



Market

The Dukat brand is part of the nutritional habits of the Croatian citizens to such an extent that milk and dairy products will pop in the minds of most of them rather than a gold coin, should the word "dukat" be mentioned. Dukat is the most well-known dairy product brand in Croatia, with its products holding key positions in all segments of the market for milk, dairy products and cheese. Annual consumption of Dukat products in Croatia exceeds 150 million litres /kilograms. The value and significance of the Dukat brand can be recognised from the data stating that the market share of Dukat in the first nine months of 2009 amounted to no less than 35 percent of the total milk and dairy products market (Source: MEMRB, sales panel, 2009).

Achievements

Dukat and its brands won many domestic and international awards. In 2008, Dukat products competed with other products from more than 30 countries and seven of them were awarded a prestigious golden DLG certificate for the product quality in Sod Baden, Germany. Besides the



began when City Dairy was established in Zagreb. It grew continuously over the years and in 1948 merged with another two dairies under the name Zagreb City Dairies.

Another four years passed when Žitnjak was selected as the location where a new plant was to be built. With the help of the UNICEF, the new plant named Zagreb Dairies was built on the site where even today Dukat's administrative premises and the production facilities are located.

Another seventeen years passed until the plant changed its name into Dukat Zagreb Dairies while seven years later a new milk-processing factory was built at Žitnjak.

The merger of Dukat d.d., Sirela d.d., Mjekara d.d. Zadar and Lura d.o.o. into a single legal entity created Lura d.d. in 1999, which continued its development, among other things, by entering the confectionery and bakery industry, as well as the beverage industry.

In 2003, the then Lura made its first big step into the markets of Serbia and Montenegro with the acquisition of Serbian Sornobled Dairy, in addition to the already in addition to the already successful operations in the markets of Slovenia and Bosnia and Herzegovina.

The year 2007 brought newly-defined business strategy - the company focused on buying-up of raw milk and processing and production of milk, dairy products and cheese and made efforts to empower the Dukat brands and expand in regional markets. In 2007 Lura d.d. changed its name into Dukat Dairy Industry d.d. and the confectionery, bakery and beverage industry segments were divested from Dukat.*

* Farmina d.o.o. in Čapljica, a biscuit, waffle and snack production facility, was acquired by Lactalis. Biskviti Šćak Vrhovi, which Eurodim was divested from Dukat at the beginning of 2007.

On May 15, 2007, Dukat Dairy Industry turned a new page in its history by becoming an integral part of the Lactalis Group, a leading French cheese producer and one of the global dairy industry leaders.

Dukat became Lactalis' centre for development of dairy business in the markets of South East

Europe and in the same year strengthened its position in the region by two acquisitions - Inner Dairy in Gradačac (Bosnia and Herzegovina) and Ideal Šipka Dairy in Bitola (Macedonia).

A year later Dukat acquired one of the biggest Romanian dairies with eight production facilities,



prestigious Superbrands awards received by the Dukat brands b.Aktiv LGG and SenSia, in 2009 Dukat also won a Trusted Brand Award as the most reliable dairy product brand in Croatia.

An extremely important aspect of the socially responsible behaviour of the Dukat Dairy Industry is promotion of the quality of life and sustainable development of the community in which the company operates. By certifying the company's quality management system to the international ISO 9001 certificate and its environmental management system to ISO 14001 certificate, Dukat Dairy Industry has built its own environmental protection system and has been constantly upgrading it to reduce negative effects of its business activities to the environment.

In 2009 Dukat also certified its food safety management system to the international ISO 22000 certificate.

History

The history of the Dukat Dairy Industry began back in 1912, long before it was named as such. It all

LaDorna, while in September KIM Dairy Karlovac was acquired and thus became Dukat's fourteenth production facility.

Product

Dukat offers many high-quality products in the domestic market. Let us mention only some of the top-quality Dukat brands and products:

Dukat Omega 3 long-life milk has good effect on the heart and blood vessels and is recommended for persons whose diet lacks in omega-3 fatty acids.

Dukat Kalcij+ long-life milk is enriched with inulin and oligofructose probiotics, the non-digestible dietary fibres which stimulate calcium absorption for 20 percent and thus supply human body with a significantly higher amount of calcium.

Lagano jutro long-life lactose-reduced milk is another big innovative product of Dukat. It is intended for the people who take care of their health and like to enjoy the taste of healthy cow milk without experiencing the usual lactose-intolerance symptoms.

