



“DMK Group
on track”



8.1

billion kilos of
raw milk processed



State-of-the-art factories, efficient production and sustainable structures: The DMK Group is on course. The bottom lines of past years are a demonstration: the cooperative model still has a future, even 200 years after the birth of cooperative pioneer Friedrich Wilhelm Raiffeisen. 22.6 million Germans are members of 8,000 cooperatives and cooperative-based companies. All over the world today, one billion people are organised within cooperatives.



Heinz Korte,
Chairman of the Supervisory
Board of the DMK Group

Heinz Korte has been Chairman of the Supervisory Board of Deutsches Milchkontor eG since 2015, and has also held the post of Chairman of the Supervisory Board of DMK GmbH since 2016. He was previously Vice-President of Landvolk Niedersachsen, the farmers' association of the Lower Saxony region. The 54-year-old master farmer took over his parents' dairy farm in Bremervörde with around 200 dairy cows in the year 1990 and has managed it since then. His team consists of a farm manager, three employees and an apprentice. Heinz Korte is married and the father of three children



Thomas Stürtz,
Chairman of the Board of
Management of Deutsches
Milchkontor eG

Thomas Stürtz has been a member of the Board of Deutsches Milchkontor eG since 2007, and was also appointed Chairman of the Board of Management in 2016. The 51-year-old graduate engineer and farmer took over his parents' dairy farm in the year 2000 and has managed it and a herd of around 350 dairy cows since then. His team consists of a farm manager, a herd manager, two employees and an apprentice. Thomas Stürtz is married and the father of three children

“The new course is starting to bear fruit”

A year ago, we presented grand plans to our members: We announced sweeping structural changes that were to set DMK on track after the years of extreme market crises and the huge growth in the company brought about by the merger. The time has now come to sum up our achievements to date: and the bottom line so far is positive.

Our new course has borne fruit even in this reporting period, and we have emerged strengthened by our company's restructuring. We are on the right track, as demonstrated not only by a profit of 29.6 million euros and a stable equity ratio of 31.1 percent, but also by the milk price of 36.29 eurocents per kilo that DMK earned in 2017. As a result, the company has long since been paying a milk price that is not only above the average of all German dairy companies, but also above the average of our peers among them. We discussed the

development of Milkmaster intensively in the executive bodies in 2017. We will comply with the desire to make it simpler and more practical without setting the programme's goals at risk. The conversion to non-GMO milk production and processing in 2017 came with major challenges for many of our members and the entire company. With this move, we are reacting to the demands of the grocery retailers, and offering conversion to all members on a voluntary basis and depending on the individual factories' possibilities. In addition, we contributed to the discussion about a German milk sector strategy for 2030 as well as other industry topics.

We designed the far-reaching investments of the past and also the company's present change process in close consultation with our cooperative's executive bodies. We have worked to win the confidence of the dairy farmers at many events and through a variety

of communication channels. We would like to take the successes so far - which were not always easily come by - as an opportunity to thank our members explicitly for their support. Because that is precisely what we need, and will continue to need going forward in order to achieve our common goal of a company geared towards long-term profitability.

Our realignment was aimed at earning the best possible milk price on a long-term basis by implementing a future-proof strategy and thereby regaining trust. Against this background, we also welcome the decision of the German competition authority, the Bundeskartellamt, to discontinue the proceedings against DMK that would have been a test case for the conditions under which raw milk is supplied for collection. In stating its grounds, the Bundeskartellamt explicitly cited the change in the articles of association passed by DMK's Annual Assembly

in June 2017, which offers every member the opportunity to reduce the two-year obligation to supply milk to one year. In order to earn good milk prices for our members in the long term, not just in the short term when market conditions are favourable, it is essential to future-proof the company's value creation. This also includes combining a comprehensive and permanent guarantee of sales for our cooperative's dairy farmers on the one hand and efficient factory utilisation, production and distribution planning at DMK' on the other. This interaction also illustrates the core issue: as a cooperative, we form a strong community of 7,500 active dairy farmers and cooperative owners and 7,700 DMK employees. Our goal, following the high-profile successes of 2017, is to give further joint evidence in the coming years of our performance capabilities, earn the highest possible milk price and shape our company's future successfully on a financially stable basis.

