



TARGET MARKET OPPORTUNITIES IN ASIA FOR YOGHURT

Part of Asia Market Success, April 2016



INHERENT LIMITATIONS

This work was commissioned by the Department of Agriculture and Food Western Australia (DAFWA), with funding through the State Government's Royalties for Regions program and prepared by Coriolis. This work is based on secondary market research, analysis of information available or provided to Coriolis by our client, and a range of interviews with industry participants and industry experts. Coriolis have not independently verified this information and make no representation or warranty, express or implied, that such information is accurate or complete.

Projected market information, analyses and conclusions contained herein are based (unless sourced otherwise) on the information described above and on Coriolis' judgement, and should not be construed as definitive forecasts or guarantees of future performance or results. Neither Coriolis nor its officers, directors, shareholders, employees or agents accept any responsibility or liability to readers or recipients of this report other than DAFWA or people other than DAFWA who rely upon it (described below as Recipients) with respect to this document.

Coriolis wishes to draw Recipients' attention to the following limitations of the Coriolis document "Target Market Opportunities in Asia for the Western Australian Premium Products" (the Coriolis Document) including any accompanying presentation, appendices and commentary (the Coriolis Commentary):

- a. Coriolis has not been asked to independently verify or audit the information or material provided to it by or on behalf of the Client or any of the parties involved in the project;
- b. the information contained in the Coriolis Document or any Coriolis Commentary has been compiled from information and material supplied by third party sources and publicly available information which may (in part) be inaccurate or incomplete;
- c. Coriolis makes no representation, warranty or guarantee to Recipients, whether express or implied, as to the quality, accuracy, reliability, currency or completeness of the information provided in the Coriolis Document and any Coriolis Commentary or that reasonable care has been taken in compiling or preparing them;
- d. the analysis contained in the Coriolis Document and any Coriolis Commentary are subject to the key assumptions, further

qualifications and limitations included in the Coriolis Document and Coriolis Commentary, and are subject to significant uncertainties and contingencies, some of which, if not all, are outside the control of Coriolis; and

e. any Coriolis Commentary accompanying the Coriolis document is an integral part of interpreting the Coriolis document. Consideration of the Coriolis document will be incomplete if it is reviewed in the absence of the Coriolis Commentary and Coriolis conclusions may be misinterpreted if the Coriolis document is reviewed in absence of the Coriolis Commentary.

Coriolis is not responsible or liable in any way for any loss or damage incurred by any person or entity other than DAFWA relying on the information in, and the Recipient unconditionally and irrevocably releases Coriolis from liability for loss or damage of any kind whatsoever arising from, the Coriolis document or Coriolis Commentary including without limitation judgements, opinions, hypothesis, views, forecasts or any other outputs therein and any interpretation, opinion or conclusion that the Recipient may form as a result of examining the Coriolis document or Coriolis Commentary.

The Coriolis document and any Coriolis Commentary may not be relied upon by the Recipient, and any use of, or reliance on that material by the Recipient is entirely at their own risk. Coriolis shall have no liability for any loss or damage arising out of any such use.

ACCESSIBILITY

Coriolis seeks to support the widest possible audience for this research. This document has been designed to be as accessible to as many users as possible.

Any person - with or without any form of disability - should feel free to call the authors if any of the material cannot be understood or accessed.

We welcome the opportunities to discuss our research with our readers and users.

All photos used in this discussion document were either (1) purchased by Coriolis from a range of stock photography providers as documented, (2) received written permission to use Southern

Forest Food Council photo or (3) are low resolution, complete product/brand for illustrative purposes used under fair dealing/fair use for both "research and study" and "review and criticism". Our usage of them complies with Australian law or their various license agreements (© Dollar Photo Club).

COPYRIGHT

Copyright © Western Australian Agriculture Authority, 2016

IMPORTANT DAFWA DISCLAIMER

The Chief Executive Officer of the Department of Agriculture and Food and the State of Western Australia and their employees and agents (collectively and individually referred to below as DAFWA) accept no liability whatsoever, by reason of negligence or otherwise, arising from any use or release of information in this report or any error, inaccuracy or omission in the information.

DAFWA does not make any representations or warranties about its quality, accuracy, reliability, currency, completeness or suitability for any particular purpose. Before using the information, you should carefully evaluate these things.

The information is general in nature, is not tailored to the circumstances of individuals or businesses, and does not constitute financial, taxation, legal, business or management advice. We recommend before making any significant financial or business decisions, you obtain such advice from appropriate professionals who have taken into account your individual circumstances and objectives.

The information in this report should not be presumed to reflect or indicate any present or future policies or decisions by the Government of Western Australia.

FINAL v100; April 2016

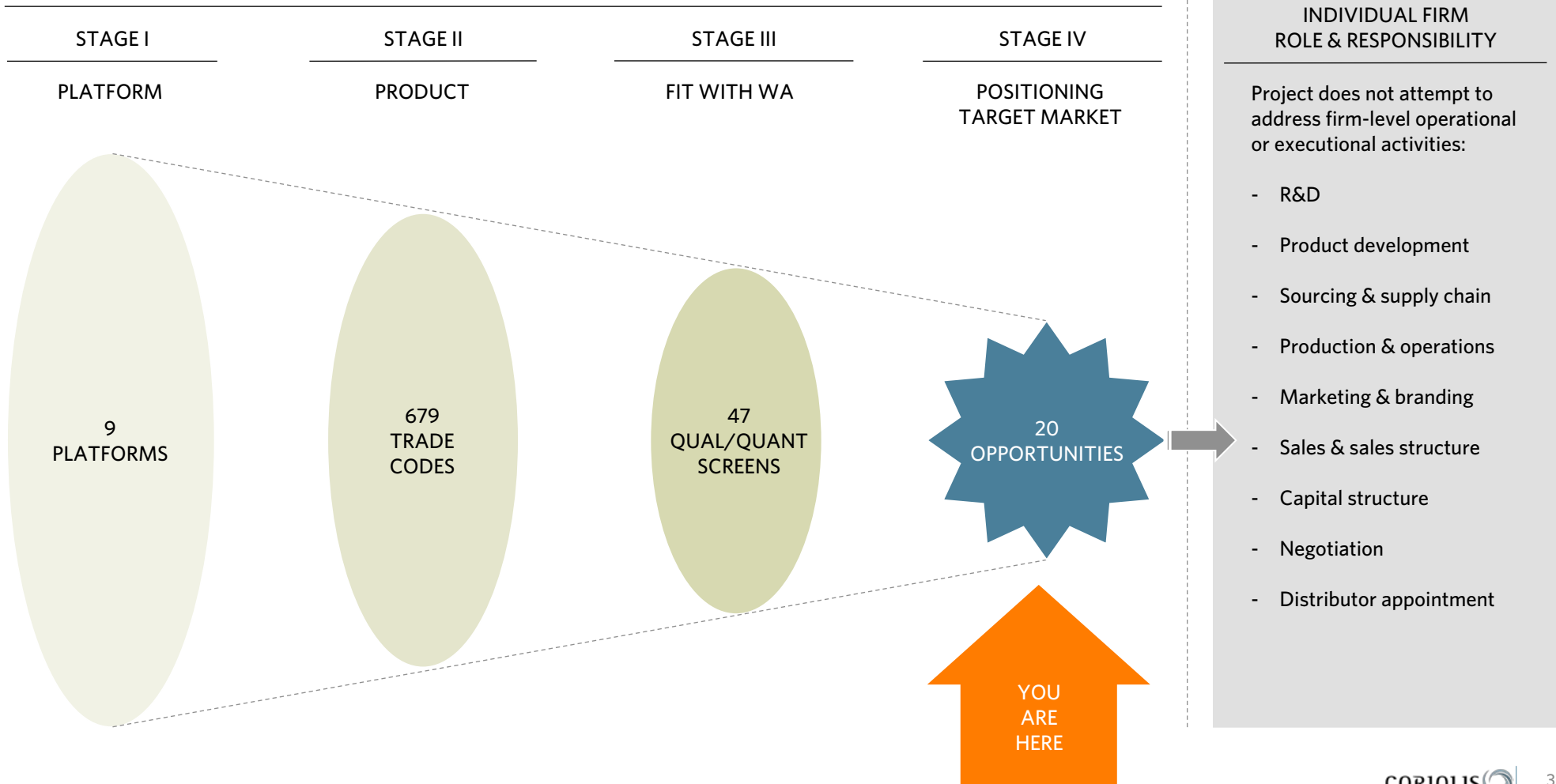
SCREENING OVERVIEW

In Phase One of the Target Market Opportunities in Asia for WA Premium Products Report (TMO Report), extensive import/export trade data was fed through a multi-stage screening process to “hone-in” on potential opportunities for Western Australia; stakeholder interviews also fed into this process

STRUCTURE OF MULTI-STAGE SCREENING PROCESS USED IN THIS PROJECT

Model; 2016

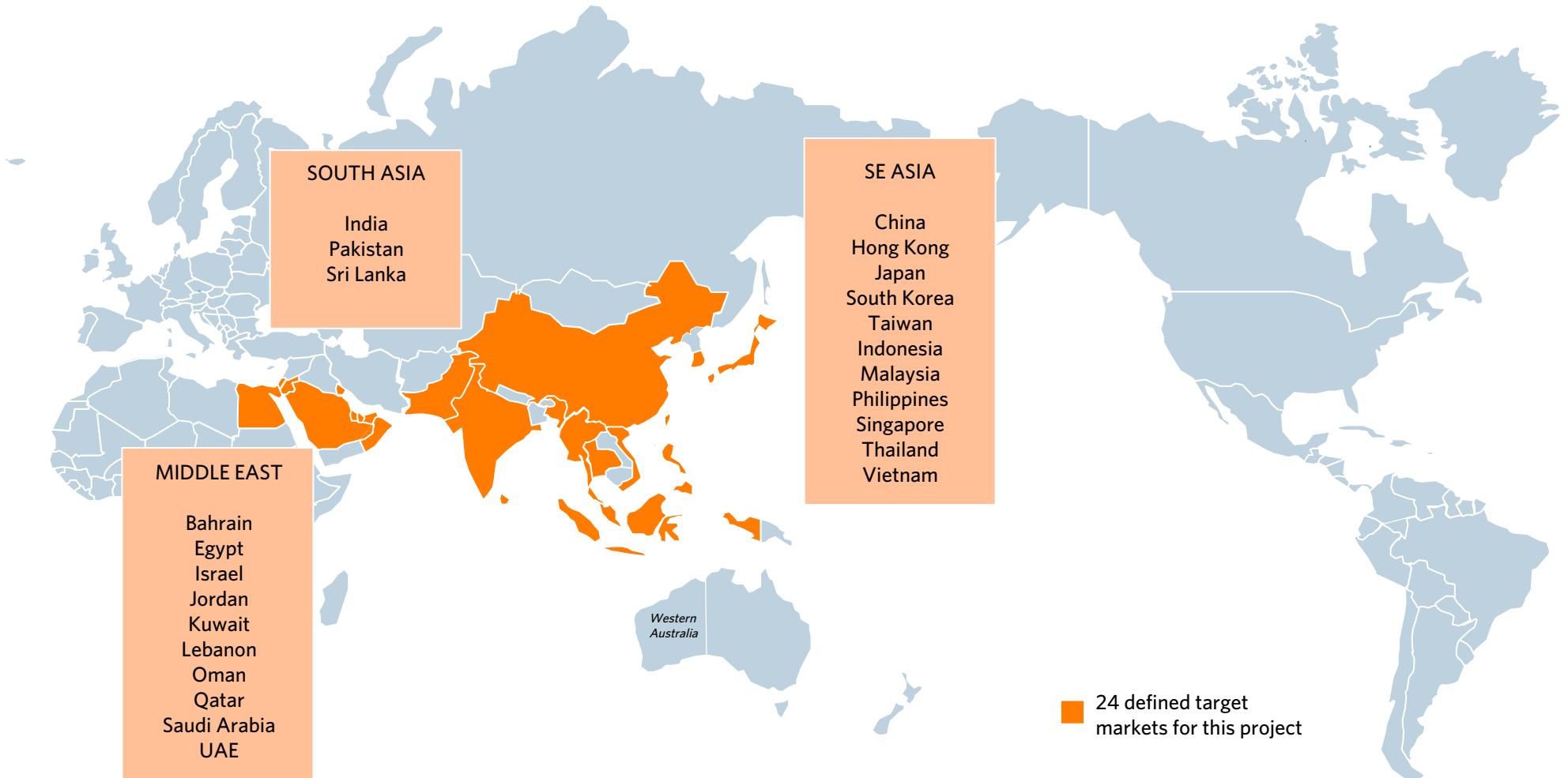
WA INDUSTRY-GOOD RESEARCH



This project is focused on “market demand” from the following twenty-four Asian/Middle Eastern markets

24 COUNTRIES DEFINED AS HIGH POTENTIAL TARGET MARKETS FOR WESTERN AUSTRALIA

Target markets; 2015



Note: Complete list for analysis purposes, some countries excluded from list if no/limited trade data available (e.g. Iran)

WHAT IS THE PRODUCT?

Yoghurt emerged in Phase I as one of twenty “high growth, high potential” opportunities for Western Australia; yoghurt is a cultured dairy product produced in either a drinkable form or as a spoonable product

PRODUCT OVERVIEW

Example; 2015

PRODUCT PROFILE	
HS Code	040310
Product	Yoghurt, whether or not concentrated or containing added sugar or other sweetening material or flavoured or containing fruit
Out-of-scope	Milk, cream, buttermilk, curdled milk and cream, other dairy products
Origin	Neolithic period in Central Asia
Example ingredients	Pasteurised Skimmed Cows' Milk, Live Active Yoghurt Cultures (L. Bulgaricus, S. Thermophilus, L. Acidophilus, Bifidus, L. Casei)
Forms/usage	<ul style="list-style-type: none">- Drinking yoghurt; range of fruit flavours- Savoury condiment, ingredient in cooking- Snack on its own- Medicine for gut health
Drivers of consumer/ market success	<ul style="list-style-type: none">- Excellent source of calcium- Positioned as key to digestive health- Viewed as healthy snack for children- Appeals to both Western and Asian palates- Longer shelf life than fresh milk

DOCUMENT STRUCTURE

What is the strategic situation in the market?

In this environment, what is the opportunity for Western Australia?

Who are the potential in-market partners?

Who are the key firms in Western Australia capable of delivering?



