



NEW ZEALAND DAIRY GREENFIELDS OPPORTUNITY STAGE II

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OVERVIEW

Background and Methodology

Stage I screening process

Stage II firms profiles



Core purpose

Identify high potential candidates for greenfields investment in dairy-based products

- Economic theory and literature supports greenfields investment as the form of FDI with the highest payback or returns for the host country
- The New Zealand Government seeks to attract new greenfields investment to New Zealand
- Food & Beverages account for 46% of total New Zealand exports of goods and services; the sector is highly globally competitive and has attracted significant global investment
- While there are a wide range of opportunities for greenfields investment, dairy – in particular – stands out as having high revealed comparative advantage and successfully attracting significant investment
- New Zealand’s dairy is predominantly exported as raw material dairy ingredients (e.g. milk powder)
- As the country has “enough” ingredient capacity, there is a desire to attract firms that will process dairy ingredients into consumer products (rather than make more ingredients)
- Therefore this document proposes an initial focus on identifying high potential candidates in dairy-based products; if successful, the methodology can be extended to other sectors (e.g. aquaculture, produce)

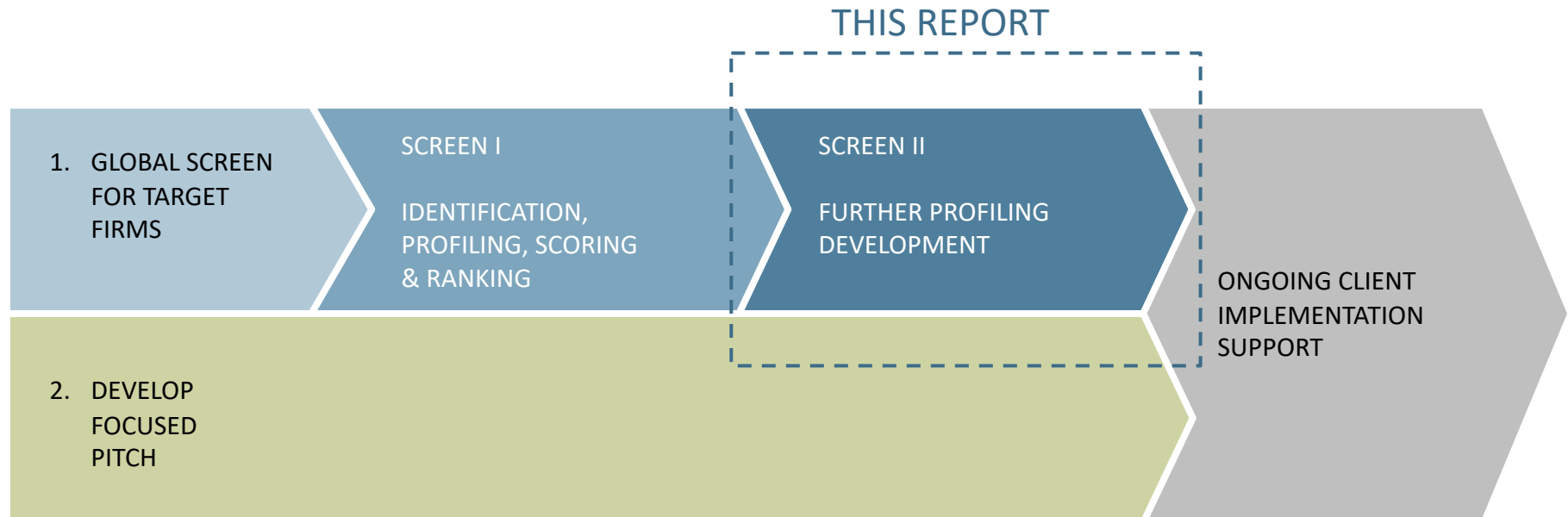
BACKGROUND

We assume the audience have read the Dairy and Processed Food reports - completed as part of the Food and Beverage Information Project



METHODOLOGY

Two separate modules ran in parallel: (1) a two stage global screen for target firms and (2) the development of a focused pitch



OVERVIEW

Background and Methodology

Stage I screening process

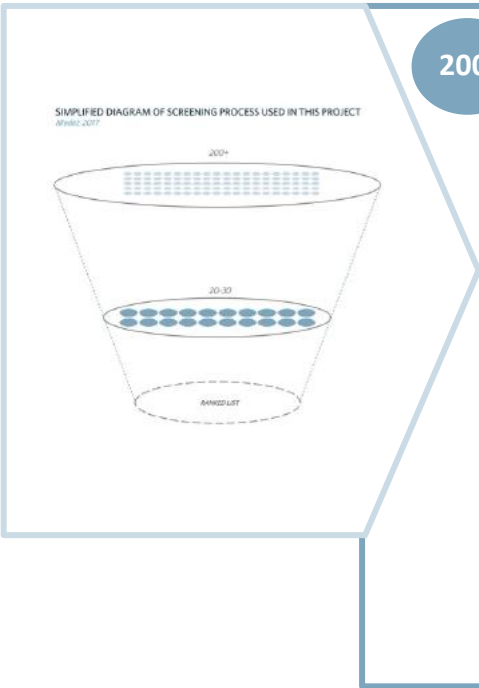
Stage II firms profiles



METHODOLOGY

Two hundred dairy firms are profiled in Stage I, 27 firms scored highly and are profiled in Stage II

1. GLOBAL SCREEN FOR TARGET FIRMS



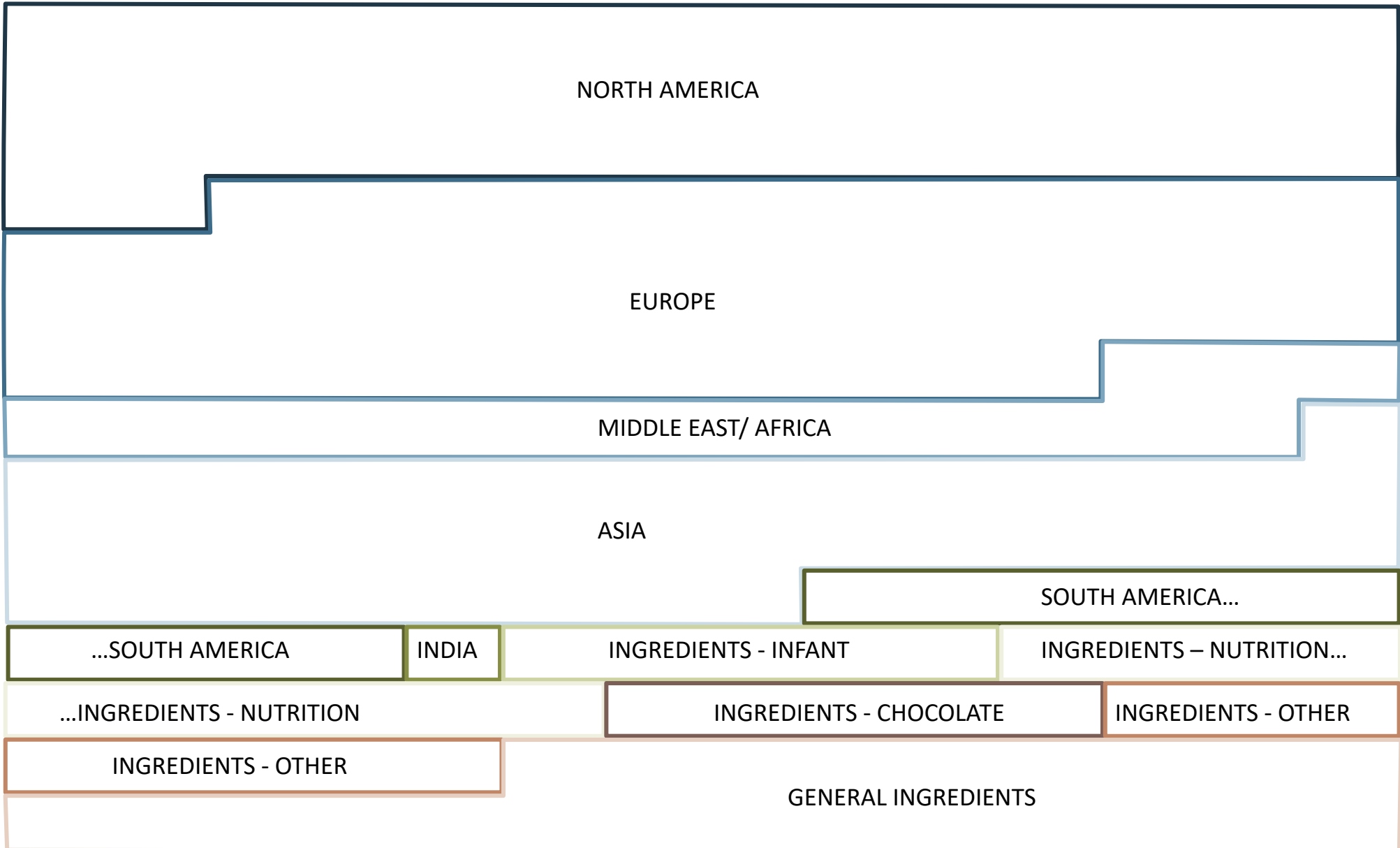
SCREEN I PROFILING, SCORING & RANKING

27

SCREEN II FURTHER PROFILING & DEVELOPMENT

2. DEVELOP FOCUSED PITCH

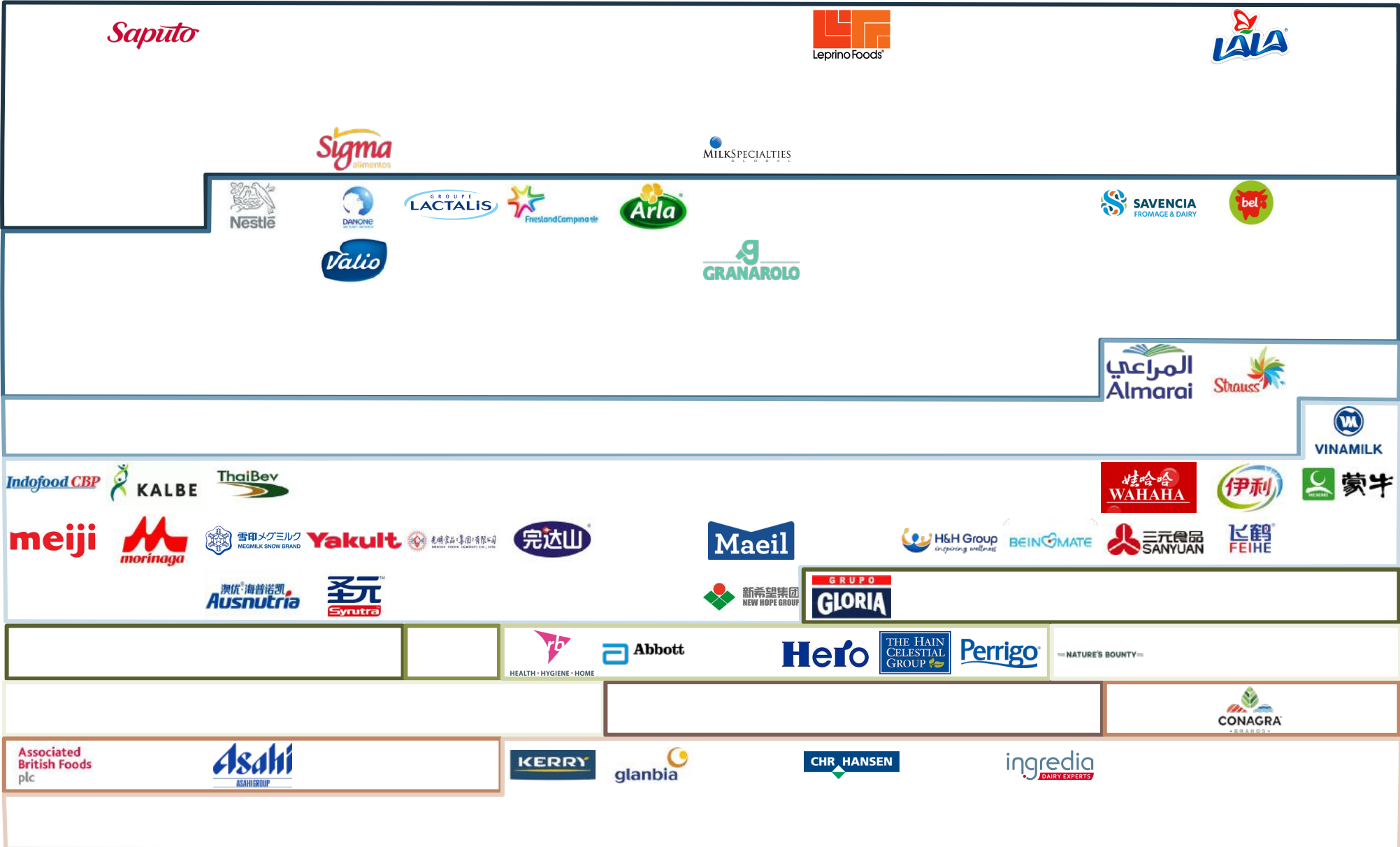
Stage I firms are from across the world and across the food and beverage supply chain



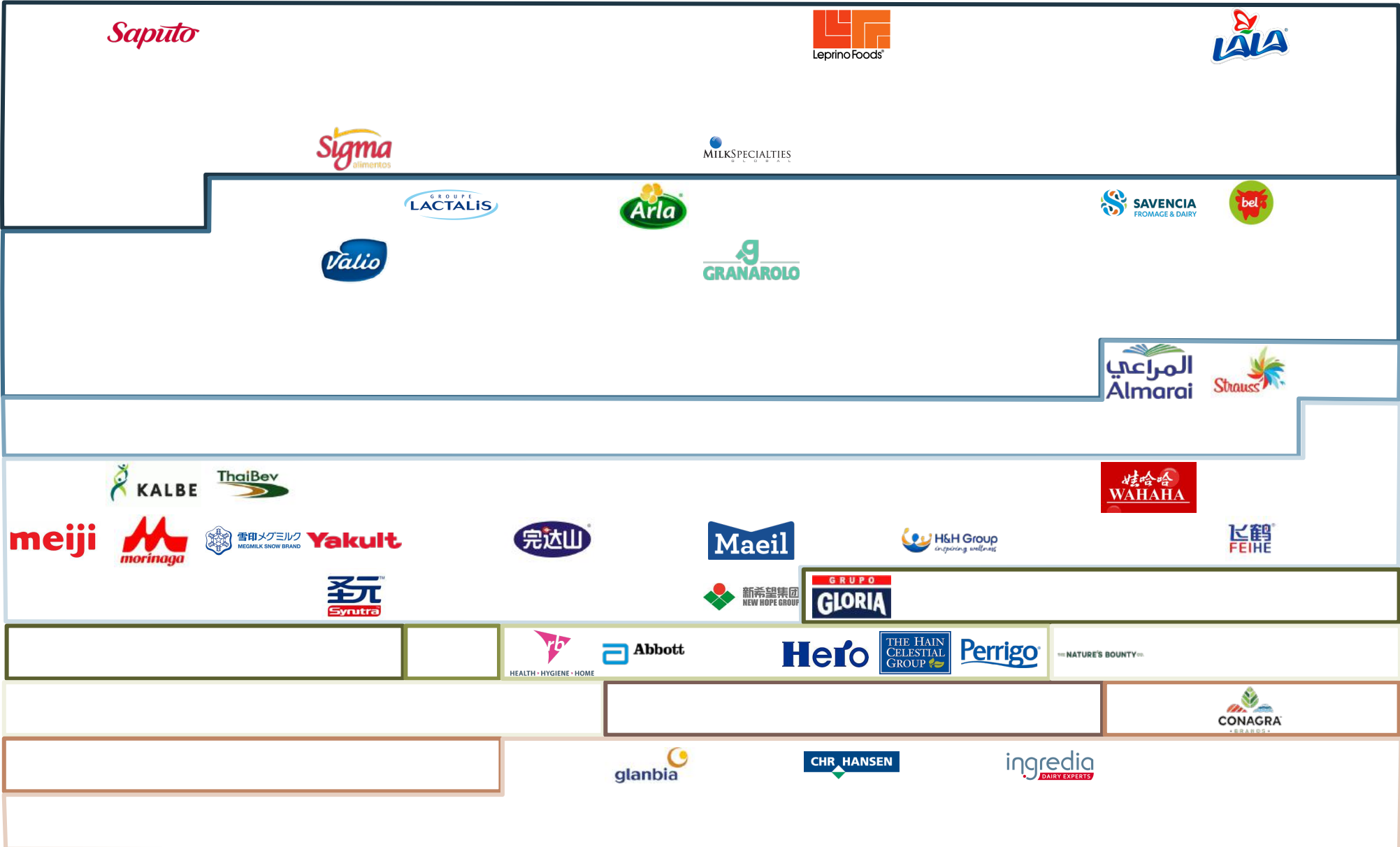
A total of 200 firms are profiled



The following firms scored highly



Removing the firms that have already invested in New Zealand left the following firms



Firms are sorted by their potential types of initial entry strategy into New Zealand

Greenfields	Acquisitions	Joint Ventures
Leprino Foods	Saputo	Saputo
LaLa	LaLa	Milk Specialties
Milk Specialties	Lactalis	Arla
Almarai	Savencia	Valio
Wahaha	Megmilk/Snowbrand	Almarai
Meiji	H&H Group	Hero
Morinaga	New Hope Group	Glanbia
Megmilk/Snowbrand	Hain Celestial	Ingredia
Maeil	Perrigo Company	
H&H Group	CHR Hansen	
Feihe International		
Synutra		
New Hope Group		
Reckitt Benckiser		
Abbott		
Hero		
Hain Celestial		
Perrigo Company		
CHR Hansen		

NOTE: Groupings groupings are not exclusive and will depend on each firms business plan and regional strategy

OVERVIEW

Background and Methodology

Stage I screening process

Stage II firms profiles



The following firms are now analysed in further detail

Profiled in Stage II

Firms	Region/Section
Saputo	North America
Leprino Foods	North America
LaLa	North America
Milk Specialties	North America
Lactalis	Europe
Arla	Europe
Savencia	Europe
Bel	Europe
Valio	Europe
Almarai	Middle East
Wahaha	East Asia
Meiji	East Asia
Morinaga	East Asia
Megmilk Snowbrand	East Asia

Firms	Region/Section
Maeil	East Asia
H&H Group	East Asia
Feihe Internat.	East Asia
Synutra	East Asia
New Hope Group	East Asia
Reckitt Benckiser	Infant Nutrition
Abbott	Infant Nutrition
Hero	Infant Nutrition
Hain Celestial	Infant Nutrition
Perrigo Company	Infant Nutrition
Glanbia	Ingredients
CHR Hansen	Ingredients
Ingredia	Ingredients

Potential Future Profiles

Firms	Region/Section
Sigma	North America
Granarolo	Europe
Strauss	Middle East
Kalbe	South East Asia
ThaiBev	South East Asia
Yakult	East Asia
Heilongjiang Wondersun	East Asia
Gloria	South America
Nature's Bounty	Sports Nutrition
ConAgra	Other Foods

Saputo

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
CEO/MD: Lino Saputo Jr Address: 6869 Metropolitan Blvd. East St-léonard, Quebec H1P 1X8 CANADA Phone: +1 514 328 6662 Established: 1954 Website: www.saputo.com; www.wcbf.com.au Revenue: C\$11.2b (US\$7.1b dairy sales) EBITDA: C\$1.3b Staff: 12,800 No. of plants: 50 Production: 8b litres of milk Ownership: Public Country: Canada Owner: TSX:SAP; Saputo family cornerstone	PRODUCTS Milk, yoghurt, cream, sour cream, milk powder, cheese, goat cheese, dairy ingredients BRANDS Saputo, Alexis de Portneuf, Armstrong, COON, Cracker Barrel, Dairyland, DairyStar, Friendship Dairies, Frigo Cheese Heads, La Paulina, Milk2Go, Lait's Go, Neilson, Nutrilait, Scotsburn, Stella, Sungold, Treasure Cave, Woolwich Dairy, Bari, Baxter, Chevrai, Cognuet, DuVillage 1869, International Delight, Kingsey, Mornington Dairy, Neilson, Wholesome Goat, Black Creek, DCI Cheese, Dragone, Great Midwest, Lorraine Cheese, Organic Creamery, Salemsville, Molfino, Ricrem, Great Ocean Road, Millel, Warrnambool Cheese & Butter OPERATIONS #1 cheese manufacturer, leading cream and fluid milk processor in Canada; one of top 3 dairy processors in Argentina; one of top 4 in Australia; top 3 cheese producer in USA, one of largest producers of ESL and cultured dairy products; products sold in over 40 countries; USA 52% of revenue; retail segment 50% of revenue; JV with FrieslandCampina via WCB, 'Great Ocean Ingredients' in AU	Europe: Americas: Canada (22), USA (24), Argentina (2) Middle East: Asia: Australasia: Australia (2) (Warrnambool Cheese and Butter (WCB)) Other:
DO THEY HAVE ANY MONEY? RECENT ACQUISITIONS & INVESTMENTS <ul style="list-style-type: none"> - Acquired 88% stake in WCB (AU) in 2014, A\$504m - Acquired fluid milk activities of Scotsburn Co-Operative Services (CA) in 2014 - Acquired Lion's everyday cheese business for WCB in 2105, A\$137.5m - Acquired Woolwich Dairy for C\$80m in 2015, largest goat cheese manufacturer in North America - Announced closure of 3 plants in Canada in 2016 - Acquired full ownership of WCB (AU) in 2017; remaining 10% from Lion Dairy and Drinks (AU), A\$75m - Acquired ESL activities of Southeast Milk Inc (USA) in 2017 		

Why would they build a greenfields dairy plant in New Zealand?

1

Market leader in Canada, one of the leading dairy companies in Argentina, Australia, USA

2

Produce range of hi-tech functional dairy ingredients

3

Investing outside of home region

WHAT?
What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Whey products



EXAMPLE
Specialty cheeses for food service and industry



EXAMPLE
Functional dairy ingredients



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1954 Saputo family founded company in Montreal</p> <p>1957 Built first sizeable production facility</p>	<p>1970s Acquired several manufacturing plants and developed national distribution network</p>	<p>1980s Became Canada's largest mozzarella producer</p> <p>1981 Acquired cheese plant in Ontario</p> <p>1984 Acquired whey processing plant in Saint-Hyacinthe, Quebec</p> <p>1988 Acquired two cheese plants in USA, establishing manufacturing presence</p> <p>1989 Built head quarters complex in Saint-Leonard, Montreal</p>	<p>1996 Acquired Fromages Caron Inc., Quebec importer and distributor of fine cheeses</p> <p>1997 Acquires Cremerie des Trois-Riveres ltee in Quebec, entering fluid milk market</p> <p>1997 Completed IPO in Canada</p> <p>1997 Acquired Stella Foods in USA, becoming one of USA's leading natural cheese producers</p> <p>1998 Acquired Avonmore's (IE) US operations</p>	<p>2000-2003 Acquired Cayer-JCB Group, (Quebec), Dairyworld Foods (becoming #1 Canadian milk processor), Treasure Cave and Nauvoo brands (becoming leader in USA blue cheese retail market)</p> <p>2003 Acquired Molfino Hermanos S.A., Argentina's third largest milk processor</p> <p>2005-2009 Acquired Fromage Cote S.A, Kingsey Distributions, Schneider Cheese (Quebec), Danisco Dairy Products (UK), Land O'Lakes West Coast industrial cheese business, Alto Dairy Coop(USA), Neilson Dairy (Canada), F&A Dairy (USA)</p>	<p>2011 Acquired Fairmount Cheese</p> <p>2013 Acquired Morningstar Foods, a subsidiary of Dean Foods</p> <p>2014 Acquired 87.9% of Warrnambool Cheese and Butter (WCB) in Australia</p> <p>2014 Acquired fluid milk activities of Scotsburn Coop (Canada)</p> <p>2015 Acquired Lion's everyday cheese business for WCB (AU)</p> <p>2015 Acquired Woolwich Dairy, leading goats cheese in North America</p> <p>2017 Acquired remaining shares in WCB (AU)</p>

WHO?

Who are the key, relevant members of their management?



Emanuele (Lino) Saputo
Co-founder
(stepped down from Chairman in 2017)



Lino A. Saputo, Jr.
Chairman & CEO



Kai Bockmann
President & COO
(previously COO of International Sector (Argentina & Australia))

HOW?
How do they invest? How could they invest?



Warrnambool Cheese and Butter Factory Company plant
Allansford, Victoria, Australia
Acquired 2014 - 2017
A\$504m (88%); A\$75m (10%)

JV Great Ocean Ingredients with FrieslandCampina
Vivinal GOS (galacto-oligosaccharides) plant
Allansford, Victoria, Australia
Established 2007
A\$75m

Woolwich Dairy - goat cheese company
Ontario (pictured), Quebec, Wisconsin plant locations
Acquired 2015
US\$61m

WHY?

Why do they invest? Why would they invest in New Zealand?

“The company is hungry for more deals in the Oceania region and South America... looking for other acquisitions in Australia and New Zealand...There are some smaller operators in New Zealand that are doing wonderful things that we would be interested in.”

Lino Saputo Jr, CEO

“ Market interest in more specialty products is causing Saputo to expand focus into higher value products where cost is less of a factor and innovative new products are the key to success.”



“ From their new regional launching pad in Australia, the Saputos are eyeing off other prize dairy assets in both Australia and New Zealand using the combined financial muscle of Warrnambool Cheese and Saputo Inc.”



“ Saputo had always talked about wanting to invest in this part of the world, Australia and New Zealand, and the strategy was really around tapping into the Asian growth story and using the Australian sector as a means to do that given our proximity to market and our well-established trade links into the region.”



LEPRINO FOODS
United States





DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	○	●	●	◐	◐	○	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: James Leprino</p> <p>Address: 1830 West 38th Avenue Denver CO 80211 UNITED STATES</p> <p>Phone: +1 303 480 2600</p> <p>Established: 1946</p> <p>Website: www.leprinofoods.com</p> <p>Revenue: US\$3.0b</p> <p>EBIT: N/A</p> <p>Staff: 5,000</p> <p>No. of plants: 9 (+ 3 JV plants)</p> <p>Production: ~6% of USA milk supply processed; 680m kg of cheese produced</p> <p>Ownership: Private</p> <p>Country: USA</p> <p>Owner: Leprino family</p>	<p>PRODUCTS</p> <p>Cheese, whey, dairy ingredients</p> <p>BRANDS</p> <p>Proprietary brands, Ascent Protein</p> <p>OPERATIONS</p> <p># 1 mozzarella producer globally; # 1 producer of lactose globally; largest USA exporter of whey products; focus on QSR/food service; sells to over 40 countries; pizza cheese 50% of business; supplies to Pizza Hit, Domino's, Pap John's, Hot Pockets, T.G.I. Friday, Lean Cuisine; controls ~85% of USA pizza cheese market; JV manufacturing operations with Glanbia (IR) 'Glanbia Cheese', in Wales for mozzarella and condensed whey and in Northern Ireland for mozzarella, WPC, permeate, and with Lactojara Industria e Comercio de Laticinios (Pic Nic) in Brazil for mozzarella, butter, condensed whey; sales offices in Singapore, Shanghai, Tokyo</p>	<p>Europe: UK (Wales, Northern Ireland)</p> <p>Americas: USA, Brazil</p> <p>Middle East:</p> <p>Asia:</p> <p>Australasia:</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Invested US\$600m in greenfield mozzarella plant in Colorado in 2011; stage 3 operational in 2017 - Acquired 49% stake in Pic Nic (Brazil), QSR focused cheese producer, in 2016 		

Why would they build a greenfields dairy plant in New Zealand?

1

Specialised cheese and whey protein manufacturer

2

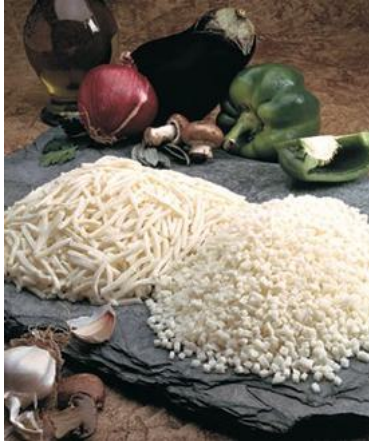
Number 1 mozzarella producer in the world

3

Growing market for pizza cheese in China

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Retail whey protein products



EXAMPLE
Industrial whey products



EXAMPLE
Food service mozzarella products



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1946 Mike Leprino Sr opened grocery store to sell produce, Italian specialties and homemade fresh cheese followed</p> <p>1958 Established Leprino Foods producing “pizza cheese”</p> <p>1968 Launched frozen, pre sliced blocks, supplying Pizza Hut</p>	<p>1970s Became specialist foodservice distributor</p> <p>1978 Began shipping whey to Japanese market</p> <p>1979 Changed name to Leprino Foods Co</p>	<p>1986 Launched “Quality Locked Cheese”</p> <p>1988 Established JV with Michigan Milk Producers’ Association to build US\$30-40m cheese factory</p> <p>1989 Launched new line of enhanced cheeses, including skim mozzarella, developing process to make mozzarella in 4 hours</p>	<p>1991 Became exclusive supplier to Papa John’s</p> <p>1992 Became USA #1 supplier of pizza cheese</p> <p>1994 Sold distribution business to International Multifoods Corporation</p> <p>1996 Became exclusive supplier to Domino’s</p> <p>1998 Acquired 6 cheese plants and interest in 7th from Dairy Farmers of America as part of ongoing alliance</p>	<p>2000 Acquired 49% of JV with Glanbia, ‘Glanbia Cheese’ for US\$31.66m</p>	<p>2011 Invested in greensfield mozzarella plant in Greeley, Colorado</p> <p>2011 Opened Asia Pacific sales office in Singapore</p> <p>2011 Invested in expansion of Roswell, New Mexico plant</p> <p>2016 Acquired 49% stake in Pic Nic cheese manufacturer in Brazil</p> <p>2017 Commissioned stage 3 of Greeley plant</p> <p>2017 Launched first consumer retail product, Ascent whey protein</p>

WHO?

Who are the key, relevant members of their management?



James Leprino
Chairman
(only known photo, 1978)



Mike Durkin
President



Paul Vernon
CEO JV Glanbia Cheese (UK)

HOW?

How do they invest? How could they invest?



“Ribbon cheese” mozzarella plant
 100 acre site; 1.2m sq foot factory; eventually process
 2/3 of Colorado’s milk supply; 7m pounds/day
 Greeley, Colorado
 2011-2017
 US\$600m

JV Glanbia Cheese with Glanbia
 Plants in Llangefni, Wales and Magheralin, N. Ireland
 2000 - JV established, 49% Leprino Foods
 2003 – US\$19.3m invested Magheralin
 2014 - £7m+ invested Llangefni
 2017 - £ ‘seven figures’ invested Magheralin

Mozzarella plant
 1m sq foot; capacity of 6m pounds of milk a day at time
 of completion
 Lemoore West, California
 2003

WHY?

Why do they invest? Why would they invest in New Zealand?

"The company has been an export champion since day one."



"Taking a position in the European market has been a logical next step for Leprino for some time and this joint venture with the market leader will, I believe, offer significant mutual benefits."

James Leprino, Chairman

"Leprino Foods has made strategic and focused efforts to build business in China and the Southeast Asian theater for mozzarella."



"We are very pleased that we have partnered with PICNIC, a strong company that shares our values within the growing and important Brazilian cheese market."

Mike Durkin, President





WHAT COULD THEY DO?

Build plant to supply Central and South American operations with raw materials

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
○	●	●	◐	●	○	○	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Scot Rank</p> <p>Address: Cárdenas No. 185 Parque Industrial Lagunero Gómez Palacio, DG 35077 MEXICO</p> <p>Phone: +52 871 729 3100</p> <p>Established: 1949</p> <p>Website: www.grupolala.com; www.lala-us.com</p> <p>Revenue: MXN\$53.5b (US\$2.8b dairy sales)</p> <p>EBITDA: MXN\$6.9m</p> <p>Staff: 34,900 (+ 7,600 Vigor)</p> <p>No. of plants: 22 (+14 Vigor)</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: Mexico</p> <p>Owner: BMV:LALA</p>	<p>PRODUCTS</p> <p>Milk, yoghurt, cheese, butter, cream, desserts, ice cream, functional dairy products, smoothies, milk powder, juice, deli meats, soy milk</p> <p>BRANDS</p> <p>Lala, Nutri Leche, Yomi, Silhouette, Bio4, Bio4 Balance, Promised Land, Borden (excl. fresh milk), Frusion, Skim Plus, Nordica, Peti Zoo, Lalacult, Los Volcanes, Monarca, Mileche, Boreal, Break, Natural'es, Las Puentes, Vigor</p> <p>OPERATIONS</p> <p>Only nationwide dairy company in Mexico; # 1 dairy company in Latin America; 166 distribution centres in Mexico and Central America; milk is 60% of sales; listed on Mexican Stock Exchange in 2013; subsidiary LaLa US; LaLa is brand leader in adult drinkable yoghurt in USA; operations in 8 countries</p>	<p>Europe:</p> <p>Americas: Mexico (14), USA (3), Brazil (14), Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica</p> <p>Middle East:</p> <p>Asia:</p> <p>Australasia:</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired 3 dairy plants and 5 brands (Borden, etc) from Laguna Dairy (USA) in 2016, US\$246m - Invested MX\$3b for 2016 capex, new plants and expansions - Acquired Vigor Alimentos SA (Brazil), yoghurt and fresh cheese producer in 2017 for US\$1.8b 		

Why would they build a greenfields dairy plant in New Zealand?

