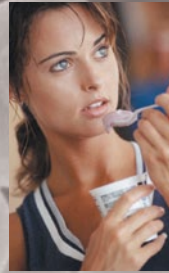


# LALLEMAND'S HISTORY



## HOW IT ALL STARTED

Lallemand was founded in Montréal towards the end of the 19th century. Fred Lallemand was a young immigrant who had left his native Alsace after the Franco-Prussian war of 1870-1871. His initial business in Montréal in the late 1800s involved the trading of animal fats and then he built a plant for the refining of vegetable oils to bakers shortening. After moving the vegetable oil refining plant to upstate New York, he returned to Montréal and built a new plant in 1915 on Préfontaine Street. By 1921 he was importing bakers yeast from the United States and in 1923 he started producing fresh baker's yeast. The necessary technology was obtained from Dr. Effront (University of Brussels) who sent his students, first Dr. de Chaunac and later Dr. Cherney, to direct production and train new technologists. The production of dry bakers yeast was introduced with the aid of the National Research Council during WWII. In 1947, the second generation of the Lallemand family sold the business to a financial group, which, in 1952, sold it to Roland Chagnon, whose family still owns Lallemand.

## A NEW ERA

Trade liberalization in the early 1970s profoundly affected the development of the company as significant imports of both fresh and dry bakers yeast into Canada stimulated the energy and creativity of the small management and technical team. New yeast strains, production techniques, packaging, distribution systems, marketing approaches, markets and uses for the yeast produced in the Montréal plant were explored. Out of this process, Lallemand emerged as a more dynamic company, able not only to meet competitive pressures, but also to anticipate

market and technical needs before its larger competitors, and to play a leadership role on their ground.

### Important dates:

1972 – Exports of active dry bakers yeast to the Caribbean, Asia, Africa and the U.S. began.

1973 – A major distillery gave the production of its special whiskey yeast strains to Lallemand, with other distilleries following.

1974 – Two dry wine-yeast strains for the North American market were produced and then in 1977 these strains were exported into the European market.

1979 – Lallemand became the first company to produce specific regional wine yeast strains.

1981 – Lallemand began selling fresh bakers yeast to major clients in the North East and North Central States while a major modernization of the Montréal plant was completed.

1982 – Lallemand became the first North American company to deliver bulk liquid cream yeast to a wholesale bakery, where a new automated cream yeast handling system was developed and installed with the help of Lallemand.

1983 – Lallemand established a permanent base in Europe with a warehouse, sales office and laboratory in France, to better service and develop the growing specialty yeast market. This was the first of numerous offices established throughout the world that demonstrate Lallemand's commitment and determination to giving close personal service and support to the markets the company serves.

## EXTERNAL GROWTH AND BUSINESS DIVERSIFICATION

Lallemand derives part of sales revenue from the development, sale and distribution of auxiliary bakery ingredients to the wholesale bakers of North America.

In 1986, this segment of the business led to purchase a supplier located in Valleyfield (Québec) that produced propionates. This plant also produced salts and other organic acids with applications in food and pharmaceutical market segments not central to the company's focus. Therefore a new company, **Macco Organiques inc.**, was created with half of the shares sold to other investors and plant management. Macco Organiques inc. has greatly profited from the Lallemand strategy to explore new markets and new technologies. In 2004, it established a subsidiary in Bruntál (Czech Republic), **Macco s.r.o.**, in order to purchase an organic salt-producing plant specialized in salts for the pharmaceutical industry.

In 1988, as a direct result of the success with wine yeasts, Lallemand established **Danstar Ferment AG** (Switzerland) to acquire Novo Ferment AG (in Switzerland, brand name UVAFERM) and the production equipment of Danstar A/S in Grenaa (Denmark). Later the same year, Lallemand purchased Equilait/Equipharma, a bacteria-producing laboratory in Aurillac (France). This facility also produces a wide range of bacteria used in food, bakery and human health applications, as well as animal nutrition and health applications.

