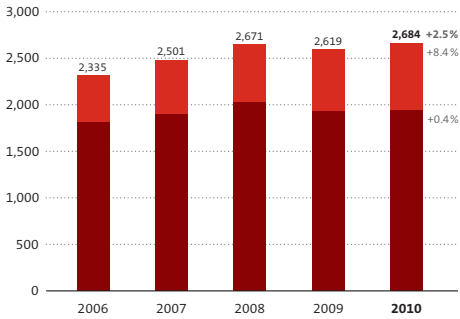


# Short Profile Facts and Figures 2010



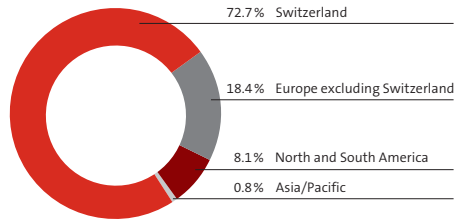
## Net sales

in CHF million



International  
Switzerland

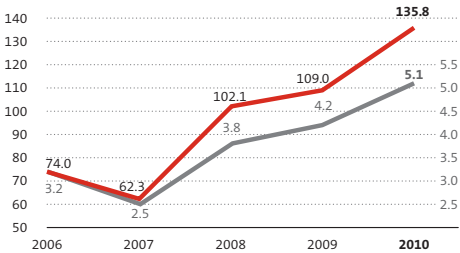
## Net sales by country group 2010



## EBIT

in CHF million

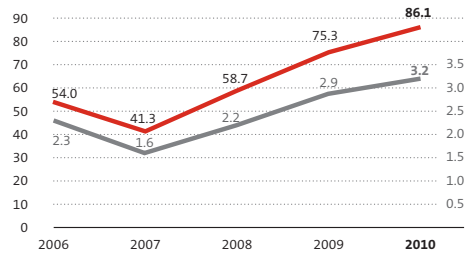
as % of net sales



## Net profit

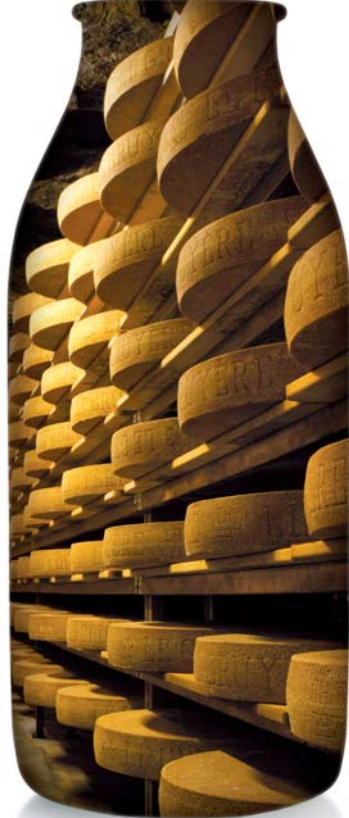
in CHF million

as % of net sales



## Key figures Emmi Group

Amounts in CHF million	2010	2009	Change
Net sales	<b>2,684</b>	2,619	+2.5%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	<b>233.6</b>	208.3	+12.2%
as % of net sales	<b>8.7</b>	8.0	
Earnings before interest and taxes (EBIT)	<b>135.8</b>	109.0	+24.5%
as % of net sales	<b>5.1</b>	4.2	
Net profit	<b>86.1</b>	75.3	+14.3%
as % of net sales	<b>3.2</b>	2.9	
Investment in fixed assets (excl. acquisitions)	<b>107.0</b>	77.5	+38.1%
as % of net sales	<b>4.0</b>	3.0	
Headcount (full-time equivalents) as at 31.12.	<b>3,701</b>	3,525	+5.0%
Net sales per employee in CHF 000s	<b>725</b>	743	-2.4%
Volume of milk and cream processed in kg million	<b>992</b>	943	+5.2%
	<b>31.12.2010</b>	31.12.2009	
Total assets	<b>1,729</b>	1,655	+4.5%
of which shareholder's equity incl. minority interests and convertible bonds	<b>977</b>	916	
as % of total assets	<b>56.5</b>	55.3	



## The secret is the cave

Of the hundreds of products made from Swiss milk, we are particularly proud of our Kaltbach cheese specialities. Handmade in the traditional way in Switzerland's best village cheese dairies, the wheels of cheese are carefully selected before being taken to mature in the sandstone cave in Kaltbach in the Canton of Lucerne.