1

Market leader in Latin America

2

Produces functional dairy productions
and milk powders

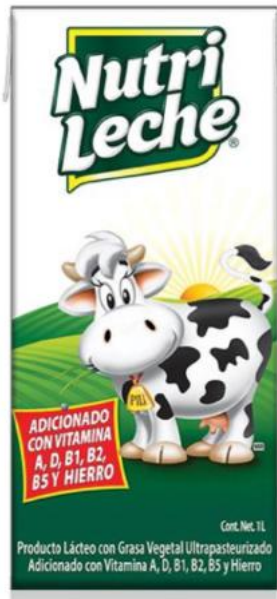
3

Investing outside of home region

WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
UHT milk



EXAMPLE
Butter & cheese

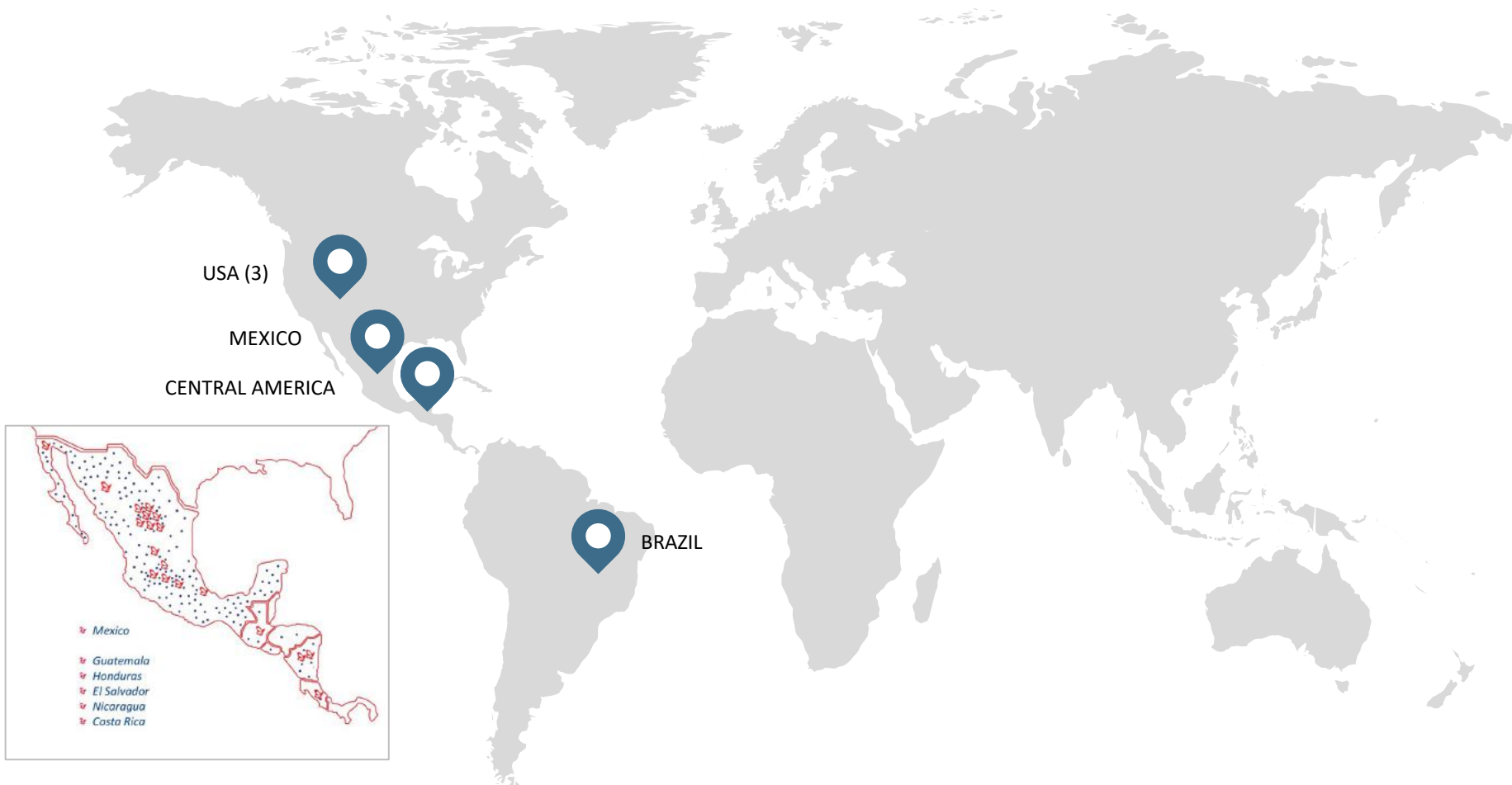


EXAMPLE
Ice cream



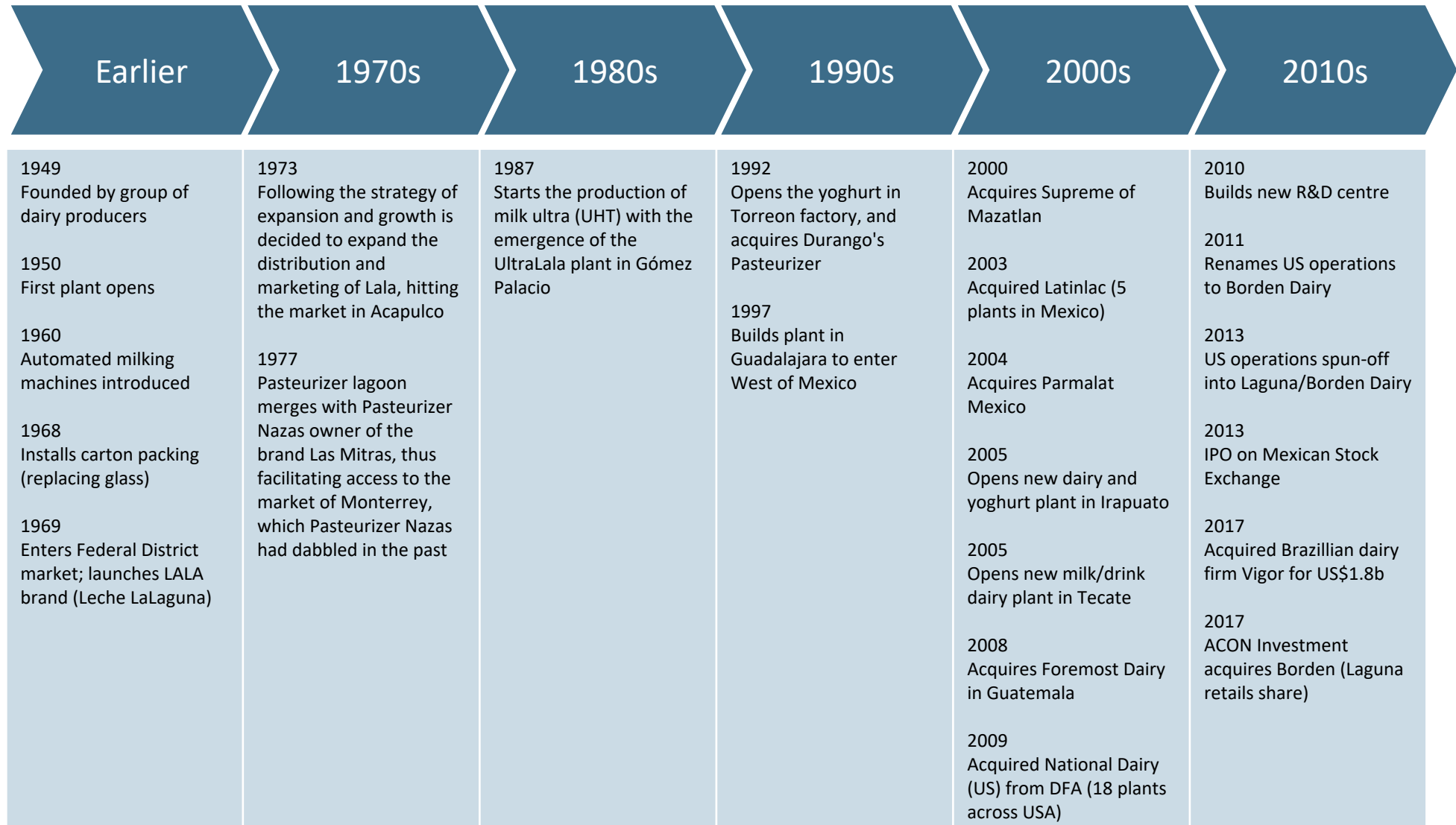
WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?


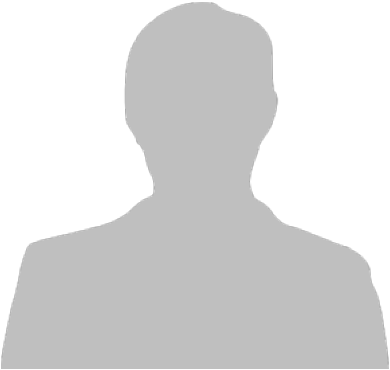

What are they key events in the development of this firm?



WHO?

Who are the key, relevant members of their management?






		
<p>Scot Rank Crawford CEO</p>	<p>Alberto Alfredo Arellano García Chief Financial Officer</p>	<p>Antonio Suárez Lara Director of Mergers and Acquisitions</p>

HOW?

How do they invest? How could they invest?



		
<p>Laguna Industrial complex Coahuila, Mexico 2009 US\$100m</p>	<p>Automated Warehouse/Cheese Plant/Other Capex Irapuato, Mexico & elsewhere 2016 MP3000m / US\$150m</p>	<p>Vigor Alimentos SA acquisition 6th largest dairy co in Brazil; revenue US\$1.6b in 2017 Brazil IN PROGRESS OCT 2017 (Not complete) US\$1.8b transaction value</p>

WHY?

Why do they invest? Why would they invest in New Zealand?



“Vigor will now be passed to Grupo Lala, which has an ideal opportunity to expand its international business further; it gains a strong brand in Vigor, with consumer recognition and a diverse portfolio of products.”



“Our strategy follows a disciplined approach. Opportunities:

- *The Americas*
- *Dairy & Dairy Alternatives*
- *Infrastructure, brands, value-adding categories and talent”*



“Dairy consumption in Mexico is predicted to increase by 8 percent in 2017... As a result, increasing amounts of fluid milk and non-fat dry milk are being directed toward processing use. Although the domestic industry has experienced steady production growth, Mexico is a milk production-deficit nation.”



“LALA 2016 Strategic Priorities:

1. *Accelerating Organic Growth in Mexico*
2. *Developing Internal Capabilities*
3. *Expand & Consolidate Central America Operations*
4. *M&A and Alliances.”*



MILK SPECIALTIES GLOBAL
United States



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: David Lenzmeier</p> <p>Address: 7500 Flying Cloud Drive, Suite 500 Eden Prairie, MN 55344 UNITED STATES</p> <p>Phone: +1 952 942 7310</p> <p>Established: 1953</p> <p>Website: www.milkspecialties.com</p> <p>Revenue: US\$685m (16)</p> <p>EBIT: N/A</p> <p>Staff: 700+</p> <p>No. of plants: 10</p> <p>Production: N/A</p> <p>Ownership: Private Equity</p> <p>Country: United States</p> <p>Owner: American Securities LLC & management</p>	<p>PRODUCTS</p> <p>Human: whey protein isolate, whey protein concentrate, milk protein concentrates, milk protein isolates, whey protein hydrolysates, lactose, permeate, sweet whey powder</p> <p>Animal: Energy Booster, PEF's (protein encapsulated fats), milk replacers, milk fortifiers, nutritional supplements</p> <p>BRANDS</p> <p>Human: MusclePep, KwikMix, BARsoft, PRObev, CASPRO</p> <p>Animal: Energy Booster 100, Energy Booster Mag, Energy Booster K, Energy Booster hP, Organi-Calf</p> <p>OPERATIONS</p> <p>"State-of-the-art" manufacturing facilities; extensive portfolio of whey and milk protein ingredients; supplied by local dairy and cheese producers; specialise in value added proteins, including organic, hormone free and lactose free options</p>	<p>Europe:</p> <p>Americas: USA</p> <p>Middle East:</p> <p>Asia:</p> <p>Australasia:</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired by Kainos Capital (PE) in 2011 - Sold to American Securities (PE) in 2016 - Acquired the milk replacer and hi fat businesses of Merrick Animal Nutrition, Inc. (Merrick's, Inc.), a performance leader and manufacturer in animal nutrition and animal feed products in 2017

Why would they build a greenfields dairy plant in New Zealand?

1

Private Equity looking for new growth opportunities beyond traditional markets

2








Specialists in value added proteins

3

Growing exports into New Zealand's target markets (Asia)

WHAT?

What do they produce?

<p>Human Nutrition</p>  <p>Instant</p> <ul style="list-style-type: none"> • Milk Protein Concentrate 80% • Milk Protein Concentrate 85% • Milk Protein Isolate 90% • Micellar Casein <p>Non-Instant/Regular</p> <ul style="list-style-type: none"> • Milk Protein Concentrate 70% • Milk Protein Concentrate 80% • Milk Protein Concentrate 85% • Milk Protein Isolate 90% • Micellar Casein <p>Caseinates</p> <ul style="list-style-type: none"> • Sodium Caseinate • Calcium Caseinate • Instant Calcium Caseinate <p>Specialty</p> <ul style="list-style-type: none"> • Organic • rBGH/rBST free • non-GMO • lactose free or low lactose <p>Liquid</p> <ul style="list-style-type: none"> • Cream • Ultra-filtered skim milk protein (60-90% db) • Organic ultra-filtered skim 85% 		 <p>Instant</p> <ul style="list-style-type: none"> • Whey Protein Hydrolysate (DH ranging from 3-5% and 10-20%) <p>Non-Instant/Regular</p> <ul style="list-style-type: none"> • Whey Protein Hydrolysate (DH ranging from 3-5% and 10-20%) <p>Specialty Hydrolysates</p> <ul style="list-style-type: none"> • Custom Whey Protein Hydrolysates • Enhanced Peptides Whey Protein Hydrolysates • Organic • rBGH/rBST free • Non-GMO • Lactose free or low lactose <p>Specialty</p> <ul style="list-style-type: none"> • PRObev™ • BARsoft™ • CASPRO™ <p>Lactose</p> <ul style="list-style-type: none"> • Organic • Edible lactose • Permeate <p>Specialty Blends</p> <ul style="list-style-type: none"> • Customer Specific 	<p>Animal Nutrition</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1369 372 1524 594">  <p>DAIRY</p> <ul style="list-style-type: none"> • Energy Booster® • Organi lac™ • RuMin 8® </div> <div data-bbox="1587 372 1742 694">  <p>CALVES</p> <p>Milk Replacers</p> <ul style="list-style-type: none"> • Calvita® • NutraStart® • Excelerate™ • Organi-Calf™ • Custom Blended Milk Replacers <p>Milk Additives</p> <ul style="list-style-type: none"> • CalfAlly™ NT Add Pack • Clarify® Add Pack • Milk Energizer™ <p>Milk Fortifiers</p> <ul style="list-style-type: none"> • Milk Bridge™ • Milk Primer™ • Excelerate® PME <p>Nutritional Supplements</p> <ul style="list-style-type: none"> • Calf-Ally™ Electrolytes • CalfAlly™ • Energy with Gelling Action </div> <div data-bbox="1815 358 1970 715">  <p>SPECIALTY</p> <p>Milk Replacers</p> <ul style="list-style-type: none"> • NutraStart® Kid • NutraStart® Lamb Milk Replacer • NutraStart® Liqui-Wean® Pig Milk Replacer • NutraStart® Multi-Species Milk Replacer <p>Energy Ingredients</p> <ul style="list-style-type: none"> • Performance Pak 100® (horses) • Fat Pak® 100 • Fat Pak® 80 (pigs) • Fat Pak® 60 (pigs and calves) </div> </div> <div data-bbox="1369 644 1535 886">  <p>COMPANION</p> <ul style="list-style-type: none"> • Perki-Lac® Kitten Milk Replacer • Perki-Lac® Puppy Milk Replacer </div>
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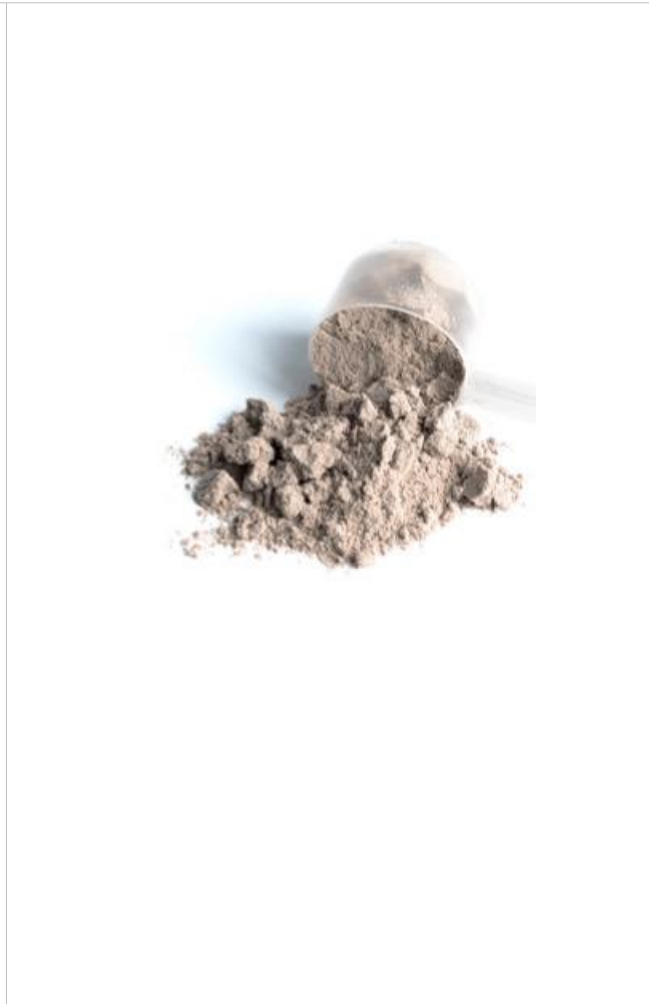
WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Specialty powders



EXAMPLE
Customised whey powders



EXAMPLE
Specialty dairy based animal feed



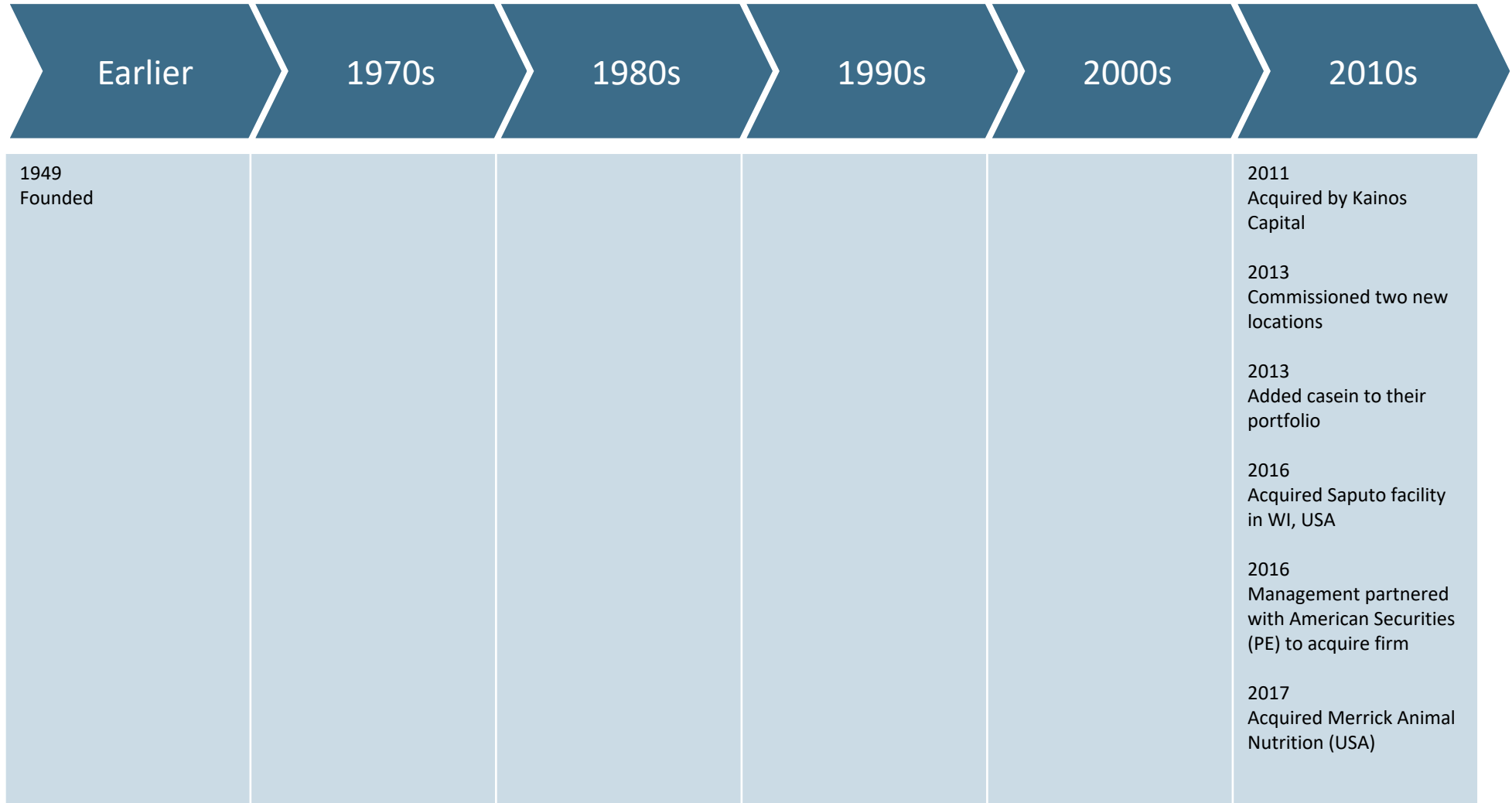
WHERE?

Where do they currently have dairy manufacturing operations?






WHEN?

What are they key events in the development of this firm?



WHO?

Who are the key, relevant members of their management?

		
<p>David Lenzmeier Chief Executive Officer</p>	<p>Brad Berentson Chief Financial Officer</p>	<p>Tom Benson SVP, Strategic Sourcing</p>

HOW?

How do they invest? How could they invest?



Visalia Plant
Dedicated to the production of Milk protein concentrates and isolate production (liquid or powder)
California, USA
2013

Wautoma Plant
78,000ft2 expansion to plant
Wautoma, USA
2015
\$3m

Whey Processing Plant
Acquired Saputo facility to grow whey protein ingredients business (close to cheese facilities)
Monroe, WI, USA
2016

WHY?

Why do they invest? Why would they invest in New Zealand?

“We are excited about both of these locations as they both foster our initiative to have a presence on the West Coast (USA) where we are able to expand our base of whey supply from the Salt Lake and Central California Regions.”

David Lenzmeier, CEO

“Tulare County, California is one of the largest milk producing counties in the US. The ability to produce Milk Protein Concentrates in this county allows us to take full advantage of a fresh, local supply of milk, providing the highest quality Grade A, rBGH-free Milk Protein Concentrates to our customers.”

David Lenzmeier, CEO

“This acquisition is a great fit for our company and aligns with our strategy to significantly grow our milk replacer and protein encapsulated fat business.”

David Lenzmeier, CEO



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	◐	●	◐	●	○	◐	●	●	○

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Emmanuel Besnier</p> <p>Address: 10 - 20, Rue Adolphe Beck, Laval, 53089 FRANCE</p> <p>Phone: +33 2 4359 4259</p> <p>Established: 1933</p> <p>Website: www.lactalis-international.com www.lactalis.fr www.parmalat.com www.pauls.com.au</p> <p>Revenue: €17b (US\$18b dairy sales)</p> <p>EBIT: N/A</p> <p>Staff: 75,000</p> <p>No. of plants: 229</p> <p>Production: N/A</p> <p>Ownership: Private</p> <p>Country: Belgium</p> <p>Owner: Besnier family via BSA International S.A.</p>	<p>PRODUCTS</p> <p>Cheese, milk, yoghurt, cream, butter, milk powder, infant and clinical nutrition, dairy ingredients, juice</p> <p>BRANDS</p> <p>Président, Rouy, Lepetit, Bridel, Galbani, Rondele, Munster's Little Friends, Pride, Le Roitelet, Societe, Seriously, Lemnos, Black Diamond, Sirela, Vaalia, Lactel, Rachel's Organic, Paul's, Fibresse, Astro, Parmalat, Primrose, Celia, Dukat, Harvey Fresh, Ice Break, Oak, Breaka, Rush, Jindi, Santal, Frica, Picot, Apurna, Karoun, Arz, Quesco Del Valle, Gopi, Yanni, Central Valley Creamery, Blue Isle</p> <p>OPERATIONS</p> <p>Own 229 industrial plants in 43 different countries; employees in 85 countries; #1 dairy group in world; President brand is sold in over 160 countries; #1 milk collector and cheese producer in Europe; #1 milk and dairy brand in Australia (Paul's); 8 manufacturing sites in Australia; 24% stake in Groupe Bel; 87.7% stake in Parmalat since 2011 merger</p>	<p>Europe: France, Poland, Italy, Russia, Ukraine, Spain, Ireland, Portugal, Switzerland, Croatia, Czech Republic, UK, Belgium, Moldova, Kazakhstan</p> <p>Americas: USA, Canada, Brazil, Mexico, Colombia, Venezuela, Ecuador, Paraguay</p> <p>Middle East: Saudi Arabia, Egypt, Algeria, Turkey</p> <p>Asia: India</p> <p>Australasia: Australia (Paul's, Harvey Fresh)</p> <p>Other: South Africa, Mozambique, Swaziland</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired BRF SA's dairy assets in 2014 via Parmalat; US\$594m; making Lactalis #2 dairy company in Brazil - Acquired Tirumala Milk Products in 2014; US\$275m; #2 largest private dairy co. in India - Acquired Harvey Fresh in WA in 2014; US\$109m; via Parmalat Australia - Acquired 80% stake in Turkish dairy Ak Gida in 2015; one of largest food co. in Turkey - Acquired Consorzio Latterie Friulane (IT) for €11.5m, 2015 - Acquired 70.3% in Albalact dairy company in Romania in 2016; one of top 2 milk suppliers - Invested over A\$200m in manufacturing capability in Australia over the last 4 years - Acquired Stonyfield (US) from Danone for US\$875m in July 2017 - Acquired Karoun Dairies (US) for US\$130m in 2017 		

Why would they build a greenfields dairy plant in New Zealand?

1

Largest dairy company in the world

2

Expanding operations in Middle East,
limited operations in Asia (China,
Vietnam only)

3

Manufactures infant, clinical and sports
nutrition products, as well as dairy
ingredients

WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Dairy based sports nutrition products



EXAMPLE
Dairy ingredients



WHERE?

Where do they currently have dairy manufacturing operations?

229 PLANTS
IN
43 COUNTRIES



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1933 Founded by Andre Besnier</p> <p>1948 Became "SARL Société Laitière de Laval A. Besnier & Cie", collecting over 10,000 litres of milk</p> <p>1955 Michael Besnier succeeds his father upon his death</p> <p>1961 Calisto Tanzi opened milk plant in Parma, Italy, establishing Parmalat</p> <p>1967 Invested in dry product factory in Mayenne (FR)</p> <p>1968 Launched President brand of camembert</p> <p>1968 Launched tetrapack packaged milk</p>	<p>1970s Started exporting to USA</p> <p>1972 Invested in new cheese factory in Normandy, France</p>	<p>1980 Acquired Atlalait cheese company in France (goat's cheese)</p> <p>1981 Acquired dairy company in Belmont, Wisconsin, first production in USA</p> <p>1984 Invested in yoghurt facility in Laval (FR)</p> <p>1985 Acquired Claudel-Roustang (FR)</p> <p>1985 Invested in emmental cheese factory in Charchigne, France</p> <p>1987 Constructed factory in California, USA</p> <p>1988 Acquired assets of Solaisud (FR), full ownership of Lactel brand</p>	<p>1990 Acquired Groupe Bridel, then France #4 and Société des Caves de Roquefort</p> <p>1991 Acquired Valmont Group, Girod Company (FR)</p> <p>1992 Acquired Sorrento cheese company in USA</p> <p>1998 Parmalat acquired Pauls in Australia</p> <p>1999 Changed name to Lactalis Group and restructured</p> <p>1999 Acquired Simplot Dairy, Concord Marketing cheese companies in USA</p>	<p>2003 Parmalat financial fraud uncovered</p> <p>2004 Invested in factory in Egypt for cheese spread portions</p> <p>2005 Acquired United Foods Industries Corp in Saudi Arabia, specialist in cheese spreads, blocks and slices</p> <p>2006 Acquired Galbani and Celia dairy companies in Italy</p> <p>2006 Established European JV for chilled dairy products with Nestlé</p> <p>2007 Acquired Dukat, #1 in Croatia for milk and cheese</p> <p>2008 Acquired Baer (CH) cheese company</p>	<p>2010 Acquired Forlana, Puleva, Sanutri (IF) in Spain, Lemnos in Australia, Rachel's Dairy in UK</p> <p>2011 Acquired additional 54% of Parmalat (IT), 87.7% total</p> <p>2013 Acquired Ljubljanske Mlekarne (SK), Balkis (BR)</p> <p>2014 Acquired Harvey Fresh (AU), Tirumala (IN), BRF SA (BR), Lacteos Brasil (BR) dairy assets</p> <p>2015 Acquired Ak Gida (TR), Consorzio Latterie Friulane (IT), Esmeralda (MX), Kuntej Zrt (HU)</p> <p>2016 Acquired Albalact (RO)</p> <p>2017 Acquired Stoneyfield, Karoun Dairies (USA)</p>

WHO?

Who are the key, relevant members of their management?



Emmanuel Besnier
CEO



Odete Ribeiro
CFO



Craig Garvin
Parmalat Australia CEO

HOW?

How do they invest? How could they invest?



Parmalat Australia
Fluid & flavoured milk plant
Clarence Gardens, South Australia
Acquired 2009
A\$12m upgrade in 2017; A\$30m since 2011

Lactalis America Group
Fresh mozzarella plant addition; cheese and whey products plant
Nampa, Idaho
2012
US\$40m expansion

Lactalis Brazil
New line President butter; UHT milk in plastic bottles; modernisation of plant acquired from BRF in 2014
Teutonia, Brazil
2017
€2.66m

WHY?

Why do they invest? Why would they invest in New Zealand?

“It aims to acquire dairy companies with shared values, and to help them grow, through industrial investment, marketing and human resources. The Group’s brand development strategy is based on expanding the global presence of three key global brands, Président, Galbani and Parmalat, whilst continuing to invest in local brands.”



“Lactalis expect the sector to be under fairly constant restructuring and reconfiguration, in part because of market developments, in part because of new sources of milk. Lactalis openly asks the question “where will our processing plants be in the future?”



“The company has made investment in new markets a priority.”



“We see growth in all protein products, particularly usage of whey ingredients. In the last 5 years we have really developed these products. We’re all working on it. There is also an opportunity to give more added value but that will take time to develop.”

Michel Nalet, Communications Director Lactalis





DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	◐	●	◐	◐	●	●	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Peder Tuborgh</p> <p>Address: Sønderhøj 14, 8260 Viby J, DENMARK</p> <p>Phone: +45 89 38 1000</p> <p>Established: 1881</p> <p>Website: www.arla.com</p> <p>Revenue: €9.6b (US\$9.9b dairy sales)</p> <p>EBIT:</p> <p>Staff: 18,765</p> <p>No. of plants: Facilities in 17 countries</p> <p>Production: 13.9b kg milk volume</p> <p>Ownership: Co-operative</p> <p>Country: Denmark, Sweden, Germany, Belgium, Luxembourg, UK, Netherlands</p> <p>Owner: 11,922 farmers across 7 countries</p>	<p>PRODUCTS</p> <p>Milk, milk powder, beverages, cheese, yoghurt, butter and spreads, dairy ingredients</p> <p>BRANDS</p> <p>Arla, Lurpak, Puck, Castello, Kaergarden, Apetina, Dofino, Baby & Me Organic, Buko, Cheasy, Skyr, Dano, Ko, Koket, Yoggi, Anchor, Bregott, Cocio, Karolines Kokken, Kelda, Keso, Latt & Lagom, Matilde, MilexTrestelle</p> <p>OPERATIONS</p> <p>4th largest milk intake in the world; operations in 38 countries, production in 17; JV with DFA (USA) to build cheddar cheese plant; 30% stake in COFCO Dairy Holdings (China); JV with F. Mayer Imports from May 2015, to market, sell and distribute Arla products in Australia; JV with DMK Group to produce whey protein concentrate; JV with Mengniu Dairy (China) to produce cheese</p>	<p>Europe: Denmark, Sweden, Germany, Belgium, Luxembourg, UK, Netherlands, Norway, Finland</p> <p>Americas: Argentina, USA, Canada, Brazil</p> <p>Middle East: Saudi Arabia, United Arab Emirates</p> <p>Asia:</p> <p>Australasia:</p> <p>Other: Ghana, Senegal</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Invested €44m in new whey protein processing plant as JV with DMK Group; fully operational by 2015 - Sold juice subsidiary Rynkeby Foods A/S to Eckes-Granini Group in 2016 - Invested in new milk powder packaging plant in Senegal; 5,000t capacity in 2016 - Invested €40m in dedicated dairy protein hydrolysates factory in Denmark in 2016 - Announced £37.5m investment to upgrade UK production facilities in 2017 - Established subsidiary in Ghana in 2017; new re-packaging and sales facility

Why would they build a greenfields dairy plant in New Zealand?

1

Growing in NZ's key target markets

2

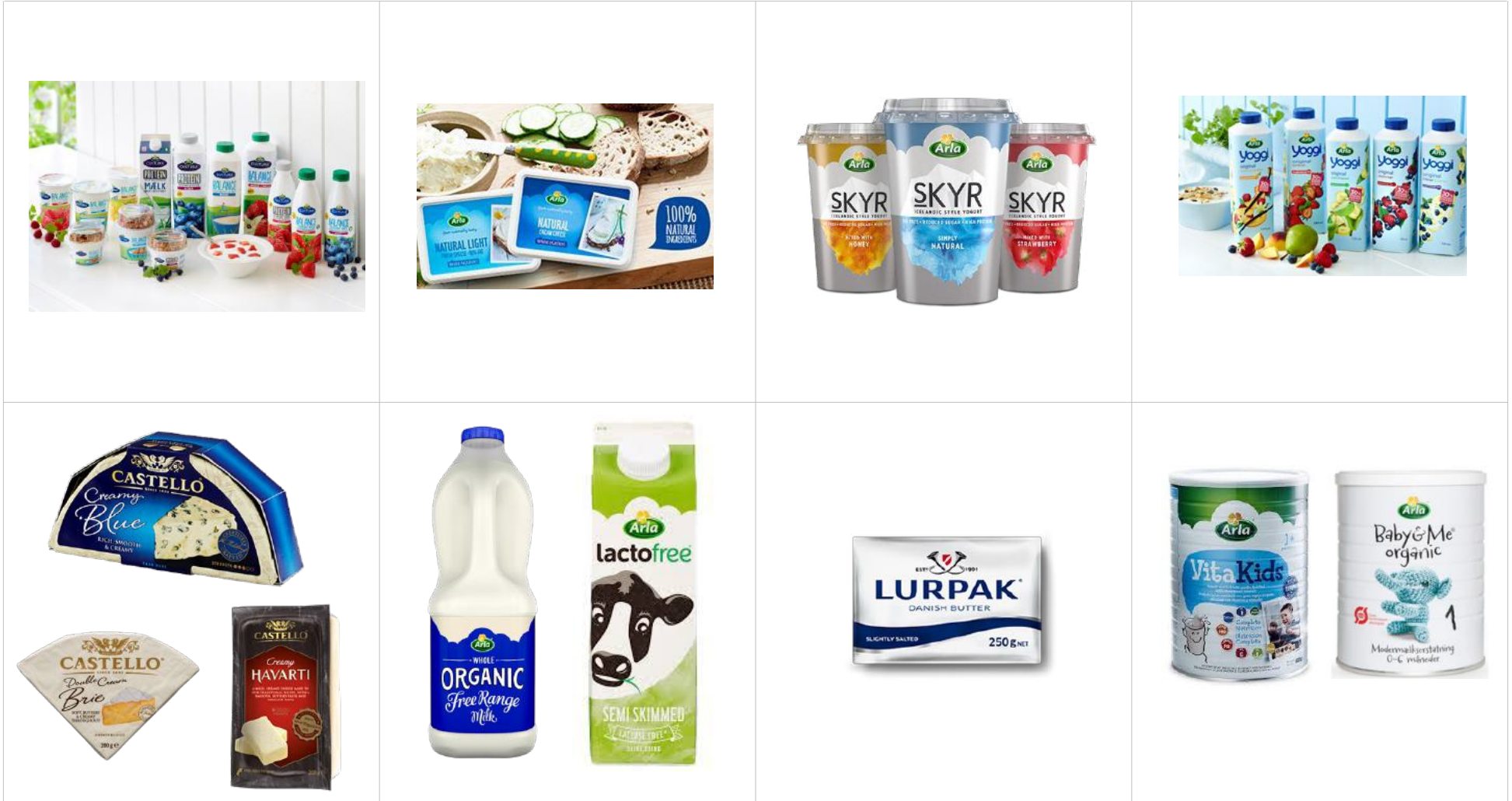
Investing globally – facilities in 17 countries

3

Produces dairy powders and ingredients

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
They derived bioactive ingredients for sports nutrition



EXAMPLE
Nutralac range of whey proteins



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?




What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1881 Dairy co-operatives formed in Denmark and Sweden</p>				<p>2000 Formed Arla Foods through merger of MD Foods (DK) and Arla ekonomisk Förening (SE)</p> <p>2004 Acquired National Cheese Company (CA)</p> <p>2005 Formed partnership with China Mengniu Company</p> <p>2006 Acquired White Clover (USA), Tholstrup Cheese (DK) , Ingman Foods Oy Ab (FI)</p> <p>2007 Merged with Express Dairies (UK) to form Arla Foods UK</p> <p>2007 JV Arla Foods Artis with Artis (RU)</p> <p>2009 Acquired Friesland Fresh Foods (NL)</p>	<p>2010 JV with Westbury Dairies and Arla Foods UK</p> <p>2011 Merged with Hansa-Milch eG (DE)</p> <p>2011 Acquired Allgauland-Kasereien (DE)</p> <p>2012 Merged with Milch-union Hocheifel MUH (DE) and Milk Link (UK)</p> <p>2012 Signed agreements with China Mengniu Dairy Company and COFCO Corporation (CN)</p> <p>2014 Invested in new whey processing plant as JV with DMK Group (DE)</p> <p>2016 Invested in new milk powder packaging plant in Senegal</p>

WHO?

Who are the key, relevant members of their management?



		
<p>Åke Hantoft Chairman</p>	<p>Peder Tuborgh CEO</p>	<p>Tim Ørting Jørgensen Executive Vice President, International</p>

HOW?

How do they invest? How could they invest?



Dedicated dairy protein hydrolysates factory added to Danmark Protein site
4,000t of whey and casein hydrolysates per year
Nr. Vium, Denmark
2017
€40m

Lactose plant added to Arinco site (Northern Europe's largest evaporation and spray drying plant)
80,000t of lactose per year
Videbaek, Denmark
2014
€120m

ArNoCo GmbH & Co plant
JV with DMK; new whey processing plant on DMK's cheese factory site
Nordhackstedt, Germany
2012
€35m

WHY?

Why do they invest? Why would they invest in New Zealand?



"The other 50 per cent of our growth will come from markets outside Europe. We are going to focus on five market regions in which we set out to grow a long-term profitable business for our farmer owners. Middle East is a well-established region for us with strong markets and leading positions which we will continue to develop."



"We have identified the whey business as an important part of Arla Foods' 2015 strategy and we are set to double the turnover of our whey business."

