

BASIC PRESS INFORMATION

March 2006

DeLaval – in the spirit of its founder

The story of DeLaval begins in 1878 when Gustaf de Laval (1845 – 1913) patents the cream separator that revolutionises dairy production. Gustaf de Laval was not only an outstanding inventor he was a man who saw no limitations to what could be achieved by research. He had a will to improve not only machines, but the very conditions of living. He firmly believed that it is possible to make a difference.

At DeLaval today we continue to work on the farmers behalf by finding new ways and solutions to drive progress in our special field – milk production. We aim to improve milk quality, food production, animal welfare and the environment of both animal and milker.

DeLaval is a part of the Tetra Laval Group which also includes Tetra Pak and Sidel.

Vision & mission

Our vision

Whenever dairy farmers have a need they should think first of DeLaval. We aim to always be there, always available, always working on their behalf.

Our mission

We drive progress in milk production.

We aim to be at the cutting edge of the industry, to pre-empt farmers' needs through superior resources, technical expertise and service second to none.

We will focus our attention on dairy farming as a whole and each individual farmer, whatever the size of their business and whatever environment they are working in.

DeLaval – driving progress in milk production

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Solution Provision

To develop and deliver profitable solutions for our customers, the DeLaval organisation is a matrix, consisting of nine Product Portfolios with technical experts for development and manufacturing and four entities called Customer Solutions. The task of the Customer Solutions is to make sure that all DeLaval products and systems really fit customer demands and needs. The Customer Solutions are called Grasslands, Heavy Duty, Tied-up and Loose Housing. Each entity serves and supports their special segment wherever in the world the customer is to be found and can always offer in-depth knowledge to the sales organisation.

In Customer Solutions we have gathered our core competence for application and solution know-how and solution project management. The entities are located in Hamilton, - New Zealand, Kansas City, - USA, Wroclaw, - Poland and Glinde, - Germany respectively. The sales organisation is divided in three geographical regions (Western Europe, Eastern Europe & Middle East, Americas, Asia & Oceania).

There are also central functions for Human Resources, Logistics, Information Systems, Finance and Marketing.

DeLaval develops systems for voluntary milking, herd management, stalling, automation, milk extraction, vacuum, feeding, cleaning, pipelines, cooling and manure handling as well as products and services for animal care, water provision, feed additives, surface coating, pasture management, clothing, hygiene, filters, liners and tubing. DeLaval provides integrated solutions that cover not only cow but also sheep, goat and buffalo dairy farms.

These solutions are delivered to dairy farmers via a global network of 19 manufacturing units, 57 local companies, 28 distributors, 2 500 shops, 1 200 dealers and a fleet of sales and service vehicles. This enables a global approach: presence and closeness on a global market with solutions, products, services and support always suited to the needs of the customers, giving them control of their business.

Research & Development

Research and development efforts are fundamental to be able to drive progress in milk production. DeLaval has four primary R&D centres.

Hamra Farm (acquired by the company in 1894) is located adjacent to DeLaval Group headquarters in Tumba, Sweden. It is not only the company's primary R&D and visitor's centre, but also a fully-functional commercial farm.

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The DeLaval Hygiene Technology Centre is based in Kansas City, Missouri, USA. New milk cooling systems are developed in Groningen, Holland.

At Dairy Development International in Homer, New York State DeLaval has a specialist large herd dairy research centre, including a commercial farm.

The Environment

Respect for the natural environment is a prerequisite for milk production. The following is an extract from the DeLaval Environmental Policy: “Caring for the environment is an essential part of DeLaval corporate strategy. By continuously reducing the negative environmental impact of products, processes and the work place for both people and animals, we will contribute to beneficial conditions for customers as well as society.”

For DeLaval, the working environment is another key area. Successful solutions need to improve the working environment for dairy farmers, not least in order to attract a new generation to the industry. The working environment is also important for the cows, as healthy animals are needed to produce high quality milk.

Animal welfare

Our policy to care for animals and their welfare is fundamental to DeLaval. In close co-operation with customers, authorities and the scientific community, we develop and share our know-how and skills within this area.

Animal welfare encompasses two primary areas. The first area relates to producing high quality raw food product, resulting from healthy and high producing animals. The second involves the production system as regards ethical acceptability, environmental friendliness and economic competitiveness.

Animal Welfare will vary from place to place in its definition and is dependent on various localisation factors. The latter can include societal development, the economy, animal production development, traditional values, climate and soil as well as water availability.

