



## Strong alliance of traditional companies and brands

Thanks to strategic acquisitions Colian SA is now one of Poland's leading confectionery concerns

46

The history of the Colian group begins in 1990 with the founding of the Ziolopex, a company supplying herbs, spices and seasoning mixes sourced directly from countries of origin. In 1997 the Ziolopex brand went on sale in retail stores, and was renamed "Appetita" in 2003. At the beginning of 2004, Ziolopex – later known as Colian – entered the confectionery market, taking over a majority holding in Jutrzenka SA, a venerable company founded in 1918 as Fabryki Cukrow i Czekolady Lukullus.

Later on in 2004 Jutrzenka, now under new ownership, went on to take over Goplana from Nestle Polska.

Goplana was founded in 1912 by brothers Janusz and Wieslaw Wilkon in Poznan. The company was originally called Fabryka Czekolady i Kakao Gonda. The next acquisition followed in 2005, when Colian purchased Kaliszanka, makers of the popular Grzeski wafers. In 2007 Colian broadened its portfolio, taking over beverage brand Helena.

Ziolopex, Kaliszanka and Jutrzenka were consolidated in 2008. Jutrzenka changed its name to Jutrzenka Holding SA – now Colian SA – and issued shares. The headquarters were in Opatowek. The subsidiary Jutrzenka Colian Sp zoo was established and

focused on confectionery, beverages and various other food products. One year later the subsidiary Colian Logistic Sp zoo was formed in response to increased logistics demands. The subsidiary manages Colian's own deliveries and shipping but also offers these services to other businesses. Colian Logistic operates as an independent business unit and has been chalking up rapid growth.

The group's name was changed into Colian SA in 2011. This move coincided with the decision to build up a food group. Colian took over Solidarnosc in April 2013. Lublin-based Solidarnosc – formerly known as Fab-





ryka Cukiernicza Solidarnosc – is a well established chocolates company.

Colian's company philosophy can be summed up in one sentence: "Everything we do is for you." The needs and requirements of retail clients are Colian's top priority. Contact and cooperation with retailers is close: clients are consulted during product development and their wishes are taken into consideration. Furthermore, the company analyses how its own products engage various target groups. Jan Kolanski, proprietor and CEO, explains as follows: "Consumer satisfaction is our top priority."

Apart from a production facility at company headquarters in Opatowek, there are plants located in Bydgoszcz, Poznan, Lublin, Kalisz and in Wykrota. Colian employs some 2,500 people. Over the past few years Colian has established itself on the confectionery market with the help of a well thought out strategy. Success is founded on factors such as brand awareness; the skilful combination of modern and traditional; guaranteed top quality and – last but not least – delicious taste.

The famous Grzeski brand wafers rank second on the impulse wafer market segment. Dominating the segment "family pack wafers" is the Familijne brand. In addition, since acquiring Solidarnosc, Colian is meanwhile a leading player on the market for chocolates, chocolate sweets, boxed chocolates and jellies (source: Colian SA, based on Nielsen retail panel for Poland, sales volume 04 2012 - 03 2013 in the following categories: family packs of wafers over 60g in weight; chocolates – not including traditional "Bird's Milk" or other chocolates with a soft meringue/mallow centre; impulse wafer packs up to 60g in weight).

#### Products are to be found in all distribution channels

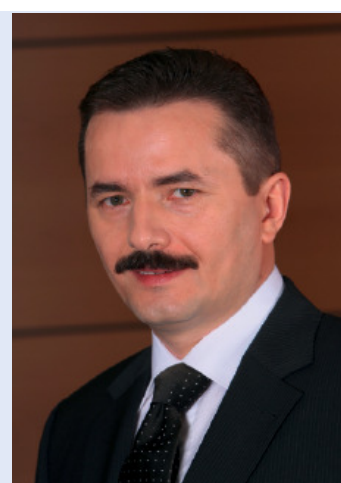
Because it is such a huge concern, Colian's products are to be found in all distribution channels and in all forms of retail stores, both traditional and modern. Export sales are of growing importance, accounting most recently for 15% of overall revenue. The Colian range is on sale throughout Europe, in North America, the Middle East and Asia. Items shipped abroad include standard products as well as some branded articles specially tailored for international markets, such as Family's wafers, Clue biscuits, and Chopin chocolate.

Colian is currently extending sales and distribution activities in Asia and Europe, with a particular focus on Uzbekistan, Kazakhstan, UK, Israel, Lithuania, Latvia, Russia and Mongolia. Solidarnosc exports 20% of its output under the brand name Solidarnosc. Exports have increased considerably since the company was acquired by Colian. Solidarnosc brand confectionery is currently on sale on numerous markets abroad, including China, Japan, Vietnam and Australia. The Colian strategy aims to grow sales by extending its share of existing markets, as well as by gaining access to new markets.

Colian management is convinced that exports will play a growing role over the next few years and anticipates considerable growth in the near future. In anticipation of increased export activity, Colian has received IFS and BRC certification. Both are essential for successful sales in EU countries. Colian has obtained quality certification required for exports to the Ukraine, Belorussia and Russia.

A breakdown of sales reveals that confectionery generated PLN 96.2 m (€ 23 m) during the first quarter of 2013, or 66% of overall revenues. Beverage sales contributed 15%, "culinary" products 14% and other food items the remaining 5%. Jan Kolanski says he is well satisfied with developments at the moment, and announced the company would be concentrating on investing in its strong brands Grzeski, Familijne and Goplana (see also the interview).

Dr Henriette Ullmann  
www.colian.com.pl



"We now offer a complete range of renowned confectionery"

#### Interview with Jan Kolanski, CEO and proprietor of Colian SA

**SG:** What made Polish company Colian decide to acquire domestic confectionery manufacturers?

**Jan Kolanski:** After closely scrutinising the market for spices – where Colian has been highly successful for so long – and examining potential, size and opportunities for rapid growth we came to the conclusion that we ought to invest in the far bigger confectionery market. So we started to analyse the confectionery market, on the look out for suitable acquisitions.

**SG:** Are you planning further acquisitions?

**Jan Kolanski:** Our strategy is based on organic growth and acquisitions. In April this year we took over Solidarnosc. The transaction has enabled us to round off our portfolio with a strong chocolates brand. We now offer a complete range of renowned, high quality confectionery. We are now planning to develop synergy effects and integrate acquisitions. We are on the way to create a strong group which manufactures confectionery. At the moment consolidation and harnessing potential are our top priorities.

**SG:** Which goals will you be pursuing in the future?

**Jan Kolanski:** Our aim is to establish a thriving concern which supplies branded confectionery of the highest quality. Therefore we will be investing consistently in development and in growing our biggest brands. In the near future we will be focusing mainly on consolidation.

