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Press release

**FOOD UNION GROUP IN LATVIA SAW ALMOST 5% INCREASE IN TURNOVER LAST YEAR, REACHING EUR 121.5 MILLION**

**The international dairy and ice cream production group Food Union, which has production facilities in eight European countries, achieved excellent results in the Latvian market in 2018. According to the company’s audited financial results, the dairy and ice cream segment concern operated with EUR 121.5 million in turnover in Latvia, which was by 4.8% more than in 2017. This was made up of the group’s two companies in Latvia – the turnover of joint-stock company Rīgas Piena Kombināts and it subsidiary joint-stock Valmieras Piens – EUR 88.7 million and the turnover of SIA Rīgas Piensaimnieks – EUR 32.8 million.**

Last year, two Food Union Group companies in Latvia – joint-stock Rīgas Piena Kombināts and joint-stock Valmieras Piens, were able to increase revenue by increasing exports, reaching EUR 16.4 million, which was approximately 37% more than the previous year. Meanwhile, SIA Rīgas Piensaimnieks saw a 2% reduction in turnover last year, which was mostly due to changes in the company’s sales structure for clients.

“*Last year, Food Union Group in Latvia continued work on the creation and introduction of new products, thus strengthening its expertise in market research and the successful creation and introduction of new products. This is shown by the award received for our Pols Lemon ice cream from the Nielsen consumer research company, which was named the most successful new product of 2018. We have achieved such a level at the moment, that with our expertise in ice cream innovation we are sharing this expertise with other Food Union Group companies outside of Latvia, meaning that innovations have not only become the group’s main competence and development impulse in the Baltics, but also in the European and Chinese market,’’* **Normunds Staņēvičs, the head of Food Union Group in Europe, explains.**

Among Food Union innovations in Latvia in 2018 the fermented milk product Lakto can be mentioned, which has a reduced sugar content by 30%, thus making them healthier and more interesting for the wider audience. At the same time, the children’s milk product brand Rasēns can also be mentioned, which was expanded with two new yoghurts, which, as all other Rasēns products, are in accordance with Cabinet of Ministers standards for pre-school and school children. Furthermore, 8 new ice creams were created for the 2018 summer season, which expanded that varieties available from the Ekselence, Kārums, Pols and Tio brands. But the main innovations of the year was the Latvian centenary ice cream in the color of the Latvian flag and Rasēns vegan ice cream.

*“Even though 2018’s results were impacted by considerable fluctuations in the price of ingredients and materials, thus leaving a negative impact on the price of raw materials in Latvia, Food Union was successful in achieving its goals – investing over EUR 6.7 million in new production technologies, considerable improvement in production processes and an increase in production effectiveness, thus closing the year with considerably better financial results than the previous year. The modernization of production technologies and overall centralization, as well as improving the effectiveness of the company’s process will remain to be the group’s priorities with the opening of the Fresh Dairy Product Center of Excellence, which is planned to be up and running by the end of 2020,’’* **Food Union Group’s financial director in the Baltics and CIS countries Artūrs Čirjevskis points out.**

In 2018, joint-stock Rīgas Piena Kombināts and its subsidiary joint-stock Valmieras Piens concluded with EUR 18 million in gross profit, which was 23% more than the previous year. The combined net profit of both companies in 2018 was at EUR 108,400. Meanwhile, the gross profit of SIA Rīgas Piensaimnieks was at EUR 10.1 million in 2018, which was 5% more than the previous year. The company’s gross profit in 2018 reached EUR 4.3 million. Furthermore, the net profit of frozen and chilled food producer joint-stock Premia FFL reached EUR 2 million in 2018.

**About *Food Union Group:***

*Food Union Group* is an international group of dairy companies and ice cream producers in nine countries. *Food Union Group* is made up of the largest dairy companies, ice cream makers, and other food producers and sales offices in Northern, Central and Eastern Europe: Rīgas piena kombināts, Valmieras piens and Rīgas piensaimnieks in Latvia, Premia in Estonia and Lithuania, Premier Is in Denmark, Isbjørn Is in Norway, Alpin57Lux in Romania, Khladokombinat No. 1 in Russia, Ingman Ice Cream in Belarus, and two dairy companies in China.

At the moment, *Food Union Group* is the largest dairy company in Latvia and the leading ice cream producer in the Baltic countries and Denmark. *Food Union Group* exports its products to more than 25 countries all over the world, while the companies’ key markets include Latvia, Lithuania, Estonia, Romania, Denmark, Norway, Poland, the Netherlands, Great Britain, Azerbaijan, Russia and China. In 2018, *Food Union’s* overall turnover in Europe reached EUR 280 million and gross profit was at EUR 98 million. At the moment, *Food Union Group* employs 2,700 persons.

**For additional information:**

Ērika Kirsone-Kriviņa

*Food Union* public relations consultant

[erika.kirsone-krivina@mmacomms.lv](mailto:erika.kirsone-krivina@mmacomms.lv)

T: +371 26390540