Peder Tuborgh, CEO

"The launch of Arla Organic Milk in the UAE forms part of the farmer-owned company's ambitious business strategy, which is to become the number one organic dairy brand in the Middle East and North Africa by 2020"



"The direction for Arla's business in the coming five years to create maximum value for the increased volume of milk:

- *By excelling in eight dairy categories*
- *By focusing on six regions*
- *By winning as one efficient Arla"*



SAVENCIA FROMAGE & DAIRY
France



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	○	●	◐	●	◐	●	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Jean-Paul Torris</p> <p>Address: 42 rue Rieussec, 78220, Viroflay, FRANCE</p> <p>Phone: +33 1 30 24 03 83</p> <p>Established: 1956</p> <p>Website: www.savencia-fromagedairy.com; www.armor-dairy.com</p> <p>Revenue: €4.4b (US\$4.9b dairy sales)</p> <p>EBIT: N/A</p> <p>Staff: 19,307</p> <p>No. of plants: 100 facilities</p> <p>Production: 4.1b litres of milk processed</p> <p>Ownership: Public</p> <p>Country: France</p> <p>Owner: Euronext:SAVE (Bongrain family cornerstone)</p>	<p>PRODUCTS</p> <p>Cheese, butter, cream, dairy ingredients</p> <p>BRANDS</p> <p>Caprice des Dieux, Elle & Vive, Geramont, Milkana, Na Turek, Ile De France, Tartare, Bresso, St Moret, Lucina, Polenghi, Medve, Saint Agur, Fol Epi, Alouette, Saint Albray, Etorki, Le Rustique, RichesMonts, Coeur de Lion, Burgo de Arias, Brunch, Balade, Kral Syru, Modilac, Chavroux, Carre Frais, Aperivrais, Saint-Loup, Liptov, Carlsbourg, Chavrie, AFP, Santa Rosa, Adler, Milkaut, Delaco, Sobbeke, Corman</p> <p>OPERATIONS</p> <p>Formerly Bongrain; #1 world wide for cheese specialities, #2 cheese producer in France, #4 worldwide; operations in 30 countries; sells in 120 countries; 12,000 milk producers supply, cow, goat and ewe; 70% of milk processed is from France; Armor, dairy ingredients subsidiary; AFP (USA) food service supplier subsidiary; JV 'CF&R' with Sodiaal (FR); JV Fromageries Lescure with Terra Lacta, goat milk products</p>	<p>Europe: France, Belgium, Netherlands, Italy, Spain, Austria, Czech Republic, Denmark, UK, Germany, Hungary, Ireland, Poland, Romania, Serbia, Switzerland, Russia, Ukraine, Slovakia</p> <p>Americas: Argentina, Brazil, Chile, USA</p> <p>Middle East: Egypt</p> <p>Asia: China, India</p> <p>Australasia:</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Sold 25% stake in organic dairy company, Andeschser Molkerei Scheitz (DE) to comply with regulator ruling in 2015 - Acquired minority stake in Meridia Capital backed Sosa Ingredients in 2016 - Acquired another 20% of Delaco (RO) to have 72% in 2017 - Announced intention to acquire majority stake in Oao Belebey (RU), leading manufacturer of pressed cheeses in 2017

Why would they build a greenfields dairy plant in New Zealand?

1

Armor subsidiary manufactures functional and nutritional dairy ingredients

2

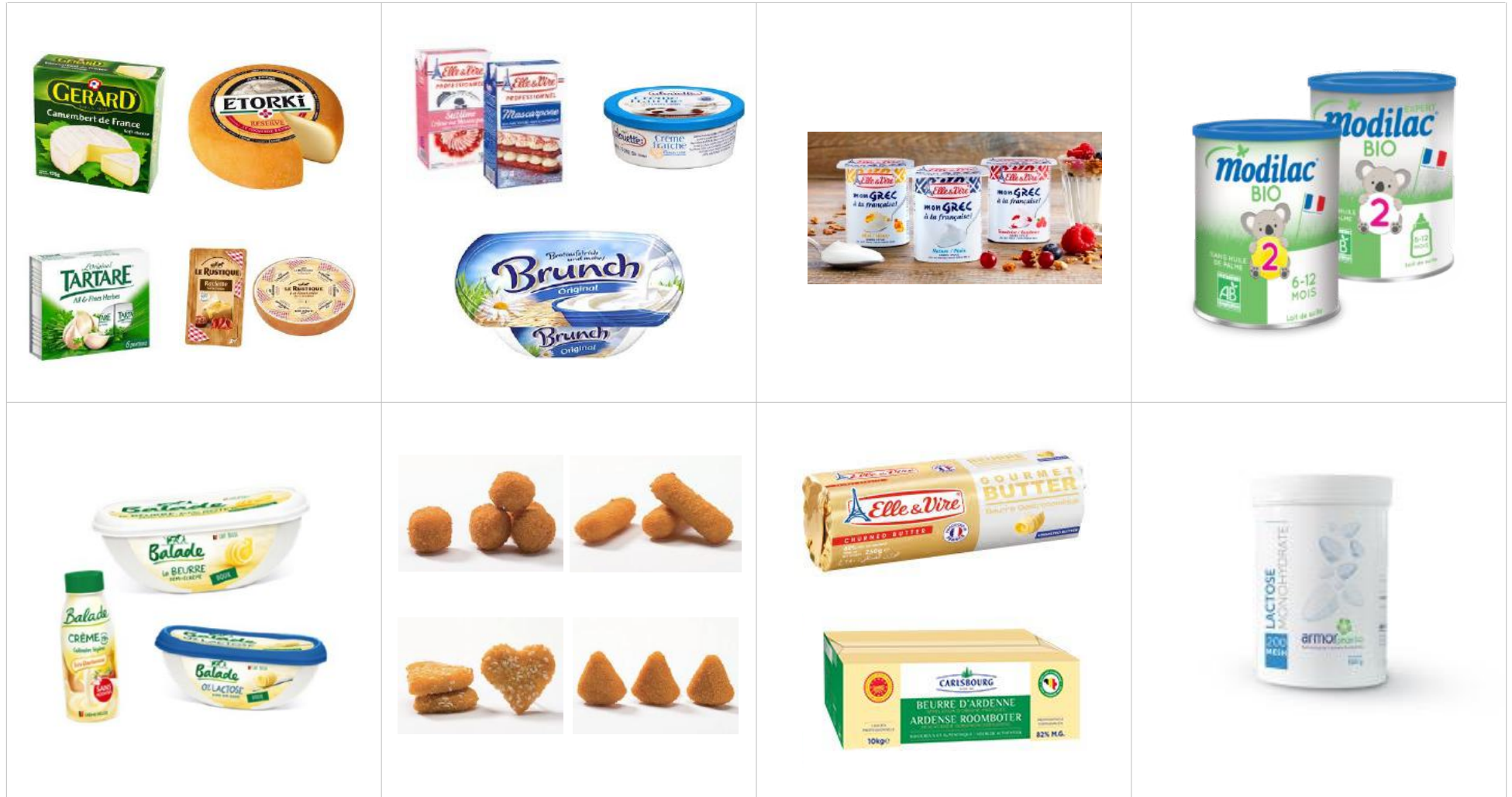
Production operations in all major regions other than Australasia

3

Growing operations in target markets of China and India

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Butter (food service use)



EXAMPLE
Co-product frozen mozzarella (food service use), whey protein products



WHERE?

Where do they currently have dairy manufacturing operations?






WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1956 Launched Caprice Des Dieux brand of cheese</p> <p>1962 Set up sales companies in Germany, Belgium, Switzerland and Italy.</p> <p>1962 Commenced production in Spain with local brand Arias</p>	<p>1971 Established sales company in USA</p> <p>1975 Started industrial activities in Brazil</p> <p>1976 Started production in USA</p>	<p>1980 Launched St Moret, Chamois d’Or, Chavroux, Geramont brands</p> <p>1981 Acquired business in Australia</p>	<p>1992 Established presence in Poland, Czech Republic, Hungary</p>	<p>2000 Established presence in Slovakia, Ukraine, Serbia</p> <p>2000 Consolidated CLE business</p> <p>2000 Established two leading brands, Elle & Vire and Coeur de Lion</p> <p>2003 Acquired Edelweiss in Germany; Bresso, Milkana, Brunch brands</p> <p>2008 Acquired Passendale in Belgium</p> <p>2008 JV CF&R with Sodiaal, Le Rustique, Coeur de Lion, RichesMonts brands</p>	<p>2013 JV Fromageries Lescure with Terra Lacta; becoming #2 goat milk collector in France</p> <p>2013 Invested in new butter, cream and ingredient plants</p> <p>2015 Rebranded company from Bongrain to Savencia Fromage & Dairy</p> <p>2015 Sold 25% stake in organic dairy company, Andeschser Molkerei Scheitz (DE) to comply with regulator ruling</p> <p>2017 Acquired another 20% of Delaco (RO) to have 72%</p>

WHO?

Who are the key, relevant members of their management?

		
<p>Alex Bongrain Chairman</p>	<p>Jean-Paul Torris CEO</p>	<p>Nicolas Perles Area Manger ANZ</p>

HOW?

How do they invest? How could they invest?



ICC Paslek plant – dairy powders, infant formula
Northern Poland
Modernisation of brine workshop and maturation area;
new membrane process workshop; new drying tower
and upgrade of packaging workshop
2012-2015

Elle n Vire plant – butter, cream
Conde sur Vire, Manche, France

51% JV Fromageries Lescure with Terra Lacta
Manufacture and distribution of goat milk cheeses and
cow milk specialties
FRANCE
2013

WHY?

Why do they invest? Why would they invest in New Zealand?

“This acquisition project is an integral component of SAVENCIA Fromage & Dairy’s strategy of international growth. The implantation in a country with a high level of cheese consumption will help the Group develop a strong position for specialty brands in the Russian market.”



“The strength of its brands and the reinforcement of its international development will enable Savencia Fromage & Dairy to consolidate its financial position.”



“Our strategic orientations: the product differentiation provided by our specialties, strong brands and the reinforcement of our competitiveness and of our international positions.”

Jean-Paul Torris, CEO





WHAT COULD THEY DO?

Looking to gain share and access into growing and stable Asia-Pacific; build cheese factory

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	○	◐	◐	●	◐	◐	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Antoine Fievet</p> <p>Address: 2 allée de Longchamp, 92150 Suresnes, Paris FRANCE</p> <p>Phone: 33 1 40 07 72 50</p> <p>Established: 1865</p> <p>Website: www.groupe-bel.com/</p> <p>Revenue: €2,936m</p> <p>EBIT/OI: €298m</p> <p>Staff: 12,000</p> <p>No. of plants: 30</p> <p>Production: 2 b litres from 2,700 producers</p> <p>Ownership: Private/Public</p> <p>Country: France</p> <p>Owner: UNBL:PAR (Bel/Fivet family 71%, Lactalis 24%)</p>	<p>PRODUCTS</p> <p>Cheese, milk, cream cheese, cheese dippers, fruit compote</p> <p>BRANDS</p> <p>Bel, Mini Belbaby, Boursin, Kiri, Laughing Cow, Leerdammer, Apericube, Cheez Dippers, Jibal, Materne, Mont Blanc, Pom’Potes, GoGosqueeZ</p> <p>OPERATIONS</p> <p>Owned by holding company Unibel; operations across 33 countries; 18b portions sold in 2016 across 130 countries; 25 international and local brands; global leader in cheese portions; build new facilities with liquid milk available and close to markets (e.g. Vietnam); subcontract 4% of volume; 75% of milk sourced is liquid milk; Bel industries division exports functional dairy blends to 50 countries; looking for new site in the USA for a dairy plant in 2016</p>	<p>Europe: France, Netherlands, Spain, Portugal, Slovakia, Ukraine, Poland, Czech Republic</p> <p>Americas: USA</p> <p>Middle East: Iran, Syria, Turkey, Egypt</p> <p>Asia: Vietnam</p> <p>Australasia:</p> <p>Other: Morocco, Algeria, Cote d’Ivoire</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Built new Mini Babybel plant in USA (regional expansion strategy) in 2014 - Built first sub-Saharan miniature plant (Laughing Cow) in Côte d’Ivoire (€3.4m) in 2015 - Acquired controlling interest in Moroccan dairy Safilait – Jibal brand (first move beyond cheese) in 2015 - Gross Investments (exclud acquisitions) €135m, 2016 - Acquired majority of MOM group from LBO France (move into healthy snack fruit compotes)- 4 production plants Rev €373m, 2016 		

Why would they build a greenfields dairy plant in New Zealand?

1

Limited operations in growth target markets (currently only one plant, in Vietnam)

2

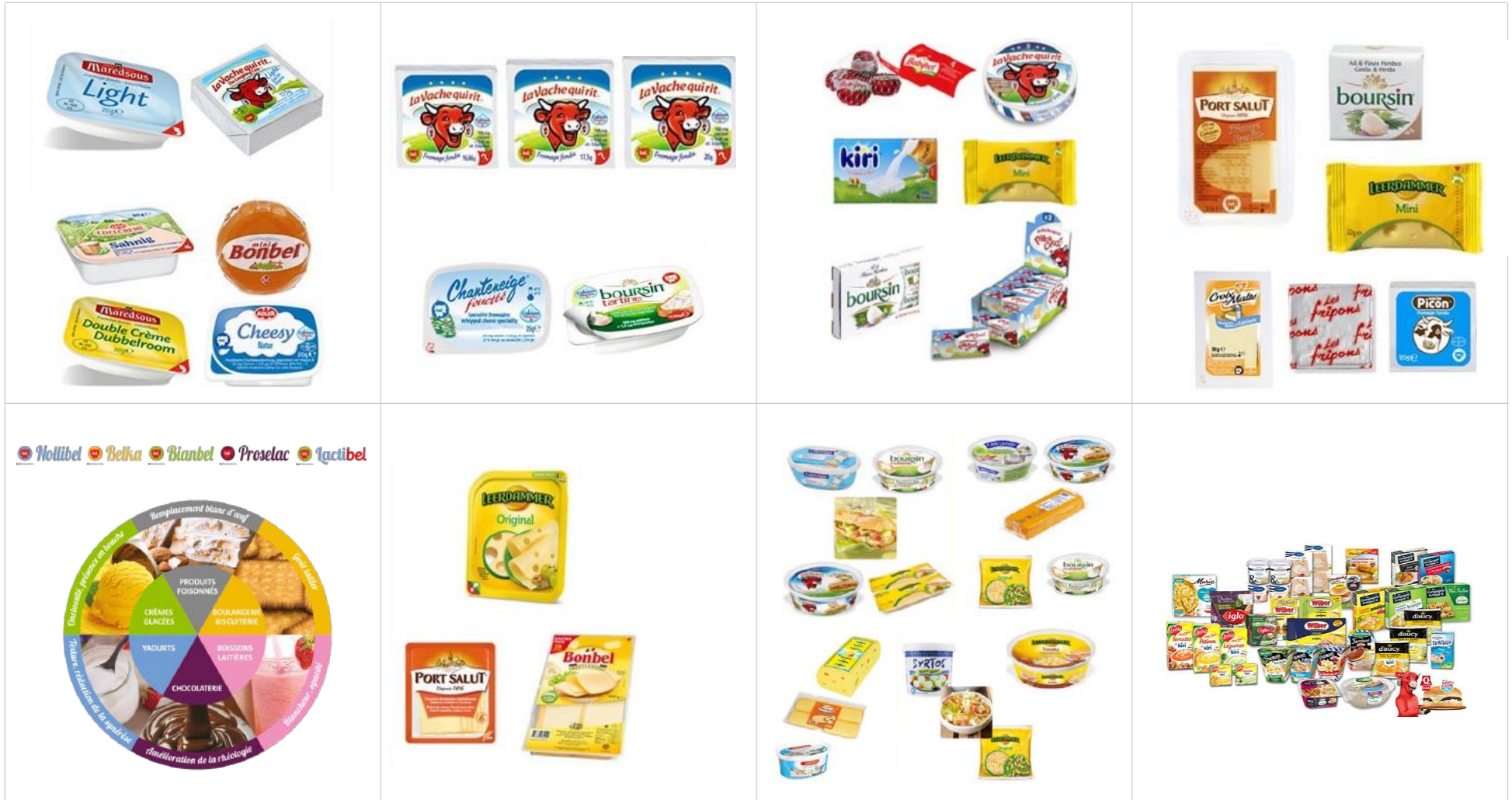
Recent acquisitions and greenfields investments

3

Specialists in portion cheese products

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

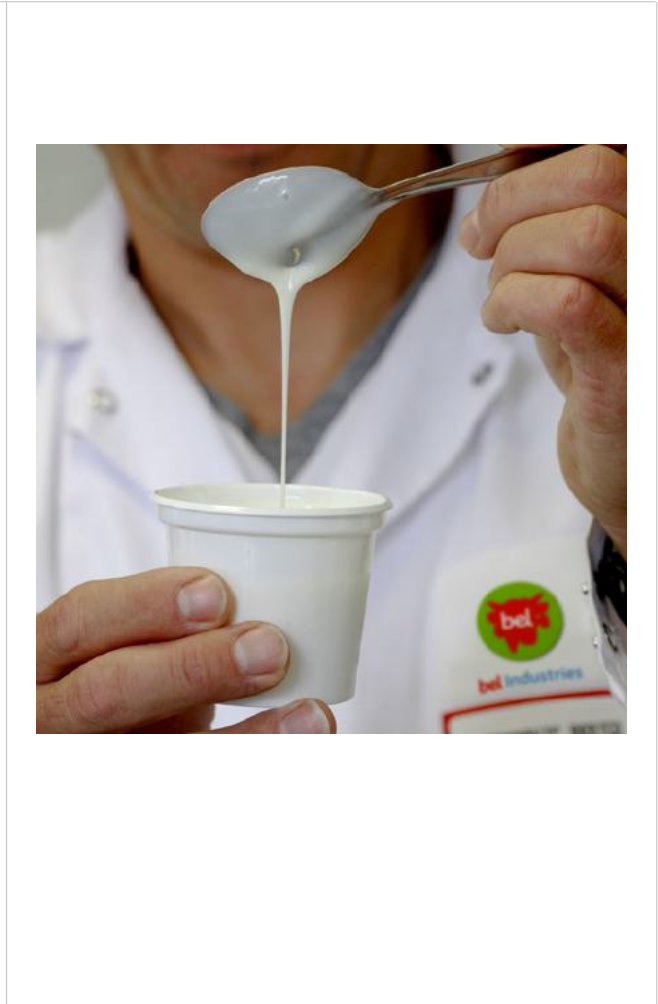
EXAMPLE
Branded cheese products



EXAMPLE
Dairy ingredients for food service range



EXAMPLE
Functional ingredients





WHERE?

Where do they currently have dairy manufacturing operations?





WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1895 Established in France</p> <p>1921 Trademarked "The Laughing Cow"</p> <p>1955 Established the industrial division</p>	<p>1979 Moved into Moroccan market</p> <p>1977 Launched "Mini Babybel"</p>		<p>1995 Launched "Cheez Dippers"</p>	<p>2002 Acquired the Leerdammer brand</p> <p>2003 Signatory of the UN Global Compact for sustainable purchasing</p> <p>2007 Acquired the Boursin brand</p>	<p>2011 Constructed first "Laughing Cow" unit in Asia</p> <p>2014 Constructed "Mini Babybel" plant in the USA</p> <p>2015 Acquired majority stake in Stafilait, Moroccan dairy company</p> <p>2016 Acquired MOM group entering the healthy snacks segment (fruit)</p> <p>2017 Constructed new "Laughing Cow" plant in Vietnam</p>

WHO?

Who are the key, relevant members of their management?



ANTIONE FIEVET
CHAIRMAN AND CHIEF EXECUTIVE OFFICER



ERIC DE PONCINS
GENERAL MANAGER, DEVELOPMENT AND PROSPECTION



HUBERT MAYET
GENERAL MANAGER, TECHNICAL OPERATIONS, RESEARCH
AND INNOVATION

HOW?

How do they invest? How could they invest?



Mini Babybel Plant
 USA's brands top global market; plant supported USA growth; 250 staff over 170,000 sq ft
 USA
 2014
 US\$144m

Safilait plant
 70% of Moroccan dairy business; third largest dairy business (UHT, milk, fresh milk, dairy products); securing supply of milk for existing plant
 Morocco
 2015

Laughing Cow greensfields plant
 Increasing production capacity in Vietnam; 10,000 sq m; 120 people
 Binh Duong Province, Vietnam
 2017
 US\$17m

WHY?

Why do they invest? Why would they invest in New Zealand?



“In 2015, the Group set out a ten-year strategic plan with a symbolic target of doubling in size by 2025. This ambition means accelerating the pace of its global and sustainable growth.”



“The Group considers that it is able to grow in the Americas, Asia-Pacific region and continue taking market share by virtue of the strength of its core brands. Its balanced geographical presence enables it to quickly adapt production and stock levels to changes in the market.”



“...The Brookings plant (USA) will enable us to meet growing U.S. demand for Mini Babybel®...The Mini Babybel® cheese produced in the US follows a manufacturing process similar to the one for Mini Babybel® in France, from nearby milk collection to packaging the finished goods...”

Frédéric Nalis, Vice President of the Americas, Bel

“Regional expansion, by creating distribution subsidiaries worldwide and setting up plants located as close as possible to places of consumption.”







DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
◐	○	●	●	◐	●	◐	◐	◐	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
CEO/MD: Annikka Hurme Address: Meijeritie 6, 00370 Helsinki, FINLAND Phone: +35 810 381 121 Established: 1905 Website: ammattilaiset.valio.fi www.valiousa.com/	PRODUCTS Milk, cheese, dairy spreads, yoghurts, butter, kefir, lactose free, protein snacks, powders (milk, whey), specialist powders, liquid infant formula, meat free strips (from milk) BRANDS Valio Eila, Valio PROfeel, Valio Gefilus, Valio ValSa, Valio MiFu, Valio Demi,	Europe: Finland, Estonia, Russia Americas: USA (subsidiary) Middle East: Asia: China (subsidiary) Australasia: Other:
Revenue: €1,638m EBIT: €21.3m Staff: 4,096 No. of plants: 18 Production: 1,861m l milk processed Ownership: Cooperative/ Shares (17) Country: Finland Owner: Cooperative; Finland (9,000 farmers)	OPERATIONS Vertically Integrated dairy operation Finnish milk; full traceability, GMO free; focus on high tech new product development; produce 85% of the countries milk; USA based operation Finlandia Cheese; recently invested in liquid infant formula development	DO THEY HAVE ANY MONEY? RECENT ACQUISITIONS & INVESTMENTS <ul style="list-style-type: none"> - Invested significantly in new products in 2016, 126 launches - Invested €27m in R&D and quality control cost in 2016 - Sold LGG culture starter and probiotics business to Chr. Hansen for €73m, 2016 - Invested €127m in new snacks plant in Finland, milk pre-concentration system, solid fuels plant etc. in 2016

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures infant nutrition products
and dairy ingredients

2

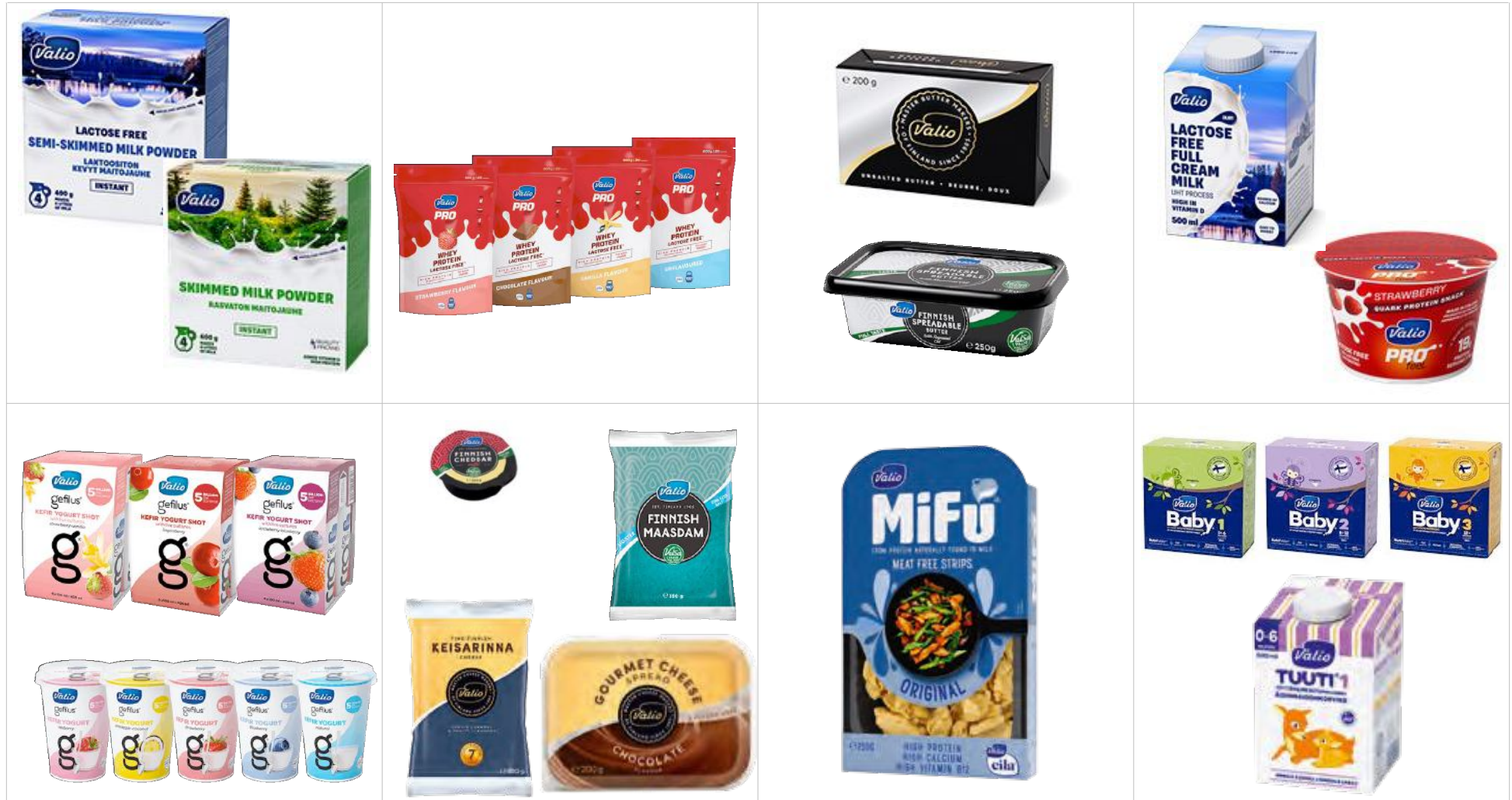
Investing beyond their home region

3

Increasingly looking at high tech, value
added products (milk protein meat
alternatives, nutritionals)

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Keffir based products



EXAMPLE
Lactose-free powders for industrial B2B customers



EXAMPLE
Meat free strips



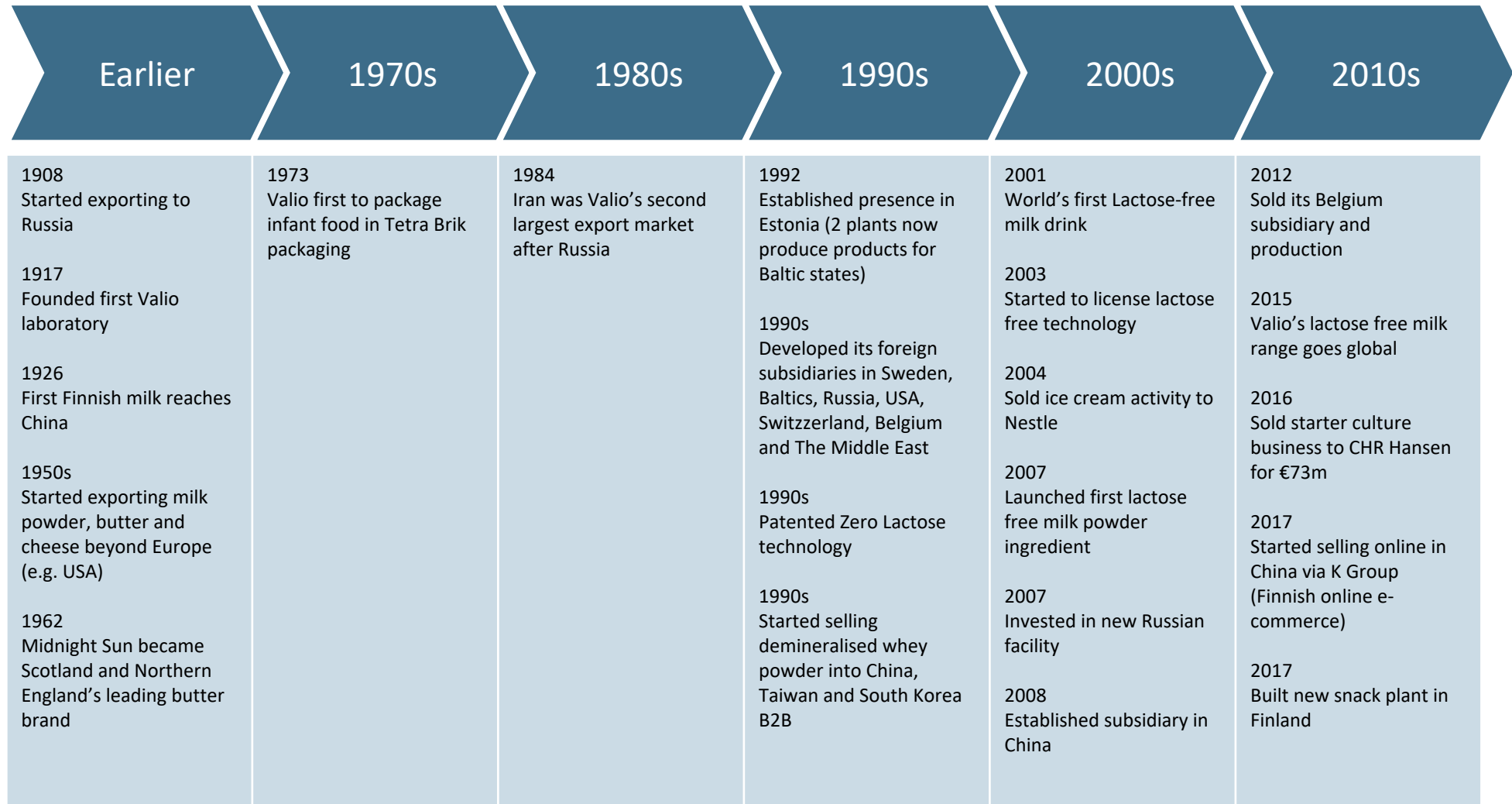
WHERE?

Where do they currently have dairy manufacturing operations?






WHEN?

What are they key events in the development of this firm?



WHO?

Who are the key, relevant members of their management?

		
<p>Annikka Hurme CEO</p>	<p>Jyri-Pekka Kinnunen Deputy CEO Finance and IT, Investments, Valio Baltic</p>	<p>Ross Crittenden EVP Export markets, Finlandia Cheese Inc. USA, Valio Denmark, Valio China, Other exports</p>

HOW?

How do they invest? How could they invest?

<p>Valio Riihimäki Snacks Plant Valiojogurtti® products; 265,000 sq m floor space; production capacity of 120m kilos; employing 440 people Finland 2017 €170m</p>	<p>Valio Haapavesi plant Oltermanni Cheese; increased capacity by 5m kilos; growing demand for cheese in Russia Finland 2012 €17m</p>	<p>Valio Lapinlahti plant Produce powder for baby foods; new product ranges and increase value of whey; total floor area 14,500 sq m; maximum production 40m kilos/year Finland 2014 €70m</p>

WHY?

Why do they invest? Why would they invest in New Zealand?

“This modern snack plant makes us even more competitive, both in Finland and on the export market.”

Annikka Hurme, CEO

“The milk market in the Baltics is very advanced and, as in the Nordic countries, the product selection is extensive in comparison to many European countries. This is why we invest heavily in exports in addition to the local markets.”

Maido Solovyov, CEO of Valio Baltia

“Valio is one of the world’s leading manufacturers of demineralised whey powders (Demi™). Valio Demi™ powders are used for example as ingredients in baby foods. China is one of our most significant export destinations. The new plant manufactures the highest quality whey powders, the demand for which is growing globally.”



“We expect to expand into other countries.”

Vesa Kaunisto, Chairman

ALMARAI
Saudi Arabia



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	◐	●	◐	●	◐	○	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Georges Schorderet</p> <p>Address: Exit 7, Northern Ring Road, Al Izdihar District, Riyadh 11492, SAUDI ARABIA</p> <p>Phone: +966 11 470 0005</p> <p>Established: 1977</p> <p>Website: www.almarai.com</p> <p>Revenue: SAR14.7b (US\$3.9b) SAR9.3b dairy excl. IF (US\$2.48b)</p> <p>EBIT: N/A</p> <p>Staff: 44,500</p> <p>No. of plants: 5</p> <p>Production: 1.35b litres of raw milk a year</p> <p>Ownership: Public</p> <p>Country: Saudi Arabia</p> <p>Owner: TADAWUL:2280 (Savola Group 35%, Public Investment Fund 16%)</p>	<p>PRODUCTS</p> <p>Dairy: milk, laban, dairy beverages, evaporated milk, milk powder, cream, yoghurt, desserts, cheese, butter, ghee, infant formula Other: bakery products, poultry, juice</p> <p>BRANDS</p> <p>Almarai, Nuralac, Nurababy, Alyoum, L'usine, 7DAYS, Nijoom</p> <p>OPERATIONS</p> <p>Middle East's largest food manufacturer and distributor; world's largest vertically integrated dairy producer; 189,500 Holstein cows and young stock; dairy farms in Saudi Arabia and Jordan; arable farms in Saudi Arabia, Argentina, USA, Poland, Ukraine; import 1.5m tonnes of animal feed annually; JV International Dairy and Juice Company with PepsiCo (Jordan and Egypt operations); International Pediatric Nutrition Company; JV Modern Foods Industries with Chipita and Olayan Group (7DAYS brand); sale offices throughout Middle East</p>	<p>Europe:</p> <p>Americas:</p> <p>Middle East: Saudi Arabia (3), Jordan, Egypt</p> <p>Asia:</p> <p>Australasia:</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired full control of JV International Pediatric Nutrition Company from Mead Johnson Nutrition in 2014 - Announced intention to invest US\$347m over 5 years in Egypt in 2014 through JV IDJ with PepsiCo; hoping to increase to US\$560m - Invested in 1,790 acres of land to grow alfalfa fodder in California (USA) in 2016, US\$31.8m - Approved investment of US\$5.6b for 2016-2020 for expansion in 2016 		

Why would they build a greenfields dairy plant in New Zealand?

