



GELITA

UPTO DATE

The Newsletter for GELITA Customers

#36



GELITA Symposium!

Foods of the
Future

Dear reader,

Movement doesn't just benefit people, it also helps companies stay fit. This is why we are not satisfied with simply developing innovative products. We continually contemplate how we can improve our processes. With our new spray dryer plant, for example, we are increasing our depth of production. We have also reorganized our purchasing structure from local to global. How you, as a customer benefit from this, Heinrich Schmidt, Vice President Global Procurement, explains in an interview.



"Thinking outside the box" was the aim of the recent GELITA Food Symposium: In mid-June, product developers and marketing professionals from all over the world met to exchange ideas. The unconventional thinkers came up with astonishing ideas and reported on the startling results of their work. Would you have imagined that a round chocolate ball is perceived as tasting sweeter than a square chocolate bar?

New on the market is GELITA®-VET AlfaGel. This innovative product helps to cure inflammations of the ear canal in dogs more simply. What dogs would say about it, we can only guess, but the feedback from veterinarians would suggest a joyous "WOOF" from our four-legged friends.

Returning to movement: This will be much in demand in October at the GELITA Trail Marathon in Heidelberg. Come and join us! There's still time to train. With this in mind, keep moving.

The editors of uptodate spoke with Heinrich Schmidt, Vice President Global Procurement

Michael Teppner,
Global Vice President Marketing & Communication
GELITA AG

Meeting in Heidelberg
GELITA Symposium 2015



Product innovation
GELITA®-VET
AlfaGel [12]



Interview
"Our goal is to anticipate significant developments months in advance."

GELITA "global perspective"
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Applications
Gelatine in cancer research

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New spray-drying tower
GELITA counts on growth

A photograph of Heinrich Schmidt, Vice President Global Procurement, smiling and leaning on a metal railing. He is wearing a dark blue suit jacket over a light blue patterned shirt. The background shows a modern building with a green facade and a clear blue sky.

Interview with Heinrich Schmidt, Vice President Global Procurement

“Through professional procurement we secure a competitive advantage for our company.”

Four years ago, GELITA turned its purchasing processes completely around taking it from a local to global structure. Heinrich Schmidt, Vice President Global Procurement, talks about pooled resources, a look to the future and the DNA of a purchaser.

"Our goal is to anticipate significant developments months in advance."

Mr Schmidt, is there any truth to the statement: "The secret of excellent purchasing is in listening and working together."?

I can only agree with that wholeheartedly. Modern purchasing is very different to the classic order-offices of yesterday. Today's buyer must be an entrepreneurially minded all-around with a high degree of professional and social competence. He must be able to communicate at eye level both with internal experts in specialist departments and with experts from the suppliers. He must be able to moderate, deal with conflict and, of course, have strong negotiating skills in order to assert the interests of the company. And the key factors in being able to accomplish these tasks successfully are certainly careful listening, and cooperating closely with internal and external interface partners.

What were the motives behind the restructuring four years ago?

In the past, our purchasing was focused primarily on operations and organized locally, and there was next to no cooperation on a global level. This gave us very limited scope to utilize synergies which arose, for example, from globally pooling our requirements. The last four years have shown that we are on the right path.

What was the biggest challenge in this process?

It was a major task to generate enthusiasm among our employees for the new approach and to integrate the different cultures of our GELITA World to the right extent. In addition, we lacked transparency regarding all the local structures and processes in the purchasing departments.

What reservations were there? And how did you achieve commitment from your team to the new structure?

In my view, the employees' initial reluctance was primarily due to uncertainty regarding what form procurement at GELITA will take in the future, and what this means for each individual. Communication was certainly the

key to winning over our staff and also to subsequently inspiring them. We kept staff up-to-date with new developments right from the outset. In addition, in the course of my procurement roadshows I visited every region in 2012 to comprehensively inform the employees and answer all their questions on the project.

In which areas of procurement were there the biggest changes?

There was evolution and optimization in all areas. The worldwide reduction of suppliers from 15,000 to 4,000 alone shows the tremendous impact on our procurement structures. One impressive example is sea freight. Instead of 50, we now work with just one single partner. This enabled us to reduce costs substantially and simplify procedures considerably.

What other advantages does Global Procurement provide for GELITA?

By restructuring, we were able to realize significant savings. In addition, our category managers, lead buyers and purchasing managers are experts in the fields of energy, chemicals, logistics and technology. This makes them competent partners for the other departments.

