



Market

Ledo d.d. is the largest Croatian producer of industrial ice-cream and distributor of frozen foods. It is a regional leader in most of the markets in which it operates, and as such it has more than 50 percent of the market share in almost all of the said categories, and keeps increasing it year after year, which represents exceptional business success.

In 2008, a year in which Ledo celebrated 50 years of its existence, the company continued with a number of successful business results and strengthened its present market position with quality production, marketing, sales and distribution support.

Ledo has held its strong position on the Croatian market in all its product groups this year as well. With its 80 percent of market share on the ice-cream market, Ledo is a synonym for ice-cream. The Frozen pastry product group market share has increased to 76 percent while the Frozen fish and Frozen fruit and vegetables groups have kept last year's results.

In 2008 Ledo sold 84,688 tonnes of products, resulting in financial results of 1.13 billion kuna.

As for the Ledo group distribution strength in the region, it lies in more than 100,000 refrigeration units in the most attractive locations throughout the region. Around 500 refrigerator trucks – fitted with computer equipment and integrated into a computer system – distribute Ledo products to retail stores, the catering industry, private retail stores, public institutions, as well as for export.

A direct distribution channel secures the correct shipment of product to the buyer, in the amounts demanded and at times scheduled, so regardless of the distance or location, the products are always deep frozen, from the moment of production to the freezer at the sales location.

Achievements

From its very beginning until today, Ledo d.d. has developed into a modern company recognised by its tradition and product quality. Its development is the result of its investments and care for consumer demands.

Buyers experience Ledo as a big, strong and dynamic company that offers wonderful, healthy and above all tasty products. With that, Ledo is reputed as the most innovative company that, in competition of the largest food companies, creates the best advertising campaigns of the highest quality, and manufactures the best products aimed at youth (Source: Valicon, 2008).

The Ledo group is aware of the high market demands and the undying needs for new flavours and challenges, therefore special care is dedicated to innovations and development of new products. By closely listening and researching consumer needs, dozens of new products are launched onto the market each year, from ice-cream to other frozen food products. In that context it is important to mention recognition from other members of the frozen food industry – a trade award conferred upon the company by the IICC – the International Ice Cream Consortium, for the best ice-cream innovation in 2006 for Jaffa Ice and for the Auto (The car) ice-cream in 2008.

On top of that, through its activities and results in the area of the quality management system, Ledo constantly demonstrates efficiency in satisfying the demands of the Croatian, regional and EU markets. In the late 90s, the ISO-9001 quality management system was introduced in the company, as well as the HACCP system for food safety.

In 2008, Ledo d.d. was categorised as a 1st category business subject for export and trade on the EU market by the Ministry of Agriculture, Fisheries and Rural Development and the EU Inspection.

The long-term success of Ledo comes from every one of its employees whose work is based on satisfaction, personal development, constant education and strong motivation. In 2006, Ledo received a prestigious "Employer partner" certificate, which represents



an additional acknowledgment of continuous quality work in developing human potential, confirmed in 2008 with its renewal.

History

Ledo's history began in the year 1958 when the first mass-produced ice-cream was made in the Zagreb Dairy, whereas the first production plant for ice-cream was built sometime later, in September 1965, which made Ledo the first manufacturer of industrial

ice-cream in Croatia. Throughout 50 years of its existence, the company developed into a modern, responsible company, a leader on the Croatian market that, with its experience to date and its future development, is trying to meet all consumer needs.

From 1994 the company Ledo is a part of the Agrokor Group, which helped to equip the company with the most modern machinery and technology for producing cones, sticks, and ice-creams in more demanding shapes and in a large selection of flavours.

With large investments into business and development of the company, the most modern storehouses for raw materials and frozen products were set up, packaging machinery, new power and computer equipment were purchased. By implementing its business strategy to develop into a regional company, apart from branches that opened in Sarajevo and Ljubljana, it also started its own production of ice-cream in Čitluk (BiH) in 2000. In the year 2002 it took over a Daruvar factory for processing and trade of fish and other seafood – Irida d.o.o. As of 2004, the 12 SUPERBRANDS of the Agrokor Group joined the Frikom company – the leading producer of ice-cream and frozen food on the Serbian market. That same year, Ledo bought a Hungarian ice-cream company, Bakfaul, thereby expanding its production facilities into the European Union, and in 2006 it took over the brand Sun – the leader in the ice-cream category in Montenegro. In 2008 Ledo began exporting to Romania where it established its own company, Ledo Romania.





Product

Ledo offers a wide selection of ice-creams that are daily enjoyed by the young and the old alike.