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Recent and important achievements of DeLaval

DeLaval inaugurates new Cooling tank factory in Poland

In April DeLaval held one of its most important events in 2005, the inauguration of its new milk cooling-tank factory in Wrocław, Poland. DeLaval executives, national as well as international guests and representatives from the media attended.

The Wrocław factory is strategically located close to big potential clients in countries such as the Baltics, Bulgaria, Russia, and Ukraine to name but a few. The operation employs 140 people in its factory, warehouse, and office, and it is responsible for: Planning, purchasing, components and materials storage, production, quality assurance, new product launches, customer service and claims services, facilities and equipment maintenance.

DeLaval celebrates the 1000 DeLaval voluntary milking system

DeLaval celebrated the sale of their 1 000 voluntary milking system with Open Farm days in the Netherlands. The Dutch sales organisation organised the days at the Bolderdijk farm in the Netherlands. Around 100 people responded to the VIP invitation and both Belgian and Dutch press was present generating local as well as national press coverage.

The second day was open to the public and 600 farmers turned up to inspect the new barn and VMS. They got a good look at the new three row natural ventilation barn, the VMS room with pit, the neatly laid-out machine room, the well positioned office and the new DeLaval cooling tank equipped with flow controlled cooling.

DeLaval VMS in the lead of the automatic milking market

DeLaval is in the lead of the global Automatic Milking System market with a 53% running market share.

“The total Automatic Milking System market has grown by 50 percent in just one year as the appeal of a better lifestyle and higher productivity is increasing. More and more farmers are choosing a system like DeLaval VMS, making it the most preferred automatic milking solution on the market today”, says Thierry Perrotin Solution Manager VMS.

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DeLaval develops new automatic milking concept for Australia

Together with Australia's FutureDairy DeLaval will collaborate in developing a new concept for automatic milking suited for Australian conditions. The FutureDairy team, consisting of Dairy Australia, the University of Sydney, the Department of Primary Industries in New South Wales and DeLaval, will face challenges related to capacity (cow throughput), cost efficiency and specification.

“We are excited and honoured to be working together with FutureDairy to adapt our VMS technology to achieve a more flexible schedule for social activities and family life for the grassland farmers of the future. We are committed to providing dairy producers with solutions that give them control over their business and equally important, their lifestyle”, says Mark Brummel, Managing Director, DeLaval Australia.

DeLaval sells the largest sheep and goat parlour in the world

There is a growing demand for cheese made from sheep and goat milk. DeLaval is the world's leading supplier with a market share of almost 50%. This strong market position manifested itself recently when DeLaval sold the largest sheep and goat milk parlour in the world to a customer in Spain. The agreement includes the milking unit itself, a number of other products, for example cooling tanks, crowd gates, surface coating, lamb/kid feeders and mixer wagons.

“Considering the bright prospects in Spain, not least given the favorable price level of sheep and goat milk, we expect to deliver similar systems to farms with between 2,000 and 5,000 animals”, says Roberto Cosin, Solution/Support Manager Sheep & Goats at DeLaval.

Awards in 2005

At the largest dairy fair in Northern Europe, Agromek, held in Denmark, DeLaval won awards for the VMS and the foot bath AFB1000. They both received a Three-star New Product exhibit award. To top it off, out of more than 200 exhibitions stands, the Danish colleagues got the award for best exhibition layout.

During the Dairy Industry 2005 fair in Russia DeLaval calf feeder CF150 was awarded the Grand Prix in the technical exhibition “Engineering of the Third Millennium”. DeLaval activity meter also received a prestigious gold medal. In Russia the DeLaval exhibition stand attracted attention and received a special diploma for modern design, innovative approach of product presentations and special customer programmes.

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DeLaval DCC award in 2005

It seems that whenever the DeLaval cell counter DCC makes an appearance it gets an award! At the International Agricultural Fair POLAGRA-FARM 2005 the DCC was awarded the prestigious PIF Gold Medal. The medal is given to a product that is: innovative, useful, original, reliable, practical and cost efficient, all of which are traits of the DCC.

And at the SPACE Exhibition, France's main dairy exhibition, the DCC got the "InnovSpace two star award" for best innovation. During the same exhibition the DCC received the gold medal, INEL. D'OR from France's main dairy magazine. Finally the DCC got a "mention spéciale" at the second largest dairy fair the Sommets de l'Elevage.

Finally, at the Dairy Industry 2005 fair in Russia DeLaval cell counter DCC received yet another gold medal.

