

UPTODATE

The Newsletter for GELITA Customers #31

New beauty product

Insider tip: QYRA

Dear Reader,

Subsequent to restructuring our entire logistics system, we have now ensured that you and all our other worldwide customers can be supplied more efficiently, more quickly and individually. Our service doesn't stop once we have developed new and innovative products; we try our utmost to ensure good customer relations by implementing our values of trust, courage, passion, empathy and commitment.

Just as respectful cooperation is important for us internally, GELITA insists on openness and fairness when dealing with its customers.

Being able to look young for as long as possible – this is surely a good reason to invest. Cosmetic food supplements are providing just this type of opportunity for increased sales, especially for products such as QYRA that contains the highly concentrated collagen peptide VERISOL® which has been shown to improve skin elasticity and reduce the depth of wrinkles. In marketing too QYRA has taken on a pioneer role; it is being used to enhance the strengths of VERISOL®. This is taking place for example by placing ads in social networks such as Facebook where the effectiveness of collagen peptides is being promoted.

We wish you a very happy holiday season and a successful New Year in 2013!



Global Vice President Marketing & Communication GELITA AG

Novelty

WILSON™ Gelatine in new packaging



Winning ou





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New product
Beauty outside –
VERISOL® inside



The editing team of uptodate spoke with Wolfgang Maurer, Head of Logistics, GELITA AG.

Interview

"Restructuring has made us much more efficient."





Innovation

Gelatine in crash tests

Application of GELITA® Gelatine in avionics



"Logistics is one of our core competencies and an important service for our customers."

In 2011, GELITA completely restructured its procurement and hence its logistics systems – thereby becoming global rather than local in its operating mode. Why this was done and what the benefits are for the customer are explained below by Wolfgang Maurer, Global Category Manager, Procurement, Logistics.

Mr. Maurer, why was all this restructuring necessary?

The main factor was that we had decided on a change in strategy – away from local and regional to global operation. In concrete terms, we now do our

business on a worldwide scale using fewer service partners but those who can handle all of our freight. This change was a huge challenge that we have had to master over the past two years but one that has been eminently successful. What were the reasons for the change in strategy?

We wanted to make all of our structures more efficient, to bundle our purchases and ultimately to increase our effectiveness, for example, by bundling all of our deliveries, including raw materials and finished products. In addition, by handing over responsibility to one single service company, we have been able to reduce our costs for sea freight alone by over 20%. Every year, on a worldwide basis, we dispatch some 2500 containers to and from our 18 production plants located in Sweden, Brazil, Australia, New Zealand and China. From Sinsheim alone, our main logistics center, we send some 900 containers to all parts of the world.

"The change in strategy has made us all that more efficient."

What were the criteria for selecting your service companies?

Principally, it was important to find a forwarding agent with worldwide subsidiaries that had good contacts with shippers throughout the world and one that could cater for customs and excise on a global scale. We reduced the shortlist to ten and intensive discussions were held to establish which would be best for fulfilling all the requirements of our customers. In the end we selected the logistics company Dachser. This company now caters for all our sea and air freight. Environmental aspects were also important. We have for example specified that all service companies use low-pollution trucks corresponding to the EURO 5 or 6 standards. For sea freight, we have selected shippers using slow-steaming ships; these are ships that are slower but make substantial savings on fuel.

Are there any other benefits to be gained from your new global structure? Most processes have become much more transparent. We now know at any time where our goods are. We are working with various monitoring systems that calculate our freight costs and we can see what procedures are too long and need to be improved.

An example: In the past, a delivery from Brazil to France first came to us in Sinsheim in Germany to be checked, stored, reloaded onto trucks and then dispatched to the customer in France. The total time for this process was 4 weeks. Subsequent to restructuring, the goods now go direct to Le Havre

or Marseille. This has reduced delivery time to two weeks. And, of course, direct shipment costs less; these cost savings can now be passed on to our customers.

How do customers benefit from the changes made?

We are now in a much better overall position and are able to offer an even better service to customers, for example in the speed of delivery.

In addition, we are in a better position to fulfill requests such as special labeling or packaging. We have been able for example to use special pallets for one of our bigger customers in Japan; this means that, regardless of whether the customer receives his goods from Brazil, Sweden or Sinsheim, they are always on the same pallets, even though these are not European standard sizes.

"Delivery is the final step of an order. Here too we want to provide the best possible service."

You surely don't transport all your goods by sea and air. What about overland freight?

