



Press Release

Hochwald becomes a stakeholder in Solarec

Thalfang/Recogne, 14.02.2014

The Société Laitière de Recogne S.A. (Solarec) in Belgium and Hochwald Foods GmbH are intensifying their cooperation. Hochwald is a shareholder in Solarec and will deliver 50 million kg of raw milk to Recogne, where it will be processed into milk powder and butter and marketed.

The goal of both companies, structured as cooperatives, is to continue their growth by processing more milk and collaborating in sales and marketing. In this context, a Letter of Intent for the founding of a Joint Venture has been drawn up. This company will organize the distribution of standard milk powder of both partners. The resulting larger market volume will create increased marketing options for the companies.

Since 2012, both companies are marketing long-last milk products in Belgium, the Netherlands, Luxembourg and France with their joint venture AHL. The sales and revenue targets of AHL were exceeded in the first year and the product range is consistently being expanded.

About Solarec:

The Belgium company Solarec S.A., Recogne processed approx. 760 milk in 2013 and achieved a turnover of approx. EUR 341 million. Milk supplied by 2000 dairy farmers is processed into e.g. UHT milk, milk powder products and butter. Approx. 40% of products are exported.

About Hochwald:

In 2013, Hochwald Foods GmbH, headquartered in Thalfang, Germany, processed milk in excess of 2.2 billion kg milk and achieved a turnover of EUR 1.43 billion and including cooperation partners, EUR 1.5 billion. With production locations in Germany and in the Netherlands, Hochwald covers the entire spectrum of milk products, supplemented by a range of canned sausages. The company's export rate is around 37%.