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New Laita infant formula factory in Créhen Laita targets international markets

After three years of building work, Laita today, Friday 1st December, inaugurated its brand new infant formula and premium milk powder unit in Créhen (Côtes d'Armor, France). The commissioning of this high-tech facility is a key milestone in the international development of what is Europe's 8th largest dairy cooperative company. This €80 million investment is a bold step forward for the economic vitality of the Breton agri-food industry and the future of north-west France's dairy farms.

The inauguration of the new infant formula and premium milk powder unit in Créhen took place in the presence of Jean-Yves Le Drian, French Minister for Europe and Foreign Affairs, and Loïg Chesnais-Girard, President of the Regional Council of Brittany. The event was attended by almost 500 guests, highlighting the importance of this new development. It's not every day that a company injects €80 million into the local economy and creates 80 net jobs. Good news for the health of the Breton agri-food sector, which has gone through some rough times in recent years.

A high-tech facility...

The guests were shown round the high-tech industrial plant, inspired by pharmaceutical standards, which offers a high level of quality assurance, a fundamental prerequisite for the production of infant food.

The unit comprises:

- a drying tower with an annual production capacity of 30,000 tonnes of powder
- a packing workshop with an annual capacity of 15,000 tonnes (in 400 and 900 g cans)
- a next generation laboratory.

This new plant is an extension of the drying facilities in Landerneau and Ancenis.

The concrete building, crowned by the drying tower which is almost 50 m high, has been designed to facilitate compliance with health and safety rules.

The air is treated and adapted to suit the sensitivity of each production area.

The product-oriented process respects the integrity of the raw materials used: blends, dosage, heat treatment... It complies with the highest international food safety standards: hygienic design, cleanability, foreign body risk management, etc.

The products manufactured, predominantly canned infant milk but also premium milk powders, are managed by a quality assurance system which complies with the most demanding international specifications.





Strict zoning has been established according to the criticality of the products manufactured, with specific work clothing for each zone and appropriate changing rooms.

From raw materials to finished products, everything is traced and controlled, including packaging materials. Milk proteins, key source ingredients, are obtained from Laïta's own production. Internal testing is performed in a brand new laboratory, commissioned last May. It is separate from the production facilities and fitted out with next generation equipment. Infant milk production requires many advanced and accurate physical and microbiological tests to be conducted.

The first task for the laboratory and quality teams was to define the necessary control plans for the qualification of this facility which is scheduled to carry out nearly 580,000 tests in 2018. Designed to comply with the ISO 17025 quality assurance requirements, the new Laïta laboratory in Créhen hopes to obtain COFRAC accreditation in 2019, as a stamp of credibility for major international clients.

.... offering eco-efficiency

In addition to sanitary excellence, Laïta paid particular attention to eco-efficiency in the development of its new factory, which combines technical and environmental performance, by:

- seeking optimal energy efficiency in the choice of energy sources and equipment with, for instance, the implementation of mechanical vapour recompression (MVR), the use of baghouses to reduce the discharge of particulate matter through the chimney, and the installation of meters on the main flow lines,
- saving water in particular with high-tech evaporators which recycle condensed vapours,
- sorting and reducing waste.

Value-driving processes...

The Laïta Créhen plant refutes the belief that the Breton agri-food sector creates low value. The development of infant formula and premium skimmed milk powder enhances the value of milk protein in a stable manner, making it less sensitive to fluctuations in the world market. This industrial facility is entirely in keeping with the strategy developed by Laïta, which invests, innovates and internationalises to boost the value of all milk fractions. It will sustainably contribute to the value enhancement of the milk Laïta collects from 3,250 farms in north-west France, to the development of related jobs, as well as to the vitality of the local economy of Brittany and the Pays de la Loire, across which Laïta develops its activities.

... to capture expanding markets

The world infant nutrition market is expanding. Asia, including China, remains the world's largest market for powdered infant milk. The increase in buying power, the growing number of working mothers and innovation are some of the major factors leading to the development of this market in this geographical area. The quality of infant milk manufactured in Europe, and in France in particular, is renowned and sought after. In October 2016, Laïta's health and nutrition subsidiary based in Ploudaniel (Finistère, France), Even Santé Industrie, obtained authorisation from the relevant Chinese authorities to produce liquid infant milk for China. It thus ranks among the first 10





companies in the world to enjoy this privilege.

Thanks to its new infant milk plant, Laïta will also be better equipped to support its subsidiary Régilait, already present in Africa and the Middle East with the brand France Lait.

The main infant milk segments are defined by:

- the products: first infant milk (0-6 months), follow-on milk (6-12 months), growing-up milk (12-36 months), specific formulas (anti-reflux, easy digest, lactose-free, hypoallergenic, etc.),
- and the distribution channels: specialised stores, supermarkets, chemists, webstores, etc.

In terms of premium milk powders, the main markets are in Asia and the Middle East, which have insufficient production capacities.

New Laïta infant formula and premium milk powder unit in Créhen Key figures

- 80 direct jobs created, 3/4 in production and 1/4 in support services.
- 17,500 hours of training provided to employees.
- 36 months of building work.
- 11,000 m² of floor space.
- 47 metres high, 200 metres long.
- 30,000 tonnes per year in production capacity for the drying tower.
- 15,000 tonnes per year in production capacity for the infant milk canning facility.

Motivated and trained personnel

The launch of the new factory came with the creation of 80 new jobs. Laïta shortlisted applicants, in partnership with the French national job agency Pôle Emploi, based on a simulation recruitment method whereby their capabilities and motivation are assessed rather than their qualifications. The successful candidates chosen using this method are mainly evaporation and drying operators, dry blending/packaging operators and liquid process operators. The new recruits received a total of 17,500 hours of training, in particular focusing on hygiene and quality, with job-specific training programmes of up to 400 hours resulting in professional qualification certificates being awarded.





Laïta at a glance

- 8th largest dairy cooperative company in Europe with a €1.2 billion turnover of which 69% is made in France, 21% in the rest of the European Union and 10% in the rest of the world.
- 3,250 farms in north-west France
- 1.5 billion litres of milk collected
- 2,750 employees
- 7 industrial sites
- 6 subsidiaries in Europe
- A presence in over 110 countries.

A joint commitment of employees and members in our charter on corporate social responsibility, Passion for Milk®, which focuses on quality, the environment, personal and regional development and animal welfare.

What they say...

"Laïta's ambitions are fuelled by the development of value, that of dairy products which meet the new demands of European and global clients. We aim to capture this value to benefit our region."

Guy Le Bars, President of Even and Laïta's Boards of Governors

"To tackle market volatility, Laïta has invested €80 million to boost its dry ingredients capacity. At the heart of this project, the new Créhen factory is a high-tech facility with high quality assurance standards, inspired by the pharmaceutical industry. Its launch has led to the creation of 80 direct jobs and the implementation of 17,500 hours of training to develop the new personnel's skills and qualifications in particular in terms of health and safety. Laïta is proud to share in this accomplishment".

Christian Griner, CEO of Laïta

"The prosperous dairy companies of tomorrow will be those capable of optimising all the components of their milk, i.e. of promoting the value of each different fraction of this fantastic foodstuff: by separating the protein fractions of milk, we are able to innovate and to adapt to new markets. This new facility thereby strengthens the Group's creative capacity and illustrates our three-fold strategy: Innovate, Internationalise, Invest".

Christian Couilleau, CEO of Even

