

COBB FOCUS

EUROPE SPECIAL

PUBLICATION OF COBB-VANTRESS, INC.

COBB EUROPE STRATEGY PAYING DIVIDENDS

NEW OPPORTUNITY TO REDUCE COST OF CHICKEN PRODUCTION

Introduction of the Cobb 500 from the US breeding programme throughout the European, Middle East and African region is bringing customers improved production performance and cost benefit - a direct result of Cobb's increasing investment in research and development.

Under the global strategy, Cobb Europe is one of the new pure line centres which supply breeding stock for the network of more than 40 grandparent operations including distributors and joint ventures worldwide.

The strategy provides for increasing sales of the Cobb 500 - the world's most popular broiler breeder - and of the recently introduced Cobb 700 and improved Cobb Avian lines. It also ensures greater security for customers, with the possibility of product being supplied from the increased number of pure line centres.

Value to parent company

The concentration of the research investment in the US is helping to accelerate genetic progress. It allows Cobb to implement new technology more quickly, and to utilise a larger gene pool and pedigree population.

The value of Cobb to its parent company, Tyson Foods, is in its products now and in the future, as illustrated by the investment of more than €190 million in research and development in the last 10 years.

An additional benefit of being part of Tyson Foods is the ability to put a significant number of birds into the market to field test performance thoroughly. And the centralised research means that customers worldwide know they are receiving the same genetic potential whenever and wherever they buy Cobb stock.

With enlargement of the European Union bringing in ten new countries in May 2004, Cobb Europe is planning to expand its business with the Central and Eastern European Countries (CEECs) and to establish a grandparent operation there for production of parent stock.

Cobb began developing business in the CEECs during the mid 1990s and today its broiler breeding stock is being used in all the new member countries, with significant market shares in Bulgaria, Poland and the Czech Republic.

The CEECs are served by the Cobb Europe team based at Putten in the Netherlands. Breeding stock is supplied from grandparent operations in Holland and the UK, and from the German distributor.

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MUCH TO GAIN BY EMULATING COBB 500 WORLD SUCCESS

by **BRIAN COSGRIFF**, General Manager of Cobb Europe



Cobb Europe has much to gain by emulating the success which the Cobb 500 is currently experiencing in both the American continents and Asia.

Continued focus on and improvement in the performance of the Cobb 500 in this region is the highest priority for our company. Premium results in yield and feed conversion, already demonstrated in trials with a number of customers, will be increasingly attractive as chicken performance and production costs come under greater scrutiny.

We anticipate Cobb playing an increasingly significant role in the regional market, and value the opportunity to increase the penetration of the Cobb 500 and effectively place the Cobb 700 and Cobb Avian in target markets as we move forward.



Extra meat yield and uniform carcass quality - the Cobb 500 is scoring over the competition.

COMMERCIAL TRIALS SHOW UP COMPETITIVE ADVANTAGES

by EUAN MELDRUM, Cobb 500 Product Manager

We are well through our first year in implementing the introduction of the Cobb 500 from the US research programme, with parent stock placed in 20 countries throughout Europe and the Middle East. This number is increasing every month, and from January 2004 all our parent stock will be derived from the US programme. Our distributors across Europe, the Middle East and Africa will be in the same position by summer 2004.



Initial customer trials growing broilers to between 1.5 kg and 3.6 kg have consistently shown a weight-for-age advantage of 5 to 10% compared to our nearest competitor. Our product is



The Cobb 500 broiler breeder, market leader in North and South America.

producing more grams of breast meat, along with a yield advantage of around 0.7% and up to 1% on eviscerated carcass yield - very much in line with the predictions made before the stock was introduced. This improvement in broiler performance certainly does not come at the expense of parent stock performance.



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The company also has partners in Ireland, Spain, Sweden, Israel, Egypt, South Africa, Zimbabwe and Zambia supplying the region served by Cobb Europe.

Everywhere biosecurity and flock health receive top priority. In the USA pedigreed lines provide salmonella-free stock to the pure line centres. Housing the pedigree stock in remote countryside on four separate complexes across Missouri, Oklahoma and Kentucky provides maximum biosecurity benefits for both customers and Cobb.

A further reflection of the importance attached to health

and biosecurity is the investment in a €6 million state-of-the-art feed mill for pedigree and pure line stock in the US. The mill carries out routine screening of ingredients, sterilises the product and holds it secure until tests confirm freedom from contamination, furthering Cobb's outstanding reputation for poultry health and innovation in quality assurance.

Expanded product range

The Cobb 500 is providing customers with the opportunity to improve their bottom line profitability by enabling them to take advantage of the breed's capacity to achieve desired bodyweight targets (*see graph page 3*) on a more cost effective nutritional programme. This ability to cut the cost of producing chicken meat is likely to be even more vital in the future, particularly with increasing global competition and higher feed costs having a major impact on the industry's profitability.

