DeLaval is a full-service supplier to dairy farmers. The company develops, manufactures and markets equipment and complete systems for milk production and animal husbandry worldwide. Service and sales of a wide range of accessories are also key aspects of DeLaval’s operations. The company supplies highly efficient system solutions for milking, herd management, animal traffic control, feeding, cooling, manure handling, ventilation and energy recovery.

SOLUTIONS
DeLaval offers automatic and conventional milking systems, cooling and feeding systems, effluent & housing systems and farm management support systems. DeLaval customers can also choose from a wide range of services and consumables which are grouped in four portfolios: liners & tubes, farm supplies, services & original parts, and milk quality & animal health.

OUR CUSTOMERS
More and more dairy farmers are turning to technology to ensure they can optimise their milk production and cows’ well-being. At DeLaval, we add value by meeting and exceeding our customers’ requirements on quality, productivity and safety. We design, manufacture and supply integrated milking solutions with the needs of dairy farmers in mind. At all times. We serve customers in more than 100 countries around the globe.

RESEARCH AND INNOVATION
Research and innovation are central to the continued success of DeLaval supporting our customers and we have seven R&D centres across the globe. We work closely with a worldwide network of farmers, academics, dedicated research facilities, scientists, sales teams and authorised dealers.

SUSTAINABLE DAIRY FARMING
Our goal is to reduce the environmental footprint of farms, while improving milk production, farm profitability and the well-being of the people and animals involved. We believe the goal of Sustainable Dairy Farming can be achieved by supporting dairy farmers with smart technology and services to continuously increase resource efficiency on farms. To put it another way, we support them to do more with less.

WE MAKE SUSTAINABLE FOOD PRODUCTION POSSIBLE

INVOICING BY REGION, 2016

- **North America**: 23%
- **Latin America**: 4%
- **East Asia**: 12%
- **Northern Europe**: 18%
- **Central Europe**: 23%
- **Southern Europe**: 10%
- **IMEA**: 3%
- **RUCAR**: 3%
- **Oceania**: 4%
- **Latin America**: 4%
- **Eastern Europe**: 10%

INVOICING BY PRODUCT SECTOR, 2016

- **Service and original parts**: 20%
- **Milking**: 47%
- **Cooling**: 5%
- **Hygiene**: 22%
- **Farm Supplies**: 7%

COUNTRIES SERVED

>175

NET SALES 2016

€935

MILLION

NUMBER OF EMPLOYEES

DECEMBER 2015

4,450

RESEARCH AND DEVELOPMENT CENTRES

7

PRODUCTION PLANTS

19
DeLaval contributes to the lives of people around the world in many positive ways. Here’s a snapshot of just some of the ways local communities and individual farmers are being helped. Everything we do is based upon our vision to make sustainable food production possible.

DeLaval around the world

**DELAVAL: FIRST AMR IN ESTONIA**
An Estonian farm has signed a contract for the nation’s first automatic milking robot (AMR™) system. The purchase was motivated by the difficulty in finding qualified milking labour in conjunction with planned expansions. The AMR solution required fewer changes to the barns than a VMS™ system would have requested, and allowed milking to continue in the existing parlour as long as needed during the transition phase. After relocating heifers and dry cows about 480 lactating cows will be milked by the AMR, with a potential to reach a total of 570 cows.

**DELAVAL: FAIR OAKS GOES ROBOTIC IN USA**
Fair Oaks dairy farm, one of the biggest dairy operations in America, with a total of 37,000 cows in Indiana, will install 12 DeLaval VMS™ (voluntary milking systems) to gradually replace a rotary based milking system. The main triggers were labour scarcity and cow comfort. DeLaval VMS™ allows cows to be milked automatically whenever they like in a calm, quiet and stress-free environment. Fair Oaks farms consists of 12 family-run farms, with a commitment to educating the public about modern farming efforts, protecting the environment, caring for our animals and ensuring the highest quality products possible.