The 2017 fiscal year

Deutsches Milchkontor eG Group

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Deutsches Milchkontor eG Group

Upturn in the dairy market

The dairy market showed a recovery coupled with lower volatility in 2017. The German dairy farmers supplied 31.2 million tonnes of milk, around 0.1 million tonnes less than in the previous year. Milk prices recovered significantly after two years of decline, as a result of which the farm-gate milk price rose to 36 eurocents per kilo across the whole of Germany. Herd sizes stabilised further.

German production of drinking milk had fallen 3.8% by October, the volume sold at retail grocery outlets dropped by 5.2%. While the butter market reached an all-time record high of over 5 euros per kilo on average for the year, accompanied by a shortage of raw milk and a 10.6% fall in retail sales volumes, skimmed milk powder trailed because of an oversupply. Whole milk powder, in contrast, benefited from the high market price of milk fat. Cheese production declined on average by 0.8% in 2017 as the milk volume fell. The production of

sliceable cheeses rose, while that of fresh cream cheese dropped. After growth in the previous years, sales volumes fell off at grocery retailers, leaving the rise in the price of whey powder to prop up the falling cheese prices.

Germany successfully increased its exports of skimmed milk powder, evaporated milk, lactose and cheese, while packaged milk, bulk milk, yoghurt, butter and casein shrank. German exports outside the EU generally show more promise than those to EU countries.

Competitive milk prices

DMK continued to focus on optimising the value added obtainable for the raw milk and on increasing the farm-gate milk price. Partly because of DMK's restructuring, launched in 2016, the Board of Management was able to pay a competitive market price. DMK benchmarks its farm-gate milk price against the average price of conventional 3.4% protein, 4.0% fat milk in Germany for a defined group of peers made up of eleven dairy companies. In 2017, the company succeeded in earning an above-average benchmark price of 36.29

Group turnover of
5.8
billion euros

eurocents per kilo. The peer group's price was around 35.36 eurocents per kilo.

DMK decided on measures to cushion the volatility of the dairy market and resulting dips in performance in 2016, and implemented them vigorously in 2017. The company completed its workforce streamlining and the accompanying partial closure of the administrative unit at the Everswinkel site in 2017. In response to resignations by dairy farmers, which led to a lower milk volume, DMK decided to close the Rimbeck and Bad Bibra sites with effect from 2018. These measures have now been initiated. The cheese slicing and packaging operation at the Nordhackstedt site will also be shut down. The closure of the Bergen site on the island of Rügen is to follow in the coming year. To secure the utilisation of its production facilities, DMK reached initial cooperation agreements with third parties in 2017.

Expansion of profitable areas

DMK took a deliberate decision not to accept low-value-added contracts in the reporting period,

Equity ratio of
31.1
percent

and instead focused its internationalisation strategy on selected target markets. Expansion into profitable markets outside Germany remains one of the Group's core goals. DMK also energetically expanded its production of non-GMO milk (milk with no genetic modification) and extended it across its entire range of fresh dairy products and cheeses. With the acquisition of Uniekaas Holland B.V., the company acquired competence in the production and distribution of naturally matured cheese and added the internationally established "UnieKaas" cheese brand to the DMK family.

Average farm gate price of
36.29
eurocents/kilo

The German competition authority had initiated test proceedings against Deutsches Milchkontor eG and DMK Deutsches Milchkontor GmbH on 21 April 2016 on the grounds of the conditions of supply in raw milk collection. These proceedings were abandoned on 9 January 2018.

Increased sales revenues

Group turnover increased year on year to 5.8 billion euros, ahead of the 5.5 billion euro forecast. This is because new companies were included in the scope of consolidation and selling prices for some product groups were up considerably. The share of foreign sales in the 2017 fiscal year was around 43.1% (2016: 38.8 percent). Sales revenues rose in almost every part of the business due to

favourable price trends. The total consolidated net income improved from 13.5 million euros in the previous year to 29.6 million euros, despite restructuring programmes. Despite the charges on its income, restructuring programmes required by site closures and developments in the Business Units Ice Cream and Baby, DMK fell only just short of the forecast consolidated net income of around 30.0 to 35.0 million euros. In the year 2017, DMK launched a large number of new MILRAM brand products at grocery retailers and in the food service segment for bulk consumers, thereby improving the conditions for profitable growth in the branded products business. The success and value added contribution of the branded products business once more saw an increase in the reporting period. Oldenburger, DMK's export brand, continues to be a significant factor in its internationalisation. The company continues to drive extensions to the Oldenburger portfolio with value-added articles and has added a naturally matured cheese to this portfolio with the acquisition of UnieKaas.