Western Australia is well-positioned to grow yoghurt exports to Asia

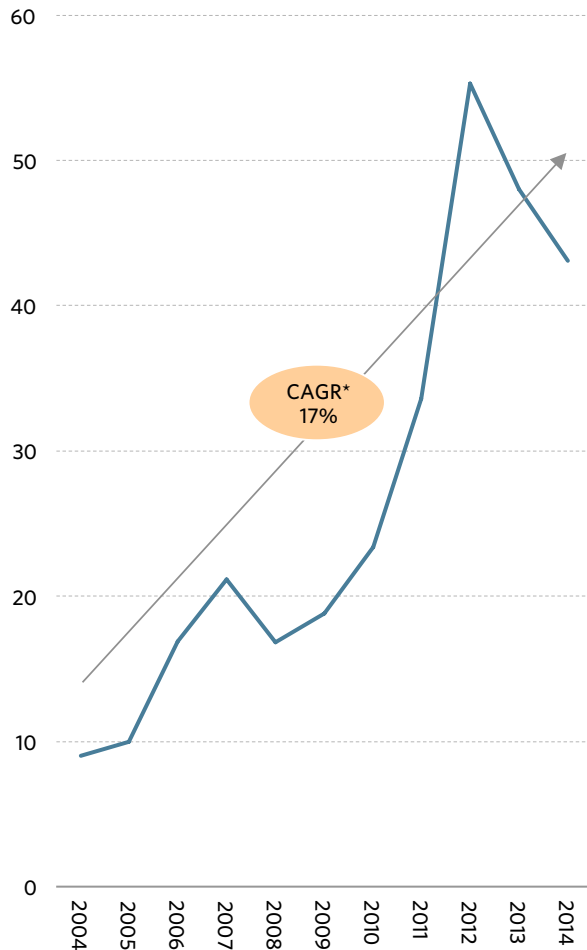
- Asian yoghurt imports are expanding, with import value growth being driven by rising volumes and increased average FOB (free-on-board) prices
- Asian & Middle Eastern yoghurt imports primarily come from Europe, Australasia, Thailand and other Asia
 - Thailand, Australia and the Netherlands stand out for driving yoghurt trade value growth in Asia & the Middle East
 - Thailand and the Netherlands are driving growth
 - Average FOB price to target Asian markets vary by supplier, with the Netherlands, New Zealand and the UK standing out for achieving good premiums
- Yoghurt goes - in any quantity - to four key markets in Asia/Middle East: Singapore, China, the Philippines and Hong Kong
 - Imports are growing across multiple markets, however Hong Kong and China stand out for driving growth
 - The Philippines stand out for creating growth over the past five years, followed by China, the UAE, Hong Kong, Vietnam and Singapore
 - Average yoghurt import prices vary by market: China and Hong Kong pay more; Singapore pays average prices; Vietnam and the Philippines stand out as low value markets
 - Imported yoghurt consumption appears unrelated to income outside the rich city states (HK, Singapore and UAE); China may have upside off a very low base
- Market share varies by country; European countries stronger in Middle East than E/SE Asia; Thailand strong in Philippines, Vietnam and Singapore; Australia strong in SE Asia
- Western Australia has opportunities for yoghurt export growth in select markets across East & South-East Asia
- Data supports new high value, premium yoghurt opportunities being initially launched in (1) Singapore, (2) Hong Kong and (3) China
- As a "Straw Man" for discussion, we identify an export market roll-out plan

Asian yoghurt imports are expanding, with import value growth being driven by rising volumes and increased average FOB (free-on-board) prices

TOTAL IMPORTS TO ASIA/MIDDLE EAST TARGET REGION (24 COUNTRIES)

VOLUME

T; 000; 2004-2014



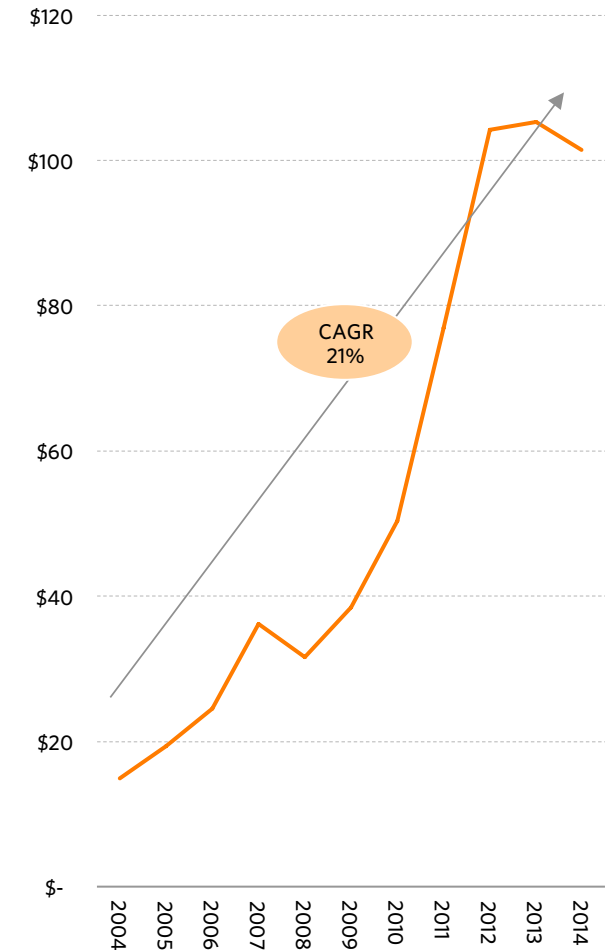
AVERAGE PRICE PER KILOGRAM

US\$; 2004-2014



VALUE

US\$m; 2004-2014

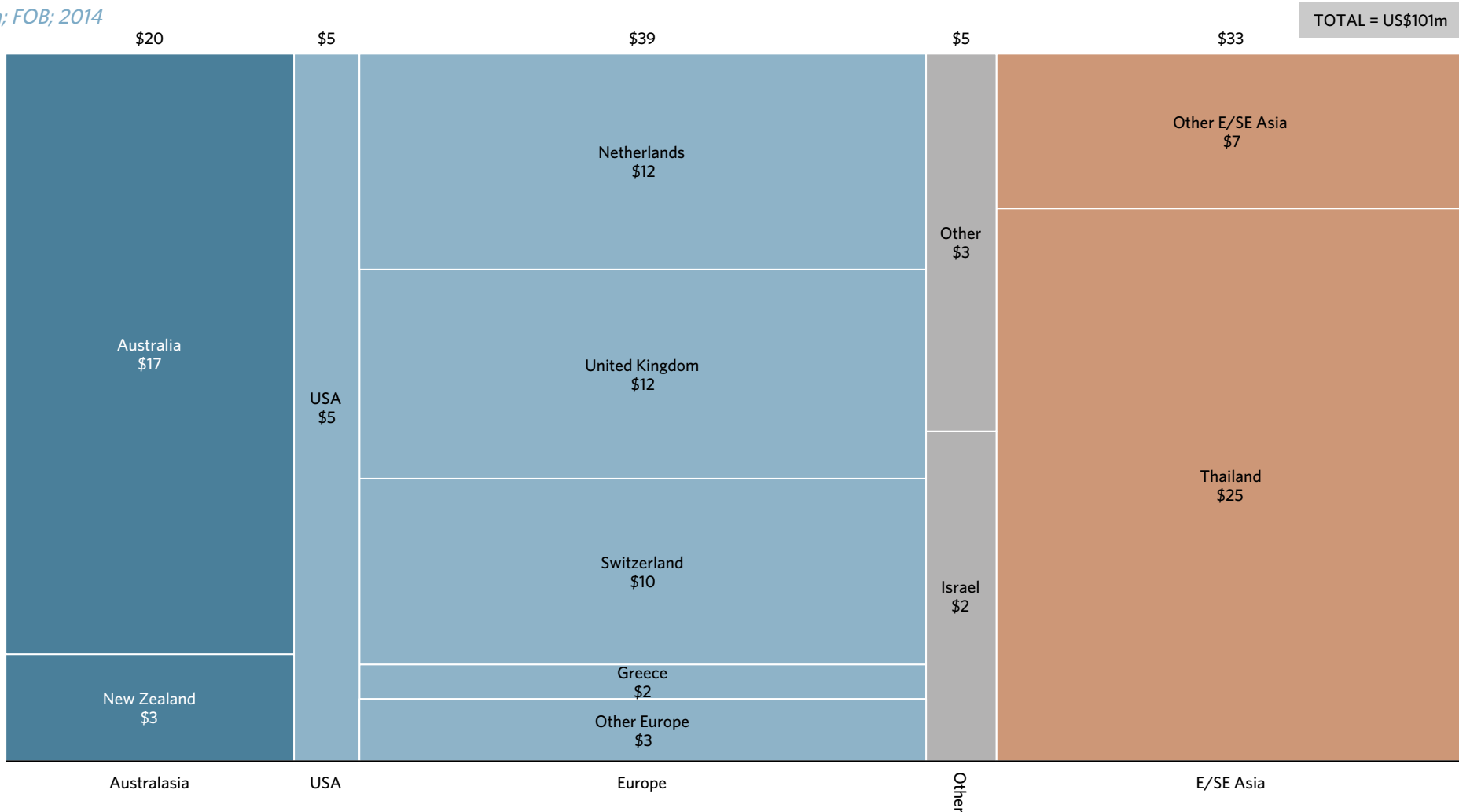


* Compound Annual Growth Rate; Source: UN Comtrade database; Coriolis analysis and classifications

Asian & Middle Eastern yoghurt imports primarily come from Europe, Australasia, Thailand and other Asia

EXPORT VALUE BY SUPPLIER TO TARGET REGION

US\$m; FOB; 2014

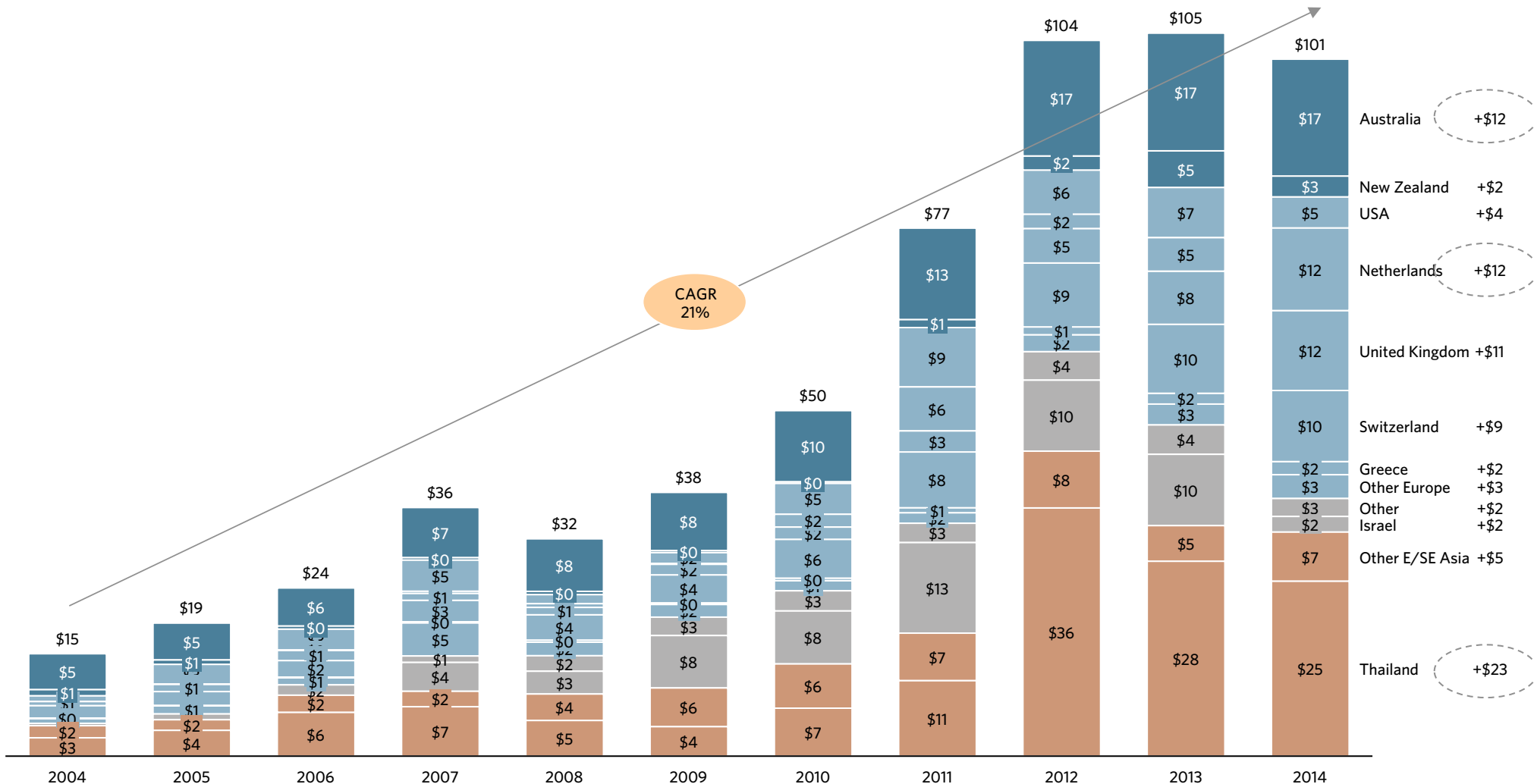


Thailand, Australia and the Netherlands stand out for driving yoghurt trade value growth in Asia & the Middle East