**DELAVAL: TIANJIN FACTORY EARNS SAFETY DISTINCTION**
The DeLaval factory in Tianjin, China, includes both a supply chain plant and a plant for milk quality and animal health (SC plant and MQAH plant). In 2016 it was designated by the Safety Production Committee of Tianjin Port Free Trade Zone and Tianjin Airport Economic Area as the pioneer factory for safe production in the Tianjin airport and seaport area. Tianjin is the largest port in Northern China and the main maritime gateway to Beijing, 170 km to the northwest.
COMMENTS BY THE CEO

Increased market share in a turbulent year

The entire dairy value chain has been through a very difficult year beset by market and political uncertainty as well as volatile prices. While we knew 2016 would be challenging, it was difficult to foresee the scale of the difficulties our customers have endured due to the unstable situation.

At the very start of 2016 the market enjoyed significant growth in Europe only to witness an even bigger decline towards the end of the year. As a consequence, milk prices varied more dramatically than ever over a twelve-month period.

This has also affected DeLaval, resulting in a single-digit decline in sales on the previous year, leaving 2016 with net sales of €935 million in prevailing currencies. The market decline in 2016 resulted in DeLaval responding quickly to the existing conditions. The company went through an organisational transformation, including a restructuring of the market organisation from 8 regions into three clusters, in order to move even closer to customers.

I’m personally proud of how our employees managed to embrace the change and re-organise to meet these new market demands. Approximately 10 per cent of our employees have been affected by the transformation we have undergone and at the same time our existing staff have shown resilience and strength despite the challenges.

Despite the transformation and the unusually difficult market situation, we have increased our market share. It puts us in a strong position to meet our customers’ needs today and in the future. Our transformation took place to create a more agile organisation with increased customer focus. We believe that the swift transformation has given us an edge over our competitors, as we can focus fully on our customers in 2017.

VOLATILE MARKETS
The farming community prefers stability in order to make long-term investments and ensure professional and sustainable food production. The political and market uncertainties of 2016 have postponed many of our customers’ investments. Most customers feel compelled to wait, given the extent of the investment needed when transforming a dairy farm operation. This kind of market volatility makes it extremely difficult for our customers to make long-term investment decisions.

POSITIVE DEVELOPMENTS
Despite the challenges, there were a number of growth areas. The Russian, Chinese and Japanese markets all grew in 2016. Sales of our aftermarket products were stable in all markets and grew in some, indicating brand loyalty to DeLaval as well as a highly competitive, competent and forward-leaning DeLaval sales force.

We are investing more than ever before in the R&D pipeline that will result in a range of new innovations. These are not just in the area of capital goods, but we also see many opportunities in improving milk quality and animal health with new aftermarket products, as well as new ways of working with preventive maintenance.

The interest in robotic farming has also spread to new arenas. While the DeLaval voluntary milking system VMS™ was originally designed to meet the needs of smaller family farms in Europe, it has been transformed to fit the farm practices of megafarms all over the globe. We are very proud to have installed the largest operating voluntary milking facility in the world in 2016 with the Ancali family in Chile. This highly professional farm is one of the best-performing DeLaval VMS™ farms in the world, in terms of milk quality and milk yield per cow.

Another example of megafarms choosing our voluntary milking system is the decision by Select Dairies and Fair Oaks farm in the USA to choose DeLaval VMS™ as they move over to robotic farming. The owners of Fair Oaks megafarm have been long-time advocates of sustainable dairy farming and have chosen DeLaval for that reason.

INNOVATION FOCUS CONTINUES
We introduced a range of new innovations in 2016, including organically approved teat dips, the award-winning DeLaval Cleaning Analysis DCA as well as a Stanchion barn app and a new cleaning control unit.

“We introduced a range of new innovations in 2016, including organically approved teat dips, the award-winning DeLaval Cleaning Analysis DCA as well as a Stanchion barn app and a new cleaning control unit.”
In the past 20 years, we have accrued some 250 patents and that commitment to R&D continues. 2017 will be no exception with several new innovations coming to the market from DeLaval.

As always, we embrace new technology when it comes to servicing our customers. Our continued commitment to making big data work for our customers has become increasingly relevant as digital technologies occupy a larger part of all our lives.

