NEW ZEALAND FOOD INDUSTRY OVERVIEW 2013

January 2014

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iFAB 2013 F&B INDUSTRY OVERVIEW

January 2014 v1.00e

The Food and Beverage Information Project

The Food & Beverage Information Project is the first comprehensive overview of the state of New Zealand's Food & Beverage (F&B) industry. Part of the Government's Business Growth Agenda (BGA), it is an integrated programme of work focusing on the six key inputs businesses need to succeed, grow and add jobs; export markets, capital markets, innovation, skilled and safe workplaces, natural resources and infrastructure.

Essentially, the BGA Export Markets goal will require lifting the ratio of exports from today's rate of 30% of GDP to 40% by 2025. This equates to doubling exports in real terms (or tripling exports in nominal non-inflation adjusted terms). This in turn equates to achieving a 7% per annum growth rate over the next twelve years.

This five-year project analyses the main sectors in F&B, including dairy, meat, seafood, produce, processed foods, and beverages, as well as providing an overview of how the industry is fairing in our major markets. It also conducts in-depth sector reviews on a rotating basis. The information is updated annually and feedback from users shows the project is acting as a vital tool for companies looking to expand and grow exports.

Why Food & Beverage?

The Food & Beverage industry is vitally important to the New Zealand economy. Food & Beverage accounts for 56% of our merchandise trade exports and one in five jobs across the wider value chain. In addition, F&B acts as a vital ambassador for the country, being in most cases the first exposure global consumers get to "Brand New Zealand."

New Zealand's F&B exports are growing strongly and the country's export performance is strong and improving relative to peers. In the 15 years leading up to 2010, New Zealand's food and beverage exports grew at a compound annual rate of 7% per annum. So one way to look at the challenge is to ask – can we continue to grow our food & beverage exports at the same rate? To understand if this is possible we need to know what has been driving our success.

What is the purpose of the food and beverage information project?

The project pulls together the available information on the food and beverage industry into one place, in a form which is familiar and useful to business. The reports contain analysis and interpretation of trends and opportunities to materially assist with business strategy and government policy.

The information will be of vital use to businesses, investors, government, and research institutions as the industry expands and diversifies. This industry view will be very useful to government, enabling better dialogue and the opportunity to address issues collectively.

What benefit will this bring to businesses?

The Project will have many uses for businesses. These include:

- As a base of market intelligence to enable business to be much more targeted in their own market research
- Reviewing and informing offshore market development (including export and investment) strategies
- Assisting in identifying areas of innovation and R&D for the future
- Identifying strategic partners and collaborators
- Enabling a company to benchmark performance with that of its competitors
- Monitoring industry activity
- Gaining a better understanding of their own industry sector
- Identifying internal capability needs or external inputs

How will government use the reports?

This information will provide much greater insight into the industry, which is useful for a range of policy development, from regulatory frameworks to investment in science and skills and facilitating access to international markets. In particular, a single source of factual information will enable government agencies to better coordinate their efforts across the system and be more responsive to addressing industry issues.

Ministry of Business, Innovation & Employment

Ministry for Primary Industries
Manatū Ahu Matua

New Zealand TRADE & ENTERPRISE

NEW ZEALAND
FOREIGN AFFAIRS & TRADE

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OTHER RELATED iFAB REPORTS

This industry overview forms a part of the wider Food & Beverage Information Project

Other reports, including those from previous years, are available on the MBIE or Coriolis website…

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HIKINA WHAKATUTUKI
Economic Development Information

http://www.med.govt.nz/sectors-industries/food-beverage/information-project/

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http://www.coriolisresearch.com/reports/

SUMMARY

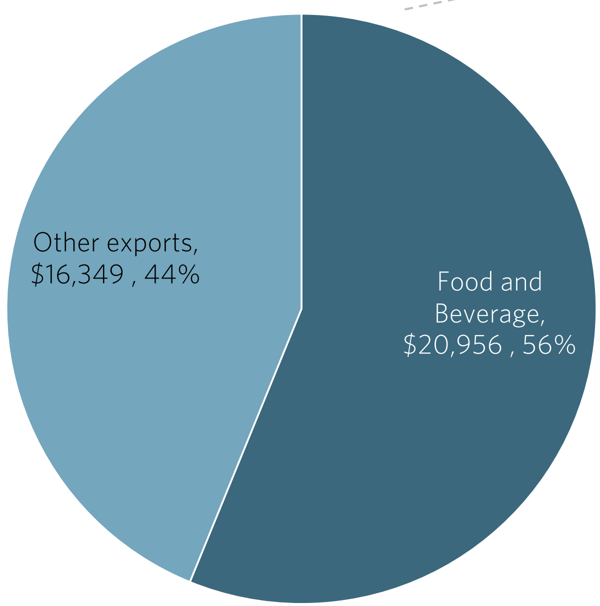
Overview

EXPORT SECTORS

In 2012 New Zealand exported US$21b worth of food & beverages, 56% of total merchandise trade; dairy products make up almost half of the F&B exports

EXPORT VALUE BY TYPE

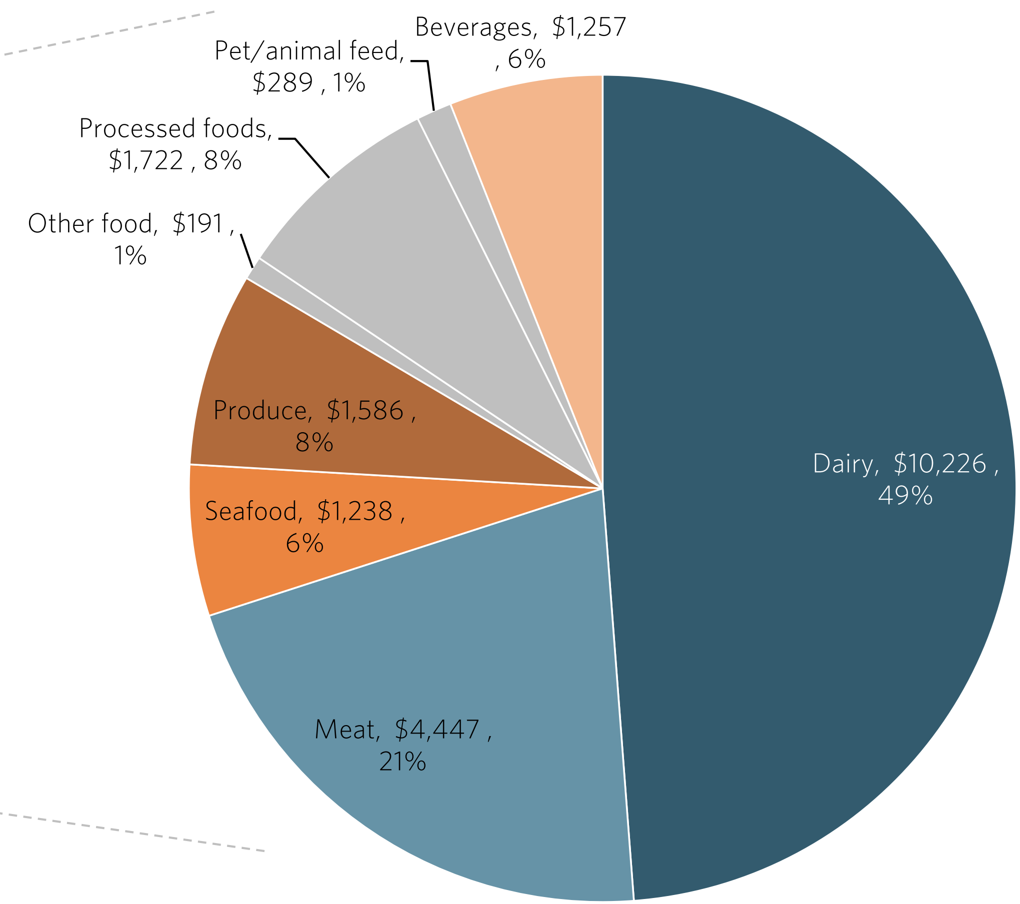
%; US$m; 2012



Total = US$37b

EXPORT VALUE OF FOOD AND BEVERAGE SECTORS

%; US$m; 2012



Total = US$21b

See separate sector reports for further information and definitions

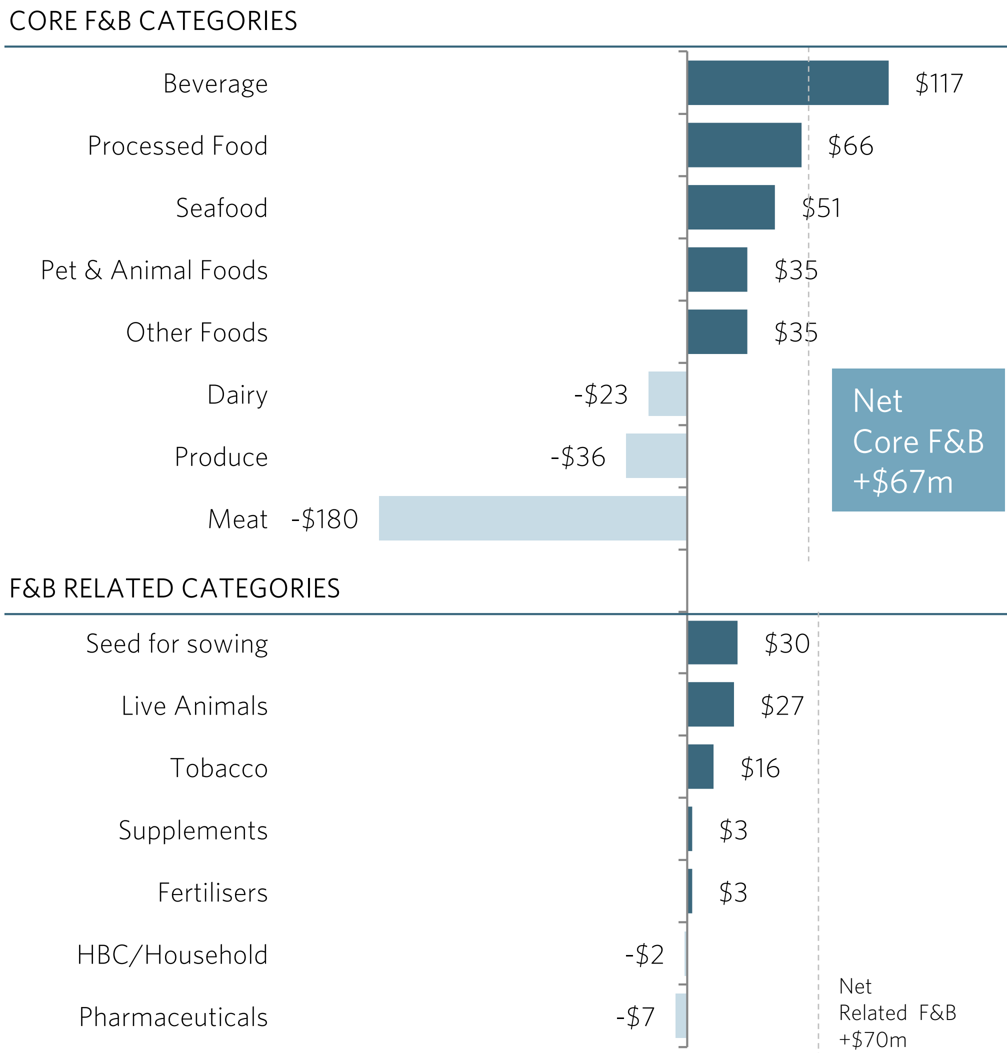
Source: UN Comtrade database; Coriolis classification and analysis

BENCHMARK – EXPORT GROWTH BY SECTOR

In 2012 the value of New Zealand's core food & beverage exports grew by +US$67m, though performance varied strongly by sector

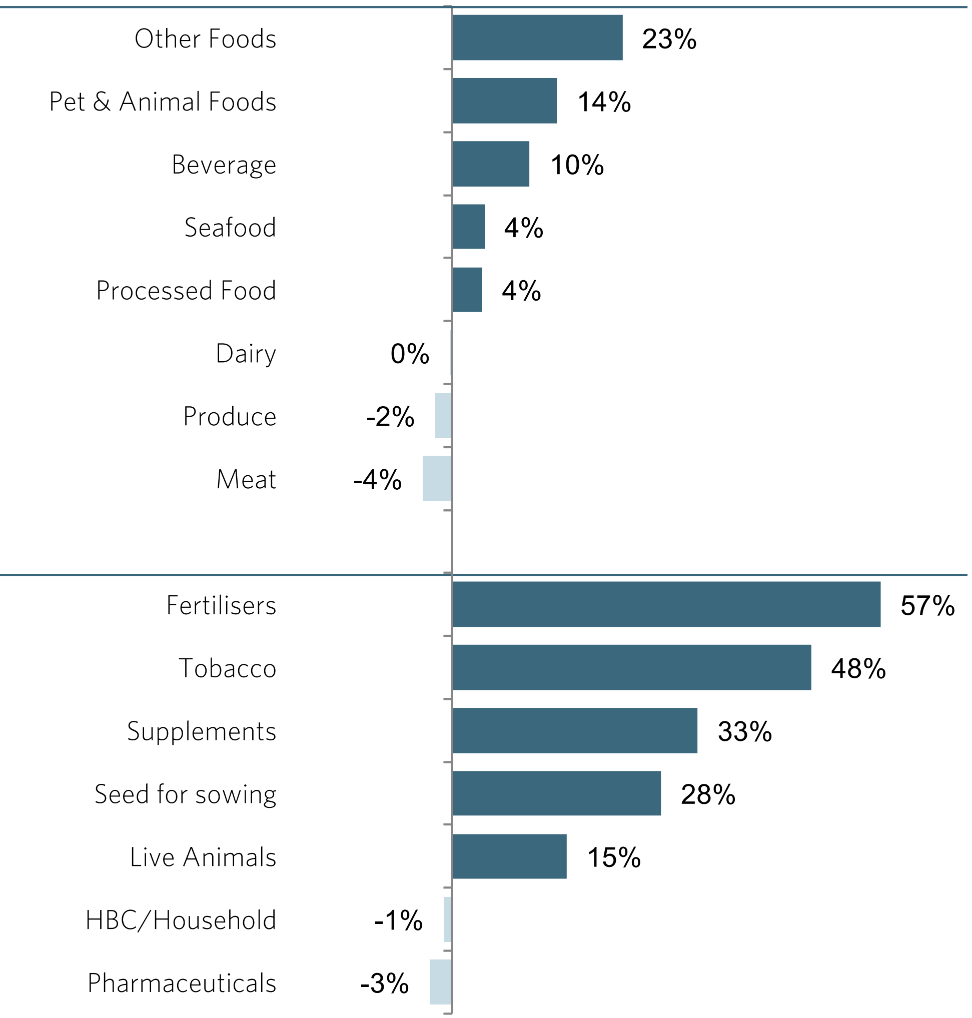
ANNUAL CHANGE IN EXPORT VALUE BY TYPE

US$m; 2012 vs. 2011



PERCENT CHANGE IN EXPORT VALUE BY TYPE

%; US$m; 2012 vs. 2011



HBC Health and Beauty Care; Source: UN Comtrade database; Coriolis classification and analysis

FOOD & BEVERAGE - SITUATION

New Zealand has clear comparative advantage in food & beverage (F&B) production and the capacity to continue growing for the foreseeable future

General

New Zealand is a developed, temperate-climate country in the Asia-Pacific region. It is a stable democracy with strong economic freedoms *(Index of Economic Freedom #4)*, excellent investor protection *(World Bank #1)* and low corruption *(Transparency International #1)*. It is by almost all measures the most attractive investment destination in the temperate zone of the Southern Hemisphere.

Food & beverages

The Food & Beverage industry is important to New Zealand and the country is a major F&B exporter. New Zealand's F&B exports are growing strongly and the country's export performance is strong and improving relative to peers.

The country has demonstrated capability in the production of temperate-climate food and beverages. It is the largest exporter in the world of dairy products and lamb and a major exporter of beef, kiwifruit, apples and seafood.

Drivers

The success of New Zealand in temperate foods is built around a natural environment conducive to agriculture. New Zealand – surrounded by the Pacific Ocean – has the light of Spain with the climate of Bordeaux. This climate will also moderate the effects of global warming going forward (relative to large continents).

The country's farmers are highly productive and efficient. The country has no agricultural subsidies and regulation is light handed.

New Zealand has a supportive infrastructure for food and beverages along the total value chain.

New Zealand is a leader in food safety and product traceability. Customers and consumers around the world trust food and beverages produced in New Zealand.

In science, New Zealand spends more than half a billion dollars a year on Agri-Food research across a wide range of areas, from fruit genetics to nutraceuticals. The country is also home to four major universities respected globally for their Agri-food research.

Opportunities

While New Zealand is a major global F&B exporter, the country has significant untapped capacity to export more. New Zealand is a country the size of Italy with the population of Singapore. However Italy feeds a domestic population of 60m people and exports twice as much F&B as New Zealand.

To achieve the goals and the Business Growth Agenda, New Zealand will need to roughly double the country's food and beverage exports over the next 15 years (in real terms)[1]. This will be achieved through both growth of existing major sectors and the newer emerging growth stars.

New Zealand is a young country still discovering its comparative advantages and new industries continue to emerge. In the past twenty years New Zealand wine, honey, aquaculture and avocados have all emerged from almost nothing into world leading sectors.

New Zealand has attracted investment in F&B manufacturing from around the world. Global leaders have already endorsed New Zealand by investing in manufacturing in the country and about a quarter of the F&B manufacturing sector (by turnover) is foreign owned.

1. Doubling in inflation-adjusted real terms which is tripling in nominal dollars over the same period

F&B – SWOT ANALYSIS

While New Zealand is well positioned in F&B, it is not without challenges

STRENGTHS

- Natural environment favourable to pastoral agriculture; low cost, grass fed dairy, beef and sheep production systems
- Clean water and generally healthy aquatic environment; quota management system preventing collapse of fish stocks through overfishing
- Strong biosecurity; lack of many key plant and livestock diseases
- High standards of food safety and animal welfare; regulatory credibility allowing exporters flexibility
- Potential for year round production
- Positive reputation internationally (but low awareness)
- National champion Fonterra with resources to address global markets and opportunities
- Relatively low cost energy inputs

WEAKNESSES

- Six to twelve weeks sea freight to major markets; very expensive airfreight to Northern Hemisphere; excessive shipping costs across the Tasman
- Twelve to twenty four hours flight for senior managers to meet with customers
- Relatively small domestic market
- Only one top 50 global food and beverage company (Fonterra) based here
- Fonterra is limited in its ability to add value due to the risks associated with competing with its own customers
- No deep and rich food cultural heritage or tradition to draw from for new product development (vs. France or Italy)
- Small food producer in an absolute sense; limited defensibility of current commodity and ingredient position
- Significant trade barriers limiting New Zealand access to North America and Europe
- Despite strong food safety systems & reputation, a number of recent high-profile issues (e.g. whey, nitrates)

OPPORTUNITIES

- Ongoing moves towards more free trade through bilateral and multilateral talks
- Continued income and consumption growth in Asia
- Ongoing global growth of foodservice
- Aging baby boomers seeking healthy foods
- Closer economic integration with Australia
- Growing Asian population in New Zealand
- Genetic modification to create super-food
- Intensification leading to increased production and improving return on assets
- Ongoing dairy industry consolidation, particularly in South America
- Changing global weather patterns (also potentially a threat)
- Further investment in in-market production

ISSUES/THREATS/RISKS

- Consolidation by retail chains in North America, Europe and Asia leading to uneven bargaining and downward pressure on prices
- Consolidation by F&B manufacturers making New Zealand a sales office
- Increasing food and beverage production in China
- Disease outbreak affecting stock numbers and or trade access
- Emissions Trading Scheme (ETS), climate change legislation affecting cost of business
- Southern South America rapidly adopting the AU/NZ pasture system (e.g. Argentina, Uruguay, Brazil)
- The boom/bust economic cycle expresses itself in China
- Adoption of genetically modified animals or feed by poor countries changing international competitive dynamics

F&B manufacturing is an important sector that will require significant capital if it is to triple exports over the next fifteen years

An important sector

New Zealand's food & beverage (F&B) manufacturing sector is large, with more than 2,600 enterprises, employing almost 85,000 people with a total revenue of approximately NZ$38 billion. It accounts for 56% of merchandise trade exports.

Still New Zealand owned, primarily by farmers

Historically New Zealand has been a major producer of ingredients through farmer-owned cooperatives and marketed via quasi-government monopsonies[1].

The New Zealand F&B industry is predominantly owned by New Zealanders. Four of the top five New Zealand F&B firms are owned by farmers. There is nothing "wrong" with farmers owning the food industry and this is a common situation across many peer group counties.

Moving to the centre

Broadly speaking 50% of what is sold in a supermarket anywhere in the world is fresh perishables (e.g. meat, seafood, produce, dairy) and 50% is consumer-ready packaged shelf-stable products. The export mix of peer group countries match these proportions (i.e. 50/50). New Zealand, on the other hand, is 80% weighted toward perishables and only 20% shelf-stable. This mix limits industry profitability.

In the last 10-15 years New Zealand's F&B industry has begun to transform into a producer of consumer ready packaged goods.

Processed/packaged F&B are showing rapid growth, and over the next 20 years New Zealand's F&B exports will likely come to resemble those of peer group countries.

While doubling F&B exports over the next 15 years (in real terms) is a clearly a stretch, all of our research suggests it is possible.

To achieve this, the path forward over the next 20 years is about turning ingredients into packaged/processed foods (e.g. infant formula instead of milk powder). This transition will require large amounts of new investment in research, plants and equipment, sales and marketing.

Conceptually this will require something approaching tripling the amount of capital in the F&B industry. Firms will need to make a significant increase in their investment to make this required transition to packaged goods.

Foreign capital filling the gap

Producer owned co-operatives strive to maximise returns to members, which limits availability of capital to fund growth.

Nevertheless, international investors are providing a large and constant in-flow of capital, particularly in the areas of strong growth potential going forward (i.e. beverages and processed foods).

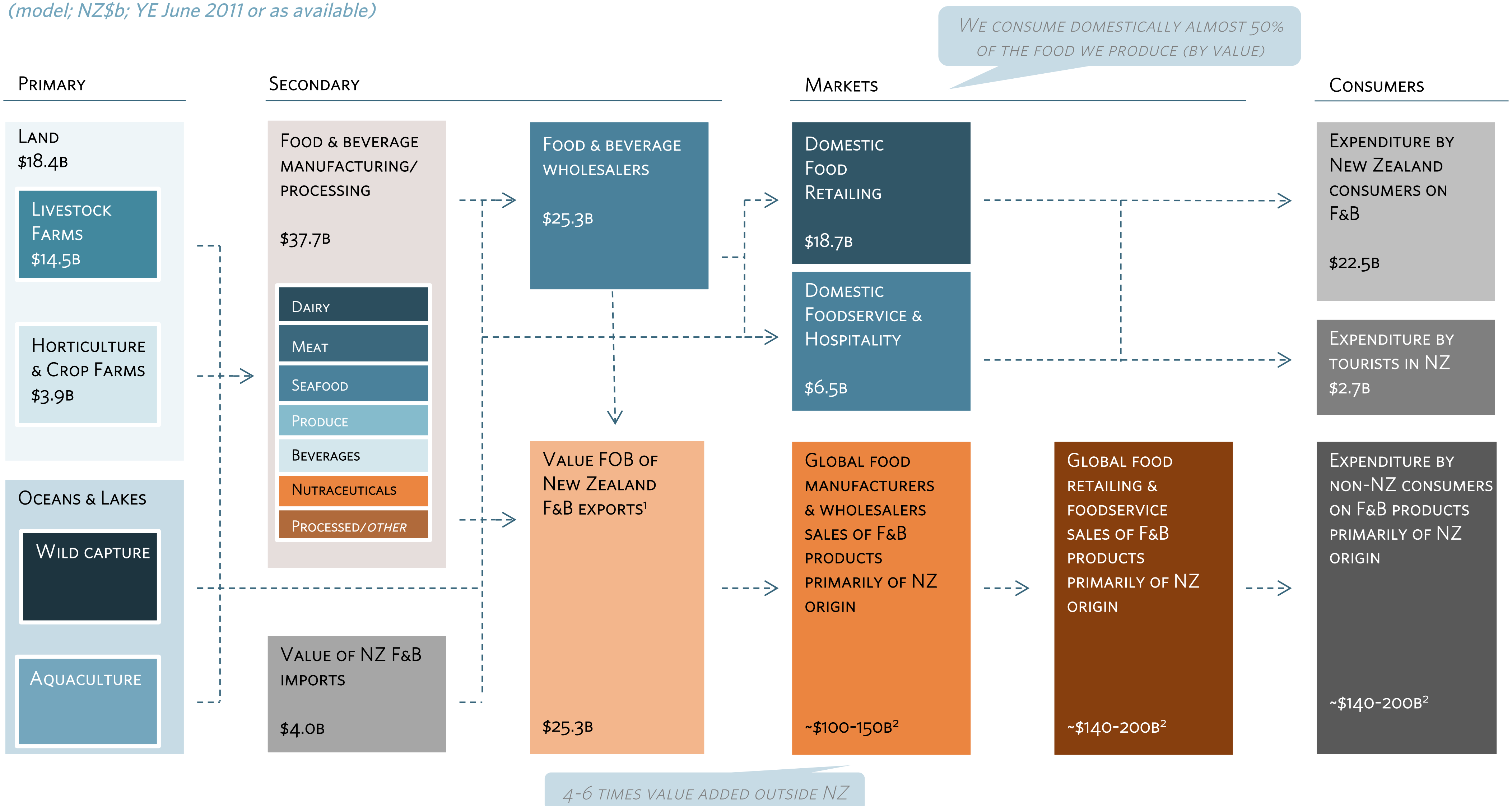
1. A monopsony is a monopoly on selling not buying; also referred to in New Zealand as a "single desk" (the "desk" in question being figurative) or single point of entry

NZ F&B INDUSTRY VALUE CHAIN MODEL

We propose the following simplified model of the New Zealand food & beverage industry value chain; this model guides our work

SIMPLIFIED MODEL OF THE NEW ZEALAND FOOD & BEVERAGE INDUSTRY SUPPLY/VALUE CHAIN

(model; NZ$b; YE June 2011 or as available)



1. The total value to NZ of its F&B exports in 2011 was $25.3b. Other countries use our ingredients to make finished goods , or add a margin for wholesaling and/or distribution, capturing significant additional value. 2. Treat as directional; Source: Statistics NZ; MAF SONZAF; past Coriolis research; Coriolis estimates and analysis

GLOBAL

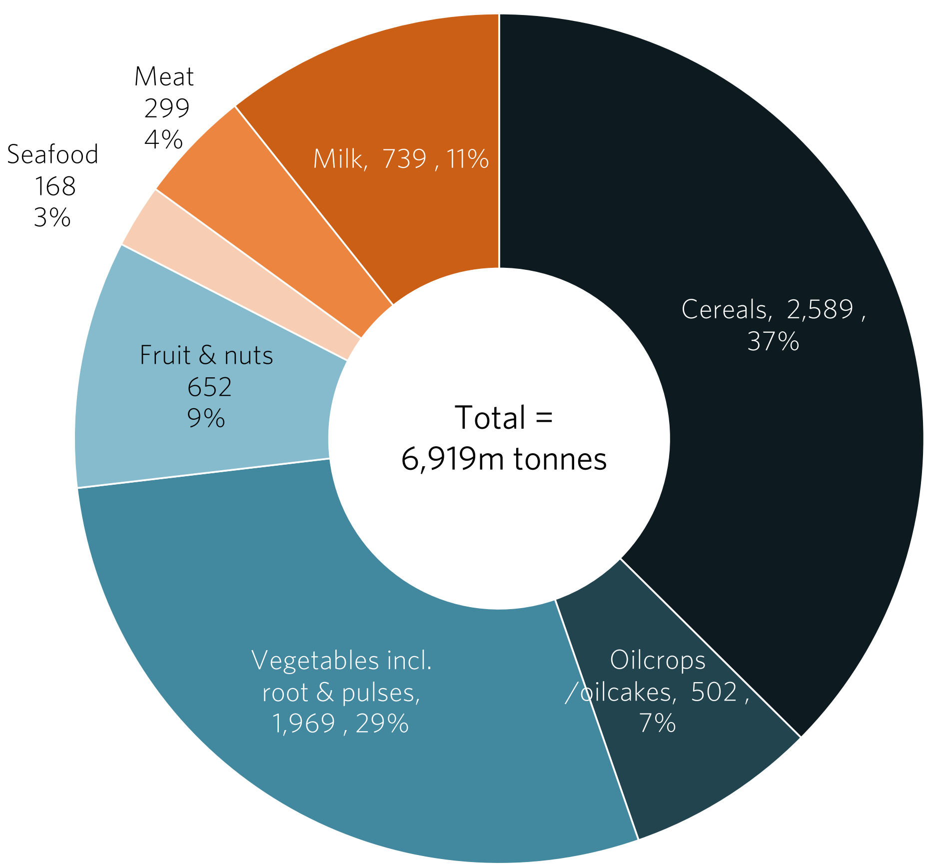
Overview

GLOBAL FOOD PRODUCTION BY SUPER-CATEGORY

The world produced almost seven billion tonnes of food in 2011; total global food production has grown at 2% CAGR* over the last 50 years, leading to per capita growth of 0.6% CAGR over the same period

GLOBAL RAW VOLUME PRODUCTION BY SUPER-CATEGORY

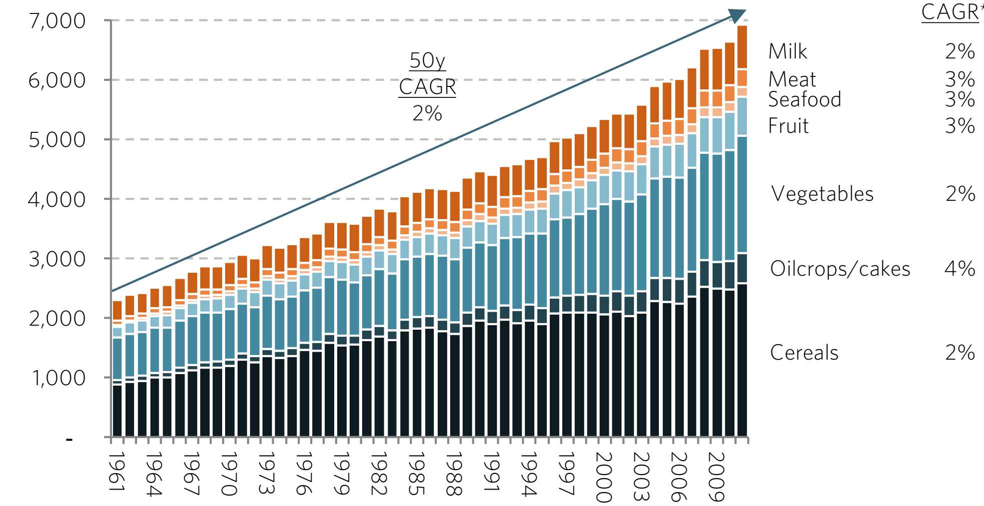
Tonnes; millions; 2011



NOTE: Read as raw farm gate level production, although meat is dressed bone-in carcass weight and seafood is landed weight; what consumers actually consumer will be smaller than this amount for a range of reasons

