



Market

For the past 20 years, customers throughout the developed countries have become aware of the quality of food, its origins and the methods of cultivating its ingredients in everyday food consumption and especially in baby food. The medical profession was also introduced in a number of clinical research projects, claiming that food consumption in children have an influence on their health later on in life. This also speaks of the importance of this topic.

Although the number of newborns is declining every year from 2.5% to 5%, (in 1990 there were 52,000 new born babies and in 2006 there were 41,400 babies) but this category (baby food) is continuously rising. What is generating the growth of this category? Firstly, it is the continuous innovations of the manufacturers of baby foods in different product groups. Today we find on offer not only meals for breakfast, lunch and dinner but also various "snacks" for in between; deserts, fruit mixes, baby biscuits and similar. Mothers are also unsure of the origins of the ingredients that they can buy (that is available) on the market and therefore believe it is safer to buy controlled baby food.

The consumers are young, from newborn up to 3 years of age. By knowing the age of the consumer, it is clear that this category is the most sensitive category in the FMCG (fast moving consumer goods). The market brand HiPP is the leader in the category of baby food on the Croatian market. In total, it has over 50% shares and with that, there are categories within baby food (porridges and teas) in which HiPP has over 70% of the market share.

When we look at the results of HiPP in Croatia, in relation to the markets of other countries, on the international level, Croatia is on top, one of HiPP's most successful countries.

Achievements

Organic agriculture protects the soil and underground waters. HiPP is the world's biggest manufacturer of cultures grown from bio-organic cultivation. In this way, up to 15,000 hectares of land and underground water is protected from more than 2,000 tons of fertilizer. The growth of bio-agriculture protects the land as well as the top soil from destructive chemical fertilizers and synthetic pesticides.

Since the year 2000, HiPP has been using Biomass as a source of energy and with this, reduced the emissions of harmful gasses. Even today for many companies this is

still in the future. In the last decade, HiPP has reduced the consumption of water on its crops by up to 50%. This means a saving of 372,000 m³. For example, the above-mentioned amount is equal to the amount of mineral water consumed in München over 4 years. In 1992, in Rio de Janeiro,

many countries adopted the protocol for protecting the environment, known as the Rio protocol. This protocol introduces numerous standards for protecting the environment as well as the emissions of harmful gasses. HiPP has assigned for itself rigorous standards. Although the Rio protocol envisaged the reduction of the emissions of harmful gasses by 25%, HiPP managed (with the use of fuel form Biomass) to reduce the emission by 80%.

HiPP recycles 97% of waste by sorting it, by using it and also by using organic waste – making Bio fuel for creating energy.

History

1899, the year of the big idea.

Towards the end of the 19th century, Josef Hipp (1867-1926) was working in a confectionary shop in Pfaffenhofen, Germany. Soon he also became the shop's owner. In 1897, he married Marija Ostermayer. They had many children. Following the birth of the twins, Mrs. Marija Hipp did not have enough milk and so her husband started thinking up ways on how and what to feed his girls. As a confectioner, he came up with the idea to grind toast (toast flour) and then add milk to it to make it thicker and more filling. The girls survived as did the other five children.

1901, The first product.

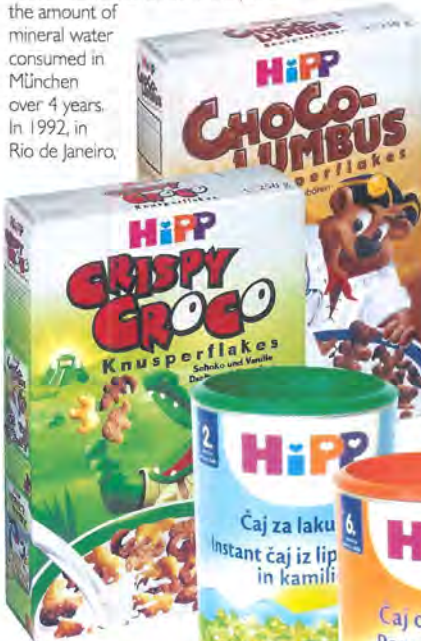
The success of the toast flour that Mr. Josef Hipp sold in his confectionary shop soon outgrew the border of his town. The flour was packed in black and white boxes, already well recognized by parents in Bavaria.

In 1950 Georg Hipp started manufacturing vegetable porridges for infants, the so-called food in bottles. Parallel to the manufacturing of food for infants,

Georg Hipp, in 1956, also started with cultivating vegetables and fruit by natural methods, far away from industry and without chemical substances. The family business became a BIO family business.

Georg's children Claus, Paulus and Georg are continuing with the positive family tradition and the BIO philosophy continues to be their beacon of light in business. Little by little, neighbouring businesses are becoming aware of the advantages of BIO cultivation and are therefore becoming partners of HiPP. Today HiPP is the biggest manufacturer of agriculture from bio-organic cultivation. Since 1960, the baby

food is packed in glass bottles and not in tin cans. The variety of the products is growing on a daily basis.