The oldest and the most popular Ledo ice-cream is "Snow White" celebrating its 50th birthday, appearing on the market in a new wrapping, but still having the same irresistible taste with the combination of vanilla and crunchy chocolate shell. Other than Snow White, Ledo offers an array of ice-creams on a stick the most popular of them are Macho and King. Macho sticks were introduced in 1996, and today those who enjoy them are mostly younger, urban people who recognise quality. The premium line King ice cream sticks appeared on the market in 1995, and currently these rich creamy ice-creams come in a variety of luxurious flavours. Among the rich offer of Ledo cones, the most popular are the Vanilla and Chocolate Cones, as well as the premium Maximo cones.

On top of sticks and cones, an abundance of irresistible treats for the entire family can be found in Ledo's big freezer; family favourites of ice-cream Grandissimo, Quattro, Queens and Twice.

The top family Ledo treats are available in different types of packaging and most delicious combinations of flavours.

Except for respectable numbers of ice-cream for all tastes, an array of other deep frozen products like fish, different types of vegetables, dough, bakery products and ready-meals are found in Ledo's freezer. Following the trends on international markets, Ledo in 2008 developed a number of new products and thus formed new trends in the ice-cream and frozen food groups. In 2008, 70 new products were launched in the ice-cream and frozen food categories.

All frozen products are made and distributed under strictly controlled conditions enabling the

preservation of all vitamins and nutritious substances!

Ledo's offer includes a wide range of products aimed at catering services and which meet demands for the best quality.

Recent Developments

The most important investments in production relate to the development of new products and introduction of modern technologies. Since 2007, Ledo has been fully applying a system of advance sales, which has enabled the implementation of new mobile information systems for sales personnel. This created prerequisites for a full and quick fulfilment of the market needs, and secured the conditions for a buyer to get his or her favourite products at any given moment. In the year 2007 Ledo introduced the most modern product line for fish processing and packaging, with a monthly packaging and processing capacity of 150 tonnes of fish. Ledo constantly invests into new technologies, which enables production growth, so new lines of ice-cream production are installed in production plants. Additionally, Ledo expanded its capacity for producing vegetables and consequently opened a new production facility for vegetable packaging in Bjelovar.

In 2008 new production and storage capacities were created due to various investments, with the aim of optimising the market needs. Ledo invested in the line for producing extruded ice-cream sticks, among the world's most modern ones.

The investment in a new line for family and catering packaging caused a growth in production capacities. New storage for raw materials was built, and the warehouses for products were enlarged. New machinery for packaging in Irida in Danovar expanded the fish assortment and the introduction of new attractive products on the market.

Promotion

Every year Ledo prepares a number of advertising campaigns with the goal of strengthening its brands and promoting new products.

The Ledo winter campaign is also worth mentioning, as its goal is to get consumers into the habit of eating ice-creams in winter, and to extend the ice-cream season to the whole calendar year.

Ledo's marketing strategy, except ice-cream promotion, includes promotion for other groups of company products. Ledo initiated an educative campaign "Frozen is Healthy" by wanting to emphasise quality and the advantage of frozen vegetables, fish and ready-meals. Ledo's assortments are produced with the best technology, they are of excellent quality and contain all the necessary vitamins and nutritious substances.

The marketing strategy also includes sponsorships. Ledo is a sponsor for different children's events, sporting events and sport clubs. In 2008 Ledo



celebrated its 50th birthday, so it prepared a special prize game: "50 points for 50 years".

Brand Values

Today, Ledo is the top producer of industrial ice-cream and the largest distributor of frozen foods in the whole region. During the 50 years of its existence, Ledo developed a strong positive and distinguishable image. Having chosen an accurate strategy for product lines and by carefully following world trends, Ledo listens to the market demands. Thanks to its innovative solutions, its offer of top quality products and a systematic development of its brands, it comes to the homes of its satisfied clients every day.

Building its brands in all segments all the way to the premium products such as ice-creams like "King" and "Grandissimo", Ledo is becoming a brand recognised by consumers for its quality and tradition.

"The size of Ledo isn't in the numbers, it is in the hearts of its consumers!"

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THINGS YOU DIDN'T KNOW ABOUT...

Ledo

- > The first ice-cream "Snow White" was produced in 1958 and its recipe and appearance have still not changed.
- > In Croatia, five litres of ice-cream are consumed per person a year; in Scandinavian countries more than ten litres and in New Zealand as many as 20 litres!
- > Freezing is a natural way of preserving all of the high-quality substances and ingredients in food.
- > Ledo invented a "Space Conquest" sticker prize game as early as in 1971.