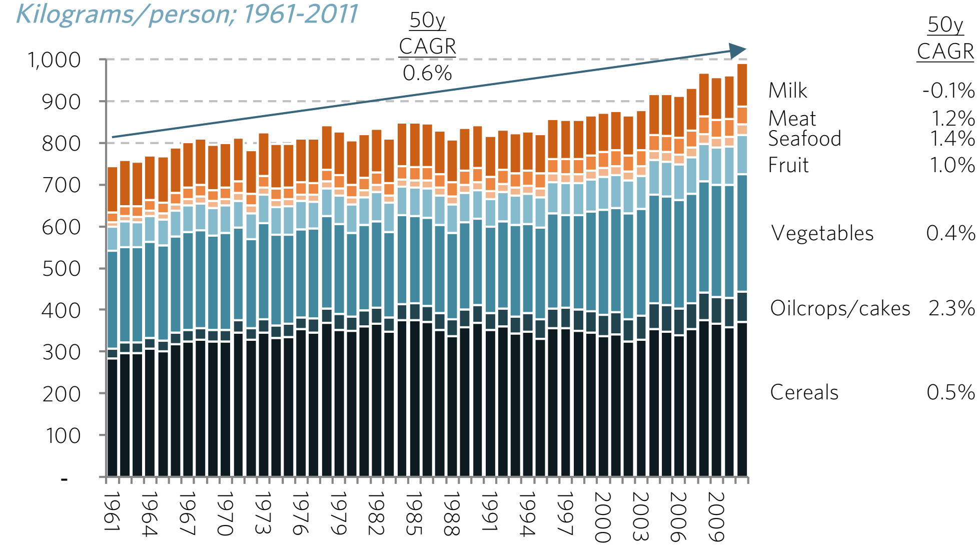
50 YEAR GLOBAL RAW PRODUCTION BY SUPER-CATEGORY

Tonnes; millions; 1961-2011



50 YEAR GLOBAL RAW AVAILABLE CONSUMPTION PER CAPITA

Kilograms/person; 1961-2011



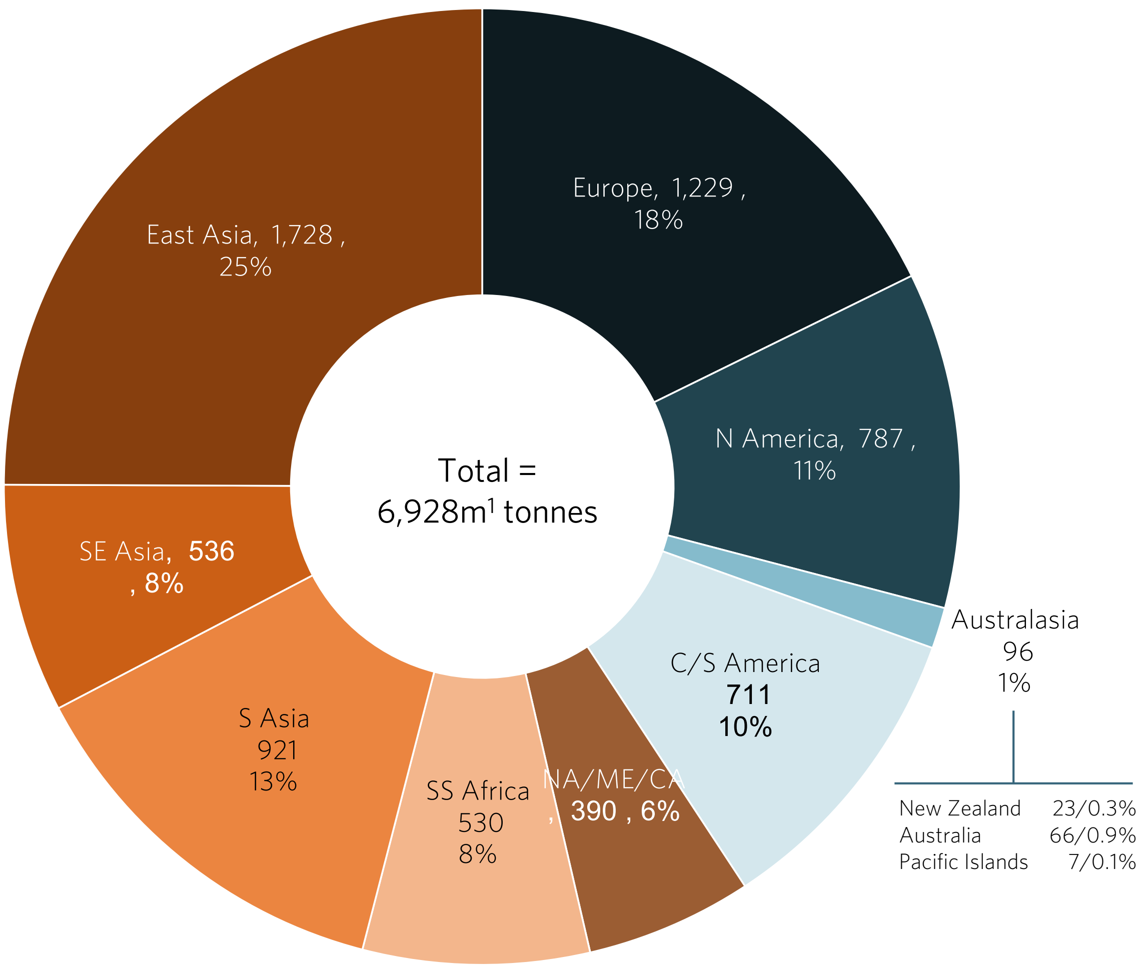
* CAGR = Compound annual growth rate; Note: 2011 is latest data available for all countries globally in FAO AgStat as of November 2013; Source: UN FAO AgStat database; Coriolis analysis

GLOBAL FOOD PRODUCTION BY REGION

New Zealand produces 0.3% of global food volume

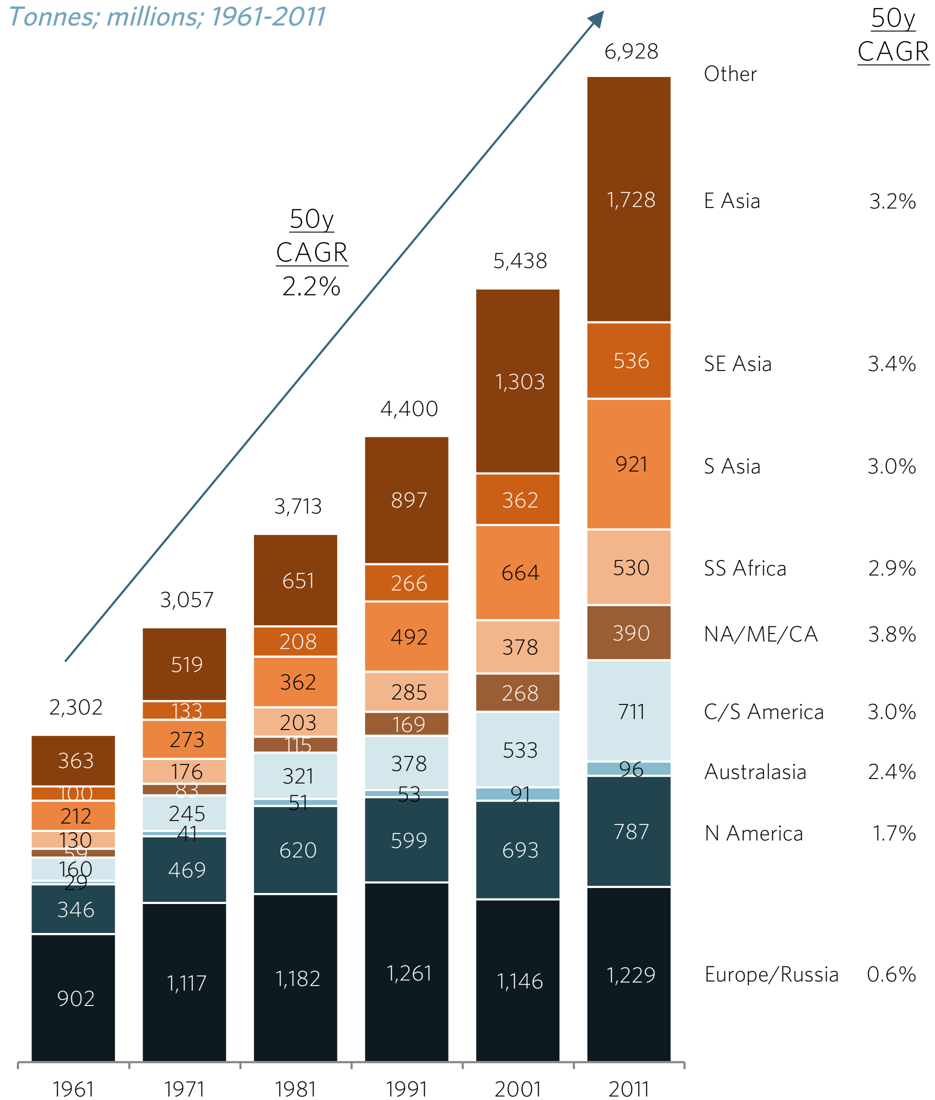
GLOBAL RAW VOLUME PRODUCTION BY REGION

Tonnes; millions; 2011



50 YEAR RAW VOLUME PRODUCTION BY REGION

Tonnes; millions; 1961-2011



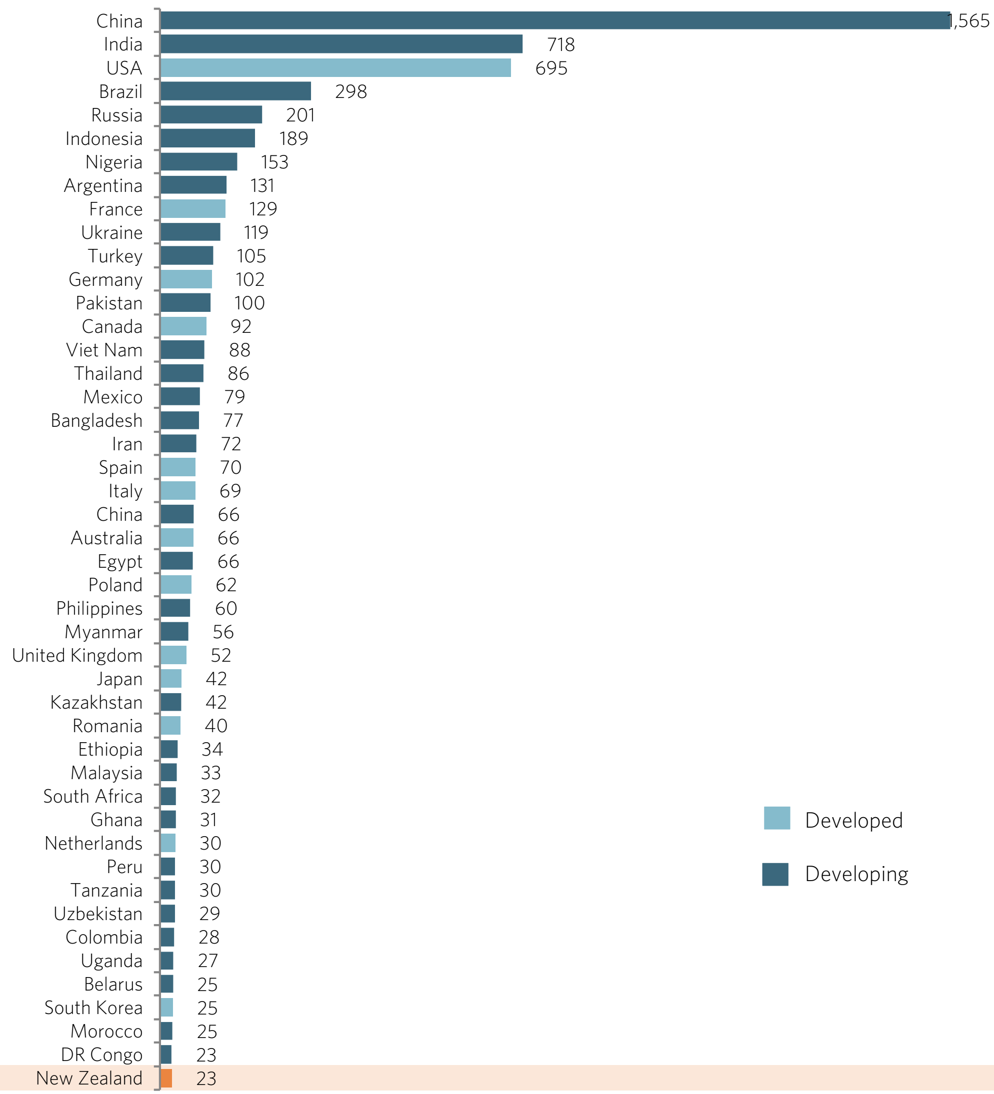
1. Unlike page prior contains 9m in "other"; Note: 2011 is latest data available for all countries globally in FAO AgStat as of October 2013; Source: UN FAO AgStat database; Coriolis analysis

TOP 46 FOOD PRODUCING COUNTRIES

New Zealand is the forty-sixth largest food producing country in the world; it is achieving the fastest growth rate of any major developed country producer

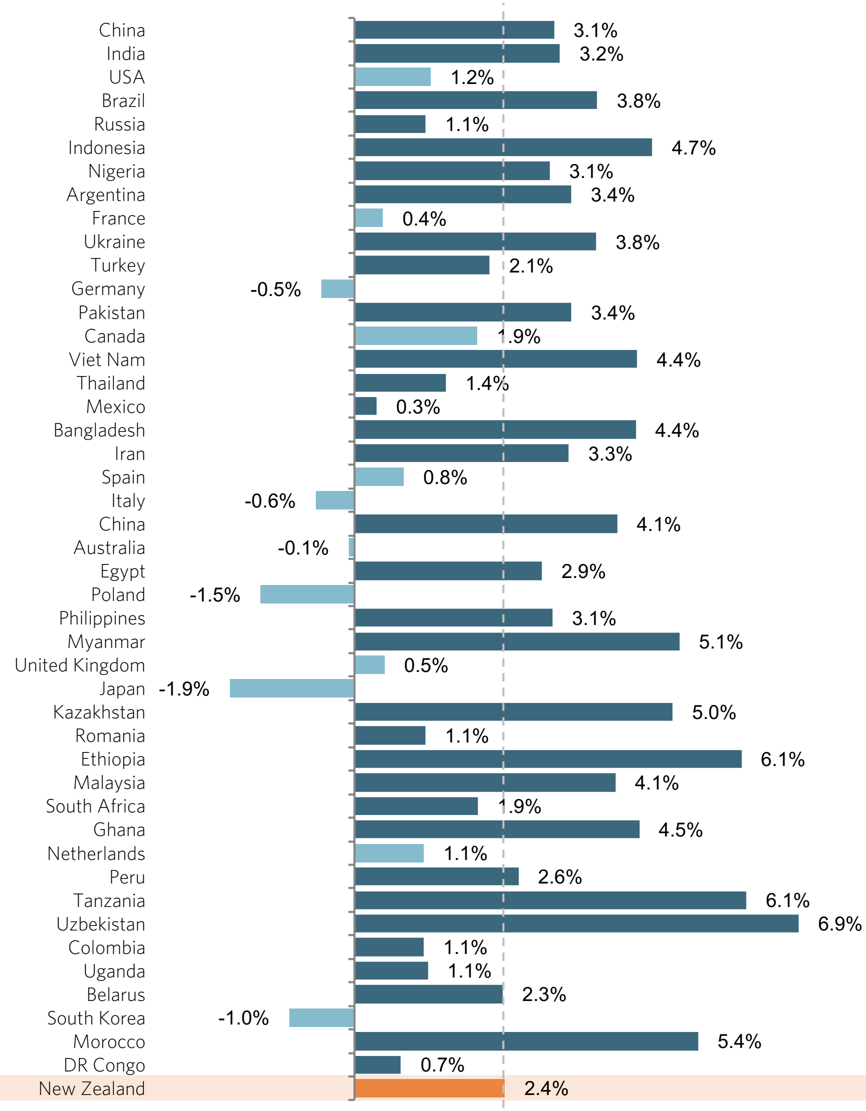
TOP 46 FOOD PRODUCERS

Tonnes; millions; 2011



10 YEAR PRODUCTION GROWTH RATE CAGR

% of tonnes; 2001-2011



Source: UN FAO AgStat database; Coriolis analysis

INPUTS

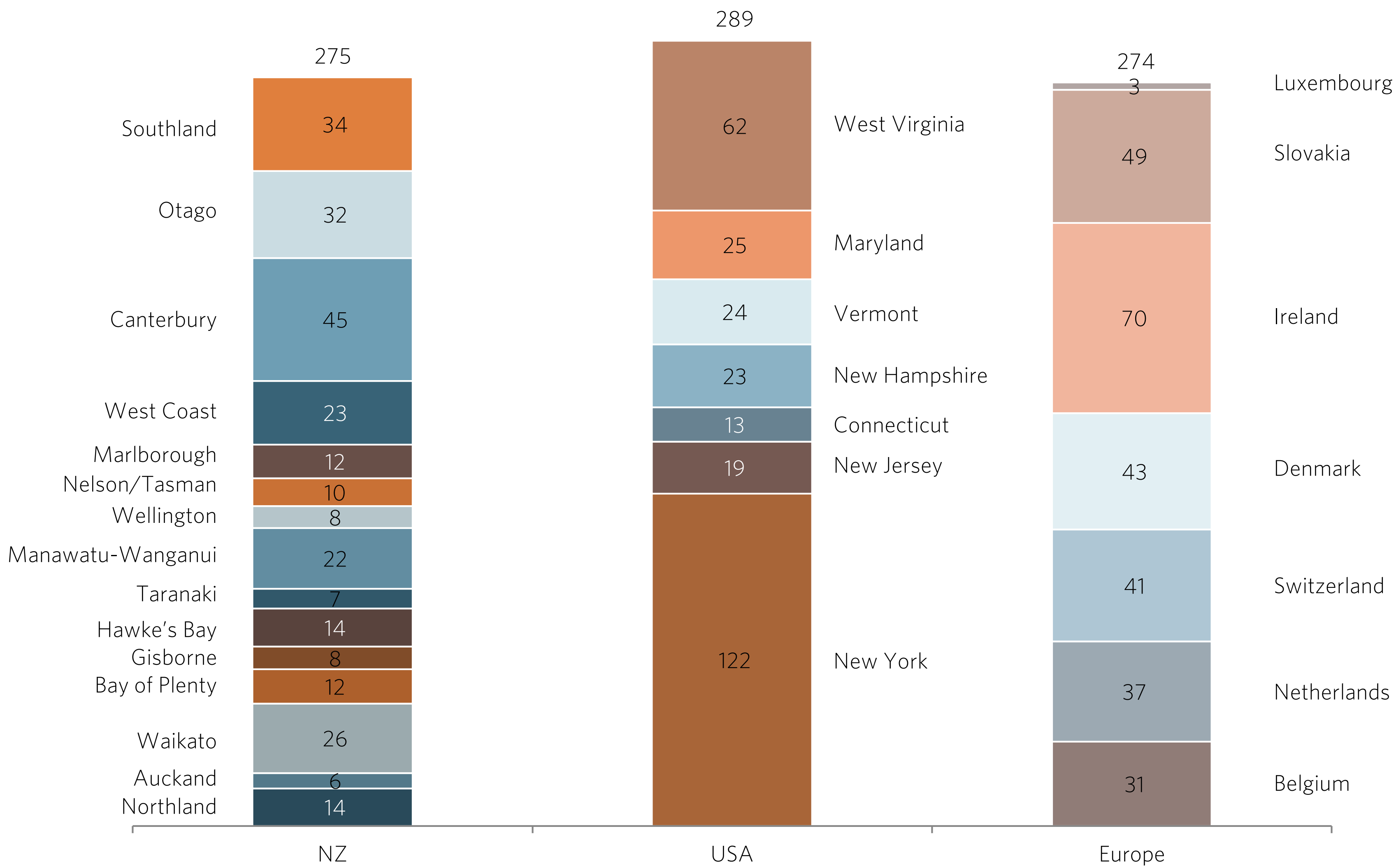
Overview

BENCHMARK - AREA

New Zealand is not a small country; many regions of New Zealand are the size of major European countries or American states

TOTAL AREA: NEW ZEALAND VS. SELECT US EAST COAST STATES VS. SELECT DEVELOPED PEER COUNTRIES

km²; 2013



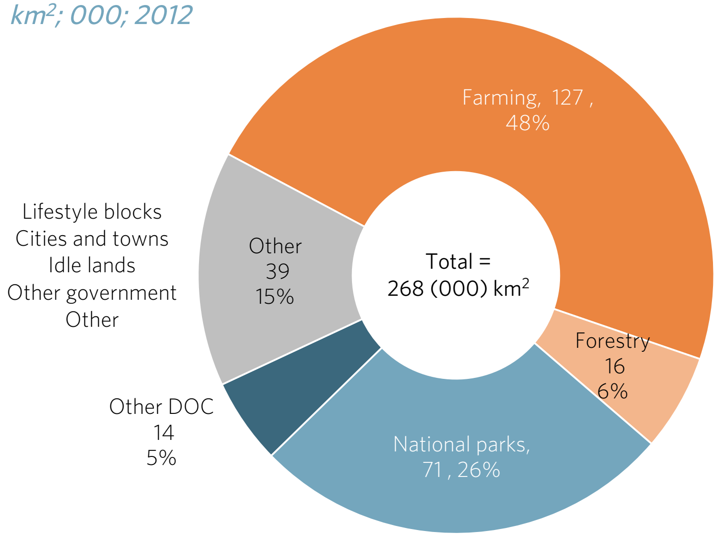
Source: Wikipedia; CIA World Fact Book; Coriolis analysis

NEW ZEALAND LAND USE

Farming uses 48% of New Zealand's land area, however most farmland is used for grazing; historical declines in total farm area appear to have slowed or stabilised over the past few years

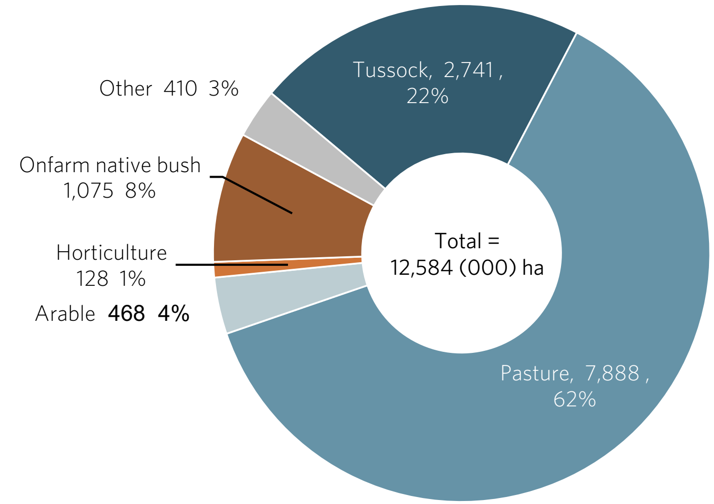
NEW ZEALAND LAND USE

km²; 000; 2012



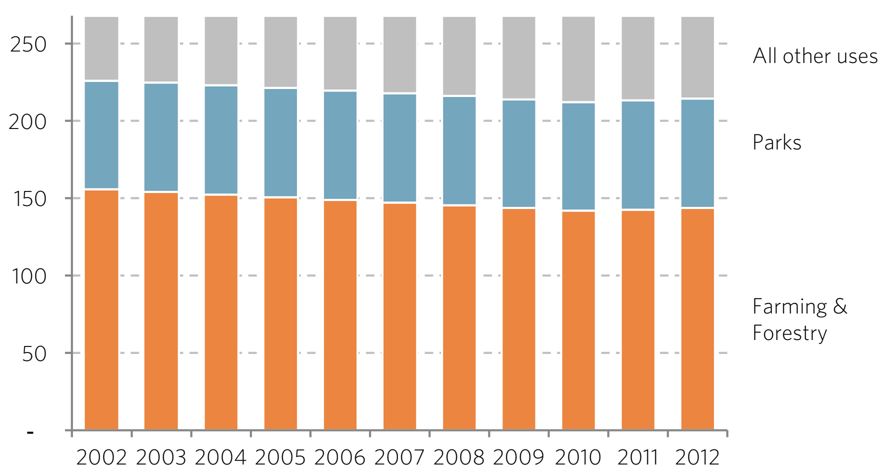
FARMING AREA BY LAND USAGE TYPE

Hectare; 000; 2012



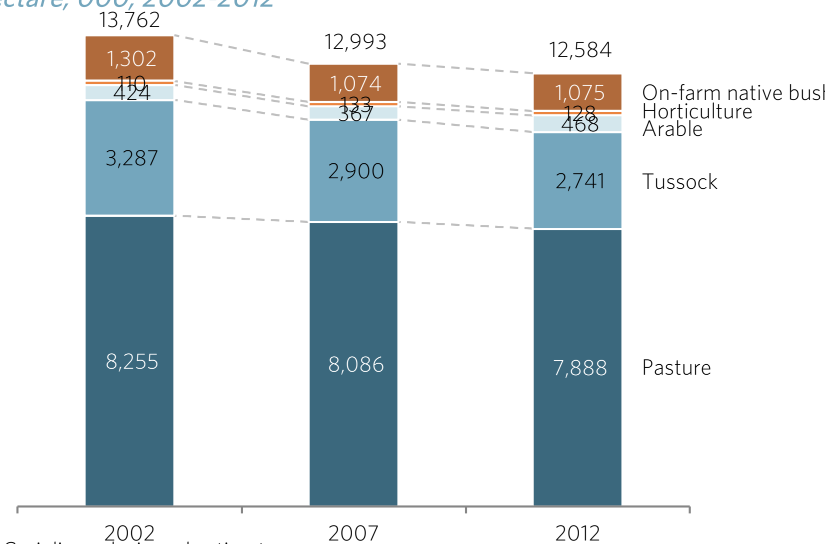
NEW ZEALAND LAND USE OVER LAST DECADE

km²; 000; 2002-2012



10 YEAR CHANGE IN FARMING AREA BY LAND USE

Hectare; 000; 2002-2012



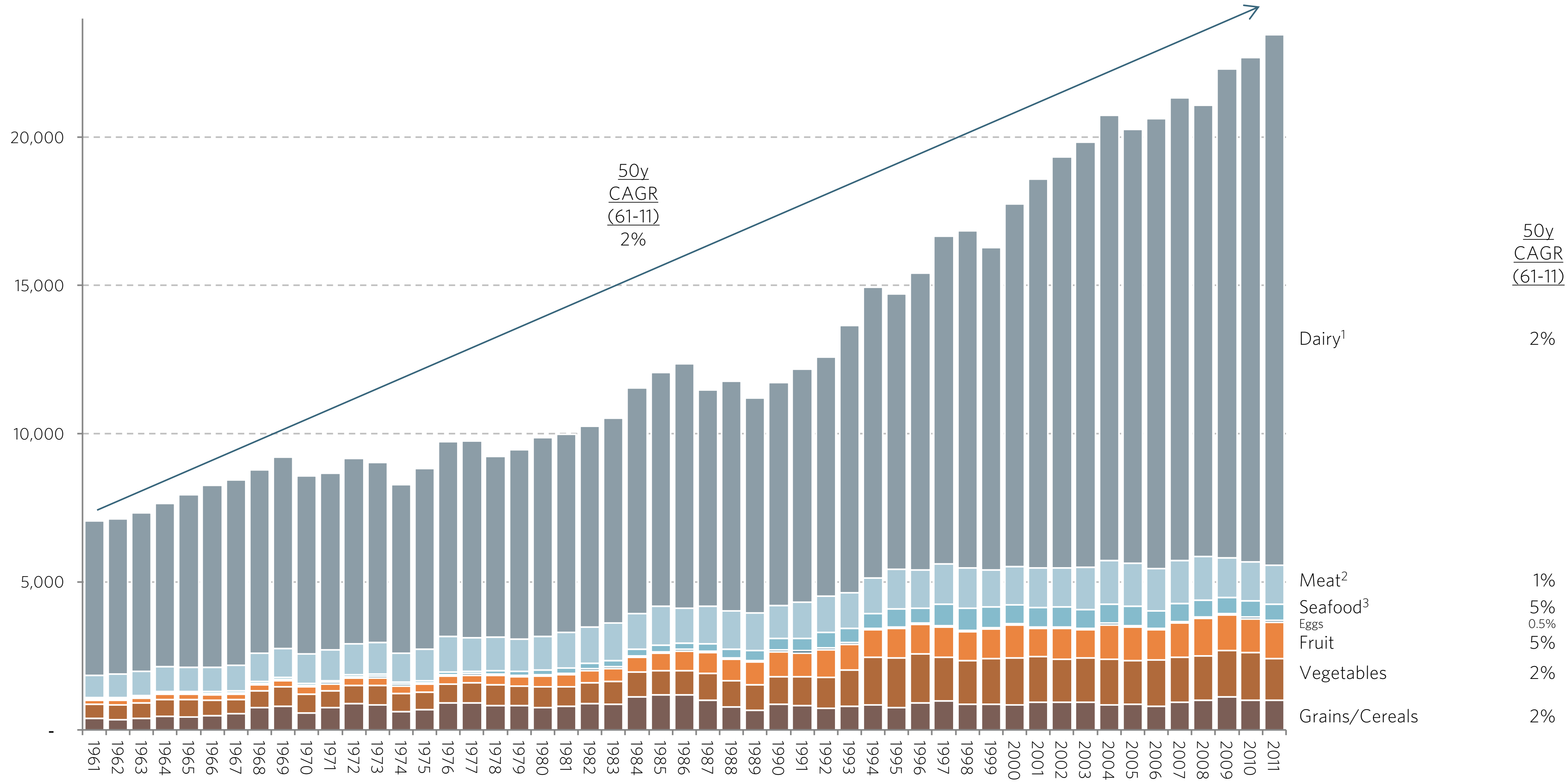
Source: Statistics New Zealand; World Database of Protected Areas (http://www.wdpa.org); Department of Conservation; Coriolis analysis and estimates