## The year in review

Emmi can look back on a successful year, having achieved 2.5% growth in net sales to CHF 2,684 million and therefore exceeding expectations despite the difficult currency situation.

Net profit rose by 14.3% to CHF 86.1 million, increasing the net profit margin from 2.9% to 3.2%. This improvement in earnings is the result of consistent implementation of our strategy, a successful presence in both the Swiss market and our key international markets, and rigorous cost management.

Emmi's corporate strategy showed itself to be robust in 2010. The year saw a further strengthening of the three strategic pillars, enabling Emmi to defend its leading market position in Switzerland, achieve stronger than expected international growth and realize cost savings as planned.

The optimized product portfolio, among other things, contributed to organic growth, with investments being made in well-known brands such as Emmi Caffè Latte and Kaltbach as well as in repositioning around 150 products under the Emmi umbrella brand. The latest acquisitions also brought added momentum. Emmi Roth USA, acquired in 2009, performed well and our shareholding in Geneva-based Nutrifrais, also acquired in 2009, posted sales growth primarily in yoghurts and desserts. Fromalp, with an export share of 40%, contributed to growth in Switzerland and abroad from mid-2010. The acquisition of the Onken brand rights will lead to a strengthening of Emmi's position in the UK and Germany from 2011 onwards.



## Careful processing from start to finish

Before being blended into the creamy yoghurt, the raspberries are carefully processed. Emmi has been producing fruit preparations for decades, constantly building on its expertise. Emmi prides itself on high-quality, natural products. And it goes without saying that there are no added preservatives or artificial colourings.

## Performance in Switzerland

With the exception of dairy products and fresh cheese, all product groups achieved sales growth, thanks largely to the positive trend in fresh products, in particular continuing growth of Emmi Caffè Latte, as well as the acquisition of Fromalp and Nutrifrais.

Emmi posted net cheese sales of CHF 546.0 million in 2010, signifying growth of 2.7% compared with CHF 531.7 million the previous year. Contributory factors included the positive development of the Kaltbach and Luzerner brands, as well as the Fromalp acquisition, which brought growth in the second half-year. A negative influence was the price pressure from own-brand products in the lower price segment, which was attributable to increasing import volumes. Net sales of fresh cheese were down 2.0% to CHF 131.9 million, from CHF 134.6 million the previous year. This

was attributable to price reductions due to lower milk prices and increasing import pressure from own-brand products.

Fresh products were up 3.3% on the previous year, from CHF 357.7 million to CHF 369.6 million. Emmi Caffè Latte made a positive contribution with a double-digit growth, as did the sales increase achieved by Nutrifrais, which was acquired in 2009. Sales of dairy products (milk, cream and butter) dropped by 2.5% to CHF 717.2 million, compared with CHF 735.4 million in the previous year. Sales of powder/concentrates were up 2.4% from CHF 65.0 million to CHF 66.5 million in 2010.

### Net sales by product group: Switzerland

in CHF million	Sales 2010	Sales 2009	Sales 2008	Difference 2010/2009	Acquisition effect	Currency effect	Organic growth
Cheese	546.0	531.7	542.4	2.7%	4.3%	–	-1.6%
Fresh cheese	131.9	134.6	138.1	-2.0%	0.3%	–	-2.3%
Fresh products	369.6	357.7	358.7	3.3%	2.9%	–	0.4%
Dairy products	717.2	735.4	788.8	-2.5%	0.3%	–	-2.8%
Powder/concentrates	66.5	65.0	78.1	2.4%	–	–	2.4%
Other products and services	120.7	119.7	139.4	0.8%	0.3%	–	0.5%
<b>Group</b>	<b>1,951.9</b>	<b>1,944.1</b>	<b>2,045.5</b>	<b>0.4%</b>	<b>1.9%</b>	<b>–</b>	<b>-1.5%</b>



## Freshly roasted, freshly made

Emmi Caffè Latte's success story began with a coffee machine in the development department in Emmen. Even now, only freshly brewed espresso is used. No coffee powder, no flavourings, just pure coffee – up to 116 beans per cup. The freshly roasted coffee from the Rast gourmet roasting facility is brewed in an oversized coffee machine.

