



INVESTOR ANNOUNCEMENT

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Arla to sell juice subsidiary Rynkeby Foods

After months of strategic analysis Arla has decided to sell its juice subsidiary Rynkeby Foods A/S and will now initiate a sales process to identify the right buyer to take the Rynkeby business forward in its strategic development. This process is expected to be concluded by the end of the second quarter of 2016.

Rynkeby Foods A/S is the largest manufacturer of juice and cordials in the Nordic region, producing more than 150 million litres of beverages for consumers primarily in Denmark and Sweden. The company was founded in 1934, but has been fully owned by Arla Foods since 1998.

Arla has spent the last four months analyzing the strategic options and potential for Rynkeby, and Arla's management and board of directors have now concluded that a full sale of the subsidiary is the best long-term strategic solution for both Arla and Rynkeby.

"Over the past two decades Arla has sold off subsidiaries that do not have a direct link to dairy production in order to focus on our core business. Rynkeby is the last remaining subsidiary in the Arla Group not linked to milk, and it is our assessment that the Rynkeby business will be better suited under new ownership that can take the company to the next level in its future development," says vice-CEO in Arla Foods, Povl Krogsgaard.

Sales process to run until mid-2016

Rynkeby is a profitable subsidiary for Arla, with a potential for further growth. However, since it is Arla's main priority to focus its future investments on its core business of dairy production, Arla will now look for the right buyer to take over the Rynkeby business.

"We have begun to approach potential buyers this week and will now go through the process of identifying the right buyer and best offer. We expect this process to be concluded by the end of the second quarter next year," says Povl Krogsgaard.

Facts about Rynkeby:

- Rynkeby Foods A/S is a Denmark-based supplier of juice and cordials, producing more than 150 million litres pr. year for consumers primarily in Denmark and Sweden.
- Revenue in 2014: 1.1 billion DKK (150 million euro).
- 208 employees
- Headquarter and main production site located in Ringe, Denmark.