



Changing the face of New Zealand dairy



Blue River Group Update, NZ Sheep Milk Conference 2019

A Global footprint

Alimenta

Cagliari, Sardinia, Italy

- Own 70% of the worlds sheep milk and whey resources
- New base powder & canning plant
- Annual Capacity 20,000 tons

SCC

Europe

- New team mid-late 2018
- Contract manufacture Ingredients
- Global supplier
- Dominates sheep procurement Globally

Blue River

Changsha, China

- 350+ sales staff
- 29 sales provinces

Blue River Dairy LP

Invercargill, New Zealand

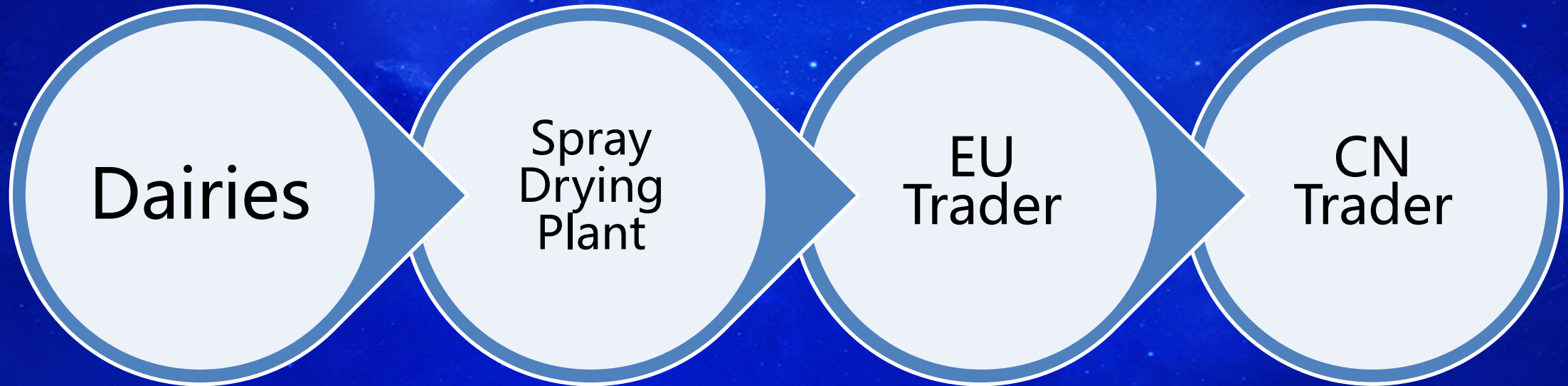
- Employs 132 permanent staff and 30 temps
- Annual Capacity of 15,000 tons
- CNCA & CFDA registered
- 1st and only manufacturer that can produce sheep, goat and cow infant formula in the world

South Island Dairy

Invercargill, New Zealand

- Investment of 15 million NZD
- Plan for commissioning Q2 2019
- Annual Capacity of 20,000 tons
- CNCA & CFDA registered
- New product series – 3 brands, 9 products.

Blue River Supply Advantage



- Blue River Supply Chain Starts here; choosing only qualified Raw Materials, constantly quality controlled by our R&D Team.

- Chinese IF Manufacturers Supply Chain Starts here

Quality

D90

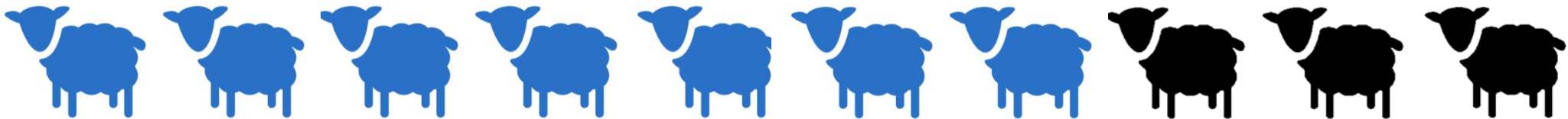
The Blue River D90 is the world's leading pure yang ingredient.

There are different kind of ingredients in the market. Such as imported D40 then demineralized into D70 in China, Oil filled D90 made from half-bovine and half-yang and dry mixed D90 with cow lactose.