Overland freight is about 20% of our volume. Here too we have started using just a few special forwarding agents. For Europe, specifically Sweden, UK and Germany, we have concluded agreements with three service companies. This has enabled us to make savings of 15% in costs. In addition, processing has become much easier; previously we had some 20 forwarding agents so that now there is only one contact person in every plant.

What is the role of IT in the new system? We have had new special software developed that is being used in all our plants. This means that we have total access to all data, not only from Sinsheim but also from all other 18 production plants. Thus, we are always working with current data wherever we may be.

In future, we also wish to connect our forwarding agents to the electronic system, hence improving the flow of information even more. We will then be in a better position, e.g. to inform our customers of any unforeseen delays.

What else do you plan for the future?

Our goal is to become even more costefficient and quicker so as to be even better at fulfilling customer requirements, e.g. deliveries within a specific time frame. In addition, we wish to decrease damage to goods during overland transport even further. Although our record is excellent right now, every complaint gives rise to some dissatisfaction and we wish to reduce this to an absolute minimum. For sea freight we can practically exclude damage as loads are secured with airbags. No damage has been recorded over the past two years with full container loading (FCL). In overland transport, when individual pallets may have to be loaded and unloaded a number of times, there is always risk, e.g. a sack being ripped open by a fork-lift truck.

We are currently negotiating a new freight contract as we expect freight loading capacity to be critical by 2014 on a worldwide basis. This is one of the reasons why we have selected just the one partner who can guarantee that none of our freight is left behind due to overbooking.

What other challenges are you expecting? The infrastructure for new sources is

a very complex task. This will become more and more important in future e.g. in Central Africa.

What are the prime qualities of a good logistics manager?

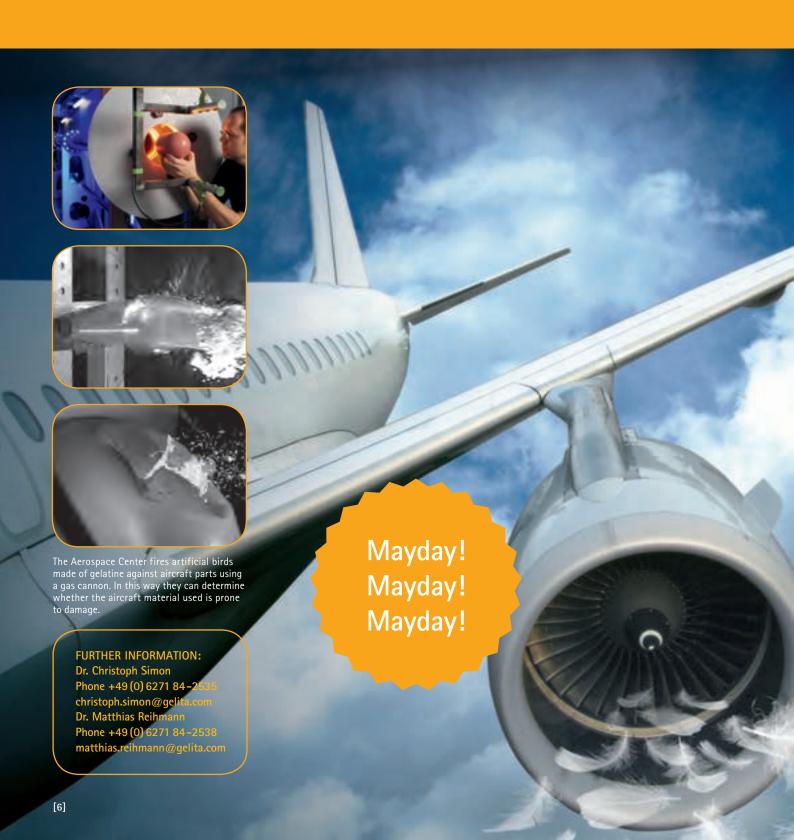
A logistics manager must be flexible and open to new ideas; he must also be able to react quickly to changing requirements. Those in logistics must be international in outlook and must be able to work with partners all over the world. It is also important to maintain good contacts so that knowledge can be gained of what is happening in other countries.

What makes your job at GELITA so interesting?

GELITA is going through a phase of intense change and it highly satisfactory to be involved in this – to develop systems and to make them viable. It is also exciting to be able to utilize worldwide logistic services and to take on responsibilities on an international basis.



Gelatine in crash



tests

Normally, GELITA® Gelatines are used to give creamy consistency to puddings or for refining meat products. It can do more, however, e.g. help to save the lives of people and animals.