Product

What separates HiPP's products from other manufacturers of baby food? Healthy soil, chemically untreated seeds and the banning of chemical spraying. These are basic guidelines for BIO cultivation. The choosing of the correct soil is already a huge task; numerous tests on soil samples are done to see whether a piece of land is adequate for BIO agriculture. The prerequisite is that the land is far away from industries and highways. Bio-organic cultivation is nothing more than respecting (working in harmony with) nature's processes. Therefore, pests that attract insects are planted on the edges of the land and in this way keep the insects away from the crops. HiPP's bio-carrots are planted in windy areas because the wind "cleans and airs" the plant. With other vegetables and fruits, just as in the example of the carrot, HiPP uses the traditional method of agriculture. In the cultivation of rice, HiPP's collaborators keep to HiPP's stringent guidelines – each grain of rice is picked by hand.

HiPP's orchards represent a Garden of Eden in its own right for birds. Birds truly enjoy it. They weave their nests, food is in abundance – the insects are truly theirs. When it comes to the fruit only the kinds that are suitable for BIO cultivation and are naturally resilient to disease are selected. HiPP's delicious apples come from orchards on the sunny hill-sides that lie between Verona and Ferrara. These apples are especially mild and easily digestible for babies. Ripening under the Southern sunshine means that adding additional sugar is unnecessary.

Bananas that are rich in minerals are very healthy for children. HiPP, therefore started looking for an agriculturalist that would supply them with healthy bananas. They found them in Costa Rica. HiPP bananas grow far away from big plantations, on the hill-sides above the jungle where the air is dry and fresh, ideal for the growth of bananas. These bananas are of course more expensive than the ones from the big plantations

but with this, HiPP motivates agriculturalists to persevere in their method and traditional way of cultivation. HiPP also contributes to the protection of the jungle in this way. HiPP is still the world's largest manufacturer of BIO cultures and we hope that others will follow suite, for the prosperity of our children and planet.

The contents of each glass bottle goes through numerous quality control points, up to 260! beginning with the analyzing of the soil, analyzing of raw materials, manufacturing controls and analyzing of the final product. Within HiPP, the biggest pride lies in the laboratory, which is one of the best-equipped and modern in Europe.

The analyzing laboratory is able to detect the tiniest matter. Due to its effective operations and competent results, it has the prestige (prestigious) ISOEN45001 certificate. The tolerable limit of harmful matter in baby food is very low. These limits are regulated by the legislation of each country. HiPP is even more stringent than these legislations. In HiPP's opinion, these limits are still too high.

Recent Developments

In 2007, HiPP also transferred its philosophy of quality on to the area of baby care. In collaboration with paediatricians and midwives, they developed a line of products for baby skin care, HiPP Baby sanft – with extra mild recipes that are conformed for babies skin and suite the physiological uniqueness of the skin. The result perfectly adheres to the tradition and philosophy of the family HiPP.

HiPP Baby sanft links the mild care of baby skin with the protective attributes of the product. The primary component of each product is almond oil and the protective matter is the so-called CM glucan. This is a matter found and isolated (extracted) from yeast which has proven to have protective attributes. The effectiveness and the suitability of this product for baby skin have been proven in various independent studies. At the beginning of 2008 clinical studies were completed, which proved that the HiPP Baby sanft skin

care range was not only adapted for the care of baby skin but also for babies with low or mild dermatitis.

Promotion

HiPP's marketing strategy differs a great deal to the marketing strategies of other brands in the FMCG category. Most of the marketing attention is placed on providing the health sector with information, which is in contact with the parents. The quality of HiPP's products is the strongest marketing tool. A good experience of HiPP's products is transferred from one mother to another. HiPP devotes all its attention the quality of their products and all mothers across the globe are aware of this.

Brand Values

The best from nature, the best for nature.

Bio-organic cultivation is not only good for our babies, nature also enjoys it and replenishes itself. By avoiding the usage of chemical fertilizers, we protect the quality of our underground water. By protecting the top soil the necessary balance for living things is maintained and the variety of plant and animal life is nurtured. HiPP's work is a contribution to the ecological balance.

www.hipp.hr

Briga za zdravlje naše djece u budućnosti u srcu je naše kompanije.

Za nas ne postoji ništa vrijednije od zdravlja i blagostanja djece.

Tako je bilo oduvijek i uvijek će tako i biti!

Olivero Toscani

THINGS YOU DIDN'T KNOW ABOUT...

HiPP

HiPP has received many prestigious awards; In 2001. Award from the German food industry for first class quality of HiPP's products and the caring of the environment, in 2000. First millennium award from the United Nations for the protection of the environment, in 1999. Award for the protection of the environment from the Austrian food chamber of commerce.

