



## PRESS RELEASE

Laval, 11 July 2019

### LACTALIS ANNOUNCES ITS ACQUISITION OF ITAMBÉ, BECOMING BRAZIL'S LARGEST PLAYER IN THE DAIRY INDUSTRY

**SÃO PAULO, BRAZIL (10 July 2019)** - Lactalis do Brasil, a subsidiary of Groupe Lactalis, announces the closing of its acquisition of the Itambé cooperative. This acquisition makes Lactalis the largest player in Brazil's dairy industry. Both companies together will generate revenues of € 1.5 billion, thus becoming the Group's 5th largest operation globally, behind France, Italy, Canada and the US.

Itambé is the leading company in Minas Gerais, with revenues of over € 600 million, 5 factories, more than 3 500 employees and collection operations from 4 000 milk producers.

With this acquisition, Groupe Lactalis becomes the nation's leader across all dairy categories - fluid and powdered milk, yogurt, cheese, butter and industrial products - thanks to 19 production sites and 8 500 employees spread across the entire country.

Lactalis also becomes the leading milk collector, buying 2.3 billion litres of milk per year (9.4% of Brazil's formal milk production) in the main production areas. Lactalis has strong positions in Southern Brazil, while Itambé is the leader in the State of Minas Gerais, the country's top milk producer. The regions' milk production seasons are complementary.

#### About Lactalis

Groupe Lactalis is a third-generation family-owned business, founded in France in the 1930s. A global leader within the dairy industry, Lactalis has over 83 000 employees and 250 facilities around the world. It is committed to offering consumers the best of milk under various local brands and three global brands: Président®, Galbani® and Parmalat®.

Lactalis entered the Brazilian market in 2013 with the acquisition of Balkis. In 2015, it expanded its operations with two further acquisitions: part of LBR's assets, and ELEBAT, BRF's dairy division. Lactalis do Brasil has 5 000 employees and 14 production facilities in eight states. The company offers consumers great-tasting, high-quality dairy products under a selection of well-loved brands, including Batavo, Président, Elegê, Cotochés, Poços de Caldas and Parmalat.

#### About Itambé

Founded in the State of Minas Gerais 70 years ago, Itambé Alimentos S/A transforms 3 million litres of milk a day to produce a comprehensive portfolio of more than 160 dairy products - milks, yogurt, requeijão and milk caramel - all at the cutting edge of quality and innovation.

With 7 000 suppliers and 3 600 employees, Itambé is one of the largest dairy players in Brazil. The company has five production facilities: four in Minas Gerais (MG) – Pará de Minas, Sete Lagoas, Guanhães and Uberlândia – and one in Goiânia (GO).

According to Kantar WorldPanel's 2018 Brand Footprint report, Itambé is the 4<sup>th</sup> most popular FMG brand with Brazilian consumers in the dairy segment, the 1<sup>st</sup> top-of-mind brand for milk, yogurt, industrialized candy and requeijão in Minas Gerais, and the 1<sup>st</sup> top-of-mind brand for milk in Brasília. In 2017, Itambé featured in the Valor Econômico ranking of Brazil's top 150 most innovative businesses.

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