



PRESS RELEASE

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Agreement in principle reached between Koninklijke Smilde and VION on Gebr. Smilde takeover

VION Ingredients intends to acquire Gebr. Smilde, producer and processor of animal fats. VION has already reached an agreement in principle with Koninklijke Smilde B.V. on the deal. The proposed takeover involves all business units in the Netherlands, Germany and Austria. The acquisition gives VION a position on the market for animal fats for human consumption. The works councils involved have been requested to give their advice.

Dirk Kloosterboer, who represents the Ingredients Division on the Executive Board at VION said of the proposed takeover: "The acquisition of Gebr. Smilde fits in with our ambition to provide the very best in quality in slaughter by-products both within our organisation and on the market. Up to now, VION has not had any active participation in the market for animal fats which are suitable for human consumption. The acquisition of Gebr. Smilde enables us to maximise value in the market for slaughter by-products."

Jasper Knoester, managing director of Koninklijke Smilde said, "The concern is now shifting its strategic focus. There will be a shift away from producing ingredients and semi-finished goods for the industry towards fully or almost ready-made consumer products for various target groups, such as the professional processing, retail, food service and business-to-business sectors. We would also like to focus more on the activities of our three Business Units *Fresh Refrigerated Products, Bakery Products and Margarine, Oils ad Fats*. These units are more complementary and together they offer the best prospects in terms of synergy benefits".

The takeover involves two sites in the Netherlands (Eindhoven and Harlingen), six sites in Germany (Bakum, Elsholz, Erolzheim, Gelsenkirchen, Kassel and Versmold-Bockhorst) and one site in Austria (Salzburg). The proposed acquisition has been submitted to the German and Austrian competition authorities. The respective Works Councils at VION and Gebr. Smilde have been asked to give their advice.

VION N.V.

VION N.V. is an internationally operating food group that produces high-quality foodstuffs and ingredients for humans and animals. The group consists of three internationally operating divisions: Ingredients, Fresh Meat and Convenience. VION has an annual turnover of EUR 7.4 billion and provides employment to 15,150 employees worldwide. The head office of VION is in Son en Breugel, the Netherlands.

www.vionfood.com

Gebr. Smilde

Gebr. Smilde is part of the Royal Smilde Food Group. This family business, established in 1863, attained a turnover of approx. € 285 million in 2006. In addition to the *Animal Fats* business unit, of which Gebr. Smilde is part, the group also comprises the units *Fresh Refrigerated Products*, *Bakery Products* and *Margarine, Oils ad Fats*. After the Second World War, the family concern expanded to become the foodstuffs concern it is today. Gebr. Smilde employs a workforce of approx. 200 in the Netherlands, Germany and Austria and processes animal fats into high-quality material for the human and animal food-processing industry.

www.gebrsmilde.nl

Note for the editors:

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