## International performance

With the exception of fresh products, sales rose in all product groups. The cheese segment performed particularly well, achieving significant growth. Improved consumer sentiment in the US and Germany, Emmi's two largest foreign markets, also contributed to this result and helped mitigate the effects of the strong Swiss franc.

Net sales of cheese increased from CHF 387.7 million to CHF 411.6 million in 2010 (+6.2%). Thanks to the extremely strong performance of Emmi Roth USA, we succeeded in substantially increasing not only sales of locally produced cheese in the US but also of cheese exports from Switzerland. Fondue sales increased significantly in almost all key markets. Further important factors contributing to the rise in sales included the acquisitions of Fromalp and the US firm Cypress Grove Chèvre.

Net sales in the area of fresh cheese rose from CHF 0.6 million to CHF 33.2 million in 2010, as a result of the new partnership with Venchiaredo and the expansion of the Trentinalatte brand in Italy. Fresh products posted a 7.2% decline in net sales to CHF 191.5 million from CHF 206.3 million in the previous year. This was primarily due to currency factors. Dairy products achieved sales of CHF 16.5 million. Compared with CHF 10.3 million the previous year, this figure signifies an increase of 59.8%. Sales of powder/concentrates rose by 0.5% from CHF 20.5 million to CHF 20.6 million in 2010.

### Net sales by product group: International

in CHF million	Sales 2010	Sales 2009	Sales 2008	Difference 2010/2009	Acquisition effect	Currency effect	Organic growth
Cheese	411.6	387.7	330.3	6.2 %	5.6 %	-3.5 %	4.1 %
Fresh cheese	33.2	0.6	1.6	n/a	–	–	n/a
Fresh products	191.5	206.3	222.7	-7.2 %	–	-7.2 %	–
Dairy products	16.5	10.3	7.4	59.8 %	37.5 %	-5.0 %	27.3 %
Powder/concentrates	20.6	20.5	11.9	0.5 %	–	–	0.5 %
Other products and services	58.4	49.8	51.4	17.4 %	0.1 %	-6.7 %	24.0 %
<b>Group</b>	<b>731.8</b>	<b>675.2</b>	<b>625.3</b>	<b>8.4 %</b>	<b>3.8 %</b>	<b>-4.8 %</b>	<b>9.4 %</b>

## Three-pillar corporate strategy

As an independent company, Emmi wants to consolidate its strong market position and achieve long-term success in open markets. It intends to achieve this by means of a strategy based on three pillars, namely defending its strong position in its domestic market, targeted international growth and dedicated, long-term cost management. Using this strategy, Emmi aims to generate a net profit margin of 2.5% to 3.5% over the next few years and to maintain shareholders' equity of at least 40%. Over the medium to long term, Emmi's goal is to generate sales of CHF 4 billion, through organic growth and acquisitions in key international markets.

As the largest Swiss milk processor and a reliable trading partner, Emmi commands a strong domestic base and will maintain this position going forward through product and service quality and a high degree of professionalism. Thanks to

effective measures aimed at improving efficiency, and strict cost management, Emmi is investing in productive structures that conform to European standards to equip itself for an ever-increasing degree of market liberalization. Emmi wants to remain competitive, operating from its Swiss base, and strengthen the Swiss production location for the long term by means of strengthening its brand platforms, targeted innovation and more efficient operational processes.

Emmi's key markets are Germany, Italy, Austria, the UK, Benelux and the US and the company aims to further expand its international business in these countries. Emmi also selectively exploits opportunities in other markets and works closely with strategic partners.

## The Emmi brand strategy

Competing with the largest food groups requires a successive strengthening of the Emmi brand and a strategic focus on individual markets. Thus, around 150 products were repositioned under the Emmi umbrella brand in 2010. This repositioning is one of the pillars of Emmi's marketing strategy. The products now have a new look with typical Swiss symbols and the silhouette of a mountain peak in red and white. This re-branding helps to reinforce the Emmi brand.