NEW ZEALAND – TOTAL FOOD VOLUME

New Zealand produces a large and growing volume of food, particularly dairy

TOTAL NEW ZEALAND FOOD PRODUCTION VOLUME AT FARM GATE

Tonnes; 000; 1961-2011



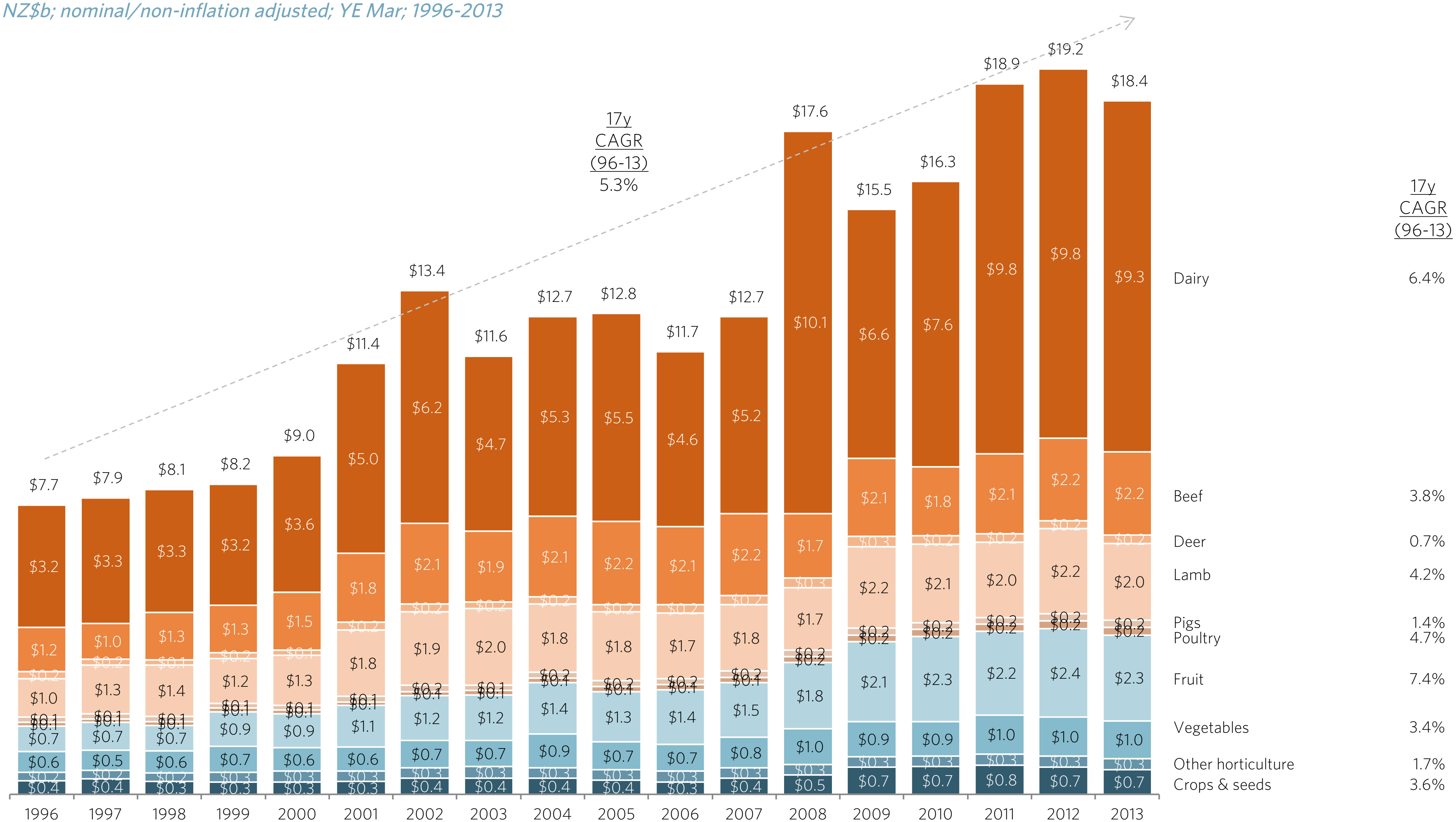
1. Not dried; 2. dressed but bone-in; 3. "green weight" as reported; Source: United Nations AgStat database; data is provided by MAF/MPI; Coriolis analysis

NEW ZEALAND – FARM GATE REVENUE

Farm gate revenue is growing medium term, though down in the most recent year

FARM GATE GROSS AGRICULTURAL REVENUE FROM FOOD AND BEVERAGE PRIMARY PRODUCTS

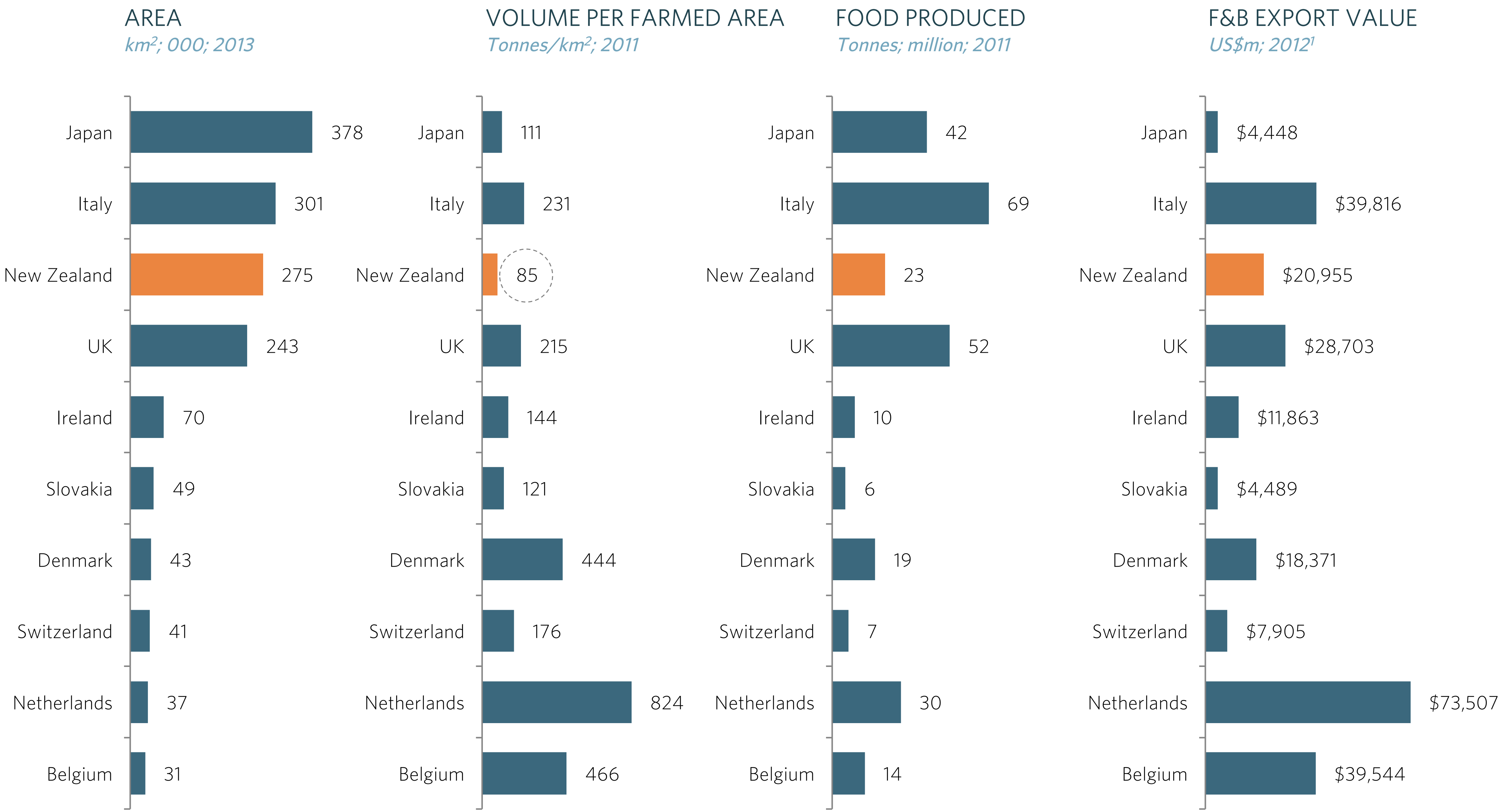
NZ$b; nominal/non-inflation adjusted; YE Mar; 1996-2013



Note: totals may not add due to rounding; Source: MAF SONZAF (various years); Coriolis analysis

BENCHMARK – PRODUCTION DRIVERS

Benchmarking with a range of size/climate peers highlights New Zealand's low yield per farmed hectare, driven by using a primarily pastoral system



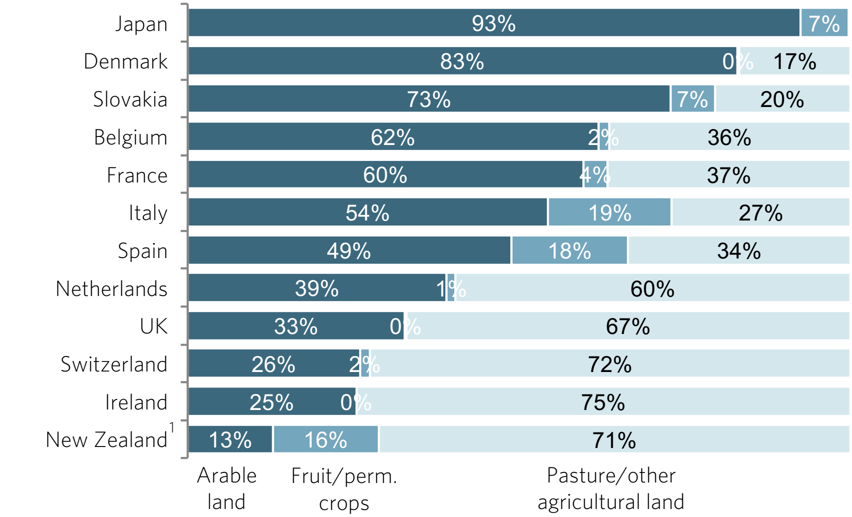
1. Italy uses 2011; Source: United Nations AgStat database; Coriolis analysis

TOTAL FOOD VOLUME

Peer group benchmarking suggests New Zealand has ample capacity to increase or intensify food production volume for the foreseeable future, though this will likely require land use change and more irrigation

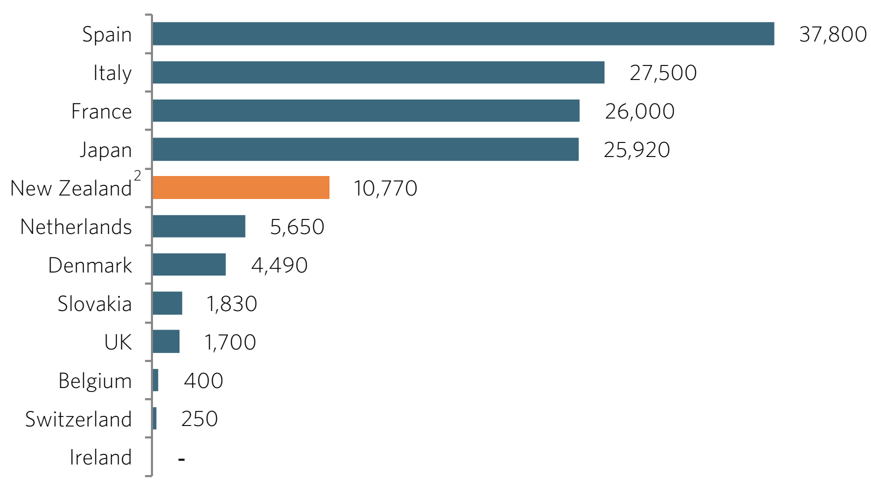
AGRICULTURAL LAND USE BY TYPE: NZ VS. PEERS

% of agricultural area; km²; 2012 or as available



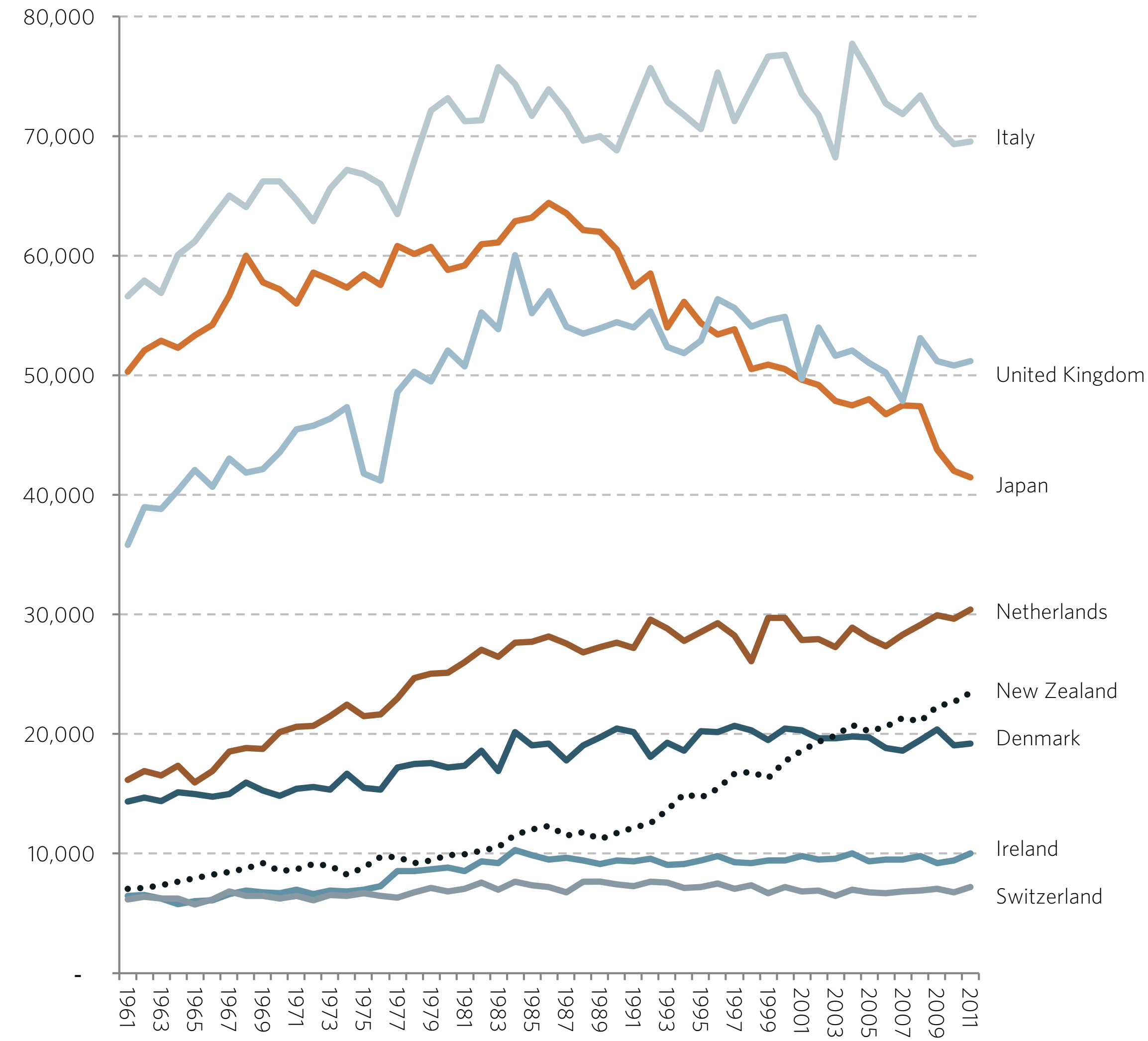
AREA IRRIGATED: NEW ZEALAND VS. PEERS

km²; 000; 2012 or as available



TOTAL FOOD PRODUCTION VOLUME AT FARM GATE

Tonnes; 000; 1961-2011



1. Data at source appears to excludes on-farm native bush and other; 2. available data is consented to irrigate not actually irrigated; Source: World Bank; CIA World Fact Book; UN AgStat database; Coriolis analysis

FIRMS

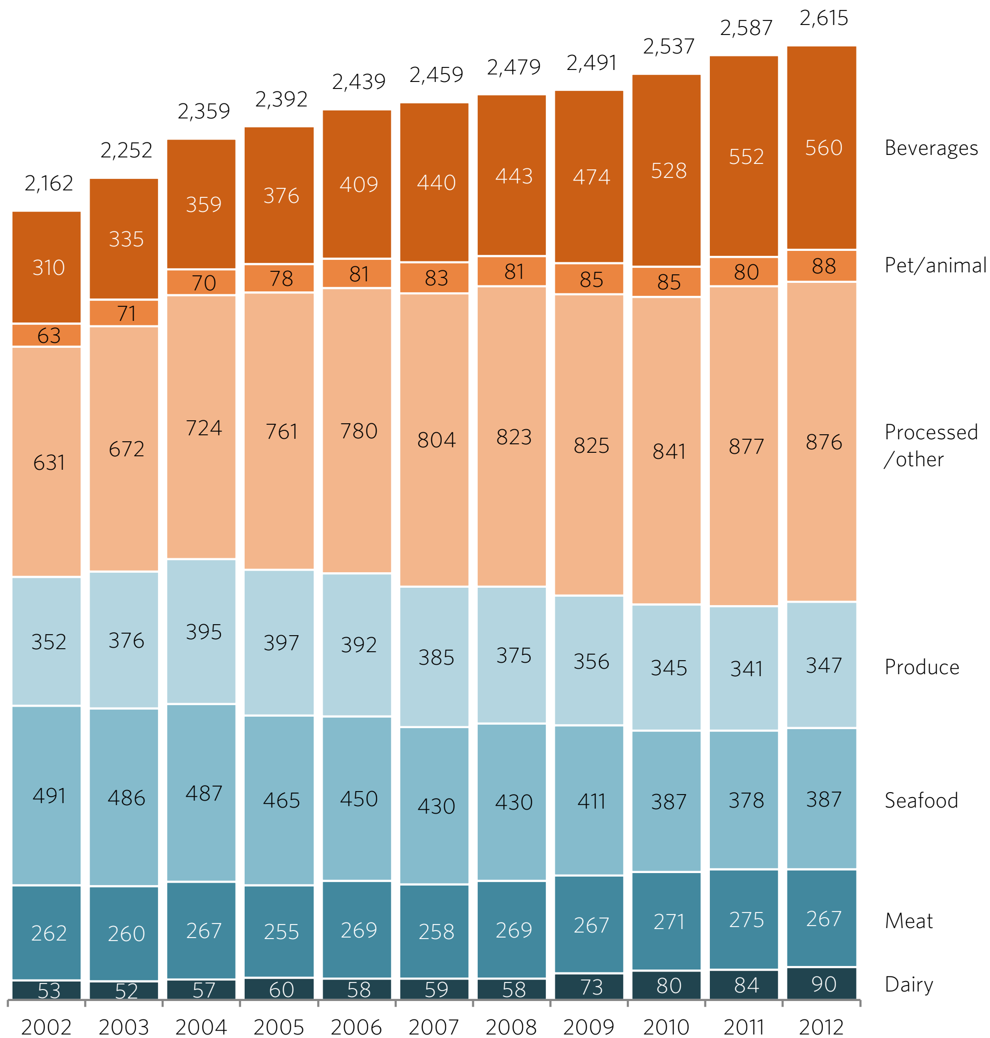
Overview

NUMBER OF FIRMS

The number of F&B firms has grown over the past year, five years and decade, led by processed/other and beverages

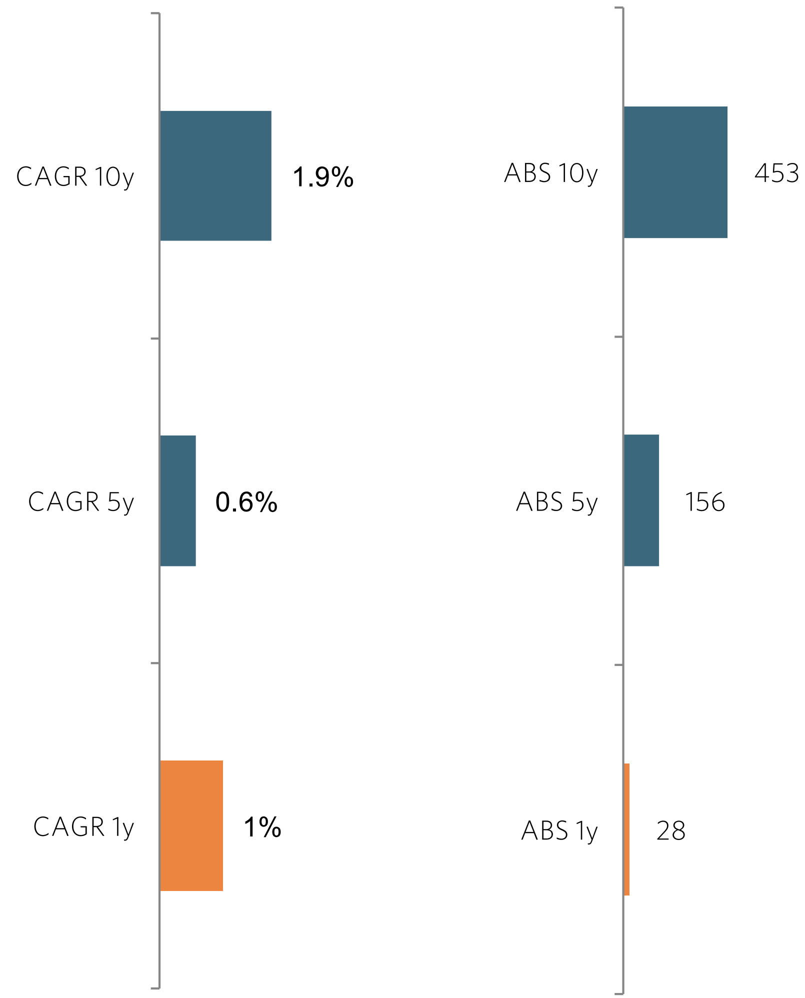
NUMBER OF F&B INDUSTRY ENTERPRISES

Enterprises; 2002-2012



CHANGE IN NUMBER OF F&B INDUSTRY ENTERPRISES

CAGR; absolute change; periods as given



Note: for this chart seafood includes seafood processing and aquaculture, but not fishing boats (see related document); Source: Statistics NZ business demographics database; Coriolis analysis

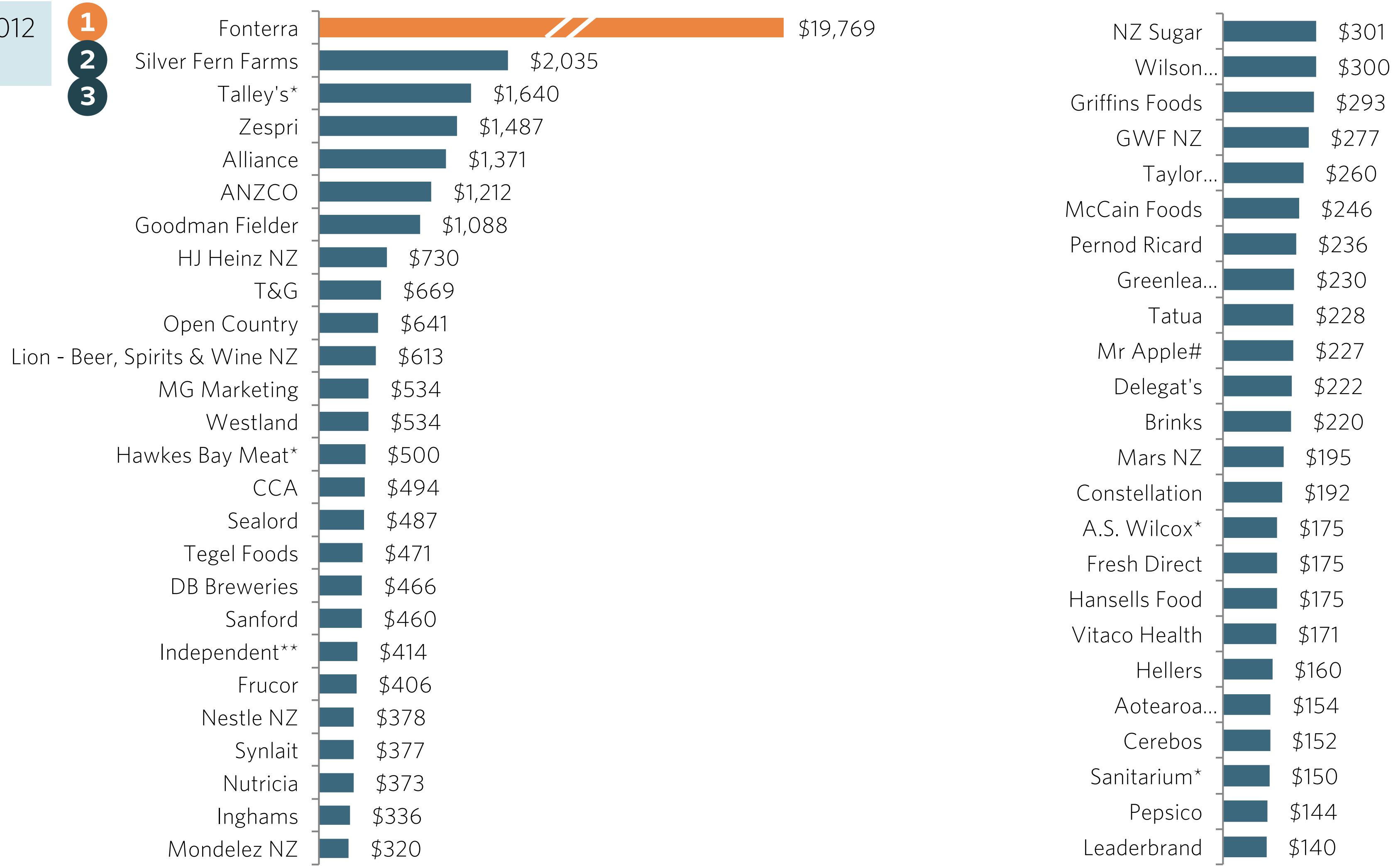
iFAB50 TOP 50 F&B FIRMS BY TURNOVER

The revenue of the Top 50 companies in FY2012 was over $42.8b

ANNUAL TURNOVER BY TOP 50 FOOD & BEVERAGE INDUSTRY FIRMS

NZ$m; FY2012

Total FY2012
$42.8b



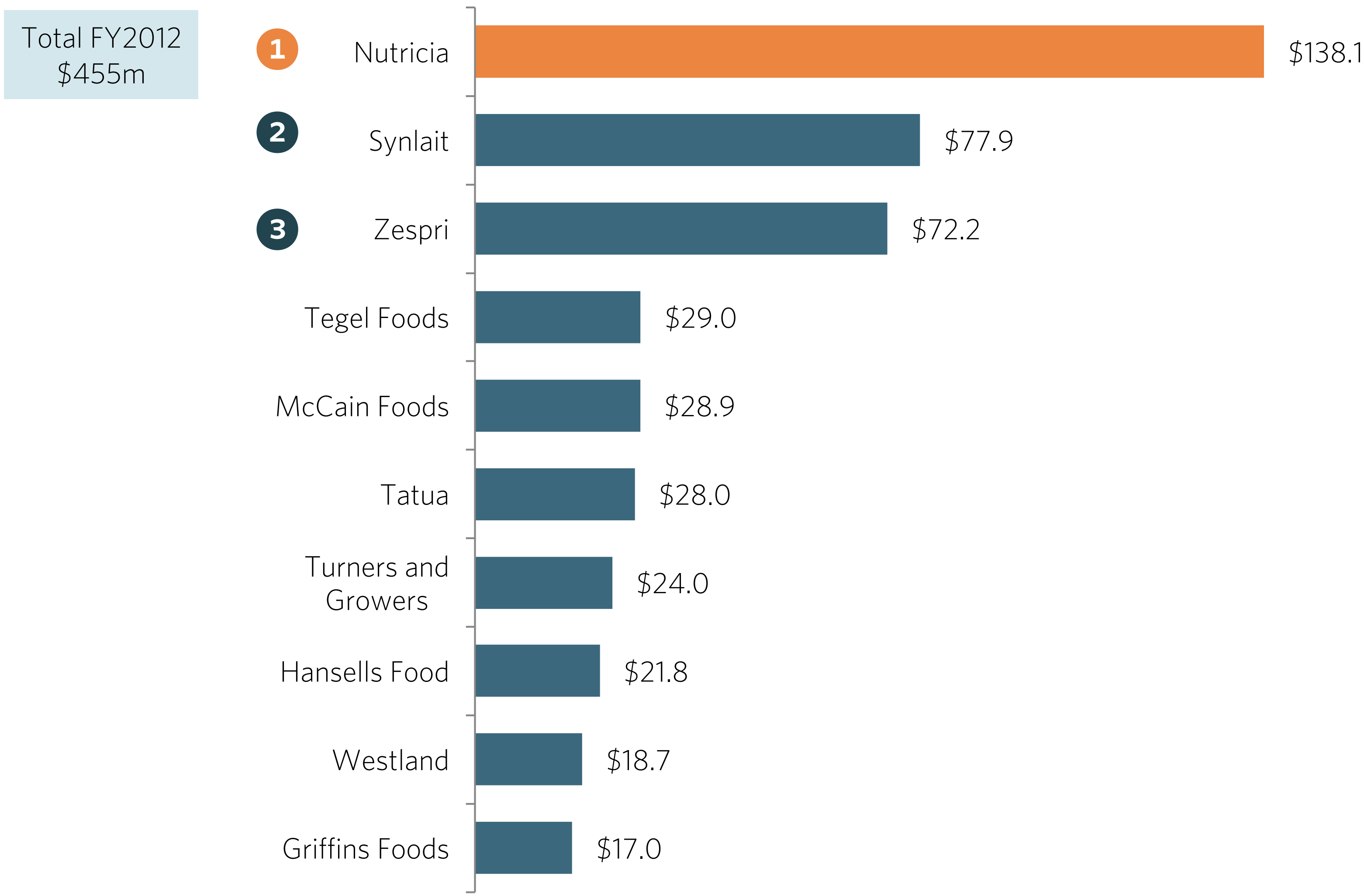
*Estimates based on # employees and industry sector averages; ** FY10 Independent Liquor; # Mr Apple figure is Scales operations; Note: Talley Group Includes estimate of AFFCO and Talley's seafood/processed foods turnover plus 54% of Open Country; Source: various company annual reports; NZCO; Coriolis interviews, estimates and analysis

iFAB50 TOP 10 F&B FIRMS BY TURNOVER GROWTH

The Top 10 companies (by revenue growth) grew by a combined total revenue of $455m