Stable liquidity position

Liquidity planning is carried out centrally within the Group by DMK Deutsches Milchkontor GmbH. The main goal of financial management is to ensure liquidity while minimising financial expenses. Because of the positive cash flow from operating activities, sufficient unutilised lines of credit and the existing steering and planning systems, as in the previous year DMK does not expect any liquidity bottlenecks. The company was solvent at all times in the fiscal year and the liquidity position is stable. Significant investments in tangible assets in 2017 were devoted to the expansion of production capacity - in particular, new baby food production facilities in Strückhausen. The



billion kilos of
non-GMO milk

Consolidated net income of



million euros

consolidated equity ratio was 31.1% as of the balance sheet date in 2017 (31. 12. 2016: 34.3 percent). Equity rose overall by 13.3 million euros compared to an increase in the balance sheet total by 214.9 million euros, mainly due to initial consolidations and increased product price trends. As a result, the equity ratio fell year on year.

Action plans realised at a steady pace

The business, farm-gate milk prices and the operating business trended upwards overall in 2017, despite the fact that the extraordinary organisational restructuring expenses significantly depressed the net profit for the year, the ice cream segment's restructuring programmes have not yet taken effect as planned and the budgeted baby food sales have not yet been achieved. In the current year, DMK will continue to work on the steady implementation of the action packages it has launched, enabling the company to operate more efficiently and leverage value creation potentials.

For 2018, DMK is not only planning strategic investments in acquisitions, but also investments in processing capacity, an optimised energy supply for the factories, improvements in the sites' environmental compatibility and other measures. The investments will be focused on expansions in baby food production.

DMK will take preventive measures to counter the expected fall in the value added obtainable for its products by actively channelling a reduced milk volume into more profitable products. The focus will be on the individual business units' profitable businesses. The company will also continue to drive forward its self-imposed cost reduction programme so as to support its milk suppliers with competitive farm-gate milk prices.

Group profit and loss account in EUR million 1. January – 31. December		2017	2016
1	Sales revenues	5,795.6	5,064.5
2	Increase or decrease in finished goods inventories and work in progress	57.9	-21.2
3	Capitalised cost of self-constructed assets	1.4	1.5
4	Other operating income	88.9	69.8
	Subtotal	5,943.7	5,114.6
5	Cost of materials		
	a) Cost of raw materials, consumables and supplies and of purchased materials	4,820.0	3,938.8
	b) Cost of purchased services	21.9	27.6
		4,841.9	3,966.4
	Gross profit or loss	1,101.8	1,148.2
6	Personnel expenses		
	a) Wages and salaries	352.6	376.2
	b) Social security and other pension costs	70.6	72.4
		423.1	448.6
7	Depreciation of intangible assets and tangible assets	139.1	141.5
8	Other operating expenses	473.0	502.8
	Subtotal (1.–8.)	66.6	55.3
9	Income from associated companies	6.3	1.0
10	Income from participating interests and capital contributions	0.7	0.5
11	Income from transfer of profits	0.0	1.0
12	Income from other investments and long-term loans	0.3	0.1
13	Other interest and similar income	1.0	0.6
	Subtotal (9.–13.)	8.3	3.2
14	Write-downs of financial assets and investments held as current assets	0.1	5.0
15	Interest and similar expenses	24.1	20.0
16	Payment for participatory capital	1.3	1.5
17	Taxes on income	18.0	16.7
18	Result after tax	31.4	15.3
19	Other taxes	1.8	1.8
20	Consolidated net profit for the year	29.6	13.5