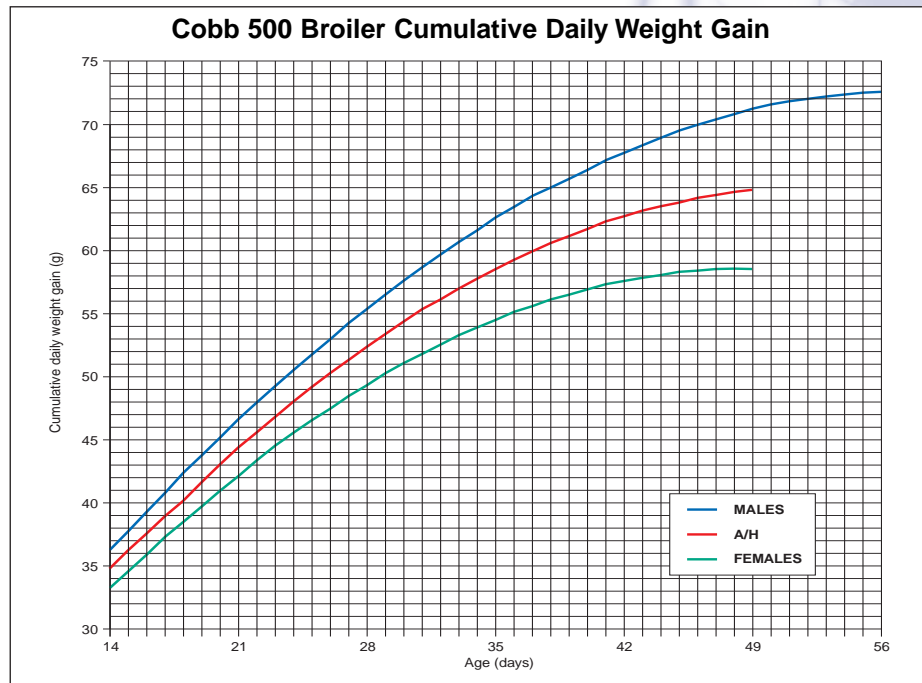
For customers deboning white meat, the Cobb 700 has important gains. This ultra high yielding broiler, with a one per cent breast meat advantage, has been developed in the US over the past nine years and is now in commercial trials with European customers.

For regions where chick cost is a high proportion of the total production cost and there is less emphasis on white meat yield, the company has launched an improved version of the Cobb Avian lines. The superior reproductive traits, coupled with broiler performance only marginally behind the Cobb 500, make this breed an attractive option.

With so much growth potential, there are other opportunities. With emphasis quite rightly put on the cost of producing chicken meat, it is possible to grow this broiler to a fixed weight at less cost.

The two best ways of doing this are by using lighting programmes and by feeding a lower cost diet. Lighting programmes help optimise the performance potential. Equally, having a significant dark period every day is more natural for the birds. In a recent internal commercial broiler trial, we achieved similar performance to our main competitor using feed that cost 6% less. In this trial the result was a saving of 1.67 eurocents per kg liveweight, equivalent to 2.5% cheaper production costs.

The Cobb 500 is bringing to the market benefits in broiler and processing performance which reinforce the message that the 'bottom line' savings can be very significant across integrated chicken production.



Right: Forecasts of higher meat yield, with a 0.7 per cent advantage in breast meat against the nearest competition, are being borne out in European commercial trials with the Cobb 500.



Below: Increasing volumes of the Cobb 500 are being used for portion packs for leading supermarket outlets.



MOTIVATED BY OUR PRODUCT RANGE POTENTIAL

RONALD LELIEVELD, Sales and Marketing Director



As a company we have a professional, multi-lingual sales team in place to take advantage of the attributes of the Cobb 500 and increasingly penetrate both the established markets of Western Europe and the emerging markets of Eastern Europe and the Middle East.

Performance of the Cobb 500 in commercial trials has shown it is the breed of the future for customers focused on measuring yield and cost performance. Our two additional products - the Cobb 700 and Cobb Avian competing in

high breast meat yield and day-old chick or whole bird markets respectively - are a strength for the future. We are motivated by the product range potential and the considerable opportunity for growth in our region.

UPGRADING OUR PURE LINE FACILITIES

GLEN WILLBYE, Production Director



Cobb Europe may be the newest division of Cobb-Vantress, Inc, but we are an integral part of an established, focused and dynamic management group. We are excited by the opportunities for Cobb to have the success here that the breed enjoys generally within the world market place. Our challenge is to show the breed's ability to generate the

most profit for our customers.

We are now substantially upgrading the pure line facilities within our production department to reflect the continued long-term use of our UK base. The progeny from these flocks will supply our existing grandparent customer bases and the new grandparent facilities which we are planning as part of our continued expansion.

We have a new management structure which interacts between technical, sales, planning and production with a single focus - to ensure our customers receive top quality products above their expectations.

CHASING 'BOTTOM LINE' RESULTS - NOT PERFORMANCE FOR ITS OWN SAKE

JOHN VINCENT, Technical Services Director



We know that customers value the practical advice they get from our technical services people. Our team has experience in all aspects of the business, and can also call on the specialist expertise of our World Technical Support Team. We're also encouraging customers to share their experiences - an idea that's proving very popular with many of them.

Our technical advice will become more comprehensive and help customers manage cost as well as performance within their own businesses. The concept of

chasing performance for its own sake does not necessarily lead to best business practice on either profitability or health and welfare grounds.

More important is the need to examine the effects of even minor changes to feed or management on bottom line costs. Key to this is the ability to test these changes within a customer's own business environment. The Cobb team can share expertise and experience in planning and conducting these commercial tests.

IMPORTANCE OF GOOD COMMUNICATIONS

JAN BUITENHUIS, Planning Director



It is important during daily business dealings for our Planning and Export Team to have good communication with our customers.

We are excited by the opportunities that now exist to optimise communications with our customers, assisting forward planning and achieving excellent results when delivering day-old chicks and placements by road and air.



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