

HOCHDORF Group Press Release

HOCHDORF significantly expands exports

Hochdorf, 21 February, 2008 – Food group HOCHDORF has recently taken major steps to further expand its baby food business worldwide. Infant nutrition from the Seetal will soon be seen in the product assortments of the Spanish food group Ebro Puleva and Liptis Pharmaceuticals (Egypt). Existing business in Russia, China and Israel is developing according to plan. Negotiations are almost complete for entry into additional markets in the Near East, South America and India.

As announced in December 2007, HOCHDORF will invest over CHF 60 million in the expansion of its production facilities in order, among other business actions, to satisfy the significantly increased demand for infant nutrition “Made in Switzerland”. The Group increased its baby food production from 2,845 tons in 2006 to 5,651 tons in 2007 (+ 199%). By 2013 a further rise is anticipated to over 20,000 tons or CHF 100 million.

A contract with Ebro Puleva was concluded in 2007 for the first deliveries of Peques baby milk from Hochdorf to Spain in April, 2008. Ebro Puleva is an internationally active food group, generating sales of EUR 2.7 billion with 6,780 employees.

Within the framework of a partnership with Liptis Pharmaceuticals, Egypt, in May, 2008 HOCHDORF will make the first deliveries to Sudan of baby milk and supplementary nutrition for mothers. The cooperation represents an expansion in the Near East to a further 12 countries as Liptis is very well established in the region.

This week HOCHDORF will sign an agreement with a leading international supermarket chain to supply baby foods as finished products for a European market. Several HOCHDORF baby milks will appear on the shelves. The baby milks will be manufactured and packed in Hochdorf and Sulgen and delivered as finished products.

The existing export business to Russia, China and Israel is going according to budget; in the first two countries new, prosperous social strata have emerged that are ready to pay a higher price to enjoy Swiss quality and exclusivity. HOCHDORF sees further potential for market penetration in South America, India and New Zealand, where negotiations are about to be concluded.

Recently, HOCHDORF signed a distribution and cooperation agreement with Meggle for the distribution of high-quality Milk Protein Concentrate, MPC. Meggle, a family business with about 1,800 employees, is the leading producer of butter and pharmaceutical lactose in Germany.

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The HOCHDORF Group is headquartered in Hochdorf, Switzerland. It maintains three production facilities, employs a workforce numbering over 430 and achieved in 2007 a turnover of CHF 328.0 million. It is one of Switzerland's leading food companies. Extracted from natural sources such as milk and wheat germ, HOCHDORF products have been contributing to the health and well-being of people of all ages, from babies to senior citizens, since 1895. Customers at home and abroad include the food industry, the retail trade, bakeries and the catering industry. HOCHDORF products are available in over 40 countries.

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