EXPORT VALUE BY SUPPLIER TO TARGET REGION

US\$m; FOB; 2004-2014

10y ABS

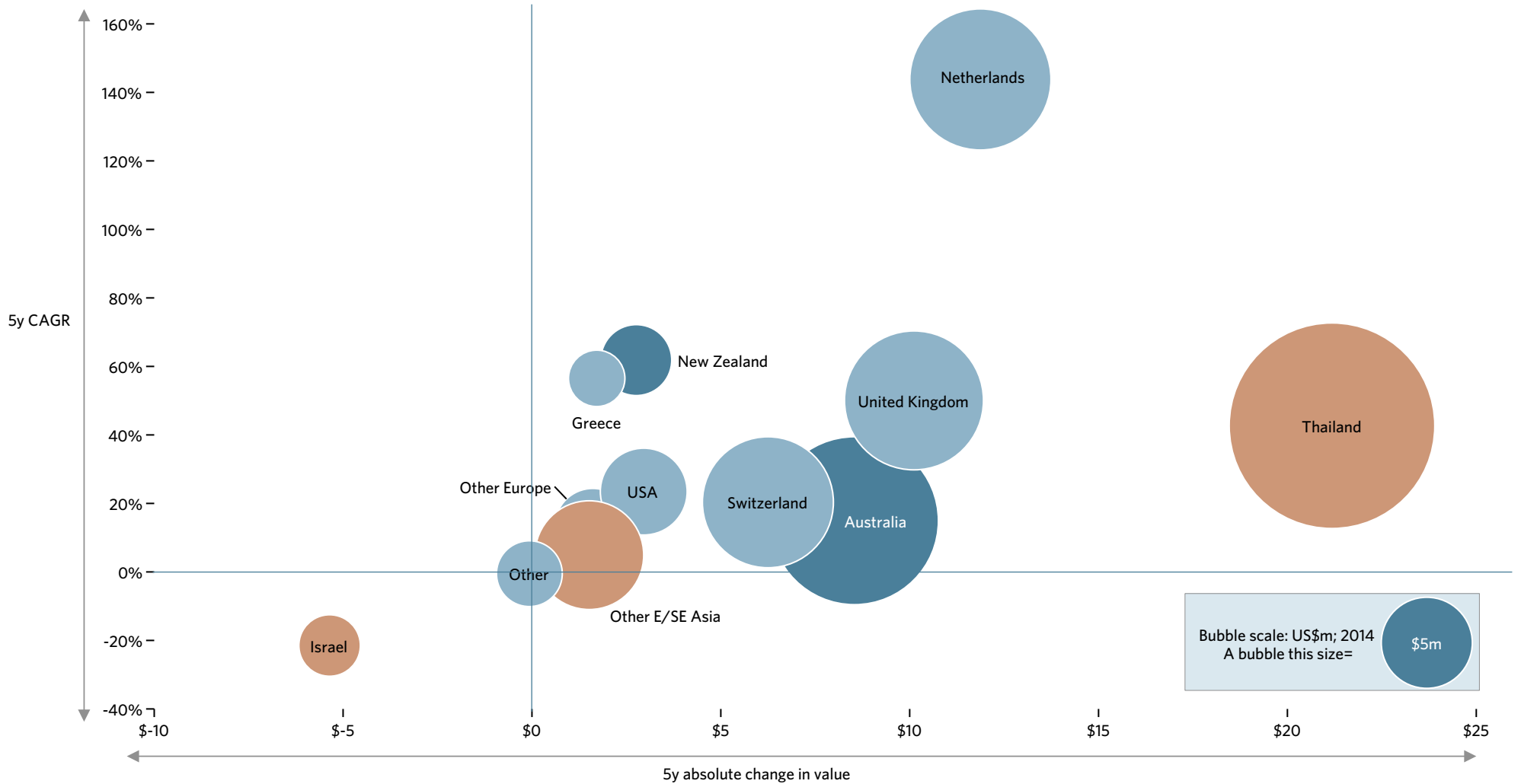


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

Thailand and the Netherlands are driving growth

FIVE YEAR EXPORT GROWTH MATRIX: CHANGE IN VALUE VS. RATE OF GROWTH VS. ABSOLUTE VALUE

US\$m; 2009 vs. 2014

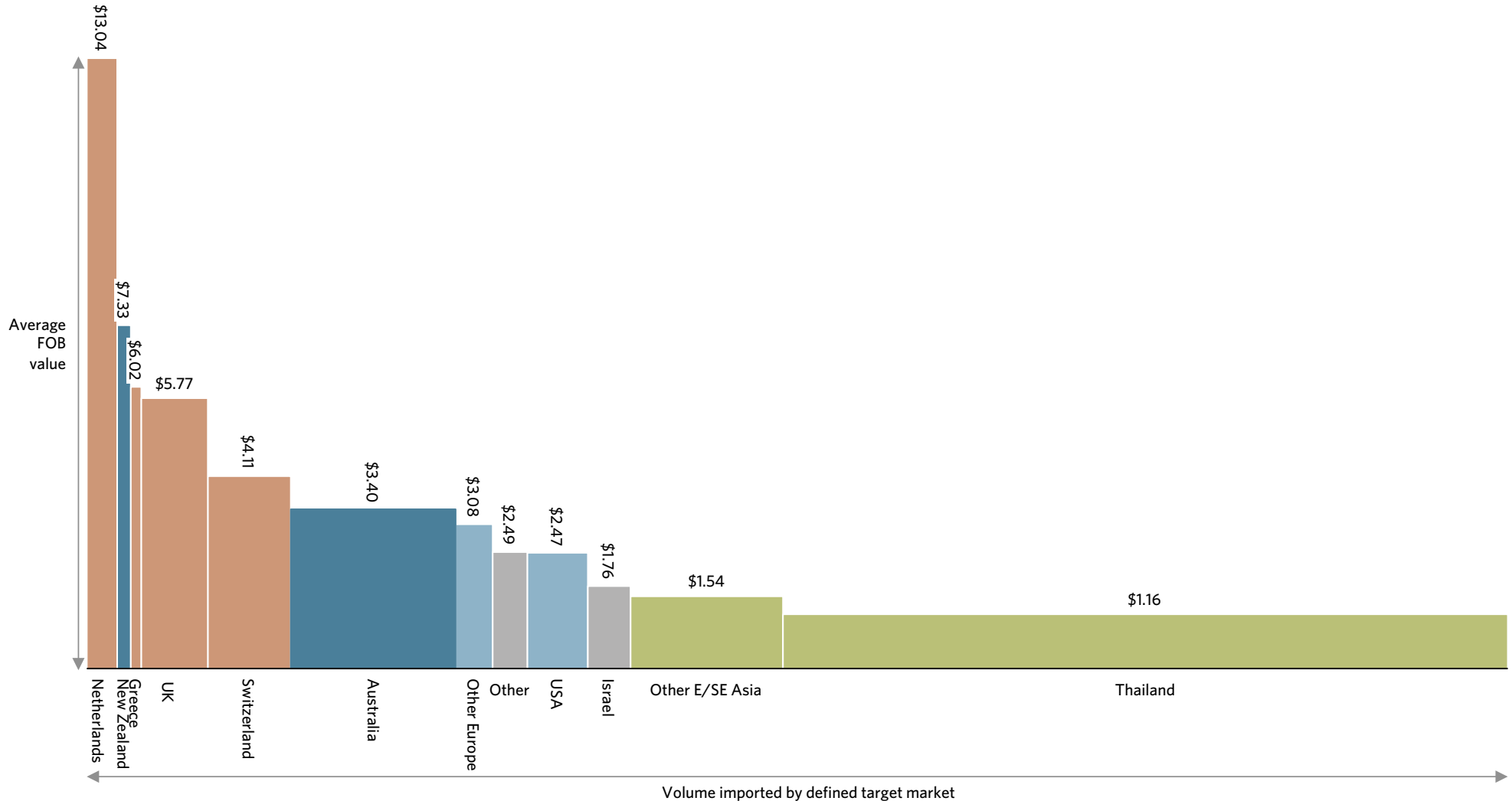


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

Average FOB price to target Asian markets vary by supplier, with the Netherlands, New Zealand and the UK standing out for achieving good premiums

AVERAGE EXPORT VALUE COST CURVE BY SUPPLIER

US\$/kg; t; FOB; 2014



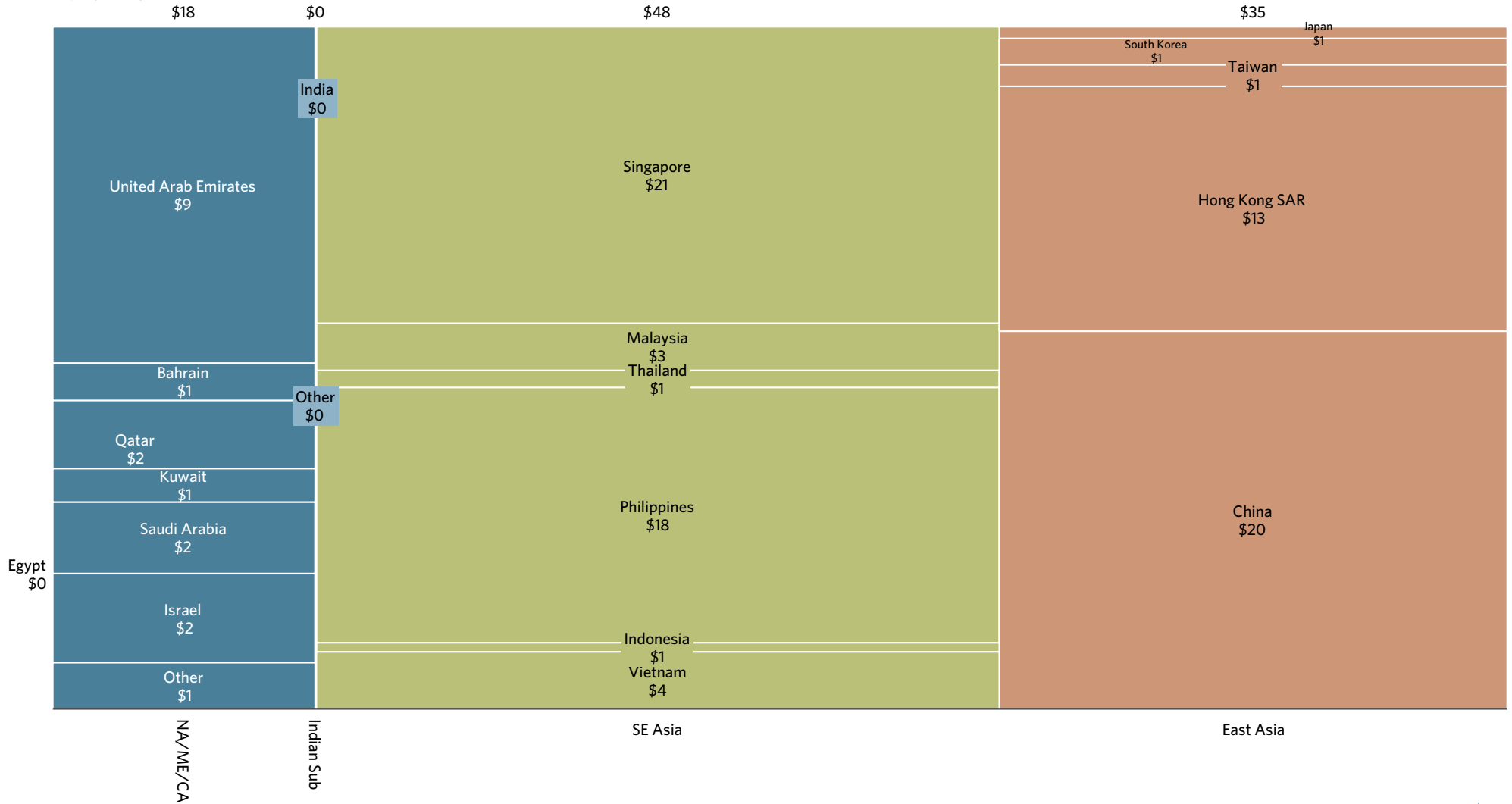
Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

Yoghurt goes - in any quantity - to four key markets in Asia/Middle East: Singapore, China, the Philippines and Hong Kong

IMPORT VALUE BY MARKET BY REGION

US\$m; FOB; 2014

TOTAL = US\$101m

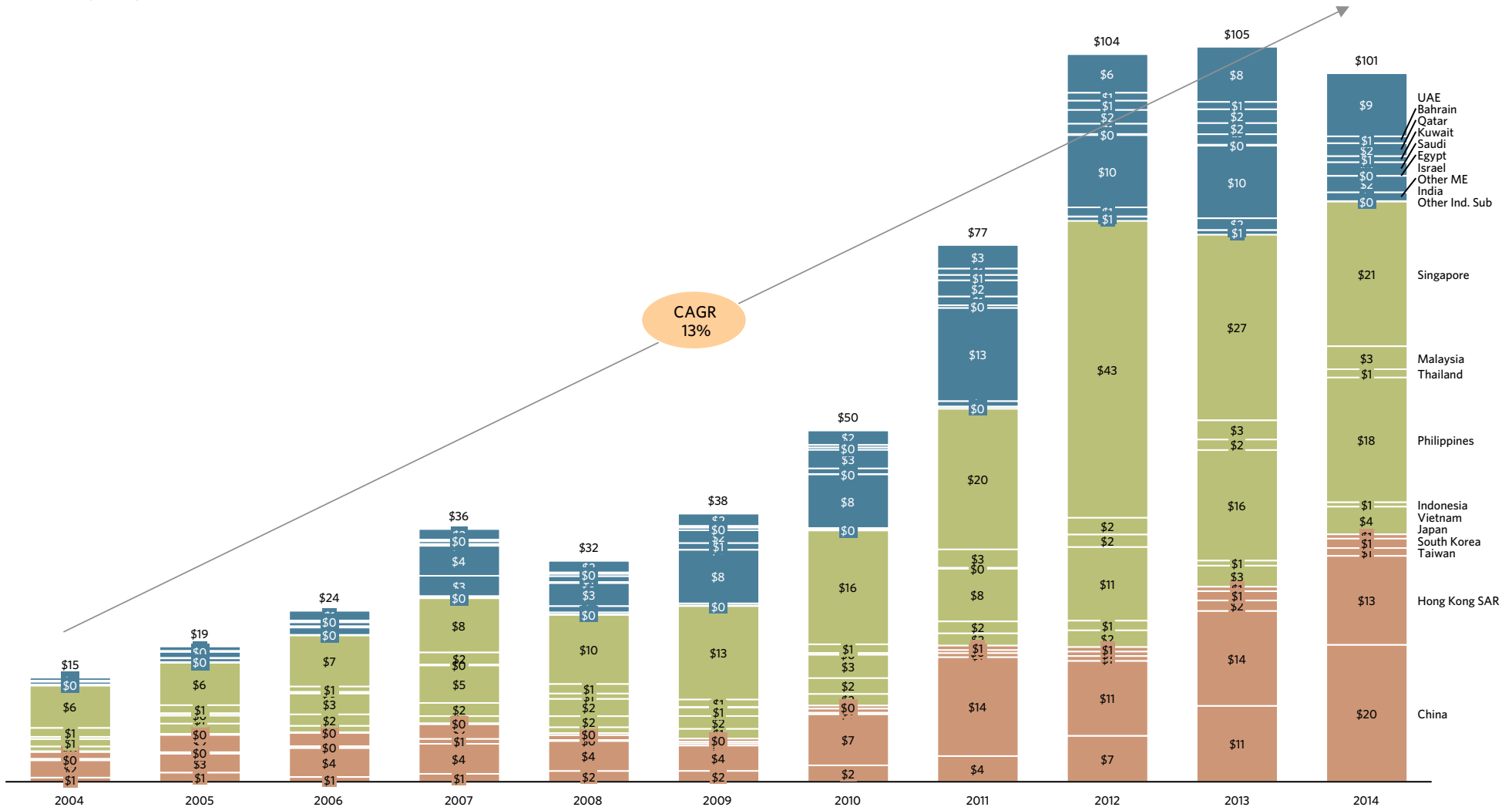


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

Imports are growing across multiple markets, however Hong Kong and China stand out for driving growth

IMPORT VALUE BY MARKET BY REGION

US\$m; FOB; 2004-2014

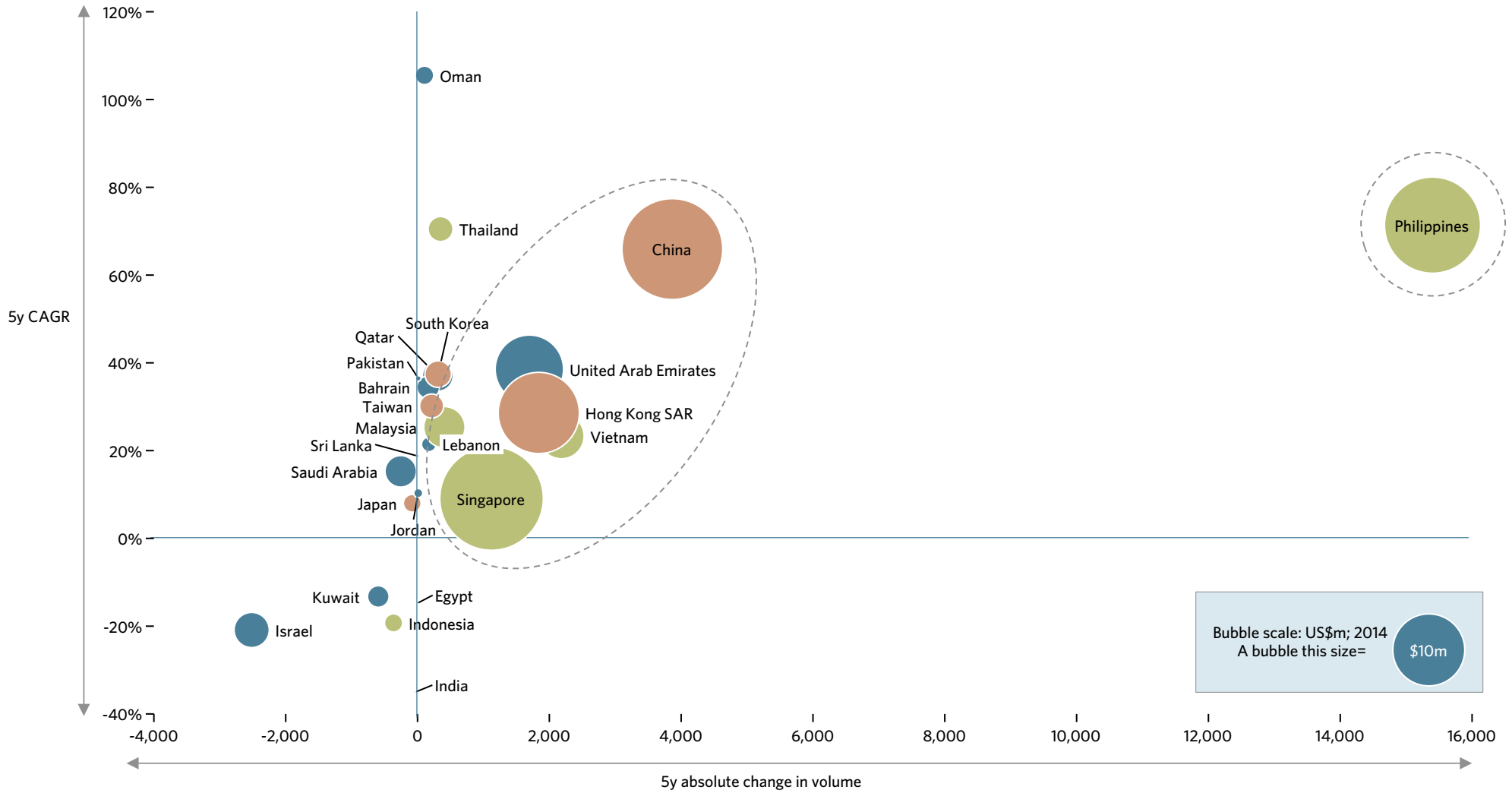


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

The Philippines stand out for creating growth over the past five years, followed by China, the UAE, Hong Kong, Vietnam and Singapore