DeLaval US and Dairy Farmers of America team up to help Katrina victims

Dairy Farmers of America (DFA) and DeLaval combined forces in September, 2005 to assemble 400 boxes of donated food items, clothing, hygiene products, flash lights, batteries, and first aid supplies, chlorine and bottled water. The truck-load of supplies was shipped to the DFA plant in Franklinton LA. The care boxes were distributed via local milk hauler's and DFA representatives to the DFA members affected by the hurricane. A group of about 35, both DFA and DeLaval employees, helped to assemble these boxes in the DeLaval warehouses.

Prominent guests at DeLaval

DeLaval Hamra Farm is frequently visited by leading politicians and other influential figures from countries all over the world. During 2005 DeLaval had the honour of hosting; President Philip van dem Bussche Deutsche Landwirtschafts-Gesellschaft e.V. Germany, Mr Akhmetov Marat, Minister of agriculture, Tatarstan, Russia. Mr Andrei Grinkevich, Ambassador of Embassy, Belarus. Dr Fattah Ahmadi, Commercial Counsellor of the Islamic Republic Delegates from EAAP (European Association for Animal Production)

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DeLaval in figures

Key ratios

Employees	4 300
Sales Companies and Local Sales Organisations	57
Distributors	28
Manufacturing Units	19
Markets covered	100
R&D Centers	4
Dealers	1 190
Shops	2 536
Sales representatives	1 276
Installers	1 082
Service technicians	3 021
Delivery trucks	93
Mobile shops	515
Net invoicing (M Euro)	721

Customer Solutions

Grassland
Heavy Duty
Loose Housing
Tied Up

Product portfolios

Milking Mobile systems & Supply
Dairy Management & Automation
VMS
Milking Parlour & Extraction
Cooling
Farm Supply & Barn Equipment
Nutrition
Spares & Service
Milk Quality & Animal Health

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Manufacturing Units

Milking

Bosio, AR

Waunakee, WI – US

Chillicothe, MO – US

Mt Vernon – US

Dobre Miasto, PL

Marktschorgast, DE

Milking, Feeding, Farm Supply

Tumba, SE

Milking, Cooling, Chemicals, Farm Supply

Wroclaw, PL

Milking, Filters, Chemicals

Kansas City, MO – US

Cooling, On-farm processing

Karad, IN

Filters

Tampere, FI

Chemicals

Gent, BE

Shanghai, CN

Hamilton, NY – US

Dallas, TX – US

Hamilton, NZ

Turlock, CA – US

Des Plaines, IL – US

Cooling

Campinas, BR

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Joakim Rosengren, President & CEO of DeLaval

Joakim Rosengren was appointed to President & CEO of the DeLaval Group on January 1st, 2003. He was previously the Vice President of Tetra Pak Nordic.

Joakim Rosengren was born in 1960 and is married with two children. He joined Tetra Pak in 1984 after completing his BA at Stockholm School of Economics. Since then he has held different marketing and managing directors positions within Tetra Pak in Sweden and internationally. He was Vice President of the Nordic cluster from January 1st 2001 until January 1st 2003.

DeLaval is one of the Industry Groups in the Tetra Laval Group and as such is under the responsibility of the Tetra Laval Group Board. As President & CEO of DeLaval Joakim Rosengren has the full operational responsibility for running the DeLaval Group and reports directly to the Tetra Laval Group Board.

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DeLaval Milestones

- 2005 DeLaval sells the largest sheep and goat parlour in the world.
- 2005 Inauguration of new cooling tank factory in Wroclaw, Poland.
- 2005 DeLaval celebrates the sale of their 1 000 VMS system.
- 2004 Inauguration of the new Research & Development barn at Hamra.
- 2004 DeLaval equips 200 Chinese village milking centres.
- 2004 DeLaval delivers the 700th VMS system.
- 2003 Hamra 3D. DeLaval and FAO co-hosts an International fair on New Dimensions in Dairy Development 100 years after the first National Fair was held at Hamra Farm.
- 2003 On December 9th, 2003, we celebrated five years continuous operation of the DeLaval Voluntary Milking System VMS at Kungsängen, Uppsala, the Swedish University of Agriculture's research farm.
- 2002 Inauguration of DeLaval Kansas City Hygiene Technology centre.
- 2002 DeLaval Cell Counter launched. The DCC measures somatic cells on the spot and receives an answer in only one minute! It is awarded the prestigious Gold Medal at the EuroTier exhibition in Germany.
- 2002 Inauguration of the new VMS barn at Hamra, a top of the range research and demonstration barn.
- 2002 Animal welfare conference held at Hamra Farm in co-operation with the Swedish University of Agriculture.
- 2001 The DeLaval Animal Welfare Policy introduced.
- 2001 Inauguration of "DDI", Dairy Development International. DDI is an 850-cow state-of-the-art dairy farm located in the heart of Central New York. DDI is designed to be a leading edge farm for producing milk and evaluating new technologies.
- 2000 Alfa Laval Agri becomes DeLaval when Tetra Pak sells Alfa Laval.
- 2000 DeLaval pulsator EP70 wins the coveted AE50 award on the theme of "Outstanding Innovations 2000" presented by Resource Magazine.
- 2000 In October, DeLaval activity meter won a Gold Medal at the International Agricultural Trade Fair in Poznan, Poland. The meter records the activity of the cow and enables farmers to identify the right time for insemination.