1

Market leader in Middle East

2

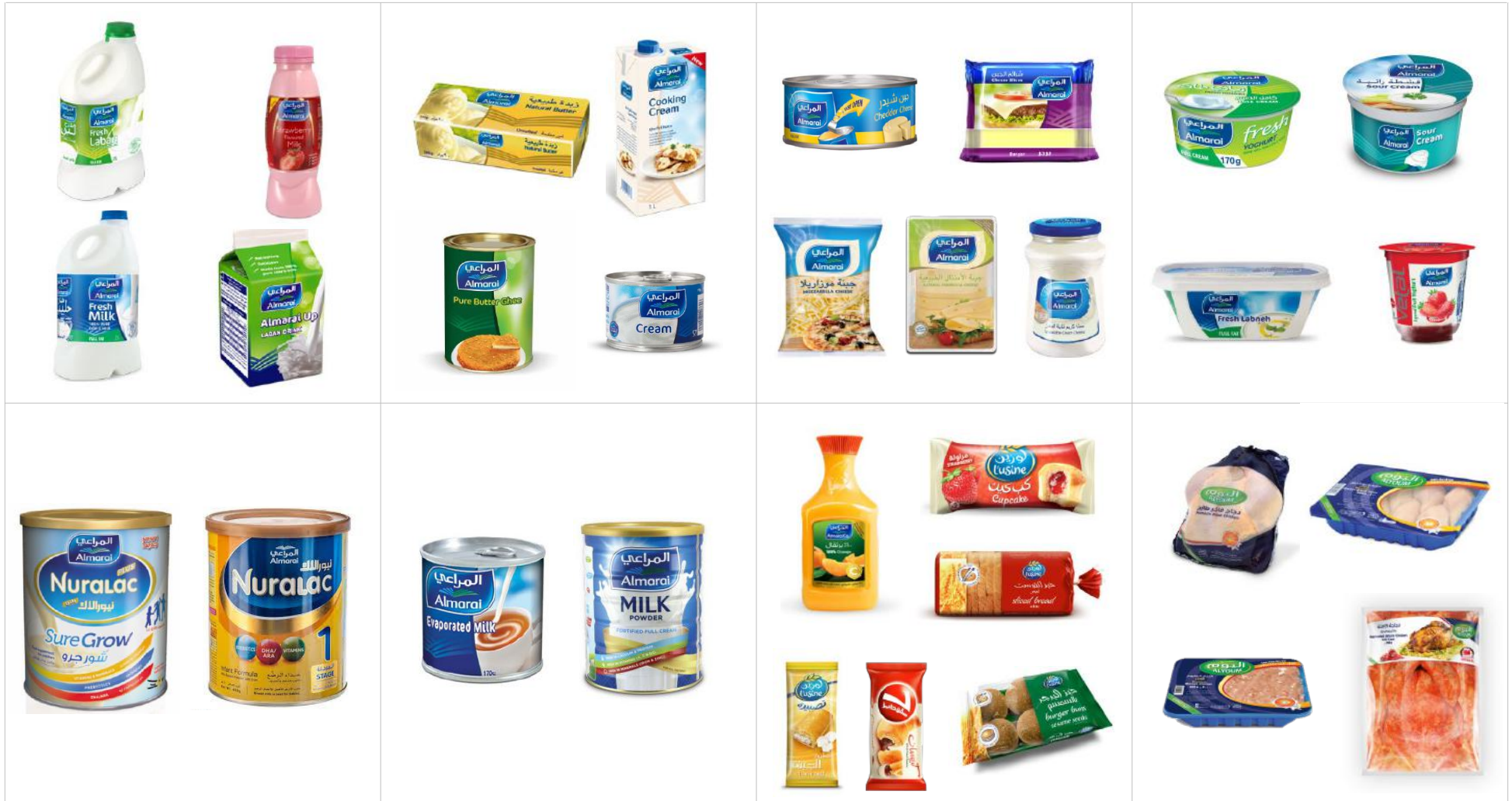
Planned investment of US\$5.6b over
next 3 years

3

Increasing environmental pressures on
Saudi operations

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Milk powder and evaporated milk products



EXAMPLE
Shelf stable butters, creams and cheese



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
	<p>1977 Established Alamarai dairy farms</p>		<p>1990s Centralised business replacing 5 decentralised plants with 1, 10 small farms with 4 large ones in Al Kharj region, SA</p>	<p>2005 Commissioned second, larger central milk and cheese plant</p> <p>2005 Established two new super farms</p> <p>2005 Listed on TADAWUL</p> <p>2007 Acquired Western Bakeries in Jeddah, SA, entering bakery market</p> <p>2009 Constructed new bakery facility in Al Kjarj, SA</p> <p>2009 Acquired HADCO, SA poultry business</p> <p>2009 Launched JV Int. Dairy & Juice Co with PepsiCo</p>	<p>2010 Constructed region's first infant nutrition plant in Al Kharj, SA, JV with Mead Johnson Nutrition</p> <p>2012 Acquired Fondomonte, animal fodder farms in Argentina</p> <p>2014 Acquired full control of JV International Pediatric Nutrition Company off Mead Johnson Nutrition</p> <p>2014 Invested in agricultural land in Arizona, USA to grow alfalfa fodder</p> <p>2016 Invested in land in California, USA</p>

WHO?

Who are the key, relevant members of their management?



Sultan bin Muhammed bin Saud Al Kabeer
Chairman










Georges Schorderet
CEO



Paul-Louis Gay
CFO

HOW?

How do they invest? How could they invest?

 	 	  
<p>Infant Nutrition Plant Constructed as JV IPNC with Mead Johnson; 46,000 sq m on 34 ha site Al Kharj, Saudi Arabia 2010 US\$267m</p>	<p>Beyti Plant(IDJ JV with PepsiCo) New juice plant for dairy & juice operations there Nubaria, Egypt 2002/2014 US\$85m/US\$57m</p>	<p>Central Processing Plant 2 Adjacent site, Fresh fluid dairy, cheese & juice factory Al Kharj, Saudi Arabia 2005 US\$187m</p>

WHY?

Why do they invest? Why would they invest in New Zealand?

“The objectives set by the board include increasing further its presence in all segments and geographies where it operates, targeting to double consolidated sales, while improving the financial performance.”



“The success of Vision into Action against our strategic priorities is measured by a set of Key Performance Indicators (KPIs).
 3. Turnaround of underperforming assets
 - Infant Nutrition
 - Safeguard specialised suppliers”



“The Saudi government recently capped the growth in dairy herds – a policy which is said to be intensifying the move by dairy companies there to increase production of recombined milk.”



“Projects in Europe, North America and Australasia tend to be more expensive and offer less scope to build vast estates like in Africa. But they also present fewer political problems and less risk for the UAE, Saudi Arabia, Qatar and Kuwait which all need to feed growing populations.”



HANGZHOU WAHAHA GROUP
China





WHAT COULD THEY DO?

Greenfields UHT milk or infant formula plant

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	◐	●	◐	●	○	○	●	◐	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Zong Qin Hou</p> <p>Address: No.160, Qingtai Street, Hangzhou, CHINA</p> <p>Phone: +86 571 8603 2866</p> <p>Established: 1987</p> <p>Website: www.wahaha.com.cn</p> <p>Revenue: HKD72b (US\$10.9b)</p> <p>EBIT: N/A</p> <p>Staff: 60,000</p> <p>No. of plants: 80</p> <p>Production: 11.5m tons of beverages produced</p> <p>Ownership: Private</p> <p>Country: China</p> <p>Owner: Shangcheng District Government 46%, Zong Qing Hou 29%, 26% employee</p>	<p>PRODUCTS</p> <p>Non-dairy beverages, canned food, infant formula, milk drinks, yoghurt drinks, children’s clothing, retail</p> <p>BRANDS</p> <p>Edison, Wahaha</p> <p>OPERATIONS</p> <p>Largest beverage firm in China; 180 subsidiaries across 29 provinces; chaired by China’s richest man; intention to move into milk powder production and dairy farming; Edison branded infant formula developed and completely manufactured by Royal Numico NV (Danone, NL); speculation of impending bid on Dean Foods (USA) in 2016; owns shopping mall in Hangzhou, had plans to build 100 more in 3-5 years in 2014</p>	<p>Europe:</p> <p>Americas:</p> <p>Middle East:</p> <p>Asia: China</p> <p>Australasia:</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Invested in next generation vending machines in 2017, purchasing contract for 1m TakeGo vending machine in next 10 years, RMB2b

Why would they build a greenfields dairy plant in New Zealand?

1

Richest man in China, #1 beverage company in China

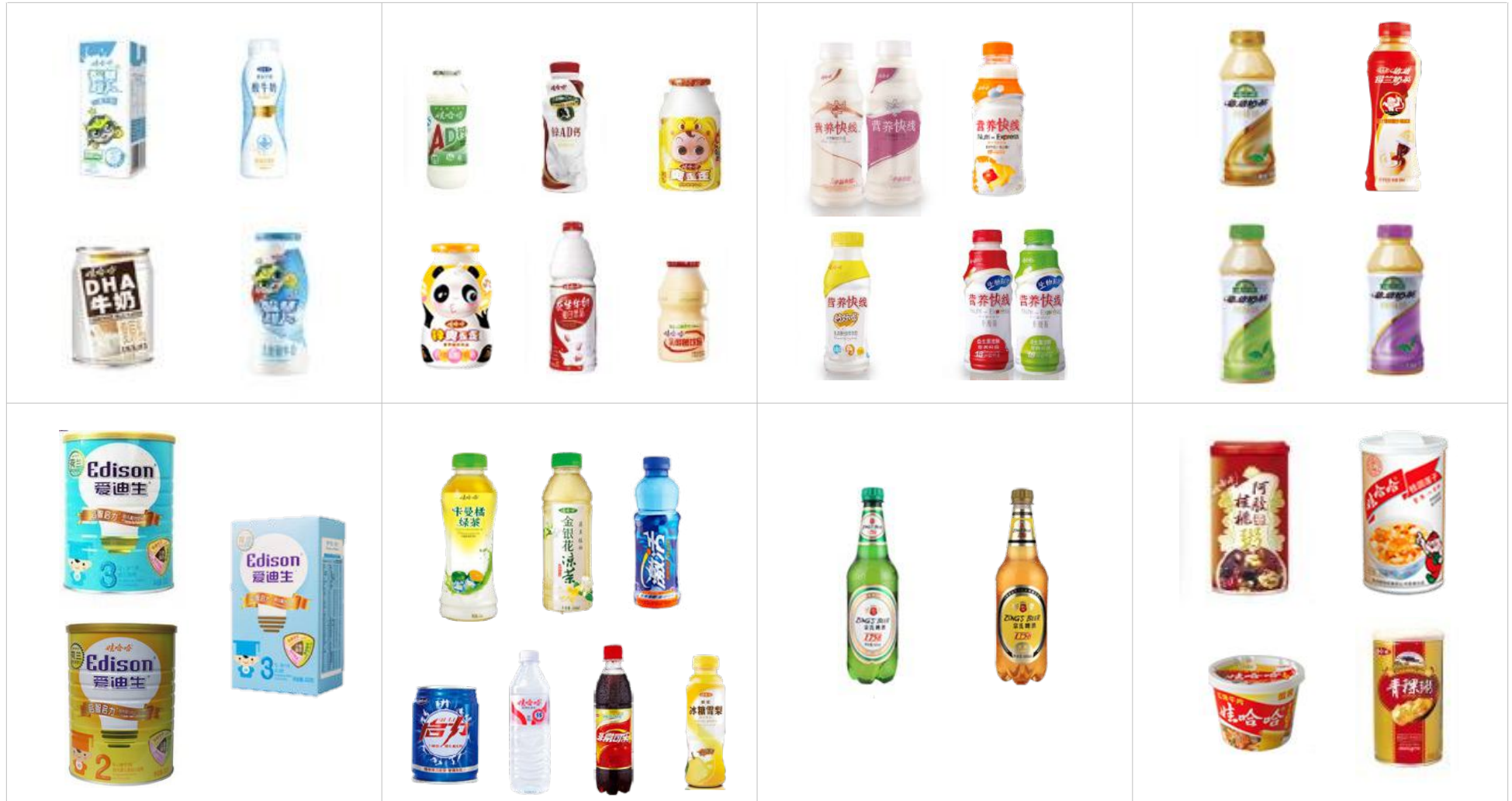
2

Recent interest in large dairy company acquisitions

3

Manufactures infant formula and dairy beverages, using New Zealand milk powder

WHAT?
What do they produce?



WHAT?

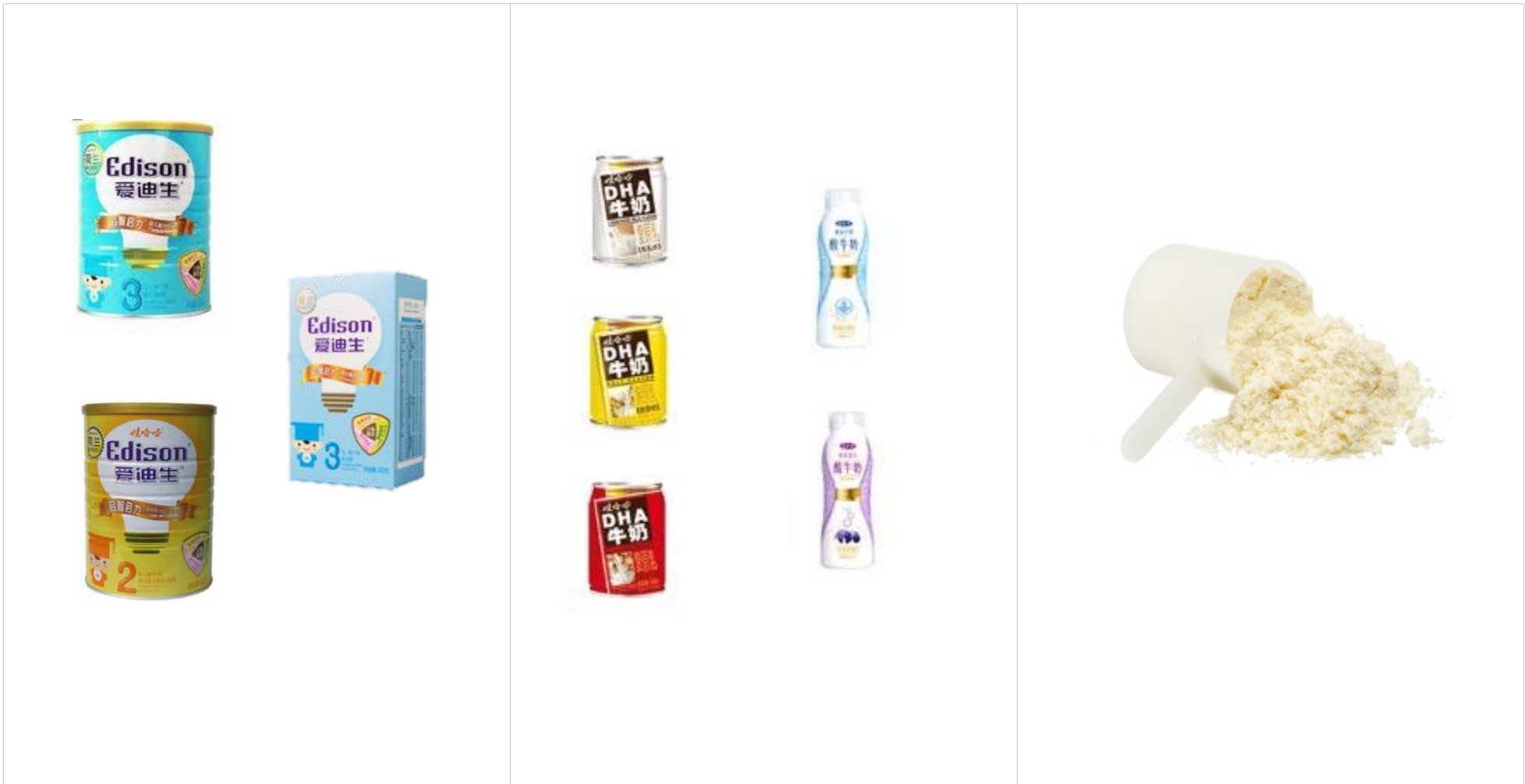
What could they produce in New Zealand targeting export?



EXAMPLE
Infant formula (currently produced in Netherlands)

EXAMPLE
Functional yoghurt beverages

EXAMPLE
Dairy ingredients for functional beverages



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?



Earlier	1970s	1980s	1990s	2000s	2010s
		<p>1987 Established as local government owned sales company</p> <p>1989 Built Hangzhou Wahaha Nutritional Foods Factory, focused on "children's liquid nutrient"</p>	<p>1991 Merged with Hangzhou Canned Food Factory</p> <p>1992 Raised money to begin construction of Wahaha Food City, Hangzhou</p> <p>1994 Acquired 3 insolvent companies in Fulin, China</p> <p>1994 Established first factory in Chongqing, China</p> <p>1996 Established JV with Danone</p> <p>1998 Launched Future Cola</p>	<p>2002 Entered children's clothing sector</p> <p>2009 Concluded dispute with Danone over JV arrangement</p> <p>2010 Launched Edison infant formula brand, manufactured in Netherlands by Royal Numico NV</p>	<p>2012 Announced plans to invest A\$220m in Western Australian dairy farms (did not eventuate)</p> <p>2015 Explored potential investment opportunities in Belarus</p> <p>2016 Speculated seeking acquisition of Dean Foods (USA)</p>

WHO?

Who are the key, relevant members of their management?





Zong Qing Hou
Chairman

HOW?

How do they invest? How could they invest?



	<p>“Wahaha would lead a consortium of Chinese private companies to invest in Africa. “We must understand that they need our help in every aspect of economic development,” he said. “My plan is to form a big group of private businesses to offer the countries whatever help they need from us in their industrialisation process.”</p>	
<p>TakeGo next gen vending machines investment Automated retailing booths; 1 million machines over 10 years China 2017 US\$300m</p>	<p>Announced interest in investing in African countries Angola, Africa 2016</p>	<p>Hangzhou Wahaha beverage plants 130 self developed robots on factory floors by 2016 Hangzhou, China 2011-2016</p>

WHY?

Why do they invest? Why would they invest in New Zealand?



"If I bought a dairy farm in Australia, it might take many years to gain approval for a processing plant. What should I do if the approval takes three years? I can't transport the milk back to China and it would be difficult to sell in Australia... I will go to the state which can solve my problems quickest."

Zong Qin Hou, Chairman

"While maintaining the status of the beverage industrial leader, we plan to gradually enter the business areas of milk powder, machinery, printing, retail, dairy farming and other new industries, realizing diversification and shooting for the Global 500."



"Adhering to the corporate strategies of "internationalization" and "going global."



"Zong Qinghou, chairman and CEO of the Hangzhou Wahaha Group, envisions an even more diversified and globalized future for the sprawling beverages empire he has built over three decades."

NIKKEI
ASIAN REVIEW

meiji

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	●	●	●	●	●	○	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Shigetaro Asano</p> <p>Address: 2-10 Shinsuna Itchome, Koto-ku, Tokyo, JAPAN</p> <p>Phone: +81 3 5653 0300</p> <p>Established: 1917</p> <p>Website: www.meiji.com</p> <p>Revenue: ¥1.2b (US\$6.1b dairy sales)</p> <p>EBIT: N/A</p> <p>Staff: 10,802 (Food)</p> <p>No. of plants: 33 (Japan)</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: Japan</p> <p>Owner: TYO: 2269</p>	<p>PRODUCTS</p> <p>Dairy: milk, cheese, butter, yoghurt, ice cream, dairy ingredients, infant formula, nutritionals</p> <p>Other: confectionery, chocolate, pharmaceuticals</p> <p>BRANDS</p> <p>Meiji, Xylish, Essel Super Cup, Umakabou, Uzumaki Soft, Oishii Gyunyu, Bulgaria Yogurt, Probio Yogurt LG21, Hokkaido Tokachi Smart Cheese, Ginza Curry, Hohoemi</p> <p>OPERATIONS</p> <p>#1 in Japan for fresh milk, yoghurt, food for the elderly and chocolate; 24% market share in drinking milk, 44% in yoghurt; exports to over 50 countries; JV 'CP-Meiji Co' 'with Charoen Pokphand Foods to manufacture and sell milk and yogurt products in Thailand; JV Petra Foods in Singapore for confectionery products</p>	<p>Europe:</p> <p>Americas: USA (confectionery)</p> <p>Middle East:</p> <p>Asia: Japan, Thailand, China (dairy, confectionery), India, Singapore, Indonesia (confectionery)</p> <p>Australasia:</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Established Meiji Dairies (Suzhou) Co Ltd in China, which began manufacturing and selling milk and yogurt in Dec 2013 - Invested in new nutritional foods dairy plant 14,500 m2 (Yen 9.0b) in 2014 - Established Meiji Ice Cream (Guang Zhou) Co, ice cream production in China in 2015 		

Why would they build a greenfields dairy plant in New Zealand?

1

Expanding in Asia

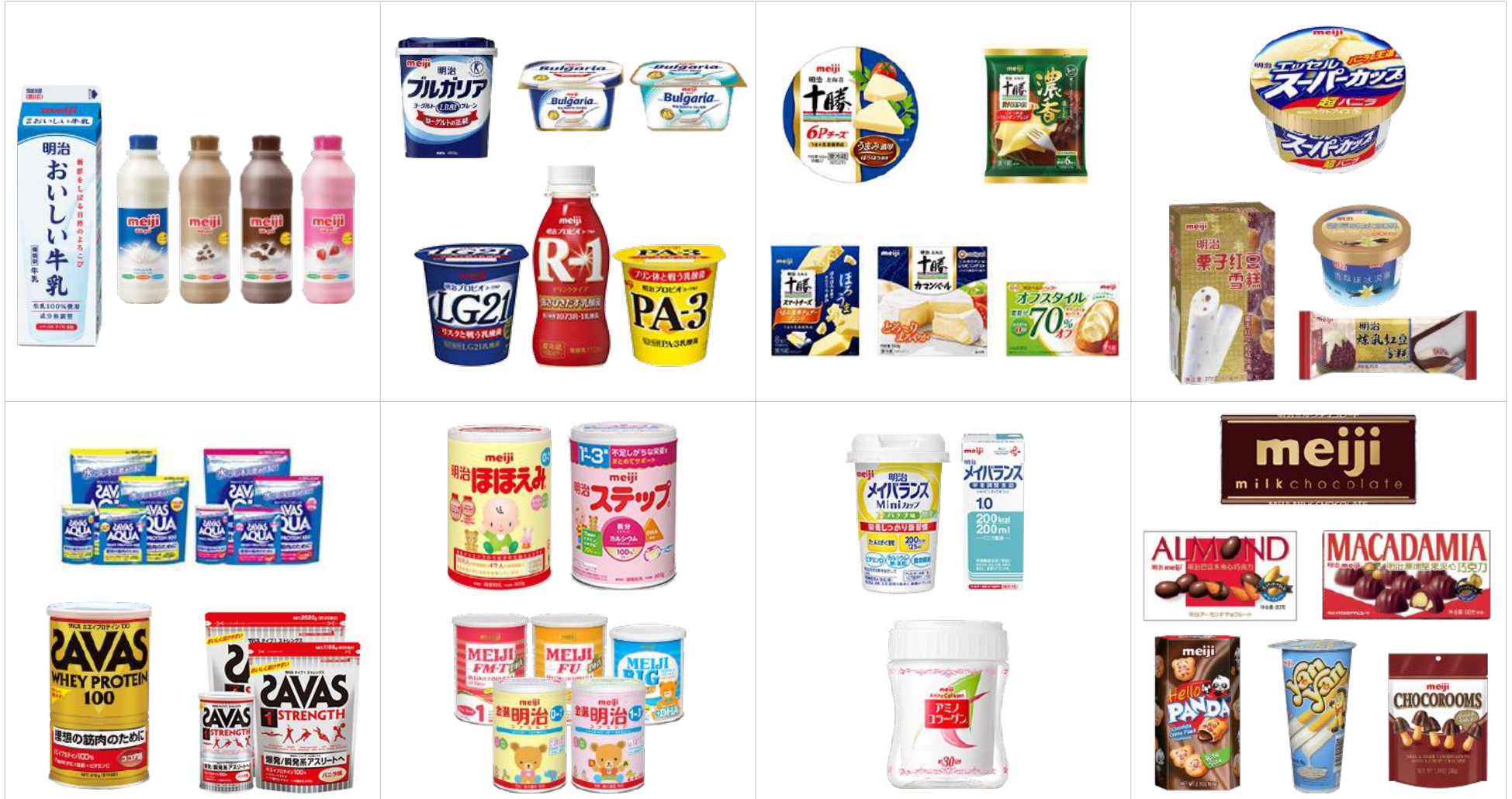
2

Recently invested in new nutritional
dairy foods plant

3

Market leader in Japan

WHAT?
What do they produce?



WHAT?

What could they produce in New Zealand targeting export?



EXAMPLE
Dairy based sports nutrition

EXAMPLE
Infant formula

EXAMPLE
Dairy ingredients for functional yoghurt range



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1916 Established Tokyo Confectionery Co, Meiji Seika's predecessor</p> <p>1917 Established Kyokuto Condensed Milk Co, predecessor to Meiji Dairies</p> <p>1923 Begun exports of confectioneries and dairy products</p> <p>1928 Launched Meiji Milk</p> <p>1932 Began full scale production of butter and cheese</p> <p>1951 Launched Soft Curd Meiji Infant Formula</p>	<p>1971 Launched Meiji Plain Yogurt, Japan's first plain yoghurt</p> <p>1976 Launched frozen food brand, Pizza & Pizza</p>	<p>1980 Launched SAVAS, sports nutrition proteins</p> <p>1986 Launched enteral formula YH-80</p> <p>1989 Established JV CP-Meiji Co dairy business in Thailand with Charoen Pokphand Foods</p>	<p>1990 Invested in D.F. Stauffer Biscuit Co in USA</p> <p>1992 Launched Meiji Hokkaido Tokachi Cheese</p> <p>1994 Established JV Guangdong M&F-Yantang Dairy Products Co in China, producing ice cream</p> <p>1995 Launched sports performance drink VAAM</p>	<p>2000 Launched Meiji Probio Yogurt LG21</p> <p>2007 Launched infant formula in cube form, Meiji Hohoemi Raku Raku Cube</p> <p>2008 Launched professional fresh cream, Meiji Fresh Cream Ajiwai</p> <p>2009 Restructured company establishing Meiji Holdings</p> <p>2009 Launched Meiji Yogurt R-1</p>	<p>2011 Restructured company into Meiji Co (food operations) and Meiji Seika Pharma Co</p> <p>2013 Established Meiji Dairies (Suzhou) Co.; the first Japanese milk and yogurt manufacturing company in China</p> <p>2015 Launched Meiji Probio Yogurt PA-3</p> <p>2015 Established Meiji Ice Cream (Guang Zhou) Co, ice cream production in China</p>

WHO?

Who are the key, relevant members of their management?



Masahiko Matsuo
President & Representative Director
Meiji Holdings Co



Kazuo Kawamura
President & Representative Director
Meiji Co



Koichiro Shiozaki
CFO

HOW?

How do they invest? How could they invest?



Meiji Ice Cream (Guangzhou) Co
Ice cream plant; began production Jan 2015;
22,142 sq m
Guangzhou, Guangdong Province, China
2012
Company paid in capital RMB263m

Meiji Co
Enteral formula/nutritionals plant; on existing Kansai
Plant site; 14,500 sq m; 36,000 kilolitres/year
Kaizuka City, Japan
2012
¥9b

Meiji Dairies (Suzhou) Co
Milk and yoghurt plant; began production Jan 2013;
35,000 sq m
Suzhou, Jiangsu Province, China
2011
Company paid in capital US\$32m

WHY?

Why do they invest? Why would they invest in New Zealand?

“We will apply the strengths of our core businesses towards aggressive overseas business expansion in accordance with the needs of various regional markets. We will strengthen the Meiji Group presence overseas and grow overseas business into one that contributes to improve Group profitability.”



*“Step Up 17 Business Plan
3. Pursue global expansion.”*



“Overseas, products catering to consumer health consciousness and aging societies will be our advantages. Since we have many products with distinctive features in Japan, we can offer new value and innovate and develop high-value-added overseas businesses that contribute to earnings.”

Masahiko Matsuo, President

“Finding ways to access overseas markets that promise dramatic expansion will be the key to the Meiji Group’s long-term sustained growth.”

Masahiko Matsuo, President



MORINAGA MILK INDUSTRY



WHAT COULD THEY DO?

Major investment possible if dairy-friendly Japan-NZ trade deal were to come off

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	●	●	●	●	●	○	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Michio Miyahara</p> <p>Address: 5-33-1, Shiba, Minato-ku Tokyo 108-8384, JAPAN</p> <p>Phone: +81 3 3798 0111</p> <p>Established: 1917</p> <p>Website: www.morinagamilk.co.jp</p> <p>Revenue: ¥592.6b (US\$5.28b)</p> <p>EBIT: N/A</p> <p>Staff: 5,771</p> <p>No. of plants: 32</p> <p>Production: 765,000t milk collection</p> <p>Ownership: Public</p> <p>Country: Japan</p> <p>Owner: TYO:2264 (Morinaga & Co 11%)</p>	<p>PRODUCTS</p> <p>Dairy: milk, dairy based beverages, yoghurt, custard, condensed milk, milk powder, cheese, butter, infant formula, dairy ingredients, ice cream</p> <p>Other: non dairy beverages, tofu, clinical liquid diets, animal feed, plant equipment</p> <p>BRANDS</p> <p>Morinaga, Mt. Rainier, Partheno, Parm, Aloesthe Yogurt, MOW, Premil, Lactoferrin Yogurt, Bifidus Plain Yogurt, Creap, Pino, Chil-mil, E-Akachan</p> <p>OPERATIONS</p> <p>10% share of milk collection in Japan; 15% of dairy milk beverage market in Japan, 19% of condensed milk; entered USA yoghurt market in 2017, contract manufactured; licensing agreements with Kraft, Lipton, Sunkist; subsidiaries Morinaga Nutritional Foods (USA), Milei GmbH (Germany), Morinaga Milk Industry (Shanghai) Co (China), Morinaga Nutritional Foods (Asia Pacific) Pte (Singapore), Morinaga Milk Holland (Netherlands); JV Pacific Nutritional Foods (USA) with Pacific Foods of Oregon, JV PT Kalbe Morinaga Indonesia with PT Kalbe Farma Tbk (infant formula); partnership with Want Want Group for chilled products</p>	<p>Europe: Germany</p> <p>Americas: USA (2)</p> <p>Middle East:</p> <p>Asia: Japan (27), Indonesia, Pakistan</p> <p>Australasia:</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Invested in expanded yoghurt production facilities in Japan in 2015 - Sold household frozen wholesale business of subsidiary Daily Foods Co (JP) in 2015 - Invested in new Milei plant in Germany in 2014; operational in 2016, ¥20m - Invested in JV NutriCo Morinaga in Pakistan with ICI Pakistan and Unibrands in 2016, producing and selling infant formula - Invested in sales office subsidiary Morinaga Nutritional Foods (Asia Pacific) in Singapore in 2016 		

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures infant formula and dairy ingredients

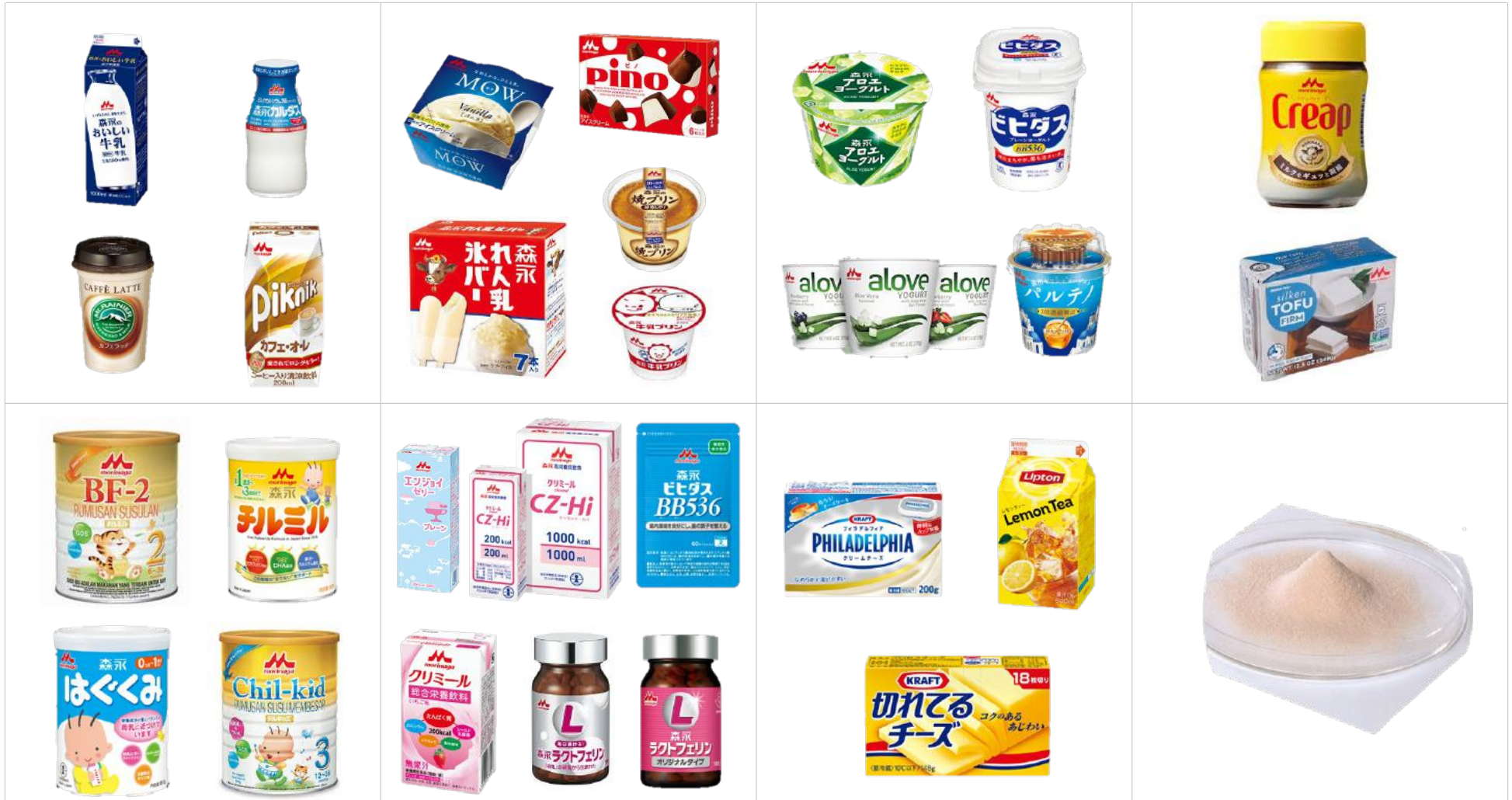
2

Investing in operations outside of Japan

3

One of the leading dairy companies in Japan

WHAT?
What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Clinical nutrition products



EXAMPLE
Dairy ingredients for functional food products



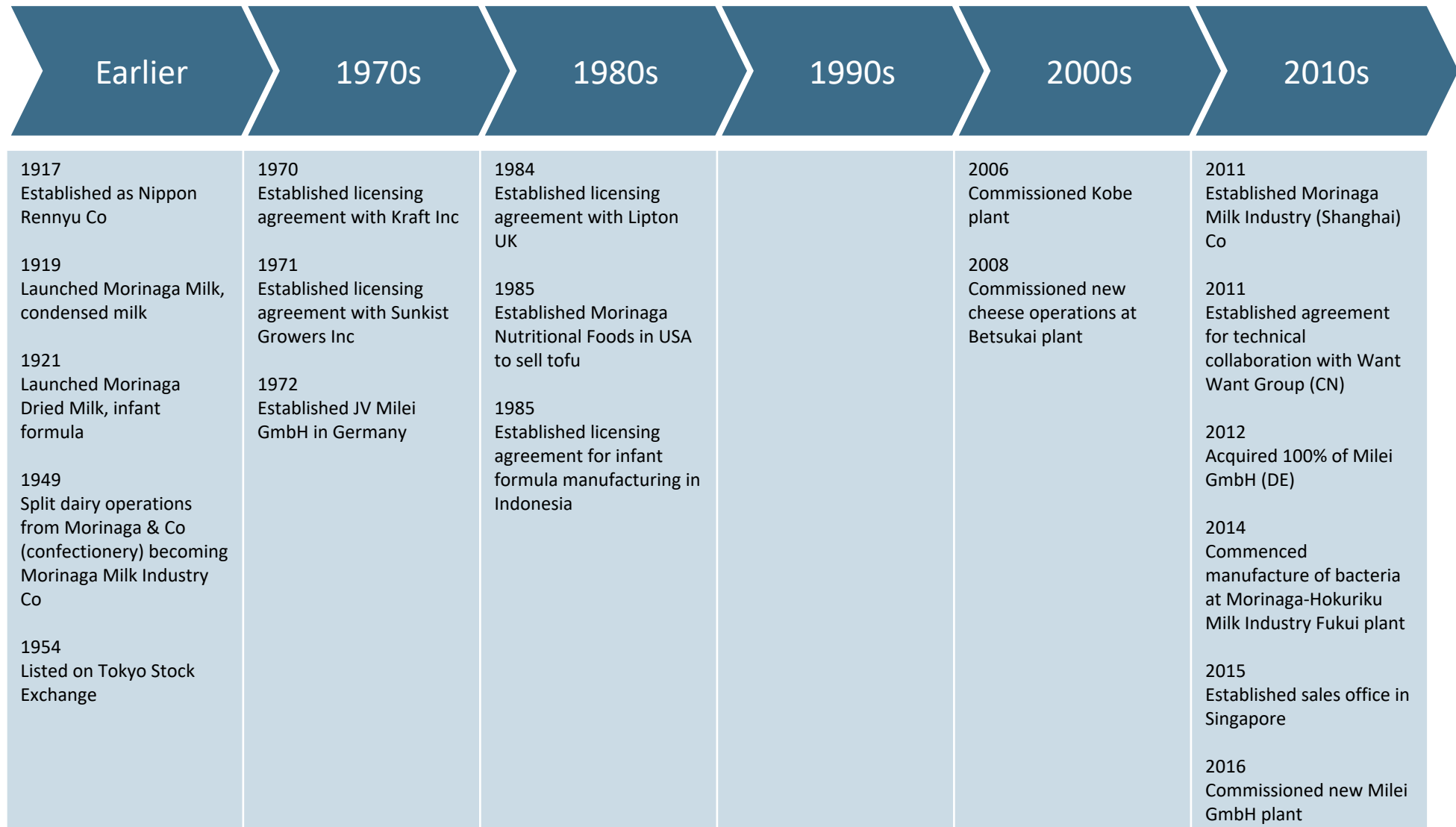
WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?



WHO?

Who are the key, relevant members of their management?



