth once again. The traditionally-minded Grandhotel Brenners Park-Hotel & Spa in Baden-Baden has been delighting its guests for over 140 years and also recorded significant sales growth in 2013. The redesign of Villa Stéphanie as the most modern spa destination in Europe has made sufficient progress for the construction work to be completed before the end of 2014. Once completed, the hotel will offer a range of services that is unique in Europe, with various medical and spa treatments, allowing additional sales and earnings potential to be tapped. The Hotel Le Bristol in Paris also recorded a significant increase in sales in 2013. The new bar built in 2012 has proved to be very popular with international and local guests alike. This investment has created a further highlight that generates additional sales. The Château St. Martin & Spa in Vence matched the previous year's sales revenue in a year that is still experiencing difficult market conditions. Thanks to the outstanding quality of fixtures, the excellent service and an innovative food and beverage concept – for which the gourmet restaurant was also awarded two Michelin stars again in 2013 – it remains one of the top hotels in France. In the past year, the Hotel du Cap-Eden-Roc in Antibes was once again able to demonstrate its unique position on the market and within the Oetker Collection. The very positive sales performance was driven by rising capacity utilization and an encouraging increase in room rates. The Food & Beverage segment also recorded a very positive performance. The Oetker Hotel Management Company (OHMC) continued its dynamic development, specializing in managing unique hotels owned by third parties. In addition to the Palais Namaskar in Marrakech, two further highly prestigious properties – L'Apogée Courchevel in the French Alps and Fregate Island Private on the Seychelles – were brought together as part of the Oetker Collection in 2013. This was joined by luxury property Eden Rock on St. Barths (Lesser Antilles) at the beginning of 2014. As well as the four Group-owned hotels, the Oetker Collection consists of four OHMC-run hotels that are owned by third parties. This positive development confirms the need for exceptional management know-how in the top hotel segment as well as conveying an optimistic outlook with regard to future business development.

Good annual result for Bankhaus Lampe

The growth course and risk-aware business model adopted by Bankhaus Lampe proved its worth in 2013, as did the expansion of the advisory services for the three customer groups: private customers, companies and institutional investors. Bankhaus Lampe's consolidated balance sheet total as at December 31, 2013, was EUR 2,898 million, which was down on the previous year (EUR 3,132 million). Balance sheet equity – without net earnings – increased to EUR 238 million following an injection of shareholder funds in the amount of EUR 21 million and accounted for 8.2% of the balance sheet total at the end of the year (previous year: 7%). At EUR 1,324 million, customer receivables were slightly up on the prior-year level of EUR 1,308 million. Customer deposits fell by EUR 140 million to EUR 2,322 million (previous year: EUR 2,462 million). Accounting for 80.1% of the balance sheet total, customer deposits are the most important source of refinancing, extending far beyond Bankhaus Lampe's lending business. The high overall proportion represented by customer deposits illustrates the soundness of the balance sheet structure. The interest surplus declined slightly year-on-year, by EUR 1.3 million to EUR 55.7 million. While current income from shares and investments increased by EUR 2.3 million to EUR 12.4 million and the result from associated companies increased by EUR 3.6 million to EUR 3.8 million, interest income from lending and money market transactions went down notably by EUR 8.8 million to EUR 58.2 million. The EUR 3.9 million decline in interest expenses to EUR 39.8 million can be attributed to the current low level of interest rates. As in the previous year, reported balance sheet profit was EUR 21 million. This is to be appropriated as part of a "pay-out, take-back" procedure to further strengthen the core capital.

Respectable earnings performance in 2013

According to Dr. Albert Christmann, Head of Finance and General Partner in Dr. August Oetker KG, the company's performance in 2013 continued to be respectable. The Oetker Group's consolidated balance sheet closed with a balance sheet total of EUR 7,770 million (previous year: EUR 7,695 million).

Excluding first-time consolidations, investments in tangible and intangible fixed assets amounted to EUR 777 million in 2013, up EUR 246 million on the corresponding figure for the previous year. Depreciation amounted to EUR 506 million, which was down EUR 59 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 at 31.12.2013 amounted to EUR 3,105 million, an increase of EUR 258 million on the previous year. The equity ratio was 40%.

Dr. Christmann described the 2013 result as satisfactory overall.

Cash flow in 2013 was once again well over EUR 600 million, which was respectable from both a qualitative and quantitative perspective. As regards the outlook for the current business year, Dr. Christmann stated: “In 2014, the Oetker Group will continue to build on its market leadership in the areas served and, at the same time, continue its internationalization and tap new markets. The Oetker Group is well positioned to cope with the challenges that lie ahead. All divisions are on target with their sales planning to date.” The Oetker Group is continuing to invest carefully in its markets and has a rock-solid foundation.

These documents can be called up in the Oetker Group’s press section as of 12 noon on June 17, 2014: www.oetker-gruppe.de

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Key data 2013

	2011	2012	2013	Change 2012/2013
Net sales (EUR million)	**10,011**	**10,942**	**10,844**	**-0.9 %**
- Food	2,337	2,501	2,577	+3.0 %
- Beer and Non-Alcoholic Beverages	1,813	1,844	1,843	0,0 %
- Sparkling Wine, Wine and Spirits	671	675	687	+1.8 %
- Shipping	4,752	5,468	5,254	-3.9 %
- Other Interests	438	454	483	+6.3 %
Investments (Euro million) (excluding companies consolidated for the first time)	**762**	**531**	**777**	**+46.3 %**
- Food	111	119	158	+32.2 %
- Beer and Non-Alcoholic Beverages	91	97	105	+8.5 %
- Sparkling Wine, Wine and Spirits	18	18	12	-31.4 %
- Shipping	479	247	450	+82.3 %
- Other Interests	63	50	52	+2.9 %
Equity (Euro million)	**2,549**	**2,847**	**3,105**	**+9.1 %**
As a percentage of the balance sheet total	34.0	37.0	40.0	
Balance sheet total (Euro million)	**7,493**	**7,695**	**7,770**	**+1.0 %**
Employees	**26,228**	**26,406**	**26,907**	**+1.9 %**
- Food	11,488	11,752	12,272	+4.4 %
- Beer and Non-Alcoholic Beverages	5,907	5,725	5,689	-0.6 %
- Sparkling Wine, Wine and Spirits	2,023	2,040	2,028	-0.6 %
- Shipping	4,468	4,512	4,491	-0.5 %
- Other Interests	2,342	2,377	2,427	+2.1 %
- Bank (at equity)	574	585	628	+7.4 %

Percentages relate to exact turnover figures, not to rounded sums.