

HOCHDORF Group Press Release: Market entry in South and Central America

HOCHDORF Group has Latin America in its sights

Hochdorf, 07 November 2012 – As part of its growth strategy, the HOCHDORF Group is also focusing its attention on the expanding markets of South and Central America. HOCHDORF infant formula is already sold in Argentina and Peru. Over the next five years, the Group intends to increase Latin American turnover for infant formula and nutrition for medical purposes from its current figure of CHF 1 million to between CHF 20 and 25 million. To achieve this goal, HOCHDORF Nutricare Ltd. has signed a supply agreement with Laboratórios Bagó S.A., which is located in Rio de Janeiro (Brazil). In order to target the local markets more effectively, the mid-term plan is to found a HOCHDORF Latin America company.

The HOCHDORF Group is also focusing its current growth strategy on the burgeoning economies of South and Central America (as well as China/Asia and North Africa). Brazil, for instance, as one of the emerging BRICS nations, has a population of approximately 200 million and overtook the UK as the sixth-largest economic power at the end of 2011. Brazil has an annual birth rate of 3.5 million and is therefore one of the most interesting markets for infant formula. Overall, infant formula showed growth rates of around 60% between 2008 and 2012. Infant formula specialities grew by as much as 250% over the same period.

Laboratórios Bagó S.A.

HOCHDORF Nutricare Ltd. has signed a long-term supply agreement with Laboratórios Bagó. The Bagó group was founded in 1934 and is the leading health care company in Latin America. The company operates in 45 countries and employs over 6,500 people. Its activities are focussed in Central and South America. The market entry for Bagó infant formula “Made in Switzerland”, with a full range of products, is planned for 2013 in Brazil. The products will also be sold in additional countries including Colombia and Venezuela. The partners are planning for a volume of around 300 tonnes of infant formula in the coming year. The annual volume is then expected to increase to between 800 and 1,000 tonnes over the next five years.

Damian Henzi, the HOCHDORF Group CEO, is delighted that the agreement has been signed: “Our partner, Laboratórios Bagó S.A., can help HOCHDORF to gain a foothold in South and Central America in the area of infant formula. Signing of further agreements with additional partners in Peru, Bolivia, Mexico, Colombia and Ecuador are close. As well as their interest in infant formula, several markets are also showing interest in the medical nutrition product line provided by HOCHDORF Nutraceutical Ltd.”

Contact: Christoph Hug, Corporate Communications, HOCHDORF Group
Tel: 041 914 65 62 / 079 859 19 23, christoph.hug@hochdorf.com