FIVE YEAR IMPORT GROWTH MATRIX: CHANGE IN VOLUME VS. RATE OF GROWTH VS. ABSOLUTE VALUE

US\$m; t; 2009 vs. 2014

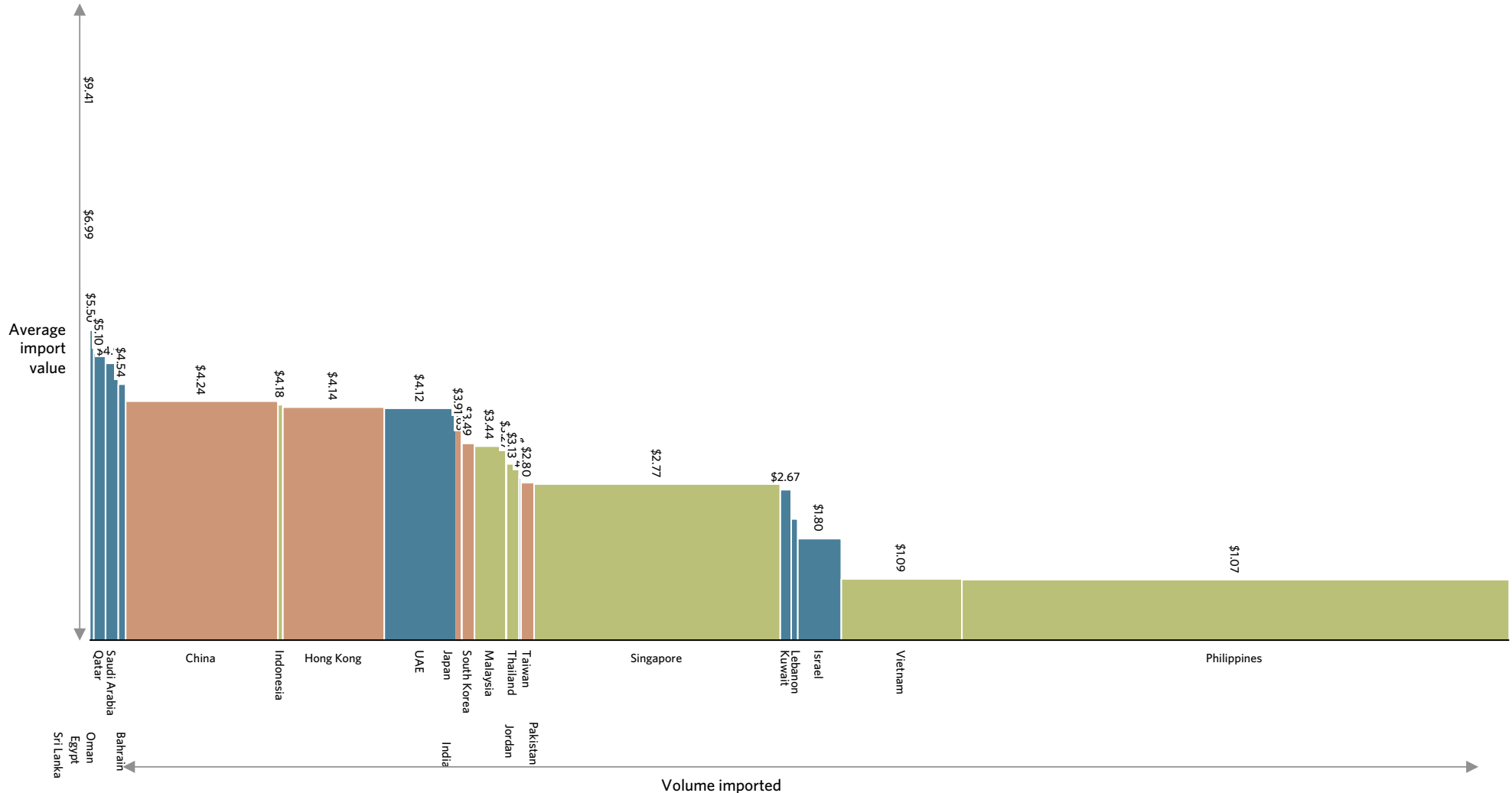


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

Average yoghurt import prices vary by market: China and Hong Kong pay more; Singapore pays average prices; Vietnam and the Philippines stand out as low value markets

AVERAGE IMPORT VALUE COST CURVE BY MARKET/REGION

US\$/kg; t; FOB; 2014

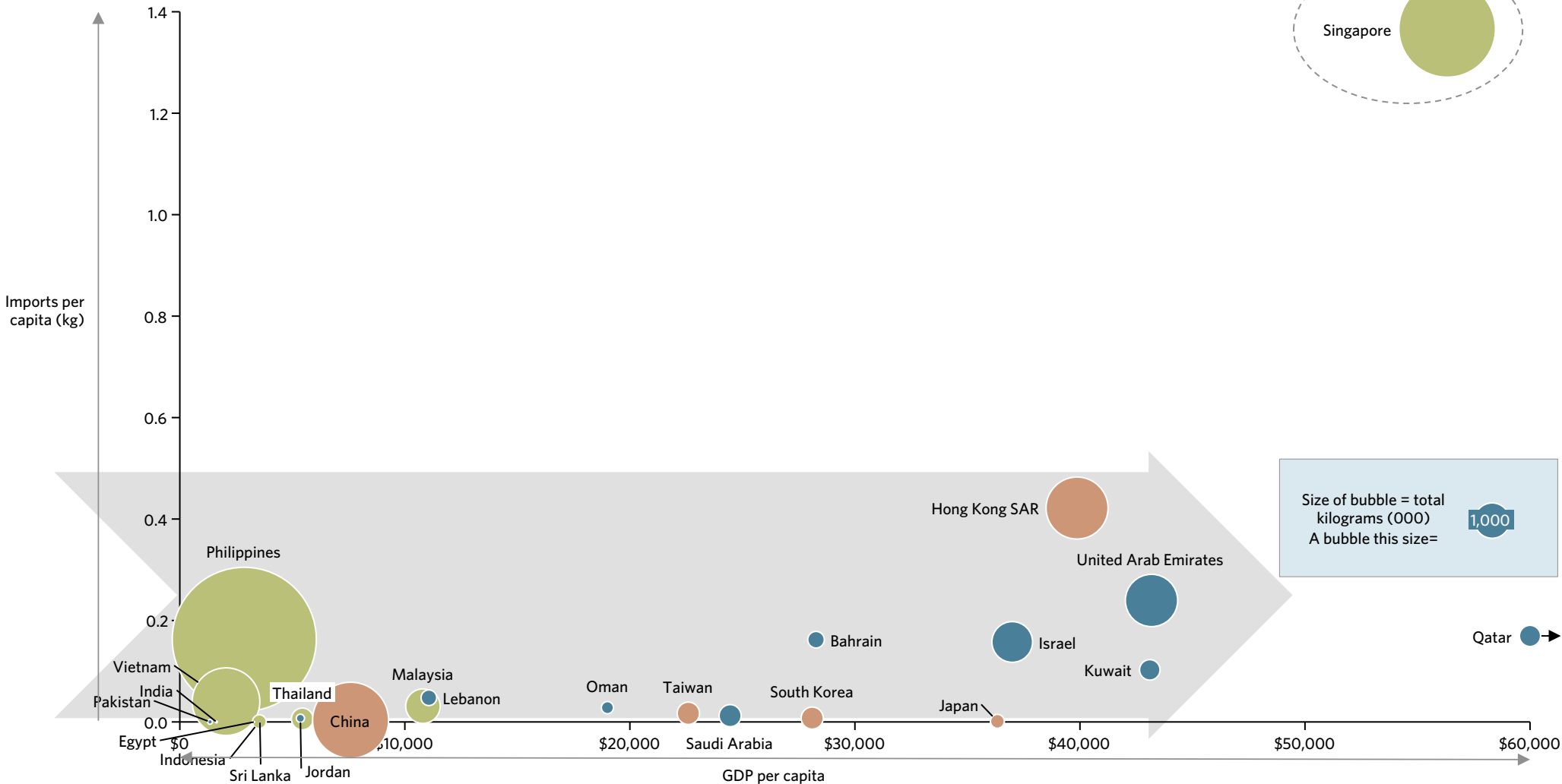
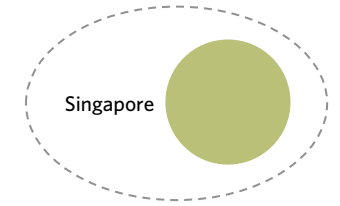


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

Imported yoghurt consumption appears unrelated to income outside the rich city states (HK, Singapore and UAE); China may have upside off a very low base

MARKET SIZE DRIVERS: GDP PER CAPITA VS. IMPORTS PER CAPITA VS. MARKET SIZE

US\$; kg; kg/000; 2014

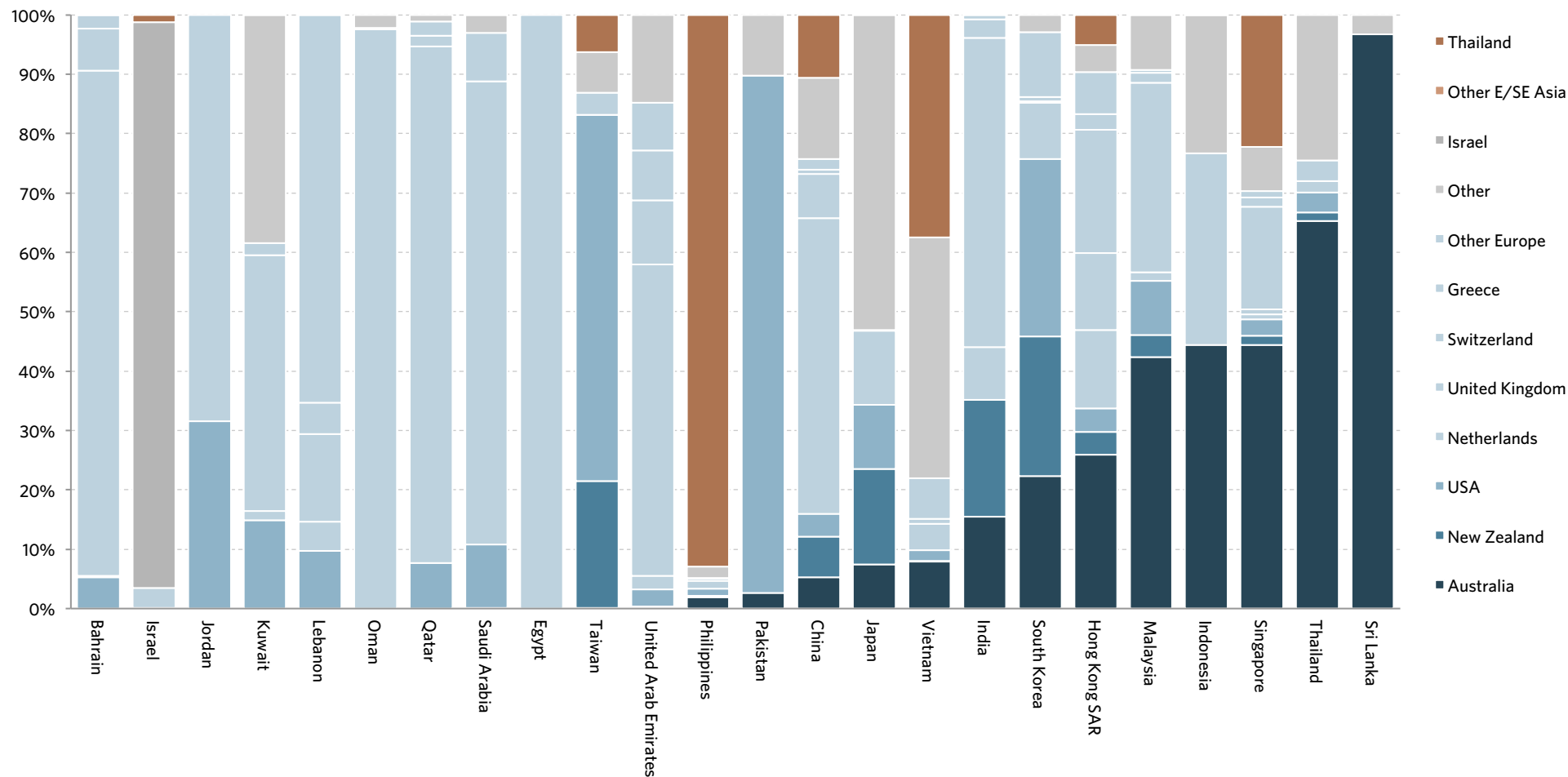


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Wikipedia (GDP/capita); Coriolis analysis and classifications

Market share varies by country; European countries stronger in Middle East than E/SE Asia; Thailand strong in Philippines, Vietnam and Singapore; Australia strong in SE Asia

IMPORT VALUE MARKET SHARE BY MARKET BY KEY SUPPLIER

% of value in US\$m; FOB; 2014

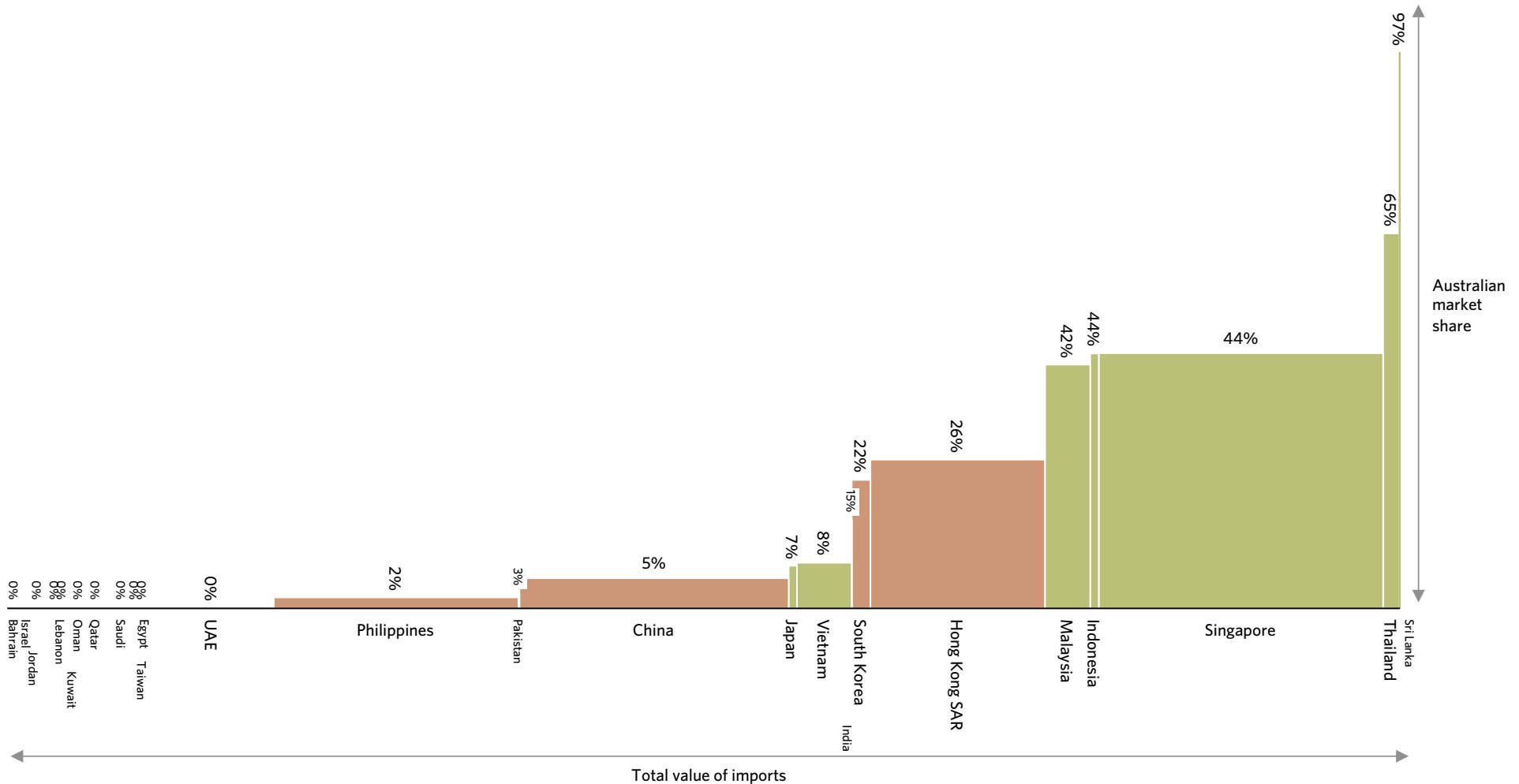


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

Western Australia has opportunities for yoghurt export growth in select markets across East & South-East Asia