How will the customers benefit?

One of the biggest challenges in the next decade will be to ensure security of supply for our company with ever-diminishing resources. Many of the strategic initiatives in Global Procurement are aimed at meeting this challenge – and our customers at the other end of the supply chain will then, of course, also benefit from the increased reliability achieved.

To what extent can the global needs be bundled at all?

Good question; it doesn't always work as well as with the sea freight, of course. However, for large regions such as Europe as a whole, it is often possible to find a preferred supplier for a product group and conclude framework agreements. In such cases, it is also important from a risk management point of view

to always be able to fall back on a second source in an emergency.

New products, companies and business models are emerging daily in the procurement markets. How do you keep you and your team up to date?

The fact that the world is turning ever faster makes our work incredibly exciting – but it also presents us with challenges. Our goal is to secure a competitive advantage for our company through professional procurement. To rest on our achievements would be a big mistake. This is why we place such a high emphasis on training. Our specialists take part in courses several times a year. In addition, we have implemented market intelligence processes that ensure we are always informed about relevant developments in our global procurement markets, and can sometimes even anticipate important developments months in advance so that we are in a position to plot the right course for our company in good time.

How do you locate the best suppliers worldwide?

We use a wide range of tools – from active internet searches and web-based procurement platforms to trade fair visits, although their importance has decreased in the course of digitalization.

What role does sustainability and environmental protection play?

Both aspects are becoming increasingly important. Together with our Corporate Social Responsibility Manager, we have just developed a Code of Conduct for our suppliers, which governs our requirements for sustainability and social standards, and which we are now successively implementing.

Not every service can be purchased globally. What scope do the individual sites have?

We are in constant contact with our sites. In addition, we hold periodic global Procurement Meetings here in Eberbach. This year we worked together intensively on our Procurement Strategy 2020; and everyone can play an active role here. For me it has always been important to take the concerns of the individual sites into consideration within our strategic initiatives to make certain we really achieve the best result for GELITA – which takes us back to listening carefully.

You have been at GELITA for four years. What conclusions can you draw?

I encountered an exciting and dynamic environment here. My team possesses a high level of competence and enthusiasm and challenges me – in a positive sense – daily. In addition – and this doesn't go without saying – the board displays a high level of trust in us, which gives us important leeway. This collaborative spirit naturally radiates outward, too, and is reflected in the cooperative partnership we enjoy with our suppliers and customers.

What role does the procurement expert in you play when you go shopping privately?

After more than 20 years in procurement, negotiating has become a part of my DNA. Suffice to say that my wife gives me a critical look when we're shopping in the market and I can't resist bargaining. (laughs)

"We do not rest on past achievements."

Heinrich Schmidt has served as Global Vice President Procurement at GELITA since 2011. Earlier stations of his career as a procurement expert include Heidelberger Druckmaschinen and bielomatik Leuze.

Industry get-together of unconventional thinkers

Crossover solutions in product development

www.youtube.com/watch?v=mce_RL_EY_c



To reveal interfaces between product categories and the variety of possibilities that result from it: That was the goal of the GELITA Food Symposium 2015. Around 75 product developers and marketing professionals from all over the world met in mid-June in Heidelberg to be inspired by the most diverse "Crossover Solutions in Product Development" – as the event was titled.

Sugar-free cotton candy, chips without fat and carbohydrates, and milk popsicles: As well as the lectures by internationally renowned scientists, the participants of this year's GELITA Foods Symposium were impressed by such extraordinary product concepts.

Coffee for your memory

One focus of the meeting was on foods with that extra something for health and wellbeing. Drink a coffee that improves your memory? Enjoy a smoothie that firms the skin, or suck sweets that make your skin smell of roses? Presenting to representatives of leading international food companies, the speakers showed how fruitful it can be to exchange information across existing market sectors and industry borders and share ideas with one another. It creates completely new impetuses for their own tasks.

Discovering what's beyond the horizon

The findings by neuroscientist Professor Charles Spence, who is conducting research on the relationship between the shape and taste perception of foodstuffs were impressive. People perceive a round chocolate ball as tasting sweeter than a square chocolate bar – a way to cut down on sugar? Christiane Friedmann of the Future Institute Workshop presented crossover examples from a variety of industries. Dr Jürgen Eck, CTO of the biotechnology company BRAIN, explained the latest molecular biological possibilities in product development. Dr Annemarie Dengler of the RED OTC Development GmbH shed light on the differences in the product classification of pharmaceuticals and food. And finally, Dr Melanie Felgate of Datamonitor predicted an enormous growth in the field of pharmaceutical food.