Michio Miyahara
President & Representative Director



Yoichi Onuki
Managing Director - Finance



Rudiger Fricke
CEO Milei GmbH

HOW?

How do they invest? How could they invest?



Milei plant
Dairy ingredients plant on existing site; completion in 2018; 25% increase in capacity; 15,600 sq m
Leutkirch, Germany
2014
¥20b

Morinaga Hokuriku Milk Industries plant
Bifidus powder production facility at Fukui Plant
Fukui, Japan
2014

NutriCo Morinaga infant formula plant
JV with ICI (51%), Unibrands (24.5%), Morinaga (24.5%)
Lahore, Pakistan
2017
US\$28m capital into JV

WHY?

Why do they invest? Why would they invest in New Zealand?

“Today we are accelerating our globalization in response to a major shift in the global economy toward economic growth in emerging and developing countries. We are also preparing for a predicted global shortage of dairy raw materials.”



“Morinaga Group’s “Promotion of Globalization” policy aimed at strengthening the group’s international operations.”



“We are steadily expanding our exports of infant milk formula to Asian markets...The company [JV Kalbe Morinaga Indonesia] continues to achieve excellent financial results and is considering further expansion of its production capacity to keep pace with market growth.”



“... another step by Morinaga Milk to strengthen its ingredient sales operation in the fast-growing Asia Pacific market and to accelerate its globalization.”



MEGMILK SNOW BRAND
Japan



雪印メグミルク
MEGMILK SNOW BRAND

MEGMILK SNOW BRAND



WHAT COULD THEY DO?

Greenfields plant to supply growing China and SE Asian operations

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	◐	●	●	●	◐	○	◐	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Keiji Nishio</p> <p>Address: 5-1, Yotsuya-honshiocho, Shinjuku-Ku, Tokyo 160-8575, JAPAN</p> <p>Phone: +81 3 3226 2111</p> <p>Established: 2009</p> <p>Website: www.meg-snow.com; www.snowbrand.com.au</p> <p>Revenue: ¥587.9b (\$5.2b)</p> <p>EBITDA: ¥33.8b</p> <p>Staff: 4,887</p> <p>No. of plants: 24</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: Japan</p> <p>Owner: TYO:2270</p>	<p>PRODUCTS</p> <p>Cheese, yoghurt, butter, milk powder, infant formula, milk, cream, dairy ingredients, edible oil products, juice, non dairy beverages, desserts, feedstuffs & seed products</p> <p>BRANDS</p> <p>Snow Brand, Unicorn, Makiba no Asa, Nowra Farmhouse, Flinders Estate</p> <p>OPERATIONS</p> <p>One of the largest dairy companies in Japan; sales offices in Taiwan, China, HK, Malaysia; JV in Indonesia with PT Rodamas and Itochu (Japan) for manufacturing processed cheese; subsidiary in Australia 'Snow Brand Australia' manufacturing milk powder products, infant formula, cheese</p>	<p>Europe:</p> <p>Americas: USA (seed production)</p> <p>Middle East:</p> <p>Asia: Japan (21), Indonesia</p> <p>Australasia: Australia (2)</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Invested ¥20b in dairy manufacturing plant in Japan in 2017, increase capacity of raw milk processing to 210,000t per annum - Acquired Udder Delights, South Australian boutique cheese company in 2017, A\$10.04m for 90% stake - Announced plants to invest US\$5.6m in yoghurt factory expansion in Kyoto in 2017

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures infant formula and dairy ingredients

2

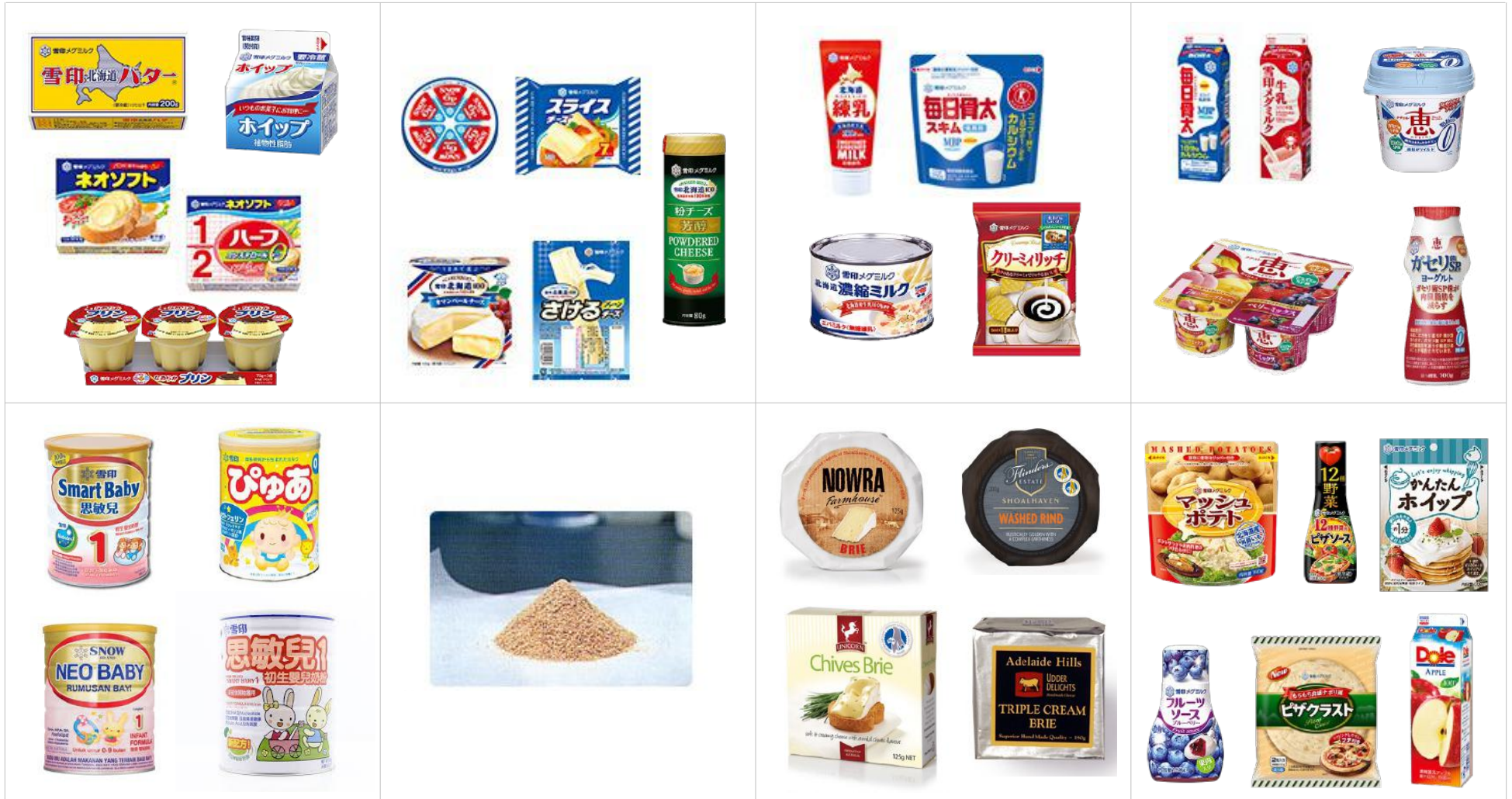
One of the largest dairy companies in Japan

3

Recent acquisition in Australia

WHAT?

What do they produce?



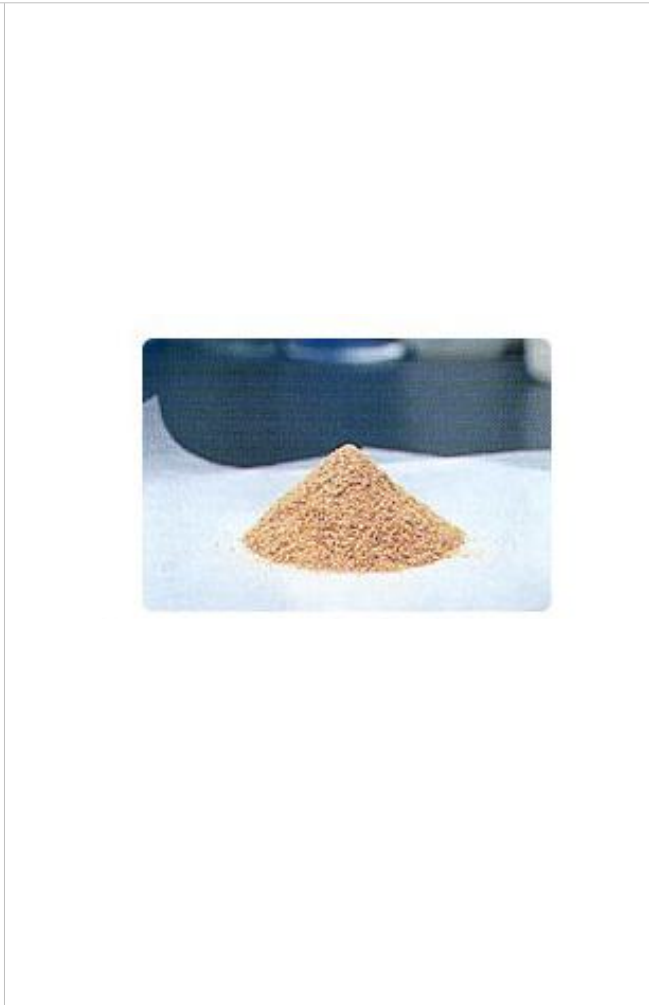
WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Functional dairy ingredients



EXAMPLE
Artisan cheeses



WHERE?

Where do they currently have dairy manufacturing operations?






WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1925 Established Hokkaido Cooperative Creamery Association</p> <p>1926 Launched Snow Brand brand</p> <p>1932 Built cheese plant, became first large scale cheese production facility in Japan</p> <p>1933 Established research department</p> <p>1950 Broken up for being monopoly, Snow Brand Milk Products Co and Hokkaido Butter Co</p> <p>1954 Established Zenrakuren Cooperative</p>	<p>1972 Established Zen-Noh Chokuhan Co</p>		<p>1990 Acquired Piam Ltd, Australia, Unicorn Cheese brand</p> <p>1992 Established Snow Brand Tatura Dairies, infant formula JV in Australia</p> <p>1996 Established Japan Milk Net Co as subsidiary of Zenraku Co-op</p>	<p>2000 Charged for food poisoning incident involving 14,000 people</p> <p>2003 Merged Japan Milk Net Co and Zen-Noh Chokuhan to form Nippon Milk Community Co</p> <p>2007 Outsourced milk powder production to Yotsuba</p> <p>2009 Invested in plant upgrade at Nowra, AU</p> <p>2009-2011 Merged NMC and Snow Brand to form Megmilk Snow Brand</p>	<p>2017 Acquired Udder Delights (AU), boutique cheese maker</p>

WHO?

Who are the key, relevant members of their management?

		
<p>Keiji Nishio Representative Director & President</p>	<p>Shinya Kosaka Senior Managing Executive Officer</p>	<p>Tadaki Fukusaku MD</p>

HOW?

How do they invest? How could they invest?



Isobunnai Plant
Upgrade of main butter, cream and powdered skim milk plant; new construction area of 23,000 sq m
Hokkaido, Japan
2017
¥20b

Snow Brand Australia
Acquired Piam (cheese, Nowra, NSW); upgraded factory; established JV with Tatura for IF; facilities adjacent to Tatura; acquired Udder Delights co in 2017
Tatura, Victoria, Australia
1990-2017

PT. Megmilk Snow Brand Indonesia Plant
JV with Rodamas Group to manufacture processed cheese; milk powder sourced from AU & NZ
Bekasi Regency, Indonesia
2012

WHY?

Why do they invest? Why would they invest in New Zealand?

"The Company is pursuing market expansion through borderless development of cheese as one of the themes of the Group Medium-term Management Plan 2019"



"The reason for the investment is said to be high demand for on-the-go yoghurt drinks due to heightened health concerns, and the popularity of the company's Megumi branded Lactobacillus Gasseri SBT2055 Yoghurt Drink."



*"Basic Strategies:
2. As we look towards the future (10 years from now), build a strategic procurement and production structure, and secure a competitive base."*



"Mr Uchida embraces the opportunity to invest in South Australia and can see more opportunities for our products in the Japanese market."

Martin Hamilton-Smith, South Australia Trade and Investment Minister

MAEIL HOLDINGS
South Korea





DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	◐	●	●	●	●	◐	◐	○	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Jung-wan Kim</p> <p>Address: The Twin Towers K, 50 Jong-ro 1-gil, Jongno-gu, Seoul, SOUTH KOREA</p> <p>Phone: +82 2 2127 2113</p> <p>Established: 1969</p> <p>Website: www.maeil.com</p> <p>Revenue: KRW1.34t (US\$1.2b)</p> <p>EBIT: KRW72b (US\$64m)</p> <p>Staff: 2,085</p> <p>No. of plants: 7</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: South Korea</p> <p>Owner: Listed; KRX:267980 005990</p>	<p>PRODUCTS</p> <p>Infant formula, milk, milk powder, fermented milk, yoghurt, dairy ingredients, cheese, ice cream, frozen yoghurt, cream products, coffee beverages, juice, soy milk, baby food, hospital meals, specialty milk powders (amino acid disorders), restaurants</p> <p>BRANDS</p> <p>Maeil, Inside Milk, Sangha Farm, My Café Latte, Barista Rules, Sunup, Sangha Cheese, Mammameal, Picnic, Domashno, Pure, Gut, Calcium Soy Milk, Fine Cool, Absolute Absomom, Special Powdered Milk, Enyo, Kefir 12</p> <p>OPERATIONS</p> <p>Korea's largest food and beverage producer; largest specialised children's food plant in Asia; Korea's largest organic milk plant; 87% market share for organic milk; 380 farm partnerships; sells in 18 countries (including China, Canada, USA, Japan, Hong Kong, Saudi Arabia, Australia); US\$50m in exports, US\$42m to China; 40% JV with Beingmate (CN); partnerships with Ferrero Rocher, Hershey's, Arla, Valio, Florida's Natural, Blue Diamond; operates 4 restaurants, day care, Sangha Farm rural theme park; previous JV Maeil New Zealand Cheese Company, acquired Fonterra's 50% share in 2002 for US\$6.5m; dropped out of Carlyle consortium bidding for McDonald's in South Korea, China and HK in 2016</p>	<p>Europe:</p> <p>Americas:</p> <p>Middle East:</p> <p>Asia: South Korea</p> <p>Australasia:</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Entered joint venture with Beingmate, Hangzhou Beingmate Maeil Food Company to produce specialist IF, in 2015 - Launched Bio yogurt in 2015 		

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures infant formula and specialised milk powders

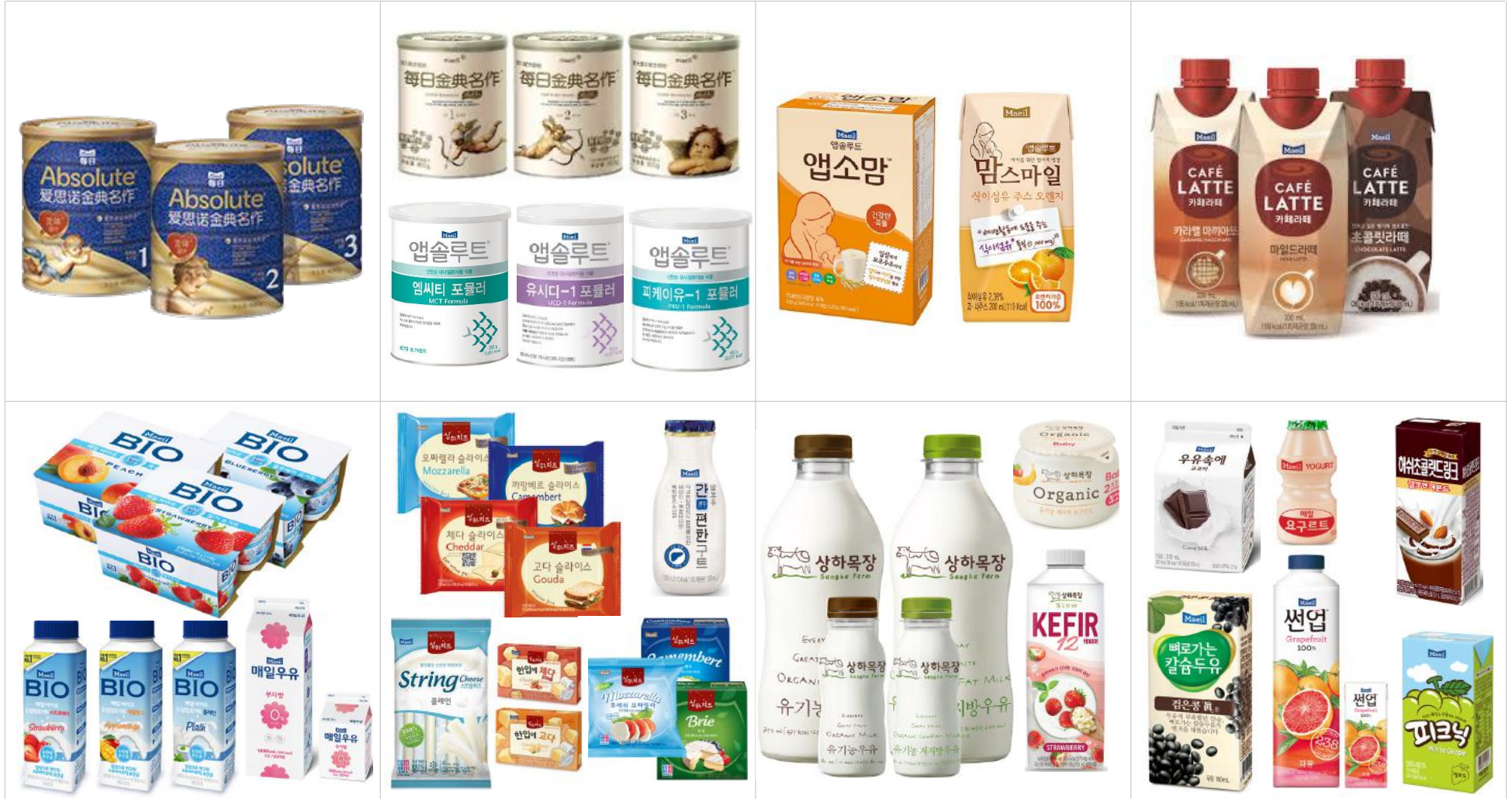
2

Korea's largest food and beverage producer

3

Looking for growth outside of South Korea (declining local milk sales, domestic saturation in South Korea)

WHAT?
What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Specialised infant formula



EXAMPLE
Maternal and follow on formulas



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1969 Founded</p>		<p>1981 Started exporting</p> <p>1981 First export of baby formula</p>	<p>1992 Launched first refrigerated juice</p> <p>1997 Korea Food Service founded (bakery division)</p> <p>1997 Launched first ready to drink cup coffee</p> <p>1999 Listed on KOSDAQ</p>	<p>2000's Diversified range</p> <p>2001 Introduced first Extended shelf life (ESL) systems</p> <p>2004 Launched first natural cheeses made with local milk</p> <p>2007 Launched Baristar line of coffee products</p> <p>2008 Launched organic dairy line Sangha Farm</p> <p>2008 All products Non-GMO</p>	<p>2015 JV with Beingmate for production of specialised IF in China</p> <p>2015 Launched Bio yogurt range</p> <p>2016 Launched new organic flavoured milk segment</p> <p>2016 Entered online China via JD</p> <p>2017 Launched new premium packaging (integrated spoon in lid)</p> <p>2017 Looking to further diversify its portfolio (clothing, retail, cafes)</p>

WHO?

Who are the key, relevant members of their management?



Jung-wan Kim
CEO & Chairman



Kim Seon-Hee
Vice President

HOW?

How do they invest? How could they invest?

贝因美 每日乳业
合资协议签约仪式

时间: 2015年10月28日
地点: 中国 杭州 滨江

Hangzhou Beingmate Maeil Food Company
40%JV with Beingmate (#3IF in CN) for production of
special infant formula
China
2015
KRW400m (US\$ 0.4m)

WHY?

Why do they invest? Why would they invest in New Zealand?

"We have established strong marketing platforms in China including joint ventures, online direct selling, and duty-free shops, as well as direct exports. By expanding our online presence, we will try to become a global brand in China and beyond."

Maeil

"South Korea last raised the country's foot-and-mouth disease alert status to the highest level in 2010, when the country grappled with its worst-ever outbreak."

Kim Kyeong-kyu, Deputy Minister for Food Industry Policy



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	●	●	●	●	●	◐	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Luo Fei</p> <p>Address: 29F, Guangzhou Internatnl Financial Cntr No.5, Zhujiang West Road, Guangzhou 510623, CHINA</p> <p>Phone: +86 8 008 301 055</p> <p>Established: 1999</p> <p>Website: www.hh.global; www.biostime.com</p> <p>Revenue: RMB6.5b (US\$982m)</p> <p>EBIT: N/A</p> <p>Staff: 3,000</p> <p>No. of plants: 4</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: China</p> <p>Owner: HKSE:01112</p>	<p>PRODUCTS</p> <p>Infant formula, baby nutrition, probiotic products, vitamins, supplements, baby care products</p> <p>BRANDS</p> <p>Biostime, Swisse, Healthy Times, Dodie, ADiMIL,</p> <p>OPERATIONS</p> <p>Formerly Biostime Group; baby nutrition and care segment 59% of sales; 5.8% of IF market share in China; sells in more than 20 countries; partnership with Isigny Sainte Mere (FR) to produce ADiMIL, also produced in China since 2014</p>	<p>Europe: France</p> <p>Americas: USA</p> <p>Middle East:</p> <p>Asia: China</p> <p>Australasia: Australia</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired Changsha Yingke dairy factory from Hunan Ava Dairy Co in 2014, CNY350m - Acquired Swisse (AU) in 2015 & 2016, A\$1.7b - Acquired Dodie (FR) in 2016

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures infant formula and nutritional products

2

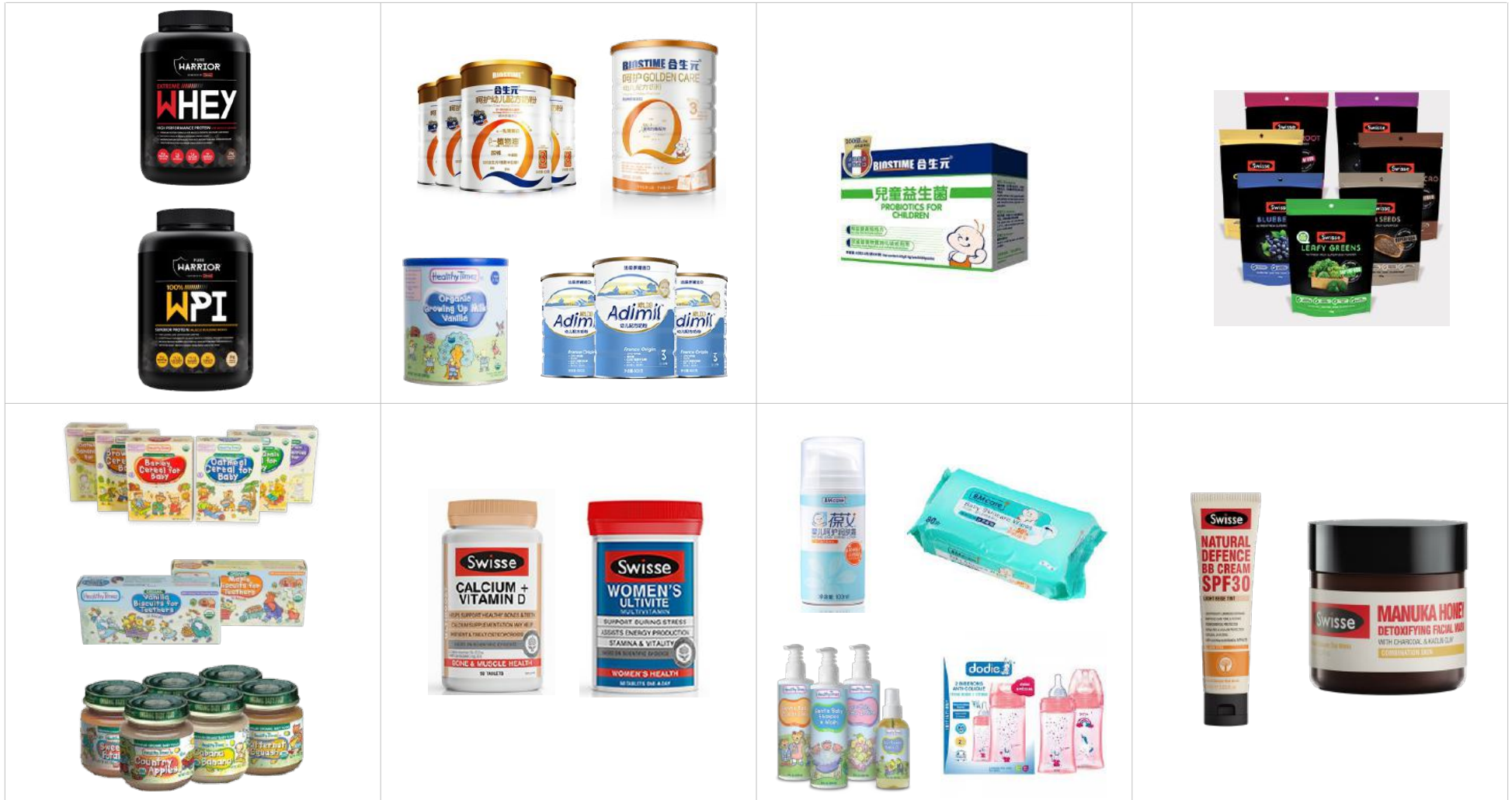
Recent acquisitions in China, Europe, Australia

3

Public company looking to expand operations

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Whey sports nutrition products



EXAMPLE
Infant formula



EXAMPLE
Probiotic supplements



WHERE?

Where do they currently have dairy manufacturing operations?





WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
			<p>1999 Established Biostime Group</p>	<p>2002 Became partners with Raman Company (FR) to introduce probiotics to China</p> <p>2006 Built probiotic GMP plant in Guangzhou, China</p> <p>2008 Launched imported infant formula range</p>	<p>2010 Listed on Hong Kong Stock Exchange</p> <p>2013 Acquired 20% stake in Isigny Sainte-Mere (FR), infant formula supplier</p> <p>2014 Acquired Changsha Yingke Nutrition Product Company (CN), first domestic IF production for Biostime</p> <p>2015 Invested in plant expansion for Isigny Sainte-Mere (FR)</p> <p>2015-2016 Acquired Swisse (AU), vitamin and supplements company</p> <p>2016 Acquired Dodie (FR), baby products company</p> <p>2017 Changed name to H&H Group</p>

WHO?

Who are the key, relevant members of their management?

	
<p>Luo Fei CEO & Chairman</p>	<p>Oliver Horn MD Swisse</p>

HOW?

How do they invest? How could they invest?



Changsha Yingke Nutrition Product Company
 Acquired IF production plant to start domestic
 production of ADIMIL brand
 China
 2014
 US\$58m

Isigny Sainte Mere plant
 Financed partner's IF factory expansion; 2 new drying
 towers; agreement to purchase 18,000 tonnes
 France
 2013
 €20m (€65m total)

The Biostime Institute for Nutrition and Care (BINC)
 New research centre, first outside of China
 Campus Biotech Innovation Park, Geneva (photo)
 2017

WHY?

Why do they invest? Why would they invest in New Zealand?

“The change was part of the group's ambition to become a global leader in the premium nutrition segment and to better reflect the equal importance of its two business segments, baby nutrition care and adult nutrition care.”

Luo Fei, CEO & Chairman

“The acquisition of Swisse is closely aligned with our strategy of expanding our portfolio and entering new markets as we seek to become an all-round nutrition and care expert for the entire family.”

Luo Fei, CEO & Chairman

“The company is planning to “reposition itself” as part of an expansion push under the new banner.”



“We seek the best ingredients from across the globe to ensure we provide the best product possible for our consumers.”





DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	●	●	●	◐	○	○	◐	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Youbin Leng</p> <p>Address: C-16th Floor, 10 Jiuxianqiao Road, Chaoyang District, Beijing, CHINA</p> <p>Phone: +86 10 8457 4688</p> <p>Established: 1962</p> <p>Website: www.feihe.com; en.ytcfchina.com</p> <p>Revenue: RMB3.5b (US\$813m)</p> <p>EBIT: N/A</p> <p>Staff: 21,873</p> <p>No. of plants: 7</p> <p>Production: 2,600t per day milk powder production</p> <p>Ownership: Private</p> <p>Country: China</p> <p>Owner: Platinum Infant Formula Holding (Leng, Liu, Liu)</p>	<p>PRODUCTS</p> <p>Infant formula, milk powder, goat milk powder, soy powder, rice cereal, walnut products, flavoured milk</p> <p>BRANDS</p> <p>Feihe, Xingfeifan, Feifan, Super Feifan, Feihui, Feirui, Feiyue, Beidiqi, Firmus, Astrobaby, Babyrich, Flying Crane, AstroBaby</p> <p>OPERATIONS</p> <p>Formerly American Dairy; subsidiary Heilongjiang Feihe Dairy Co; network in 32 provinces, sells in 105,000 retail outlets; Gannan Flying Crane Dairy Products Co also produces milk products; infant formula exclusively sourced from Gannan and Kedong farms stocked with ~46,000 Australian Holstein (previously owned by Feihe); research partnerships with Israel, Holland, Denmark, USA; Canada Royal Milk subsidiary building wet infant formula plant in Kingston, Ontario in 2016; 60,000t infant formula annually; planned Hong Kong IPO in 2017</p>	<p>Europe:</p> <p>Americas: Canada, USA</p> <p>Middle East:</p> <p>Asia: China</p> <p>Australasia:</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired 70% Shaanxi Guanshan Dairy Industry in 2014, RMB300m, extending into goat milk powder - Invested in goat and cow milk wet infant formula plant in Kingston, Ontario (CA), C\$225m in 2016

Why would they build a greenfields dairy plant in New Zealand?

1

Recently invested in greenfields infant formula plant in Canada

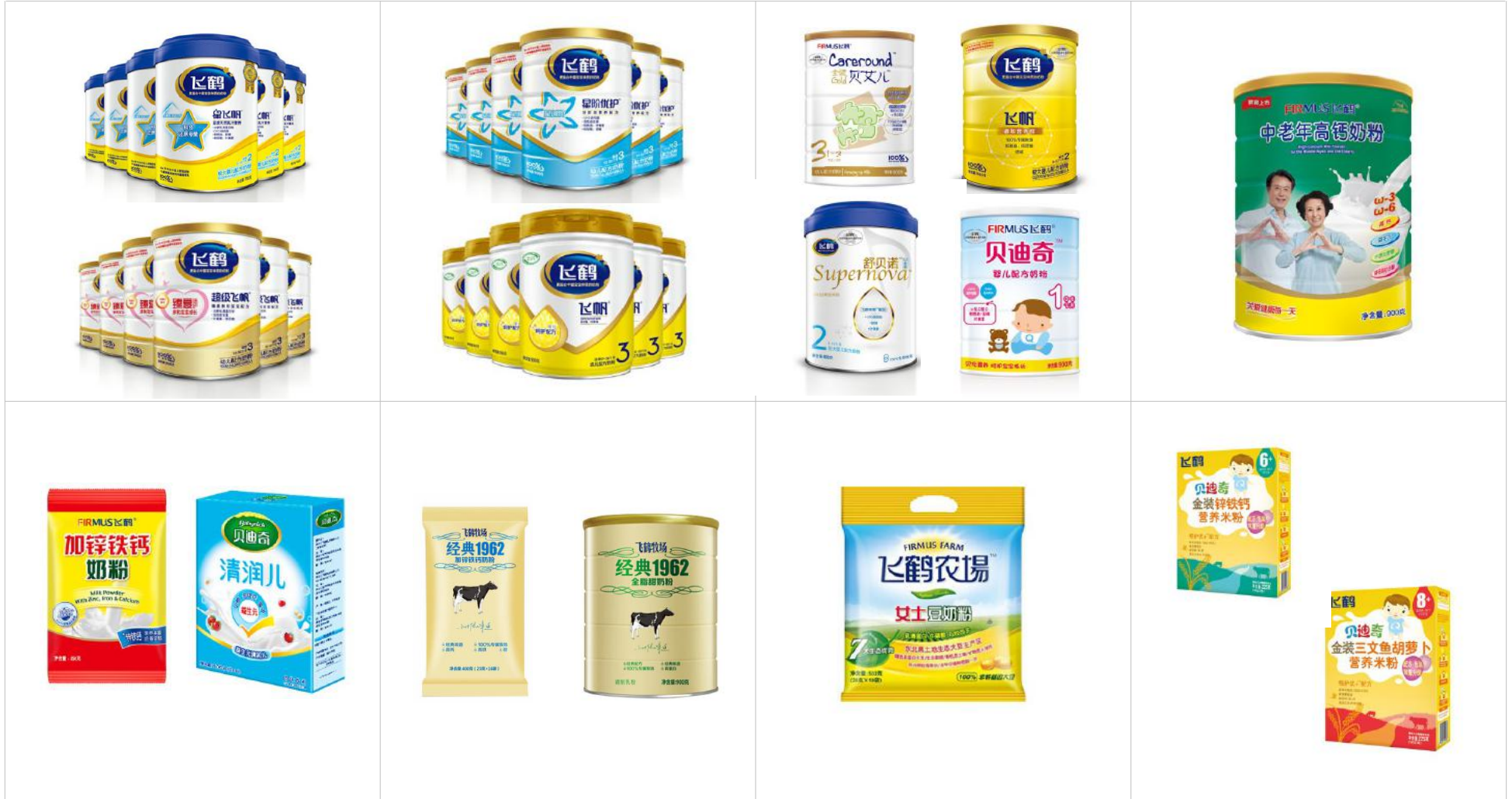
2

Manufactures infant formula and milk powder

3

One of the leaders in China's infant formula market

WHAT?
What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Adult formula

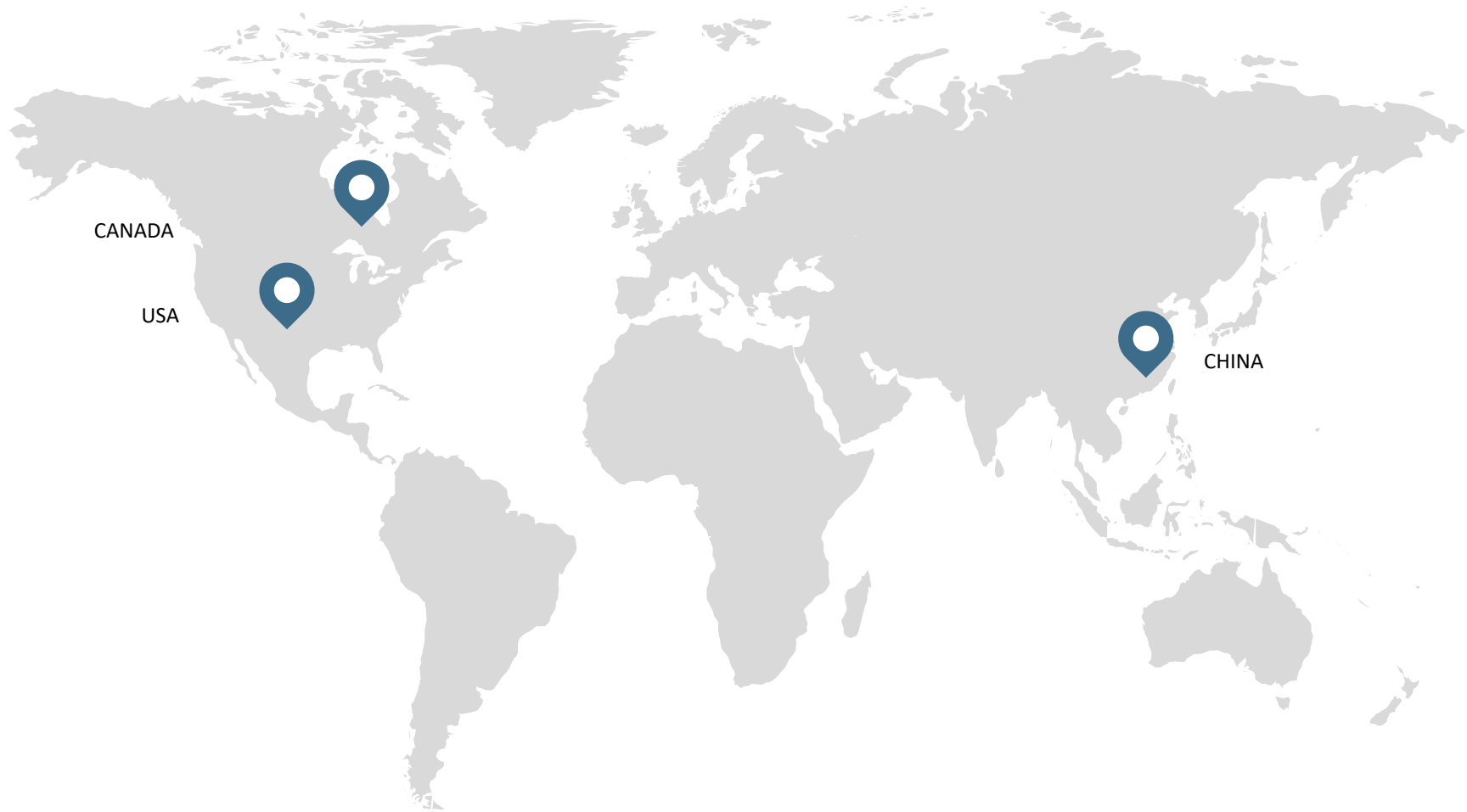


EXAMPLE
Milk powder



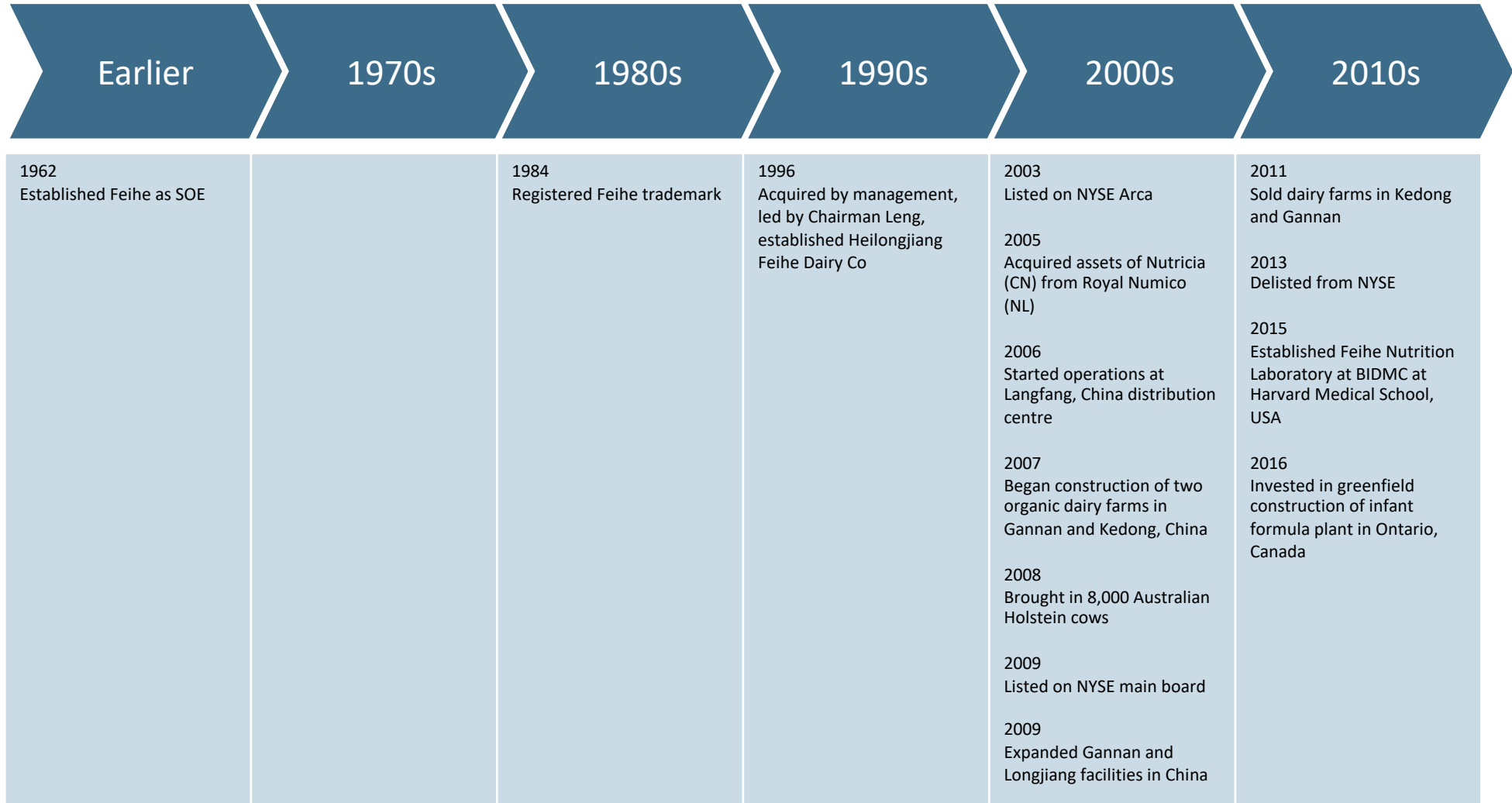
WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?