TOP 10 ANNUAL TURNOVER GROWTH

NZ$m; FY2012 vs FY2011



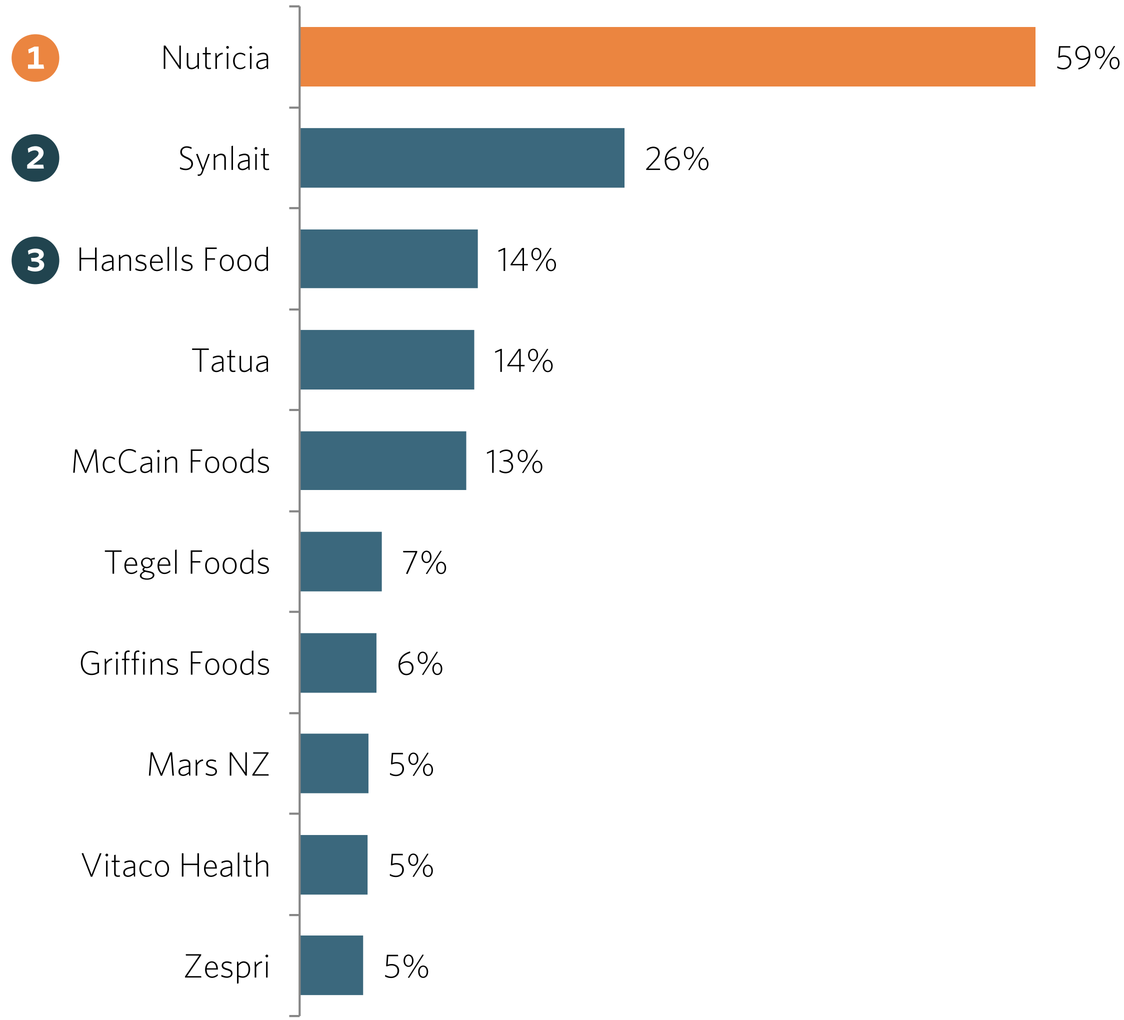
Excludes estimates; Source: various company annual reports; NZCO; Coriolis analysis

iFAB50 TOP 10 F&B FIRMS BY PERCENT TURNOVER GROWTH

Five of the iFAB50 companies showed significant double digit growth over the year

TOP 10 ANNUAL PERCENT TURNOVER GROWTH

% revenue; FY2012 vs FY2011



Miraka did not make the iFAB50 but is standout entering the market and jumping to $125m in 2012

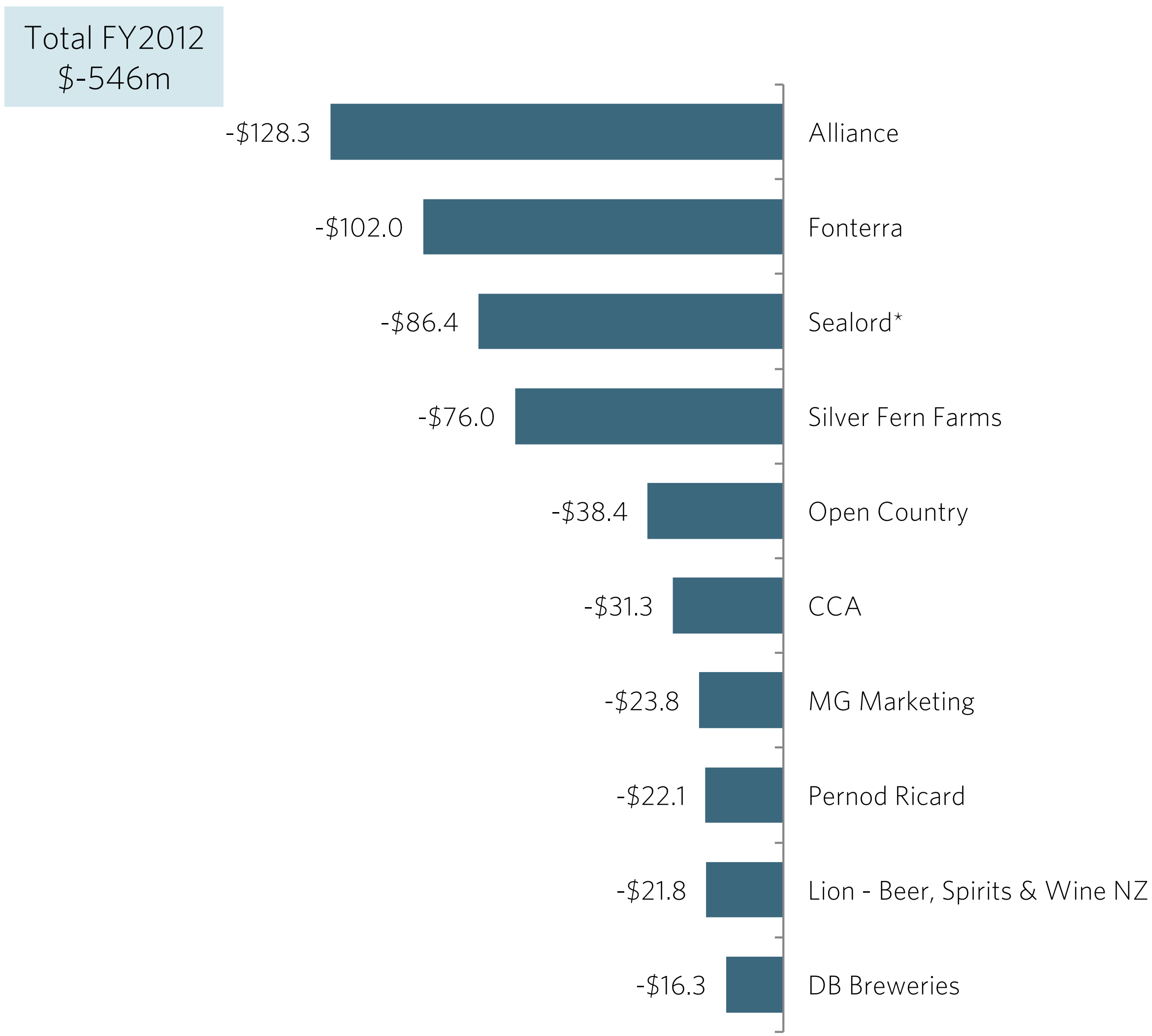
Excludes estimates; Source: various company annual reports; NZCO; Coriolis analysis

iFAB50 TOP 10 F&B FIRMS BY TURNOVER DECLINE

The TOP 10 turnover losses totalled $546m

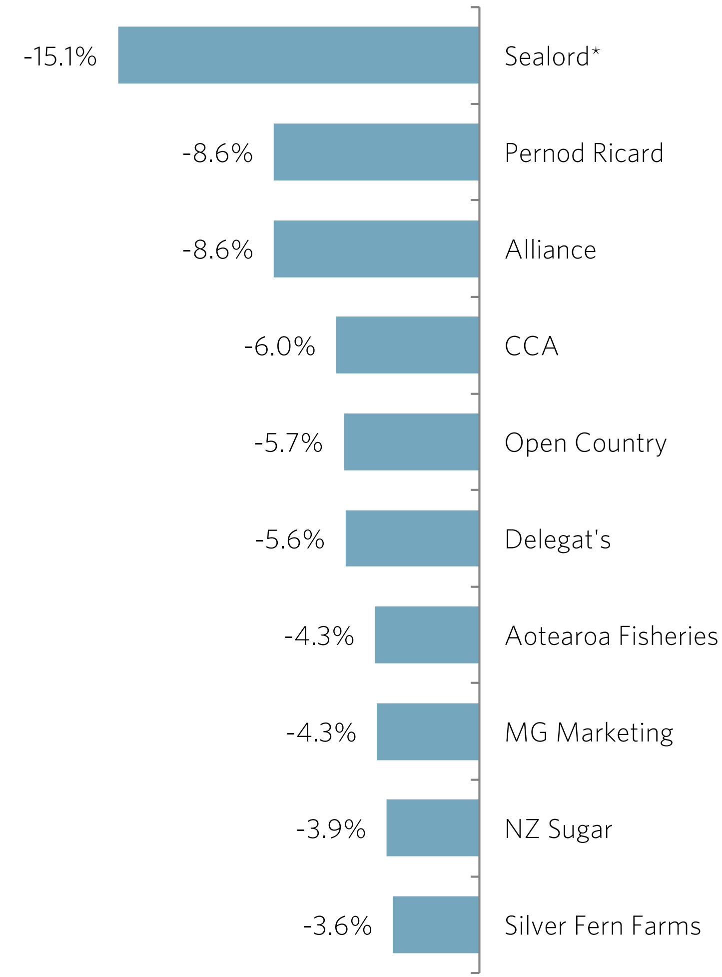
TOP 10 ANNUAL TURNOVER LOSSES

NZ$m; FY2012 vs FY2011



TOP 10 ANNUAL PERCENT TURNOVER DECLINE

% revenue; FY2011 vs FY2012



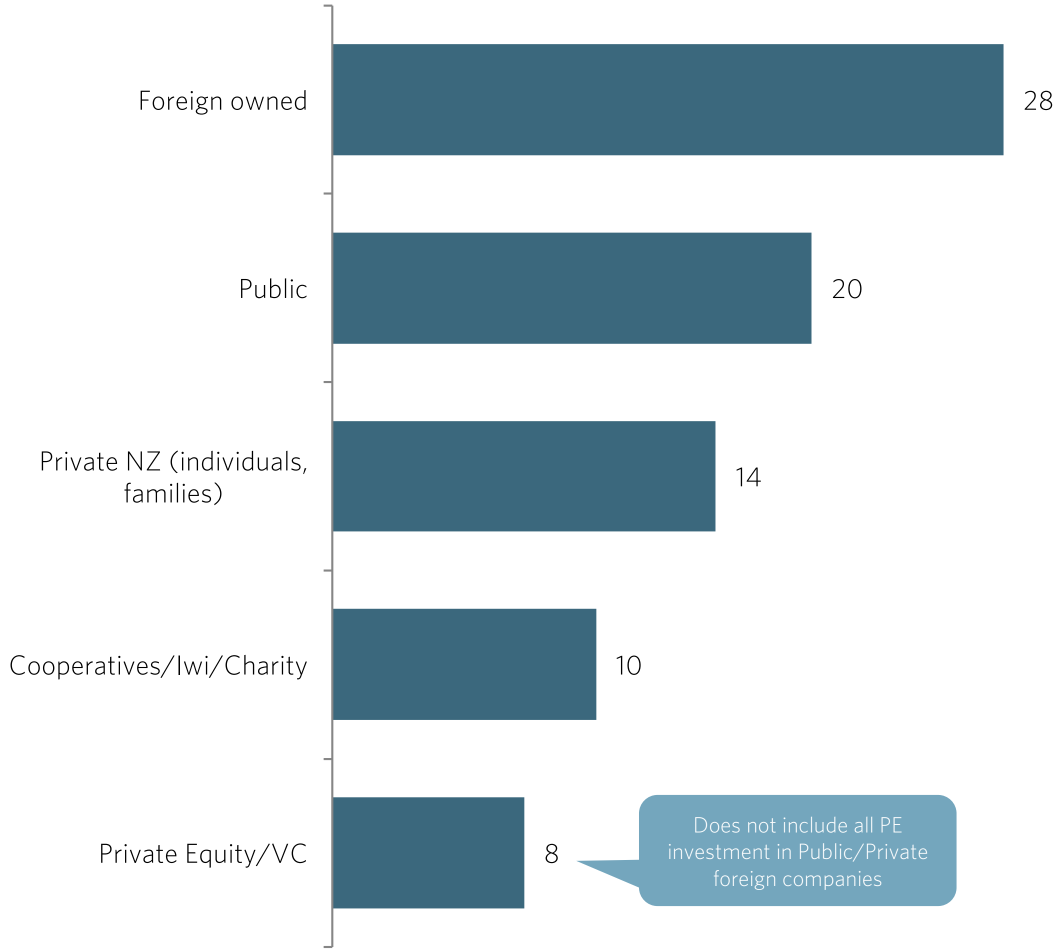
*Sealord figure compares FY11 15 months vs FY12 12 months; Excludes estimates; Source: various company annual reports; NZCO; Coriolis analysis

iFAB50 TOP 50 F&B FIRMS BY OWNERSHIP

Over half of the iFAB50 have full or part foreign ownership

TOP 50 OWNERSHIP MODELS

2013, (does not equal 50)



VC Venture Capital; Source: various company annual reports, websites, NZCO; Coriolis analysis

iFAB50 F&B FIRMS BY OWNERSHIP

Private Equity companies own (or part own) companies in NZ with revenues in excess of $3billion

PRIVATE EQUITY OWNERSHIP
Model, 2013

COMPANY REVENUE
NZ$m; FY2012

Total $3b

COMPANY REVENUE CHANGE
NZ$m; FY2012 vs FY2011

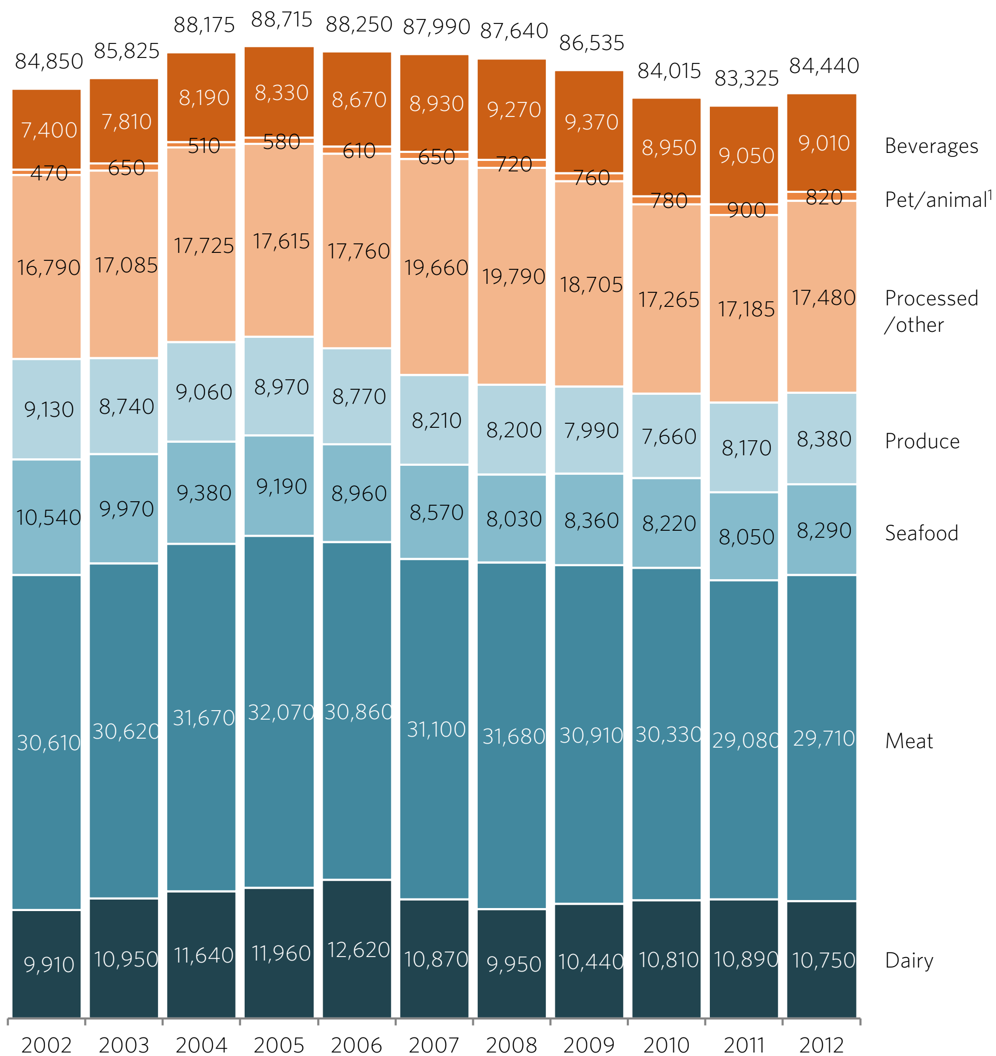
Source: various company annual reports, websites, NZCO; Coriolis analysis

KEY PRODUCTION METRICS

Total F&B industry employment is flat over the past decade and up in the last year, suggesting productivity improvements

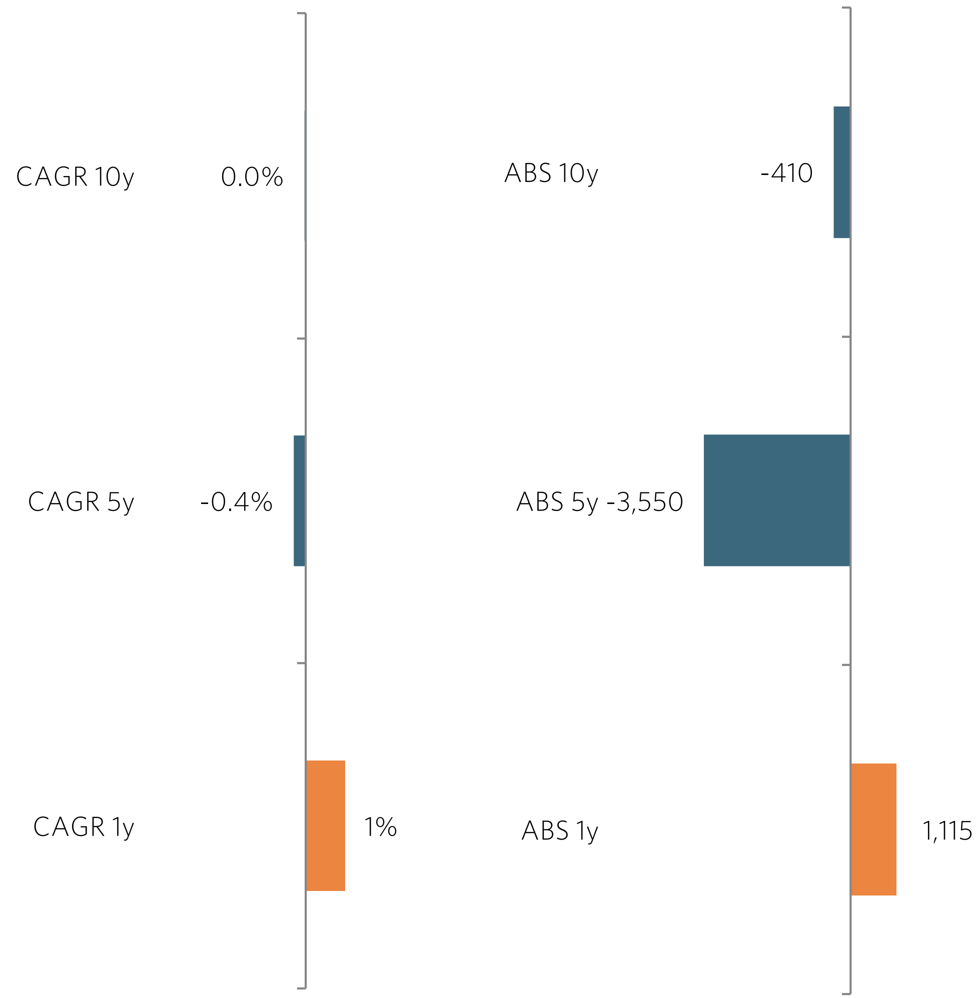
TOTAL EMPLOYMENT BY F&B PROCESSING ENTERPRISES

Headcount; as of Feb; 2002-2012



CHANGE IN TOTAL F&B INDUSTRY EMPLOYMENT

CAGR; Absolute change; periods as given



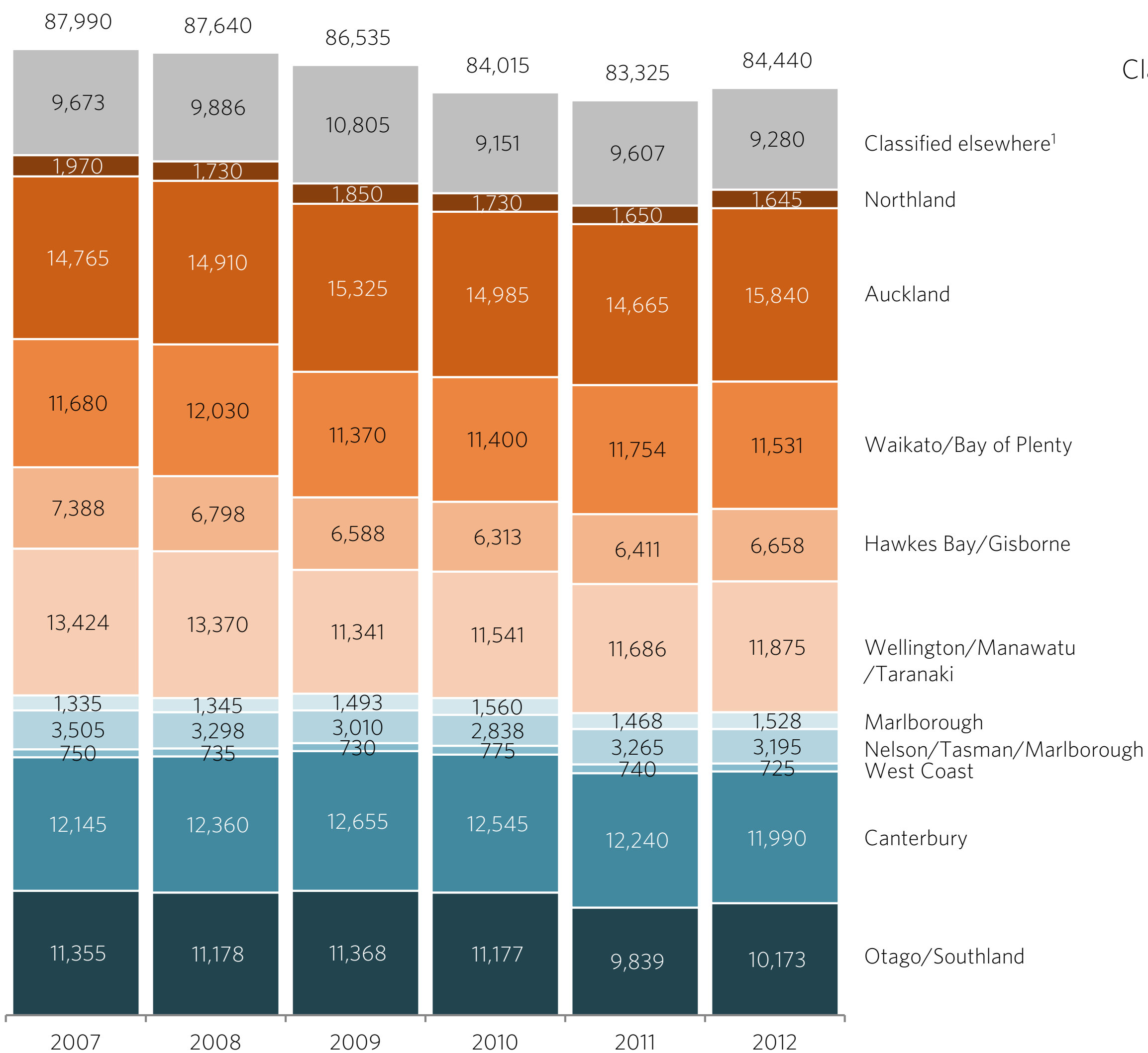
Note: 2012 data latest available as of October 2013; 1. Does not include employees of subsidiaries of processed foods firms (e.g. Mars, Nestle & Heinz) which are counted under processed/other;
Source: Statistics NZ business demographics database; Coriolis analysis

EMPLOYMENT BY REGION

F&B industry employment down across most regions over last five years other than Auckland

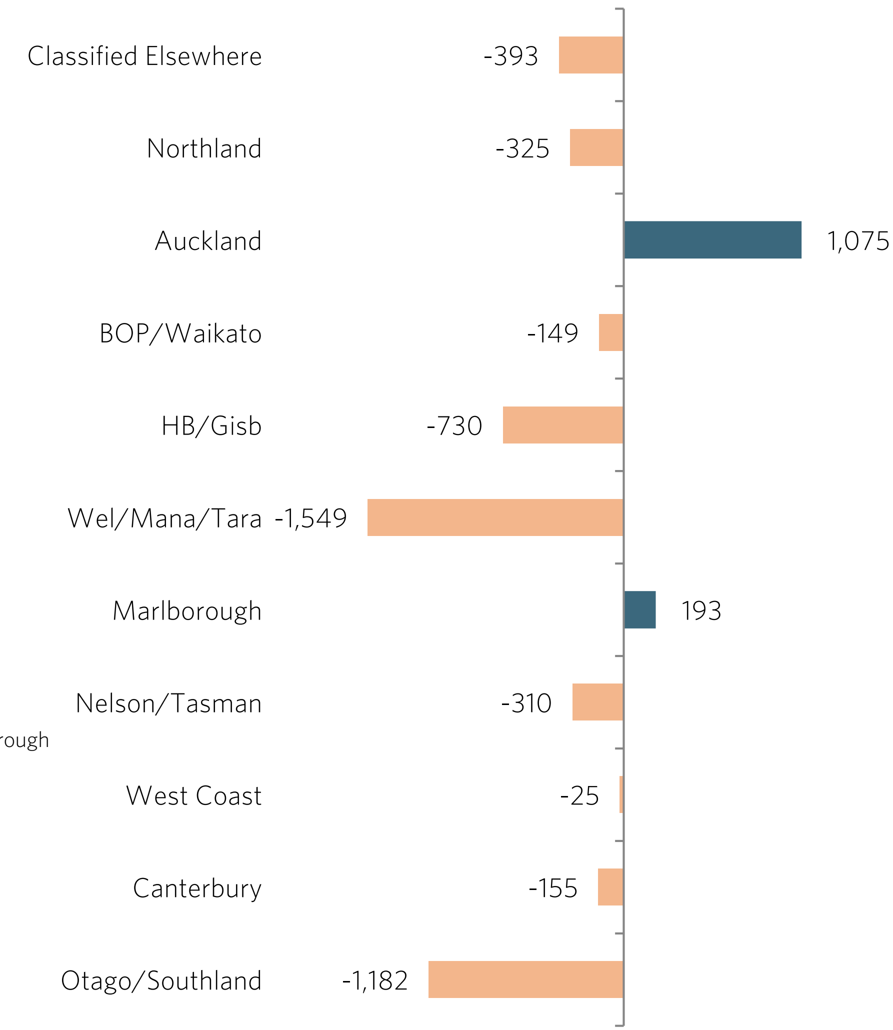
F&B INDUSTRY EMPLOYMENT BY REGION

Headcount; as of Feb; 2007-2012



5 YEAR CHANGE IN EMPLOYMENT BY REGION

CAGR; Absolute change; 2007-2012



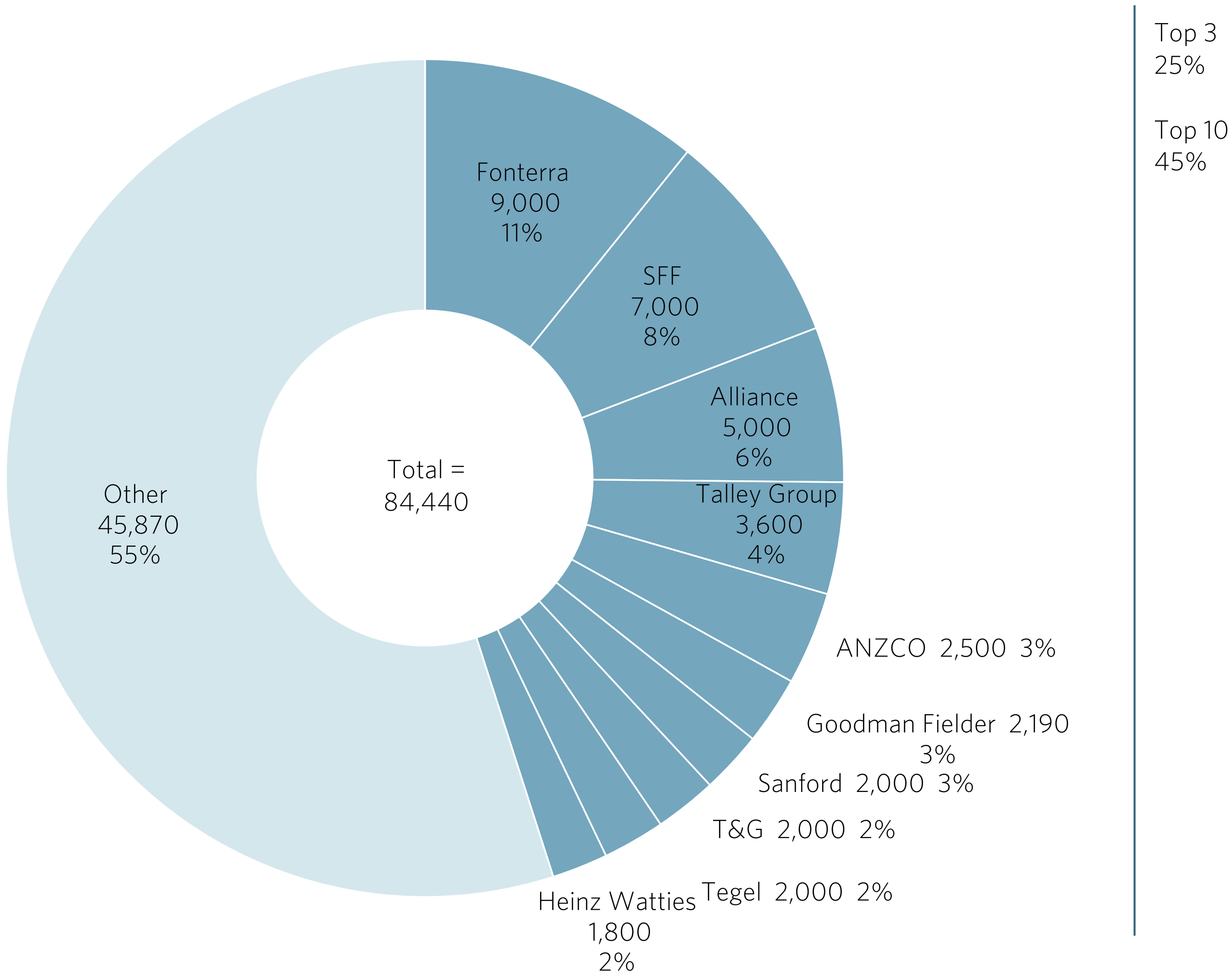
1. Data is geographic level; classified elsewhere would include non-dairy processing activities (e.g. wholesaling); Source: Statistics New Zealand; Coriolis analysis