AUSTRALIAN IMPORT VALUE MARKET VS. MARKET VALUE

US\$m; FOB; 2014

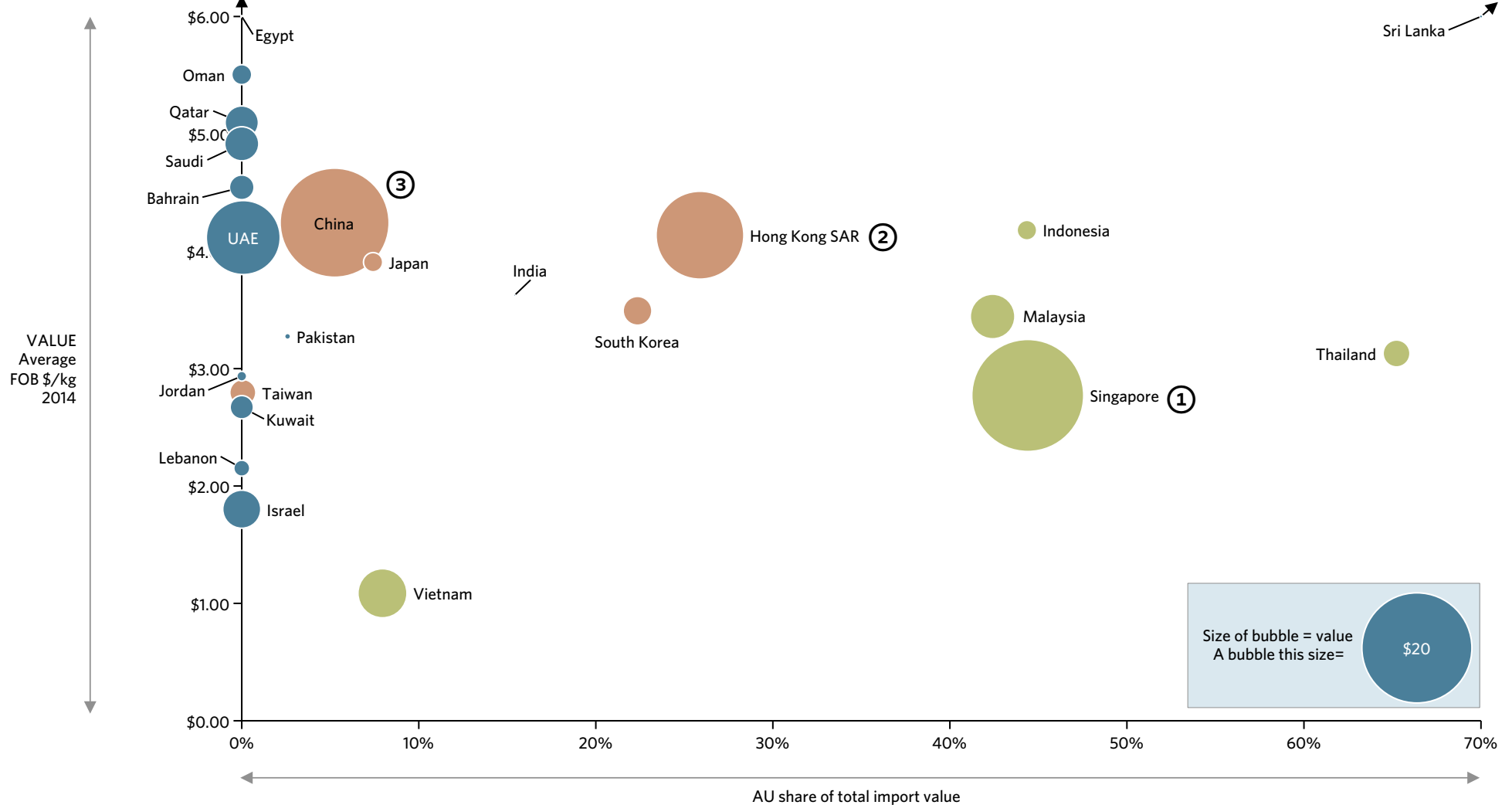


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

Data supports new high value, premium yoghurt opportunities being initially launched in (1) Singapore, (2) Hong Kong and (3) China

WHERE TO FOCUS FOR NEW HIGH VALUE, PREMIUM PRODUCTS: AU SHARE VS. AVERAGE VALUE VS. MARKET SIZE

% of value; US\$; US\$m; 2014

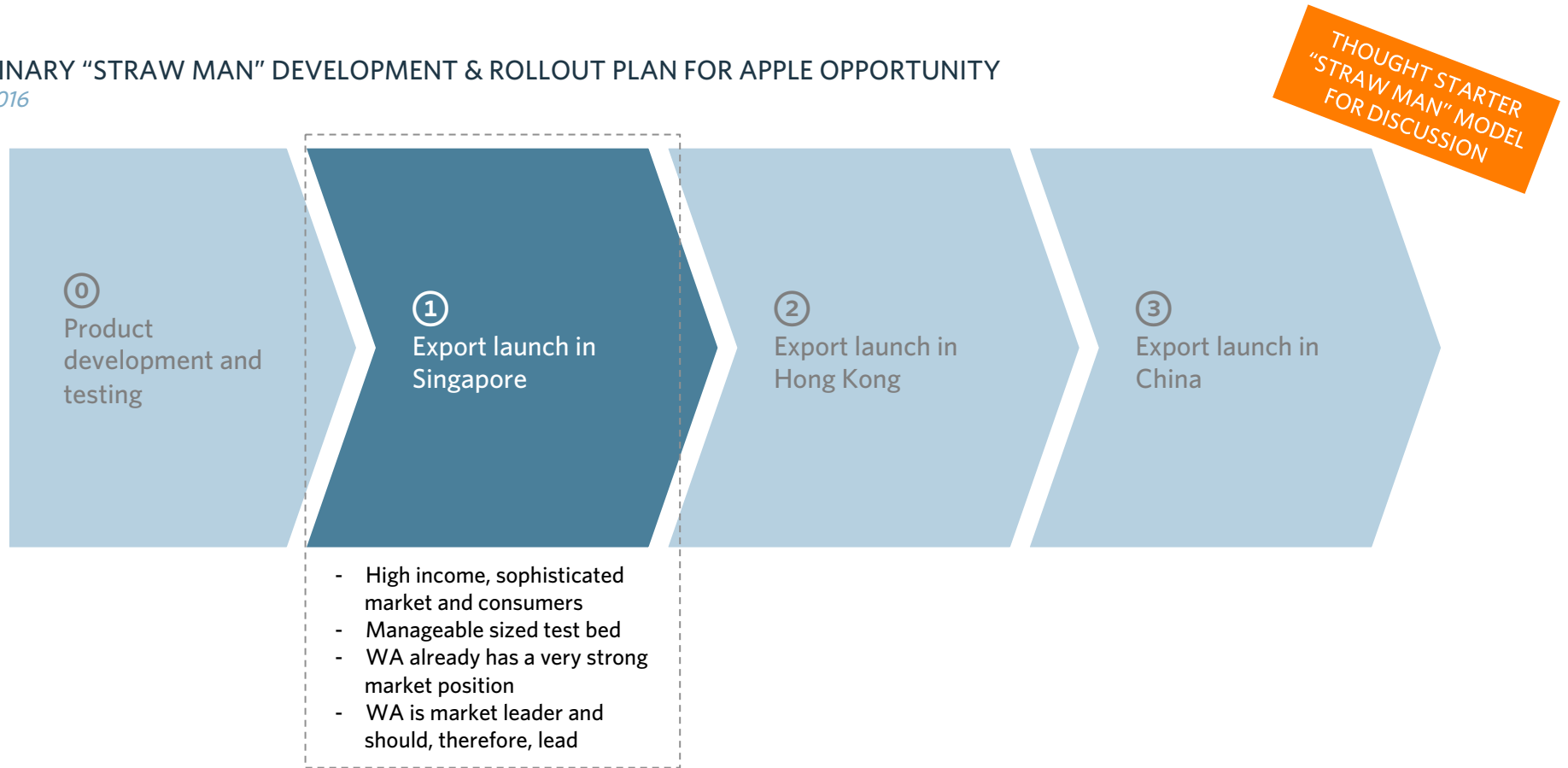


Note: data is as reported by sender (FOB), not receiver; Source: UN Comtrade database; Coriolis analysis and classifications

As a “Straw Man” for discussion, we identify an export market roll-out plan

PRELIMINARY “STRAW MAN” DEVELOPMENT & ROLLOUT PLAN FOR APPLE OPPORTUNITY

Model; 2016



DOCUMENT STRUCTURE

What is the strategic situation in the market?

In this environment, what is the opportunity for Western Australia?

Who are the potential in-market partners?

Who are the key firms in Western Australia capable of delivering?



Western Australia is well-positioned to grow premium yoghurt exports to select markets in Asia

IS THE MARKET DEVELOPED & COMPETITIVE?

- The flow of yoghurt from the farm through to the consumer is relatively straight forward and simple
- Yoghurt prices are competitive in Asia
- Asian markets have a much more developed probiotic drink range and offer than western countries
- “Leading indicator” Western markets strongly suggest depth of yoghurt range in Asian markets will increase going forward
- Spoonable appears to have more range upside than drinking yoghurt

WHAT IS WA CAPABLE OF DELIVERING?

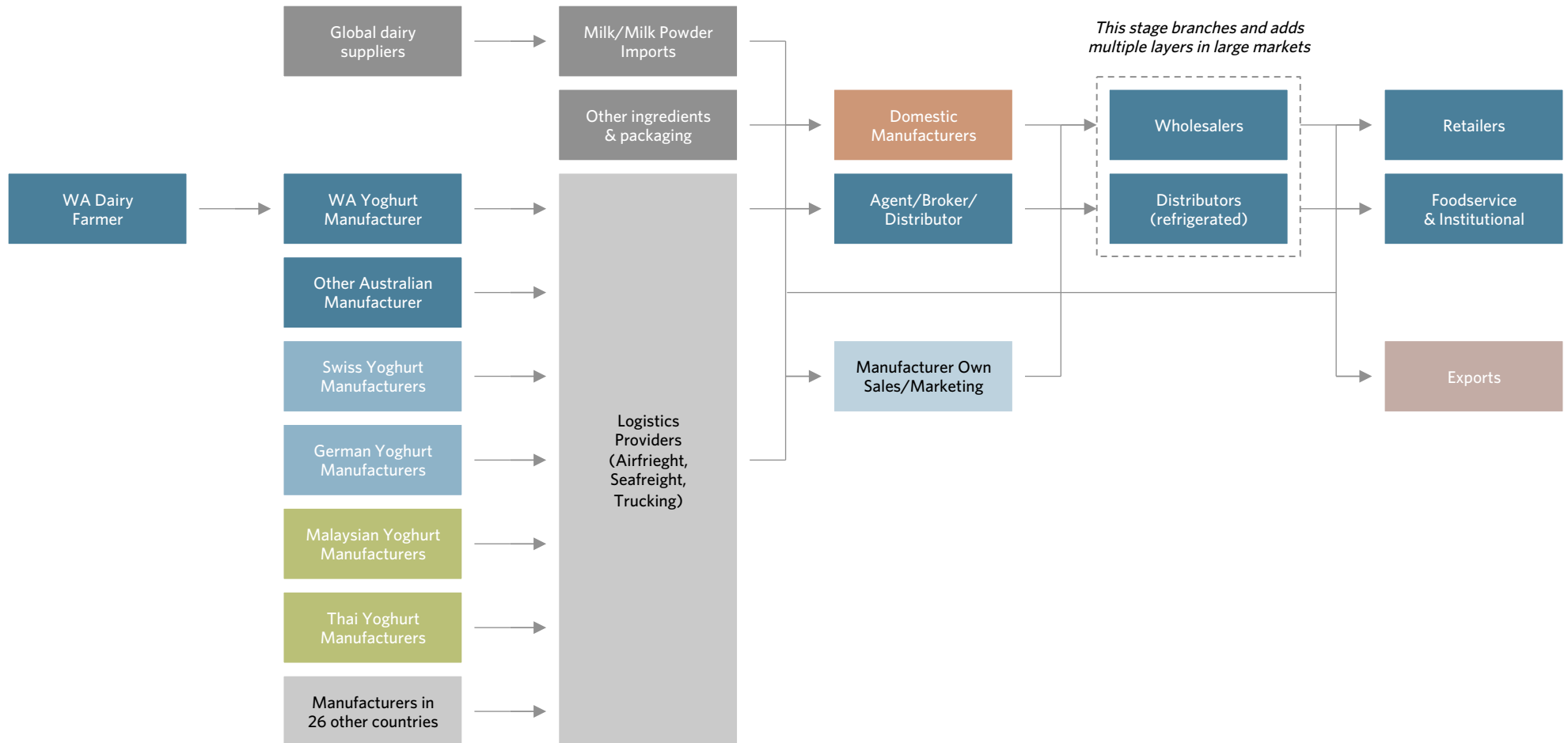
- A range of premium, value-adding product attributes emerged from our cross-country retailer survey
- Western Australian yoghurt producers need to continue to move forward and improve through new products
- Multiple potential positions exist to develop a premium yoghurt offer for Asia
- Products from other processors in other markets demonstrate what is possible in terms of developing a premium Western Australian yoghurt offer
- There are a wide range of potential product positions or claims available for a premium yoghurt product from Western Australia targeting Asia
- As a “Straw Man” for discussion, we identify an opportunity for a high value, premium yoghurt product with select characteristics for export market launch

HOW IS THE MARKET STRUCTURED?