Group cash flow statement in EUR million		2017
1	Consolidated net profit for the year	29.6
2	+/- Depreciation/write-ups of fixed assets	136.5
3	+/- Increase/decrease in provisions	-64.5
4	+/- Other non-cash expenses/income	-1.5
5	-/+ Increase/decrease in inventories, accounts receivable and other assets which cannot be allocated to investing or financing activities	-110.0
6	+/- Increase/decrease in accounts payable and other liabilities which cannot be allocated to investing or financing activities	62.6
7	-/+ Gain/loss from disposal of fixed assets	1.5
8	+/- Interest expenses/interest income	24.2
9	- Other income from participating interests	-0.7
10	+/- Expenditure/income of exceptional size or incidence	-23.3
11	+/- Expenses/income from income tax	18.0
12	+ Cash receipts relating to income of exceptional size or incidence	3.0
13	- Cash payments relating to expenditure of exceptional size or incidence	0.0
14	- Income tax payments	-22.8
15	= Cashflow from operating activities	52.6
16	+ Payments from disposal of intangible assets	0.2
17	- Investments in intangible assets	-8.3
18	+ Payments from disposal of tangible assets	5.2
19	- Investments in tangible assets	-156.0
20	+ Payments from disposal of financial assets	0.5
21	- Investments in financial assets	-7.1
22	+ Inpayments to the scope of consolidation	0.0
23	- Outpayments to the scope of consolidation	-25.8
24	+ Cash receipts relating to income of exceptional size or incidence	21.0
25	+ Interest received	0.8
26	+ Dividends received/income from transfer of profits	4.0
27	= Cashflow from investing activities	-165.5
28	+ Inpayments for capital contributions and participatory capital	7.2
29	- Outpayments for capital contributions and participatory capital	-5.9
30	+ Inpayments from financial loans	241.7
31	- Outpayments for repayment of financial loans	-47.4
32	+ Inpayments from allowances/contributions received	0.0
33	- Interest paid	-14.5
34	- Payment to participatory capital/dividend paid	-8.3
35	- Dividends paid to other shareholders	-0.1
36	= Cash flow from financing activities	172.7
37	Net increase (decrease) in cash and cash equivalents	59.7
38	+/- Changes in cash and cash equivalents due to exchange rates	-0.3
39	+/- Changes in cash and cash equivalents due to the scope of consolidation	1.7
40	+ Cash and cash equivalents at beginning of period	-126.9
41	= Cash and cash equivalents at end of period	-65.8

Assets in EUR million		31. 12. 2017	31. 12. 2016
A. Fixed assets			
I. Intangible assets			
1	Concessions, industrial property rights and similar rights and values, as well as licences thereto	37.0	15,6
2	Goodwill	19.7	3.0
3	Payments on account	0.6	5.5
	Total intangible assets	57.3	24.1
II. Tangible assets			
1	Land and leasehold rights and buildings, including buildings on third-party land	314.5	290.6
2	Plant and machinery	410.5	401.2
3	Other fixtures and fittings, tools and equipment	32.3	33.6
4	Payments on account and tangible assets under construction	105.5	73.9
	Total tangible assets	862.8	799.3
III. Financial assets			
1	Shares in associated companies	5.3	31.6
2	Loans to associated companies	0.0	1.0
3	Participating interests in associated companies	24.4	11.5
4	Participating interests	9.3	12.6
5	Loans to companies in which a participating interest is held	1.0	2.0
6	Capital contributions to cooperative societies	1.0	0.7
7	Other loans	0.6	1.2
	Total financial assets	41.6	60.6
	Total fixed assets	961.7	884.0
B. Current assets			
I. Inventories			
1	Raw materials and supplies	60.5	57.3
2	Work in progress	46.9	21.1
3	Finished goods and goods for resale	275.7	236.9
4	Payments on account	0.0	0.7
	Total inventories	383.1	316.0
II. Accounts receivable and other assets			
1	Accounts receivable (trade debtors)	389.2	301.0
2	Due from associated companies	9.1	25.3
3	Due from companies in which a participating interest is held	2.7	9.2
4	Other assets	137.1	129.5
	Total accounts receivable and other assets	538.1	465.0
III. Investments			
1	Other investments	0.3	0.3
IV. Cash in hand, cash on deposit with Deutsche Bundesbank, cash in other bank accounts and cheques			
		36.3	39.1
C. Prepayments and accrued income			
		2.5	2.0
D. Deferred tax assets			
		0.0	0.7
E. Difference due to capital account			
		0.0	0.0
	Total assets	1,922.0	1,707.1

