

ANNUAL REPORT 2012

Letter from the Executive Director

Dear Friends,



In 2012, the Edesia team and factory continued to work tirelessly on behalf of the estimated 225 million children in our world who are needlessly suffering from various forms of malnutrition.

The first return on investment for a unique organization like ours is the emotional reward of seeing a malnourished child get their health and life back. Then come the incalcuable ripple-effect benefits that extend to the family, the community, and the country.

When a child is fully nourished, attendance in school goes up, health problems decline, and new possibilities for a productive and prosperous future are born. This may sound overly optimistic, but the evidence shows that good nutrition in the first two years of life leads to a 2-3 percent uptick in a country's GDP in the future. This is why I find the Scaling Up Nutrition Movement, coordinated by the United Nations, so promising. Countries that join the SUN Movement are committed to: (a) ensuring that programs in all sectors of government are sensitive to nutrition; and (b) increasing coverage of proven interventions that improve nutrition during the I,000 day period between a mother's pregnancy and her child's second birthday. This real commitment at the highest levels of government signals to me that the crisis of childhood malnutrition is truly solvable.

Edesia is doing our part to provide nutritional solutions for children in this critical window of time. In 2012, we produced over 23,235 boxes of Nutributter, enough to reach over 813,225 children under the age of two. There's no telling how far these young children will go in life with their minds and bodies fully developed.

We thank you for your continued interest in our work and your partnership with us on our journey to treat and prevent childhood malnutrition to make this world a better place than when we found it.

Sincerely,

Navyn Salem

EDESIA'S MISSION IS TO TREAT AND PREVENT MALNUTRITION FOR THE MOST VULNERABLE CHILDREN IN OUR WORLD.

BOARD OF DIRECTORS

Ms. Navyn Salem (Officer)
Director/President/Secretary

Mr. Paul Salem (Officer)
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Director

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Mr. Steve Lutterbeck Director

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SENIOR LEVEL EMPLOYEES

Navyn Salem Executive Director

Ronald Yanku Factory Director

Peter Craig
Director of Finance

Maria Kasparian
Director of Operations

Stephen Martinello Quality Manager

Quantities shipped in 2012 = 386,233 children reached!







1,031,356 kgs (74,736 boxes)





128,337 kgs (10,969 boxes)

nutributter*



278,824 kgs (23,235 boxes)



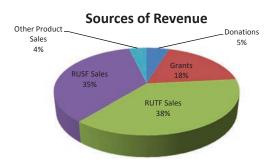


10,325 kgs (829 boxes)

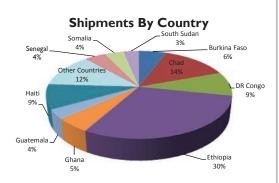
1,390,874 kgs (100,788 boxes)

Summary of 2012 Financials









FOR MORE INFORMATION,
PLEASE VISIT:
WWW.EDESIAGLOBAL.ORG.

A LIFE-CHANGING VISIT TO NIGER, by Navyn Salem



If you've never heard of the Sahel, you're not alone. I myself had to double check my world map. It's a region of Africa that includes Senegal, The Gambia, Mauritania, Mali, Burkina Faso, Niger, Nigeria, Chad, and parts of Sudan. There is a drought across these lands—the kind so severe, women are boiling leaves to feed their children—compounded by half a million Malian refugees searching for safety. There are 18 million people in the Sahel without enough to eat. Some one million children, born with bright eyes and promise, are now becoming skin and bones.

In early June, I traveled to Niger with Maria Kasparian, Edesia's Director of Operations, who has been with me on this journey to manufacture Plumpy'Nut and other Ready-to-Use Foods from the very beginning. Two years after we opened the factory, it remains a priority for us to connect what we do every day in Providence, Rhode Island with the people it serves. It was also an opportunity for us to meet up with our PlumpyField partner, STA, who, from the capital city of Niamey, supplies Plumpy'Nut for all of Niger.

We visited clinics and hospitals in Niamey and Maradi (reachable only by UN plane) with Ismael Barmou, STA's Deputy General Manager, to see how Plumpy'Nut is impacting human lives. As I stood in the malnutrition ward of a regional hospital, my chest tightened, and I had to work hard to keep my composure. There were no welcoming smiles, only blank, empty stares. My camera, normally always at the ready, dropped down to my side. I couldn't bring myself to snap images of so many children and mothers in despair. To my left, a little girl lay on a bed, emaciated, listless, and very alone. I didn't know her story. "Where is her mother?" I asked myself. All I could do was watch her chest rise and fall—as I did with my own newborn girls and I clung to the possibility that, in this place, because of the nutritional peanutpaste we make, her life would continue.

It is almost impossible to tell the ages of the many children we saw. To me, they often looked like infants, maybe about three months old, when in fact they could have been two years old.

It was heartbreaking to see so many children with feeding tubes filled with therapeutic milk, and so many lost, overwhelmed, and tired, young mothers beside them. In Niger, as in many developing countries, girls are forced to marry at young ages. One mother, who looked 16, saw me walking by and lifted up her baby for me to take. Without enough food, without nutrition, this is what life becomes.

