



LJUBLJANSKE MLEKARNE

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PRESS RELEASE

Successfully concluded investment in the renovation of the long-life product production plant

Ljubljana, June 11, 2012 – **Ljubljanske mlekarne has successfully concluded the investment in the renovation of the long-life product production plant in the total amount of € 14m. The key trademark of long-life products produced in this plant is Alpsko mleko which this year celebrates its 45 anniversary.**

Through the development of new products the Ljubljanske mlekarne has proven many times to be a modern company able to satisfy expectations of their customers. Within the boundaries of Slovenia the company represents the leading dairy company with the largest market share in the field of long-life milk supply despite a very strong internal and external competition. The product group of long-life milk and cream represents strategically important part of the production –sales programme of the Ljubljanske mlekarne which exports 54 % of the long-life milk to foreign markets. Long-life milk represents 65 % share of the total sales volume of the company, whereas the Alpsko mleko trademark represents 30 % of the total sales volume. These are just some of the important reasons which lead the company to decide and invest in the plant renovation project. This project was the biggest investment Ljubljanske mlekarne carried out in the last decade and was based on a complete technological renovation and automation of the long-life milk and other long-life product production procedure, and at the same time lead to greater production capacities.

»The long-life product production plant was built in 1979 –33 years ago. In past years we actually updated our technology and followed the development of long-life product production process, but never concluded such a thorough renovation as was performed with this project. The key starting points set in the renovation project were to replace and update the equipment, to increase the production capacities and product quality and to lower the production costs and power consumption. The planning of the renovation started two years ago and I am pleased to say that it also allowed us to renew the packaging and graphic design of our key trademark Alpsko mleko. This happened exactly on the 45th birthday of Alpsko mleko which we celebrate this year« said Cvetana Rijavec, the chairman of the board of directors of the Ljubljanske mlekarne dairy company.

The investment project of renovation of the long-life product production plant referred to three parts: process part where long-life products are produced, filling-packaging part and the robotized palletizing and transport logistics system.

The process part was introduced with a new technology of cold milk separation which represents a novelty in the dairy industry. The process itself is characterized by the technological procedure of milk preparation or standardization at temperatures lower than 8 °C. The system is based on energy rationalization of the consumption of energy products and the resulting financial efficiency and flexibility of the milk processing process itself. With the new preparation technology, Ljubljanske mlekarne standardises the milk at 4 °C which results in lower consumption of water, steam, electricity and cleaning agents which also means an environmentally friendlier operation and achievement of sustainable objectives of the company. »With the carefully selected new equipment and with some of the machinery, additionally finished with the help of our suppliers in order to use





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the energy in a more efficient way, along with the integrated system of exploitation of waste heat from sterilizers, the company now saves 15 MW of heat daily. The company uses this heat to clean its technological facilities in the whole dairy « added Sašo Ferjančič, the renovation project manager.

The long-life product production plant was equipped with four new storage tanks (each with the capacity of 100.000 l), two sterilizers, CIP system, four new filling and packaging lines and the complete robotized palletizing system. The plant is now equipped with seven filling and packaging lines and the production capacity increased for 40 %. The facility where the entire process takes place was thoroughly renovated with new industrial epoxy flooring, new installations and air conditioning.

»We started the project in the spring of 2010 when we started planning and designing. Later on we continued with the selection of equipment and started with the construction works in March of the last year. The started renovation of the long-life product production plant presented such a large-scale project that one could compare it to planning and constructing a middle-sized dairy according to the Slovenian circumstances. The renovation took place in three phases as we maintained the production of long-life products at 100 % throughout the renovation period. The renovation involved the cooperation with 30 different companies and business partners and approximately 50 persons worked daily on the construction site. The project group of Ljubljanske mlekarne counted 10 members, but such a large-scale project demanded the cooperation of almost all of our co-operators where each of them added their own part to the successful conclusion of the project« Sašo Ferjančič, head of technical services and the renovation project manager, commented on the renovation of the plant.

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