■ In January 2009 if you remember, the photos of the spectacular emergency landing of a US Air aircraft on the Hudson River, New York were seen all over the world. A flock of Canadian Geese was responsible: they were sucked into both engines of the Airbus and the pilot had no other option than to make an emergency landing on the river. The fact that all passengers and crew survived was no less than a minor miracle. Birds not only endanger air safety; they cause damage estimated at a billion dollars a year. The critical altitude for such a collision with birds is up to 3000 meters as this is where most larger birds are found in flight. To keep birds away from the flight paths around airports, dogs and birds of prey or are used or the grass is allowed to grow so high that it becomes unattractive for birds. Alternatively, an apparatus is used to simulate the panic sounds made by birds in danger. However, these measures alone are inadequate to prevent collision. Avionics researchers are working to find other solutions.

The German Aerospace Center in Stuttgart is currently researching the damage such birds can cause to aircraft. A further topic is to find out what materials are optimal if a plane is to continue flying after such a collision. Protecting the engines with some sort of grating is one obvious idea. However, this does not work in practice; a grating capable of withstanding such a collision would have to be massive and therefore too heavy. In addition, it would reduce the amount of air sucked in, which would necessitate even larger engines. "It is not only the engines that are endangered; we also have to think of other sensitive parts such as cockpit windows, aircraft noses, leading edges of wings, tailplanes and undercarriages", explains Andreas Ritt, research scientist at the structural department of the Aerospace Center. Tests carried out to establish how materials react to collision were

normally performed using anesthetized birds (the engines of the Hudson River aircraft were not adequate to withstand the impact of Canadian Geese). To circumvent this method, the Aerospace Center has started using artificial birds made of gelatine type Ballistic 3. This special gelatine, manufactured to very narrow specifications and hence with excellent reproducibility, is already being used in medical forensics to simulate human tissue, e.g. firearm testing. "Gelatine has a big advantage in that it behaves very similarly to human and animal tissue", says Andreas. For his tests, he uses gelatine-cast birds weighing 70 g to 3.6 kg. He loads the gas cannons with the gelatine birds and fires them – either as a flock of smaller birds or individual larger ones - at a speed of 300 kph against a model of the aircraft part being tested. A camera records the collision and allows the tolerance of damage be calculated. The tests are primarily concerned with potential damage to fiber-reinforced plastics. Not only is the final result of the collision recorded, but also the behavior of the material from the first moment of collision to the point where damage is caused. In this way, accurate conclusions can be drawn as to the type and extent of damage.

However, even though the Aerospace Center can computer simulate possible scenarios and enhance the results with the described artificial birds, tests using real birds are still necessary as authorities for passenger aircraft do not fully accept testing with artificial birds. Such tests are then carried out by partner institutes. Andreas is continuing to experiment with a number of different gelatine recipes with the objective to develop artificial birds that behave as real birds on collision. That accomplishment would enable precise and reproducible experiments to be carried out, resulting in the need to test with real birds unnecessary.



Beauty outside, VERISOL® inside

GELITA® Collagen Proteins – ideal for new product ideas

The market for wellness products is booming – and with it the opportunities for marketing food supplements based on natural ingredients. QYRA, an intensive care collagen, is one such ingredient that has been proven to be effective. It helps many women achieve their wish for smooth, velvety-soft skin.

Fitness and good looks are not only important in the business and personal environment; they are also of value for one's own ego. Women of a certain age are normally very much inclined to enhance their looks using sport, nutrition and suitable cosmetic products. Beauty innovation QYRA is one such product. This cosmetic food supplement smoothens wrinkles and restores skin tone when other creams and external applications no longer work. The aging process starts almost unnoticed: once the age of 40 or so has been reached, the collagen in the deeper skin layers decreases so that wrinkles start to form. Sunbathing and smoking enhance the aging process. QYRA Intensive Care Collagen strengthens skin collagen in the dermis layer by stimulating skin cells to form new collagen. In this way, natural beauty is enhanced from within.

Scientifically proven effect

The beauty innovation QYRA is comprised 100% of the highly concentrated GELITA collagen peptide VERISOL®, a product that has been specially developed to produce healthy skin and reduce wrinkles. Its natural structure and optimal molecular size enable the body to take up the collagen peptides immediately. Scientific studies have confirmed that these peptides can be found in enhanced concentrations in skin tissue.