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- 2000 DeLaval sponsors the International Congress on Animal Reproduction (ICAR) in Stockholm.
- 1999 10,000th ALPRO herd management system sold worldwide.
- 1998 Launch of DeLaval voluntary milking system VMS (the revolutionary, second generation automatic milking system where cows milk themselves).
- 1994 DeLaval Hamra Farm celebrates 100 years.
- 1993 Tetra Laval is created and the Group is organised in four independent industrial groupings: Tetra Pak, Alfa Laval, Tetra Laval Food and Alfa Laval Agri (ALA).
- 1991 Tetra Pak purchases AlfaLaval AB and Alfa Laval Agri is created as a separate company.
- 1985 Hamra Farm becomes a separate company. The test barn at Hamra is built and the loose-housing barn from 1964 is rebuilt as an exhibition centre.
- 1979 Turn key contract finalised with SAADCO (now Al Safi, the world's largest dairy farm which milks up to 12,000 cows per day).
- 1978 Automatic transponder feeding introduced so that cows receive their individual feed ration.
- 1977 Introduction of the first Duovac milking point, flow-controlled milking where each cow can be milked according to her individual milking pattern.
- 1974 The Farm Center is built and becomes the division's head office. Inaugurated in 1975. Ronny van – the first global concept for a service van.
- 1966 The Hydropulse system is given a broad-based launch including extensive internal training. A first group assortment is established. Glass pipelines are introduced.
- 1964 Moving of production facilities and head office to Tumba is completed. First major agreement with Swedish Farmers Coop is formed followed in 1970 and 1972 by similar ones in Norway and Finland.
The first loose-housing barn (for 40 cows) is built at Hamra.
- 1963 AB Separator changes name and becomes Alfa-Laval. The first purely scientific symposium to deal with milking and milking machines is held at Hamra.
The milking machine company AB Manus is acquired.
- 1961 A new factory is inaugurated in Tumba, Sweden, and new investments make Hamra a world-leading development and training centre.
- 1960 ALFAMATIC, the first standardised pipeline milking system (including milking units, pipelines, vacuum pumps, end units) for stanchion barns, is introduced in Europe.
- 1951 First farm cooling tank delivered.

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- 1950 First herringbone parallel parlour introduced with automatic cleaning of pipelines.
- 1949 First pipeline milking machine for goats installed.
- 1943 Agricultural school is inaugurated at Hamra. It is run by ABS with support from the Swedish government. In 1961, it reopens as Alfa-Laval's industrial college and in 1993 it returns to its roots and is relaunched as the Agri/Hamra School.
- 1934 Sales begin of the first milking parlour
- 1930's Mechanical manure handling introduced.
- 1930 Rotary platform (Rotolactor) delivered in Plainsboro, USA.
First sheep milking machine delivered (at Roquefort).
- 1925 First pipeline milking machine introduced.
- 1920-22 Sales volume takes off in the USA and Europe.
- 1917 The first DeLaval vacuum operated milking machine is introduced. The DeLaval Milker.
- 1912 Norman John Daysh finalises the design of his milking machine and is employed by De Laval Separator Co USA. Development work is begun.
- 1911 International Dairy Congress, the first of international meetings arranged at Hamra by the company.
- 1903 National Fair, the first agricultural fair to be held at Hamra Farm.
- 1901 The Big Barn at Hamra is inaugurated.
- 1899 The laboratory and test dairy are completed at Hamra and we begin to sell the trusted "TB-free milk from Hamra Farm".
- 1894 AB Separator acquires Hamra Farm in Tumba, Sweden. Hamra Farm becomes a test and demonstration centre.
- 1887 John Bernström becomes Managing Director of ABS after Oscar Lamm Jr and remains in the company until 1915. His contributions to the survival of ABS are decisive and include acquisition of the Alfa patent in 1889.
- 1883 AB Separator (now DeLaval) is founded.
- 1878 Gustaf de Laval (1845 – 1913) gets the patent on his invention the cream separator that revolutionises milk production.

For further information please contact Public Relations Manager Carina Edgren.

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