**NEW BUSINESS**

We have used our technology lead to develop into new markets. Our Dairy Data Warehouse has partnered with Cargill, a global leader in advanced nutrition and productivity solutions for dairy cattle, providing them with data services for the animal nutrition industry. The data collected can now be used to improve technologies in related businesses and help farmers improve operational efficiency, sustainability and profitability.

We also see that larger industrial players are moving into the dairy sector with significantly larger operations than what the industry is used to. They have the potential to drive the industry and challenge us as a market leader. We are looking closely at these segments with positive interest.

**WE LIVE MILK**

We believe that part of the reason for our increasing market share has been our deliberate and sustained customer focus. We are in constant dialogue with our customers and learning all the time from their challenges, so that we can better meet their needs with innovative solutions.

’We live milk’ is the phrase that guides our brand and affects the way we work and think. We will continue to work closely with our customers and listen to their needs in 2017.

**OUTLOOK**

The outlook for 2017 looks to be improving, but we still expect a challenging year. We estimate that our customers will start to generate positive cash and improve their businesses by mid-2017, barring further surprises.

Joakim Rosengren

“We believe that part of the reason for our increasing market share has been our deliberate and sustained customer focus. We are in constant dialogue with our customers and learning all the time from their challenges, so that we can better meet their needs with innovative solutions.”
VISION
We make sustainable food production possible

OUR BRAND
DeLaval is a world leader in the dairy farming industry, providing integrated milking solutions designed to improve dairy farmers’ production, animal welfare and overall quality of life.

FOOD FOR DEVELOPMENT
We provide expertise and experience to enable Tetra Pak and DeLaval customers, as well as governments and community-based organisations, to provide milk to children and communities in developing countries around the world. We initiate long-term business development projects to encourage demand for locally produced dairy products and transform subsistence smallholders into commercially viable farmers.

VISION
We make sustainable food production possible

DeLaval is dedicated to making dairy farming sustainable, which means that we are constantly on the lookout for ways to help our customers create sustainable operations, and are constantly improving the sustainability of our own. Our commitment to these was evidenced in several ways throughout 2016; through the approval of several teat dips and detergents for organic farming; through our milk filter factory in Finland receiving two ISO certifications; and through our embracing of sustainability goals and reporting standards. The Organic Materials Review Institute (OMRI) added five DeLaval teat dips – not only pre/post and barrier dips, but also iodine and non-iodine ones – and six clean-in-place detergents to their list of products approved for use in certified organic food production. The listing is significant because the OMRI – a voluntary program that reviews products to assure compliance with the USDA National Organic Program standards – is a trusted source for rapidly identifying products approved for use. All products meeting the USDA organic regulations are listed here and allowed to display the OMRI Listed® seal, both of which farmers rely on to help protect the integrity of their organic production systems. We also received affirmation of our commitment to sustainability via the granting of the ISO 9001:2015 Quality Management Certificate and the ISO 14001:2015 Environmental Management Certificate to our GMU milk filter factory in Pelma, Finland. The certificates are outcomes of continuous process optimisation and hard work over the past three years. The first one certifies that the quality management system ensures excellent filter quality, which is especially important for such food grade-approved products, while the second supports the fulfilment of the DeLaval sustainability targets. Furthermore, DeLaval has stepped up its commitment to the United Nations Sustainable Development Goals (UN SDGs), as well as GRI G4 Sustainability Reporting Guidelines and Sector Disclosures (GRI G4) reporting. DeLaval is focusing on supporting the following three UN SDGs as they specifically pertain to what we do: zero hunger, climate action, and responsible consumption and production. In 2016, we decided that we – DeLaval International and our subsidiaries – will annually report on the progress we are making. This also encourages a healthy dialogue with our stakeholders so that we can work on making food production sustainable together.