166 women aged 45-65 participated in the clinical study. The results obtained are convincing: QYRA containing VERISOL* improved the elasticity of the skin and reduced wrinkle depth significantly. A daily dose of only 3 tablets over a period of 1 month was enough to produce visible results: the first fine wrinkles disappeared and the skin looked and felt fresher and younger.

The power of beauty

Up to now, Japanese women have proven to be the mainstream users regarding cosmetic food supplements (nutricosmetics). QYRA is part of this trend; on the worldwide beauty market it is playing a strategically important role in rendering the collagen peptide VERISOL® a sort of "reference product". Even now it has become clear that this product is excellently suited to enriching portfolios in the wellness and health areas. It can be obtained from the GELITA subsidiary company GELITA Health. One new aspect with respect to QYRA is that marketing communication is now also being done via social networks. Apart from classical Google advertising, GELITA Health ads are now appearing in Facebook - the intention being to approach consumers in a targeted way.





More information on beauty from within is available from: www.qyra.de Your contact at GELITA Health: Beate Klöppel Phone +49(0)6271 84 1605

Gelatine dreams



When Mexicans manufacture gelatine products, they produce them in many different colors and forms. In doing so, they use their own brand of WILSON[™] Gelatine, a type that is highly suited to the artistic products that result. WILSON[™] Gelatine is now available in a striking new package design.

A dragon spumes its fire out of a gelatine form next to a sleeping hero wearing a sombrero, an unfolded rose is embedded in a multicolored gelatine pudding – these are typical Mexican products. Many professional chefs and consumers often use recipes for these fantastic gelatine creations that have been passed down over generations. Literally hundreds of color shades constitute some table jellies and give them their appetizing appearance. Taste is provided by numerous aromatic ingredients from spicy chili to local tamarind, fresh fruits and nuts. Special gelatine molds are used, often together with a syringe for filling them with liquid gelatine. These

artistic puddings are offered in restaurants and snack bars in Mexico City and throughout the country. Consumption of gelatine in Mexico is correspondingly high and the WILSON™ Gelatine brand is dominant.

Gelatine in kilogram packs

WILSON" Gelatine provides Mexicans with the perfect basic substance for their sweet dreams. It is available in 250 g, 500 g and 1 kg packs as a powder. However, even this traditional brand can do more: its new packaging is even

more prominent and attractive when displayed on the shelf. The striking yellow pack of WILSON™ Gelatine creates appetite on its own ...

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Imaginative table jellies.



Distinctive colors and forms – dreams made of gelatine.



Limitless variations.



In a new, modern design: the 1 kg WILSON™ Gelatine pack.

Living values with success

GELITA's company culture is undergoing change

A global company can only master the challenges facing it – changing customer requirements, new markets, new technologies – if it can operate efficiently and eleminate anything that would otherwise endanger success. To be able to do this effectively, a company needs value-oriented management. GELITA recognizes this and consequently is now in the process of implementing its chosen values – to the benefit of its customers.

Trust, courage, passion, empathy and commitment – these are the five values that GELITA has selected and on which it is building its company culture. For, to achieve sustainable success, it is not just enough for a company to be able to recognize market opportunities; values are important. Values play a role not only internally, but also have an effect on customer relations: thus, fair and respectful dealings with customers and partners is a must for GELITA. No wonder then that the company has been working trustfully with many of its customers for decades. They find a partner in GELITA that is open to unconventional ideas, one that keeps its promises, understands its requirements and gives its best day-by-day to fulfill these values.

To demonstrate the significance of these values, GELITA has developed a program under the motto, "Winning Our Future – Embedding Our Values", that will help to fully integrate these values into our daily routines. The focus right now is the intensive training of managers at all levels. "Our managers and supervisors are role models and are instrumental in implementing our values. Only by living these values can employees be prepared to orient themselves to them and then to act accordingly", says Wiebke Erdmann from Human Resources.

The program is proving to be effective. At the beginning of 2011 an internal survey indicated that 50% of employees were already living these values. A year later, this figure had increased to 75%.

Winning Our Future Embedding Our Values



GELITA enthuses the running world









Runners from all over the world are bolstering their muscles and strengthening their joints in preparation for the first GELITA Trail Marathon in Heidelberg, scheduled to take place on October 27, 2013 – a demanding hilly course for the best of athletes. GELITA is sponsoring the marathon with its innovative collagen proteins.

