



City of Cincinnati

City Helps Cincinnati Icon Graeter's Remain in the City, Add New Jobs

New Ice Cream Facility Helps Ice Cream Company Go National



CINCINNATI - March 5, 2009 - Graeter's today announced plans to build a new ice cream facility in the City of Cincinnati. (See Photo) The 28,000-square-foot plant, which will be located on Paddock Road in Bond Hill, will accommodate Graeter's planned distribution into new markets. Initially, there are plans to create about 50 jobs at this new site, with the potential for additional jobs within several years. The cost of the building project is approximately \$11 million.

"Our goal is to increase distribution of our ice cream into new markets," stated Richard Graeter, President and CEO. "This expansion means that we need additional capacity here in Cincinnati."

The new facility will be solely devoted to ice cream production. Graeter's will continue to make its ice cream using its original method - the French Pot Process - on the exact same French Pot machines, keeping with the same family recipes. The high quality and superb taste of Graeter's will remain the same. The new facility will have a larger freezer, loading dock and a blend room where Graeter's will mix together the cream and flavors that create all of Graeter's irresistible taste combinations. Graeter's corporate offices will move to Paddock Road, however, some offices will be maintained at the current Reading Road facility.

"Graeter's is a Cincinnati institution. It is exciting to see one of our hometown, family companies grow and succeed, and I couldn't be happier that they choose to continue to grow

right here in Cincinnati," Mayor Mallory said. "The City is pleased to partner with Graeter's to help build a new state-of-the-art facility and create new jobs in our community."

Construction on the new facility is slated to begin in early April and be completed near the end of this year. Production at the new plant is scheduled to begin in January 2010. Graeter's original plant on Reading Road will remain open and operational where Graeter's will continue to make candy and baked goods.

"As Graeter's plans for growth, the City is pleased to support them in taking their hometown brand national," said City Manager Milton Dohoney, Jr. "After all, their high standards for quality and excellence are exactly what Cincinnati should be known for across the country."

"We are grateful to the City of Cincinnati for all it has done for Graeter's," said Richard Graeter. "We are proud to expand and create jobs right here at home."

The City has offered the company the following incentives: a 4.5 acre parcel (\$450,000); a loan of \$10 million that they will repay over 20 years with terms of 2% interest in the initial two years during the construction period, and 4% interest for years 3 through 20. The proposed net present value of the City incentives is worth \$3.3 million.

In return for this city financing incentive, Graeter's will not be seeking any additional tax incentives for which they would otherwise be entitled through the City. The City will also require that Graeter's commit to "stay and grow" in the City for a minimum of 20 years.

The City's assistance is pending approval from City Council. In addition, Graeter's and the Ohio Department of Development are still finalizing possible state assistance. Any final offer must be approved by the State's Tax Credit Authority.

About Graeter's

Graeter's is a Cincinnati brand icon, with national prestige, that has become synonymous with indulgent taste experiences since 1870. Known nationally for its famous French Pot ice cream, Graeter's is one of the oldest continuously family-owned ice cream makers in the country. The founder's great grandsons still faithfully use the finest quality ingredients, trusted recipes and original methods of production in the Cincinnati manufacturing facility

In addition to ice cream, Graeter's product offering includes an extensive line of candy and bakery products sold throughout 14 stores in Cincinnati. Graeter's also has 30 regional franchise stores in Columbus, Dayton, Northern Kentucky, Louisville and Lexington. To learn more about Graeter's, go to www.graeters.com