



[25 years]

PRESS RELEASE

To celebrate its 25th anniversary, LUTOSA, now a European leader in the manufacture of potato-based food products, is inaugurating one of the most modern production lines in Europe and is consolidating its conquest of world markets by opening trading subsidiaries in Brazil, China and Russia

A family history... a passion... a mission

In the span of four generations, the Van den Broeke family has expanded its business from simply selling potatoes in the 1920s to the cutting-edge manufacturing firm that enjoys such international repute today. The family's success has been based on its firm commitment to building quality, trust and know-how.

Over the decades the business has expanded from selling potatoes to integrating harvesting into the potato growing process, and later extending it to potato processing. By gaining experience of every facet of the business, LUTOSA has acquired total control of the chain, which has led to its remarkable expansion and turned the company into the flagship of Belgium's food and food processing industry.

In 1978, the family group launched into industrial potato processing when it took over a small firm in Leuze (Latin name: LUTOSA) that made chips and potato flakes. Ten years later, in 1988, it bought the PRIMEUR production unit at St.-Eloois-Vijve (Waregem). Another decade after that, in 1998, the company VANELO was created on the same site as PRIMEUR.

Guy and Luc Van den Broeke now head a staff of 610 on the company's two sites, with a total surface area of 31 hectares and leading edge industrial equipment. The same approach and philosophy pervades everything the company does: a constant will to excel, innovate and stand out from the crowd by offering products of impeccable quality, whilst respecting the family tradition and business ethic.

New growth targets

In 2000, the company's management adopted a new growth plan aimed at increasing its sales by 50% between 2001 and 2005. The aim is to cater to the specific tastes of the different markets, which involves acquiring the necessary flexibility to adapt to the taste and quality standards of its various customers around the world... This goal is threefold: to significantly expand its product range; to conquer new world markets; and to invest a massive 37 million euros in 2001 to build a new production line and make LUTOSA one of the world's top 10 potato processors.

This new production line, with its cutting edge technology, hygiene and food safety standards, has enabled the company to expand its range to include products coated with starch (clear coating) or spices (such as Country Wedges, which are unpeeled potato wedges coated in garlic and fine herbs), as well as chips for fast food applications.

Much more than just chips: the LUTOSA range includes more than 60 products

With a constantly changing range to satisfy the increasingly demanding consumers of the twenty-first century, the Van den Broeke – LUTOSA group stands out from its competitors with its dynamic innovation policy. The LUTOSA range currently includes three product families: frozen chips and specialities (which can be stored in the freezer for several months), pre-cooked chilled chips (sold in protective atmosphere packaging for storage in the refrigerator for up to 21 days), and potato flakes (for storage at room temperature for several months).

LUTOSA's incredible range includes 14 varieties of chips, 12 varieties of cut potatoes, 18 different mashed potato-based specialities, 6 rösti varieties, 3 tortilla varieties, 4 gratin varieties and 6 different kinds of purée. The range includes classic products, such as the Belgian French fry, as well as original recipes such as Duchesse potatoes with three different vegetables or haute cuisine puréed potatoes by Chef of the Century, Joël Robuchon. There are also ethnic products from around the world, such as American hash browns, Swiss röstis, Spanish tortillas, or Mexican spicy wedges, and a range of fun products for children. All this puts LUTOSA at the forefront of research and development and creativity in its bid to cater to changing consumer tastes and to different culinary cultures around the world.

In response to changes in consumer requirements, in 2000 LUTOSA launched a special BIO range of chips and specialities made from organically grown potatoes. With this range the company is once again proving its commitment to environmental protection.

LUTOSA exports Belgian know-how to all continents

In line with its development plans, LUTOSA is aiming at a worldwide clientele. Nowadays 85% of its production is exported to 45 countries. As far back as 1986, the company won a major export award.

LUTOSA has focused on marketing its products through its own trading subsidiaries on different continents. It already has subsidiaries in France, England, Spain and Germany, as well as in Brazil for the Latin American market. More recently it created LUTOSA China to conquer the Asian market. In a few weeks, it will be the turn of Russia, when LUTOSA opens a subsidiary in Moscow. In addition, LUTOSA products are sold through agents and distributors in the United States, Canada, Japan and many other countries.