42 kilometers in length with an accumulated 1800 meters of climbs – and, right in the middle, when the incline is specially steep, the critical point ("the man with the hammer") at km 35, that famous point when it takes everything just to keep going. At this point – if not earlier – the runner realizes that normal training is inadequate for such a grueling trail run. GELITA will be contributing to preparing the athletes for the race – with PEPTIPLUS" and FORTIGEL". Activating PEPTIPLUS" gives the runner indispensable

natural protein power to help boost stamina during the energy-sapping race. It takes the form of sports bars and fitness beverages and enhances many of the processes taking place in muscles and cells. PEPTIPLUS® is easily taken up by the body and is immediately put to use by the cells. Real base work is performed by the joint collagen FORTIGEL® which helps to regenerate cartilage. In combination with CH-Alpha®, GELITA will be producing a collagen beverage that will be provided to the runners in practical ampoule form during the race.

famous castle; and they can experience many historical places along the route. However, they can regenerate a little on the flatter parts of the course. "We are very proud to be able to present ourselves as the main sponsor of the first GELITA Trail Marathon in Heidelberg. philosophy...", says Dr. Franz Josef Konert, Chairman of the Management Board of GELITA AG. For those attempting such a difficult trail run for the first time, relay teams of five will have the possibility of entering. Some 3000 runners will be taking part; several peak-conditioned GELITA employees will also be participating!



Emotional event

In spite of the strenuous nature of the race, the participants will be able to enjoy fantastic views. Many touristic highlights are part of the course: they can look down upon Heidelberg city through which the river Neckar flows; they can see the old town and the world-

INFO AND REGISTRATION under www.trailmarathon-heidelberg.de NB: Lower starting fees if registration is before 31.01.2013

GELITA worldwide The Netherlands A portrait

The designation "Netherlands" is indeed appropriate. The country is very flat and in fact about a quarter is below sea level so that dikes are used to prevent flooding from the sea. Its highest mountain, however, is 877 meters high but is some 8000 km from Amsterdam: this is Mount Scenery which is located on the Caribbean island of Saba. The Dutch were once a very important seafaring nation and colonial power; the three remaining "special communities" – Saba, Bonaire and Sint Eustatius – testify to this. The modern Netherlands is one of the most liberal states in the world, both economically and socially. The unemployment figure of 2.8% is extremely low and its per capita income of 50,355 dollars ranks it tenth in the world. Only 2% of all employees work in agriculture; however, after USA and France, it ranks number 3 in agricultural exports. Automation is far advanced – which brings us to the GELITA plant at Ter Apelkanaal in the province of Groningen.

Here, GELITA has brought about a significant pioneer performance by establishing a highly integrated continuous large-scale production plant for gelatine. It is highly automated and all production processes are comprehensively documented. The Dutch infrastructure is extensive and good; however, a very great benefit comes from GELITA's direct neighbor Ten Kate Vetten, a producer of edible fats. This company provides the GELITA plant with wet porcine greaves and protein water directly by pipeline. By-products produced during GELITA's production are returned to Ten Kate by the same route. In this way, transport and cooling costs are saved and the CO_2 emissions are drastically reduced. Small but powerful is the motto – and applies to the plant at Ter Apelkanaal and to the country itself.

Ter Apelkanaal

GELITA plant in The Netherlands:

Ter Apelkanaal







Windmills, canals and bicycles are ever-present in rural regions of the country. In cities like Amsterdam there are even dedicated parking facilities for bicycles and scooters.

Rotterdam harbor:

The Netherlands is still an important gateway to the oceans: the harbor in Rotterdam is the third largest in the world, handling some 430 million tons of goods in 2010.



The GELITA plant in The Netherlands

Ter Apelkanaal:

The GELITA plant in The Netherlands is located in the province of Groningen about 7 kilometers north of the village of Ter Apel – and hence very near the border to Germany. The next larger town on the German side is about 30 kilometers away – Meppen.

Number of employees: 23

Production volume: ten tons per day

The plant is eleven years old and is highly automated, producing porcine gelatine in 4-shift cycles.

IMPORTANT DATES:

Why not visit GELITA and experience innovative products geared to the trends of tomorrow. In 2013 we will be attending the following trade fairs:

March 8-10 2013 **Engredea Anaheim** FIC Shanghai March 26-28 2013 Vitafoods SA Sao Paulo March 26-27 2013 In-Cosmetics Paris April 16-18 2013 Vitafoods Geneva May 14-16 2013 IFT Chicago July 13-16 2013 **FISA Sao Paulo** August 6-8 2013 Vitafoods Asia Hong Kong September 4-6 2013 NUCE Milan September 24-26 2013 SSW Las Vegas November 14-15 2013 FIE Frankfurt November 19-21 2013

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