Clean Label

In addition to the innovative concepts, it also became apparent how important gelatine and collagen peptides are concerning current consumer needs. They are ideal candidates for Clean Label products: "natural, no E-numbers, sustainable, GMO-free, an independent foodstuff". They are also the only source of protein that has no allergenic potential.

See, touch, taste

In addition to all the talk about the product concepts, it was also possible to sample such "crazy ideas" at the "GELITA Food Market". Here you could see, touch and taste what happens when GELITA product developers are given complete free rein. The feedback was correspondingly positive: The symposium was "inspiring," "highly innovative, impressive and remarkable," and "encouraged think-



ing outside the box", to mention but a few quotes. Event manager, Oliver Wolf was delighted: "Our concept worked out well and sparked a great deal of interest. The GELITA Food Symposium is establishing itself as an industry get-together with great innovative strength."

INTERESTED IN CROSSOVER SOLUTIONS BY GELITA?

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Final spurt to the start!

It's almost time: On 4th October 2015, the The Third Annual GELITA Trail Marathon will take place in Heidelberg for the third time. Registrations are still being accepted!

3,000 runners are expected at this year's GELITA Trail Marathon. An impressive 1,500 starting positions have been reserved for individual runners alone, and 300 for the team relays. Because participants don't necessarily need to run the full distance of 42.195 kilometers, the course can also be divided up among teams. Or they can opt for the ten kilometer Himmelsleiter trail – admittedly the hardest part of the route as it goes steeply uphill over natural steps, rock ledges and boulders until the Königstuhl at an altitude of 567 m. It is not for nothing that the motto of the GELITA Trail Marathon is: "Awesome. Higher. Harder." In the case of the Himmelsleiter trail, the emphasis is clearly on higher and harder. Awesome describes large sections of the marathon route because of the fantastic views over Heidelberg's old quarter, the world-famous castle, the Alte Brücke (old bridge) and the Neckar Valley. Participants running the marathon distance complete a total of 1,500 meters elevation gain in this unique running event – which was achieved by last year's winner in three hours, 32 minutes and 59 seconds.

Whoever is interested, incidentally, can ask for advice and training tips from successful multisport athletes Lisa Hirschfelder and Stefan Teichert at one of the four practice runs.



More information and dates on the practice runs at www.trailmarathon-heidelberg.de

GELITA counts o

Collagen peptides from GELITA are in demand. So much that the company is continually expanding its headquarters in Germany. The most recent evidence: the investment in a spray dryer. The plant came on board in late May 2015.

█ The desire for flexible joints, sturdy bones, smooth skin and shiny hair continues to boost demand for the GELITA products FORTIGEL®, VERISOL® or PEPTIPLUS® – after all, bioactive collagen peptides from GELITA support the natural functions of the body and stimulate the body's own development of collagen. GELITA produces the collagen peptides at various locations. Production at the Eberbach site alone has increased to several thousand tons. This makes it worthwhile for GELITA to increase the depth of production and conduct the spray drying of collagen peptides on their own locally.

Room for investments

Preparations for the 4.8 million-euro project began in 2013 with extensive conversion and demolition work on the factory premises. On a 220 square meter area, space was created for a 25-meter-high steel construction, in which the plant could be incorporated. The core elements of the plant were installed in May 2014. The spray and filter chambers had to be fitted in the top floor of the steel structure at millimeter accuracy. No easy task with the eleven-ton and nearly nine meter long spray chamber, or the equally huge filter chamber weighing in at seven tons and 13 meters long. The crane work alone took two entire days. The complete connection work, test runs, adjustments and product qualifications then took several more months.

In the meantime, the production of fine powder peptides has begun, and agglomerated peptides will follow in August.

More independent and more sustainable

The new facility increases the depth of production and makes GELITA more independent of suppliers. In addition, it also supports the company's commitment to producing sustainably: The on-site location of the spray dryer saves on a great deal of truck transports, thus improving the ecological balance. Furthermore, the existing cogeneration plant which generates the company's own electricity and steam can be better utilized.