The flow of yoghurt from the farm through to the consumer is relatively straight forward and simple

SIMPLIFIED MODEL OF SUPPLY CHAIN: YOGHURT

Model; 2016



WHO IS THE COMPETITION? PRICING

Yoghurt prices are competitive in Asia

SHELF PRICE PER KG ACROSS SELECT SE ASIAN MARKETS AND AUSTRALIA: YOGHURT
US\$/kg; Feb 2016



Source: Coriolis from store checks

WHAT IS ON THE SHELF? RANGE IN MARKET

Asian markets have a much more developed probiotic drink range and offer than western countries

EXAMPLE: ACTUAL PROBIOTIC DRINK RANGE ON SHELF

Feb 2016



Kuala Lumpur: GDP/Capita US\$24,963



Australia: GDP/Capita US\$61,887

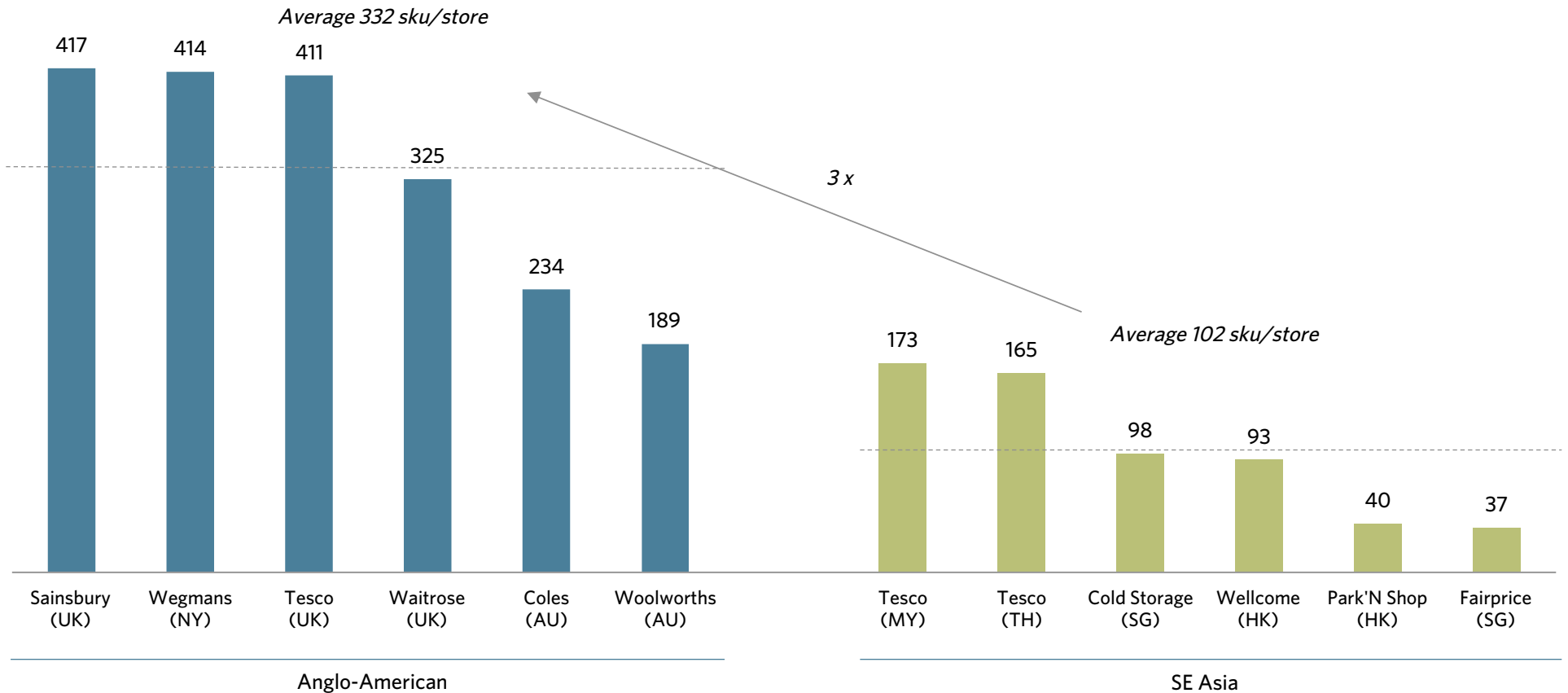


IS THE MARKET DEVELOPED & COMPETITIVE? RANGE

“Leading indicator” Western markets strongly suggest depth of yoghurt range in Asian markets will increase going forward

NUMBER OF LINES ON SHELF: SELECT RETAILERS FROM ACROSS MULTIPLE MARKETS

SKU; actual; Feb 2016

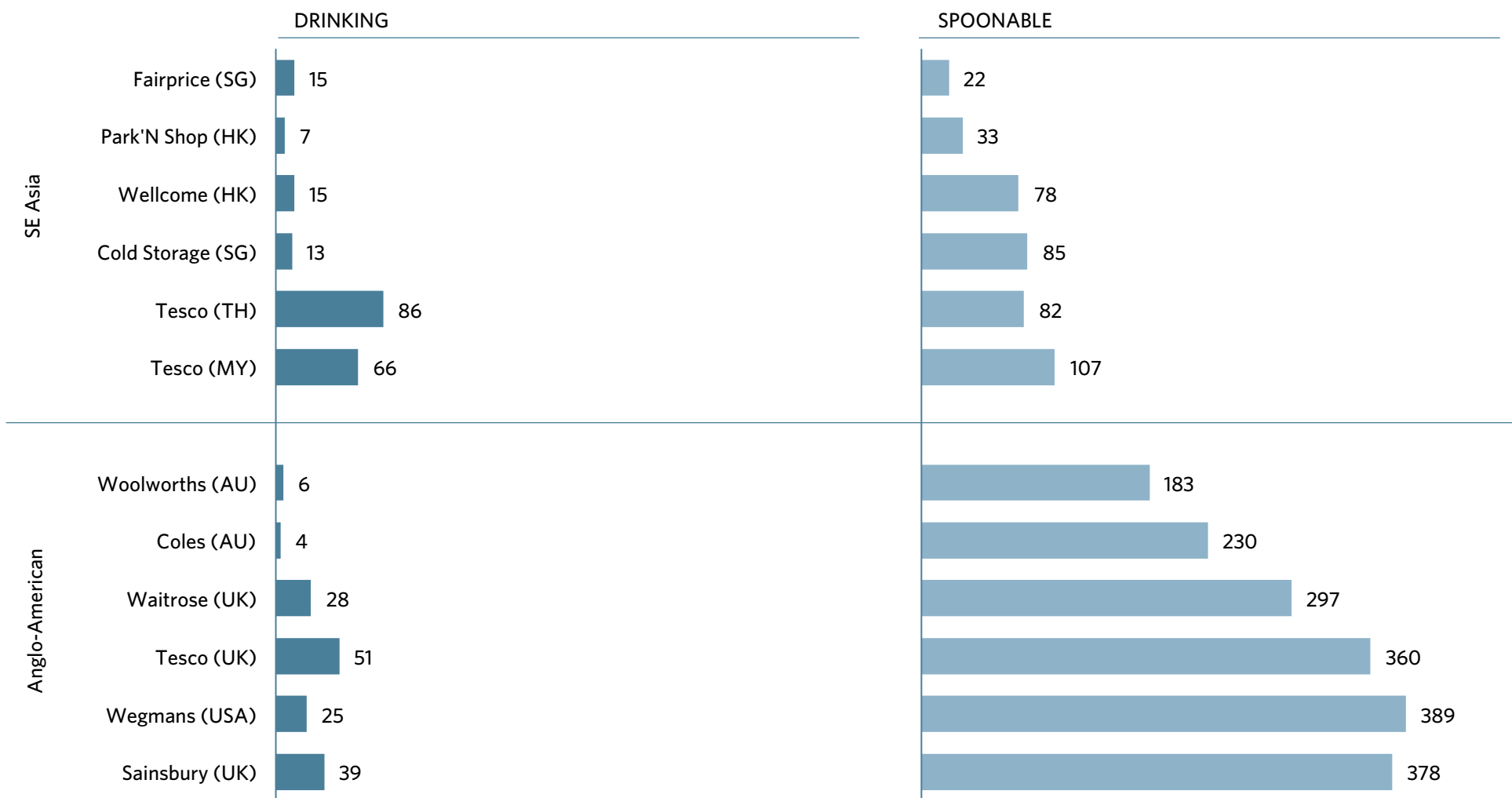


IS THE MARKET DEVELOPED & COMPETITIVE? SEGMENTATION

Spoonable appears to have more range upside than drinking yoghurt

NUMBER OF LINES ON SHELF BY FORM: SELECT RETAILERS FROM ACROSS MULTIPLE MARKETS

SKU; actual; Feb 2016

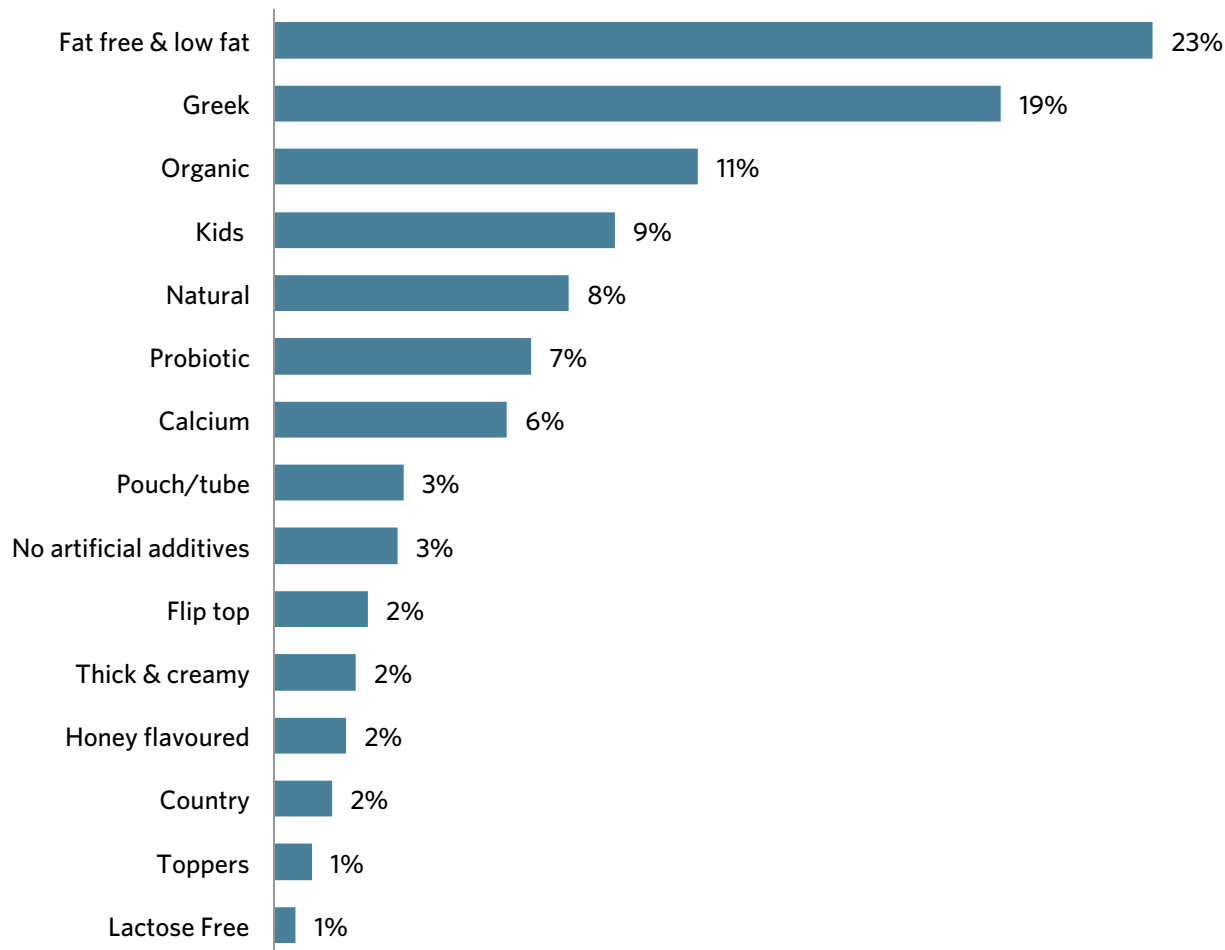


IS THE MARKET DEVELOPED & COMPETITIVE? PRODUCT ATTRIBUTES

A range of premium, value-adding product attributes emerged from our cross-country retailer survey

PERCENT OF OBSERVED PRODUCTS ON SHELF MAKING THE CLAIM ON PACK

% of SKU; N=1932; Feb 2016



TAKEAWAYS

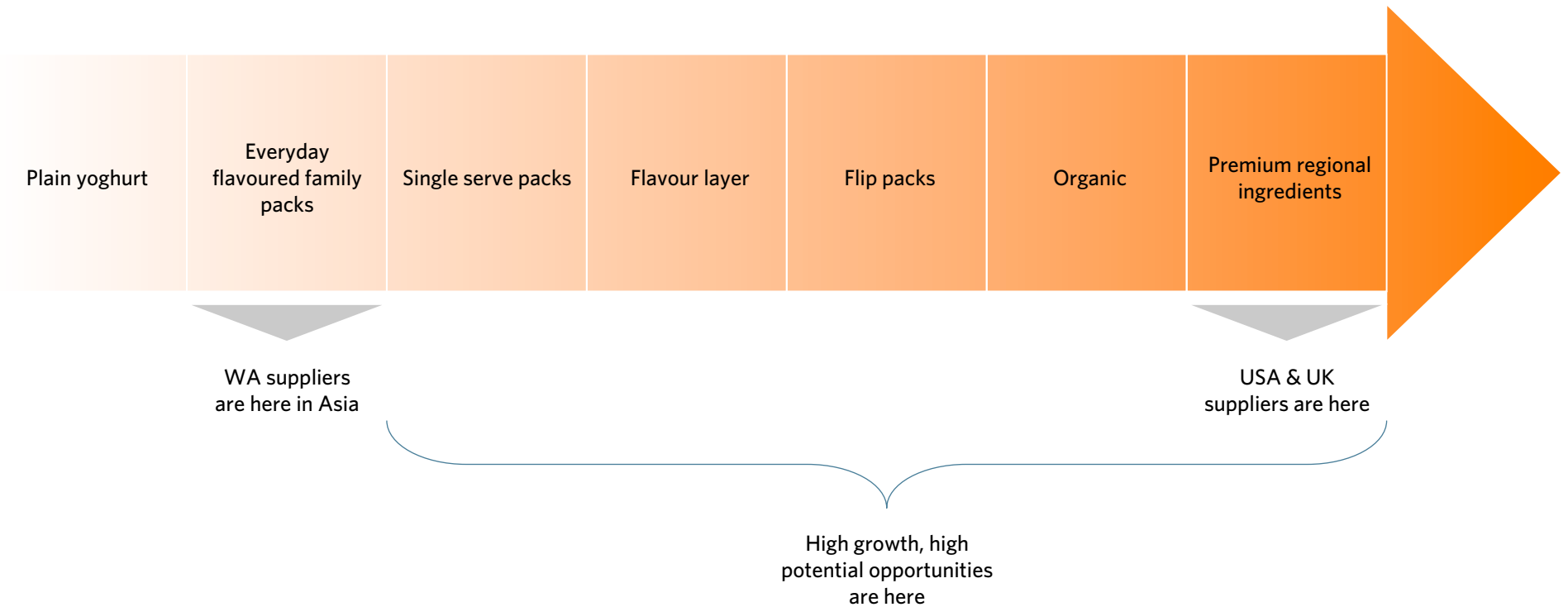
- This provide very clear instruction on what product attributes are succeeding the most across markets
- Western Australian yoghurt producers looking to grow value and share should focus in these areas
- Fat free and low fat stand out, with almost 1/4 observed product SKU being labelled either Fat free or low fat styles of yoghurt
- Survey universe is all products in all listed retailers (across multiple countries)

WHAT IS WA CAPABLE OF DELIVERING? STRATEGIC DIRECTION

Western Australian yoghurt producers need to continue to move forward and improve through new products

SUGGESTED STRATEGIC DIRECTION: WESTERN AUSTRALIAN YOGHURT

Model; 2016



WHAT IS WA CAPABLE OF DELIVERING? CLAIMS

Multiple potential positions exist to develop a premium yoghurt offer for Asia

IDENTIFIED POTENTIAL PREMIUM POSITIONS

Model; 2016



Low/no fat

Probiotics/Prebiotics

Low sugar/low GI

Dairy alternatives

High protein

Superfoods

Organic

Free range

Identified source region

Identified cow breed

Track & trace

Unique/named ingredients

Unique styles

Rich/creamy (Greek/high fat)

Puddings & desserts

Big pots/packs

Toppings/corners

Kid friendly characters

Indulgent ingredients

Single serve

Squeezable/pouch

Six pack lunch size

WHAT IS WA CAPABLE OF DELIVERING? GLOBAL PEERS

Products from other processors in other markets demonstrate what is possible in terms of developing a premium Western Australian yoghurt offer

EXAMPLES OF PREMIUM PRODUCTS FROM OTHER MARKETS

Select; 2016



No fat

Gluten free

No fat

Single serve

Supporting family farms

Traditionally made

Protein

Chocolate coated biscuit balls

Organic

Fat free

Fibre

Digestive

Named source (Yeo Valley)

Probiotic cultures

Ready-to-drink

Tip-in corner

Bio Live

Named source (West Cork)

4 single-serve bottles

Honey

No added sugar

"Light & Fit"

Thick & luxurious

GM free

4 ready-to-eat pots

6 ready-to-eat pots

WHAT IS A POTENTIAL WA OFFER?

