



INVESTOR ANNOUNCEMENT

16-12-2016

Clarification of year-end expectations

Further to Mengniu's announcement of 15 December 2016, Arla will clarify its year-end expectations.

Arla's financial year ends on 31 December 2016. We now expect our year-end net profit including the divestment of Rynkeby to be in the range of 3.3-3.5 pct. of net revenue, which is above Arla's target profit range of 2.8-3.2 pct. Arla expects the profit share excluding divestments to be in the range of 2.1-2.3 pct. of revenue due to various one-offs including the estimated effect of the Mengniu profit announcement.

Arla's expectations concerning year-end revenue remain within the range of 9.5 – 9.8 billion euro.

Arla's leverage representing "net debt to EBITDA" is expected to be in the level of 2.8 (excluding EBITDA from discontinuing businesses) which is at the better end of Arla's target range of 2.8-3.4 due to a strong cash generation in 2016.