Equity capital and liabilities in EUR million		31. 12. 2017	31. 12. 2016
A. Equity capital			
I. Capital contributions			
1	of remaining members	162.2	176.9
2	of withdrawing members	21.9	5.9
3	from cancelled shares	0.0	0.0
	Total capital contributions	184.1	182.8
II. Capital reserve			
		47.0	46.4
III. Revenue reserves			
1	Statutory reserve	115.0	114.5
2	Other revenue reserves	115.9	136.9
	Total revenue reserves	230.9	251.4
IV. Difference in equity due to foreign currency translation			
		-0.3	0.0
V. Participatory capital			
		24.5	38.3
VI. Consolidated net profit			
1	Consolidated loss brought forward	-6.7	-2.5
2	Consolidated net profit for the year	29.6	13.5
3	Allocations to reserves	-7.6	0.0
4	Withdrawal from reserves	35.5	2.6
5	Non-controlling interests	-4.0	-5.7
	Total consolidated net profit	46.8	7.9
VII. Non-controlling interests			
		65.5	58.5
	Total equity capital	598.5	585.3
B. Difference due to consolidation of capital			
		2.3	1.7
C. Special item for investment subsidies			
		14.1	11.9
D. Accrued liabilities			
1	Provisions for pensions and similar obligations	114.6	114.1
2	Provisions for taxation	26.5	24.1
3	Other provisions	132.0	198.1
	Total accrued liabilities	273.1	336.3
E. Liabilities			
1	Due to banks	483.9	330.9
2	Advance payments received	1.1	2.2
3	Accounts payable (trade creditors)	358.2	277.3
4	Due to associated companies	2.1	11.0
5	Due to companies in which a participating interest is held	0.2	3.5
6	Other liabilities	180.4	138.2
	Total liabilities	1,025.9	763.1
F. Deferred income			
		0.4	0.2
G. Deferred tax liabilities			
		7.7	8.6
	Total equity capital and liabilities	1,922.0	1,707.1



Profit and loss account in EUR thousand 1. January – 31. December		2017	2016
1	Sales revenues	2,113,430.8	1,502,283.1
2	Other operating income	2,519.2	1,121.9
	Subtotal	2,115,950.0	1,503,405.0
3	Cost of materials		
	a) Cost of raw materials, consumables and supplies and of purchased materials	2,085,198.1	1,487,852.0
		2,085,198.1	1,487,852.0
	Gross profit or loss	30,751.9	15,553.0
4	Personnel expenses		
	a) Wages and salaries	310.6	352.7
		310.6	352.7
5	Depreciation of intangible assets and tangible assets	116.9	16.7
6	Other operating expenses	11,407.1	11,436.7
	Subtotal (1.–6.)	18,917.3	3,746.9
7	Income from participating interests and capital contributions	0.6	0.6
8	Income from other investments and long-term loans	25.5	42.7
9	Other interest and similar income	466.9	511.9
	Subtotal (7.–9.)	493.0	555.2
10	Interest and similar expenses	935.4	74.0
11	Taxes on income	573.6	41.2
12	Result after tax	17,901.3	4,269.3
13	Other taxes	1.7	27.9
14	Net profit for the year	<u>17,899.6</u>	<u>4,241.4</u>

Assets in EUR thousand	31. 12. 2017	31. 12. 2016
A. Fixed assets		
I. Tangible assets		
1 Land and leasehold rights and buildings, including buildings on third-party land	143.0	258.5
2 Other fixtures and fittings, tools and equipment	3.5	4.8
Total tangible assets	146.5	263.3
II. Financial assets		
1 Shares in associated companies	335,457.1	335,457.1
2 Participating interests	13.3	13.3
3 Capital contributions to cooperative societies	13.4	13.4
4 Investments held as fixed assets	0.0	0.0
5 Other loans	635.9	1,176.9
Total financial assets	336,119.7	336,660.7
Total fixed assets	336,266.2	336,924.0
B. Current assets		
I. Accounts receivable and other assets		
1 Accounts receivable (trade debtors)	192.6	276.4
2 Due from associated companies	270,406.1	231,871.8
3 Other assets	6,984.7	6,752.0
Total accounts receivable and other assets	277,583.4	238,900.2
II. Cash in hand, cash on deposit with Deutsche Bundesbank, cash in other bank accounts and cheques	0.0	53.8
Total assets	613,849.6	575,878.0

Equity capital and liabilities in EUR thousand	31. 12. 2017	31. 12. 2016
A. Equity capital		
I. Capital contributions		
1 of remaining members	162,172.8	176,900.8
2 of withdrawing members	21,927.4	5,927.5
3 from cancelled shares	43.9	2.0
Total capital contributions	184,144.1	182,830.3
II. Capital reserve	35,994.9	35,412.8
III. Revenue reserves		
1 Statutory reserve	115,005.5	114,477.2
2 Other revenue reserves	86,899.3	79,635.1
Total revenue reserves	201,904.8	194,112.3
IV. Net profit		
1 Profit brought forward	101.9	1,041.7
2 Net profit for the year	17,899.6	4,241.4
3 Allocations to reserves	-7,000.0	0.0
4 Withdrawal from reserves	0.0	2,600.0
Total net profit	11,001.5	7,883.1
Total equity capital	433,045.3	420,238.5
B. Accrued liabilities		
1 Provisions for taxation	4,886.7	4,992.7
2 Other provisions	673.1	8,913.3
Total accrued liabilities	5,559.8	13,906.0
C. Liabilities		
1 Accounts payable (trade creditors)	117,974.7	83,368.1
2 Due to associated companies	0.6	0.0
3 Other liabilities	57,269.2	58,365.4
Total liabilities	175,244.5	141,733.5
Total equity capital and liabilities	613,849.6	575,878.0