The 1993 acquisition of the Qualitec (U.S.) silage and probiotic business also served to strengthen involvement in major North American markets.

The 1998 purchase of the Milwaukee (U.S.) bacteria plant of Laporte Biochem International and **Institut Rosell** (Canada), as well as the 2001 acquisition of **Biotol** (United Kingdom and U.S.) have further strengthened Lallemand's role as a leading producer and distributor of bacteria-based products for the growing human and animal nutrition market segments.

In early 1997, the **Bio-Ingredients** division, responsible for the inactive yeast, yeast extracts and enriched yeast markets, acquired the yeast business of Primalco Biotec (with the trademarks ALKOSEL, ALKROM and FIBOSEL from DSM) and related technologies. In 2006, the trademark ENGEVITA and all its related activity were acquired from DSM. In 2009, the yeast extract production facility of DDGF (Denmark; purchased in 2007) was expanded. Lake States' torula yeast production plant in Rhinelander (U.S.) was acquired in the same year.

Starting in the early 2000s, new emphasis given to the development of markets and products related to the beer and fuel ethanol industries led to the acquisitions of the **Siebel Institute** in Chicago (U.S.) and **AB Vickers** in Burton-upon-Trent (U.K.) and to the establishment of the **Ethanol Technology** business in 2004.

## STILL A STRONG FOCUS ON BAKERS YEAST

### On the American continent

In 1989, Lallemand took a major step in consolidating its position vis-à-vis the North American bakers yeast market by purchasing the American Yeast Corp. plant in Baltimore (U.S.) and its major New England distributor, renamed the **American Yeast Sales Company**. Major investments to improve the technology and efficiencies of all production lines, including that of instant dry yeast, were immediately implemented at the Baltimore site, as would happen at the Montréal plant during the 1990s.

The resulting success in the competitive North American market allowed Lallemand to complete the purchase of the North American bakers yeast assets of Gist-Brocades n.v. in early 1995. These assets included the EAGLE brand of fresh yeast, along with the most modern yeast plant on the West Coast in Bakersfield (U.S.), and the ESSENTIAL enzyme-based line of dough conditioners, as well as rights to some baking-related patents.

In early 1997, the **Lallemand / American Yeast** division was established in Mexico through the acquisition of most of the assets of Alimentos Framex and Gallipán S.A. de C.V. Renamed **Lallemand Mexico** (Cuautitlán, Mexico), this innovative company develops, produces and markets enzyme-based dough conditioners as well as chemical leaveners. Lallemand Mexico not only sells Lallemand bakers yeast and other products in Mexico and neighbouring Central America, but also contributes to the development of the U.S. and Canadian baking ingredients market thanks to the experience the people at Lallemand Mexico bring to existing team and customers.

### In Europe

In late 1994, Lallemand invested in a small yeast plant in Estonia, Salutaguse Pärmitehas. This opening towards European markets continued with the acquisition of brands and plants in Austria in 1998, Germany (Giegold in 1999, Wieninger in 2004, Linco in 2006), Lithuania (SEMA) in 2002, Slovakia in 2003, Poland in 2005, Finland in 2006, Denmark in 2007, Portugal and the U.K. in 2009.

The Vienna yeast plant was dedicated to the production of specialty active dry yeast and the microencapsulating of yeast and bacteria, while the plant in Passau (Germany) was also equipped to microencapsulate yeast.

### In South Africa

In 2006, Lallemand acquired **Rymco**, one of the most important yeast producers in South Africa. Rymco now operates two plants, one in Durban and the other in Johannesburg, producing fresh and dried bakers yeast as well as specialty yeasts under ANCHOR YEAST and GOLD STAR brand names.

### Elsewhere in the world

Since 2010, with the acquisition of important capacities in Felixstowe (U.K.) and Setúbal (Portugal), Lallemand is in a position to expand our presence into the worldwide dry bakers yeast markets, which can be supplied from these two plants as well as from the Johannesburg and Montréal production sites.