The number of malnourished children —too weak to even lift up their heads will soon increase dramatically as we enter "the hunger season" in this place of sandstorms, little-to-no rain, and 120 degree weather. In two months, the health system will be strained. But the experts we met from the World Food Programme, Save the Children, UNICEF, and the government gave us hope. They said that this year may be different for Niger, and hopefully for all of the Sahel. Better, moresophisticated early warning systems have led to faster mobilization of funds and placement of lifesaving supplies. If health clinics have good stocks of therapeutic milks, Plumpy'Nut, and other nutritious foods, the peaks of the crisis can be weathered for now.

The Sahel is not just a place on a map for me anymore, but a place I have been, if only for a short time. Now that I am back home in Rhode Island, where temperatures are moderate, rain and food plentiful, children healthy and playing upstairs, when I read the headlines about the Sahel, an even stronger urgency rises up from inside. I see a mother holding out her baby for me to take. In that gesture, I carry with me her pleas for a better life.

2012 HIGHLIGHTS

- Reached milestone of over 1,000,000 children served since factory production began in March 2010.
- Improved elasticity to be more responsive to customer demands by being able to flex from 8-hour shifts to 10hour shifts and even adding occasional smaller 3rd shift.
- Added additional 3-lane 92-gram machine to double capacity of Plumpy'Nut or Plumpy'Sup.
- Took Plumpy'Doz machine offline to move focus to other three products.
- Researched and tested continuous blend concept in order to maximize efficiency in same footprint. This effort reduced blend time from 52 minutes to 30 minutes.
- Formulated and produced two new trial products, Solae for Bangladesh and Mamba Lespri for Haiti.
- Migrated maintenance department from reactive to proactive and onwards to predictive.
- No safety incidents, injuries or other for all of 2012.
- No recalls. Managed prevention of Sakazakii to ensure no lost product.
- Passed quality audits performed by UNICEF/WFP/ MSF, SCMS, TUV and FDA.
- Qualitative study completed in Guatemala.
- Reached donation goal of \$650,000.
- Field visits to Ethiopia, Niger, and Tanzania.
- Media exposure in the Chronicle, Huffington Post, Chicago Council blog.
- Achieved 8,500 likes on Facebook.

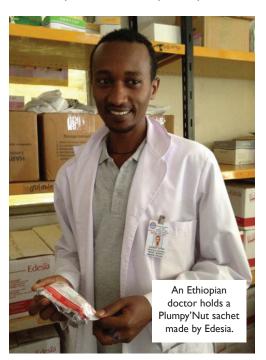


Plumpy'Nut and hope for Bethlehem

By Heidi Reed, Communications Manager

In April of 2012, I attended a nutrition workshop in Ethiopia, organized by Nutriset, and hosted by Hilina Enriched Foods, who has been making Plumpy'Nut since 2005. On the last day, we visited a maternal/child health clinic in Addis Ababa where Plumpy'Nut was being used in community health programs, in conjunction with HIV/AIDS treatments.

We first visited an exam room where children get checked for severe acute malnutrition. While we were there, someone in the group came up to me and showed me that a Plumpy'Nut sachet on the doctor's desk had Edesia.'s logo on it. This meant that the Plumpy'Nut had come by way of SCMS, an American-based supplier that buys products for HIV/AIDS work funded by PEPFAR. The packet was just one of millions we've made in our factory, but it was unexpectedly emotional



for me to see it there in an Ethiopian clinic. In my mind's eye, I saw the faces of our production workers, one of whom had placed this sachet in the box with his hands. I felt all of my colleagues standing with me, seeing how far our work had travelled and how it was truly making a difference.

A few moments later, a little patient arrived in the room, holding her mother's hand. Her name was Bethlehem. She was an energetic little girl with short hair and big, sweet eyes. She was wearing a jumper dress with big round buttons, bright chartreuse green tights, and ruby red shoes.

We watched intently as the doctor measured Bethlehem's weight-to-height ratio and the circumference of her mid-upper arm. The values were noted in a large register that contained her recent medical history. The doctor showed me how after eight weeks of Plumpy'Nut, Bethlehem had successfully climbed out of danger into the normal range for growth. She would only need one more prescription of Plumpy'Nut—another 14-day supply. Everyone in the room beamed with pride and happiness. But Bethlehem's mother said, with a huge smile on her face, that she couldn't believe how much her daughter loved eating Plumpy'Nut.

Once outside in the clinic's courtyard, I watched Bethlehem play around her mother's skirt, while they waited in line to have the last Plumpy'Nut prescription filled by the clinic's pharmacists. Since I did not have my camera with me, I missed out on taking photos of Bethlehem. Instead, I did my best to memorize the bounce in her step and the playful movement of her ruby red shoes. As she walked away with her mother, down a path I could not follow, I wondered where those feet would carry her in life, now that the community health workers and Plumpy'Nut had made her healthy again.