Emmi has also invested in other products with growth and earnings potential. To meet the growing demand for cave-aged cheese specialties (another key pillar of the Emmi marketing strategy), Emmi has doubled the capacity in the sandstone cave in Kaltbach in the Canton of Lucerne.

In addition, the internationally established brand Emmi Caffè Latte has been bolstered by marketing activities in Switzerland, Germany, Austria, the UK and Benelux. The Emmi marketing strategy is complemented by the two "well-being" brands Benecol and Aktifit. These products not only taste good but make a positive

contribution to health thanks to the enrichment of natural ingredients such as vitamins, natural plant stanols and bacteria cultures. Innovation is being used to add to these brand platforms in a targeted manner.

As well as these four strong brands, the Emmi Group has "local gems" which are managed as independent brands. In Switzerland, these include Gerber, Luzerner and Yogi Drink. Good examples outside Switzerland are Roth Käse in the US, the established yoghurt brand Onken and the Italian brand Trentinalatte. Emmi's strategy has proven effective and will continue to be pursued.



## A modern interpretation of a traditional dish

The original Swiss Bircher muesli has been part of the country's culinary heritage for over a century. This mixture of yoghurt, fruits and cereal flakes makes for a light, appetizing meal. Emmi's Swiss Muesli is a rediscovery and a modern interpretation of this traditional recipe. Beside yoghurt and fruits, the other main ingredients are cereal flakes made from Swiss wheat and oats.

## Employees as a success factor

Emmi recognizes that its employees are one of the company's most important success factors. Human resources is therefore considered to be of high strategic importance. Emmi aims to be perceived as a preferred, successful employer that is seen to value its employees.

Five corporate values govern how all employees work together:

- We are Emmi!
- We are market-oriented!
- We know how!
- We are proactive, and not afraid of hard work!
- We are continually developing!

All employees have access to a variety of options to express their concerns, opinions and ideas. In general, it is the role of the employee committees (Peko) to represent employees' interests to management. Employee involvement is not limited solely to the Peko. Various locations are now gathering employees' ideas and implementing them jointly with the employees as part of the cost and quality optimization program.

One of the responsibilities of a preferred, successful employer is to develop and encourage its employees. A wide range of training opportunities is available to all employees, with a particular emphasis on professional training, methodology and management. Emmi is also committed to promoting talent in a targeted manner. The goal is to invest today in developing the skills of tomorrow's key persons. From time to time Emmi also offers placements at foreign subsidiaries.

Professional training forms an important basis for securing the necessary skills and knowledge at Emmi. The company therefore employs over 100 apprentices. Once again in 2010, all apprentices successfully completed their final exams. The apprentice retention rate is currently around 50% and this figure is to be gradually increased.



## Simmered and extracted

Delicate ice cream melting on the tongue makes for a moment of perfection. Emmi uses specially selected vanilla for its extra-creamy Crema di Latte ice cream. Before making the ice cream, the pods are simmered in cream in the traditional manner. Natural vanilla extract is then added. Marzipan and rose water contribute further layers of flavour.

## Committed to quality and sustainability

As a premium dairy, Emmi has a great responsibility towards consumers. High quality and food safety are of the utmost importance for the company. The organization of quality management, areas of responsibility and ongoing optimization processes are defined in “Emmi Process Management”, which has numerous certifications. Emmi makes effective use of the HACCP (Hazard Analysis and Critical Control Points) concept as a key element of the self-regulation process. Internal and external audits serve to review the required quality standards and their ongoing optimization – from raw material to end product. Emmi is also certified to produce organic products and bears the “Suisse Garantie” label. Based on the conviction that only the best is good enough for consumers, Emmi deliberately goes beyond legal requirements in its quality and safety concepts.

The processing of natural, high-quality raw materials is a decisive factor for success with Swiss dairy products. This includes environmentally friendly production and avoiding using genetically modified raw materials. Emmi aims to be synonymous with naturalness, quality and safety. It requires the same self-image from its suppliers, the Swiss milk producers who commit to meeting strict requirements for sound environmental practice certification and refrain from using any genetically modified animal feed.