Our first report was released in 2016 and focused on our 2015 activities. Our next report is expected to be released in 2017.
Innovating for continuous customer success

We relentlessly innovate to help ensure our customers’ success. In fact, we have accrued more than 600 patent families over the last 20 years alone; patents for solutions that help our customers improve productivity and profitability by addressing animal welfare, work efficiency, and food safety. In addition to our DeLaval cleaning analysis DCA and other products we describe on other pages, there are many other innovations helping our customers day-in and day-out. One is our DeLaval cleaning control unit T300. This cost-effective unit controls cooling and cleaning processes in milk storage tanks, both of which are essential to milk quality. In addition to its many unique technical features, it uses an average of 30 per cent less water than conventional circulation cleaning systems.

It’s only natural that our innovations also focus on cow comfort and longevity. After all, happy cows are productive cows. That’s why we invented the DeLaval dairy fan DDF1200, a very quiet, low-energy fan with a unique design that delivers more focused air to prevent heat stress. It’s also why we’re proud of our patented DeLaval cow LED CL6000 and CL9000 barn illumination. This lighting uses 75 per cent less energy than today’s HID lamps and is based on cows’ “not humans” – light wave detection characteristics to ensure their comfort.

Another innovation is the smartphone app DeLaval milk24, a cloud-based cow management tool for users of stanchion barns. This tool uploads and analyses data directly from DeLaval’s stanchion/tie stall milking units, and because the data is stored both on the phone and in the cloud, partners, veterinarians, feed advisors, and other authorised users can access the data.

DeLaval receives quality certificates for two products at EuroTier

At EuroTier 2016 in Hannover, Germany, DeLaval received quality certificates for the DeLaval cow mattress M45R and the DeLaval rubber mat RM21 BS. These products allow cows to move freely and rest properly, promoting good utilisation of feed and blood flow, which in turn promote good milk yields. The M45R is a cow-friendly seamless mattress that prevents hoof diseases and prevents dirt from getting under the cover, making it easier to maintain a more hygienic environment. The RM21 BS mat is made of high-quality, shock-absorbing rubber with a patent-protected top surface and built-in slope to facilitate urine drainage.

We Live Milk, for the benefit of everyone

Our vision is to make sustainable food production possible. And we are committed to helping dairy farmers do the same. “We Live Milk” is a DeLaval pledge that showcases our innovations and this year, we added a customer focus to inspire and continue driving change in four important areas where dairy farmers face challenges: farm profitability, food safety, work efficiency, and animal welfare. To inspire and drive change, we showcased use of our integrated solutions for these challenges by farmers who “live milk.” Here’s a brief look at how our products are helping.

FARM PROFITABILITY

Mr. Sethoff in Austria needed to improve profitability to leave the farm to the next generation. So, he expanded the herd from 15 to 54 cows and invested in a new barn with DeLaval equipment. The manure scraper, swinging cow brush, water troughs and rubber mats resulted in 10% higher milk yield, thanks to improved cow well-being.

ANIMAL WELFARE

Mr. Sedmar runs Sedmar farm in Schwabhausen, Germany, with his brother and parents. Income had to be increased for these families to be able to live off the farm, so the herd was doubled from 150 to 300 cows and a DeLaval robot scraper RS420S was installed. This not only saves the family time, it has also reduced the problem of hoof infections from 40% to 15%.

FOOD SAFETY

Thanks to the true quarter milking made possible through use of the DeLaval AMR™ (Automatic Milking Rotary), Mr. Espig at Bauernland AG farm in Waldkirchen, Germany can follow up and analyse milk from each individual teat. This makes it easy for him to quickly discover milk-out performance deviations, flow speed, blood presence and udder conductivity levels, and thus key changes in milk quality early.

WORK EFFICIENCY

An increase in herd size doesn’t mean increased time in the barn. When Mr. Baklauf increased his herd from 40 to 70 cows in 2014, he also installed the DeLaval VMS™. This voluntary milking system is why, despite the larger herd, he reduced milking time by two-thirds. Where milking used to take him two hours, it now takes him 45 minutes, giving him and his family the opportunity to do other things.