WHO?

Who are the key, relevant members of their management?



You Bin Leng
Chairman & CEO



Roger Hua Liu
Vice Chairman & CFO

HOW?

How do they invest? How could they invest?



Feihe wet process cow & goat infant formula plant
300,000 sq ft; 60,000t of IF annually; 80% export
Kingston, Ontario, Canada
2016
C\$225m

Feihe Gannan IF Plant
Upgrade to increase production from 300 t to 1,000t
per day
Gannan, China
2009
US\$24.6m for GEA contract

Shaanxi Guanshan Dairy Industry
Acquired 70% of business; moving into goat milk
powder
Shaanxi, China
2014
RMB300m

WHY?

Why do they invest? Why would they invest in New Zealand?

“If we can successfully implement our growth strategy, we will also seek to enter other markets through joint ventures, licensing or other arrangements with local dairy farms...”



“The desire to attract foreign investment shown by the Canadian government as well as the support of the Canadian Dairy Commission led our decision to invest in Canada. OMAFRA, the Kingston Economic Development Corporation and the City of Kingston played a crucial role in our decision to locate in Ontario.”

Roger Hua Liu, Vice Chairman & CFO

“We believe that our dairy business must grow to meet the demand for milk in China, and to increase our market share, particularly by expanding our milk powder production and distribution system.”



“The company’s most interested in branching into other product lines.”

Judith Pineault, Kingston Economic Development Corporation

SYNUTRA
China/United States





DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	●	●	●	●	◐	○	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Liang Zhang</p> <p>Address: 2275 Research Blvd., Suite 500, Rockville, MD 20850, UNITED STATES</p> <p>Phone: +1 301 840 3888</p> <p>Established: 1997</p> <p>Website: www.synutra.com; www.shengyuan.com.cn</p> <p>Revenue: US\$365m</p> <p>EBIT: N/A</p> <p>Staff: 2,600</p> <p>No. of plants: 5</p> <p>Production: N/A</p> <p>Ownership: Private</p> <p>Country: British Virgin Islands</p> <p>Owner: Beam Power Investment (Xiuqing Meng, spouse of Liang Zhang)</p>	<p>PRODUCTS</p> <p>Infant formula, nutritionals, dairy ingredients, UHT milk, baby food, goat milk powder, nutritional supplements</p> <p>BRANDS</p> <p>Synutra, Shengyuan, Dutch Cow, Teddy Chef, BB Chef, My Angel, Super, Organic Super</p> <p>OPERATIONS</p> <p>Subsidiaries in China manufacture (San Yuan Nutrition Food Co); 990 independent distributors, 270 sub-distributors, sold in ~27,680 retail outlets in China; was public until merger completed in 2017; toll packaging, drying services, industrial sales; new drying plant in France in 2016, milk supplied by Sodiaal; milk powder supplied by Fonterra in 2015, whey powder from Euroserum (Sodiaal); Organic Super and Dutch Cow contract manufactured</p>	<p>Europe: France</p> <p>Americas:</p> <p>Middle East:</p> <p>Asia: China</p> <p>Australasia:</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Invested in drying plant in France in 2016, delayed commissioning until July 2016, €135m

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures infant formula and dairy ingredients

2

Recently invested in drying plant in France

3

A leading infant formula company in China

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Specialised formulas



EXAMPLE
Whey protein powders



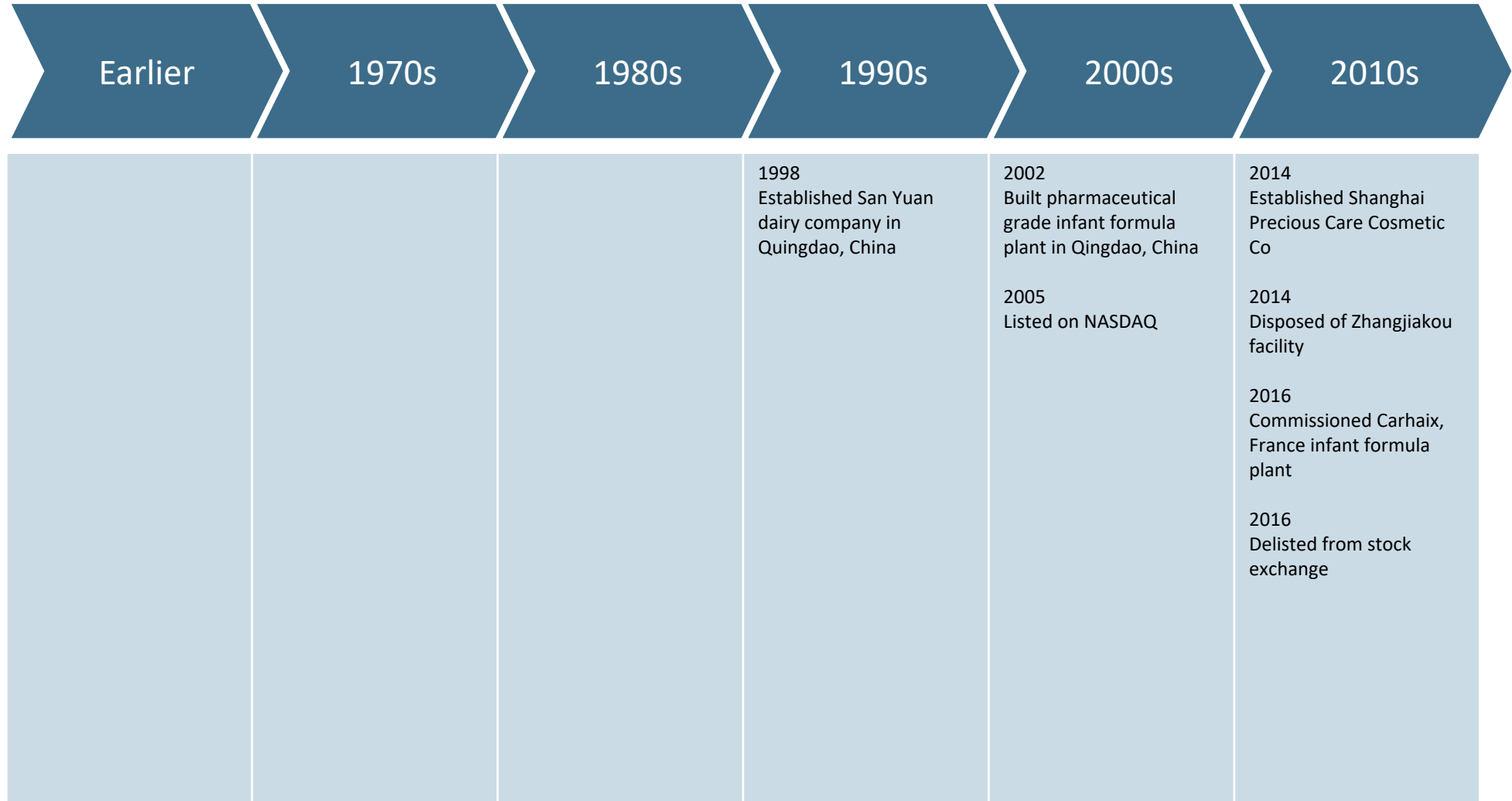
WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?



WHO?

Who are the key, relevant members of their management?



Liang Zhang
Chairman & CEO



Ning Cai
CFO



Christian Mazuray
CEO Synutra France International

HOW?

How do they invest? How could they invest?



Synutra France International
Infant formula, milk powder, whey protein plant;
200,000 sq m; 90,000t annual powder capacity
Carhaix, France
2016
€135m

Inner Mongolia Mengyuan Food Co
Processing whey protein into high oil whey protein;
3,800t per year
Fengzhen, Inner Mongolia, China
2007

Shenyuan Nutritional Food Co dry mixing plant
Dry mix processing capacity of 78,000t per year
Qingdao, Shandong, China
2001

WHY?

Why do they invest? Why would they invest in New Zealand?

“This new facility adds to our ability to produce premium IMF products for the China market and also enables Synutra to eliminate the oil-wrapping process in our China-based production operations, enabling us to streamline our processes and reduce costs.”

Liang Zhang, Chairman & CEO

“Our French facility also allows us to register an additional number of brands for our mainstream IMF products in compliance with CFDA regulation. We believe that the high-quality products manufactured from our French facility will attract more customers, elevate sales and bring significant benefits to our company both in terms of operating efficiency and brand image.”

Liang Zhang, Chairman & CEO

“In order to enhance its branding as a high-end infant formula producer and secure access to a high-quality raw material supply, Synutra has followed its competitors in establishing a strategic partnership with a well-known overseas dairy company, the French co-operative Sodiaal Union.”



“Our new facility in France is an important project for Synutra and, once complete, will significantly reduce our vertically integrated production costs, adopt world class manufacturing techniques and ensure the highest quality and nutritional value for our products.”

Liang Zhang, Chairman & CEO



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	●	◐	◐	●	◐	○	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Liu Yonghao</p> <p>Address: Floor 11, Block B, Tower 3, Wangjing SOHO,1 East Futong Avenue, Chaoyang District, Beijing, CHINA</p> <p>Phone: +86 10 53299800</p> <p>Established: 1982</p> <p>Website: www.newhopegroup.com; www.newhopeagri.com; www.newhopedairy.cn</p> <p>Revenue: RMB100b</p> <p>EBIT: N/A</p> <p>Staff: 70,000</p> <p>No. of plants: 40 (feed, meat, dairy)</p> <p>Production: N/A</p> <p>Ownership: Private</p> <p>Country: China</p> <p>Owner: Yonghao brothers</p>	<p>PRODUCTS</p> <p>Milk, yoghurt, fermented milk, fresh cheese, flavoured milk, infant formula</p> <p>BRANDS</p> <p>Akara, Sichuan Huaxi, Yangping, Kunming Xuelan, Yunnan Diequan, Qingdao Qinpai, Hangzhou Shuangfeng, Anhui Baidi, Hebei Tianxiang, Alps, City Memory, Light Love, 24 Hours, Horun, Tour of Taste</p> <p>OPERATIONS</p> <p>China's largest private agricultural firm; largest feed producer in China; four major divisions; agribusiness and food, chemical industry and resources, real estate and infrastructure, finance and investment; 600 subsidiaries; projects in Vietnam, the Philippines, Bangladesh, Indonesia, Cambodia, Sri Lanka, Singapore, Egypt, Australia; New Hope Liuhe Co (agribusiness) is listed (SZ:000876); pig, poultry and dairy value chains; acquired 12 small and medium dairy companies in China in early 2000's; New Hope Dairy Group was founded in 2002; largest dairy operation in southwest China, 11 dairy farms, 10 dairies; cooperation agreement with AgResearch (NZ) reached in 2015; Akara IF brand manufactured by Synlait, launched in 2013; New Hope Group Australia has controlling stake in Kilcoy Pastoral Company (QLD); A\$100m JV Australian Fresh Milk Holdings with Moxey and Perich dairy families (NSW) in 2015; JV Zhejiang Aozhou Cattle Co, live cattle export arrangement with Hancock Prospecting in 2017; plans to invest A\$1b in AU agriculture by 2020</p>	<p>Europe:</p> <p>Americas:</p> <p>Middle East:</p> <p>Asia: China (12)</p> <p>Australasia: Australia</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired controlling stake in Kilcoy Pastoral Company (QLD) in 2013, A\$100m - Acquired interest in Ruprecht Company (USA) in 2014, beef, chicken and seafood products - Invested A\$100m in JV Australian Fresh Milk Holdings in 2015 - Acquired 20% in Lansing Trade Group (USA), feed and raw materials trading group in 2015, RMB800m - Acquired 70% Benxiang Agriculture (CN), pig farming operations in 2016 - Acquired Australian Natural Care (AU), vitamin and supplements company in 2016 		

Why would they build a greenfields dairy plant in New Zealand?

1

Investing heavily in Australian beef and dairy industries

2

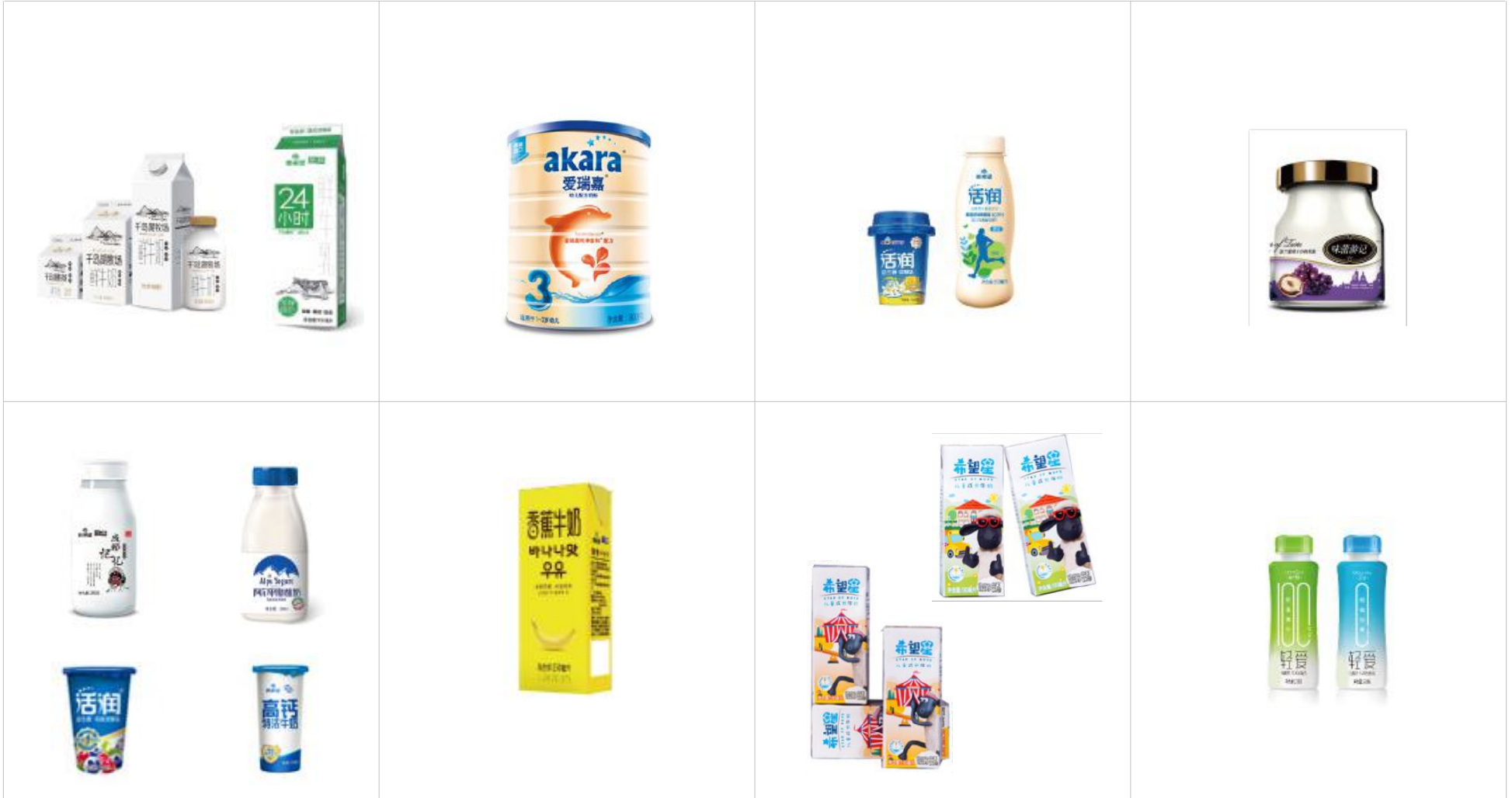
Manufactures infant formula

3

Infant formula manufactured by New Zealand company (Synlait)

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Fermented dairy beverages

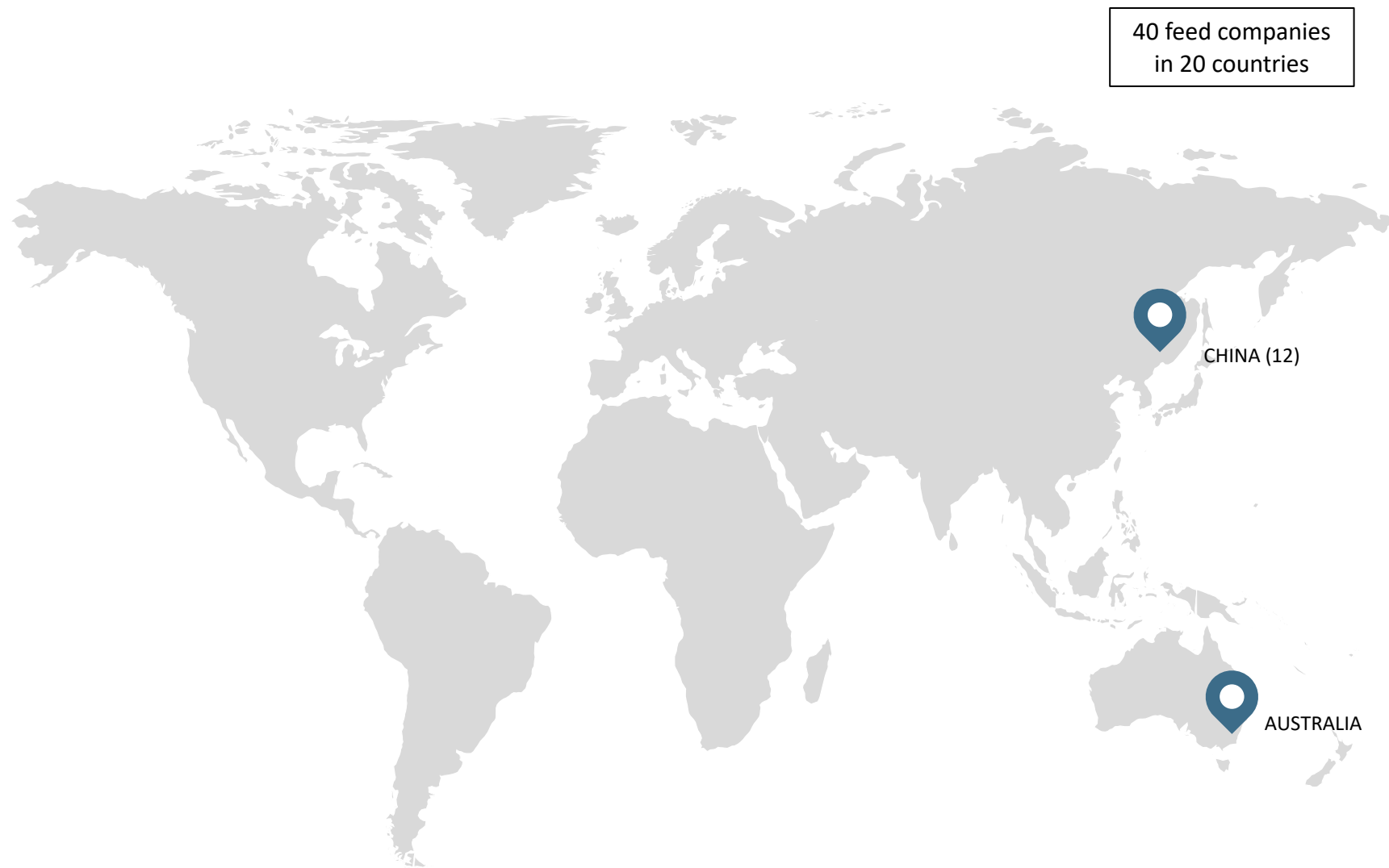


EXAMPLE
Dairy ingredients for functional beverages



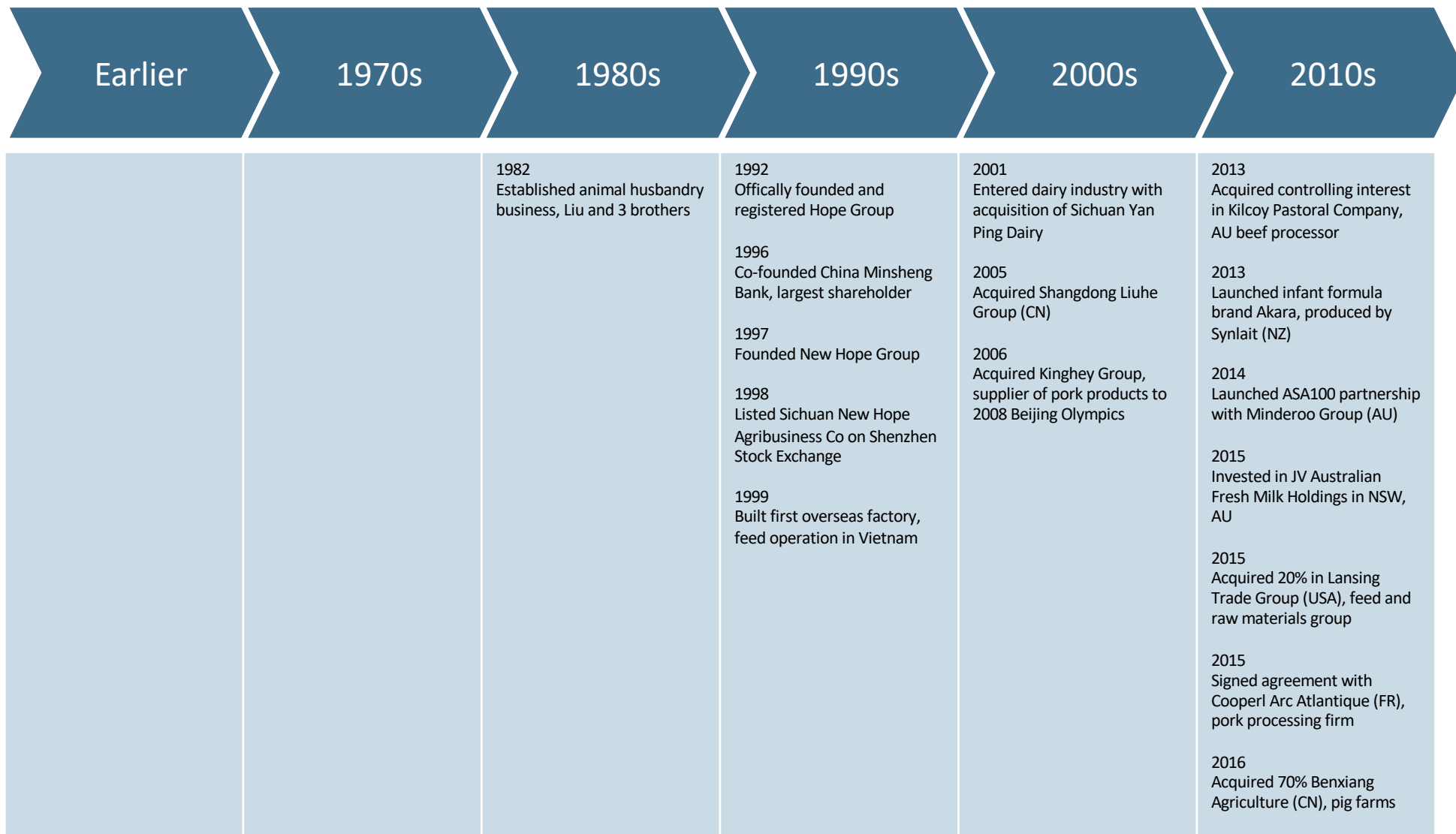
WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

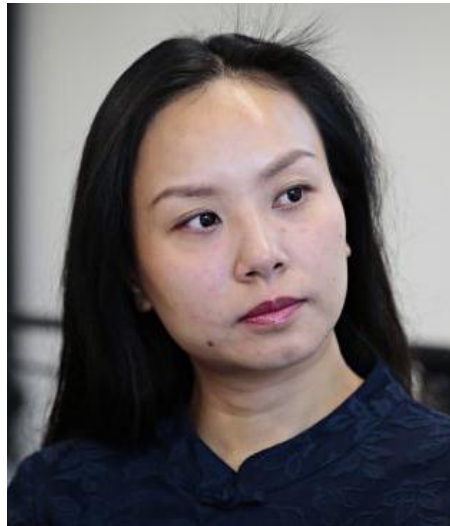


WHO?

Who are the key, relevant members of their management?



Liu Yonghao
Chairman






Angela Liu Chang
CEO New Hope Liuhe



Nick Dowling
CEO New Hope Australia

HOW?

How do they invest? How could they invest?

		
<p>JV Australian Fresh Milk Holdings Expansion of dairy farm operations Central NSW, Australia 2015 A\$100m</p>	<p>Pixian, Sichuan dairy farm operations Largest dairy base in southwest; 3-5 medium farms in “belts” flagship factory; milk sales of RMB20b Pixian, Sichuan, China 2014 RMB570m</p>	<p>Suzhou Shuangxi Dairy acquisition 20th regional dairy company acquisition by New Hope; stated aim of 40 Suzhou, China 2014</p>

WHY?

Why do they invest? Why would they invest in New Zealand?

"I have found many investments made by Chinese enterprises in Australia, they have acquired this, or acquired that, but in this pattern, if we can develop with Australian partners, isn't it much better?"

Liu Yonghao, Chairman

"New Hope Group plans to spend US\$500 million in the next five years building food processing factories overseas, mainly in Southeast Asia."

Wang Hang, Vice President New Hope Group

"Mr Dowling said the group had not closed its chequebook yet and was looking for further investments in premium food operations from lamb to aquaculture."

NEWS

"The air and water in Australia are very good, the processing plants are more standardised, and the supervision of Australian Government is also stringent."

Liu Yonghao, Chairman

RB (RECKITT BENCKISER)
United Kingdom



HEALTH ▸ HYGIENE ▸ HOME



HEALTH ▸ HYGIENE ▸ HOME

WHAT COULD THEY DO?

Build infant nutrition plant to supply Asia

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	●	●	●	●	●	○	◐	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY? (Mead Johnson only)
<p>CEO/MD: Rakesh Kapoor</p> <p>Address: 103-105 Bath Road Slough SL1 3UH UNITED KINGDOM</p> <p>Phone: +44 17 5321 7800</p> <p>Established: 2007</p> <p>Website: www.rb.com; www.meadjohnson.com</p> <p>Revenue: RB: GBP9.9b MJ: US\$1.3b</p> <p>EBIT: GBP2.4b</p> <p>Staff: 42,000</p> <p>No. of plants: 10 (Mead Johnson)</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: United Kingdom</p> <p>Owner: LSE:RB</p>	<p>PRODUCTS</p> <p>Dairy: infant formula Other: health (painkillers, cold medication, condoms & lubricants, foot products, supplements), hygiene (includes disinfectant cleaners, dishwasher detergents, pest control, depilatory products, acne treatments), home (air fresheners, stain removal, cleaning)</p> <p>BRANDS</p> <p>Enfa, Enfamil, Enfagrow, Enfakid, Enfapro, Lactum, Sustagen, Choco Milk, Cal-C-Tose, Airborne, Durex, Gaviscon, Mucinex, Scholl, Strepsils, Cillit Bang, Clearasil, Dettol, Harpic, Lysol, Mortein, Veet, Air Wick, Calgon, Vanish, Woolite</p> <p>OPERATIONS</p> <p>Health now 50% of portfolio after Mead Johnson acquisition; Mead Johnson sells over 70 products across over 50 markets worldwide; Enfa family of brands is world's leading franchise in infant and children's nutrition; 4 Paediatric Nutrition Institutes; 50% of net sales in Asia in 2016</p>	<p>Europe: Netherlands</p> <p>Americas: USA (2), Mexico, Brazil</p> <p>Middle East:</p> <p>Asia: China, Singapore, Philippines, Thailand</p> <p>Australasia: Australia</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired spray drying and finishing facilities in Australia from Bega Cheese in 2017, Tatura Milk to run facilities, A\$200m, - Acquired Mead Johnson (#3 global infant formula firm) for US\$17.9b in early 2017 - Sold food business (sauces, flavours) to McCormick Jul 2017, US\$4.2b 		

Why would they build a greenfields dairy plant in New Zealand?

1

Market leader in infant and child nutrition

2

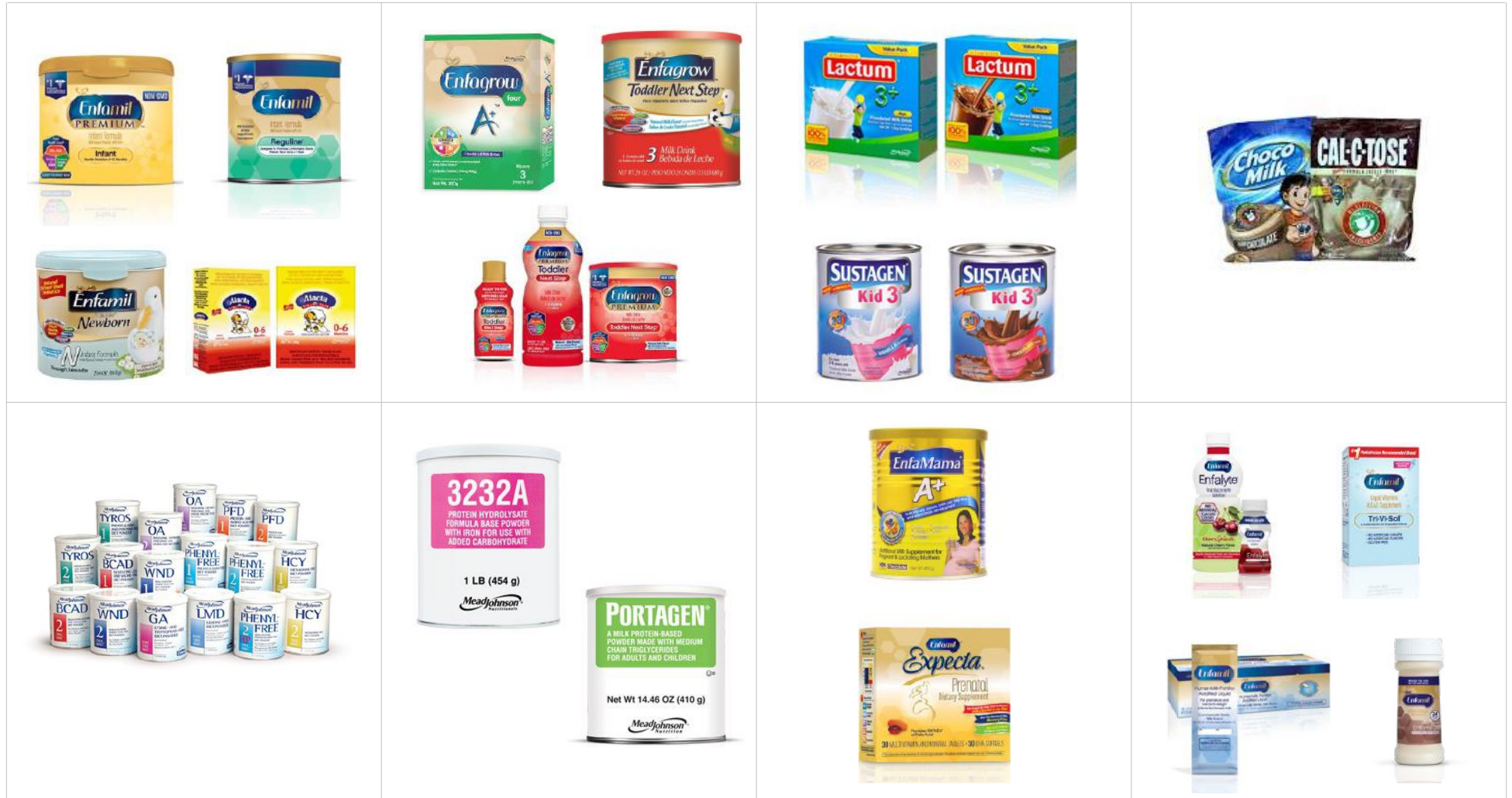
50% of Mead Johnson sales come from Asia

3

Recently invested in new plant in Singapore

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Specialised infant formula for metabolism difficulties



EXAMPLE
Specialised protein powders



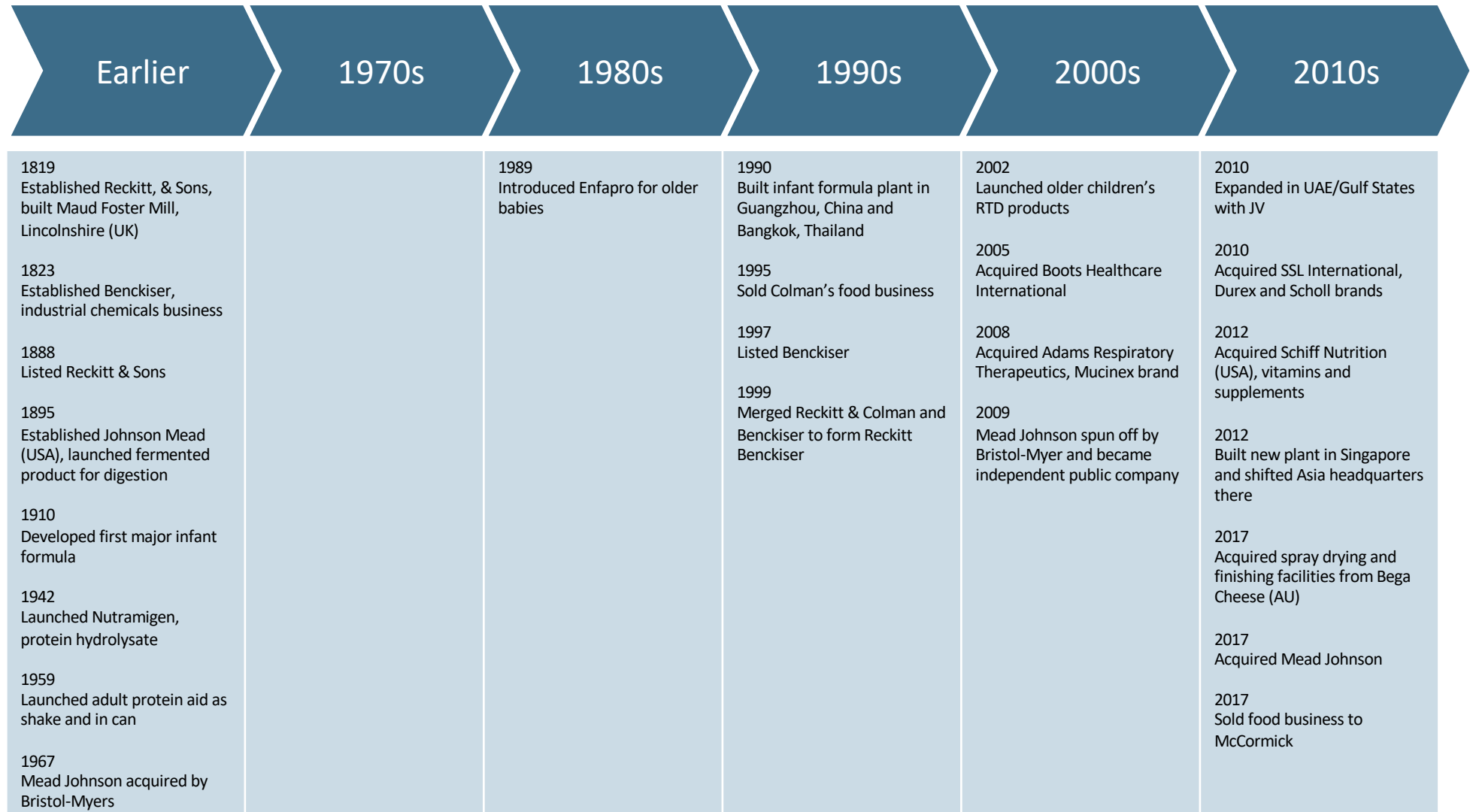
WHERE?