EMPLOYMENT BY FIRM

The top ten firms in the F&B industry account for 45% of industry employment; a long tail of other firms account for the other 55%

F&B PROCESSING INDUSTRY EMPLOYMENT BY KEY FIRM

Headcount; total 2012 and companies 2013



Note: Talley Group incorporates Talley's, AFFCO & Open Country; Fonterra is domestic NZ employment Source: SNZ business demographics; various websites; published articles; Coriolis interviews & analysis

iFAB TOP TEN NEW F&B INVESTMENTS

All of the iFAB Top Ten largest F&B investments that have emerged over the past few years are in the dairy industry and total almost NZ$2b

IDENTIFIED MAJOR INVESTMENTS IN NEW F&B PLANT/EQUIPMENT IN NEW ZEALAND

As of October 2013

#	Announced	Investment	Firm	Facility	Location	Opened/planned
1	2010	$500	Fonterra	World's largest 30 tonne an hour dryer Opened in two phases	Darfield	Phase 1 : August 2012 Phase 2: Sept 2013
2	Apr 2013	$250m	Fonterra	Evaluating extending plant and building another spray dryer	Pahiatua	-
3	Dec 2012	$214m	Yili	Infant formula plant (47,000t, 100 people)	Glenavy, Canterbury	June 2014
4	Feb 2013	$212m	Yashili	Processing plant (52,000t, 120 people)	Pokeno	Feb 2015
5	Jan 2013	$126m	Fonterra	New UHT plant (Milk and cream for FS), 90 new staff	Waitoa, Waikato	March 2014
6	2013	$103m + $17m	Synlait	Dryer 3 (WMP, SMP, formulated) + new Dry store (22,500m2)	Dunsandel, Canterbury	Aug 2015 March 2014
7	June 2011	$100m	Synlait	New plant (Dryer 2, for IF and Nutritionals)	Dunsandel, Canterbury	Sept 2011
8	Sept 2012	$100m	Westland	Three dryer powder plant, - consents granted Feb 2012	Rolleston	-
9	July 2010	$90m	Miraka	Milk powder plant (35,000 WMP)	Mokai, Taupo	August 2011
10	April 2013	$67m	Dairy Goat	Second dryer (4x capacity), + canning	Hamilton	Aug 2014

Source: Coriolis from various published articles and annual reports

iFAB TOP TEN F&B ACQUISITIONS

The iFAB Top Ten acquisitions in the New Zealand F&B sector accounted for over NZ$1.5b worth of assets changing hands; the Berkshire/3G acquisition of Heinz, including Heinz-Watties NZ, being the largest

IDENTIFIED MAJOR ACQUISITIONS INVOLVING NEW ZEALAND F&B FIRMS

As of October 2013

#	Acquirer	Target	Total price (global)	NZ Total Assets	Date	Details
1	Berkshire Hathaway & 3G Capital	H.J. Heinz (incl. Heinz-Watties)	US$2.8b (incl. debt)	NZ$685m (FY13)	Jun 2013	Private equity acquired Heinz globally including Heinz-Watties NZ
2	Texas Pacific Group (TPG)	Inghams (incl. Inghams NZ)	A$850m	NZ$232m (FY12)	Mar 2013	US private equity acquires #1 AU & #2 NZ chicken processor
3	BayWa	Turners & Growers	NZ$157m for 72.5%		Mar 2012	BayWa of Germany acquired GPG share in T&G
4	Heineken	~50% of APB/DB it did not own	S$7.9b	NZ$150m (50% of NZ$298m	Sep 2012	Dutch brewer acquires remaining 50% of AP Breweries it does not own (APB owns DB Breweries NZ)
5	Nisshin Seifun Group	Champion Flour	NZ$55m		Dec 2012	Major New Zealand flour miller from Goodman Fielder
6	Fonterra	6% of Bega Cheese Australia	A$46m NZ$52m		Nov 2013	Acquired 6% of Australian cheese firm; “longstanding partnership”
7	Eastpack	Satara	Acquisition /merger	$50m (Satara FY11)	Mar 2013	Mergerof the #1 and #2 postharvest kiwifruit and avocado companies; Satara delisted and the new company called EastPack
8	Fonterra	New Zealand Dairies Nutritek Russia	NZ$48.5m		Sept 2012	Milk processing factory Studholme ,Waimate (former assets owned by Nutritek), purchased out of receivership
9	GrainCorp	Gardner Smith	A$302m	NZ$47m	Aug 2012	Major Australian oilseed crusher
10	Delegat's	Barossa Valley	A$24.7m NZ$28m		Apr 2013	Acquisition of the assets of Barossa Valley Estate including a 41 hectare vineyard and 5,000 tonne winery in the Barossa Valley

TOTAL TOP 10 = ~NZ$1.5b

Source: Coriolis from various published articles and annual reports

FOREIGN INVESTORS

The New Zealand F&B industry has attracted investment from a wide range of global leaders

EUROPE

Unilever, Cadbury, Pernod Ricard, Associated British Foods plc, LVMH Moët Hennessy. Louis Vuitton, Danish Crown, Tate & Lyle, DSM Bright Science. Brighter Living., Danone, Nestlé Good Food, Good Life, Kerry, FrieslandCampina, Heineken, Glencore International plc, Viterra, BayWa, Levarht import - export, Första AP-Fonden

AMERICAS

Mondelēz International, Heinz, PepsiCo International, Mars, McCain, gsf golden state foods, Constellation, Simplot, 3G Capital, General Mills, E&J Gallo Winery, Wilbur-Ellis, TPG, Berkshire Hathaway Inc., OSI, Foley Family Wines, Bacardi, Marfrig Group

AUSTRALIA

goodman fielder, Treasury Wine Estates, Love'em Ingham, GWF, PEP Pacific Equity Partners, NextCapital, Gourmet Food Holdings, Negociants New Zealand, freedom foods, CCA Coca-Cola Amatil, Markwell Foods, Gardner Smith, GrainCorp

ASIA

Suntory, Kirin, Asahi, Nissui, Mitsui & Co., Itoham, Maruha Nichiro, 株式会社シンポフーズ, Imanaka Ltd., Cerebos, Olam, wilmar, Kasisuri, Vinamilk, RH Group 常青集团, Affinity Equity Partners, 日清製粉グループ, 光明食品(集团)有限公司 Bright Food (Group) Co., Ltd., Mengniu 蒙牛, 伊利, EMPH, Alliance Select Foods International, Inc., Etika

FOREIGN INVESTORS – NEW ARRIVALS

A wide range of new arrivals have invested in the New Zealand food & beverage industry over the past few years

RECENT NEW FOREIGN INVESTMENT IN NEW ZEALAND FOOD INDUSTRY

As of October 2013

2010

- VINAMILK
- 光明食品(集团)有限公司 BRIGHT FOOD (GROUP) CO., LTD.
- freedom FOODS HONEST, NUTRITIOUS & FREE
- wilmar
- Mondelēz International
- Alliance Select Foods International, Inc.

2011

- AFFINITY EQUITY PARTNERS
- KASISURI
- Asahi

2012

- 伊利
- BayWa
- TATE & LYLE
- GrainCorp

2013

- FrieslandCampina
- MENGNIU 蒙牛
- YASHILY 雅士利
- TPG
- 3G Capital
- Berkshire Hathaway Inc.
- 日清製粉グループ
- DSM BRIGHT SCIENCE. BRIGHTER LIVING.
- FÖRSTA AP-FONDEN

Source: Coriolis from various published articles and annual reports

PROFILES

Overview

iFAB 2013

iFAB50 FIRM PROFILES

1	2	3	4
FONTERRA CO-OPERATIVE GP	**SILVER FERN FARMS**	**TALLEY'S GROUP**	**ZESPRI INTERNATIONAL**
			
Theo Spierings Chief Executive	**Keith Cooper** Chief Executive	**Michael & Peter Talley** Joint Managing Directors	**Lain Jager** Chief Executive Officer
DESCRIPTION: Fourth largest dairy company in the world by turnover; first by milk intake	DESCRIPTION: Leading processor, marketer and exporter of lamb, beef, venison to 60 countries, 16,000 farmers over 22 processing sites	DESCRIPTION: Family owned food business in four main divisions of Seafood, Meat (AFFCO), Frozen Vegetables and Dairy (54% Open Country Dairy)	DESCRIPTION: Exporter and marketer of Kiwifruit, originally NZ Kiwifruit Marketing Board; corporatised Legal monopsony outside Australia; sales for 2,700 growers
KEY PRODUCTS: Milk powder, butter, cheese, yoghurt, formulas and other dairy products	KEY PRODUCTS: Meat (Lamb, beef, venison), wool, pelts, byproducts and co-products	KEY PRODUCTS: Meat cuts, frozen vegetables, frozen seafood and dairy ingredients	KEY PRODUCTS: Kiwifruit marketer
OWNERSHIP: NZ Co-operative (10,578 farmer shareholders)	OWNERSHIP: NZ; Co-operative (16,000 farmers)	OWNERSHIP: NZ; Private (100%Talley's Group)	OWNERSHIP: NZ; Corporate (kiwifruit growers)
COMPANY NUMBER: 1166320	COMPANY NUMBER: 149713	COMPANY NUMBER: 168346/ 3342490	COMPANY NUMBER: 1027483
ADDRESS: 9 Princes Street, Auckland Central, Auckland 1010	ADDRESS: 218 George Street, Dunedin 9016 , New Zealand	ADDRESS: Port Motueka, Motueka, South Island	ADDRESS: 400 Maunganui Road Mount Maunganui
PHONE: +64 9 374 9000	PHONE: +64 3 477 3980	PHONE: +64 3 3 528 2800	PHONE: +64 7 572 7600
WEBSITE: www.fonterra.com	WEBSITE: www.silverfernfarms.com	WEBSITE: www.talleys.co.nz, www.affco.co.nz;	WEBSITE: www.zespri.com
YEAR FORMED: 2001	YEAR FORMED: 1948	YEAR FORMED: 1936 / 1904 (AFFCO)	YEAR FORMED: 1988
STAFF EMPLOYED: 17,000 (~9,000 NZ)	STAFF EMPLOYED: 7,000 (peak)	STAFF EMPLOYED: ~3,600	STAFF EMPLOYED: 250
REVENUE: $19,769 (FY12) $18,643m (FY13)	REVENUE: $2,035 (FY12)	REVENUE: $1,640*	REVENUE: $1,448m ('13) $1,487 ('12)
COMPANY HIGHLIGHTS: Drought; precautionary recall; plant expansions in NZ, New plants in Asia, Investment of ~$1b in dairy farms in China	COMPANY HIGHLIGHTS: Part of FarmIQ $150m joint investment ; Rebuilt flagship Te Aroha plant after fire; x-ray machines to be added to all plants to measure cuts and yields	COMPANY HIGHLIGHTS: MDC approved +16ha expansion of three mussel farms in Pelorus Sounds (Sep 2013) Involved in industrial disputes between meatworkers' union and AFFCO	COMPANY HIGHLIGHTS: Global sales and volumes of kiwifruit lower that last year but returns to orchard higher, continued recovery post Psa plant losses, ongoing grafting to new varieties; success of Sungold (G3) in the market

Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

5	6	7	8
ALLIANCE GROUP	**ANZCO FOODS** 	**GOODMAN FIELDER NZ LTD** 	**HEINZ WATTIES**
Grant Cuff Chief Executive	**Mark Clarkson** Managing Director	**Peter Reidie** Managing Director GFNZ	**Michael Gibson** Chief Executive Officer
DESCRIPTION: Processor of lamb, sheep, beef and venison; 5,000 farmers send to 8 plants	DESCRIPTION: Vertically integrated farming and manufacturing facilities; leading exporter of beef and sheep meat over 11 sites	DESCRIPTION: Manufacture, marketing and distribution of food and dairy products in NZ, Australia and Asia-Pacific	DESCRIPTION: two plants in Hawkes Bay, 1 Canterbury producing processed vegetables, foods, sauces
KEY PRODUCTS: Lamb, sheep, beef and venison meat cuts, byproducts and co-products	KEY PRODUCTS: Beef, lamb, sheep meat, healthcare solutions, offals and co-products, prepared and gourmet foods	KEY PRODUCTS: Baking, dairy, meals, bread, biscuits, smallgoods, dressings	KEY PRODUCTS: Frozen vegetables, sauce, soups, jams, meals, processed meat-based foods, petfood
OWNERSHIP: NZ; Co-operative (5,000 farmers)	OWNERSHIP: NZ/Japan (Itoham 48%; Nippon 25.1%; Harrison 12.6%; JANZ 11.7%; others)	OWNERSHIP: Australia: Public (ASX/NZX) wholly owned subsidiary of Goodman Fielder Ltd	OWNERSHIP: USA: Private (HJ Heinz; Berkshire Hathaway & 3G Capital)
COMPANY NUMBER: 154786	COMPANY NUMBER: 656378	COMPANY NUMBER: 1508360	COMPANY NUMBER: 540128 562309 (H.J Heinz Company (NZ) Ltd
ADDRESS: 51 Don Street, Invercargill	ADDRESS: Unit 2, 49 Sir William Pickering Drive, Harewood, Christchurch	ADDRESS: 2/8 Nelson Street, Auckland Central, Auckland	ADDRESS: 46 Parnell Road, Parnell, Auckland
PHONE: +64 3 214 2700	PHONE: +64 3 358 2200	PHONE: +64 9 301 6000	PHONE: +64 9 308 5000
WEBSITE: www. alliance.co.nz	WEBSITE: www.anzcofoods.com; www.cmp.co.nz; www.riverlands.co.nz	WEBSITE: www.goodmanfielder.com.au www.goodmanfielder.co.nz	WEBSITE: www.heinzwatties.co.nz
YEAR FORMED: 1948	YEAR FORMED: 1984/1995	YEAR FORMED: 1968 / 1986	YEAR FORMED: 1934/1992
STAFF EMPLOYED: 5,000	STAFF EMPLOYED: 2,500	STAFF EMPLOYED: 2,190 total	STAFF EMPLOYED: 1,800
REVENUE: $1,371 (FY12)	REVENUE: $1,212 (FY12)	REVENUE: Total NZ$1,088m (FY12) segmented into processed, milling $542m; dairy, meat, oils $546m	REVENUE: $730m (FY12) $773 (FY13)
COMPANY HIGHLIGHTS: $57m operating loss for 2012, first loss in 20 years. Closed Sockburn (CHCH) plant in 2012, cease sheep operations at Mataura; Using "Pure South" as umbrella brand for beef, lamb and venison; Secured deal with Marks and Spencer's (UK)	COMPANY HIGHLIGHTS: pre-tax loss of $25.6m in 2012; Partnering with Waitrose (UK); Developing pharmaceutical, nutraceutical products for healthcare sector	COMPANY HIGHLIGHTS: In 2012 announced selling Integro Foods and NZ Milling business to focus on core business; Wilmar acquires 10.1% of GF in 2012	COMPANY HIGHLIGHTS: Decision in 2011 by Heinz to move manufacturing of select processed vegetables and sauces from AU to NZ; 2013 shift infant formula production from England to NZ, parent HJ Heinz acquired by Warrens Buffett's Berkshire Capital and 3G Capital for US$28b

Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

9	10	11	12
TURNERS & GROWERS	**OPEN COUNTRY** 	**LION - B,S & W NZ** 	**MG MARKETING** 
Alastair Hulbert Chief Executive Officer	**Steven Koekemoer** Chief Executive	**Rory Glass** Managing Director	**Peter Hendry** Chief Executive Officer
DESCRIPTION: Grows, processes, a range of fruit, primarily for NZ, also exports to Australia, Chile, etc. Owns a large number of subsidiaries and brands (Status, Delica, ENZA, Floramax, Kerifresh, Fresh Food Exports 75%)	DESCRIPTION: A dairy ingredient manufacturer, 3 plants; capacity 900m l/year; 500 suppliers, exports to 45 countries	DESCRIPTION: Brewer of beer, maker of wine; Steinlager, Lion Red, Speights, Canterbury Draught, Stella Artois (license), Mac's, Isaac's, Emersons, Wither Hills, Corbans, Te Hana, Lindauer, Daniel le Brun, Huntaway, and marketer and distributor of many spirits	DESCRIPTION: Distributor and wholesaler of fruit and vegetables, exporters and importers of Dole, Sunkist; 700 growers, 400 grower shareholders
KEY PRODUCTS: Distributor and trader of apples, kiwifruit, tomatoes, flowers, citrus, bananas etc.	KEY PRODUCTS: Full range of Milk Powders (Standard and UHT), Milk Proteins, Milk Fats and Cheese	KEY PRODUCTS: Beer, wine, spirits, RTDs, cider	KEY PRODUCTS: Fresh fruit and vegetables
OWNERSHIP: : Foreign Private Germany PE (Baywa, 73%), Private NZ (Dossor 12%) PE NZ (Direct Capital 10%)	OWNERSHIP: Private; AFFCO/Talley's Group 54%; Olam (Singapore) 25%; others	OWNERSHIP: Japan; listed on TYO (2503)	OWNERSHIP: NZ; Co-operative (~400 growers) Market Gardeners Ltd (includes LaManna Australia)
COMPANY NUMBER: 41406	COMPANY NUMBER: 1911063	COMPANY NUMBER: 33986	COMPANY NUMBER: 1407
ADDRESS: 8 Monahan Road, Mt Wellington, Auckland	ADDRESS: Unit L Building 4, 195 Main Highway, Ellerslie, Auckland 1051	ADDRESS: 27 Napier Street, Freemans Bay, Auckland 1011	ADDRESS: 78 Waterloo Road Hornby, Christchurch
PHONE: +64 9 573 8700	PHONE: +64 9 589 1372	PHONE: +64 9 357 0111	PHONE: +64 3 343 0430
WEBSITE: www.turnersandgrowers.com	WEBSITE: www.opencountry.co.nz	WEBSITE: www.lionco.com www.lion-nathan.com.au www.kirin.com www.kirinholdings.co.jp	WEBSITE: www.mgmarketing.co.nz
YEAR FORMED: 1897	YEAR FORMED: 2004/2007	YEAR FORMED: 1860/1968/1977	YEAR FORMED: 1923 / 1987
STAFF EMPLOYED: 2,000	STAFF EMPLOYED: 200	STAFF EMPLOYED: 1,000	STAFF EMPLOYED: 320
REVENUE: $669.1m (FY12)	REVENUE: $641m (FY12)	REVENUE: $613.2m (FY12; YE Sep)	REVENUE: $267m (FY12) $534.4m under management
COMPANY HIGHLIGHTS: Company had a loss (EBIT) of $18m; writedown in assets; continued success of apples in Northern Hemisphere; new ENZAFoods factory; development of ENZA Red and Summer Kiwi; strategy to become more vertically integrated; considering selling land to value of $100m and non -core businesses	COMPANY HIGHLIGHTS: Company has increased number of suppliers to 600 and will process 947m litres of their own milk for 2013/2014 season; Focused on high quality ingredients is providing steady growth and profitability	COMPANY HIGHLIGHTS: Acquired Emerson's brewery (New Zealand craft beer company)	COMPANY HIGHLIGHTS: Extending operations in Australia; EBIT $7.6m; 50:50 JV with Te Mata exports sees move into exporting for group; ongoing marketing under local "Nature's Pick" brand

Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

13	14	15	16
WESTLAND	**HAWKES BAY MEAT CO. + PROGRESSIVE MEATS**	**COCA-COLA HOLDINGS NZ**	**SEALORD**
			
Rod Quin Chief Executive	**Craig Hickson** Owner, Director	**Barry O'Connell** Managing Director	**Graham Stuart** Chief Executive Officer
DESCRIPTION: Regional dairy cooperative based in West Coast region; expanding into Canterbury, 4% milk supply	DESCRIPTION: Multi business processors and marketers of lamb (some venison) over four locations in the North Island; HBMC owns Ovation New Zealand 100%, TeKuiti Meats, 100% Lamb Packers Fielding 100%, Pasture Petfoods (37%), Progressive Leathers; Progressive Meats (toll processor)	DESCRIPTION: Manufacturer and distributor of juice and soft drinks; many brands under license from Coca-Cola USA	DESCRIPTION: Vertically integrated seafood fishing and marketing company exporting to over 60 countries, significant global investments
KEY PRODUCTS: Milk powders, milk proteins, growing up milk powder, butter, base IF, bioactives, 'own made' yoghurt "Easiyo", other dairy products	KEY PRODUCTS: Lamb cuts, co-products , ingredients, mechanically deboned meat (MDM), Petfood ingredients	KEY PRODUCTS: Soft drinks, juices, water	KEY PRODUCTS: Frozen and chilled fish, oysters, mussels and other prepared seafood products
OWNERSHIP: New Zealand; cooperative (380+ farmers)	OWNERSHIP: Private (Hickson (majority) and others)	OWNERSHIP: Australia; listed on ASX	OWNERSHIP: Kura Limited 100% NZ: Aotearoa Fisheries 50%, Japan: Nippon Suisan Kaisha 50%
COMPANY NUMBER: 153032	COMPANY NUMBER: 1894570/252512/600768/36215	COMPANY NUMBER: 440039	COMPANY NUMBER: 168963 / 1097137
ADDRESS: 56 Livingstone Street, Hokitika, 7810 , New Zealand	ADDRESS: 10 Cook Street, Waipukurau 4242, New Zealand	ADDRESS: The Oasis, Mt Wellington Private Bag 14916, Panmure Auckland	ADDRESS: Level 3, Building 8 666 Central Park, Ellerslie, Auckland
PHONE: +64 3 756 9800	PHONE: +64 7 878 6045 +64 6 873 9090	PHONE: +64 9 570 3000	PHONE: +64 9 579 1659
WEBSITE: www.westland.co.nz www.easiyo.com	WEBSITE: www.tkmeats.co.nz; www.ovation.co.nz	WEBSITE: ccamatil.co.nz ccamatil.com	WEBSITE: www.sealord.com/nz
YEAR FORMED: 1937	YEAR FORMED: 1980	YEAR FORMED: 1939/1948	YEAR FORMED: 1974
STAFF EMPLOYED: 400	STAFF EMPLOYED: 1,300	STAFF EMPLOYED: 1,100	STAFF EMPLOYED: 1,100 (+400 offshore)
REVENUE: $534m (FY12) $535 (FY13)	REVENUE: ~$500m	REVENUE: $494m (FY12; YE Dec)	REVENUE: $487 (FY12)
COMPANY HIGHLIGHTS: Commissioned a Nutritional wet products plant in Hokitika during 2013 and gained resource consents for new Rolleston plant	COMPANY HIGHLIGHTS: HBMC acquired 100% share in TeKuiti Meats in 2012; Acquired Welsh meat processing company in 2012	COMPANY HIGHLIGHTS: New MD; $15m investment in beverage bottle plant in Christchurch; parent acquired Fijian brewer	COMPANY HIGHLIGHTS: New brand campaign; exits all of Argentinian fishing business Yuken; part of Precision Harvesting project to target fish

Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

17	18	19	20
TEGEL FOODS 	**DB BREWERIES** 	**SANFORD** 	**INDEPENDENT LIQUOR**
John Lea Chief Executive Officer	**Andy Routley** Managing Director	**Volker Kuntzsch** Chief Executive Officer	**Julian Davidson** Chief Executive
DESCRIPTION: Leading fully integrated poultry processor in New Zealand; 3 plants manufacturing 1,200 product lines, processing 40m broilers annually	DESCRIPTION: Manufacturer of beer; Monteith's, Tui, DB, Export Gold, Old Mout	DESCRIPTION: Wild capture and aquaculture harvesting, farming, processing and marketing; 9 plants and 11 vessels that freeze and pack	DESCRIPTION: Distiller of spirits, brewer of beer, Woodstock, Cruiser, Cody's, Canterbury Cream, Boundary Road, others
KEY PRODUCTS: Chicken (fresh, frozen, smoked, meals)	KEY PRODUCTS: Beer, Cider, RTDs	KEY PRODUCTS: Chilled and frozen fish, squid, mussels, salmon	KEY PRODUCTS: RTDs, spirits, beer
OWNERSHIP: Private: Affinity Equity Partners (Sing)	OWNERSHIP: Netherlands; listed on Euronext Heineken International (via Asia Pacific Breweries, Singapore); Third largest brewer in the world	OWNERSHIP: NZ; Public (NZX: SAN) (37% Amalgamated Marketing/Goodfellow Family)	OWNERSHIP: Japan; listed on TYO (2502); Asahi Group Holdings
COMPANY NUMBER: 99660	COMPANY NUMBER: 71013	COMPANY NUMBER: 40963	COMPANY NUMBER: 354989
ADDRESS: 3rd Floor, Tower B, 100 Carlton Gore Road, Newmarket, Auckland	ADDRESS: 1 Bairds Road, Otahuhu, Auckland	ADDRESS: 22 Jellicoe Street, Freemans Bay Auckland	ADDRESS: 35 Hunua Road, Papakura, Auckland
PHONE: +64 9 977 9000	PHONE: +64 9 259 3000	PHONE: +64 9 379 4720	PHONE: +64 9 298 3000
WEBSITE: www.tegel.co.nz	WEBSITE: www.db.co.nz www.theheinekencompany.com	WEBSITE: www.sanford.co.nz/	WEBSITE: www.independentliquor.co.nz/ www.asahigroup-holdings.com
YEAR FORMED: 1875/1966	YEAR FORMED: 1930/1966	YEAR FORMED: 1881/ 1904	YEAR FORMED: 1987
STAFF EMPLOYED: 2,000	STAFF EMPLOYED: 500	STAFF EMPLOYED: 2,000	STAFF EMPLOYED: 170
REVENUE: $471m (FY12)	REVENUE: $465.7m (FY12; YE Sep)	REVENUE: $460m (FY12)	REVENUE: $414.4 (FY10)
COMPANY HIGHLIGHTS: Opened new value added production line to grow export markets; built new hatchery in Christchurch, selling and leasing back its 8 industrial properties over 2013 to reinvest capital in export operations. Achieved some of the lowest global FCR^ (1.4 to 1.6). Profit of $6m in FY2012	COMPANY HIGHLIGHTS: New MD replacing Brian Blake (in March 2013); parent Asia Pacific now fully controlled by Heineken	COMPANY HIGHLIGHTS: Eric Barratt retiring as CEO after 15 years; NZ business both deepwater and inshore shown improved performance; Australian business underperforming; reduced debt significantly; Fined US$1.9m in 2012; part of Precision Harvesting project to target fish	COMPANY HIGHLIGHTS: Acquired The Mill (May 2013, 35 stores); acquired Founders Brewery (Feb 2013); write down of assets in NZ of $533m; court action against former PE owners

^FCR Feed Conversion Ratio; Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

iFAB50 FIRM PROFILES

21	22	23	24
FRUCOR BEVERAGES	**NESTLE NZ**	**SYNLAIT MILK LIMITED**	**NUTRICIA NZ**
			
Carl Bergstrom Group Managing Director	**Veronique Cremades-Mathis** Country Manager & CEO	**John Penno** Managing Director	**Mark Mitchell** Manufacturing Director
DESCRIPTION: Manufacturer of soft drinks, juices and other beverages; V, Just Juice, Citrus Tree, Mizone, others	DESCRIPTION: Manufacturer and Importer of Culinary, Confectionery, Beverages, Milks, Breakfast cereals, Snacks, Infant Nutrition and Petfood products. HO in Auckland, 3 regional sales offices; 3 factories: Culinary, Confectionery and Petfood.	DESCRIPTION: Synlait Milk is a Canterbury based dairy manufacturer focussed on supplying higher value dairy products to leading milk-based health and nutrition companies	DESCRIPTION: Manufacturer of infant formula
KEY PRODUCTS: Soft drinks, juice, water	KEY PRODUCTSCoffee, Tea, Nourishing drink, Creamer, Chocolate, Confectionery, Culinary, Snacks, Breakfast cereals, Infant Nutrition, Milks and Petfood	KEY PRODUCTS: Infant and adult nutritional formulations, Milk powders (WMP, SMP) functional food ingredients, and specialised products	KEY PRODUCTS: Infant formula and related dairy nutritionals
OWNERSHIP: Japan; private; Suntory Holdings (90% Kotobuki Realty; Torii family; others)	OWNERSHIP: Swiss; public listed (Nestle)	OWNERSHIP: New Zealand; listed on NZX; Bright (China) 39% ; Mitsui (Japan) 8%; Friesland (Netherlands) 7.5%	OWNERSHIP: France; Listed (Euro: BN)
COMPANY NUMBER: 913026	COMPANY NUMBER: 46423	COMPANY NUMBER: 1600872	COMPANY NUMBER: 711745
ADDRESS: 86 Plunket Avenue, Wiri, Auckland 2104	ADDRESS: Level 3 Buildings 1 & 2, Carlaw Park Commercial, 12-16 Nicholls Lane, Parnell, Auckland	ADDRESS: 1028 Heslerton Road, Rakaia, Rd 13 , New Zealand	ADDRESS: 37 Banks Road, Mount Wellington Auckland
PHONE: +64 9 250 0100	PHONE: +64 9 367 2800	PHONE: +64 3 373 3000	PHONE: +64 9 570 0970
WEBSITE: www.frucor.co.nz www.suntory.com	WEBSITE: www.nestle.co.nz	WEBSITE: www.synlait.com	WEBSITE: www.nutriciababy.co.nz www.nutricia.co.nz www.danone.com
YEAR FORMED: 1987	YEAR FORMED: 1926 NZ	YEAR FORMED: 2000/2005	YEAR FORMED: 1996
STAFF EMPLOYED: 900	STAFF EMPLOYED: 750	STAFF EMPLOYED: 130 (FY12), 171 (FY13)	STAFF EMPLOYED: 100
REVENUE: $405.8m (FY12; YE Dec)	REVENUE: $378m (FY12)	REVENUE: $377 (FY12) $420 (FY13)	REVENUE: $373m (FY12)
COMPANY HIGHLIGHTS: Parent Suntory went public in Japan as family owners sold down share (Jul 2013)	COMPANY HIGHLIGHTS: Integration of Wyeth Infant Nutrition acquired in December 2012; 2013 selling its Jenny Craig business (pending); Opening of Nespresso second boutique in Wellington	COMPANY HIGHLIGHTS: Went public in July 2013 $120m capital raising it restructure debt and reinvest; upgraded plant to produce spray dry lactoferrin	COMPANY HIGHLIGHTS: Impacted in 2013 by Fonterra's WPC80 Precautionary Recall (Whey Protein Concentrate)

Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

25	26	27	28
INGHAMS ENTERPRISES NZ	**MONDELEZ NZ** 	**NZ SUGAR COMPANY** 	**WILSON HELLABY** 
Adrian Revell Plant Manager	**Alastair de Raadt** Managing Director	**Bernard Duignan** General Manager	**Fred Hellaby** Managing Director
DESCRIPTION: Fully owned subsidiary of Inghams Australia, #2 Chicken and turkey processor in NZ, vertically integrated in NZ; includes 3 mills	DESCRIPTION: Global confectionery and dairy company; primarily confectionery manufacturing based in Dunedin	DESCRIPTION: Sugar refining company based in Auckland; Blends Sugar, dairy and other ingredients for export; importer and distributor of alternative sweeteners and oils	DESCRIPTION: Processing and further manufacturing of meat products at two plants in Auckland; rendering business and significant presence in domestic branded meat market
KEY PRODUCTS: Chicken meat, horse feed	KEY PRODUCTS: chocolate, sweet/sugar confectionery	KEY PRODUCTS: Refined sugar, “Simply” oils and fats, “equal” artificial sweetener	KEY PRODUCTS: Processed beef, sheep, pig and goat frozen and chilled, processed meats and offal
OWNERSHIP: Private Equity Ingham Enterprise AU (TPG Private Equity)	OWNERSHIP: USA Public listed (MDLZ)	OWNERSHIP: 75% Singapore; listed (Wilmar International) and 25% AU co-operative (Mackay Sugar)	OWNERSHIP: Private: (Syminton, Hellaby)
COMPANY NUMBER: 464829	COMPANY NUMBER: 204724	COMPANY NUMBER: 91943 / 3252111	COMPANY NUMBER: 900980
ADDRESS: 624 Waihekau Road, R D 1, Waitoa, 3380 , New Zealand	ADDRESS: 494 Rosebank Road, Avondale, Auckland 1026	ADDRESS: 60 Colonial Road, Birkenhead, Auckland	ADDRESS: 131 Portage Road, Otahuhu, Auckland
PHONE: +64 7 884 6549	PHONE: +64 9 820 2600	PHONE: +64 9 481 0720	PHONE: +64 9 276 3800
WEBSITE: www.inghams.co.nz	WEBSITE: www.cadbury.co.nz	WEBSITE: www.chelsea.co.nz	WEBSITE: www.wilsonhellaby.co.nz
YEAR FORMED: 1990	YEAR FORMED: 1868 / 1930	YEAR FORMED: 1884	YEAR FORMED: 1998
STAFF EMPLOYED: 1,043	STAFF EMPLOYED: 500	STAFF EMPLOYED: 180	STAFF EMPLOYED: 600
REVENUE: $336m (FY12)	REVENUE: $320m (FY12)	REVENUE: $301m (FY12)	REVENUE: +$300m (FY12)
COMPANY HIGHLIGHTS: Profit of $30m in 2012; Transition to Ross 308 chicken stock in NZ	COMPANY HIGHLIGHTS: Cadbury changed name to Mondelez globally; 2012 amalgamation of Kraft, Cadbury & Natural Confectionery Co.	COMPANY HIGHLIGHTS: $21m profit on the back of increased exports and reduced costs; Wilmar acquired in 2010 via CSR’s Sucrogen business	COMPANY HIGHLIGHTS:

Source: annual reports, company websites, company data, NZ Companies Office, interviews, Coriolis estimates

29	30	31	32
GRIFFIN'S FOODS 	**GWF NZ**	**TAYLOR PRESTON** 	**MCCAIN FOODS** 
Ron Vela Chief Executive Officer/ Executive Chairman	General Manager – Baking Division NZ	**Simon Gatenby** Chief Executive Officer	**Louis Wolthers** Regional President SANZAR
DESCRIPTION: Auckland based manufacturers and marketers of biscuits, salty snacks and muesli bars producing 200m units pa	DESCRIPTION: GWF Bread manufacturing at two bakeries, Weston Milling at three locations, Purity Foods (Big Ben) and Jasol (Cleaning products)	DESCRIPTION: Multispecies meat processors processing 1.5m animals annually, based in Wellington, exporting to 60 countries	DESCRIPTION: Frozen vegetable manufacturer based in Timaru (potato processing) and Hastings (vegetables); supplied by 150 growers
KEY PRODUCTS: biscuits,(Griffins, Huntley and Palmers…) chips (ETA), muesli bars (nice & natural)	KEY PRODUCTS: bread (Tip Top, Ploughmans, Burgen, Golden) Big Ben pies	KEY PRODUCTS: Sheep and beef meat cuts	KEY PRODUCTS: Frozen vegetables and meals
OWNERSHIP: Australia; Private Equity: Pacific Equity Partners Fund III (PEP)	OWNERSHIP: UK; listed; Associated British Foods UK (Weston Family)	OWNERSHIP: Private (Taylor, Preston & Grace)	OWNERSHIP: Canada: Private (McCain family)
COMPANY NUMBER: 4932 / NZ Snack Food Holdings 1774272	COMPANY NUMBER: 52216	COMPANY NUMBER: 1906031	COMPANY NUMBER: 459976
ADDRESS: Tower B Level 5, 100 Carlton Gore Road, Newmarket, Auckland	ADDRESS: Building 3, Level 2, 666 Great South Road Ellerslie, Auckland	ADDRESS: Centennial Highway, Ngauranga Gorge, Wellington	ADDRESS: Meadows Road, Washdyke, Timaru or Omahu Road, Hastings,
PHONE: +64 9 354 9500	PHONE: +64 9 919 3500	PHONE: +64 4 472 7987	PHONE: +64 6 873 9030
WEBSITE: www.griffins.co.nz	WEBSITE: www.gwfbaking.co.nz	WEBSITE: www.taylorpreston.co.nz	WEBSITE: www.mccain.co.nz
YEAR FORMED: 1864	YEAR FORMED: 1950s	YEAR FORMED: 1991	YEAR FORMED: 1987
STAFF EMPLOYED: 1,000 (850 FTE)	STAFF EMPLOYED: 1,000	STAFF EMPLOYED: 800	STAFF EMPLOYED: 400-500 (seasonal)
REVENUE: $293 (FY12)	REVENUE: $277 (FY12)	REVENUE: $260m* (FY12)	REVENUE: $246m (FY12)
COMPANY HIGHLIGHTS: $20.5m net profit for calendar year 2012; successful "Dear Griffin's" campaign; international division now generating 30% of group turnover, exporting to over 26 countries. Invests $70m in Auckland plants to support growth	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS: Holds McDonalds French fries contract; closes potato factory in Australia

Source: annual reports, company websites, company data, NZ Companies Office, interviews; *Coriolis estimates

33	34	35	36
PERNOD RICARD WINEMAKERS **Fabian Partigliani** Managing Director	**GREENLEA PREMIER**  **Tony Egan** Managing Director	**TATUA CO-OPERATIVE DAIRY** **Paul McGilvary** Chief Executive	**DELEGAT'S GROUP**  **Jim Delegat** Managing Director
DESCRIPTION: Wine maker and grower; Montana, Church Road, Deutz, Brancott Estate, Stoneleigh, Longridge ,	DESCRIPTION: Meat processor based in the Waikato	DESCRIPTION: Specialist dairy ingredients and food products manufacturer, 190ML of milkpa exports 94% of its products, exports to 60 countries	DESCRIPTION: Manufacturer of wine; Oyster Bay
KEY PRODUCTS: Wine, sparkling wine	KEY PRODUCTS: Meat	KEY PRODUCTS: specialist ingredients (Caseinate, whey proteins, AMF), nutritionals, whipped cream, specialty cheeses	KEY PRODUCTS: Wine
OWNERSHIP: France; listed on Euronext	OWNERSHIP: New Zealand; Private (Egan family)	OWNERSHIP: New Zealand; cooperative (108 farmers)	OWNERSHIP: New Zealand; listed on NZX:DGL (Delegat family ~66%)
COMPANY NUMBER: 86020	COMPANY NUMBER: 558256	COMPANY NUMBER: 173822	COMPANY NUMBER: 523716
ADDRESS: Level 5, 4 Viaduct Harbour Avenue Auckland Central, Auckland 1010	ADDRESSGreenlea Lane, Hamilton, Waikato	ADDRESS: State Highway 26, Tatuanui, Waikato	ADDRESS: Level 1, 10 Viaduct Harbour Avenue, Auckland
PHONE: +64 9 336 8300	PHONE: +64 9 359 7300	PHONE: +64 7 889 3999	PHONE: +64 9 359 7300
WEBSITE: www.pernod-ricard-nz.com	WEBSITE: www.greenlea.co.nz/	WEBSITE: www.tatua.com	WEBSITE: www.delegats.co.nz
YEAR FORMED: 1961 (Montana)	YEAR FORMED:1992	YEAR FORMED: 1914	YEAR FORMED: 1947/1991
STAFF EMPLOYED: 750	STAFF EMPLOYED: 500	STAFF EMPLOYED: 280	STAFF EMPLOYED: 50
REVENUE: $235.9m (FY12)	REVENUE: $230m* (FY12)	REVENUE: $228m (FY12)	REVENUE: $222m (FY12) $230m (FY13; YE June)
COMPANY HIGHLIGHTS: Changed name to Pernod Ricard Winemakers NZ; rebranded Montana as Brancott	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS: Plans for a new speciality products drier worth $65m	COMPANY HIGHLIGHTS: Acquired Barossa Valley Estate in Australia; acquired 496ha in Marlborough and several vineyards in Hawkes Bay; case sales up +25% to North America; North America will be key growth region for the group for the next 6 years; Operating EBIT $44.6m

Source: annual reports, company websites, company data, NZ Companies Office, interviews; *Coriolis estimates

37	38	39	40
MR APPLE NZ	**VAN DEN BRINK POULTRY**	**FRESH DIRECT LTD**	**A.S. WILCOX & SONS**
			
Andrew van Workum Chief Executive Officer	**Karl van den Brink** Managing Director	**Peter Turner** Managing Director	**Kevin Wilcox** Managing Director
DESCRIPTION: #1 apple exporter; vertically integrated with 53 orchards, 3 packhouses, 1 coolstore and logistics service Part of the SCF receivership; Exported 4.2m cartons. Owns 10% T&G	DESCRIPTION: Vertically integrated poultry processor in New Zealand (#3) across three plants	DESCRIPTION: Fresh produce and flower wholesalers and importers; plus exporting via sister company JP Exports Ltd, and Purefresh Organics, Taste Zone, Turners Floral, Turners Produce, Valley Fresh companies	DESCRIPTION: Grower and distributor of Potatoes, onions, carrots, persimmons over 2,500 acres, includes export division Southern Fresh Produce, and Plains Produce and Potato supplies
KEY PRODUCTS: Apples	KEY PRODUCTS: Chicken products primarily for domestic retail and foodservice	KEY PRODUCTS: Fresh flowers, fruit and vegetables (apples, blueberries, broccoli, oranges, tomatoes etc.) Purefresh brand	KEY PRODUCTS: Fresh potatoes, onions and carrots branded as Fresh Zone, Country Fresh, Field Fresh and Econo Pack
OWNERSHIP: NZ: Scales Corp (PE: Direct Capital 82.8%)	OWNERSHIP: NZ; Private: (Van Den Brink)	OWNERSHIP: NZ; Private (Turner Family)	OWNERSHIP: NZ; Private (Wilcox Family)
COMPANY NUMBER: 545180	COMPANY NUMBER: 66969 (others)	COMPANY NUMBER: 668313	COMPANY NUMBER: 51206
ADDRESS: Station Road, Whakatu, Hawkes Bay	ADDRESS: 652 Great South Road, Manukau, Auckland	ADDRESS: 29 Clemow Drive, Mount Wellington, Auckland	ADDRESS: 58 Union Road, Pukekohe Franklin, Auckland
PHONE: +64 6 873 1030	PHONE: +64 9 262 0903	PHONE: +64 9 573 4100	PHONE: +64 9 237 0740
WEBSITE: www.mrapple.co.nz; www.scalescorporation.co.nz	WEBSITE: www.brinks.co.nz	WEBSITE: www.freshdirect.co.nz www.jpexports.co.nz/	WEBSITE: www.aswilcox.co.nz www.sofresh.co.nz
YEAR FORMED: 1998	YEAR FORMED: 1964	YEAR FORMED: 1995	YEAR FORMED: 1954
STAFF EMPLOYED: 220 -1700 (seasonal)	STAFF EMPLOYED: ~400	STAFF EMPLOYED: 300+	STAFF EMPLOYED: 170
REVENUE: Gp sales $227 (FY12) Mr Apple ~$140m* (FY10 Gp $186m Mr Apple $116m 62%)	REVENUE: $220* (FY12)	REVENUE: $150-200 (FY12)	REVENUE: $150-$200* (FY12)
COMPANY HIGHLIGHTS: 2012 Gp sales $227m with 13.6m profit; Acquired 50% Fernridge apple business aim to increase consolidation in sector	COMPANY HIGHLIGHTS: Ownership of multiple companies with (Taylor and Van Den Brink); Tegel looking to acquire in 2009 but refused by Commerce Commission	COMPANY HIGHLIGHTS: Expanding warehousing and undergoing operational restructuring to gain efficiencies	COMPANY HIGHLIGHTS:

Source: annual reports, company websites, company data, NZ Companies Office, interviews; *Coriolis estimates

iFAB50 FIRM PROFILES

41	42	43	44
NOBILO HOLDINGS CONSTELLATION BRANDS NZ Constellation Brands 	**MARS NZ** MARS new zealand 	**HANSELLS FOOD GROUP** Hansells FOOD GROUP™	**VITACO HEALTH GROUP** vitaco Healtheries
Joe Stanton Chief Executive Officer	**Gerry Lynch** General Manager	**John McKay** CEO	**Geoff Norgate** Chief Executive Officer
DESCRIPTION: Grower and manufacturer of wines; Nobilo, Kim Crawford, Drylands, Monkey Bay, Selaks	DESCRIPTION: Manufacturer and distributor of packaged food, confectionery, and petfood	DESCRIPTION: Manufacturers of a wide range of processed foods	DESCRIPTION: Health and wellness products manufacturer of branded and contracted supplements, vitamins, Infant formula, health foods (baking, cereals, teas etc.)
KEY PRODUCTS: Wine	KEY PRODUCTS: chocolate confectionery, petfood (Whiskas, Pedigree), rice (Uncle Bens), Masterfoods	KEY PRODUCTS: puddings, deserts, spices, flavours, soups, beverages	KEY PRODUCTS: nutritional supplements, sports nutrition, health foods, infant formulas
OWNERSHIP: United States; listed on NYSE (STZ)	OWNERSHIP: USA; Private (Mars family)	OWNERSHIP: Mixed NZ/Thailand (Kasisuri + Supachok 22%)	OWNERSHIP: Mix: NZ Private (Thompson 64%; Norgate 8%,others) AU Private Equity (Next Capital 6%)
COMPANY NUMBER: 1477933	COMPANY NUMBER: 117682	COMPANY NUMBER: 97884	COMPANY NUMBER: 1885808
ADDRESS: 45 Station Road, Huapai PO Box 471, Kumeu Auckland	ADDRESS: Building 14, 666 Great South Road, Penrose, Auckland, 1051	ADDRESS: 17 Botha Road, Penrose, Auckland	ADDRESS: Cnr Kordel Place and Accent Drive, East Tamaki, Auckland
PHONE: +64 9 412 6666	PHONE: +64 9 261 0900	PHONE: +64 9 279 7199	PHONE: +64 9 272 3838
WEBSITE: www.constellationnz.com www.cbrands.com	WEBSITE: www.mars.com	WEBSITE: www.hansells.com	WEBSITE: www.vitaco.co.nz
YEAR FORMED: 2004	YEAR FORMED: 1983	YEAR FORMED: 1934	YEAR FORMED: 1957 /2006
STAFF EMPLOYED: 270 (Dry 100)	STAFF EMPLOYED: 350	STAFF EMPLOYED: 350	STAFF EMPLOYED: 400 (370 FTE)
REVENUE: $192m (FY12) $195.8m (FY13; YE Feb)	REVENUE: $195m (FY12)	REVENUE: $175m (FY12) $189m (FY13)	REVENUE: 171m (FY12) $184m (FY13)
COMPANY HIGHLIGHTS: Parent firm sold all Australian operations in Dec 2010	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:

Source: annual reports, company websites, company data, NZ Companies Office, interviews; *Coriolis estimates

45	46	47	48
HELLERS LTD Hellers NZ's Butcher RANGATIRA **Nick Harris** Managing Director	**AOTEAROA FISHERIES** AOTEAROA fisheries limited  **Carl Carrington** Chief Executive Officer	**CEREBOS GREGG'S** Cerebos SUNTORY **Andre Gargiulo** Country Manager - NZ	**SANITARIUM HEALTH AND WELLBEING** Sanitarium health & wellbeing  Pierre van Heerden General Manager
DESCRIPTION: Bacon, ham and smallgoods manufacturer	DESCRIPTION: Pan iwi organisation with 50% ownership in Sealord, and full ownership of Moana Fisheries, OPC Fish, Prepared Foods, Pacific Marine Farms & Kia Ora Seafood.	DESCRIPTION: Auckland based manufacturers of coffee, beverages, sauces, gravies, etc.	DESCRIPTION: Auckland based manufacturers of nutritional and innovative health foods
KEY PRODUCTS: bacon, ham, smallgoods	KEY PRODUCTS: Fresh and frozen Fish, oysters, mussels, + prepared seafood products	KEY PRODUCTS: coffee, sauces, gravies	KEY PRODUCTS: Cereals, spreads, beverages
OWNERSHIP: Mixed NZ: PE (Rangatira 50%) , (Private: Heller, Harris, others)	OWNERSHIP: NZ; tribal (various iwi/tribal holdings); ownership of Moana Pacific, Pacific Marine Farms, Kia ora Seafoods, OPC	OWNERSHIP: Foreign: Singapore; listed (SIN: C20; Suntory 83%)	OWNERSHIP: NZ; charity (Seventh-day Adventist Church)
COMPANY NUMBER: 386096	COMPANY NUMBER: 1581332	COMPANY NUMBER: 247266	COMPANY NUMBER:-
ADDRESS: 67 Main North Road, Kaiapoi , Canterbury	ADDRESS: Level 3, Moana Pacific House 138 Halsey Street, Auckland	ADDRESS: 291 East Tamaki Road, East Tamaki, Auckland	ADDRESS: 124 Pah Road, Royal Oak, Auckland
PHONE: +64 3 375 5017	PHONE: +64 9 302 1520	PHONE: +64 9274 2777	PHONE: +64 9 625 0700
WEBSITE: www.hellers.co.nz; www.rangatira.co.nz	WEBSITE: www.afl.maori.nz	WEBSITE: www.cerebos.co.nz	WEBSITE: www.sanitarium.co.nz
YEAR FORMED: 1988	YEAR FORMED: 2004	YEAR FORMED: 1984	YEAR FORMED: 1900
STAFF EMPLOYED: 500	STAFF EMPLOYED: 500 (incl 250 Prepared Foods)	STAFF EMPLOYED: 350	STAFF EMPLOYED: 350
REVENUE: $160m* (FY12)	REVENUE: $154.1 (FY12)	REVENUE: $152m (FY12)	REVENUE: $150m* (FY12)
COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS: New Prepared Foods facility near completion; Agreement with Cawthron Institute to take over Pacific oyster nursery; Restructuring business; Sold share in Seafood Processors; Part of Precision Harvesting project to target fish; Overall profit of $17m	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:

Source: annual reports, company websites, company data, NZ Companies Office, interviews; *Coriolis estimates

49	50
BLUEBIRD FOODS LTD PEPSICO NZ HOLDINGS	**LEADERBRAND**
	
Sean Goodwin General Manager	**Richard Burke** General Manager
DESCRIPTION: Global beverage and snack food manufacturer; all beverages contract packed by Frucor	DESCRIPTION: Range of salads, produce and fruits for domestic retail, processing and export; squash to Japan; Growing on 3,000ha
KEY PRODUCTS: non-alcoholic beverages, snacks, salty snacks, nuts, chips	KEY PRODUCTS: Lettuce, broccoli, squash, sweetcorn, salads, watermelons
OWNERSHIP: USA; Public listed (NYSE: PEP)	OWNERSHIP: NZ; Private (McPhail)
COMPANY NUMBER: 163343 / 1882013	COMPANY NUMBER: 827392
ADDRESS: 124 Wiri Station Road, Manukau, Auckland	ADDRESS: 33 Parkinson Street, Gisborne, Hawkes Bay
PHONE: +64 9 9 262 8800	PHONE: +64 6 867 6231
WEBSITE: www.bluebird.co.nz; www.pepsico.com	WEBSITE: www.leaderbrand.co.nz
YEAR FORMED: 1947	YEAR FORMED: 1975
STAFF EMPLOYED: 680	STAFF EMPLOYED: 187 (+300 seasonal)
REVENUE: $144m (FY12)	REVENUE: $140* (FY12)
COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:

Source: annual reports, company websites, company data, NZ Companies Office, interviews; *Coriolis estimates

MARKETS

Overview

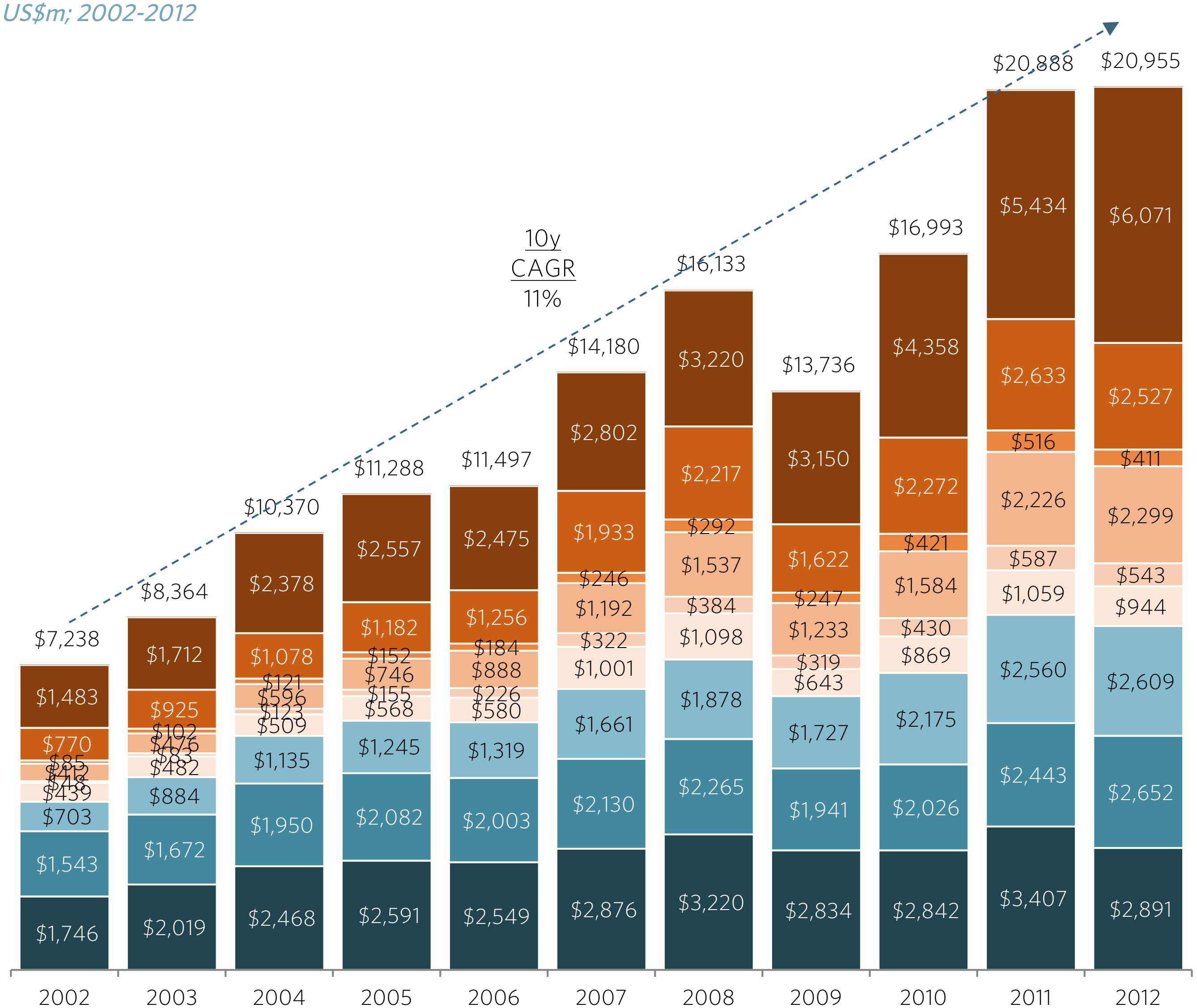
F&B EXPORTS BY REGION

IFAB 2013 | CORIOLIS

Over the past decade total New Zealand F&B exports have achieved strong growth, driven primarily by the developing world; however growth flattened in the last year

10 YEAR NEW ZEALAND FOOD & BEVERAGE EXPORT VALUE BY SUPER-REGION

US$m; 2002-2012



	10 Year CAGR	10 Year Absolute
TOTAL	11%	+$13,717m
Other[1]		
East Asia	15%	+$4,587m
SE Asia	13%	+$1,756m
Indian Sub	17%	+$326m
NA/ME/CA	19%	+$1,887m
SS Africa	27%	+$495m
C/S America	8%	+$504m
Australia/ Pacific Is.	14%	+$1,907m
N. America	6%	+$1,109m
Europe	5%	+$1,145m

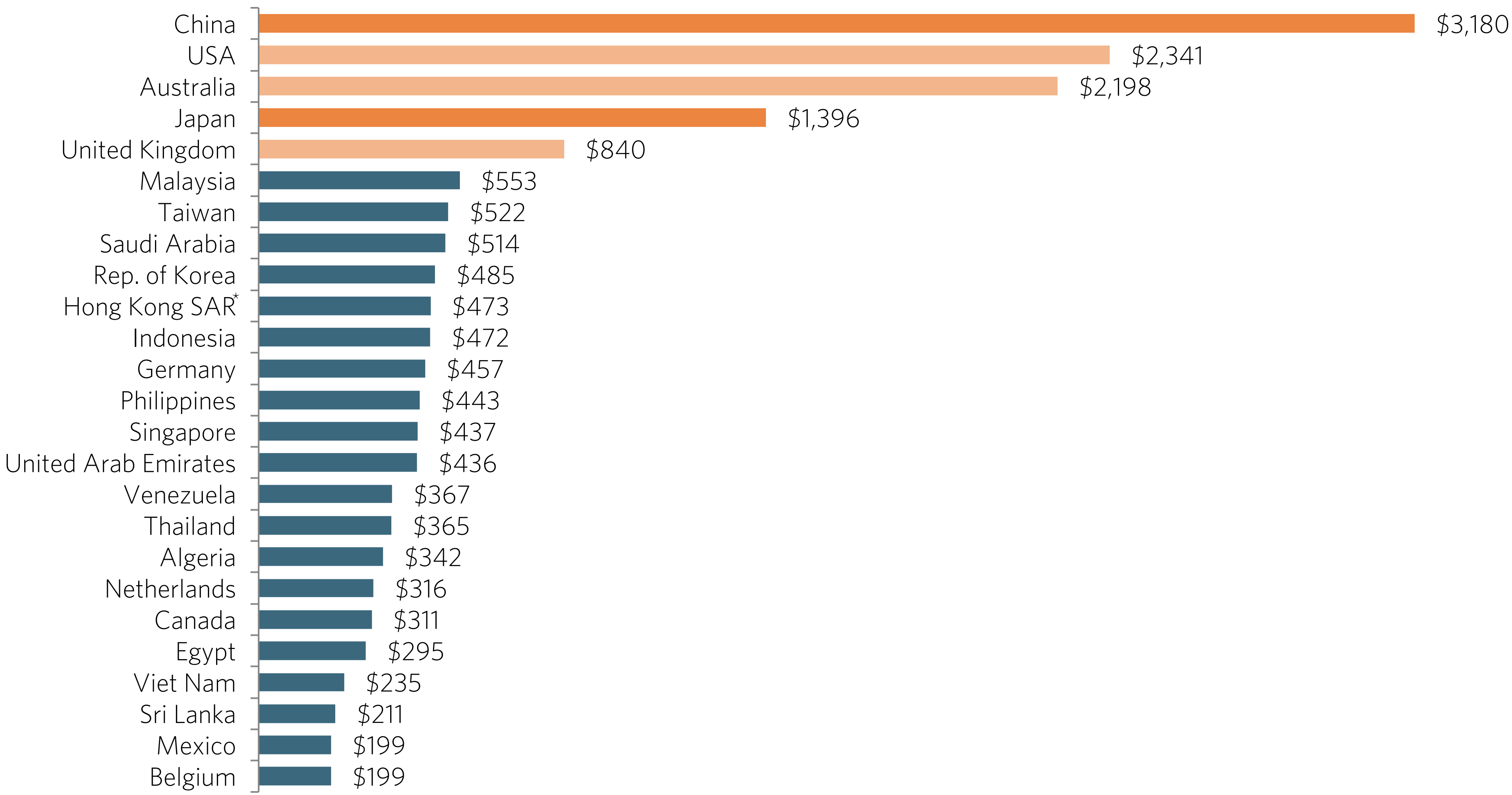
1. Other is a mix of remote islands, Antarctica, cruise ships, military ships, etc. and is too small to enumerate but is included in total; Source: UN Comtrade database; Coriolis analysis

EXPORT DOLLARS

China continues to be New Zealand's number one F&B export market; the key Anglo-Sphere countries and Japan round out the top five

TOP 25 NEW ZEALAND FOOD & BEVERAGE EXPORT MARKETS BY VALUE

US$m; 2012



*Hong Kong Special Administrative Region (SAR); Source: UN Comtrade database; Coriolis analysis

