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Eurofins concludes a major outsourcing deal with Raisio Group

07.07.2008 - Eurofins announces that it has agreed an outsourcing deal with effect 1 September 2008 with the Finnish based food and feed producer Raisio Group best known internationally for its Benecol branded products. Under the terms of the deal Eurofins will take on Raisio's food and grain testing laboratories, its equipment and employees and in return will carry out testing services needed by Raisio over the next five years. As with other recent outsourcing transactions Eurofins plans that besides providing market leading accredited testing services and expertise under this contract opportunities exist to derive third party testing work in the fast growing Finnish domestic and export markets in foodstuffs and non alcoholic beverages.

The Raisio Group laboratories are based in the town of Raisio itself centred in a major food producing region in the south of Finland. Eurofins plans to transfer much of the existing food testing business that is presently done at Eurofins Finland's Tampere laboratory and divert samples that are currently being sent to Sweden and other parts of Europe. The Group established a base in the country at the Tampere lab only recently following the acquisition of the Lantmännen Analycen Group in October 2007 and it now has further possibilities to establish fully its laboratory network in the country.

As usual on its outsourcing deals Eurofins expects the transaction to benefit both parties:

From an operating point of view by outsourcing a non core activity Raisio will obtain its testing results in a much faster Turn Around Time (TAT), have access to a broader range of tests and be able to draw on the expertise of internationally recognised scientists available across the Eurofins Group all at competitive prices. In general companies that do this are able to improve their return on capital and transfer the risk of fixed costs into variable costs.

At the same time the Eurofins Group sees an opportunity to create significant long term value in line with its standard financial and operational objectives: high levels of return on capital through efficient laboratory management and higher sales increasing economic profit and market leadership in fast growing markets.

This is the latest in a general trend of outsourcing deals that Eurofins has seen in each of its main markets: food, pharma and environment around the world since 2001. The trend started with the Novartis Medinet lab in Breda and the Glon Sanders CRCB feed testing laboratory in France and has been progressing steadily throughout the last few years to such an extent that previously sensitive testing facilities such as Southern Water in the UK and the National Water Reference Laboratory of Denmark have pro-



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ved to be highly successful projects for the outsourcing body as well as for Eurofins