SenSia, the latest functional product, regulates the digestion in a natural way thanks to the Bifidus Naturals probiotic culture. SenSia represents one of the biggest Dukat innovations over the past few years and also one of the biggest innovations in the domestic milk and dairy products market. The Ministry of Health and Social Welfare of the Republic of Croatia recognised the value of clinical researches and approved the use of slogan "Regulates digestion in a natural way", while the Croatian Society of Gastroenterology recognised the value of the SenSia product by recommending it to the people with digestive problems. Croatian Chamber of Commerce in 2009 awarded SenSia the "Croatian Quality" label.

Dukat Kefir is a refreshing fermented milk drink made according to the original Dukat recipe and bottled in unique bottles of 330 g and 500 g.

Dukatino is a product line of healthy and natural dairy products specially designed for children. The Dukatino products contain high-quality nutrients necessary for their growth and development, but they are also in tune with children's wishes and promote and respect their independency and their right to play.

The finest Dukat milk is used to make delicious Dukatino fruit yoghurts with fully chopped fruit. Thanks to its creamy texture with no fruit bits, they are suitable for very young children, as well. The Dukatino line also consists of nutritious Dukatino farmer's cheese with fruit, Dukatino chocolate-nougat milk dessert and Dukatino chocolate milk.

Dukatela is a synonym for dairy spreads made of fresh milk according to the original Dukat recipe. It is a natural source of calcium and valuable proteins. Years of experience and original recipes resulted in top quality and unique taste of the Dukatela dairy spreads, due to

which they were awarded the prestigious "Originally Croatian" label by the Croatian Chamber of Commerce. The Dukatela product line was attractively redesigned in 2008.

By entering the Lactalis group the Dukat Dairy Industry became the main importer and distributor



of the top quality French and Italian cheeses PRÉSIDENT and Galbani for the Croatian and regional markets.

PRÉSIDENT is the most famous brand of the top quality French cheeses in the world. The domestic market offers PRÉSIDENT butter and PRÉSIDENT semi-soft cheeses such as Emmentaler and Madrilal. Creme de Camembert processed cheese and Camembert and Brie, soft cheeses with white mould. In the year 2009, local production of the PRÉSIDENT cheeses started in Sirela, Bjelovar. Sirela launched triangle-shaped processed cheeses with the following tastes: natural, ham and mushrooms made according to the original French recipe.

Galbani is the leading Italian cheese brand in the world and Galbani Gorgonzola Eccellenza and Erborinato are the most-exported Italian cheeses.

Santa Lucia Mozzarella and Parmigiano Reggiano are people's favourite top quality Italian cheeses widely used in Italian and Mediterranean cuisine.

Recent Developments

Being the market leader, Dukat offers new products every year and keeps up with the trends and growing need for excellent and well-balanced diet. Furthermore, Dukat Dairy Industry produces the greatest number of innovative solutions, which refers mostly to the functional products segment.

Dukat constantly follows the trends in dairy and food-processing industry, invests in researches, development and new technologies and employee training and these comparative advantages lie in the basis of its leading position in dairy business both in Croatia and in the region.

Its product quality and innovative

product packaging design make possible for Dukat to set new trends in domestic and regional market. So in 2007 Dukat introduced a market innovation, so called the thermoforming "single pack" and "4-pack" with 125 g cups, which are today used for the Frutisima fruit yoghurts and SenSia functional milk drinks production lines.

Promotion

Long-term investments in the product quality and recipes are of great importance when it comes to brand empowering, but continuous communication with the market is also important. Dukat reinvests a significant amount of its revenue into the market and development of communication strategy. The brand whose key initiatives are supported by intensive marketing activities, as is the case with Dukat, can count on being easily recognised by consumers, creating even an emotional bond. That is why the Dukat brand has the highest awareness among Croatian consumers. Different marketing activities in which Dukat invested a significantly bigger amount of money over the past few years clearly show it, regardless of whether these activities refer to television advertising, printed media advertising or in-store retail advertising.

Brand Values

Quality, innovativeness and every-day dedication to health care and balanced diet of both individuals and families represent the key values of the Dukat brand, just as the slogan of the Dukat corporate brand goes "Healthy habit"; these values are firmly embedded in almost a century long tradition combined with the most advanced food processing technology and the best milk given by the cows from domestic pastures.

www.dukat.hr



THINGS YOU DIDN'T KNOW ABOUT...

Dukat

- > This is the third year in a row that consumers awarded Dukat the most reliable dairy products brand in Croatia.
- > Dukat is the most recognized dairy products brand in Croatia, with the brand awareness reaching over 95 percent.
- > The Dukatela milk spreads were the first products awarded the "Originally Croatian" label in 1998.
- > The Dukat fresh milk was the first milk awarded the "Croatian Quality" label in 2006.
- > The SenSia product line was awarded the "Croatian Quality" label in 2009.