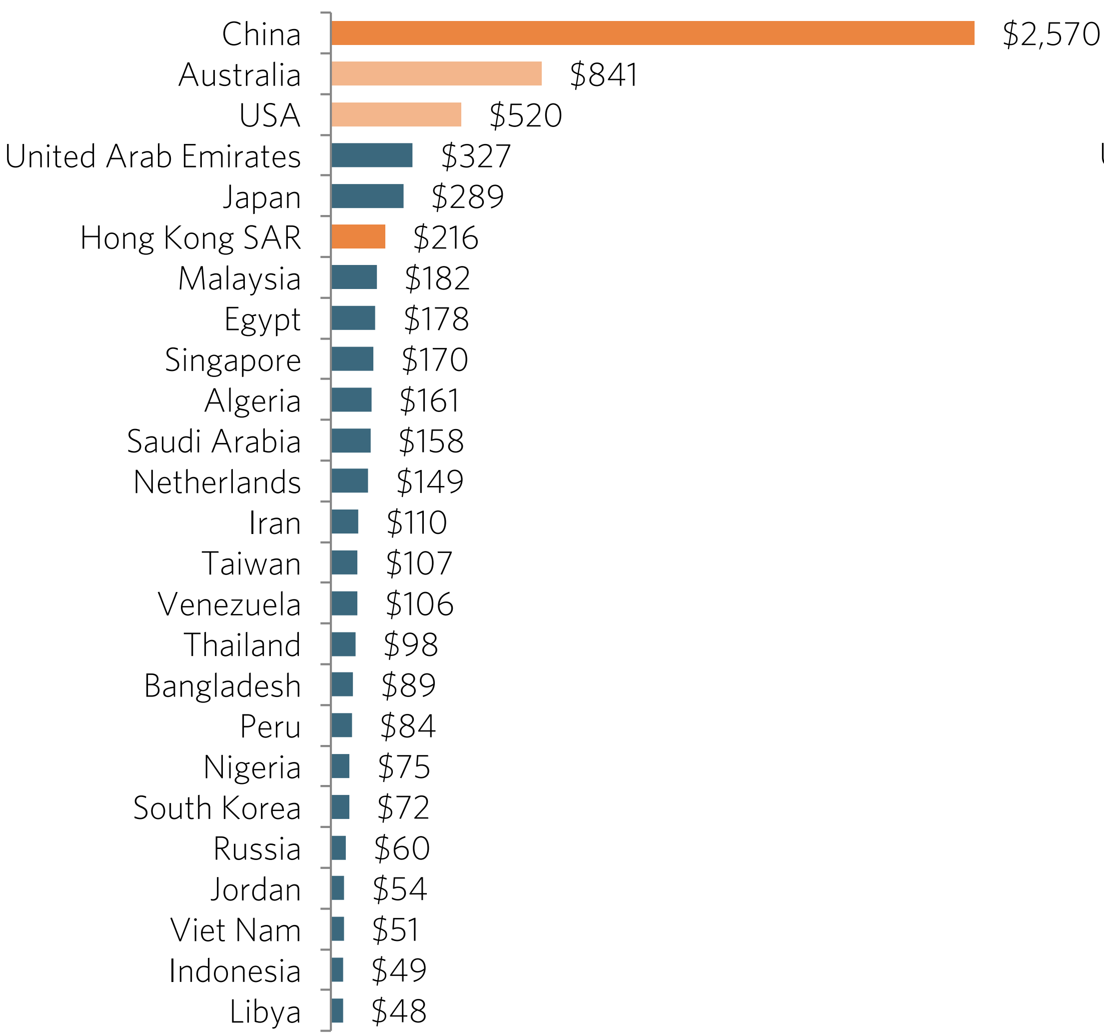
EXPORT DOLLAR GROWTH

While the US and Australia continue to grow, China, the Middle East and SE Asian destinations stand out as growth markets

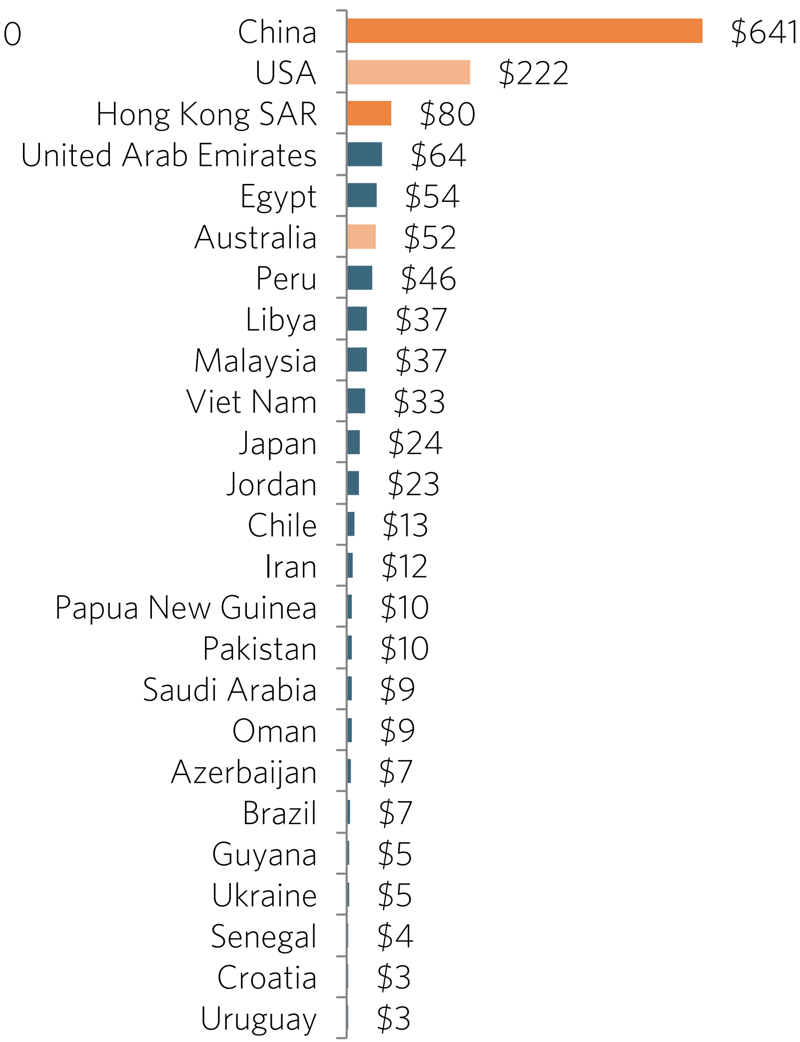
TOP 25 NEW ZEALAND FOOD & BEVERAGE EXPORT MARKETS BY INCREASE IN VALUE

US$m

5 YEAR CHANGE; 07-12



1 YEAR CHANGE; 11-12



Source: UN Comtrade database; Coriolis analysis

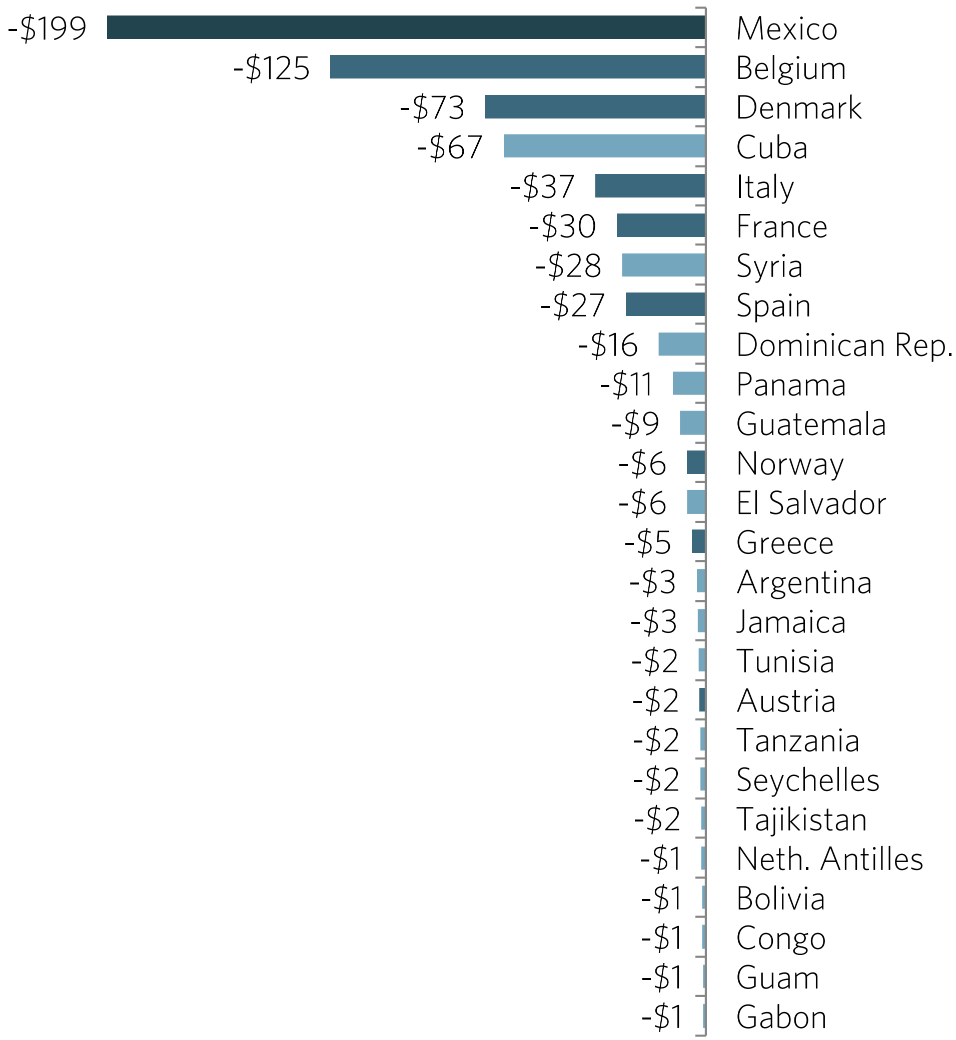
EXPORT DOLLAR DECLINE

The reorientation to China is matched in part by declines in exports to Mexico, Europe and a range of other primarily secondary markets; recent declines in South Korea, Thailand & the Philippines are concerning

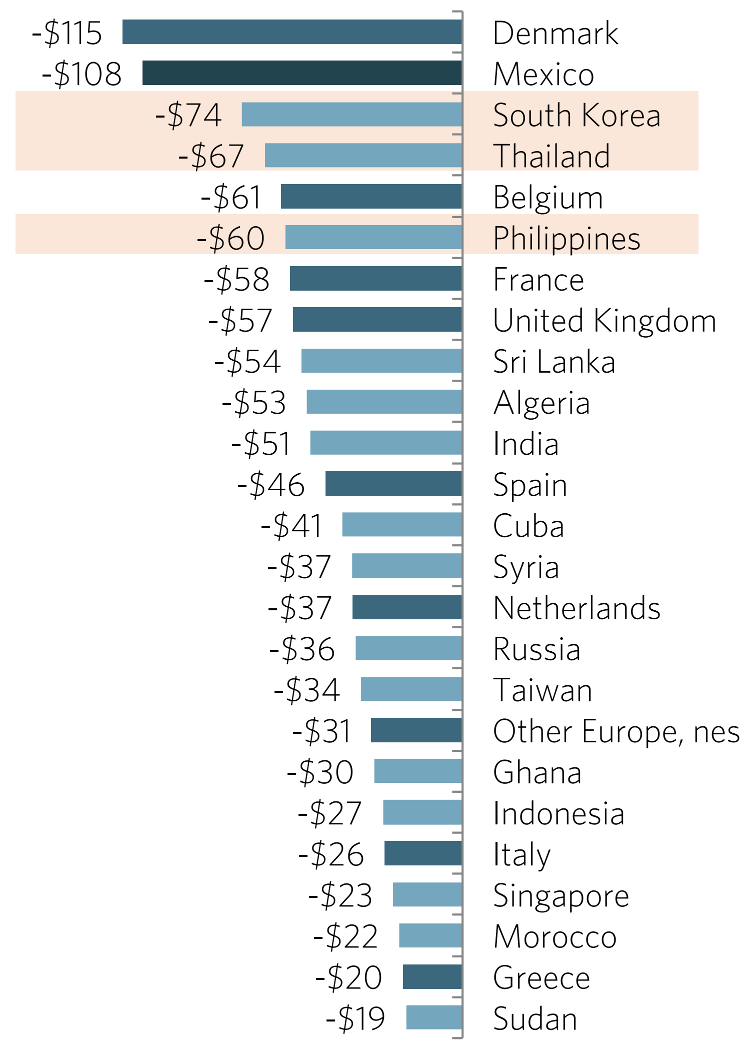
BOTTOM 25 NEW ZEALAND FOOD & BEVERAGE EXPORT MARKETS BY DECREASE IN VALUE

US$m

5 YEAR CHANGE; 07-12



1 YEAR CHANGE; 11-12



Source: UN Comtrade database; Coriolis analysis

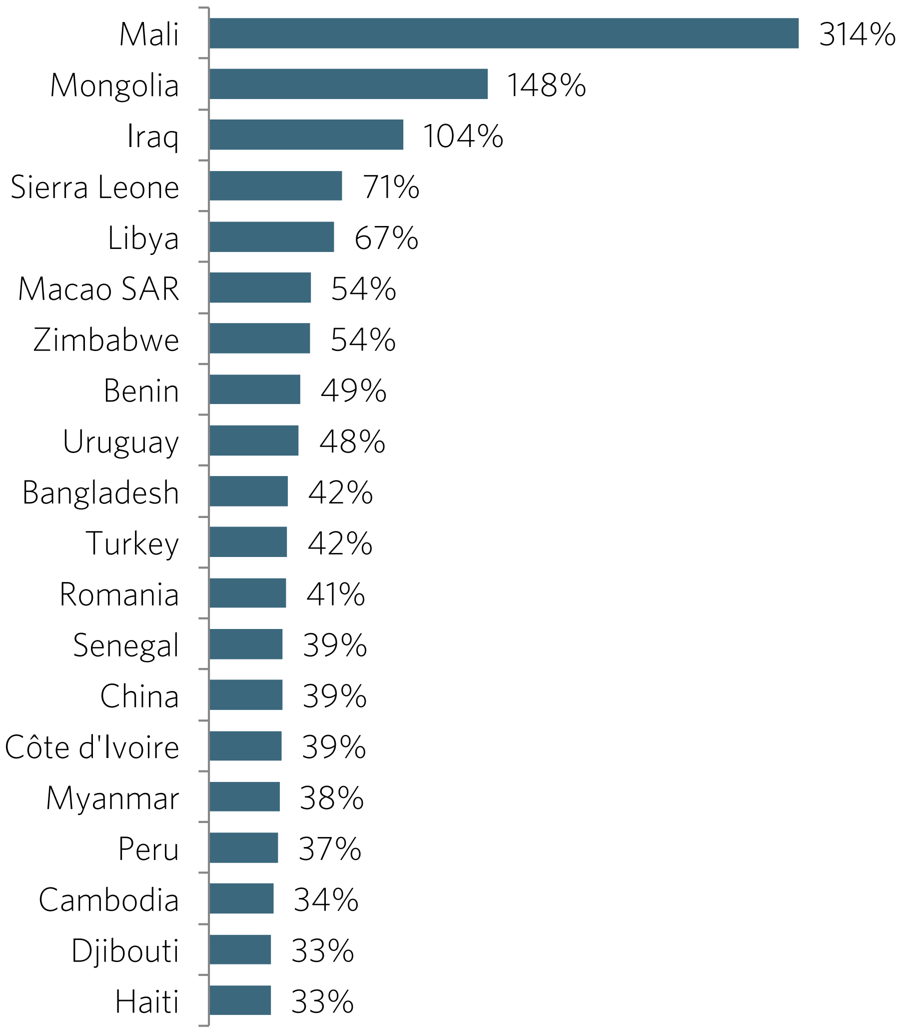
PERCENT GROWTH

Strong growth rates coming out of Africa, the Middle East and other developing markets

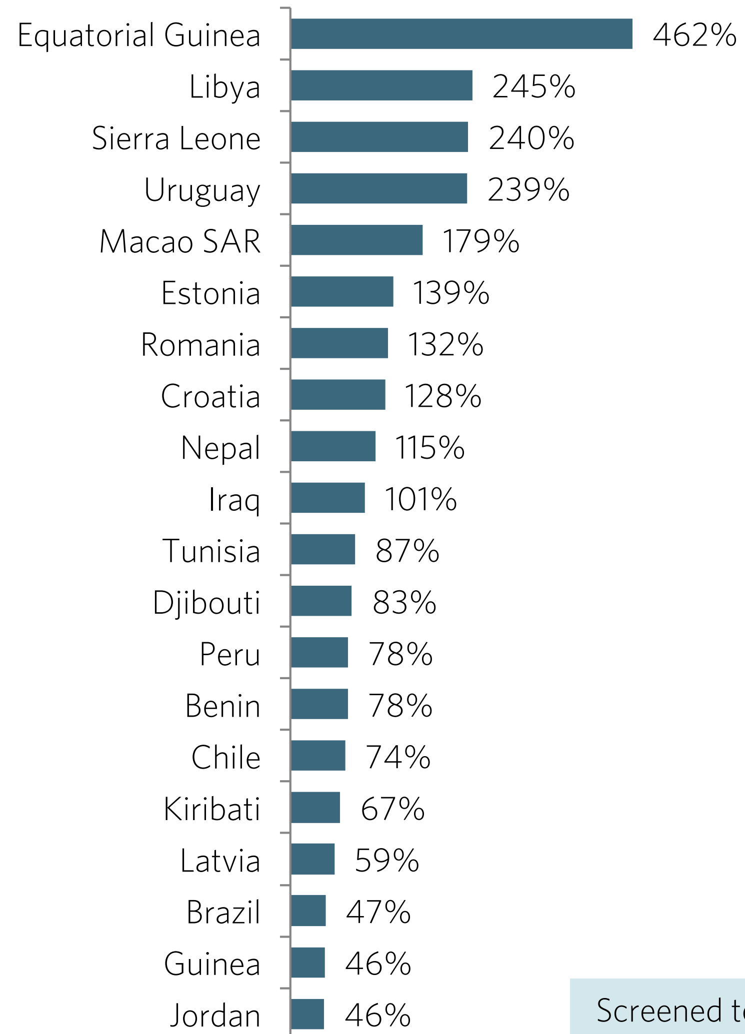
TOP 20 NEW ZEALAND FOOD & BEVERAGE EXPORT MARKETS BY CAGR PERCENT CHANGE IN VALUE

US$m; %

5 YEAR CAGR; 07-12



1 YEAR CHANGE; 11-12



Screened to $1m+ NZ exports to markets

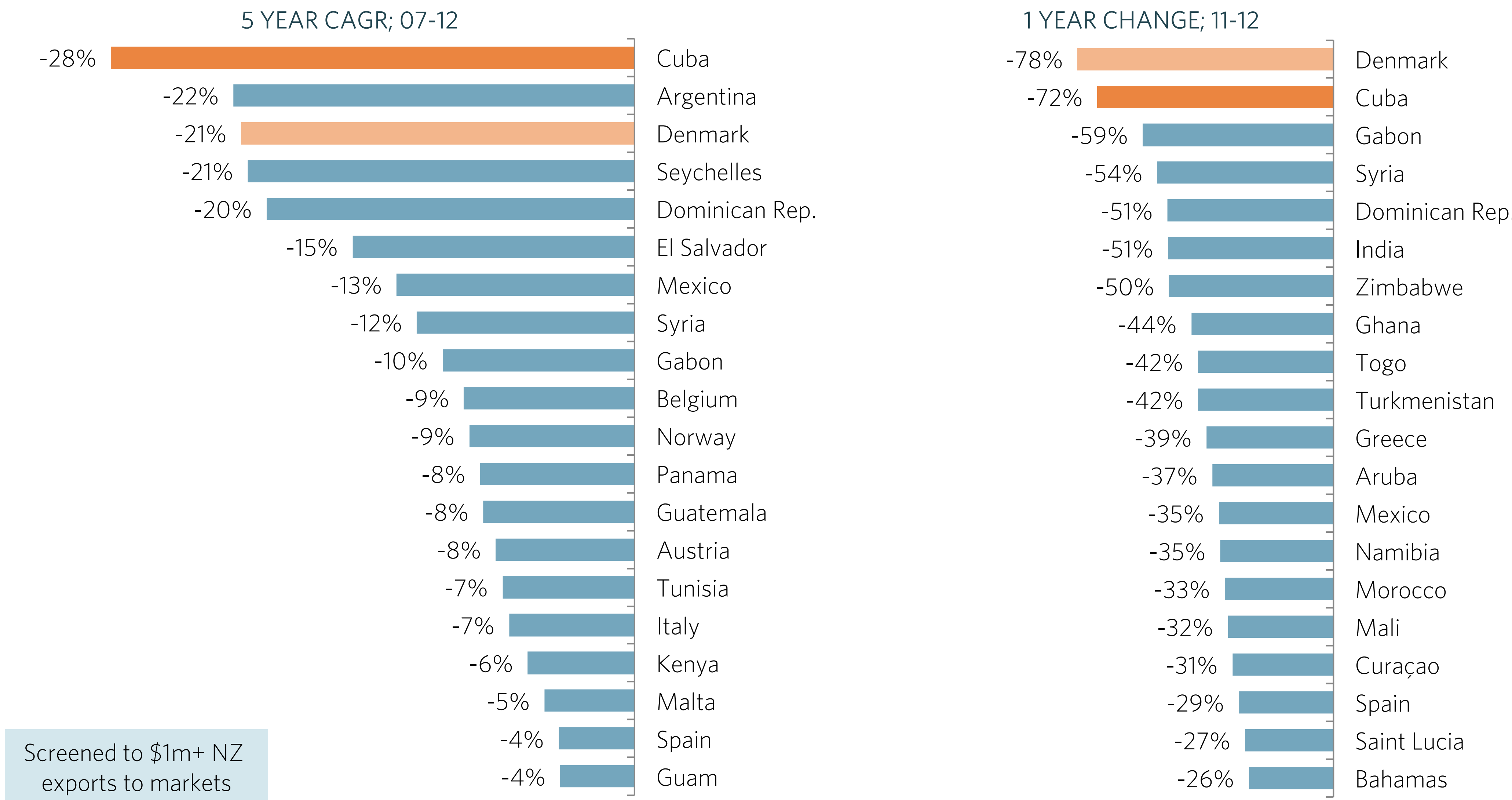
Source: UN Comtrade database; Coriolis analysis

PERCENT DECLINE

Cuba, Denmark and a range of developing countries lead declining markets by CAGR

TOP 25 DAIRY MARKETS BY CAGR PERCENT CHANGE IN EXPORT VALUE

US$m



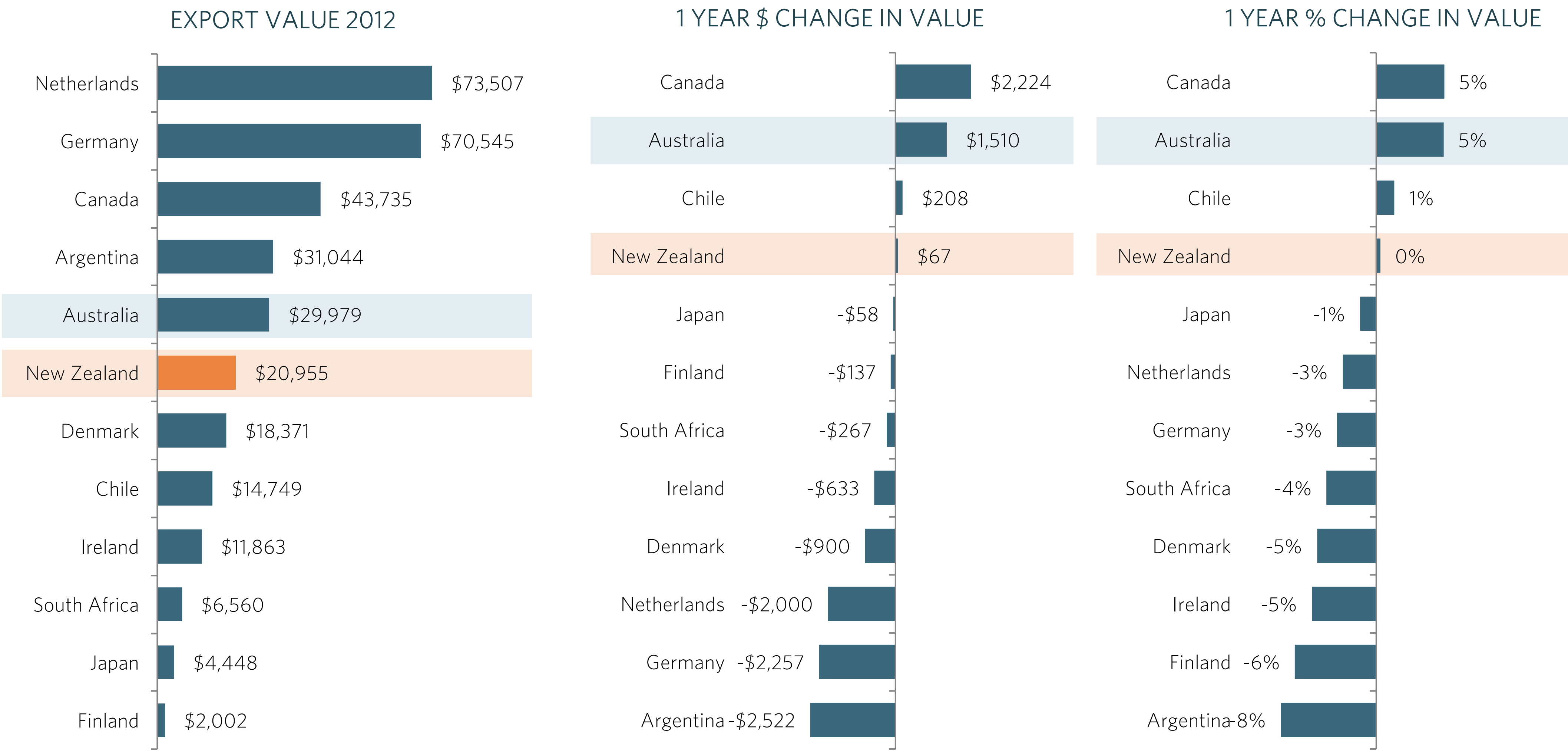
Source: UN Comtrade database; Coriolis analysis

BENCHMARK – EXPORT GROWTH VS. COMPETITORS

New Zealand's performance in a difficult year globally was good relative to European competitors but poor relative to Canada and Australia (discussed next page)

TOTAL FOOD & BEVERAGE EXPORT VALUE IN 2012: NZ VS. COMPETITORS

US$m; 2012; 2012 vs. 2011



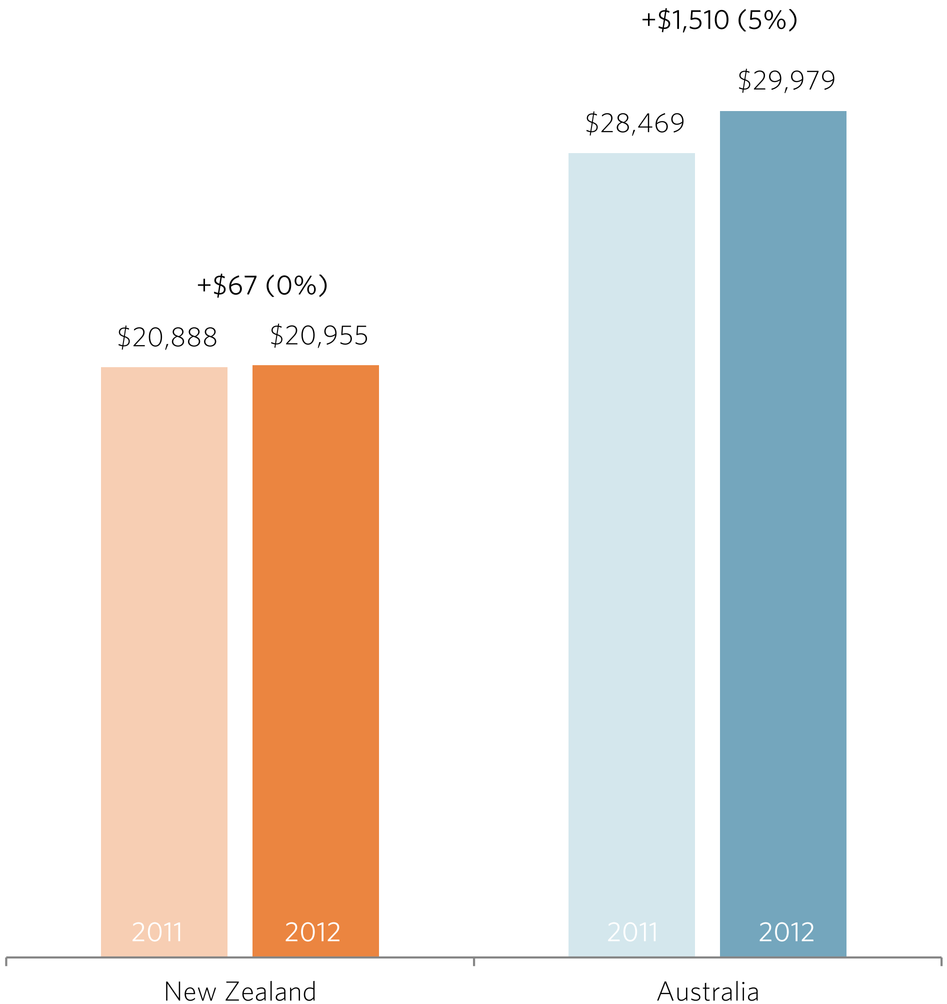
Source: UN Comtrade database; Coriolis analysis

FOCUS – NZ VS. AUSTRALIA

Australia is growing its food and beverage exports to a wide range of markets where New Zealand is not; in particular Pakistan, India, Iran and SE Asia