How the spray-drying tower works

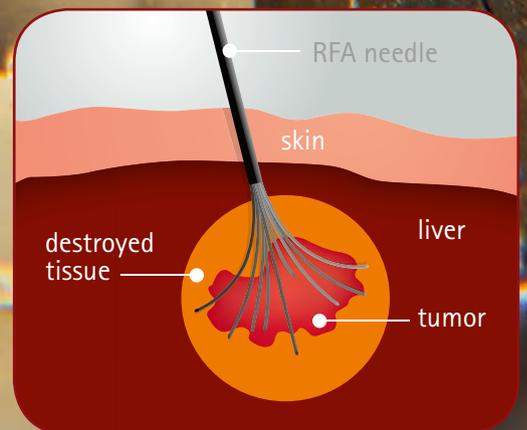
Collagen peptide solution is sprayed into the chamber where the atomized droplets encounter hot air. When the liquid evaporates, the powder remains. The filter prevents any dust from entering the environment.



n growth



Heidelberg
researchers develop
innovative system for
needle navigation



In radiofrequency ablation, the tumor is destroyed by heat.

Targeting technology

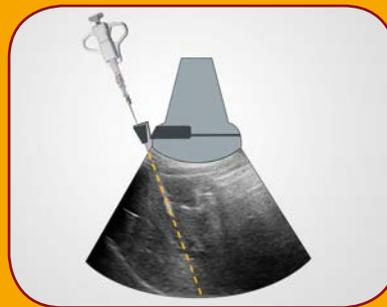
Minimally invasive methods provide a gentle way to treat numerous diseases. But the navigation of the instruments is not without risk. The junior group Computer-assisted Interventions of the German Cancer Research Center (DKFZ) set itself the task of minimizing the dangers. With the help of: GELITA® gelatine.

█ Cancer counts as one of the world's leading causes of death, and the trend is increasing. This is why researchers are working intensively on innovative minimally invasive procedures. One of these new methods is radiofrequency ablation (RFA), which is used for example in metastases of the liver. In this procedure, the doctor inserts a needle-shaped instrument through the abdominal wall into the pathological tissue and the tumor is destroyed by heat. The problem with these interventions: How can the doctor target a tumor exactly? And how can he or she avoid injuring vital structures? The junior group of the DKFZ, founded in 2012 by scientist Lena Maier-Hein in Heidelberg, seeks answers to these questions. The team, whose members work together in an interdisciplinary manner, consists of 15 employees with experience in computer science, physics and medicine, and conducts research in cooperation with the Heidelberg University Hospital of to find new ways to represent the patient anatomy in three dimensions, and visualize the instruments in real time so they can be safely navigated by the doctor.

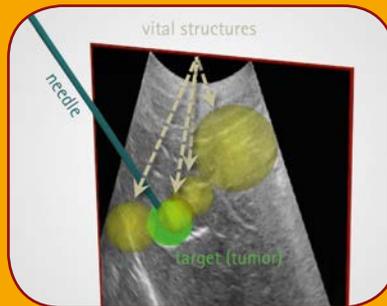
Safe navigation

One team member, Alfred Franz has just finished his doctoral thesis on needle navigation. He has already worked on the development of a multi award-winning computer tomography guided needle navigation. The disadvantage being, however, that it only provides a momentary snapshot. Right after the picture is taken, the structure in the body changes again through breathing and movement of the organs. Franz solved this problem by combining needle navigation and ultra-

sonic technology. "Ultrasound has many advantages. The technology is inexpensive and highly available, the patient is not exposed to radiation, and it makes it possible to look in the body in real time." However, Franz concedes, it is also tricky to interpret the ultrasound images. The solution is a three-dimensional display on the monitor with which it is possible to guide the needle safely to its target. The question remains, how can the system be tested to see if it works in principle? This is where ballistic gelatine from GELITA comes into play. The researchers make so-called phantoms out of gelatine to simulate, for example, the liver for an RFA.



During the puncture, the doctor needs to see exactly how he is guiding the needle – with conventional methods this is only possible in a 2D representation.



With the 3D representation of the needle navigation, the tumor and vital structures can be seen more easily.



Experiment setup with black dyed gelatine.

"As a substitute for the vital high-risk structures, we also place jellybeans, balls of modelling clay or sausages in the gelatine, pieces of meat serve as a tumor. We dye the top layer of the gelatine black to prevent a direct line of sight to the tissue," says Franz, explaining the setup of the experiment. Since the heat of the needle changes the meat, it is easy to tell whether the instrument was properly navigated. The tests were so successful that further tests will take place soon.

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Ears pinned back!