Helping to control digital dermatitis

We advocate use of the Five-Point Plan for Control of Digital Dermatitis in young stock, dry cows and milking cows. The plan – the result of a joint effort between DeLaval and agricultural science experts in seven European countries and the US – addresses various internal and external biosecurity measures that farmers should put in place. DeLaval developed and launched EasyStrida™ to help them fulfil point four – frequent foot disinfection to reduce new cases. This patent-pending biocidal solution to control bacteria that cause hoof infections was formulated using organic acids, and is free from heavy metals, formaldehyde and quaternary ammonium compounds.

THE 5-POINT PLAN TO CONTROL DIGITAL DERMATITIS

1. External biosecurity to keep disease out of farm.
2. Internal biosecurity to minimise infection pressure on cows.
4. Frequent foot disinfection to reduce new cases.
5. Define and monitor hoof health targets.
Danone contract with DeLaval Cleaning solutions (DCS)

In 2016, DeLaval Cleaning Solutions (DCS) implemented a program to supply dosing systems, hygiene chemicals and services to Danone’s North American production facilities. This five-year agreement is valued at nearly €5 million annually and includes all seven of their dairy processing facilities in the US and Canada. It is significant because it enabled us to expand our value-based solutions beyond the service we have already provided to some of their plants throughout the past 20 years, and because so many DeLaval employees were instrumental in building our relationship and securing the more recent agreement, in the face of very strong competition. This team approach was also essential during drafting an agreement to provide consumable supplies and services to their dairy farm partners in the US. One such supplier is McCarty Family Farms, an 8,000-cow facility that supplies milk to Danone, and which we will now supply all their farm hygiene services. Vertical integration partnerships are designed to help improve milk quality and production yields, ensuring Danone’s manufacturing plants can retain an uninterrupted supply of quality raw material. And we will further leverage our team approach to work with Danone on providing DeLaval hygiene solutions to their other US milk suppliers, as well as extending our services to Danone’s production facilities in Mexico and elsewhere.

Chilean dairy farm set to become the largest robotic farm in the world

DeLaval signed an agreement to install 64 DeLaval VMS™ milking robots at Fundo El Risquillo, a large farm in Chile with 6500 dairy cows. This installation will make Fundo El Risquillo – owned by Agricola Ancali and part of the Bethia Group – the world’s largest robotic milking farm. The decision to install more milking robots came after the clear success of the 16 DeLaval VMS™ milking robots it already had installed, the first eight of which were installed in 2014. Their use resulted in a 10% increase in milk production. Of the 920 cows going through the system, the average yield was 40.2 litres. Animal welfare also improved, with the cows experiencing reduced stress. The farm plans to have their best 4,500 cows milked by DeLaval VMS™ when the installation is complete in 2017. The barns today also include a range of other cow comfort solutions from DeLaval such as ventilation systems, cow cooling, rubber flooring, swinging cow brushes, water troughs and illumination.

Small changes, big results

It may seem simplistic, but milk yield can be increased by brushing cows. Data from a Swedish study at Uppsala University showed that for each additional time a cow used our patented DeLaval swinging cow brush SCB, there was a 0.75 kg higher daily yield of milk and a 0.32 kg higher daily roughage consumption. The brush, which rotates at an animal-friendly speed and swings freely in all directions, is now joined by similar brushes for calves and goats, and a stationary alternative.

Reviving the dairy industry in the land of the rising sun

DeLaval is part of the robot-led dairy revival in Japan. These milking robots – the sale of which jumped 67 per cent after doubling in 2015 – are being increasingly introduced. Currently, only 2 per cent of all dairy farms in Japan use robotic systems, but this number is expected to reach 30 per cent. We also expect that the use of robots will spread faster in Japan than in other countries. There’s much potential here after years of industry decline. Bigger, more efficient, robotic dairies like that of DeLaval user, Jim Kawa- guchiya, owner of Kalm Kakuyama and Asia’s largest automated milking factory, are now emerging. This trend is driven by several factors, including the difficulty finding cheap labour and the government’s investment in information technology and subsidies for milking robots after signing the Trans-Pacific Partnership.