Profit and loss account in EUR million 1. January – 31. December		2017	2016
1	Sales revenues	4,548.6	3,793.1
2	Increase or decrease in finished goods inventories and work in progress	48.2	2.0
3	Capitalised cost of self-constructed assets	0.9	1.0
4	Other operating income	39.8	20.9
	Subtotal	4,637.5	3,817.0
5	Cost of materials		
	a) Cost of raw materials, consumables and supplies and of purchased materials	3,970.5	3,111.5
	b) Cost of purchased services	63.0	61.4
		4,033.5	3,172.9
	Gross profit or loss	604.0	644.1
6	Personnel expenses		
	a) Wages and salaries	197.1	220.9
	b) Social security and other pension costs	37.9	39.9
		235.0	260.8
7	Depreciation of intangible assets and tangible assets	81.4	78.6
8	Other operating expenses	264.6	301.0
	Subtotal (1.–8.)	23.0	3.7
9	Income from participating interests and capital contributions	0.4	18.7
10	Income from other investments and long-term loans	1.9	1.6
11	Other interest and similar income	5.6	4.3
	Subtotal (9.–11.)	7.9	24.6
12	Write-downs of financial assets and short-term investments	24.1	17.6
13	Interest and similar expenses	19.3	15.3
14	Payment for participatory capital	1.3	1.5
15	Taxes on income	9.1	2.4
16	Result after tax	-22.9	-8.5
17	Other taxes	0.5	0.6
18	Net loss for the year	-23.4	-9.1