There are a wide range of potential product positions or claims available for a premium yoghurt product from Western Australia targeting Asia

HYPOTHETICAL EXAMPLE OF POTENTIAL PREMIUM PRODUCT FROM WA

Model; 2016



Contains Probiotics/Prebiotics

With Jarrah Honey



From the South-West Region

Organic

Free-Range "Happy Cows"



With Jarrah Honey



Single-serve

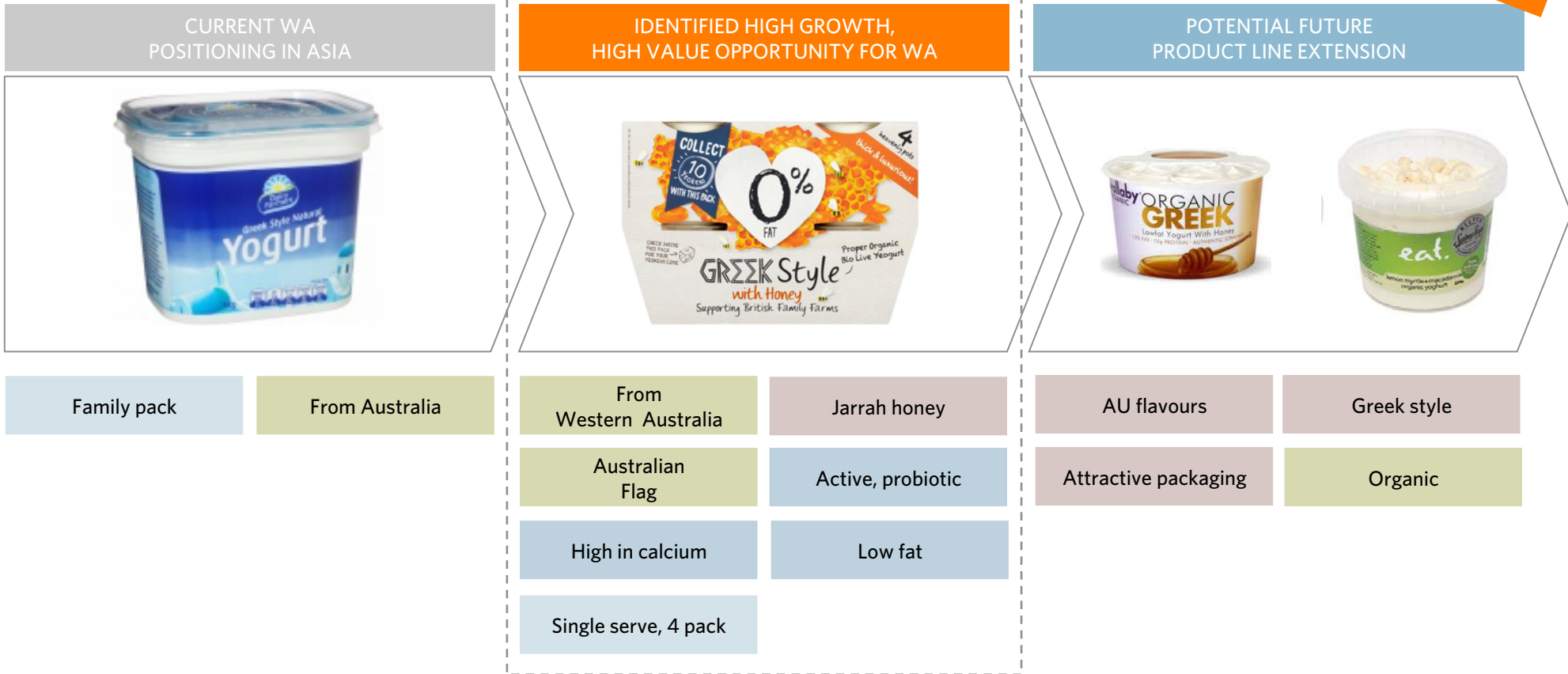
WHAT IS THE IDENTIFIED OPPORTUNITY?

As a “Straw Man” for discussion, we identify an opportunity for a high value, premium yoghurt product with select characteristics for export market launch

THOUGHT STARTER
“STRAW MAN” MODEL
FOR DISCUSSION

PRELIMINARY “STRAW MAN” DEVELOPMENT & ROLLOUT PLAN FOR YOGHURT OPPORTUNITY

Model; 2016



DOCUMENT STRUCTURE

What is the strategic situation in the market?

In this environment, what is the opportunity for Western Australia?

Who are the potential in-market partners?

Who are the key firms in Western Australia capable of delivering?

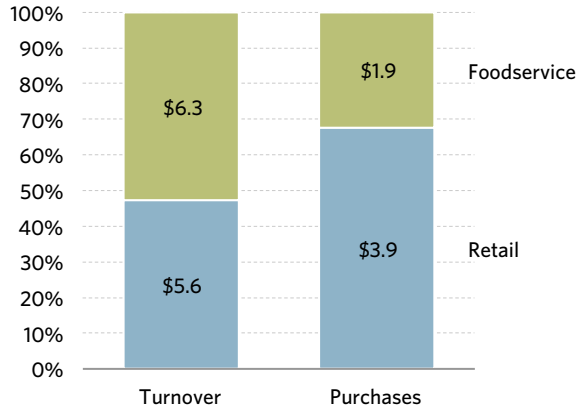


FOCUS MARKET - 1 - SINGAPORE

Singapore has a robust and well-developed food retailing and foodservice sector

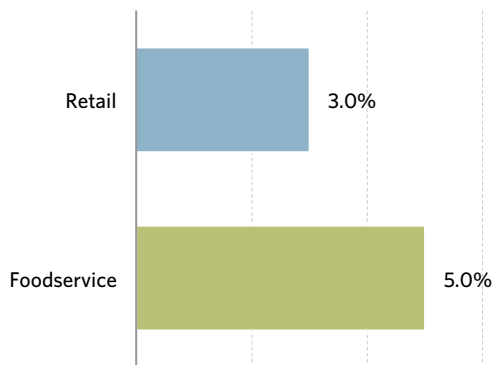
TURNOVER & PURCHASES

US\$b; 2014



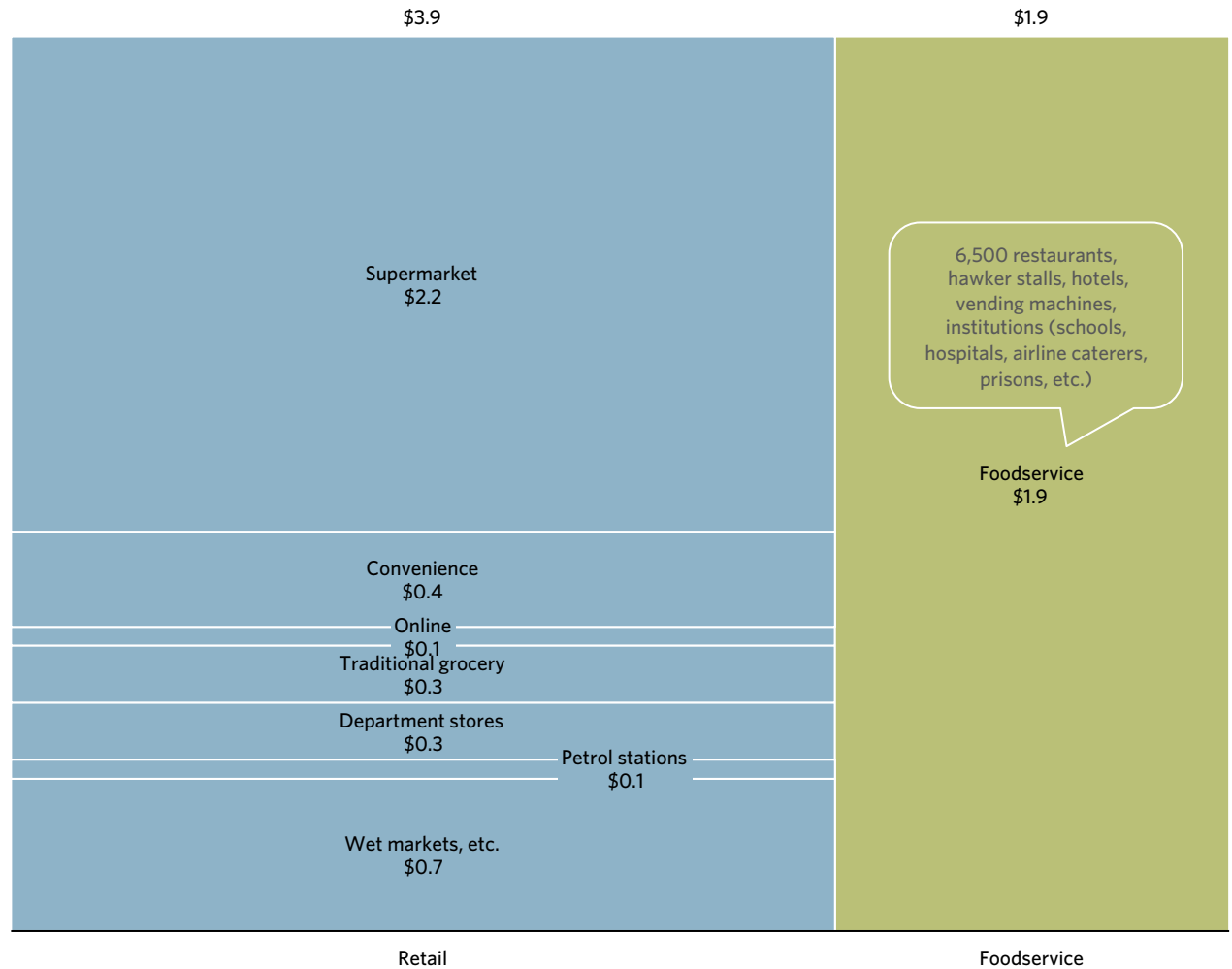
TURNOVER GROWTH RATE

% Y-O-Y; S\$; 2013v2014



ESTIMATED WHOLESALE FOOD & FMCG PURCHASES

US\$b; 2014







FOCUS MARKET - 1 - SINGAPORE

Four potential in-market partners are identified for Western Australian firms in Singapore

POTENTIAL IN-MARKET PARTNERS - SINGAPORE

2015 or as available

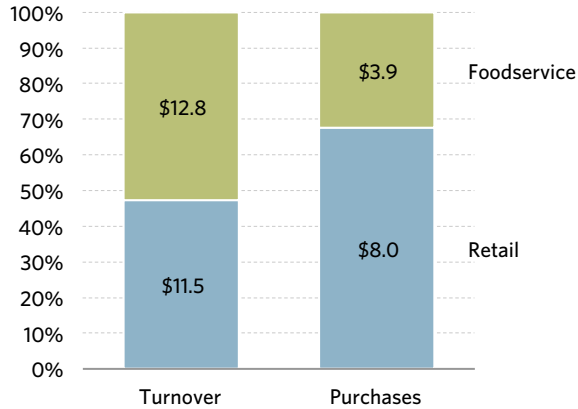
				
Firm	NTUC Fairprice	Cold Storage	Sheng Siong	Prime Supermarkets
Ownership	National Trade Union Council (Singapore)	Dairy Farm International (Hong Kong)	Listed; Singapore	Private; Singapore
Website	www.fairprice.com.sg www.ntuc.org.sg	www.coldstorage.com.sg www.dairyfarmgroup.com	www.shengsiong.com.sg www.allforyou.sg	www.primesupermarket.com
Annual sales	US\$1.83b	US\$1.55b	US\$0.55b	US\$0.2b
Store formats	Supermarket Hypermarket Convenience (Cheers; 139) Online	Supermarket (Cold Storage, Marketplace) Hypermarket Convenience (7-Eleven; 502) Online	Supermarkets Online	Supermarkets
# of stores	285	848	38	19
Store fascia	  	    		

FOCUS MARKET - 2 - HONG KONG

Hong Kong has a robust and well-developed food retailing and foodservice sector

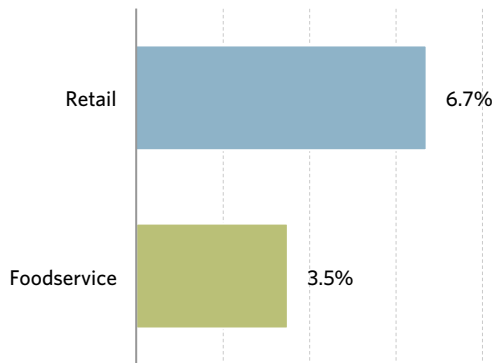
TURNOVER & PURCHASES

US\$b; 2014



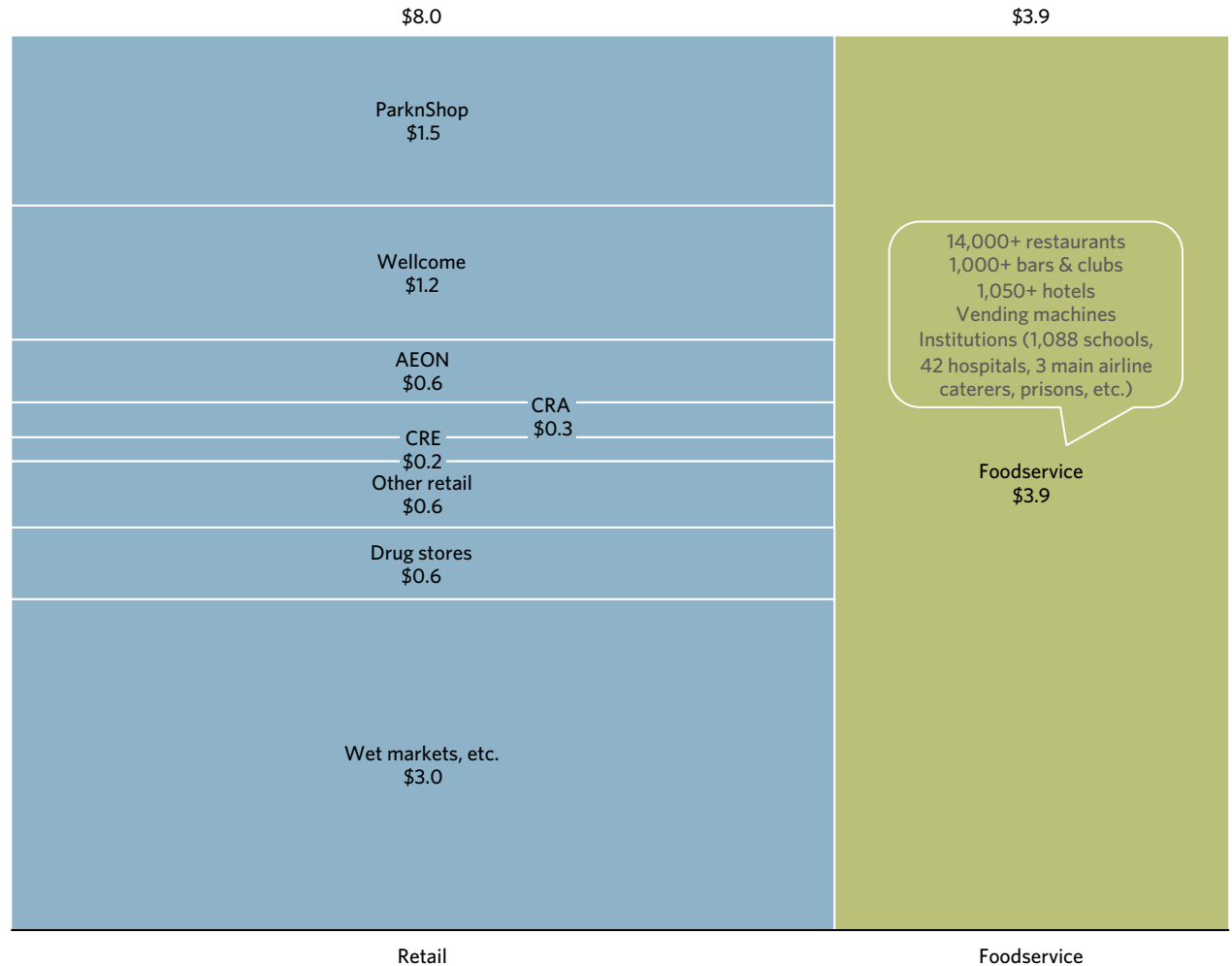
TURNOVER GROWTH RATE

% Y-O-Y; HK\$; 2013v2014



ESTIMATED WHOLESALE FOOD & FMCG PURCHASES

US\$b; 2014



FOCUS MARKET - 2 - HONG KONG

Seven potential in-market partners are identified for Western Australian firms in Hong Kong