Robots tuned to grazing herds

In Ireland, robotic milking on grassland is gaining in popularity. This is greatly due to DeLaval’s development of an automated milking system that meets the specific needs of Ireland’s grass-based milk production system, together with our ABC grazing system. Pastures are divided into three different areas (A, B, C), which are available to the cows at different periods throughout the day. The VMS is ideally located centrally and includes a collecting area into which cows can be segregated. Cows with milking permission can walk to the robot at any time. With our special-ly-designed VMS – based on extensive research in existing grassland markets in South America, Australia and New Zealand – farmers can now have the best of both worlds.
DeLaval Cleaning Analysis DCA: a double winner at EuroTier 2016

A key factor to high quality milk is a clean milking machine. And a clean milking machine is dependent on effective, thorough cleaning procedures. This is why we developed the patent-pending DeLaval Cleaning Analysis DCA, winner of “Innovation of the Year 2017” in the milking technology category and winner of a silver medal for innovations at EuroTier 2016.

The only way to ensure that all internal milking pipeline surfaces contact cleaning solution is by propelling an appropriately dimensioned slug through the system at an appropriate speed. But this makes cleaning effectiveness difficult to monitor. The DeLaval DCA is a systems engineering tool that allows the effectiveness and efficiency of the mechanical and thermal cleaning processes – crucial to unimpaired milk quality – to be monitored and measured during cleaning. It is innovative in that it uses a proprietary algorithm to automate the way slugs in the milk line are analysed. Characteristics of the slugs are determined by two wireless vacuum sensors; their number, volume and strength are analysed throughout all cleaning stages and the result allows vacuum levels, water volumes and cleaning solution concentrations to be individually and optimised. The result is precise cleaning that helps prevent microbial counts from increasing in milk, thereby preserving consistent high quality and avoiding forced price reductions in case of non-compliance with thresholds.

The DeLaval DCA, which builds on our proprietary front-line test system – DeLaval performance tester VP9200 – is clear evidence of our relentless innovation. Our aim at DeLaval is to provide novel solutions to help our customers achieve sustainable and profitable farms, and we are honoured to receive the “Innovation of the Year” award for the third time. It is a recognition that certainly encourages us to continue innovating, especially considering that DLG – the organiser of EuroTier – is an open network and expert voice speaking on behalf of the agricultural and food industries. Criteria for selection included significant characteristics such as optimising labour management, facilitating work safety and driving down energy costs.

Sales growth and opportunity in the US, Germany and China

While the revival of the dairy industry in Japan presents DeLaval with the possibility of future success there, DeLaval is currently experiencing success in the US, German and Chinese markets. Since being launched in 2015, we’ve sold more than 30 DeLaval Teat Spray Robot TSR™ units worldwide, with growing interest in North America, Europe and China. More specifically, sales of the DeLaval TSR™ continue to grow in the US and Germany. Winning a “Dairy Herd Management Innovation Award” at the World Dairy Expo in Madison, Wisconsin in 2015, as well as the success of the DeLaval TSR™ on US farms may be the key reasons for its continued growth in US sales. One of the main costs on a farm is labour, and farmers can save in this area without compromising performance by using the DeLaval TSR™. Traditionally, spraying or dipping has been done manually, which is both time-consuming and labour-intensive. The robot, however, is one of the first fully automatic teat spray solutions for dairy farms with rotaries, and is particularly useful for large herds, as it can accurately spray up to 400 cows per hour, increasing labour efficiency to upward of 200 cows. The Bauernland AG farm in Waldkirchen, Germany, is one happy user of the DeLaval TSR. After installing its new automatic milking rotary, the DeLaval AMR™, the occurrence of mastitis decreased and time has been saved on labour. The decrease in mastitis is attributed to each teat being individually and fully milked, and to the use and accuracy of the teat spray robot. The automation of spraying has also saved them time.