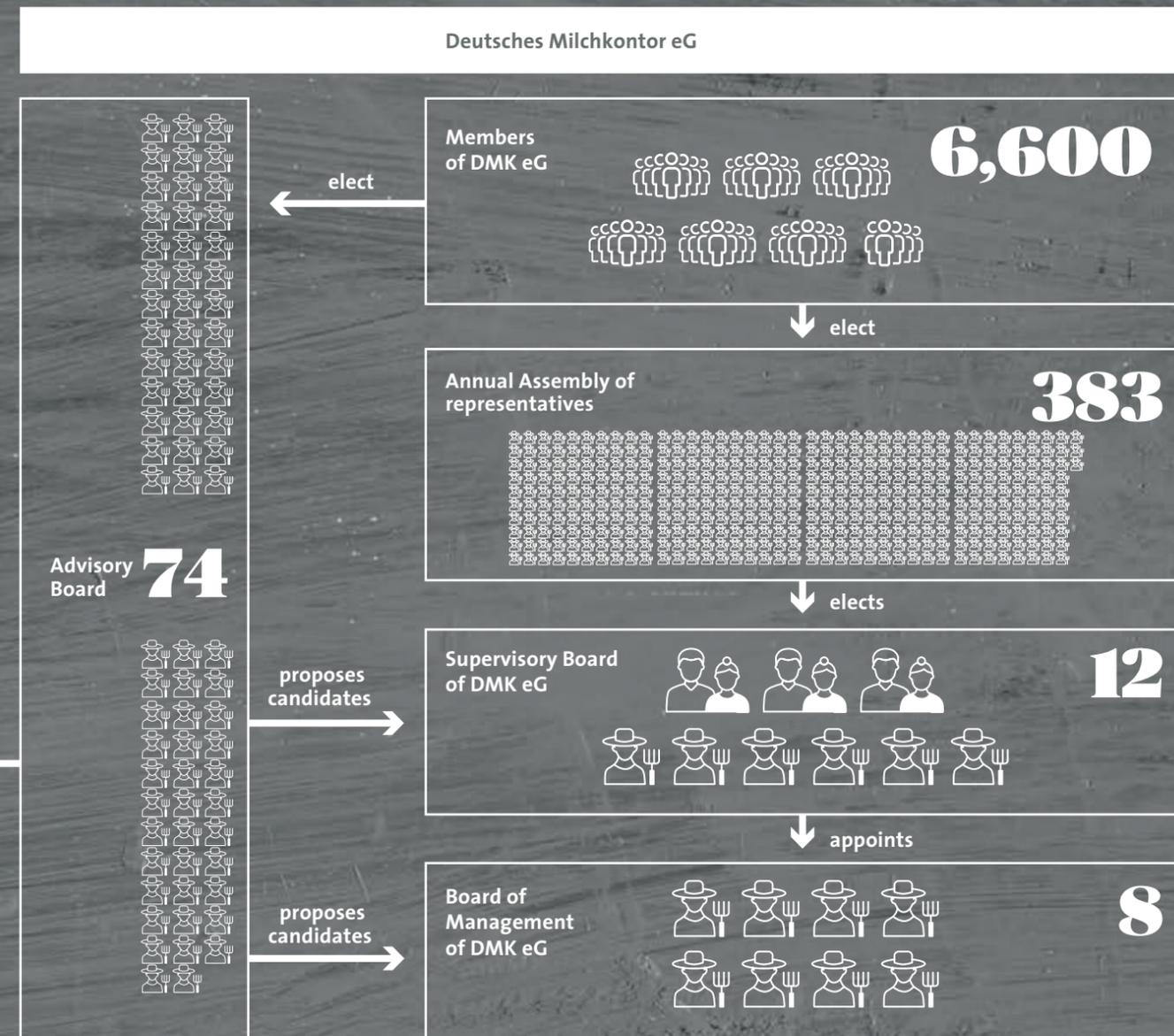
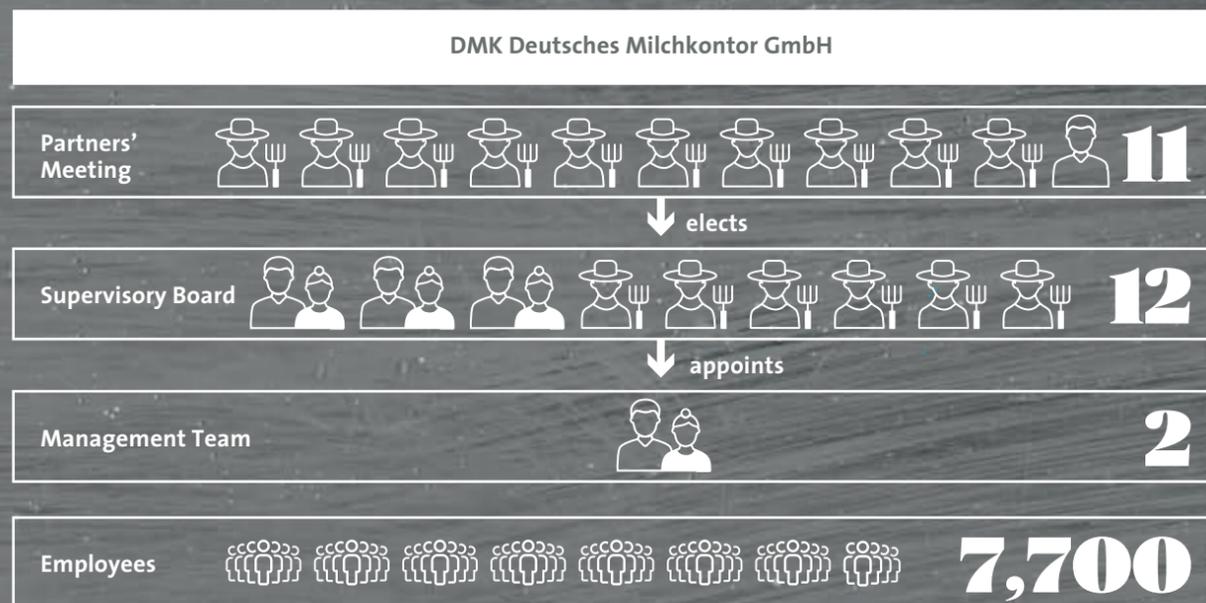
Assets in EUR million	31. 12. 2017	31. 12. 2016
A. Fixed assets		
I. Intangible assets		
1 Concessions, industrial property rights and similar rights and values, as well as licences thereto	15.9	11.6
2 Payments on account	0.3	5.1
Total intangible assets	16.2	16.7
II. Tangible assets		
1 Land and leasehold rights and buildings, including buildings on third-party land	155.0	161.3
2 Plant and machinery	223.3	236.1
3 Other fixtures and fittings, tools and equipment	15.5	18.7
4 Payments on account and tangible assets under construction	8.7	17.9
Total tangible assets	402.5	434.0
III. Financial assets		
1 Shares in associated companies	238.0	264.3
2 Loans to associated companies	230.1	81.4
3 Participating interests	2.4	2.4
4 Capital contributions to cooperative societies	0.6	0.6
5 Other loans	0.0	1.1
Total financial assets	471.1	349.8
Total fixed assets	889.8	800.5
B. Current assets		
I. Inventories		
1 Raw materials and supplies	31.0	31.4
2 Work in progress	35.9	16.7
3 Finished goods and goods for resale	130.6	100.9
Total inventories	197.5	149.0
II. Accounts receivable and other assets		
1 Accounts receivable (trade debtors)	180.9	131.7
2 Due from associated companies	156.7	236.4
3 Due from companies in which a participating interest is held	0.0	0.0
4 Other assets	79.0	83.5
Total accounts receivable and other assets	416.6	451.6
III. Cash in hand, cash on deposit with Deutsche Bundesbank, cash in other bank accounts and cheques	8.5	3.3
C. Prepayments and accrued income	1.8	1.5
Total assets	1,514.2	1,405.9