Stress-free otitis treatment for dogs with GELITA®-VET AlfaGel

Dogs in pain are stressed – depending on their character, they either withdraw or become aggressive. Frequently, so-called otitis externa, an inflammation of the external ear canal, is to blame. Previous treatment methods require daily, often very painful, medication, which places further strain on the animal. With GELITA®-VET AlfaGel, by contrast, both dog and owner can breathe a sigh of relief!

Dogs with hanging ears or excessive hair growth in the ear canals are particularly prone to otitis externa. But dogs who like to swim frequently also often suffer from it. A poorly ventilated, damp and inflammatory ear canal provides the breeding ground for germs, which further worsen the disorder.

Up to now, even with straightforward and non-chronic otitis externa, owners have had to clean the dog's ears daily, then introduce drops – a process that very few dogs endure happily. The product GELITA®-VET AlfaGel remarkably simplifies the therapy. With mild to moderate infections, two treatments at intervals of five days is sufficient. More severe infections

require a third treatment after another five days. All treatments are carried out by the vet, so the owner-dog relationship is not subjected to any stress and therapy failures do not occur as a result of faulty application.

Head-shaking allowed

Each package of GELITA®-VET AlfaGel contains a gelatine powder that the vet mixes with liquid medicines such as antibiotics after opening. The resulting gel is applied directly in front of the eardrum, where it can act over several days. The viscous gel adhere very well to the walls of the ear canal and cannot, therefore, easily be shaken out by the dog.

So simple, so ingenious

GELITA®-VET AlfaGel has been on the market in Germany since October 2014 – with highly positive feedback: 1,200 veterinarians are already regular customers. "Vets who have had experience with GELITA®-VET AlfaGel are thoroughly convinced", says Ralf Schuler, Product Manager at GELITA MEDICAL. We are sure that dogs and their owners feel the same way.

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Depending on the size of the animal, one pack of GELITA®-VET AlfaGel is sufficient for at least two ear canals.





A successful event

For the second time in 2015, guests from Sanofi Central and South America visited the GELITA plant in Eberbach at the end of April. Together with journalists and doctors from their respective countries, Sanofi representatives obtained on-site information about the production of FORTIGEL®.

FORTIGEL® is currently marketed very successfully by Sanofi in eight South and Central American countries under the product names Gelicart® and Mobility® (in Brazil). In 2011, the GELITA joint collagen was the first product to be included in the pharmaceutical company's program that is not a traditional drug, but an active dietary supplement that complements the daily diet. The company was thus able to reach new target groups in more and more countries. Since Sanofi's visit last year, Gelicart® has been introduced in Peru, Uruguay and Ecuador. Before that it was on the market in Panama, Colombia, Chile and Mexico, and in Brazil under the brand name Mobility®. As a full-service provider, GELITA also provides the respective product packaging for its business partners.

Horizontal flow of information included

In addition to the Sanofi-delegation, eight doctors and 19 journalists from all branches of the media were also among the nearly 50-strong group of visitors to Eberbach. As important mediators, they also gained exclusive insights into the produc-

tion as well as the research and development area. The doctors – orthopedic surgeons and rheumatologists – previously reported on successful joint-treatments with collagen peptides based on their patient cases. In addition to lab visits and tastings, the program that GELITA staff and scientists prepared for the Sanofi delegation also included a visit to the new spray-drying tower. This is where the collagen peptide solution is spray dried to powder – later for FORTIGEL®, among other things.

Guests were able to pose any questions concerning development, manufacture and distribution to Beate Klöppel, Director of GELITA Health GmbH, as well as to Hans-Ulrich Frech, Vice President Global Health, Nutrition & Medical, Dr Stephan Hausmann, Vice President of Health & Nutrition, Leia Tomaz, Director Sales South America and Dr Hans-Christoph Kneféli, Senior Medical Manager. The media representatives were taken care of by Michael Teppner, Global Vice President of Marketing & Communication and his on-site team. Thanks to the many others who helped with the preparation and implementation. The event in Eberbach was an all-around success and the visitors were pleased with the tour of the factory and their stay at GELITA.

GELITA Corporate video



"You can see": coming soon

Sometimes just one small detail is enough to open up a whole new view of the world and its possibilities. This is what happens to the protagonist of GELITA's new corporate video, which will go online shortly. But we don't want to divulge any more... Stay tuned!