Blue River masters the world 's leading demineralization process. It uses high-quality whey to complete demineralization and spray dry directly in Europe. The quality is guaranteed, the solubility is better, and the product is more stable.

Resource

Producing Pure Sheep and Goat Whey Ingredients



70%



INVERCARGILL SOUTHLAND NZ



2018 Success





2019 So Far

January .99m February **1.1m** March **1.2m**

South Island Dairy LP



1. Newest Canning and blending development in NZ
2. Fully owned subsidiary of BRD
3. New level of automation, layout and quality standards – world class!
4. Building completion 30th April 2019
5. Registration started
 1. MPI
 2. CNCA
 3. CFDA
6. Expect Manufacture BRD brands from Q3 2019;
7. New SD brands to be launched in late 2019

Other Changes



Feta anyone?



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China





精彩的2018，超棒的蓝河人，梦想起飞，超越百亿



2019.01.08



Sales & Distribution Channels

1. Traditional Mum and Baby Store channel is the largest sales channel of infant milk formula (IMF) and currently represents 50-60% of total infant milk formula sales in China
2. e-commerce with approx. 20-25% share
3. New age – O2O – or “Online to Offline” model also called a B2B2C channel

China Tier system

1st Tier China Cities

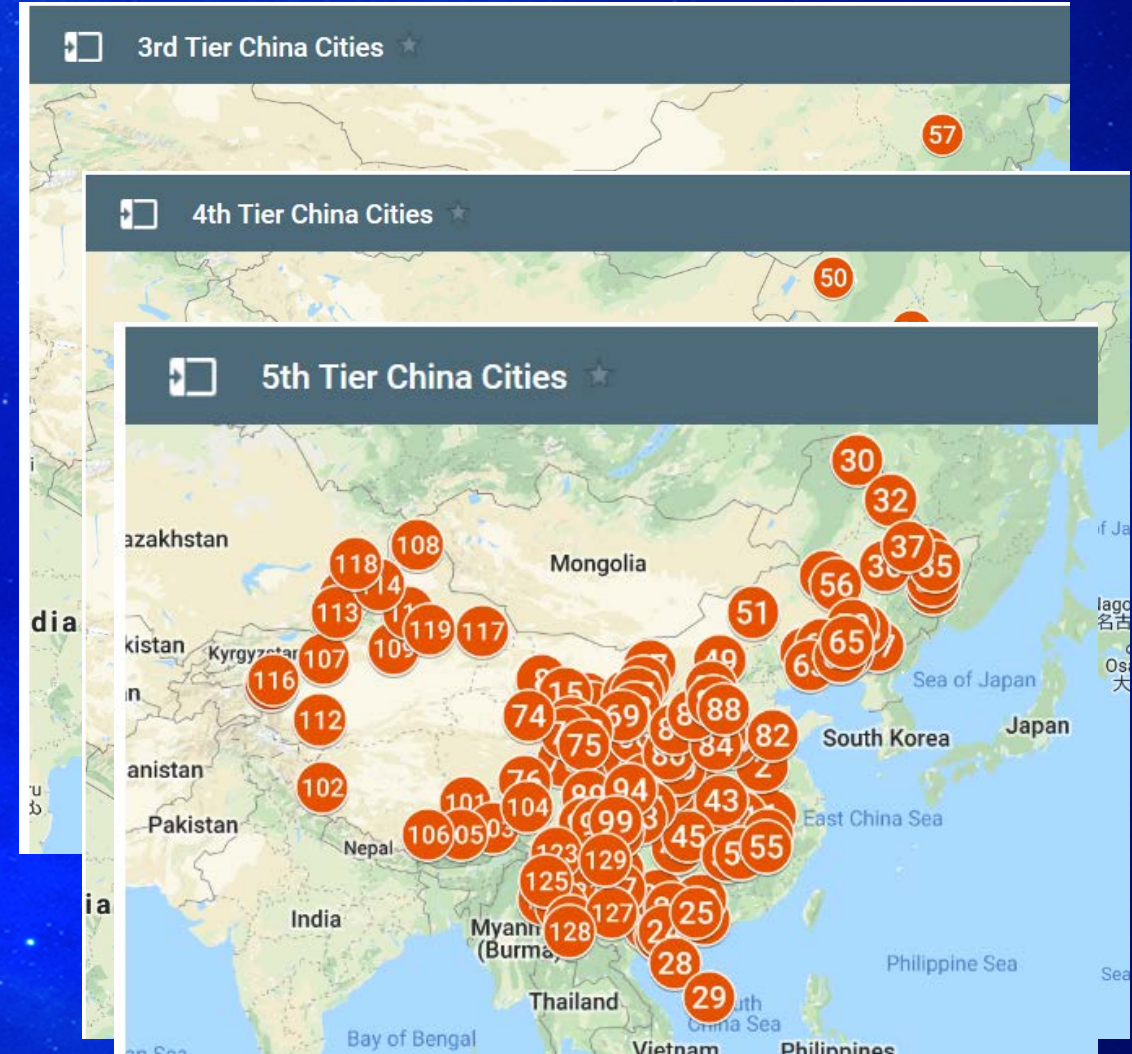
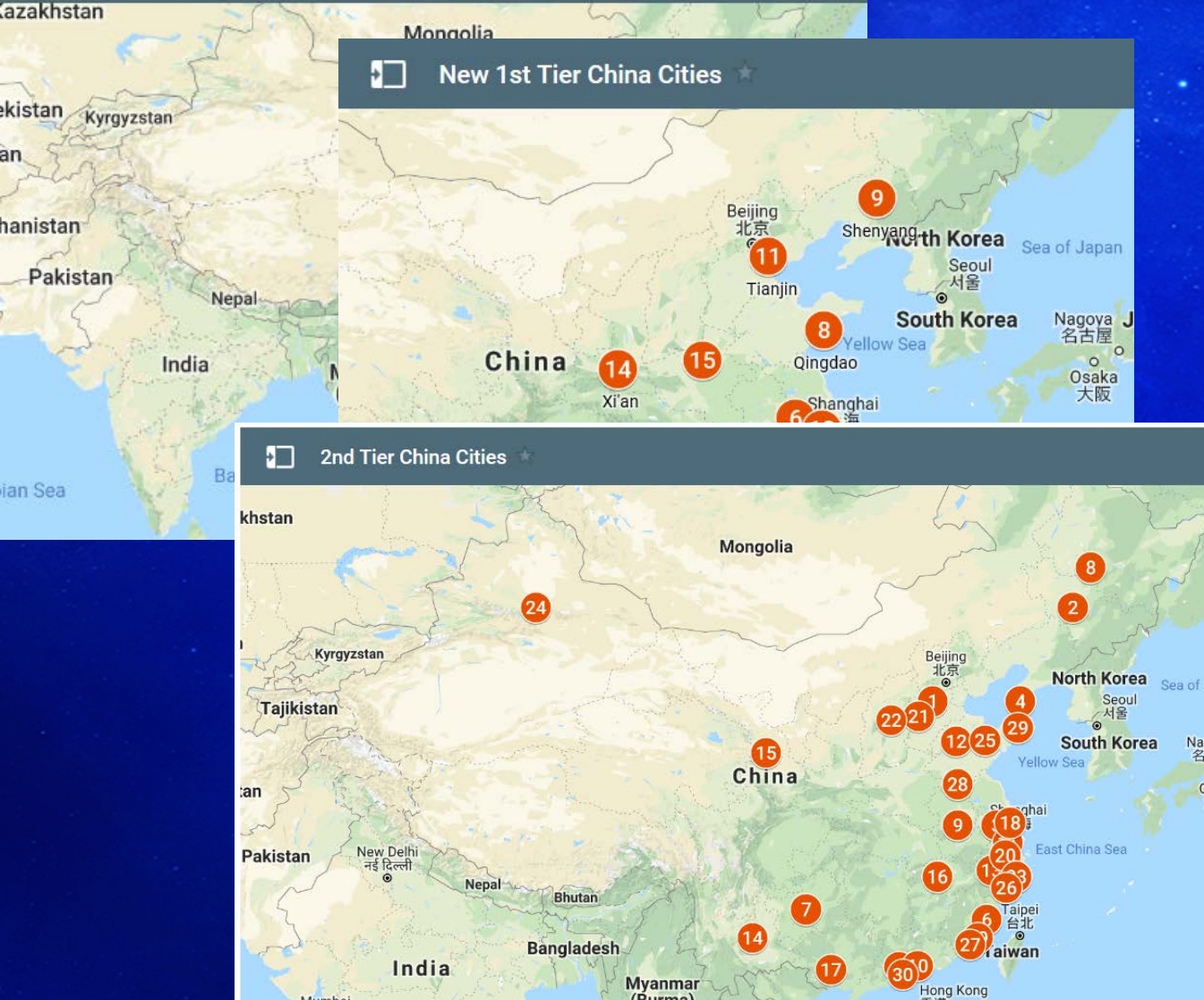
New 1st Tier China Cities