Meanwhile, China continues to invest in robotic farming. The Chinese government is investing in farming in Heilonjiang province in the northeast China, an area regarded as one of the prime farming areas in the country, by subsidising medium-scale farms that have fewer than 100 cows to help them increase to 300–500 cows. Robotic farming is relatively new to this part of China, but is considered an important factor in developing large-scale farming in the region, as it can help improve production, reduce costs and reduce negative environmental impacts. To promote smart farming and to share best practices with larger herds, DeLaval continues to work with research institutes, universities and dairy farms. More than 60% of the large-scale dairy farms in this part of China are using milking equipment from DeLaval, and we expect to maintain our strong position in the future.
DeLaval is part of the Tetra Laval Group. Along with Tetra Pak and Sidel, the three industry groups are focused on technologies for the efficient production, packaging and distribution of food. The head of each industry group has operational management responsibility for his respective industry group and reports directly to the Tetra Laval Group Board. The Group Board is responsible for the overall strategy of the Group and for controlling and supervising all of its business operations. The chairman ensures the implementation of the Group Board decision and the implementation of strategy and policy for the group.

**TETRA PAK – PROTECTS WHAT'S GOOD**

Tetra Pak is the world leader in liquid food processing and packaging. Tetra Pak’s motto “PROTECTS WHAT’S GOOD” reflects the philosophy upon which we conduct our business in order to make food safe and available, everywhere.

**SIDEL – PERFORMANCE THROUGH UNDERSTANDING**

The Sidel Group is a leading provider of equipment and services for packaging liquids, foods and personal care products in PET, can, glass and other materials.

**DELAVAL – WE MAKE SUSTAINABLE FOOD PRODUCTION POSSIBLE**

DeLaval is a full-service supplier to dairy farmers. The company develops, manufactures and markets equipment and complete systems for milk production and animal husbandry.

**NET SALES 2016, MILLION EURO**

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<th>TETRA PAK</th>
<th>SIDEL</th>
<th>DELAVAL</th>
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**NUMBER OF EMPLOYEES, DECEMBER 2016**

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2016 – Year in brief for the Tetra Laval Group

- **TETRA PAK**
  - Net sales for Tetra Pak amounted to €11.4 billion.
  - Tetra Pak continued to secure growth opportunities in areas beyond its core business, strengthening its end-to-end solutions offering and making further inroads into new food and beverage categories.
  - Tetra Pak's Gorazi Manoao factory in Serbia received the world's most prestigious award for manufacturing excellence, the Japan Plant Maintenance World Class Total Production Maintenance Award.
  - Tetra Pak completed the acquisition of Laude B.V., a market leader in the design, development and manufacture of plastic moulds for cheese production.
  - Tetra Pak launched a number of new products, including the world's highest capacity homogeniser, the next-generation Tetra Pak® PlantMaster plant automation system, plus a range of package formats, processing technologies and service offerings.
- **SIDEL**
  - Net sales for Sidel increased to €1.44 billion.
  - Sidel strengthened its complete line offerings, combining the expertise of Sidel and Gebo Cermex. Thus, Sidel is able to act as a full solution partner to help any customer choose the right solution for the specific needs of any liquid product.
  - The Sidel subsidiary Novembal, offering a full range of caps and closures to the liquid packaging industry, opened a new plant in Peoria, Arizona, improving the logistics within the North American market.
  - Sidel launched the Sidel Matrix Predis™, in which Predis aseptic technology became available for the company’s latest generation of modular Sidel Matrix™ Combi equipment. In addition, Sidel introduced two notable PET packaging design innovations, building on the benefits of the existing StarLite™ bottle base.
- **DELAVAL**
  - Sidel introduced Sidel Services Online web interface, with higher line performance and maximum uptime just one click away. This tool has been recently enriched with new features, such as line improvement options and upgrades.
  - “We Live Milk” is a DeLaval campaign that showcases innovations and in 2016, the company added a customer focus to inspire and continue driving change in four important areas where dairy farmers face challenges: farm profitability, food safety, work efficiency and animal welfare.
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DeLaval Cleaning Analysis DCA as well as a Stanchion barn app and a new cleaning control unit.

- DeLaval’s Dairy Data Warehouse has partnered with Cargill, a global leader in advanced nutrition and productivity solutions for dairy cattle, providing them with data services for the animal nutrition industry. The collected data can now be used to improve technologies in related businesses and help farmers improve operational efficiency, sustainability and profitability.

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