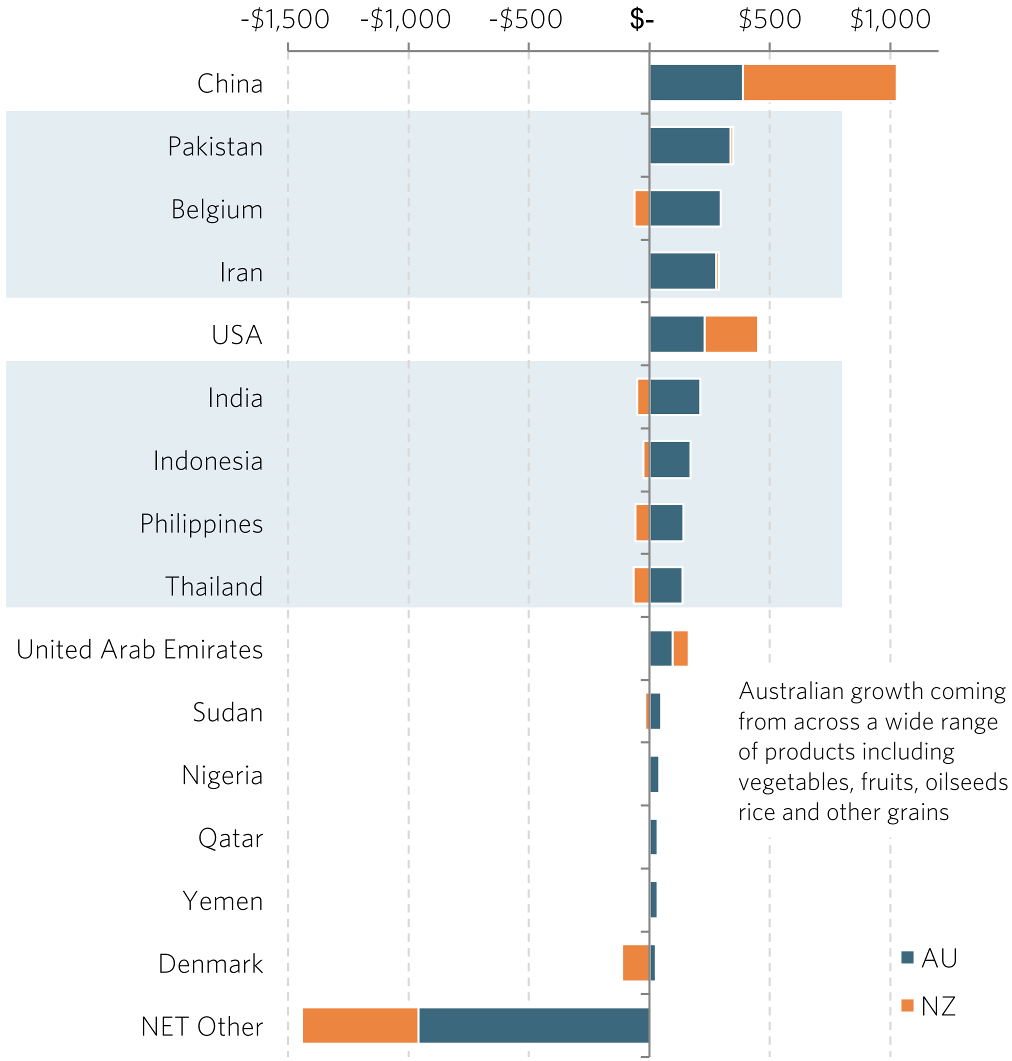
F&B EXPORT VALUE: NZ VS. AUSTRALIA

US$m; 2011-2012



TOP 15 AU F&B EXPORT MARKETS BY 1Y VALUE GROWTH VS. NZ

US$m; 2012 vs. 2011



Source: UN Comtrade database; Coriolis analysis

PRODUCTS

Overview

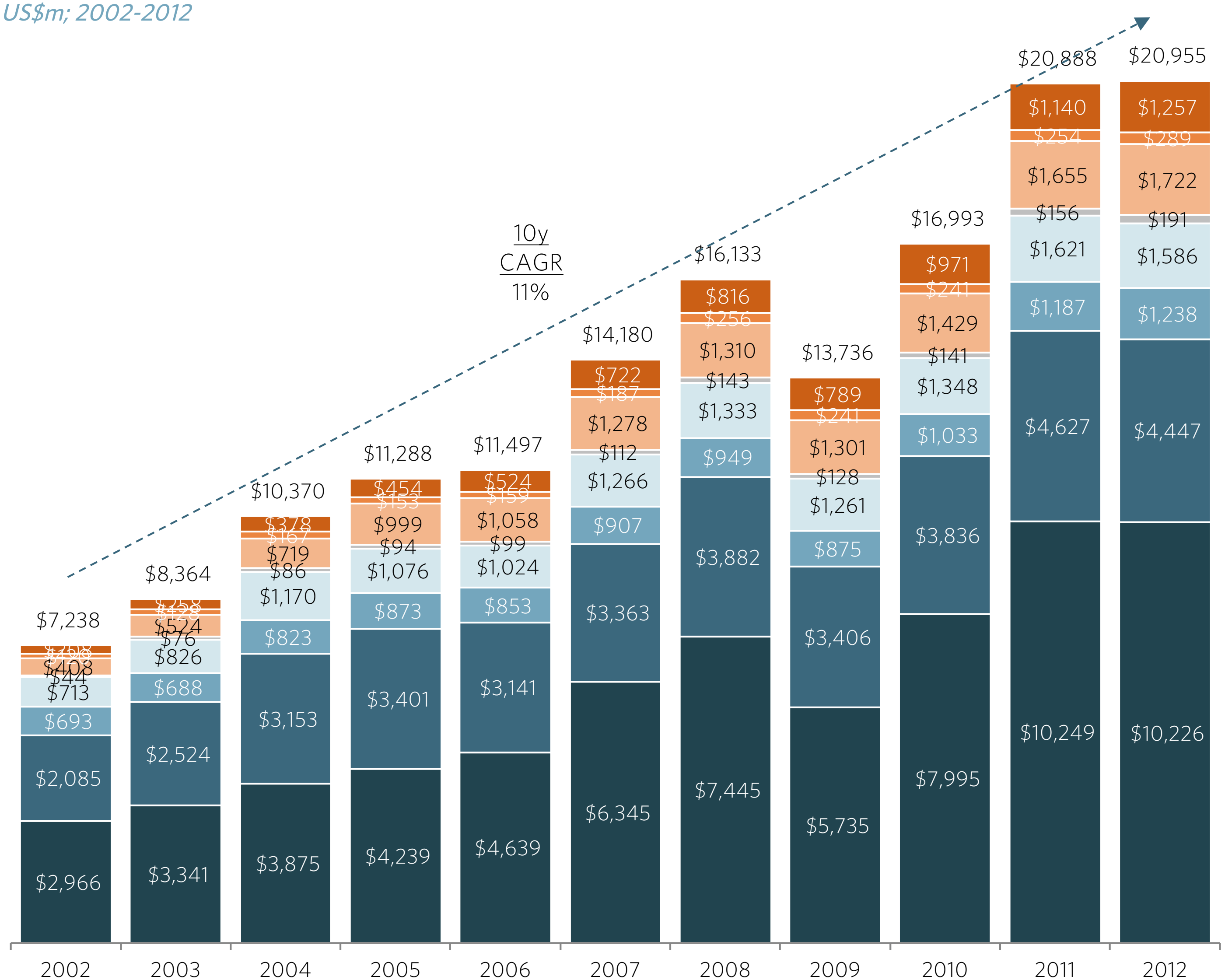
iFAB 2013

F&B – EXPORTS BY TYPE

New Zealand food & beverage exports have achieved strong growth over the past decade, driven by beverages, processed foods and dairy in rate of growth, and dairy and meat in absolute value

10 YEAR NEW ZEALAND F&B EXPORTS BY CATEGORY/SUPER-CATEGORY (HS4/6 LEVEL)

US$m; 2002-2012



	10 Year CAGR	10 Year Absolute
TOTAL	11%	+$13,610m
Beverages	20%	+$1,049m
Pet/animal feed	9%	+$169m
Processed foods	15%	+$1,314m
Other food	16%	+$147m
Produce	8%	+$873m
Seafood	6%	+$545m
Meat	8%	+$2,362m
Dairy	13%	+$7,259m

Source: UN Comtrade database; Coriolis analysis

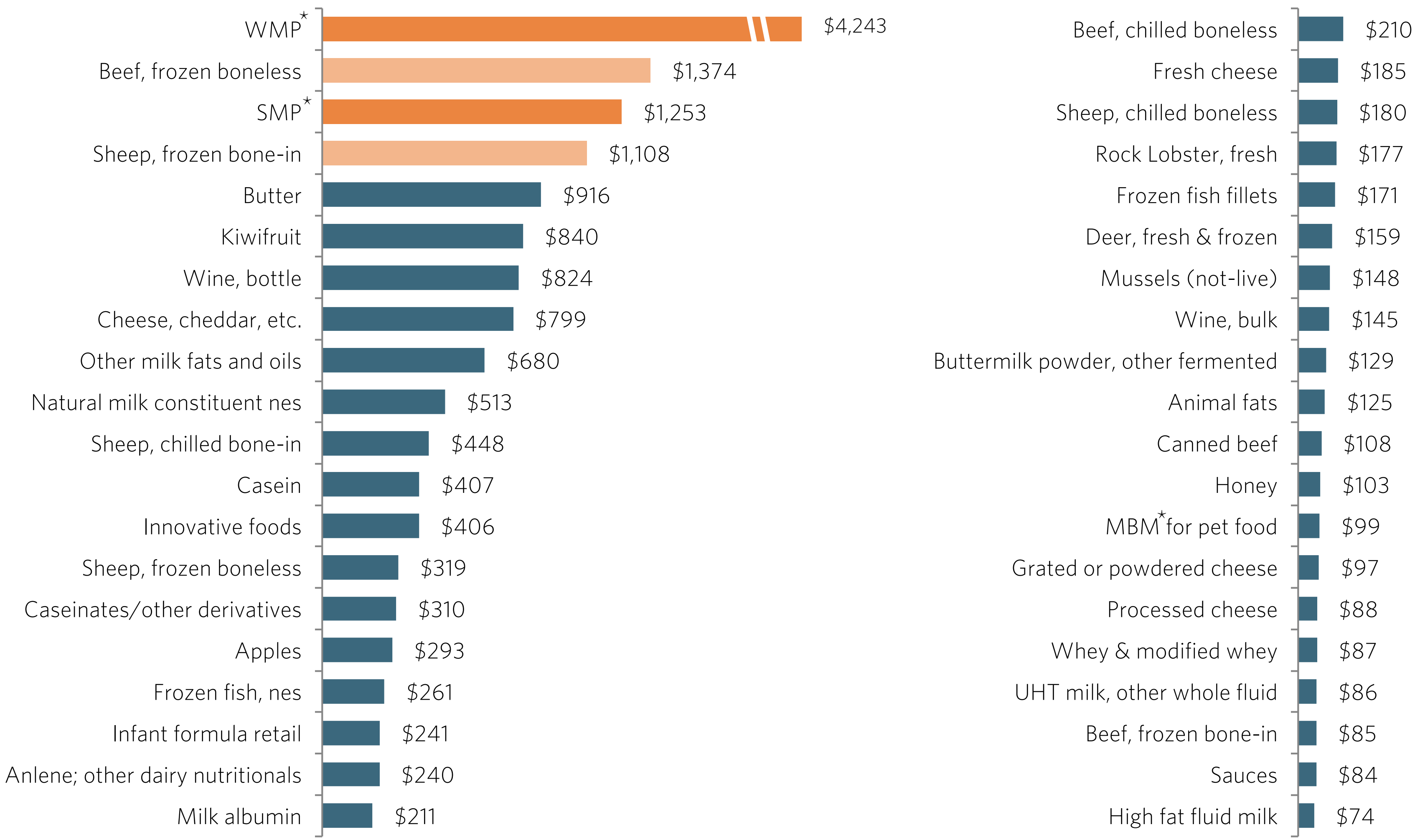
EXPORT DOLLARS

Milk powder and frozen meat continue to be New Zealand's only "billion plus" exports; however there is a strong group of $100m+ products, many of which are growth engines

NOTE: All F&B export products at HS6 level. Definitions in Sector reports

EXPORT VALUE OF TOP 40 F&B PRODUCTS (HS6 LEVEL) IN 2012

US$m; 2012



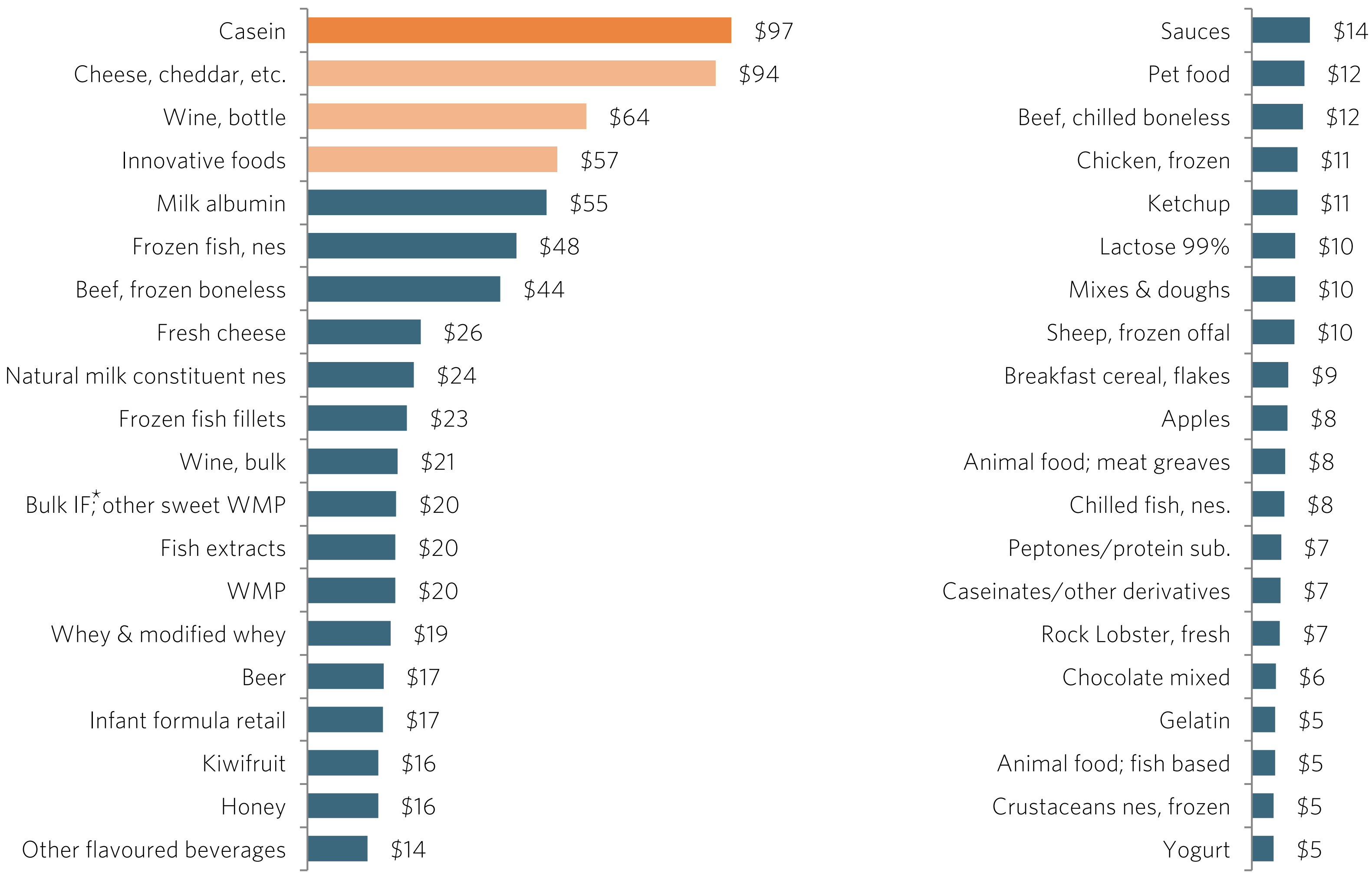
WMP Whole Milk Powder, SMP Skim Milk Powder, MBM Meat and Bone Meal; Source: UN Comtrade database; Coriolis analysis

EXPORT DOLLAR GROWTH

In 2012, casein, cheddar cheese wine and innovative foods led export value growth; however there is a strong second tier of growth categories for New Zealand

IFAB TOP 40 GROWTH CATEGORIES BY CHANGE IN EXPORT VALUE IN CY12

US$m; 2012 vs. 2011



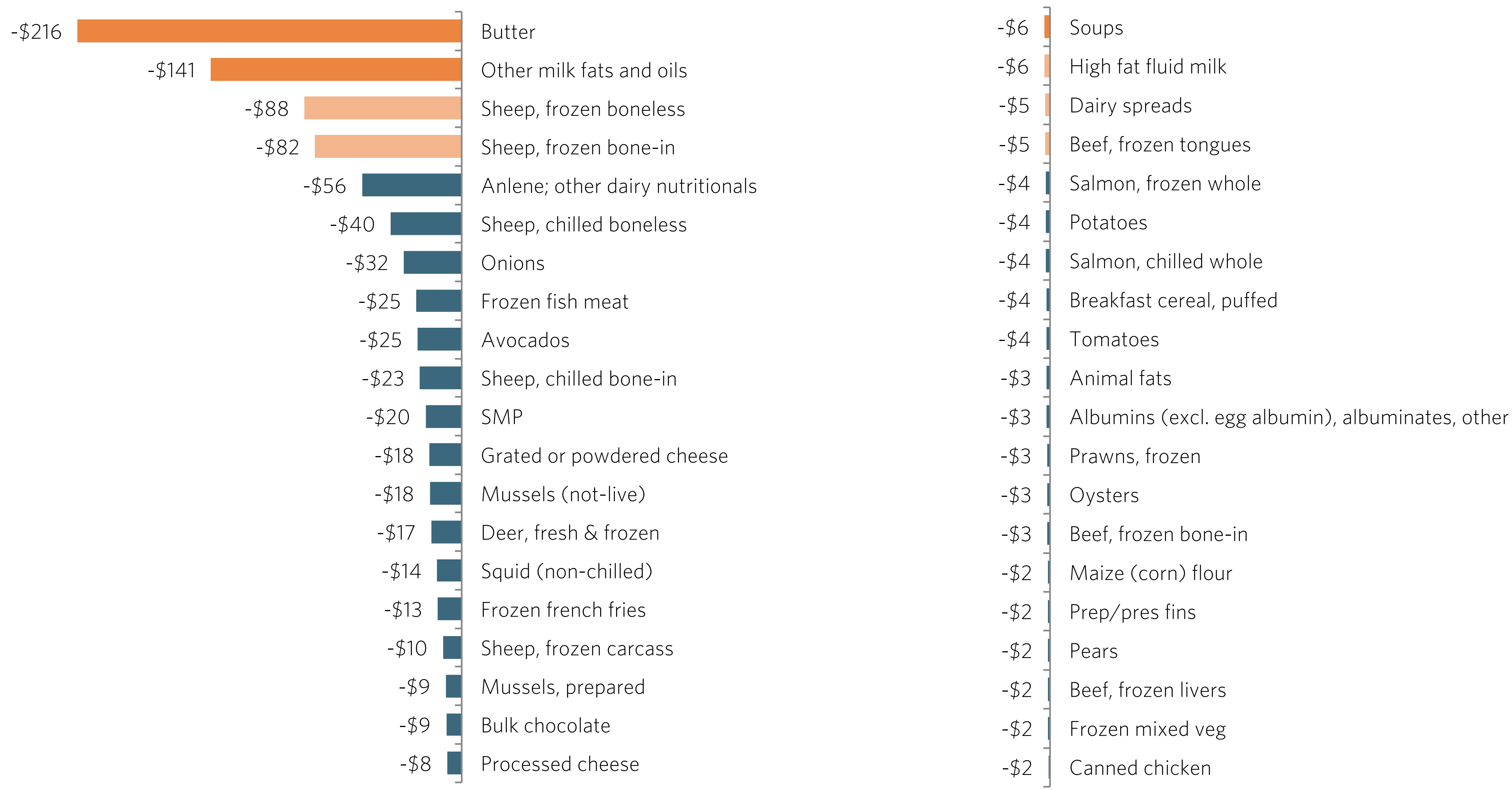
IF Infant Formula; Note: Innovative Foods (HS210690) are products that did not exist when the trade codes were developed and/or last revised; Source: UN Comtrade database; Coriolis analysis

EXPORT DOLLAR DECLINE

In 2012, butter/other milk fats and frozen sheep/lamb led declining categories by value

IFAB BOTTOM 40 DECLINING CATEGORIES BY CHANGE IN EXPORT VALUE IN CY12

US$m; 2012 vs. 2011



Source: UN Comtrade database; Coriolis analysis

$/KG

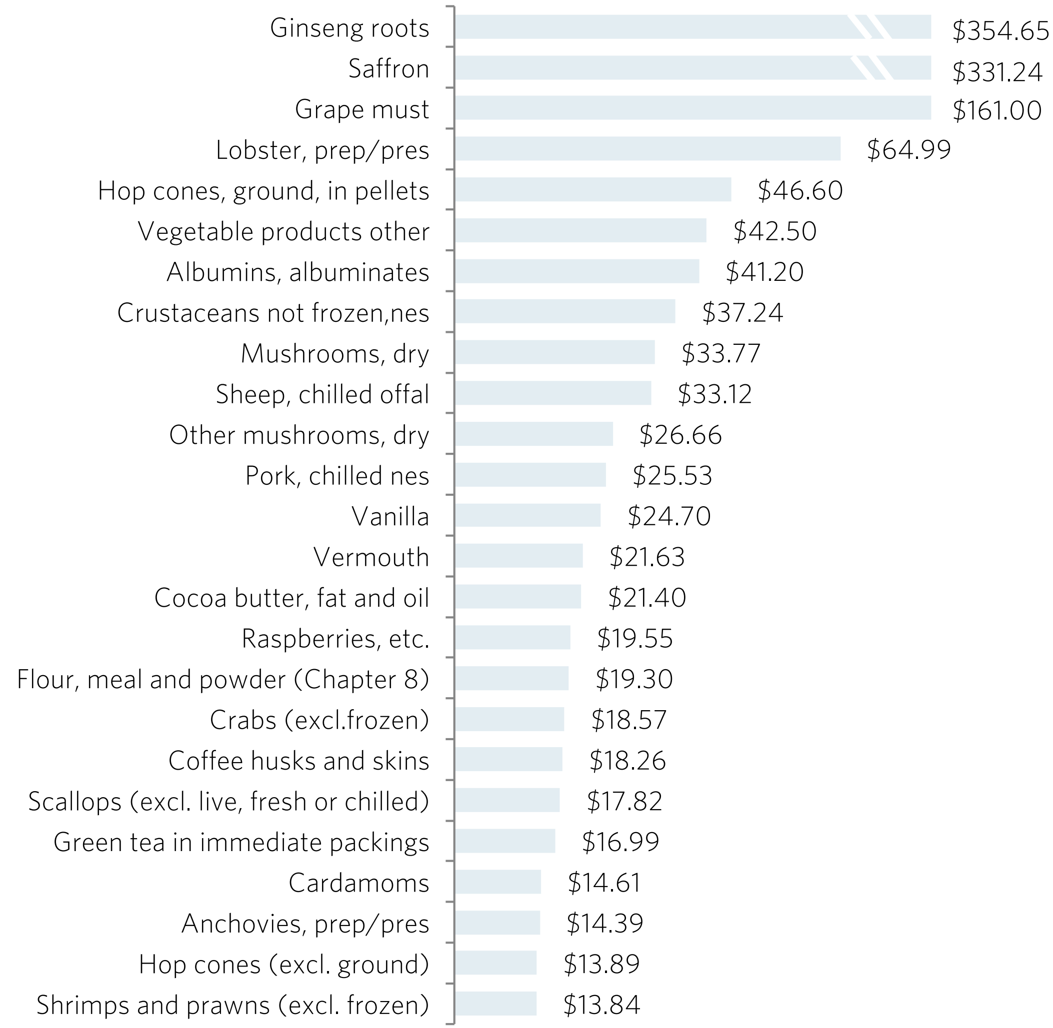
In 2012 rock lobster led export categories over $1m in terms of dollars per kilogram, however there are a wide range of interesting very high value products being exported from New Zealand

TOP 25 F&B EXPORT CATEGORIES BY VALUE PER KILOGRAM

US$/kg; 2012

CATEGORIES OVER $1M

CATEGORIES UNDER $1M



Source: UN Comtrade database; Coriolis analysis

APPENDIX

Overview

F&B – INDUSTRY ORGANISATIONS

As a major food and beverage producer, New Zealand has a strong range of industry bodies and organisations

KEY FOOD & BEVERAGE INDUSTRY ORGANISATIONS

2013

DAIRY
- DairyNZ
- DCANZ – Dairy Companies Association of New Zealand
- FGC – New Zealand Food & Grocery Council
- NZ Large Herds Association Inc.
- Federated Farmers of New Zealand

MEAT
- mia – Meat Industry Association
- beef+lamb new zealand
- New Zealand Meat Board
- New Zealand Pork
- PIANZ
- Federated Farmers of New Zealand
- Deer Industry New Zealand
- NZDFA – New Zealand Deer Farmers' Association

SEAFOOD
- Seafood Industry Council
- Aquaculture New Zealand
- New Zealand Salmon Farmer's Association Inc.
- New Zealand Abalone Farmers Association
- Fisheries Inshore New Zealand
- New Zealand Oyster Industry Association
- DeepWater Group
- New Zealand Federation of Commercial Fishermen
- mfa – Marine Farming Association
- New Zealand Rock Lobster Industry Council

PRODUCE
- United Fresh
- Horticulture New Zealand
- New Zealand Horticulture Export Authority
- Pipfruit New Zealand
- New Zealand Kiwifruit Growers Inc.

PROCESSED FOODS
- FGC – New Zealand Food & Grocery Council
- Baking Industry Association of New Zealand
- United Wheatgrowers NZ Ltd
- The New Zealand Ice Cream Manufacturers Assoc. (Inc)
- New Zealand Petfood Manufacturers Association (NZPFMA)

BEVERAGES
- FGC – New Zealand Food & Grocery Council
- New Zealand Wine – Pure Discovery
- NZJBA – New Zealand Juice & Beverage Association www.nzjba.org.nz
- Brewers Guild of New Zealand
- Brewers Association – Brewers Association of Australia & New Zealand Inc
- DSANZ

Source: Coriolis analysis

F&B – INDUSTRY SCIENTIFIC RESEARCH

New Zealand has strength in food and beverage research across a range of research institutes

KEY FOOD & BEVERAGE INDUSTRY RESEARCH BODIES IN NEW ZEALAND

2013

RESEARCH AND SCIENCE ORGANISATIONS

- Plant & Food Research – Rangahau Ahumāra Kai
- agresearch
- NIWA – Taihoro Nukurangi
- Landcare Research – Manaaki Whenua
- Callaghan Innovation
- ESR
- Riddet Institute – Food | Innovation | Health
- Bio-Protection – Bioprotection science for New Zealand
- Cawthron
- Centre for Viticulture & Oenology – A Lincoln University Research Centre
- Marlborough Wine Research Centre

UNIVERSITIES

- Massey University – Te Kunenga ki Pūrehuroa
- Lincoln University – Te Whare Wānaka o Aoraki
- The University of Auckland
- University of Otago – Te Whare Wānanga o Otāgo – New Zealand

Source: Coriolis analysis

F&B – INDUSTRY SCIENTIFIC RESEARCH

New Zealand Food Innovation Network provides four open access commercial scale R&D and pilot plant facilities for the food and beverage industry

Location	Focus	Capability
THE FOODBOWL	Processed/FMCG foods Space/equipment for hire Export registrations ~1000 kg/shift	- Extrusion & milling/blending - UHT/Beverage - High pressure processing - Freeze drying - General processing - Multiple packaging styles - Production kitchen
FOODWAIKATO	Dairy & Infant Formula ~500 kg/hour	- Spray dryer - Evaporator - Other dairy equipment - Packing
THE FOODPILOT	Dairy Fruit & vegetables All Food and Beverage	- Same equipment range as Manukau (1/5th scale) - Same equipment range as Waikato (1/20th scale) - Post harvest technologies - Meat and small goods pilot plant
SOUTH ISLAND	All Food and Beverage	Sourcing of: - pilot equipment - technical expertise - business expertise

Source: NZFIN

METHODOLOGY & DATA SOURCES

Data was from a variety of sources, and has a number of identified limitations

This report uses a range of information sources, both qualitative and quantitative.

The numbers in this report come from multiple sources. While we believe the data are directionally correct, we recognise the limitations in what information is available. In many cases different data sources disagree (e.g. Statistics New Zealand vs. FAO vs. UN Comtrade). Many data sources themselves incorporate estimates of industry experts (e.g. FAO AgStat). As one example, in many cases, the value and/or volume recorded as exported by one country does not match the amount recorded as being received as imports by the counterparty [for understood reasons]. In addition, in some places, we have made our own clearly noted estimates.

All trade data analysed in all sections of the F&B Information project are calculated and displayed in US$. This is done for a range of reasons:

1. It is the currency most used in international trade
2. It allows for cross country comparisons (e.g. vs. Denmark)
3. It removes the impact of NZD exchange rate variability
4. It is more comprehensible to non-NZ audiences (e.g. foreign investors)
5. It is the currency in which the United Nations collects and tabulates global trade data

The opinions expressed in this report represent those of the industry participants interviewed and the authors. These do not necessarily represent those of Coriolis Limited or the New Zealand Government.

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 data sources used in the project. The information contained in the report and any 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. Coriolis makes no representation, warranty or guarantee, whether express or implied, as to the quality, accuracy, reliability, currency or completeness of the information provided in the report.

If you have any questions about the methodology, sources or accuracy of any part of this report, please contact project lead Tim Morris at Coriolis, on +64 9 623 1848

GLOSSARY OF TERMS

This report uses the following acronyms and abbreviations

A$/AUD	Australian dollar
ABS	Absolute change
ANZSIC	AU/NZ Standard Industry Classification
AU	Australia
Australasia	Australia and New Zealand
B	Billion
CAGR	Compound Annual Growth Rate
C/S America	Central & South America (Latin America)
CRI	Crown Research Institute
CY	Calendar year (ending Dec 21)
E Asia	East Asia
EBITDA	Earnings before interest, tax, depreciation and amortization
FAO	Food and Agriculture Organisation of the UN
FY	Financial year (of firm in question)
£/GBP	British pounds
JV	Joint venture
M	Million
N/A	Not available/not applicable
NA/ME/CA	North Africa / Middle East / Central Asia
N. America	North America (USA, Canada)
Nec/Nes	Not elsewhere classified/not elsewhere specified
N/C	Not calculable
N.H	Northern Hemisphere
NZ	New Zealand
NZ$/NZD	New Zealand dollar
R&D	Research and Development
S Asia	South Asia (Indian Subcontinent)
SE Asia	South East Asia
S.H	Southern Hemisphere
SS Africa	Sub-Saharan Africa
T/O	Turnover
US/USA	United States of America
US$/USD	United States dollar
UK	United Kingdom
US	United States of America
YE	Year ending
YTD	Year to date
	Sources
AR	Annual report
Ce	Coriolis estimate
Ci	Coriolis interview

Coriolis is a boutique management consulting firm that focuses on food, consumer packaged goods, retailing and foodservice.

Coriolis advises clients on strategy, operations, organization, and mergers and acquisitions. We develop practical, fact-based insights grounded in the real world that guide our clients decisions and actions. Founded in 1999, Coriolis is based in Auckland, New Zealand and works on projects across the Asia Pacific region.

WHAT WE DO

We help our clients assemble the facts needed to guide their big decisions. We make practical recommendations. Where appropriate, we work with them to make change happen.

HOW WE DO IT

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.

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
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