Equity capital and liabilities in EUR million	31. 12. 2017	31. 12. 2016
A. Equity capital		
I. Subscribed capital	166.7	166.7
II. Capital reserve	193.6	193.6
III. Revenue reserves	57.1	92.6
IV. Participatory capital	24.5	38.3
V. Net profit for the year/net loss for the year		
1 Loss brought forward	-9.1	0.0
2 Net loss for the year	-23.4	-9.1
3 Withdrawal from reserves	35.5	0.0
Net profit/net loss	3.0	-9.1
Total equity capital	444.9	482.1
B. Special item for investment subsidies	1.2	0.5
C. Accrued liabilities		
1 Provisions for pensions and similar obligations	105.6	103.8
2 Provisions for taxation	9.8	4.3
3 Other provisions	93.9	117.4
Total accrued liabilities	209.3	225.5
D. Liabilities		
1 Due to banks	389.7	255.8
2 Advance payments received	0.3	0.2
3 Accounts payable (trade creditors)	79.6	66.2
4 Due to associated companies	291.6	317.2
5 Due to companies in which a participating interest is held	0.0	0.0
6 Other liabilities	97.6	58.4
Total liabilities	858.8	697.8
Total equity capital and liabilities	1,514.2	1,405.9

A strong community. With clear structures.

As Germany's largest dairy cooperative, the DMK Group makes milk into foods of the highest quality with around 7,700 employees at more than 20 sites in Germany and the Netherlands. The product assortment ranges from cheese, fresh dairy products and ingredients, baby food, ice cream and health products, to special animal feeds. MILRAM, Oldenburger, Uniekaas and Humana are

brands that enjoy the full confidence of consumers at home and abroad and make the company an established name, both in its home markets and selected target markets around the globe. As the fourth-largest supplier to Germany's grocery retailers and with a turnover of 5.8 billion euros, the DMK Group is also one of the leaders of the European dairy industry.



equals 1,000 people

MANAGEMENT

Group Management		Supporting Units			Six Business Units					
<p>Spokesman of the Management Ingo Müller</p> <p>Chief Executive Officer (CEO)</p>	<p>Managing Director Finance and Administration Volkmar Taucher</p> <p>Chief Financial Officer (CFO)</p>	<p>Human Resources Ines Krummacker</p> <p>Chief Human Resources Officer</p>	<p>Supply Chain Management Hermann Köster</p> <p>Chief Operating Officer Supply Chain</p>	<p>Agriculture Dr Klaus Hein</p> <p>Chief Agri Business and Member Affairs</p>	<p>Private Label Thorsten Rodehüser</p> <p>Chief Operating Officer Private Label</p>	<p>Brand Matthias Rensch</p> <p>Chief Operating Officer Brand</p>	<p>International Michael Feller</p> <p>Chief Operating Officer International</p>	<p>Industry Alexander Godow</p> <p>Chief Operating Officer Industry</p>	<p>Baby Stefan Eckert</p> <p>Chief Operating Officer Baby</p>	<p>Ice Cream Marcus-Dominic Hauck</p> <p>Chief Operating Officer Ice Cream</p>



You will find further information in the digital Annual Report and Sustainability Report 2017 at www.dmk.de.
