



**Roth Käse
USA Ltd**

Media release

Position bolstered on the US cheese market

Emmi acquires US producer Roth Käse USA Ltd

Lucerne, 8 January 2009. On 1 January 2009, Emmi is set to acquire US cheese specialist Roth Käse USA Ltd, thereby expanding its position in the US cheese industry. Since 2006, Emmi has been a strategic partner with a minority stake in Roth Käse USA Ltd, which is growing strongly on the US cheese market, especially in the food service sector. Emmi has been successfully marketing Swiss cheese in the USA for years. Both companies are joining forces to continue growth in the retail and food service sectors with Swiss premium cheese and American specialities. The parties have agreed not to disclose the purchase price.

Emmi plans to reinforce its market position as the leading producer of Swiss cheese around the world, with a special focus on Italy, Germany and the United States. Upon its total acquisition of the company domiciled in Monroe, Wisconsin, on 1 January 2009, Emmi will hold 100% of the shares in Roth Käse USA Ltd. Roth is among the ten leading US companies which produces and markets domestic cheese specialities, with its main focus on the food service sector. Roth employs some 125 people and books sales of approx. USD 90 million. For many years, Emmi has been a successful importer of Swiss cheese in the USA, where it also markets premium yoghurts manufactured by a partner company. For about a year, Emmi has been producing Emmi Caffè Latte in the state of New York. It is currently being test-marketed in multiple regions. Emmi's sales on the US target market total approximately USD 90 million. Upon acquisition of Roth Käse, the USA will become Emmi's largest foreign market.

Both companies are focused on joint growth, but will continue to operate as separate entities in the future. Emmi holds a strong position in the retail sector with Swiss cheese, primarily Le Gruyère AOC and other specialities such as Emmi Kaltbach Cave-Aged. Roth, meanwhile, has a solid market standing with American delicacies in the growing food service industry. Their cooperation over the last three years has revealed that, with a broader, more balanced product range, Emmi and Roth can fortify their position while increasing sales opportunities for the entire product line throughout all distribution channels. The acquisition of Roth Käse taps new sales channels for the Swiss cheese line in the food service sector. The US cheese market is worth around USD 16.4 billion, with speciality cheeses accounting for around USD 1 billion of this amount. The segment posted above-average growth of 15 percent last year. For Emmi, the acquisition of the US cheese specialist is therefore "a logical step in our strategy and creates a solid foundation for expanding our food service segment", as CEO Urs Riedener explains.

Synergies coupled with high growth potential

In January 2006, Emmi purchased a minority shareholding in Roth Käse and has been a partner of the leading US cheese company for three years. Fruitful cooperation, Roth Käse's steady growth over the past few years, promising long-term growth prospects on the US market and the desire of the majority shareholders to shape a common future with Emmi were catalysts of the acquisition. We feel that Emmi is an ideal partner and will complement our product range very nicely. We are confident that our company will flourish with Emmi in the future, thanks to

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Ein Unternehmen der Emmi Gruppe



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multiple synergies+, says Fermo Jaeckle, one of Roth Käse's founders and its largest shareholder.

Steve McKean and Fermo Jaeckle will continue to manage Roth Käse's operational business in 2009. Both will also remain on the company's advisory board for the long-term.

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About Roth Käse USA Ltd

The company Roth Käse USA Ltd was founded in 1991 by Fermo Jaeckle and Felix and Ulrich Roth with the aim of producing high-quality speciality cheeses and distributing them on the US market. Roth Käse USA Ltd, domiciled in Monroe, Wisconsin, employs some 125 people and has sales of approx. USD 90 million. The company is among the 100 largest milk processing plants in the US and focuses on American cheese specialities for the US food service industry. Over the past few years, Roth Käse Ltd has won over 100 awards in regional, national and international competitions.

About Emmi

Emmi is the largest Swiss milk processor and one of the most innovative premium dairies in Europe. In Switzerland, Emmi focuses on the development, production and marketing of a full range of dairy and fresh products as well as the production, ageing and trade of primarily Swiss cheeses. Outside Switzerland, Emmi concentrates on brand concepts and specialities in European and North American markets. The primary focus in fresh products is on lifestyle, convenience and health products. In the cheese business, Emmi positions itself as the leading company worldwide for Swiss cheese. Emmi's customers are primarily the retail trade, the food service sector and the food industry. In the first half of 2008, Emmi achieved net sales of CHF 1.3 billion and employed a total of 3,351 people (full-time equivalents) in Switzerland and abroad.