



WESTFLEISCH
FROM FARMERS. DIRECTLY.

Westfleisch achieves respectable result in 2013

***European Top-5-meat marketer from Münster
presents new all-time high: 2.5 bn Euro turnover in
year 2013 / Constantly attractive dividend of 4.5 % /
Investment for the future***

Westfleisch closes the business year 2013 with a „respectable annual result“. The cooperative with more than 4,000 members, located in North Rhine-Westphalia, ranks amongst the top-five meat marketers in Germany and Europe. „The company stands as stable as hardly ever before in volatile markets“, Dr. Helfried Giesen, spokesman of the Westfleisch eG Board, informed the farmers and members at the general meeting on Thursday, June 5 in Münster. Against the sector trend the group of companies achieved a turnover of approx. 2.51 bn Euro (+1.3 % compared to the previous year). The sales quantity of approx. 900,000 tons (+1.7 %) is a new all-time high in the 86 years of Westfleisch history as well.

Added value further extended

In the last business year Westfleisch produced approx. 10 % of the red meat manufactured in Germany in total. In spite of the record high Giesen classified the recent business year as a “year of consolidation” of the farmers’ cooperative. The depth added value was further extended in deboning, self-service packaging of fresh meat and sausage production sectors. According to Giesen this redounded in 2013 more than in the recent years to a “satisfying balance” that he rendered together with his fellow board member Carsten Schruck. Exports secured - despite bans from Russia and China – the group’s yield and hence the regional production.

7.3 million pigs processed

With special cooperation contracts the Westfleisch farmers safeguard the precious raw material for pork, beef and veal. 7.8 m animals were slaughtered in the

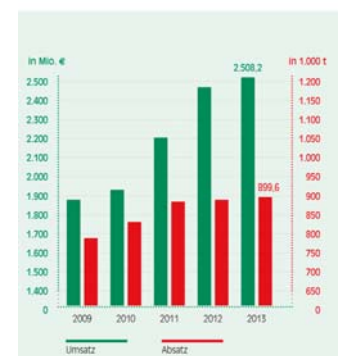
Press release

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***New all-time high
2.5bn Euro turnover.
Details: Annual report p.27***

company-own meat plants last year. Compared to the previous year the percentage of pigs (excl. sows) increased by 1.1 % to 7.3 m heads. The demand for veal grew in particular. The percentage increased by 6.3 % to 60,000 heads in year 2013.

More than ever before, retail customers and consumers claim the origin of the precious food should be traceable, Giesen explained. In 2013 Westfleisch has included the commitment to sustainable production and direct origin from farming even in its company logo: „From Farmers. Directly.“ The Westfleisch business objectives - based on the cornerstones sustainability, regionality and animal welfare - are monitored, documented and third party certified.

Pioneer role for Westfleisch

Westfleisch, as a company owned by farmers, assumed already several times a pioneer role in the German meat industry. „With high quality and safety standards, the meat sector must regain trust that was lost in the past and must fight for it“, can be read in the current Westfleisch annual report. For example by means of the „Brancheninitiative Tierwohl“ (Animal Welfare Initiative), mutually agreed by the food retail sector and the German Farmers' Association DBV. Thereby Westfleisch feels reassured in its „Aktion Tierwohl“, which was initiated with the participation of more than 120 farmers three years ago. Much experience from this will be incorporated in the new sector initiative and its intention that more welfare shall become standard for animals for production.

What Westfleisch has practiced for seven years already, paying a voluntary minimum wage, will become statutory in the meat sector starting this summer. A code of ethics for the collaboration with service contractors will define the social requirements of employees of subcontractors. The annual sustainability report complying with the high GRI-standard is part of the neutrally checked „Westfleisch Partnership for Quality“, in which economic, ecological and social aspects are independently checked on a regular basis.



*Sustainably produced, origin:
„From Farmers. Directly.“
Details: Annual report p.18*

Out-of-home consumption growing

Westfleisch has picked up a significant social trend: the consumption of out-of-home meals and the snack in-between are increasing in Germany. Lunch specials, party service and catering account already for a quarter of the turnover of butcheries.

Works canteens, lunch offers in schools and kindergartens provide a growing turnover, although the per-capita consumption of pork and beef is slightly declining in Germany.

Westfleisch has responded to this development with investments of approx. 35 m Euro and the further upgrade of the group-own refining centers WestfalenLand and Gustoland. This plus of added value is positively reflected in the 2013 profit and loss statement. Gustoland increased the sales of sausage by 11.1 % in 2013. The convenience specialist IceHouse, subsidiary of WestfalenLand - launched about four years ago is and located in Münster as well - enhanced the turnover even by 31 %. And in the current business year 2014 Westfleisch will probably invest further 33 m Euro in technology and sites.

Reapproved for export to China

Westfleisch increased exports to the European Union by 7.7 % to approx. 300,000 tons. Meat from Westfleisch is requested well in Scandinavia (+15.3 %) just as in the Czech Republic (+28 %) and Romania (+40.6 %). Giesen: „Anyone who wants to stay successful in the market is essentially dependent on exports.“ In the last business year Westfleisch exported 41.3 % (-0.1 %) of its meat production. Compared to the previous year the export percentage rose to 32.8 % (+0.1 %). Westfleisch was temporarily cut off from exports to the Russian (since February 2013) and the Chinese (since April 2013) markets. Only since spring of the current year, the direct access to the booming Chinese market is reopened again. The Russian ban on pork and certain pork products from Germany was imposed due to the outbreak of the highly infective African Swine Fever in Poland, so Westfleisch could supply 17.3 % less fresh meat. Fortunately interesting alternatives could be gained.



*More often and more occasionally: snacks to go.
Details: Annual report p.28*



*Strong EU exports, third countries weaker due to import stops.
Details: Annual report p.36*

No. 1 piglet marketer

Last year the „livestock“ sector (sales: +10.7 % / turn-over: +10.3 %) distributed approx. 2.3 m piglets to Germany and abroad. Hence Westfleisch remains the largest piglet marketer in Germany. Approx. one-fifth of the piglets are mainly exported to Central and Eastern Europe.

Equity ratio kept constant, attractive dividends

The Westfleisch equity ratio in the Group amounts to more than 42 %. And this „although we returned more than 20 m Euro ‚borrowed equity‘ in 2013 to our banking institutions“, CFO Schruck explicated. Based on this fact Westfleisch stays financially very sound.

Westfleisch again safeguards continuously attractive dividends of 4.5 % on the business assets of the cooperative as well as on the shares of the Westfleisch Finanz AG. The members of the general meeting decided to grant a dividend of 4.5 % just as in the year before. For the producers there are special bonuses amounting to a total of approx. 1.7 m Euro – due to the business development they are 25 respectively 50 % higher than in the previous year.

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*Westfleisch remains No.1-
piglet marketer in Germany.
Details: Annual report p.24*

Operating figures	2013	2012	+/-
Turnover	2,508 m €	2,475 m €	+ 1.3 %
Total sales	900,000 t	888,000 t	+ 1.7 %
thereof export	383,000 t	385,800 t	- 0.1 %
Total assets	442.5 m €	436.7 m €	+ 1.3 %
Owner's equity	188.9 m €	192.9 m €	- 2.0 %
Equity ratio	42.7 %	44.2 %	
<i>Slaughter capacity</i>			
pigs ²	7.4 m	7.3 m	+ 1.1 %
cattle	313,000	319,000	- 1.9 %
calves	59,600	56,600	+ 5.3 %

All figures Westfleisch-Group; ² incl. sows