

TRANSITION PERIOD FOR GOSTOL-GOPAN D.O.O.

The fiscal year 2007 was not what Gostol-Gopan d.o.o. expected. The sales volume has increased by 10% compared to the previous year, however the unexpected growth of the costs at an exuberant rate has prejudiced the year's results.

The company persisted also in 2007 on a two-figure growth rate from the previous years. The sales volume has reached the figure of more than 19 million EUR exceeding the planned sales target. The best-selling markets were Russian Federation, Romania and Ukraine, as well as it is worth to mention 2 crucial projects concluded in Slovenia and Malta. The planned sales target has been met and exceeded on the markets of the new EU member states, SE Europe and Slovenia. The key achievement of the company in 2007 is certainly the successful commissioning of a complex automatic plant for the production of a large assortment of bread and pastry installed in the Bakery Brumat in Nova Gorica; the heart of the plant is the 2nd generation thermal-oil deck-tunnel oven "Triglav". Another milestone last year is an automatic plant for the production of toast and hearth-baked bread installed in the bakery Vel Pitar in Bucharest, which features a high level of automatisisation, starting with the mixing process.

The big sales volumes were sadly accompanied also by some unexpected problems, which otherwise have originated in the fast growing sales that the company had registered in the past years. To meet the sales demands the company was forced to outsource more of its production activities than planned, as well as the costs of the materials, labor and energy have contributed their share. These factors combined resulted into a worse financial outcome than expected.

But the company is firm in assuring that this was only a transition period; the sales volumes that keep growing and the sales contracts signed for a period of 8 months in advance already are proving the company correct. The markets the company is focusing on are SE Europe and Scandinavian countries, where bakers appreciate the Gostol-Gopan's "best-value" products and custom-made solutions; and the company's proverbial customer-orientation keeps attracting bakers from other countries too. Gostol-Gopan's main success measure remains the satisfied and loyal customer.

The company's focus this year will be on a better organization of all processes, an increased efficiency of the own production capabilities and a stiffer control of the costs; this way they are sure the 2008 results will be back on the right track.

Gostol-Gopan celebrated last year a very special jubilee – the 60th anniversary of the company's founding, which indicates the company's goals are set in the right direction.