Emmi is therefore leading the way in terms of sustainability, is committed to moderate usage of natural resources throughout the value chain, and undertakes to pursue environmentally aware corporate management. An in-house environmental management team is responsible for defining environmental objectives, monitoring compliance and documenting performance at regular intervals. Under this process, Emmi complies with international standards. All Emmi locations in Switzerland are ISO 14001-certified and are audited on an annual basis by an independent certification institute. Emmi has been a member of the Energy Agency for Industry (EnAW) since 2003. In recent years, the company has worked carefully towards reaching the CO<sub>2</sub> objectives agreed with the federal government in 2010. It has been able to exceed the agreed objectives by means of broadly diversified measures. Emmi will publish an independent corporate sustainability report for the first time in summer 2011.



## Members of the Emmi Board of Directors

Members of the Emmi Board of Directors	Year of birth	Country of origin	Education	First elected
<b>Konrad Graber</b> Chairman of the Board of Directors	1958	CH	Business Administration, HWV Certified Auditor	2006 2009 Chairman
<b>Moritz Erni</b> Vice-Chairman of the Board of Directors	1952	CH	Certified Master Farmer Certified Independent Farmer	2003
<b>Dominique Christian Bach</b>	1957	FR	Stanford Executive Program, USA Marketing EDHEC, Lille, France	2010
<b>Stephan Baer</b>	1952	CH	Economics lic. oec. publ.	1999
<b>Joseph Deiss</b>	1946	CH	Economics and Sociology Prof. Dr. rer. pol.	2007
<b>Hans Herzog</b>	1951	CH	Certified Master Farmer	2002
<b>Hanspeter Müller</b>	1943	CH	Certified Accountant	1999
<b>Thomas Oehen-Bühlmann</b>	1958	CH	Certified Master Farmer	2009
<b>Josef Schmidli</b>	1957	CH	Federal Commercial Diploma Certified Master Cheesemaker	2003

## Members of Emmi Group Management

Members of Emmi Group Management	Year of birth	Country of origin	Education	Current function
<b>Urs Riedener</b>	1965	CH	Business Economist lic. oec. HSG Stanford Executive Program, USA	CEO
<b>Robin Barraclough</b>	1967	GB	Economist	Head of Marketing
<b>Reto Conrad</b>	1966	CH	Business Economist lic. oec. HSG Certified Auditor	CFO
<b>Othmar Dubach</b>	1958	CH	Certified Food Engineer ETH MBA	Head of the Cheese Division
<b>Marc Heim</b>	1967	CH	Business Economist lic. oec. HSG	Head of Sales
<b>Matthias Kunz</b>	1960	CH	Certified Agronomics Engineer ETH MBA	Head of the International Division
<b>Robert Muri</b>	1950	CH	Certified Engineer HTL Dairy Farming MBA	Deputy CEO, Head of the Dairy Products Division
<b>Max Peter</b>	1954	CH	Certified Engineer HTL Mechanical and Production Engineering	Head of Retail and Supply Chain Management
<b>Natalie Rüedi</b>	1971	CH	Certified Primary School Teacher EMBA	Head of Human Resources
<b>Markus Willmann</b>	1956	CH	Certified Food Engineer ETH Dr. sc. techn. ETH	Head of Industrial Business



### Procurement

Emmi exclusively processes raw milk from Swiss milk producers who satisfy the strict requirements for sound environmental practice certification. This certification guarantees that sound environmental and animal practices are applied and that no genetically modified ingredients are used. Emmi's suppliers must commit to this.



### Receiving and quality control

The milk is subject to the first round of quality testing immediately after receipt at the various production facilities. This ensures that only the best possible milk is used in processing. Quality controls are carried out throughout the entire production process.



### Processing

The Emmi production facilities are competence centres for the manufacture of dairy products of all types. Raw milk is processed here to produce cheese, fresh products, dairy products and powders. Alongside industrial milk processing, Emmi sources additional ready-to-use products, such as commercially produced cheeses, and integrates them into the value chain.



### Refining

That extra little touch turns a product into a delicacy. This is Emmi's credo, one which it lives up to, for example, with the cave-ageing of its cheese specialities in Kaltbach (LU), where cheeses mature in a unique natural climate. Fresh products also benefit from that little extra touch of refinement. For example, Emmi Caffè Latte, which is made exclusively with freshly brewed espresso.