Conquering a new market calls for major efforts, since LUTOSA is present in the full range of segments - the domestic consumption segment served by supermarket and hypermarket chains; the non-domestic catering segment; the fast food segment; the manufacturing segment, where it supplies food ingredients or components for pre-cooked dishes; and finally the airline catering segment.



Quality and hygiene... nothing is left to chance

At LUTOSA, we spare no efforts to ensure that quality and hygiene are incorporated at all levels of the company.

With regard to quality, the company has ISO 9001 certification for its three production sites, aimed at eliminating non-conformities and continually improving every last aspect of the company's operations. The company also uses a total quality system called "Applied Quality", whereby every employee can be involved in controlling quality by identifying opportunities to enhance quality in their jobs. In addition, the company practises "Topomanagement", which is the application of total quality to tools, machinery and equipment: operators are responsible for part of the maintenance of their equipment in order to increase the efficacy and reliability of the whole production system. LUTOSA also has its own laboratories that continually test products. In fact the Leuze laboratory is Beltest certified, which very few other food companies can claim.

As for hygiene, the company applies the HACCP method, which guarantees to prevent risks of product contamination through a detailed and continuous analysis of the different phases in the manufacturing process.

Still in the context of hygiene, allied with food safety and traceability, the company has secured higher level certification from EFSIS (the European Food Safety Inspection Service), which attests to the production and packaging quality of its frozen products.

LUTOSA, a company committed to environmental issues

The company has made environmental protection and sustainable development two of its core concerns, investing heavily in this area. The policy aims to reduce waste production, optimise sewage quality and ensure rational use of energy.

Each production site has its own sewage treatment plant where starch is recovered as a raw material for the paper industry. The methane gas recovered in these plants is used as an energy source. In 2002, LUTOSA installed on its Leuze site, in conjunction with Electrabel, the largest combined heat and power plant producing green electricity, heat and steam using organic gas generated from anaerobic purification.

Under the direction of an environmental coordinator, the environmental units of the two sites ensure the selective collection of waste, and the protection of nature and natural resources.

"Quality means abiding by the food and food processing industry's code of practice", says Guy Van den Broeke. He participated actively in the creation of the Walloon food and food processing cluster AGROVAL where, with the other manufacturers in the industry, LUTOSA helped with work in a number of fields, including research for the recovery of byproducts, as well as in AGROFOOD VALLEY, where the company is involved in the research programme on plant biopolymers.



SATISFACTION IS THE KEY TO SUCCESS

As you see, LUTOSA ensures that it satisfies its customers through a rigorous policy of product and service quality control. The aim is: "Always supply every customer on time". This determination underpinned the company's investment in a logistics system that allows for the storage of some 56,000 pallets in 10 cold storage rooms, one of which is entirely automated, with 20,000 pallets on 12 levels, at -25°C, with a fully computerised stock control system.

The group also accords great importance to employee satisfaction. In spite of the company's growth and size, a family and team spirit, and motivation for all, are at the heart of management concerns. The company management accords key value to the human dimension by ensuring that staff fulfil their career ambitions, by investing in safety, ensuring integration and giving access to training, as well as by creating an optimum working environment and conditions.

Finally, the company's continually renewed partnership with farmers, who strive to meticulously produce the "bintje" potato, also contributes to LUTOSA's renown, by providing it with a quality raw material. Because "the quality of the raw material determines the quality of the finished product", as Mr Luc Van den Broeke so rightly says.

Without a doubt this desire for excellence in every single facet of the company has made LUTOSA a company where performance is a routine part of its corporate culture.

This is no surprise when you look at the spectacular figures, in terms of its steady rise in turnover, averaging +/- 10% per year, as well as in terms of the investment programme and the significant rise in the number of employees. Thanks to the competence and commitment of its staff, the LUTOSA brand is now synonymous with refinement and quality, allowing the company to fly the colours of Belgium's throughout the world.

The communication strategy initiated in Belgium in 2002 with a television commercial and poster campaign, revolving around the slogan "Lutosa, the potatoes people prefer" will only serve to reinforce this position in the years to come.

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