POTENTIAL IN-MARKET PARTNERS - HONG KONG

2015 or as available

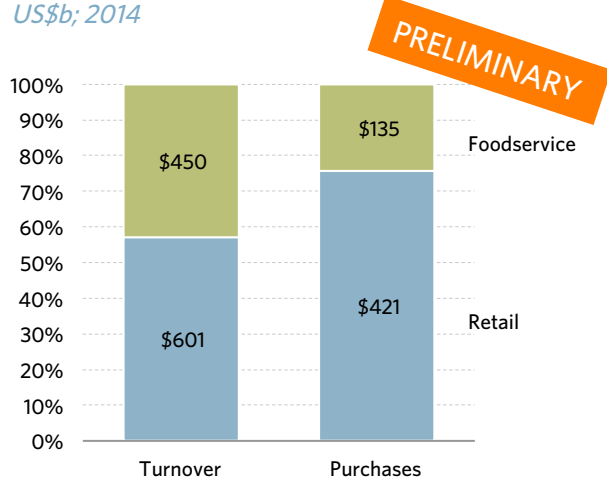
							
Firm	Wellcome	Park'N Shop	CR Vanguard	Dah Chong Hong	759 Stores	AEON Stores	Convenience Retail Asia
Ownership	Dairy Farm International/Jardine Matheson	A.S. Watson/Hutchison Whampoa	CRE/China Resources (SOE; China)	Dah Chong Hong/CITIC Pacific/CITIC (SOE; China)	Private; Hong Kong (Lam Wai Chun)	AEON (Japan)	Fung Group
Website	www.wellcome.com.hk	www.parknshop.com	www.crvanguard.com.hk www.crc.com.cn	www.dch.com.hk	www.759store.com	www.aeonstores.com.hk www.aeon.info	www.circlek.hk/en www.cr-asia.com
Annual sales (in HK)	\$2.2b+	\$2.8b	~\$0.8b (food/FMCG)	N/A	N/A	\$0.8b	\$0.4b
Food store formats	Supermarkets 318 Convenience 921 Health & Beauty 369 Restaurants 676	Supermarkets 260+ Convenience	Supermarkets Convenience	Supermarkets	Grocery 247+	Dept. stores (w/food) 8 Supermarkets 5	Convenience 600+ Bakery
# of stores	Wellcome 280+ Marketplace 31 7-Eleven 900+ Olivers the Delicatessen ThreeSixty	ParknShop 175 PnS Superstore 50+ PnS Taste 10 PnS Fusion 14	CR Vanguard 100+ VanGo 79	DCH Food Mart 80+ DCH Food Mart Deluxe	759 Stores 247+	AEON 13	Circle K Saint Honore Cake
Store fascia	 		 	 			 

FOCUS MARKET - 3 - CHINA

China has a robust and well-developed food retailing and foodservice sector

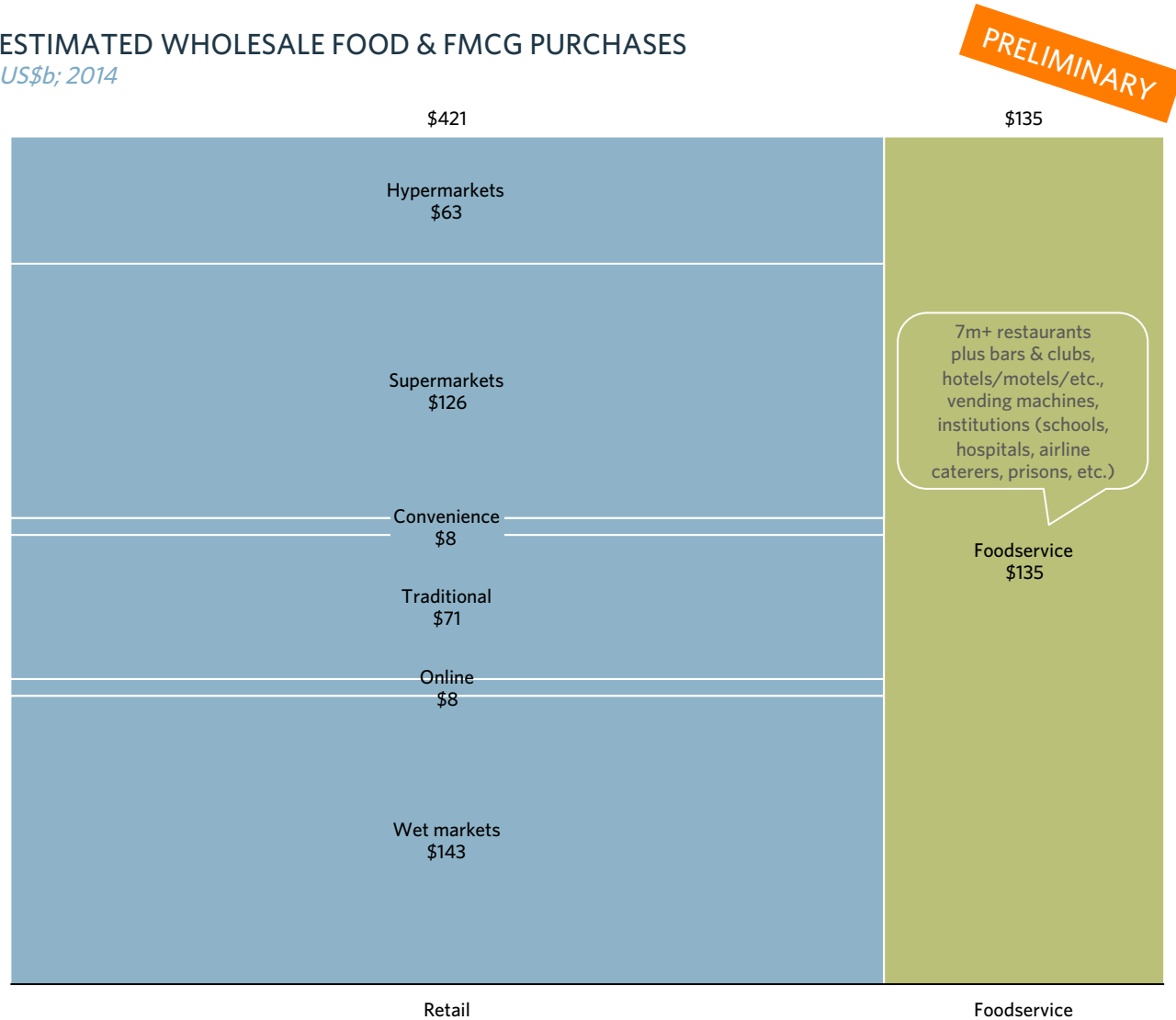
TURNOVER & PURCHASES

US\$b; 2014



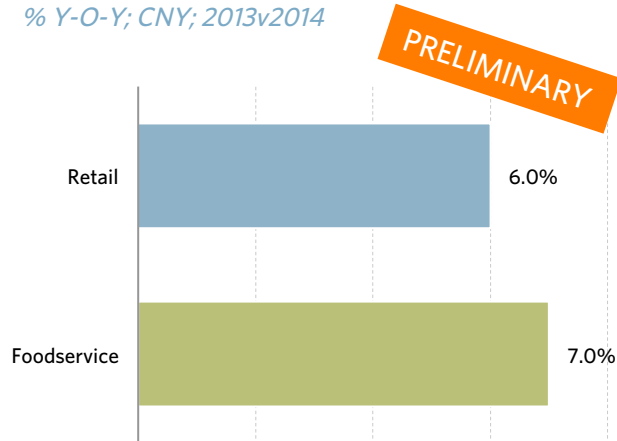
ESTIMATED WHOLESALE FOOD & FMCG PURCHASES

US\$b; 2014



TURNOVER GROWTH RATE

% Y-O-Y; CNY; 2013v2014



FOCUS MARKET - 3 - CHINA

Eighteen potential in-market partners are identified for Western Australian firms in China...

POTENTIAL IN-MARKET PARTNERS - CHINA

2015 or as available














							
Firm	CR Vanguard	Sun Art Retail Group	Wal-Mart China	Lianhua	Carrefour China	Yonghui Superstores	Nonggongshang
Ownership	China Resources (SOE; China)	Listed; HK; Auchan and Ruentex group	Listed; USA	Listed; HK; Bailian Group Co.	Listed; France	Listed; Shanghai; Dairy Farm 20%; JD.com 10%;	China
Website	www.crvanguard.com.hk www.crc.com.cn	www.sunartretail.com www.rt-mart.com.tw	www.wal-martchina.com www.samsclub.cn	lianhua.todayir.com	www.carrefour.cn www.carrefour.com.cn www.carrefour.com	www.yonghui.com.cn	www.ngs1685.com
Annual sales Total/Food	US\$15.2b (13)	US\$14.0b (14)	US\$11.0b (13)	US\$10.5b (13)	US\$7.1b (13)	US\$5.3b	US\$4.6b
Food store formats	Hypermarket Supermarket Convenience	Hypermarket Online	Hypermarket Warehouse Club Compact HM Supermarket	Hypermarkets Supermarket 4,600 Convenience 1,905	Hypermarket 236 Convenience 3 Online	Supermarket	Supermarkets 2,644 Convenience 1,700
# of stores	4,637	264	423	6,900+	239	351	2,644
Store fascia							 - Alldays - Kedi

FOCUS MARKET - 3 - CHINA

... continued

POTENTIAL IN-MARKET PARTNERS - CHINA

2015 or as available

							
Firm	HNA Group	Wumart Stores	Better-Life	Jiajiayue Group	A. Best Supermarket	Metro Cash & Carry	Lotte Mart
Ownership	Private; China	Public; China	Public; China	Public; China	Public; China	Listed; Germany	Listed; Korea
Website	www.hnagroup.com/	www.wumart.com	www.bbg.com.cn	www.jiajiayue.com.cn	www.abest-xyj.com	www.metro.com.cn www.metrogroup.de	www.lotte.co.kr
Annual sales Total/Food	US\$4.0b (13)	US\$3.3b (13)	US\$3.2b (13)	US\$2.9b	US\$2.7b	US\$2.7b (13)	US\$2.4b (13)
Food store formats	Hypermarkets Supermarkets Convenience	Hypermarkets Convenience	Hypermarkets Department stores Online	Hypermarket Supermarket Department store Convenience	Hypermarket Supermarket	Cash & Carry	Hypermarkets Supermarkets
# of stores	482	547	445	601	116	75	110
Store fascia	Le Wan Jia Supermarket Jiangsu Chaoyue Supermarket Hunan Joindoor Supermarket						

FOCUS MARKET - 3 - CHINA

... continued

POTENTIAL IN-MARKET PARTNERS - CHINA

2015 or as available



Firm	Sinopec Group	PetroChina Co.	Dongguan Sugar & Liquor Group	Seven & I Holdings
Ownership	Chinese government (SOE)	Chinese government (SOE)		Japan; listed
Website	english.sinopec.com		www.meiyijia.com.cn	www.7-11.cn www.7andi.com www.sej.co.jp www.itoyokado.co.jp
Annual sales Total/Food	US\$455b (14)			US\$49.1b US\$17.5b
Food store formats	Easy Joy	uSmile	Meiyijia	Seven&I 301 Area licensees 1,763 - DairyFarm 740 - Others -1,063
# of stores	23,300	14,000	5,580	2,064

Store fascia



DOCUMENT STRUCTURE

What is the strategic situation in the market?








In this environment, what is the opportunity for Western Australia?

Who are the potential in-market partners?

Who are the key firms in Western Australia capable of delivering?



IDENTIFIED WA COMPANIES

<p>BANNISTER DOWNS DAIRY</p> 	<p>BROWNES DAIRY</p> 	<p>HARVEY FRESH</p> 
<p>ADDRESS: Muirillup Road, Northcliffe WA 6262</p>	<p>ADDRESS: 22 Geddes Street, Balcatta, WA 6021</p>	<p>ADDRESS: Lot 4, Third Street, Harvey, WA 6220</p>
<p>PHONE: 08 9776 4555</p>	<p>PHONE: 08 9441 7777</p>	<p>PHONE: 08 9729 0600</p>
<p>WEBSITE: www.bannisterdowns.com.au</p>	<p>WEBSITE: www.brownesdairy.com.au</p>	<p>WEBSITE: www.harveyfresh.com.au</p>
<p>LION DAIRY & DRINKS</p> 	<p>MARGARET RIVER DAIRY CO.</p> 	<p>MARGARET RIVER ORGANIC CREAMERIES</p> 
<p>ADDRESS: 86 Radium St, Bentley, WA 6102</p>	<p>ADDRESS: 8063 Bussell Hwy, Metricup, WA 6280</p>	<p>ADDRESS: Jindong Treeton Rd, Treeton, WA 6284</p>
<p>PHONE: 08 9333 2888</p>	<p>PHONE: 08 9755 7588</p>	<p>PHONE: 08 9751 3117</p>
<p>WEBSITE: www.lionco.com</p>	<p>WEBSITE: www.margaretriverdairy.com.au</p>	<p>WEBSITE: www.margaretriverorganiccreameries.com</p>
<p>MUNDELLA FOODS</p> 		
<p>ADDRESS: 46 Randell Road, Mundijong, WA 6123</p>		
<p>PHONE: 08 9525 5754</p>		
<p>WEBSITE: www.mundellafoods.com.au</p>		

AUSTRALIA

Coriolis Australia Pty Ltd
PO Box 5831
St Georges Terrace
Perth, WA 6831
Australia
+61 8 9468 4691

NEW ZEALAND

Coriolis (New Zealand) Limited
PO Box 90-509
Victoria Street West
Auckland, 1142
New Zealand
+64 9 623 1848

www.coriolisresearch.com



Coriolis is the leading Australasian management consulting firm specialising in the wider food value chain. We work on projects in agriculture, food and beverages, consumer packaged goods, retailing & foodservice. In other words, things you put in your mouth and places that sell them.

WHERE WE WORK

We focus on the Asia Pacific region, but look at problems with a global point-of-view. We have strong understanding of, and experience in, markets and systems in Australia, China, Japan, Malaysia, New Zealand, Singapore, South Korea, Thailand, the United Kingdom and the U.S. We regularly conduct international market evaluations and benchmarking.

WHAT WE DO

We help our clients assemble the facts needed to guide their big decisions. We develop practical, fact-based insights grounded in the real world that guide our clients decisions and actions. We make practical recommendations. We work with clients to make change happen. We assume leadership positions to implement change as necessary.

HOW WE DO IT

All of our team have worked across one-or-more parts of the wider food value chain, from farm-to-plate. As a result, our recommendations are grounded in the real world. Our style is practical and down-to-earth. We try to put ourselves in our clients' shoes and focus on actions. We listen hard, but we are suspicious of the consensus. We provide an external, objective perspective. We are happy to link our fees to results.

WHO WE WORK WITH

We only work with a select group of clients we trust. We build long term relationships with our clients and more than 80% of our work comes from existing clients. Our clients trust our experience, advice and integrity.

Coriolis advises clients on growth strategy, mergers and acquisitions, operational improvement and organisational change. Typical assignments for clients include...

FIRM STRATEGY & OPERATIONS

We help clients develop their own strategy for growing sales and profits. We have a strong bias towards growth driven by new products, new channels and new markets.

MARKET ENTRY

We help clients identify which countries are the most attractive - from a consumer, a competition and a channel point-of-view. Following this we assist in developing a plan for market entry and growth.

VALUE CREATION

We help clients create value through revenue growth and cost reduction.

TARGET IDENTIFICATION

We help clients identify high potential acquisition targets by profiling industries, screening companies and devising a plan to approach targets.

DUE DILIGENCE

We help organisations make better decisions by performing consumer and market-focused due diligence and assessing performance improvement opportunities.

EXPERT WITNESS

We provide expert witness support to clients in legal cases and insurance claims. We assist with applications under competition/fair trade laws and regulations.