### Filling and packaging

Today almost all milk processing is carried out in closed systems, ensuring the highest possible level of safety and hygiene. Finished products are prepared for dispatch by logistics teams, in accordance with clients' specific requirements and in line with Emmi's role as service partner for the retail, industrial and catering sectors.



### Logistics

Goods shipments are coordinated by the logistics centres and deliveries dispatched to Switzerland, Europe, overseas and far flung regions all over the world.

## Emmi Switzerland

### Lucerne headquarters

Emmi, Habsburgerstrasse 12, 6002 Lucerne

### Dagmersellen

Emmi, Stationsstrasse 21, 6252 Dagmersellen  
Production of powdered milk, fresh cheese  
Sales to industry

### Emmen

Emmi, Seetalstrasse 200, 6032 Emmen  
Production and development of fresh products  
Production, pre-packaging and development of cheese

### Kaltbach

Emmi, Dorf, 6212 Kaltbach  
Production of cheese specialities  
KALTBACH cheese-ageing cave

### Kirchberg

Emmi, Winkelweg 4, P. O. Box 545, 3422 Kirchberg  
Pre-packaging of cheese  
Export

### Küssnacht

Emmi, Zugerstrasse 60, Fänn, 6403 Küssnacht  
Supplies to catering and retail trade

### Langnau

Emmi, Bahnhofstrasse 32, 3550 Langnau i. E.  
Production of fresh cheese, processed cheese and  
fondue

### Ostermundigen

Emmi, Milchstrasse 9, 3072 Ostermundigen  
Production of fresh products and ice cream

### Suhr

Mittelland Molkerei AG, Obertelweg 2, 5034 Suhr  
Production of fresh and dairy products

### Further Emmi locations

Distribution of cheese specialities:  
Zollikofen

Frozen warehouse: Kriens

Maturation: Gossau, Landquart, Lucerne, Moudon,  
St-Imier, Thun, Zollikofen

Packaging: Nüziders (Austria)

Production of cheese:  
Bever, Landquart, Saignelégier, Sarnen, Stein,  
various village cheese dairies

Production of fresh products:  
Bever, Bischofszell, Frenkendorf, Geneva

Production of processed cheese and fondue:  
Zollikofen

Supply of dairy products to catering trade:  
Zurich

## Emmi International

### Austria

Emmi Österreich GmbH, Illweg 8, A-6714 Nüziders

### Belgium and Luxembourg

Emmi Belux SA, Chaussée de la Hulpe 166,  
Section C, B-1170 Watermael-Boitsfort

### Canada

Emmi Canada Inc., 1370 rue Joliot-Curie,  
Boucherville (Québec), J4B 7L9

Switzerland Cheese Marketing Inc.,  
1370 rue Joliot-Curie, Boucherville (Québec), J4B 7L9

### France

SAS Emmi Ambrosi France E.A.F.,  
5 place de l'île de Beauté, F-06300 Nice

### Germany

Emmi Deutschland GmbH, Maxstrasse 64,  
D-45127 Essen

### Italy

Emmi Holding Italia S.r.l., Corso Magenta 56,  
I-20123 Milan

Emmi Italia S.p.A., Corso Magenta 56, I-20123 Milan

Trentinalatte S.p.A., Via dell'Adige Vecchio 15,  
I-38030 Roverè della Luna (TN)

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Emmi Nederland, Zuiderhavenweg 4, NL-4004 JJ Tiel

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Emmi Lácteos España, S.L.U., Calle Soto de Aizoain,  
E-31080 Pamplona

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Putney, London SW15 2NU

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Suite 220, Orangeburg, NY 10962

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Orangeburg, NY 10962

Emmi Roth USA, Inc., 657 Second Street, Monroe,  
Wisconsin 53566

Switzerland Cheese Marketing (USA) Inc.,  
100 Dutch Hill Road, Suite 220, Orangeburg, NY 10962

CASP LLC, 105 Horizon Park Drive, Penn Yan, NY 14527

Cypress Grove Chèvre, Inc., 1330 Q Street,  
Arcata CA 95521



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#### **Translation**

CLS Communication AG, Basel

#### **Printing**

Neidhart + Schön Group, Zurich

This short profile is available in German, English, French and Italian.

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