Where do they currently have dairy manufacturing operations?






WHEN?

What are they key events in the development of this firm?



WHO?

Who are the key, relevant members of their management?

		
<p>Rakesh Kapoor CEO</p>	<p>Adrian Hennah CFO</p>	<p>Aditya Sehgal EVP Infant and Child Nutrition</p>

HOW?

How do they invest? How could they invest?



Schiff
SINCE 1936



Mead Johnson Pediatric Nutrition Institute and manufacturing centre; single largest capital project for MJN; 500,000 sq ft
Tuas, Singapore
2012, opened 2014
US\$325m

Bega Cheese facilities
Spray dryer (1 of 4 at Tatura Milk) and IF finishing plant;
acquired assets, Tatura to run
Derrimut and Tatura, Victoria, Australia
2017
A\$200m

Schiff Nutrition (USA) acquisition
Moved into vitamins and nutrition supplements sector
Salt Lake City, Utah, USA
2012
US\$1.4b

WHY?

Why do they invest? Why would they invest in New Zealand?

“Mead Johnson's geographic footprint significantly strengthens our position in developing markets, which account for approximately 40% of the combined group's sales, with China becoming our second-largest ‘Powermarket.’”

Rakesh Kapoor, CEO RB

“Singapore's focus on R&D, innovation, education and health makes it the perfect fit for Mead Johnson's current emphasis on R&D.”

James Cornelius, then Chairman Mead Johnson Nutrition

“The deal adds to a flurry of acquisitions struck by RB over the past dozen years... But it is most notable as a bet on emerging market population growth, particularly in China, where Mead Johnson is a powerhouse.”

Forbes

“It aligns with RB's well established strategic focus on growing in consumer health and on investing in Powerbrands with attractive growth prospects.”



HEALTH · HYGIENE · HOME

ABBOTT LABORATORIES
United States



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	●	●	●	●	●	○	◐	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Miles White</p> <p>Address: Abbott Laboratories. 100 Abbott Park Road. Abbott Park, Illinois 60064 UNITED STATES</p> <p>Phone: +1 224 667 6100</p> <p>Established: 1888</p> <p>Website: www.abbott.com www.eas.com</p> <p>Revenue: US\$20.8b (US\$7.0b nutrition)</p> <p>EBIT: US\$3.2b</p> <p>Staff: 94,000</p> <p>No. of plants: 52 (14 nutrition)</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: United States</p> <p>Owner: NYSE:ABT</p>	<p>PRODUCTS</p> <p>Infant formula, adult and other pediatric nutritional products, enteral nutritional products, nutritional and sports nutrition products</p> <p>BRANDS</p> <p>Similac, Ensure, Ensure (with NutriVigor), Glucerna, ProSure, PediaSure, Jevity, Osmolite, Oxepa, Freego, Nepro, Vital, Zone Perfect, EAS, Myoplex, AdvantEdge</p> <p>OPERATIONS</p> <p>Global manufacturing for a broad range of branded generic pharmaceuticals, medical devices, diagnostics, and nutrition products; three divisions (pharmaceuticals, medical devices and nutritional products); Abbott Nutrition 30% of sales</p>	<p>Europe: Ireland (2), Netherlands, Spain</p> <p>Americas: USA (7)</p> <p>Middle East:</p> <p>Asia: China, India, Singapore</p> <p>Australasia:</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Invested in new nutrition manufacturing facilities in India, China, USA in 2014 - Sold generic pharmaceuticals division to Mylan for US\$5.3b in 2015 - Invested in new nutrition pilot plant in Singapore in 2015 - Acquired Alere (medical devices) for US\$5.3b in 2016 - Sold eye health business to J&J for US\$4.3b in 2016 - Invested in new R&D centre in Shanghai, China in 2016, US\$30m - Acquired St Jude Medical (medical devices) for US\$23.6b in 2017

Why would they build a greenfields dairy plant in New Zealand?

1

Market leader in adult nutrition and pediatric nutrition

2

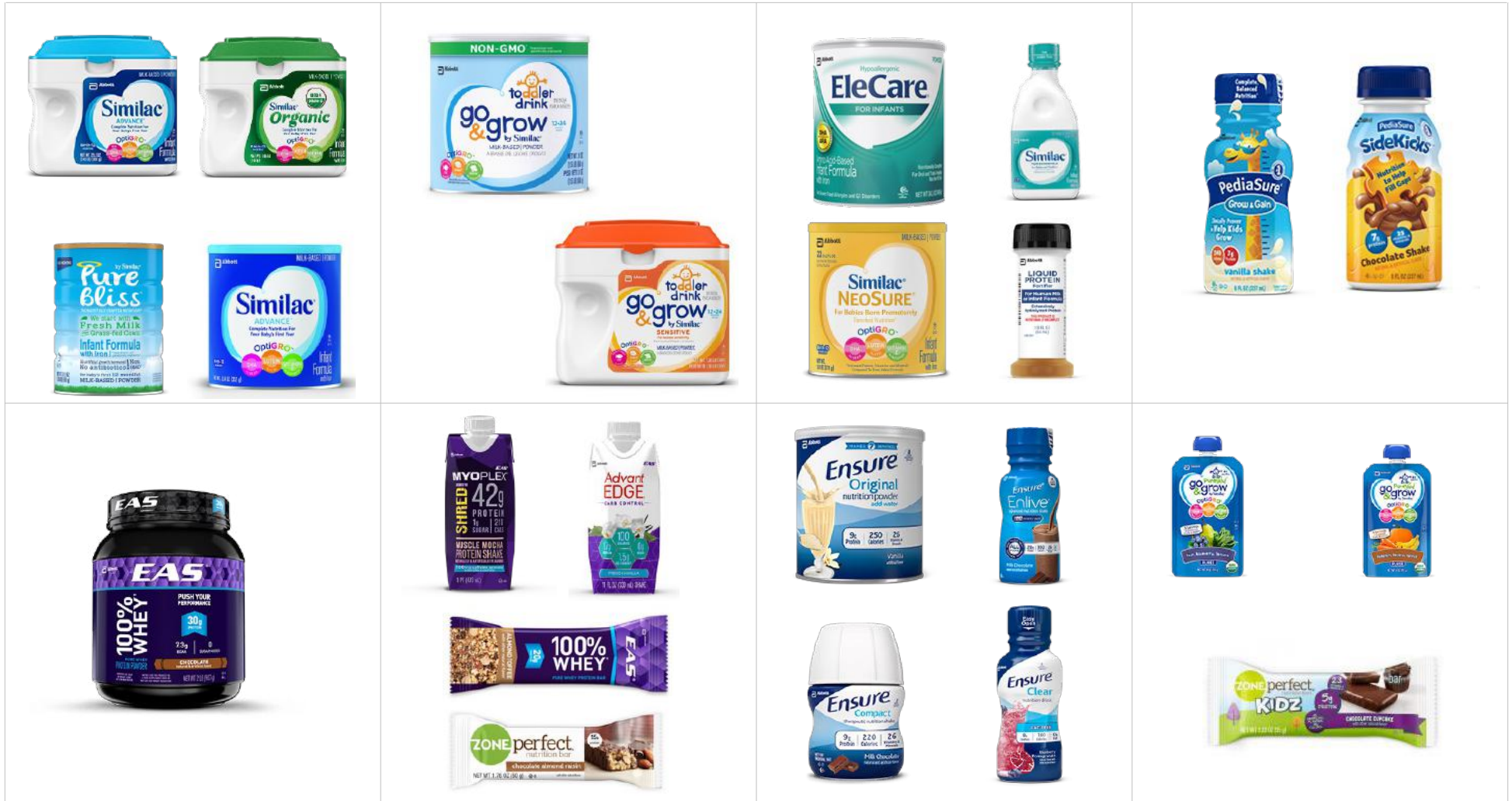
Growing in Asian markets

3

Recently invested in new nutrition manufacturing plants

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

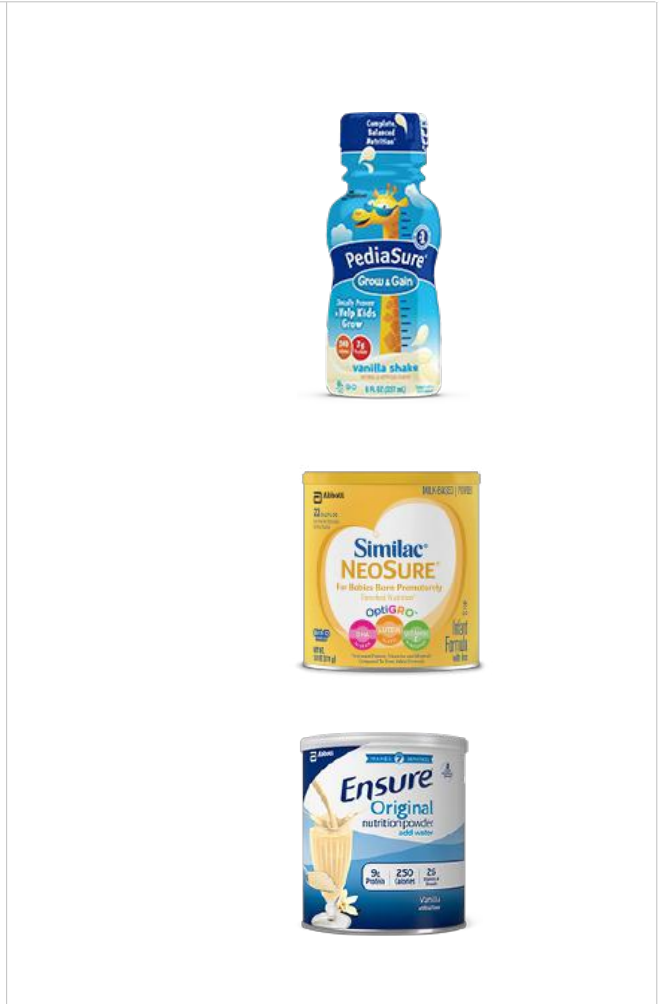
EXAMPLE
Infant formula (Non GM, Organic)



EXAMPLE
Whey proteins for sports nutrition



EXAMPLE
Dairy ingredients for specialised formulas



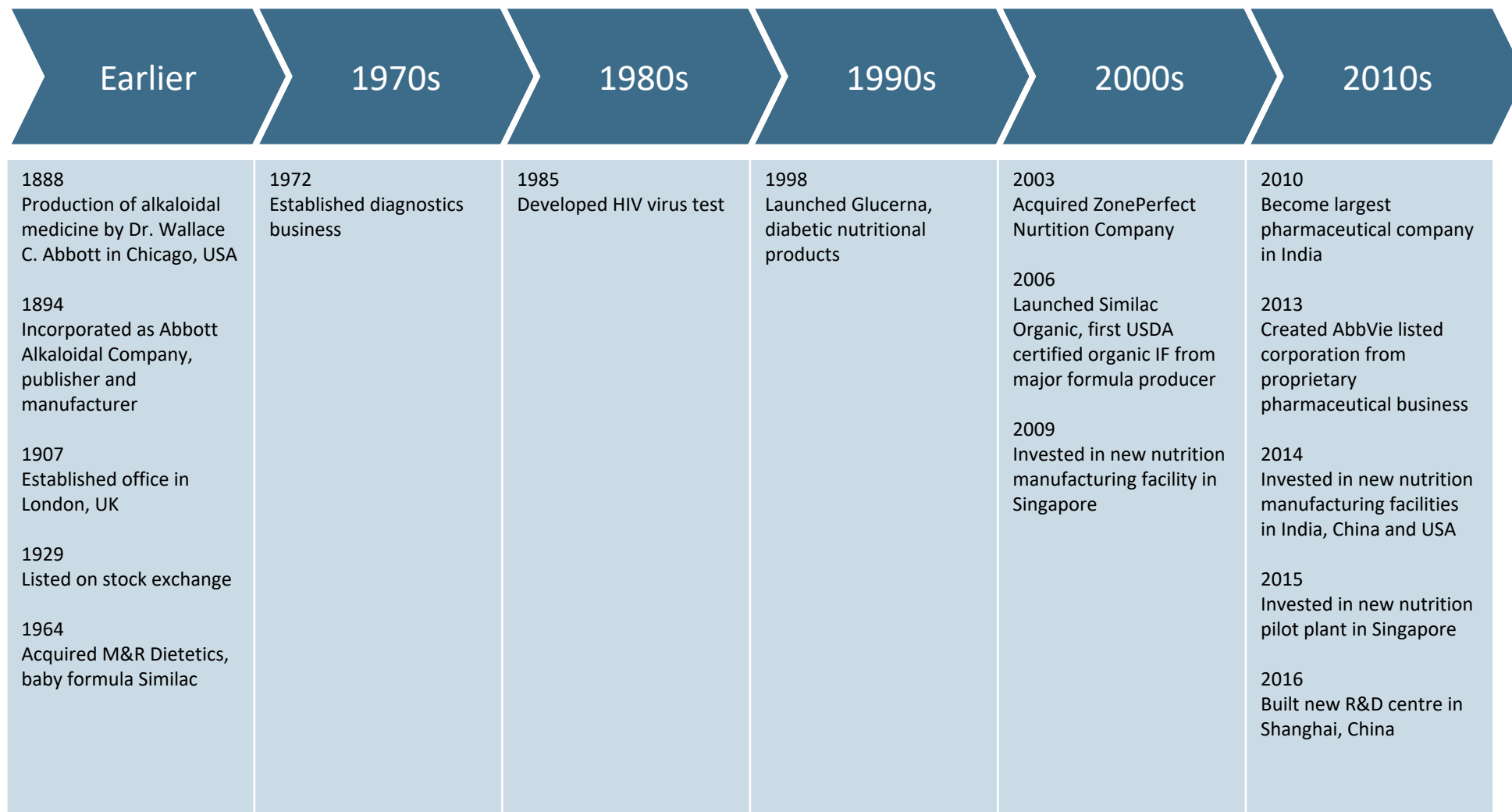
WHERE?

Where do they currently have dairy manufacturing operations?






WHEN?

What are they key events in the development of this firm?



WHO?

Who are the key, relevant members of their management?

		
<p>Miles White Chairman & CEO</p>	<p>Daniel Salvadori EVP Nutritional Products</p>	<p>Brain Yoor EVP Finance & CFO</p>

HOW?

How do they invest? How could they invest?



Abbott Manufacturing Singapore plant
 500,000 sq ft; 45m kg nutritional powders per year;
 R&D centre
 Singapore
 2009; pilot plant added in 2014
 US\$320m

Abbott Nutrition Plant
 Manufactures Ensure and Glucerna liquid nutrition
 products; 1m bottles per day
 Tipp City, Ohio
 2014
 US\$270m

Abbott Nutrition China plant; R&D Centre
 Jiaxing and Shanghai, China
 2013; 2016
 US\$230m; US\$30m

WHY?

Why do they invest? Why would they invest in New Zealand?

“Abbott Laboratories is confident that emerging markets such as China will continue to drive profitability for its nutrition business in the long term.”

Market Realist 

“White put Abbott in position to capitalize on growth in China and nearby emerging markets by spending hundreds of millions of dollars in the last five years on new manufacturing and research plants.”

Forbes

“Abbott's decision to set up facilities in Singapore was prompted by the skilled workforce.”

**foodprocessing-
technology.com**
The website for the food processing industry

“Abbott has expanded strategically to establish leading positions in every market we serve.”

 **Abbott**

Hero

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	◐	●	●	●	◐	●	◐	●	●

WHO ARE THEY?

CEO/MD:	Rob Versloot
Address:	Karl Roth-Strasse 8, 5600 Lenzburg, SWITZERLAND
Phone:	+41 62 885 51 11
Established:	1886
Website:	www.hero-group.ch
Revenue:	CHF 1.26b (2015)
EBIT:	N/A
Staff:	4,300 (2015)
No. of plants:	9 (+8 co-packers)
Production:	N/A
Ownership:	Private
Country:	Switzerland
Owner:	Private (Oetker family)

WHAT DO THEY MAKE?

PRODUCTS
Infant formula, baby food, jam, drinks, and nutritional snack foods
BRANDS
Hero, Hero baby, Beech Nut, Semper, other Non-dairy: Hero, Casa De Mateur, Juuella, Paas, Pumkin Masters, Cake Mate, Queensberry, Corny, Semper, Sunar, Schwartau, Beech Nut, Organix, Titrac
OPERATIONS
Manufacturer of infant formula, baby foods and a range of other food products; focused in Europe and North Africa with growing exports to Asia (16 subsidiaries)

WHERE ARE THEY?

Europe:	Switzerland, Germany, Spain, Netherlands, Sweden, Russia, Belgium, UK. France, Turkey, Czech. Other Europe
Americas:	USA, Brazil
Middle East:	Egypt
Asia:	
Australasia:	
Other:	

DO THEY HAVE ANY MONEY?

RECENT ACQUISITIONS & INVESTMENTS

- Established JV with Kiviks Marquand, the makers of the Queensberry jams, the market leader in Brazil in 2015
- Acquired remaining 50% stake in JV Hero Gida in Turkey 2014

Why would they build a greenfields dairy plant in New Zealand?

1

Growing in New Zealand's target markets

2

Manufactures infant formula

3

Recent joint ventures and acquisitions
outside of Europe

WHAT?
What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Specialised infant formula



EXAMPLE
Follow on and children's formulas



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1886 Founded in Switzerland</p> <p>1910 Launched Hero brand</p> <p>1914 Listed on Stock exchange</p> <p>1946 Hero classic brands leader in market</p>			<p>1995 Company under ownership of Oetker Family</p>	<p>2005 Acquired Sunar in Czech and Slovakia</p> <p>2005 Acquired Beech-Nut, US baby food business</p> <p>2005 Set up large F&D baby food nutrition centre in Spain</p> <p>2006 Acquired Semper, largest babyfood manufacturer in Scandinavia</p> <p>2007 Acquired Friso Foods (now Hero Baby) from Friesland Foods</p> <p>2008 Acquired Organix (UK)</p> <p>2009 Built new baby food plant Turkey</p> <p>2009 Established marketing partnership with Abbott nutrition (USA)</p>	<p>2010 Built Beech-Nut baby food plant in US</p> <p>2011 Completed new headquarters in Lenzburg</p> <p>2012 Appointed new CEO</p> <p>2014 Acquired 50% stake in JV Hero Gida Turkey, baby food producer "Hero baby" brand</p> <p>2015 Expanded in South America; JV with Kiviks Marquand, Brazil (jam manufacturer and distributor)</p>

WHO?

Who are the key, relevant members of their management?



Rob Versloot
Chief Executive Officer



Karsten Boyens
Chief Financial Officer



Markus Lenke
Chief Operating Officer

HOW?

How do they invest? How could they invest?



Beech-Nut Plant
Baby food processing and packaging plant; 97,800 m sq;
100,000 cases of baby food/day
New York State, USA
2010
Value = \$124m

Acquired Yildiz 50% stake in JV Hero Gida Plant and operations
Ankara, Turkey
2014

Expanded operations in Egypt using Egypt as base for expansion into Middle East and Africa (exporting 35%; strong trade arrangements)
Qalyubia, Egypt
2017
\$5m (\$40m over 5 yrs)

WHY?

Why do they invest? Why would they invest in New Zealand?

“The acquisition is a strategic move to enhance Hero’s position in global infant nutrition and underlines the company’s commitment to the region [Turkey].”



“We are very pleased to enter this partnership with Kiviks, which has built a market leader position in the fast growing Brazilian market for jams with its well-known premium Queensberry brand. We believe that by joining forces we have a unique opportunity to further drive growth in Brazil.”

Rob Versloot, Hero Group CEO

“Strategic markets offer the biggest business potential. Ideally, this is where – over time – you want to establish yourself with a subsidiary or through an acquisition. I see exports to these markets as a first phase of business development.”

Rob Versloot, Hero Group CEO

THE HAIN CELESTIAL GROUP
United States



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	

WHO ARE THEY?	WHAT DO THEY MAKE?
<p>CEO/MD: Irwin D. Simon</p> <p>Address: 1111 Marcus Ave, Lake Success, New York, 11042-1221, UNITED STATES</p> <p>Phone: +1 516 587-5000</p> <p>Established: 1993</p> <p>Website: www.hain.com</p> <p>Revenue: US\$2.853b</p> <p>EBITDA: US\$275m</p> <p>Staff: 7,825</p> <p>No. of plants: 35</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: United States</p> <p>Owner: NASDAQ: HAIN</p>	<p>PRODUCTS</p> <p>Dairy: yoghurt, infant formula Other: infant, toddler and kids foods, diapers, wipes, rice and grain-based products, plant-based beverages, frozen desserts, flour/baking mixes, breads, cereals, pasta, condiments, edible oils, granolas, cereal bars, soups, packaged grains, chocolate, nut butters, juices, cookies, crackers, frozen meals, prepared fruit and vegetables, plant-based meat-alternative products, tofu, spreads, honey</p> <p>BRANDS</p> <p>Earth's Best, Ella's Kitchen, The Greek Gods, Almond Dream, Arrowhead Mills, Bearitos, Blueprint, Celestial Seasonings, Cully & Sully, Danival, DeBoles, Empire, Europe's Best, Farmhouse Fare, Frank Cooper's, FreeBird, Gale's, Garden of Eatin', GG UniqueFiber, Hain Pure Foods, Hartley's, Health Valley, Imagine, Johnson's Juice Co., Joya, Kosher Valley, LimaTilda, Walnut Acres, WestSoy, Yves Veggie Cuisine, Yorkshire Provender, Alba Botanica, Avalon Organics, Earth's Best, JASON, Live Clean, Queen Helene</p> <p>OPERATIONS</p> <p>Manufacture, market, distribute and sell organic and natural products in over 80 countries worldwide; international sales 40% of net sales; 36% revenue from products co-packed by others; Whole Foods largest customer; looking for buyers in 2017; infant formula is co-packed by Perrigo Company</p>

WHERE ARE THEY?
<p>Europe: UK (12), Austria, Germany (2), France, Norway</p> <p>Americas: USA (16), Canada (2)</p> <p>Middle East:</p> <p>Asia:</p> <p>Australasia:</p> <p>Other:</p>

DO THEY HAVE ANY MONEY?
<p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired Formatio Beratungs- und Beteiligungs GmbH and its subsidiaries ("Mona"), plant-based foods and beverages under the Joya brand, facilities in Germany and Austria for US\$24.6m in 2015 - Acquired Orchard House Foods (UK), a leader in pre-cut fresh fruit, juices, fruit desserts and ingredients US\$114m in 2015 - Acquired chilled soup company The Yorkshire Provender (UK) for US\$16.1m in 2017 - Acquired prepared beans and bean dips business The Better Bean Company for US\$3.4m in 2017

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures infant formula

2

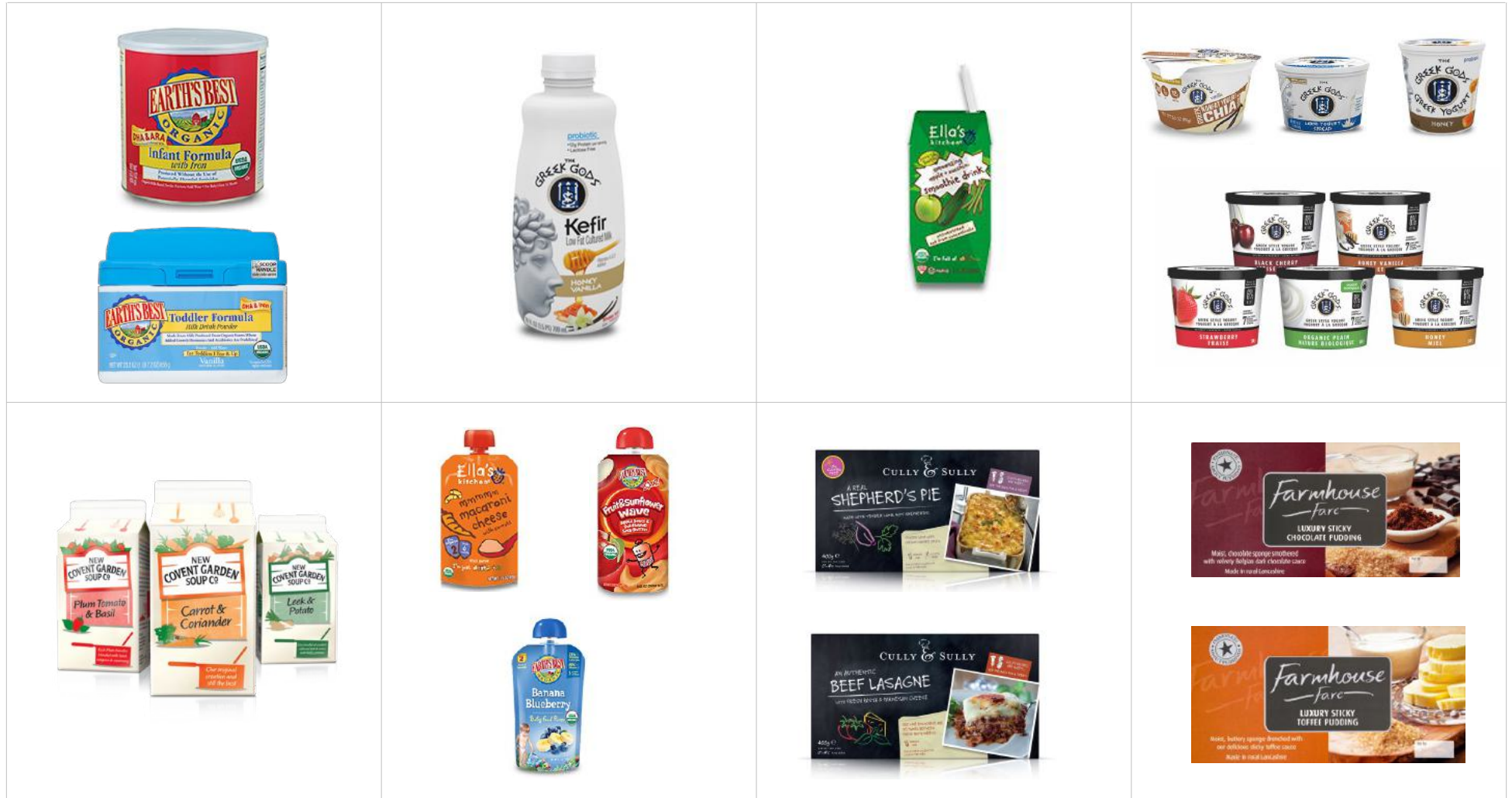
Market leader in organic and natural
products in USA

3

Recent acquisitions outside of USA

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Infant formula



EXAMPLE
Fermented yoghurt beverages and smoothies

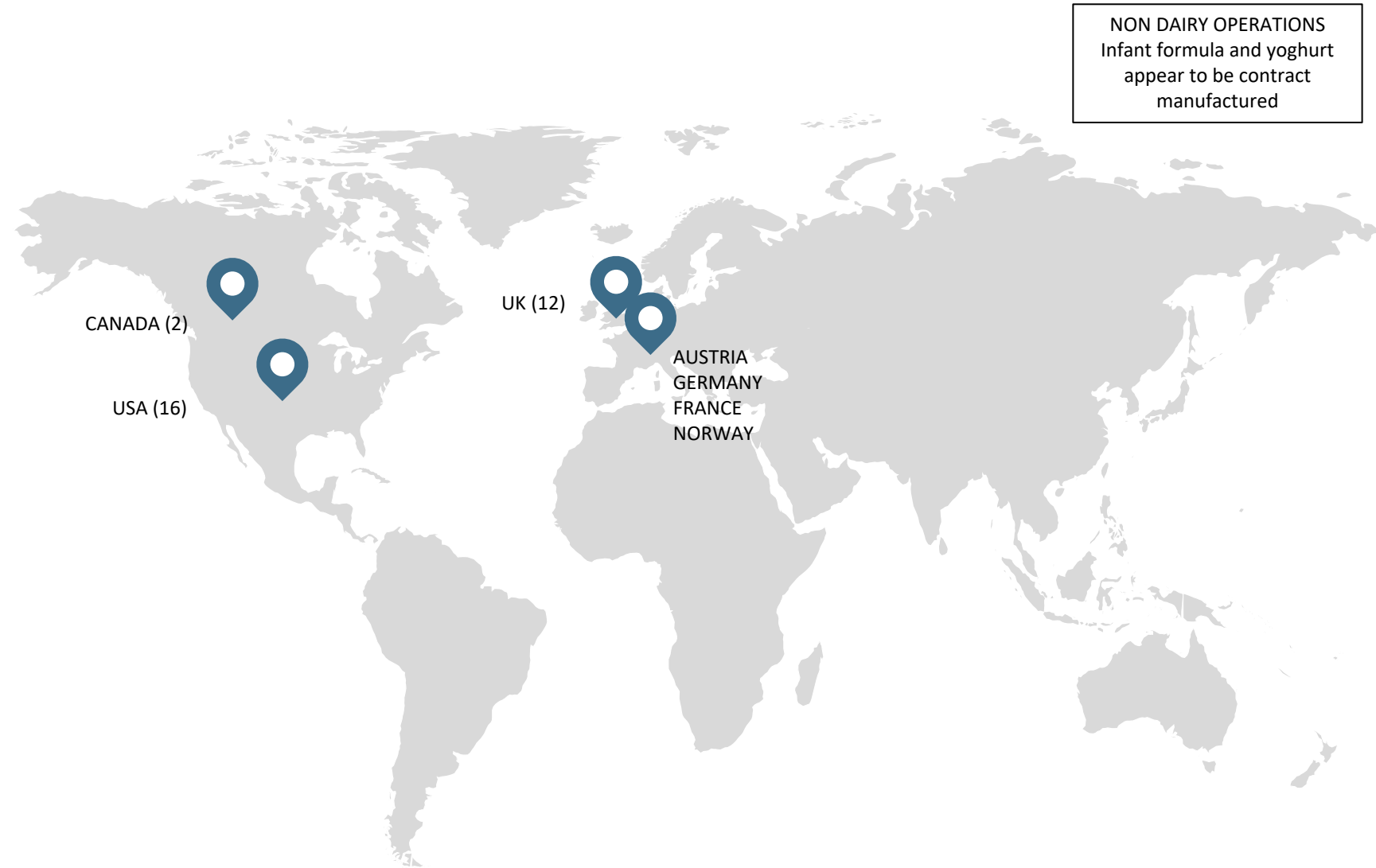


EXAMPLE
Dairy ingredients for soup range



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?



What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
			<p>1993 Established by Irwin Simon</p> <p>1994 Acquired Hain and Hollywood brands from Pet, Inc</p> <p>1998 Acquired Westbrae Natural and Westsoy</p> <p>1999 Acquired Arrowhead Mills, Health Valley, De Boles, Terra Chips, Easth's Best, Garden of Eatin'</p> <p>1999 Sold 19.5% stake to H.J. Heinz Co</p>	<p>2000 Merged with Celestial Seasonings</p> <p>2001 Acquired Yves</p> <p>2002 Acquired Lima</p> <p>2003 Acquired Imagine, Walnut Acres Organic</p> <p>2004 Acquired Natumi, Jason</p> <p>2005 H.J. Heinz Co divested shares</p> <p>2006 Acquired Spectrum, Linda McCartney, Queen Heleve</p> <p>2007 Acquired Alba Botanica, Avalon Organics</p> <p>2008 Acquired SunSpire, MaraNatha</p>	<p>2010 Acquired Sensible Portions</p> <p>2011 Acquired The Greek Gods, GG UniqueFiber, FreeBird, Live Clean, Plainville, Empire, Danival SAS</p> <p>2012 Acquired Cully & Sully, Daniels Group, Europe's Best</p> <p>2013 Acquired Ella's Kitchen, Blueprint Organic, Hartley's, Robertson's, Gales, Sun-Pat</p> <p>2014 Acquired Tilda (UK), rice products, for US\$357m, Rudi's Organic Bakery</p> <p>2015 Acquired Mona Group, Orchard House</p> <p>2017 Acquired Yorkshire Provender, Better Bean</p>

Source: company websites; annual reports; various published articles; Coriolis analysis

WHO?

Who are the key, relevant members of their management?

		
<p>Irwin Simon Founder, President, CEO, Chairman</p>	<p>John Carroll EVP Global Brands, Categories and New Business Ventures</p>	<p>James Langrock EVP & CFO</p>

HOW?

How do they invest? How could they invest?



Natumi Plant
Moved plant to increase production capacity; built energy efficient office
Troisdorf, Germany
2012

JV with Future Consumer (India)
Manufacture, market and distribute natural and organic food products in India under Hain Celestial brands
India
2017

Mona Naturprodukte GmbH acquisition
Plant based dairy alternatives company; Joya brand
Oberwart, Austria and Schwerin, Germany
2015
US\$24.6m

WHY?

Why do they invest? Why would they invest in New Zealand?

“Over 40% of our products are manufactured at independent co-packers. We hold our partners to the same high quality, safety, and environmental standards as we hold ourselves. Our partners reflect who we are and what we stand for, which is why we work with co-manufacturing partners that incorporate sustainable practices too.”



“We consider the acquisition of organic, natural and “better-for-you” product companies or product lines to be a part of our business strategy.”



“Growth Through Geographic Expansion.”



“Products that are manufactured and transported with integrity—responsibly, safely, and efficiently— to reduce our impact on resource scarcity and climate change.”