<https://www.youtube.com/watch?v=ZuHPeYx50iA>

DATES:

Visit GELITA and experience innovative products for the megatrends of tomorrow. In the second half of 2015 we will exhibit at the following fairs:

SSW Las Vegas 7 - 8 October, 2015

Food Matters Live London 17 - 19 November, 2015

FIE Paris 1 - 3 December, 2015

Healthy Aging Paris 3 - 4 December, 2015

Masthead

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CLEAN LABEL

GELITA® gelatine and collagen peptides are made exclusively of natural proteins. They are therefore ideal candidates for Clean Label products: "natural, no E-numbers, sustainable, GMO-free, an independent foodstuff".

Global perspective What the world eats

It is virtually undisputed that there is a connection between diet and a person's health. Of course, genes and external factors also play a significant role in how we grow old – if these two factors are okay, the rest depends on food. According to some theories, in locations where traditional cuisine is still very well cultivated, people also live the longest. For example on the Japanese island Okinawa, or in Ecuadorian Vilcabamba and Nuoro in Sicily: all places with a particularly high number of centenarians or older.

GELITA has long known that diet, health and wellbeing go hand in hand. With OPTICE®, for example, GELITA provides the food industry with an ingredient for ice cream that completely replaces fat, yet ensures a perfect, fat-like texture. So health-conscious consumers can also enjoy an ice cream now and again without worrying about it. GELITA collagen proteins also replace the fat content in cheese and sausage products.

However, GELITA products don't only make foods healthier; as dietary supplements they can also specifically increase physical well-being. FORTIGEL®, VERISOL® or PEPTIPLUS® preserve the function of joints and bones, ensure younger looking skin, guarantee successful calorie management or improve protein intake.

GELITA products, incidentally, know no borders: They are compatible with cuisine in every country and can be used internationally!



Mediterranean region

Considering its diversity, it would be an outrage to lump together the cuisine of all the Mediterranean countries. But there are common features, and these are so healthy that there is even a Mediterranean diet: olive oil and olives, fresh tomatoes, eggplants, peppers, zucchinis, garlic, fish and seafood as well as herbs such as thyme, rosemary, coriander, sage, oregano and basil, and they can be found everywhere from France to Greece, Portugal to Morocco. It is not yet certain if dolci, butter croissants or pastel de nata contribute to a high life expectancy.



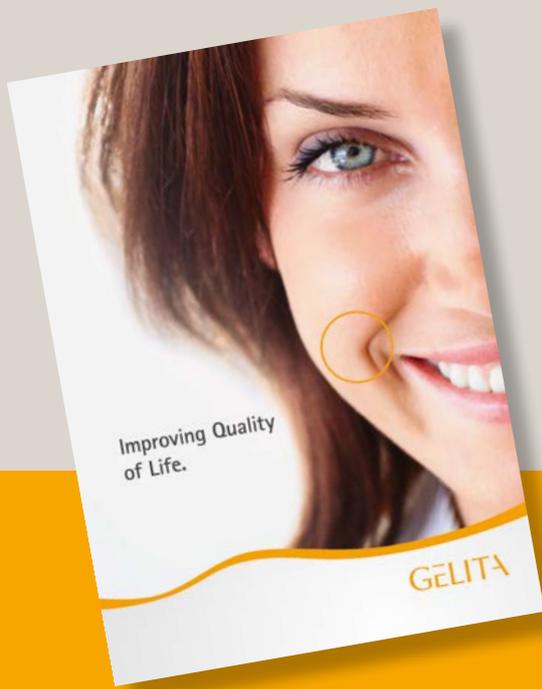
Asia

The benefits of Asian cuisine are indisputable: lots of rice, fresh, briefly steamed vegetables, all kinds of soups – scarcely any animal fat, hardly any sugar and combined with green tea, is significantly easier to digest than coffee. Given the size of the region in question, it goes without saying that there are regional differences. In Japan the sea and everything that lives in it plays a central role in the cuisine, Chinese cooking is more meat-based and significantly spicier.



Latin America

The cuisine is as varied as the continent is large. In South American cooking pots, native traditions mix with those of immigrants from Europe, Africa and Asia. Brazil's national dish is feijoada, a stew of black beans and meat which is served with fresh oranges and rice. Cornmeal is popular country-wide for many breads, flat cakes or cakes. An exceedingly healthy and nutritious grain from the traditional cuisine of the Inca is quinoa – which is just beginning its triumphal march around the globe.



More about GELITA at www.gelita.com

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GELITA
Improving Quality of Life