2nd Tier China Cities

3rd Tier China Cities

4th Tier China Cities

5th Tier China Cities

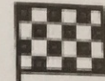
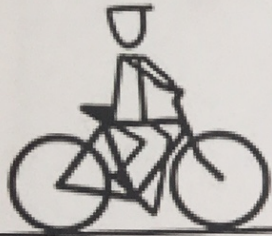




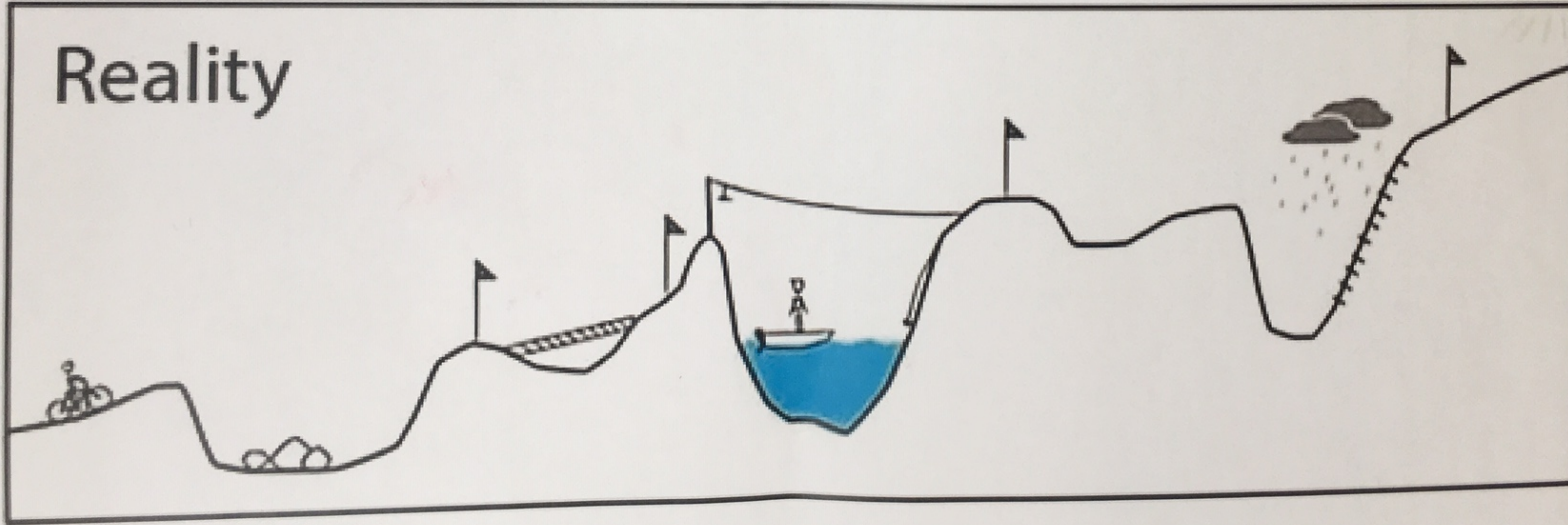
Blue River China Sales Strategy

1. Focus is tier 2, 3, 4, 5 cities
2. Focus to date has been baby stores – bricks and motor stores, some online sales and from March 2019 we will launch Mama Surprise our own O2O model/ platform.
3. Baby stores offer product advice, the full range of baby products from clothes, toys and food + other services such as play areas, bathing/ swimming in larger stores.
4. TRUST is important – authentic product is important
5. Consumers are generally well educated and connected in china – they know the trends and brands and use social networking often

Your plan



Reality



Nothing comes easy – work hard



Thankyou !

Q&A?