PERRIGO COMPANY
United States

Perrigo®

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: John Hendrickson</p> <p>Address: Treasury Building, Lower Grand Canal St., Dublin 2, IRELAND</p> <p>Phone: +353 1 709 4000</p> <p>Established: 1887</p> <p>Website: www.perrigo.com; www.perrigonutritionals.com</p> <p>Revenue: US\$5.28b (US\$426m infant nutritionals)</p> <p>EBIT: N/A</p> <p>Staff: 12,800</p> <p>No. of plants: 2 (infant formula)</p> <p>Production: N/A</p> <p>Ownership: Public</p> <p>Country: USA (Incorp. In Ireland)</p> <p>Owner: NYSE:PRGO; TAS:PRGO</p>	<p>PRODUCTS</p> <p>Infant formula, pediatric beverages, toddler foods, healthcare products, pharmaceuticals, animal health products</p> <p>BRANDS</p> <p>Private label and generic OTC products</p> <p>OPERATIONS</p> <p>Largest supplier of private label infant formulas and OTC healthcare products in the world; one of largest manufacturers of nutrition products for the private label market in USA; 14 infant formulas to 78 retailer chains; Walmart, Target, Babies R Us, Sam’s Club, Kroger, BJ’s, Rite Aid, Walgreens, CVS ; USA and around the world; Ohio plant manufactures “millions of pounds” of iF yearly; 102 facilities in total, manufacture at 30 locations in 11 countries; North America and Europe key markets, as well as Australia, Israel and China; company restructure in 2017</p>	<p>Europe:</p> <p>Americas: USA (Ohio, Vermont)</p> <p>Middle East:</p> <p>Asia:</p> <p>Australasia:</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Acquired Elan in 2013, US\$9.5b - Acquired Omega, one of largest OTC companies in Europe in 2015, US\$4.6b - Acquired portfolio of GSK and Naturwohl brands of OTC products in 2015 - Sold USA Vitamins, Minerals, and Supplements business to International Vitamin Corporation in 2016, US\$61.8m - Sold India API business to Strides Shasun in 2017 - Sold USA API business to SK Capital in 2017

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures infant nutritionals

2

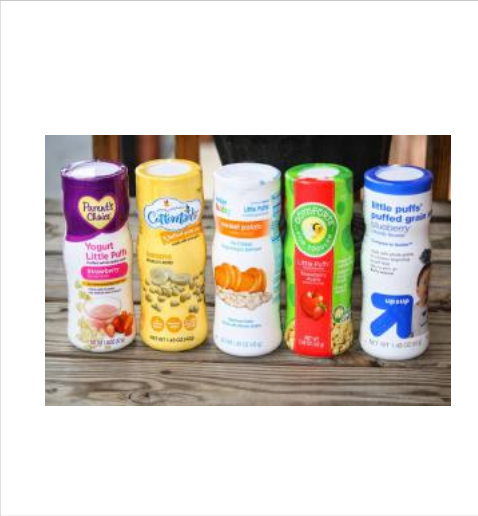
Market leader in private label infant formula globally

3

Manufactures in 30 locations globally but infant formula in USA only

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

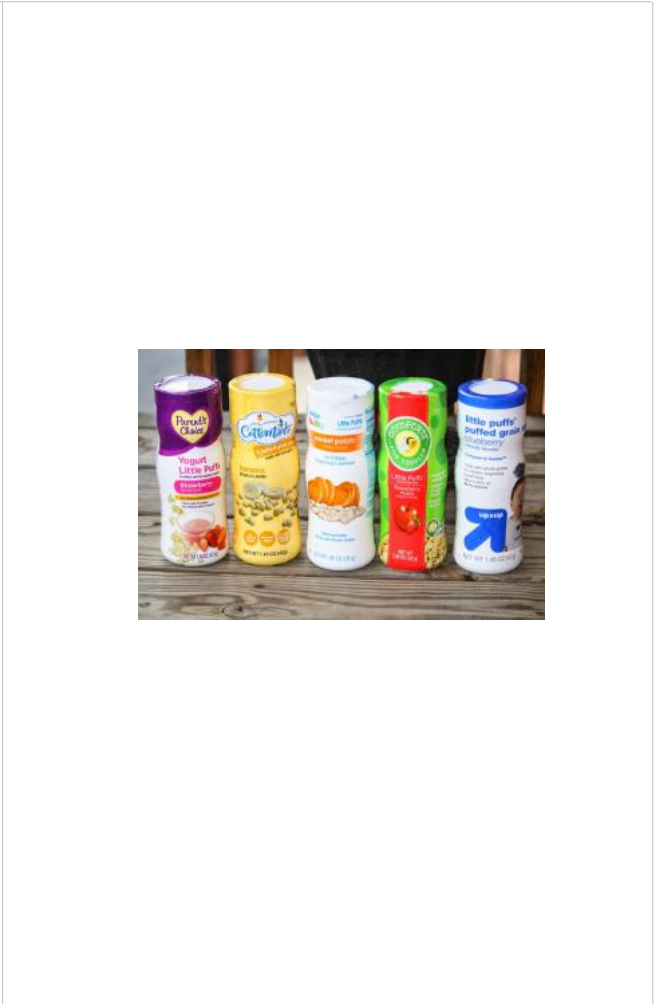
EXAMPLE
Infant formula



EXAMPLE
Specialised infant formula



EXAMPLE
Dairy ingredients for nutritional beverages



WHERE?

Where do they currently have dairy manufacturing operations?

Pharmaceutical manufacturing operations in 11 countries






WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1887 Established by Luther Perrigo in Allegan, Michigan, USA</p>		<p>1984 Wyeth opened Vermont IF facility</p>	<p>1991 IPO on NASDAQ</p>	<p>2005 PBM Products acquired Vermont facility from Wyeth</p> <p>2005 Acquired Agis Industries, Israel, leading to listing on TASE</p> <p>2008 Acquired Galpharm Healthcare (UK), J.B Laboratories, Laboratorios Diba SA (MX), Unico Holdings (USA)</p>	<p>2009 PBM Products acquired Ohio facility from Kerry Ingredients</p> <p>2010 Acquired Orion Laboratories (AU)</p> <p>2010 Acquired PBM Products, infant formula manufacturers</p> <p>2012 Acquired Paddock Laboratories, assets of Sergeant's Pet Care Products</p> <p>2013 Moved headquarters to Dublin, Ireland after acquisition of Elan (IE)</p> <p>2015 Acquired Omega Pharma</p> <p>2015 Rejected buy out offer from Mylan of US\$29b</p>

WHO?

Who are the key, relevant members of their management?

		
<p>Laurie Brias Chairman</p>	<p>John Henrickson CEO (stepping down in 2017)</p>	<p>Ron Winowiecki Acting CFO</p>

HOW?

How do they invest? How could they invest?



Perrigo Nutritionals IF plant
 New packaging system, SmarTub
 Georgia, Vermont, USA
 2013
 US\$29m

Perrigo Nutritionals IF plant
 Covington, Ohio, USA
 2010 acquired

Orion Laboratories acquisition (now Perrigo Australia)
 Founded in 1985; now a leading pharmaceutical
 supplier of Perrigo Company
 Balcatta, WA, Australia
 2010 acquired
 US\$49m

WHY?

Why do they invest? Why would they invest in New Zealand?

“The company looks to grow through acquisitions as part of its planned global expansion and as it enters new product categories such as ophthalmic care, diabetes, adult nutrition and animal care products.”

“This strategic transaction aligns with Perrigo's acquisition strategy and our previously-stated intentions to grow our business geographically and through adjacent categories.”

Joseph Papa, then Chairman & CEO

“Acquisitions are the main source of growth within smaller core segments to flesh out product and geographic diversity.”

“The combination of these two great companies accelerates Perrigo's international growth strategy, substantially diversifies our business streams and establishes a durable leadership position in the European OTC marketplace.”



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	○	●	●	●	●	◐	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Siobhan Talbot</p> <p>Address: Glanbia House, Ring Road, Kilkenny, IRELAND</p> <p>Phone: +353 56 777 2200</p> <p>Established: 1997</p> <p>Website: www.glanbia.com</p> <p>Revenue: €3.7b*</p> <p>EBITDA: €310.7m</p> <p>Staff: 6,015</p> <p>No. of plants: 26</p> <p>Production: 6.1b litres of milk processed</p> <p>Ownership: Public</p> <p>Country: Ireland</p> <p>Owner: LSE:GLB; ISEQ:GL9 (Glanbia Co-operative Society 31.5%)</p>	<p>PRODUCTS</p> <p>Dairy: cheese, dairy ingredients, nutritionals, Other: non-dairy nutritional ingredients, specialty grains, agriculture inputs, animal feed,</p> <p>BRANDS</p> <p>Optimum Nutrition, BSN, Isopure, ThinkThin, Nutramino, ABB, Trusource, PepForm, OptiSol, Avonmore, Kilmeaden Cheese, Premier Milk, Wexford, mymilkman.ie, GAIN Animal Nutrition</p> <p>OPERATIONS</p> <p>Operations in 32 countries; sells in 130 countries; #1 performance nutrition brand portfolio globally; #1 producer of American style cheddar cheese; #1 global whey protein and nutritional solutions; JVs Southwest Cheese (USA) with Greater Southwest Agency, Glanbia Ireland with Glanbia Co-op, Glanbia Cheese (UK) with Lepino Foods (USA); Glanbia Ireland is Ireland’s leading dairy and agribusiness company; Glanbia Cheese is # 1 mozzarella producer in Europe; Southwest Cheese’s New Mexico plant is the largest natural cheese plant in USA; Glanbia Nutritionals sells 400,000t of cheese per annum (including Southwest Cheese)</p>	<p>Europe: Ireland, UK, Germany</p> <p>Americas: USA</p> <p>Middle East:</p> <p>Asia: China</p> <p>Australasia:</p> <p>Other:</p>
<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Invested US\$85m in whey and lactoferrin capacity expansion at Idaho (USA) facilities in 2015 - Invested US\$140m in Southwest Cheese plant expansion in New Mexico (USA) in 2015 - Invested €185m in new milk powder plant, Waterford (IE) in 2015 - Acquired Grass Advantage (USA), plant based nutritionals company in 2017 - Acquired Body & Fit (NL), leading direct to consumer online performance nutrition business, in 2017 - Sold 60% of Dairy Ireland to Glanbia Co-op for €112m to create JV Glanbia Ireland in 2017; combines Glanbia Ingredients, Consumer Products and Agribusiness Ireland into one entity - Announced investment in new cheese and whey plant in Michigan, USA, 50% JV with DFA, MMPA, Foremost Farms in 2017 		

* All figures include share of JV and associates; Source: company websites; annual reports; various published articles; Coriolis analysis and estimates

Why would they build a greenfields dairy plant in New Zealand?

1

Growing in New Zealand's target markets

2

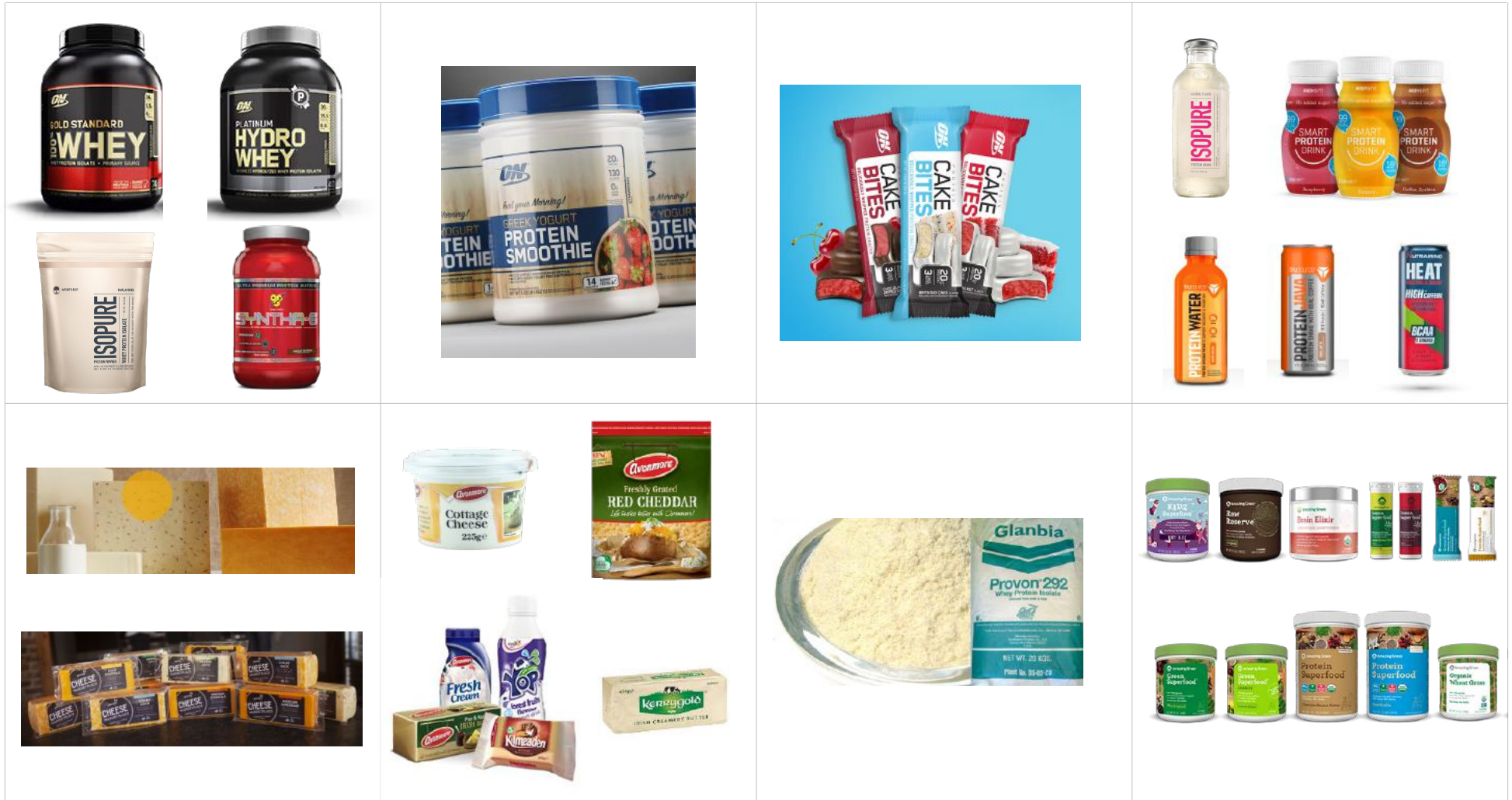
Global leader in whey protein and nutritional solutions

3

Recent investments in sports nutrition sector

WHAT?

What do they produce?



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE

Dairy ingredients for performance nutrition products



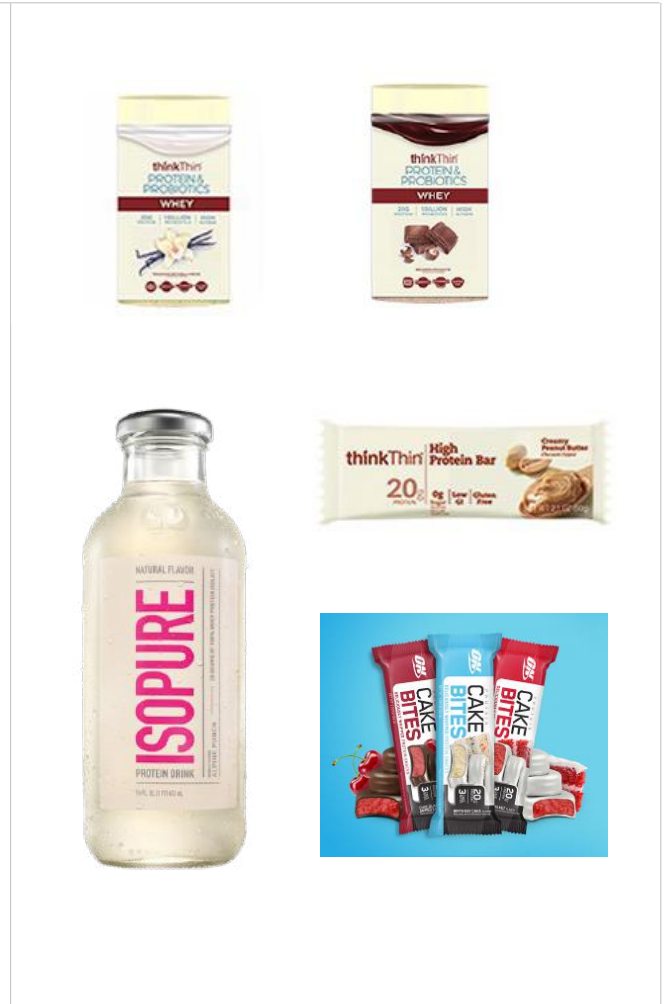
EXAMPLE

Whey protein powders



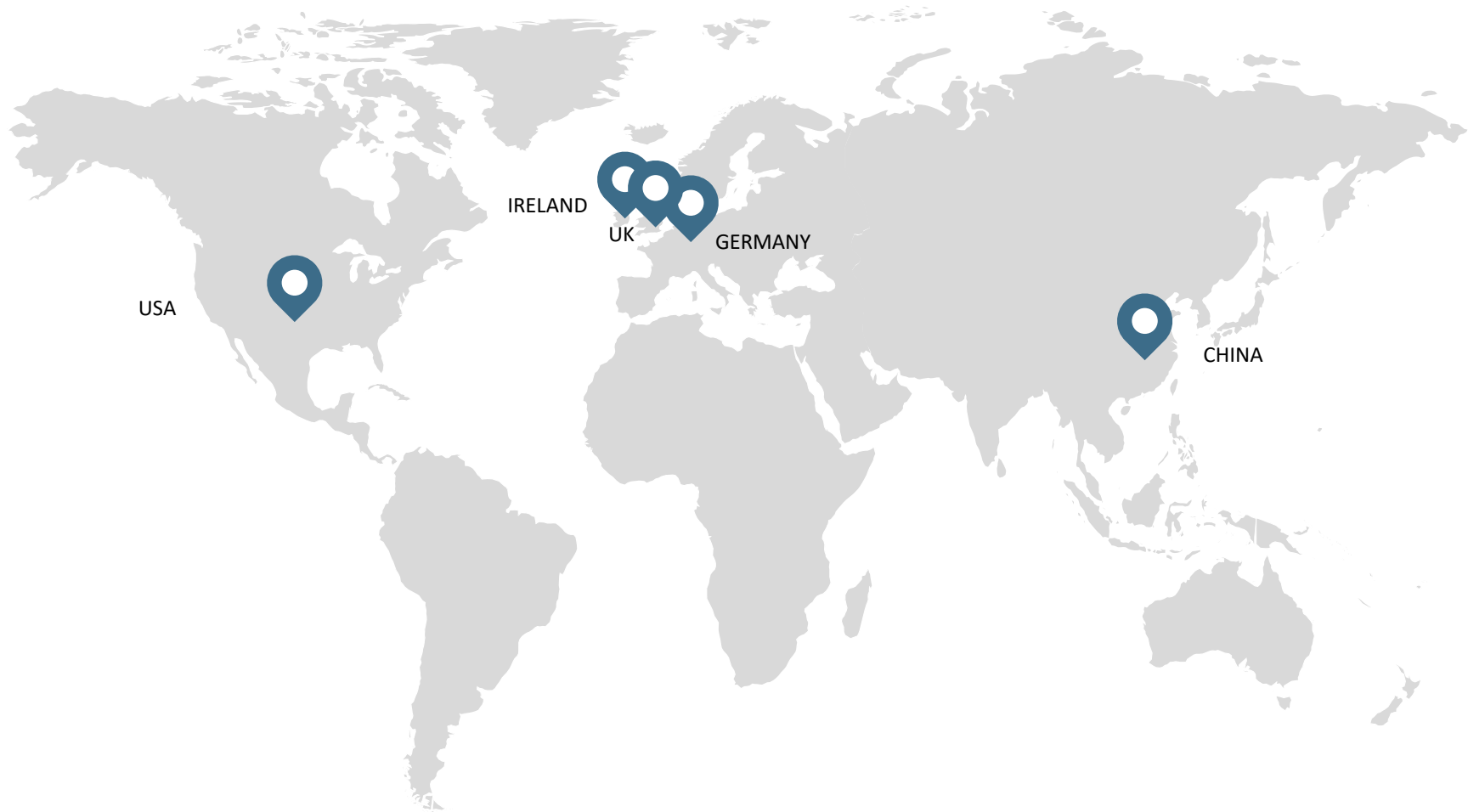
EXAMPLE

Functional food and beverage products



WHERE?

Where do they currently have dairy manufacturing operations?






WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1964 Established Waterford Co-op Society</p> <p>1966 Established Avonmore Creameries</p> <p>1997 Built largest dairy processing plant in Europe, in Ballyragget, Co.Kilkenny with backing from Unigate (UK)</p>	<p>1978 Acquired Unigate (UK) stake in Ballyragget facility</p>	<p>1988 Listed Avonmore Foods and Waterford Foods on Irish Stock Exchange</p> <p>1989 Acquired number of small cheese plants in USA</p>	<p>1995 Acquired The cheese Company (UK)</p> <p>1997 Merged Avonmore Foods and Waterford Foods, Avonmore Waterford Group</p> <p>1997 Sold Manchester, UK based juice business</p> <p>1999 Rebranded to Glanbia</p> <p>1999 Sold UK liquid milk operations to Express Dairies (UK)</p> <p>1999 Sold Irish beef processing operations to Dawn Meats</p>	<p>2004 Invested in JV greenfields cheese plant in New Mexico, USA with Greater Southwest Milk Agency</p> <p>2004 Acquired Kortus Foods, (DE)</p> <p>2006 Acquired Seltzer Foods (USA)</p> <p>2008 Invested in greenfield plants in Missouri, USA and Suzhou, China</p> <p>2008 Acquired Optimum Nutrition, USA</p> <p>2009 Expanded New Mexico plant capacity, US\$90m</p>	<p>2011 Acquired BSN, USA</p> <p>2012 Restructured ownership of Glanbia Ingredients Ireland</p> <p>2014 Acquired Nutramino (DK), Isopure (USA)</p> <p>2015 Invested in plant expansion in Idaho, USA</p> <p>2015 Acquired ThinkThin (USA)</p> <p>2017 Acquired Grass Advantage (USA), Body & Fit (NL)</p> <p>2017 Restructured ownership of Ireland operations</p>

WHO?

Who are the key, relevant members of their management?

		
<p>Henry Corbally Group Chairman</p>	<p>Siobhan Talbot Group Managing Director</p>	<p>Mark Garvey Group Finance Director</p>

HOW?

How do they invest? How could they invest?



Glanbia Ingredients Ireland milk powder plant
700m litres of milk a year into dairy powders
Belview, Co.Kilkenny, Ireland
2015
€185m

JV cheese and whey plant with DFA, MMPA, Foremost
Farms; 3.6m litres of milk processing a day capacity
Michigan, USA
2017 announced, to be commissioned 2H 2019

JV Southwest Cheese cheese and whey plant
30% increase in capacity
Clovis, New Mexico, USA
2015
US\$140m

WHY?

Why do they invest? Why would they invest in New Zealand?

“Our strategic priorities

- 1.Sustain current and drive further market leadership in our business-to-business and business-to-consumer growth platforms;*
- 2.Acquire or partner with complementary businesses to grow our current portfolio;”*



“We have, over the years, invested in a geographic presence, a diverse and sophisticated product portfolio, and industry-leading operational and technical capabilities that together give us a competitive advantage.”

Henry Corbally, Group Chairman

“We continue to focus on developing and diversifying our business, through acquisitions and organic investments.”

Henry Corbally, Group Chairman

“Market demand for whey continues to rise and Glanbia Nutritionals sees the most opportunity for growth in emerging markets, particularly Asia Pacific.”



CHR HANSEN
Denmark





WHAT COULD THEY DO?

Invest in probiotic production facility to support infant formula and specialist formulas (generally a centralised process)

DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	◐	●	●	○	●	●	●	●	●

WHO ARE THEY?

WHAT DO THEY MAKE?

WHERE ARE THEY?

CEO/MD: Cees de Jong
 Address: Boege Alle 10-12, 2970 Hoersholm, DENMARK
 Phone: +45 45 74 74 74
 Established: 1874
 Website: www.chr-hansen.com/en
 Revenue: \$3.6b(FY16)
 EBIT: €268m (FY16)
 Staff: 2,708 (32 countries)
 No. of plants: N/A
 Production: N/A
 Ownership: Public
 Country: Denmark
 Owner: Public: Copenhagen market: CHR

PRODUCTS
 Natural ingredients, cultures, enzymes, probiotics, natural colours, bioprotection

BRANDS
 PROBIO-TEC, NOLA Fit, Yoflex, Acidifix, Aafepro, FreshQ, Exact, GalliPro, CHY-MAX

OPERATIONS
 Cultures & Enzymes 60% revenue, Natural Colours 21%, Health and Nutrition 19%; (Animal Health and Plant Health) Regional split: EMEA 46%, North America 26%, APAC 15%, LATAM 13%; primarily production facilities located in EU

Europe: Denmark, France, Germany, Czech Republic, Italy
 Americas: USA, (Colours in Brazil, Peru)
 Middle East:
 Asia: China (Colours)
 Australasia: Australia
 Other:

DO THEY HAVE ANY MONEY?

- RECENT ACQUISITIONS & INVESTMENTS
- Invested in new freeze-drying plant probiotic, 2014
 - Acquired culture production unit from Dairy Innovation Au, 2015
 - €175m acquisitions; €60m capacity; €67m on R&D in 2015/16
 - Acquired Nutrition Physiology Co (animal health), 2016
 - Agreement with Valio Oy (for probiotic LGG strain); €73m, 2016
 - Acquisitions of €188m; €75m R&D; €100m capacity 2016/17

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures high tech dairy ingredients

2

Recent investments and acquisitions

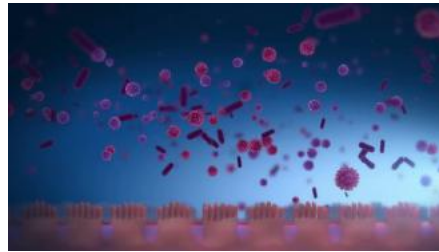
3

Experiencing growth in demand for specialist cultures and probiotics

WHAT?

What do they produce?

Cultures and Enzymes for cheese, fresh dairy, meat and fish, wine



Natural Colours



WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Probiotic powder for infant formula



EXAMPLE
Probiotic powder for supplements



EXAMPLE
Probiotic powder for animal nutrition



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1873 Opened first factory as a JV with pharmacist Madsen (pepsin)</p> <p>1874 Began commercial production of rennet for cheesemaking</p> <p>1876 Introduced colours from Bixa bush to colour cheese and butter</p> <p>1876 Expanded exports of rennet through Europe</p> <p>1878 Opened factory in USA powdered cheese rennet</p> <p>1930s Built new factories in Germany, Italy</p>	<p>1974 Developed new cultures and natural colours for 100th anniversary</p> <p>1974 Started of DVS cultures</p> <p>1976 Built new advanced factory in Denmark</p> <p>1977 Built factory in Brazil due to high tariffs</p> <p>1978 Introduced probiotics</p> <p>1978 Built new factory in USA</p> <p>1979 Listed on the Copenhagen stock exchange</p> <p>1979 Acquired two new labs</p>	<p>1980 Built first dedicated bacterial culture factory</p> <p>1980 Expanded base of natural colours (expand more into food industry)</p> <p>1983 Developed fermentation</p> <p>1984 Introduced BB-12 probiotic, freeze dried</p> <p>1985 Launched R-604 pHage Control™ culture</p> <p>1989 Established high tech buildings and equipment in new countries</p>	<p>1993 Introduced Viniflora Oenos (wine cultures)</p> <p>1996 Introduced CHY-MAX production rights to fermentation of cheese rennet from Pfizer</p>	<p>2000 Introduced “Easy-set” cheese cultures</p> <p>2002 Established subsidiary in China</p> <p>2004 BB-12 genome sequenced</p> <p>2004 Established a subsidiary in India</p> <p>2005 Acquired by PAI Partners</p> <p>2007 Experienced natural colours sales boom</p>	<p>2010 Listed on Stock Exchange, second listing</p> <p>2012 Novo became biggest shareholder</p> <p>2014 Invested in fermentation capacity in Copenhagen</p> <p>2015 Acquired culture production unit from DIA (Australia)</p> <p>2016 Acquired Nutrition Physiology Co (animal health)</p> <p>2016 Acquired LGG from Valio</p>

WHO?

Who are the key, relevant members of their management?



Cees de Jong
CEO



Soren W. Lonning
CFO



Erik Norstrom
Strategy and Business Development

HOW?

How do they invest? How could they invest?



Copenhagen Plant
Capacity expansion in culture and enzymes to support growth, doubling capacity
Copenhagen, Denmark
2016 (inaugurated 2017)
€40m

Probiotic Plant
Dedicated facility for human health, freeze drying
Copenhagen, Denmark
2013

Dairy Innovation Australia culture production unit
Acquired production unit and strain collection
Melbourne, Australia
2015

WHY?

Why do they invest? Why would they invest in New Zealand?

“To support long-term growth in Health & Nutrition, a high investment level will be maintained in innovation...but particularly the human microbiome and plant health. Chr. Hansen will also pursue bolt-on acquisitions where these support existing business areas.”

CHR HANSEN

“We reinvest in capacity, innovation and people for organic growth; we complete a bolt-on acquisition for technology or market presence.”

CHR HANSEN

“We are committed to best-in-class coverage and service to customers and we are proud to be trusted by the major Australian cheesemakers to supply the key ingredients to their important brands. Now we look forward to nurturing the starter culture business within the Chr. Hansen family and becoming a stronger partner to our customers.”

Kylie Evans, Country Manager, Australia



DO WE FIT WITH THEM?			DO THEY FIT WITH US?				WILL THEY ACT?		OVERALL QUALITATIVE SCORE
Growing In Asia /Middle East	Buy New Zealand ingredients	Make Transport Friendly Products	Products Beyond Commodities	Strong Branding & Marketing	Above Average Dairy Tech	Natural, Organic or Sustainable	Money & Mandate	Investing Beyond Home Region	
●	○	●	●	◐	●	●	●	●	●

WHO ARE THEY?	WHAT DO THEY MAKE?	WHERE ARE THEY?
<p>CEO/MD: Sandrine Delory</p> <p>Address: 51 Avenue F. Lobbedez - CS 60946, 62033 Arras Cedex, FRANCE</p> <p>Phone: +33 (0)3 21 23 80 00</p> <p>Established: 1949/1991</p> <p>Website: www.ingredia.fr</p> <p>Revenue: €0.38b (16)</p> <p>EBITDA: €8.6m</p> <p>Staff: 457</p> <p>No. of plants: 9</p> <p>Production: 600m l at main factory</p> <p>Ownership: Cooperative</p> <p>Country: France</p> <p>Owner: Coop 1,200 members</p>	<p>PRODUCTS</p> <p>Specialist milk powders (WMP, SMP, Cream powder, organic powders, UHT milk, powder for chocolate industry, ice cream range), functional dairy ingredients (protein isolates, micellar casein, whey protein, hydrolysates for sport, dietetic clinical and infant nutrition), nutritional ingredients (stress management, weight management, bone and joint health and immunity booster)</p> <p>BRANDS</p> <p>Promilk, Prochoc, Procream, Tone Up, ProDiet, ProDiet Bar,</p> <p>OPERATIONS</p> <p>Ingredia is a limited company owned by the Co-op; specialist powder and proteins supplier for functional systems, bioactives for food, nutrition and health industries; 79% turnover in ingredients, 60% turnover exports</p>	<p>Europe: France, Switzerland</p> <p>Americas: USA</p> <p>Middle East:</p> <p>Asia:</p> <p>Australasia: Australia</p> <p>Other:</p>
		<p>DO THEY HAVE ANY MONEY?</p> <p>RECENT ACQUISITIONS & INVESTMENTS</p> <ul style="list-style-type: none"> - Partnership with Tatura Milk industries to strengthen position in Asia, 2004 - Creation of Ingredia Nutrition in 2007 - Creation of subsidiaries in USA and Singapore to grow international markets, 2009 - Acquired Kantner Ingredients, 2010 - Partnership with Cayuga Milk Ingredients to increase volume of milk in 2012, production started 2014 - Acquired Galactis Pharma (peptides for Pharmaceutical industry) 2014

Why would they build a greenfields dairy plant in New Zealand?

1

Manufactures specialised milk powders

2

Operations in Australia via partnership
with Tatura Milk Industries

3

Growing exports to target markets

WHAT?

What do they produce?

 <p>Dairy powders:</p> <ul style="list-style-type: none"> • Whole milk powder, with different possible moisture contents • Cream powder, with 42% fat • Skim milk powder, <p>Organic farming range:</p> <ul style="list-style-type: none"> • Powdered organic whole milk • Powdered organic skimmed milk <p>UHT Sterilized Milk in bottles (1L or 50 cL):</p> <ul style="list-style-type: none"> • Whole milk • Semi-skim milk • Skim milk <ul style="list-style-type: none"> • PROCHOC • PROCREAM 	 <p>Native milk proteins – milk protein isolate, micellar casein, native whey protein – and hydrolysates: here are innovative and high added-value milk ingredients for nutraceutical and nutritional sectors:</p> <ul style="list-style-type: none"> • Sport Nutrition (recovery, muscle building...) • Dietetic Nutrition (high protein diets) • Clinical Nutrition (sarcopenia, osteoporosis...) • Infant Nutrition (hypoallergenic...) <ul style="list-style-type: none"> • PROMILK • PRODIET 	 <p>for functional foods and drink</p>  <p>for dietary supplements</p> 
	     	

WHAT?

What could they produce in New Zealand targeting export?

EXAMPLE
Prodiet fluid meal replacement



EXAMPLE
Bioactive peptides



EXAMPLE
Prodiet Lactoferrin



WHERE?

Where do they currently have dairy manufacturing operations?



WHEN?

What are they key events in the development of this firm?

Earlier	1970s	1980s	1990s	2000s	2010s
<p>1949 Formed</p> <p>1962 The Prospérité Fermière became a leading milk processor</p> <p>1965 Started factory at Saint-Pol-sur-Ternoise (milk powder)</p> <p>1967 Started marketing fresh dairy products with distribution network</p>	<p>1973 Invested in ultrafiltration unit (first in EU)</p> <p>1975 Set up Industries division to supply ingredients</p> <p>1975 Invested significantly in R&D and Labs for industries division</p>	<p>1988 Established partnership with Candia/Sodiaal and Cremo to meet requirements of consumers</p> <p>1989 Strengthened position in Switzerland with consumer products</p>	<p>1991 Created Ingredia, a subsidiary of Coop</p> <p>1998 Formed partnership with LACT'UNION (ex SFPL/VPM)</p>	<p>2004 Formed partnership with Tatura Milk Industries (AU) to strengthen position in Asia</p> <p>2007 Created business unit Ingredia Nutritional to offer turnkey solutions for health benefits, aim to grow into health and nutrition market</p> <p>2008-9 Created international subsidiaries: Ingredia Inc (USA) and Ingredia Pte.Ltd. (Singapore), to position firm in growth markets</p>	<p>2010 Acquired Kantner Ingredients (USA)</p> <p>2012 Created two new business units, Ingredia Essential and Ingredia Functional to promote milk close to the source and to develop high tech products</p> <p>2014 Formed partnership with Cayuga Milk Ingredients LLC (USA) to increase milk volumes</p> <p>2014 Acquired Galactis Pharma (bioactive peptides)</p> <p>2017 Released innovative high protein meal replacements</p>

WHO?

Who are the key, relevant members of their management?

<p>Sandrine Delory CEO</p>	<p>Maxime Van de Castelee Director Finance</p>	<p>Gasnier Herve Director Of Partnerships</p>

HOW?

How do they invest? How could they invest?



Tatura* Plant Investment
Partnership investment in Milk Protein Concentrate functional ingredients; add A\$25m in exports
Victoria, Australia
2004
A\$8.5m

Acquired Galactis Pharma
Specialist Valorization of bioactive peptides allows Ingredia to expand portfolio focused on health benefits
France
2014

Acquired Kantner Ingredients
Ohio plant; included blending unit capacity of 35m pounds; \$50m turnover
Ohio, USA
2012

* Subsidiary of Bega; Source: various published articles; company websites; annual reports; Photo source: google maps, various published articles (no photo rights/not for publication)

WHY?

Why do they invest? Why would they invest in New Zealand?

"...to support the mutual focus on specialised dairy proteins and functional components, helping to remain competitive."



"This acquisition is going to enable Ingredia to strengthen its position as a market leader in bioactive milk peptides by highlighting two of our recent patents."

Matthieu Arguillère, then CEO Ingredia SA

"This acquisition is fully in line with our strategy, which requires a broader international set up to further improve the service to our customers in the global markets of ingredients... this will also enable us to secure our export activities."

Alain Thibault, then CEO

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, retiling & 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.