

Prepared For Fevia Australasia Workshop

Date 18th June 2013

Prepared By Green Seed Australasia



I. Introduction

II. Overview of Australia

III. Australian Retailer Introduction and Key Considerations

IV. Retail Trends and the Buying Process

V. Route to Market in Australia

VI. New Zealand Market Profile

VII. Combined Australia and New Zealand considerations

2. Asian Region

Introduction to Matthew McKenzie



UNSW

THE UNIVERSITY OF NEW SOUTH WALES



KOREA UNIVERSITY

Sanitarium™

health & wellbeing



I. Introduction

II. Overview of Australia

III. Australian Retailer Introduction and Key Considerations

IV. Retail Trends and the Buying Process

V. Route to Market in Australia

VI. New Zealand Market Profile

VII. Combined Australia and New Zealand considerations

2. Asian Region

AUSTRALIA

80% of Australia's population lives along the East Coast.

The 3 largest cities in Australia (Sydney, Melbourne, Brisbane) are home to 48% of its citizens.

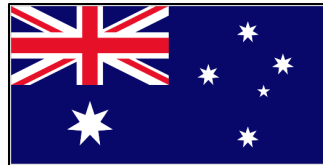
Key Urban Centres are divided by around 1,000km each



Australia Country Profile

Good Market Size

- 23 Million growing at 1.7% - 89% urbanization
- Huge land area, slightly smaller than continental USA
- Population widespread but concentrated: Sydney, Melbourne, Brisbane, Perth and Adelaide – Top 5 cities make up 61% of population
- Three time zones; Eastern (+10GMT), Central (+9:30GMT) and Western (+8GMT)



Relatively Wealthy Market

- \$960 billion GDP - \$42k per capita, growing at 3.3%
- Food & beverage store sales: \$105 billion to Mar 2013
- Cafes, Restaurants and Food Services: \$34 billion to Mar 2013

Australia Market Demographics



People

Age structure

- 0-14 years: 18.2%
- 15-64 years: 67.5%
- 65 years and over: 11.4%
- **Median age – 37.3 years**

Ethnic groups

White/caucasian 92.0%, Asian 7.0%, Aboriginal and other 1%

Religion

Protestant 18.7%, Roman Catholic 25.8%, other Christian 19.4%, Jewish 0.5%, Muslim 2.2%, other or unspecified non-Christian 5.0%, none + did not report to census 28.4%

I. Introduction

II. Overview of Australia

III. Australian Retailer Introduction and Key Considerations

IV. Retail Trends and the Buying Process

V. Route to Market in Australia

VI. New Zealand Market Profile

VII. Combined Australia and New Zealand considerations

2. Asian Region

Australia Retail Overview



Supermarkets

- Two chains dominate – Woolworths (Woolworths Limited) and Coles (Wesfarmers)
- Combined market share of approx 80%
- Other retailers – Metcash, Aldi and CostCo
- Alcohol sales are restricted (licensed) but each retailer has facility to sell

Store Numbers

Group	No. of stores	Food turnover, gross (in b \$AU)	Food share (%)	Market share (%)	Positioning
Woolworths	872	37.5	68.1	40	Full-service
Coles	749	34.1	76.8	35	Full-service
Metcash	3,100+	7.7	61.1	15	Wholesale
Aldi	300	7	Discounter
CostCo	3	0.6	...	1	Club



WOOLWORTHS LIMITED

Food (883)

Supermarkets & online



Specialty Grocery



Homeware & Hardware (208)

Mass Merchandiser



Hardware



Sales = \$4.1 billion

P&C (599)

Petrol & Convenience



Sales = \$6.7 billion

Liquor (1,130)

Liquor Retailers



Online Wine Auction Site



Pubs, Clubs, Hotels & Gambling



Food, Liquor & Hotels sales = \$43 billion

Services

Loyalty Program



Finance & Communications



Undisclosed

- Woolworths Limited is a publicly listed company (ASX)
- Largest supermarket chain in Australia and a Global Top 20 Retailer (18 in 2010), Employs 195,000 people, 28 million transactions per week
- Central Buying, Marketing and Category Management function
- Operates two grocery formats – Supermarkets (Woolworths, Countdown [NZ]) and Convenience stores (Caltex Woolworths Petrol Plus)
- Market Share of 40% nationally, looking to expand into Asia
- Loyalty program – Everyday Rewards, Petrol discounts via card



- Has an online presence through Woolworths Homeshop (woolworths.com.au)
- Trying to compete with Coles discount policy through “more savings everyday”
- Main promotional properties are “Earn & Learn”, Fresh Fairs and “Everyday Rewards”
- Stood on “Australia’s fresh food people” platform for 20+ years. Bringing new fresh food initiatives into store – Fresh Sushi, Bag and Bake, Fresh Pizza Bar and Meat Servery
- Informal links to both Walmart and Tesco
- Operates 31 Distribution Centres Nationally





Homeware & Hardware (927)

Mass Merchandisers

Hardware

Auto Servicing

Stationery & Technology

Sales = \$16.4 billion

Industrial

- Mining
- Resources
- Insurance
- Chemicals & Energy
- Industrial & Safety
- Forestry
- Property

Sales = \$8.4 billion

P&C (627)

Petrol & Convenience

Sales = \$7.5 billion

Food (749)

Supermarkets

Liquor (885)

Liquor Retailers

Food & Liquor sales = \$26.5 billion

- Coles, formerly Coles Meyer, purchased by Wesfarmers in Nov 2007
- Coles is the second largest supermarket chain in Australia and a Global Top 30 Retailer (21 in 2010), employs 102,000 people with 18 million transactions per week
- Central Buying, Marketing and Category Management function
- Operates two grocery formats – Supermarket (Coles, Bi-Lo) and Convenience (Coles Express)
- Market share of 35% nationally
- Loyalty Program – Fly Buys, Petrol discounts by coupon



- Has online presence through Coles.com.au and liquor brands
- Aggressive discount strategy – “Down Down” and ½ Price Specials
- Has strong market appeal through promotional properties – Master Chef, My Kitchen Rules and Sports for Schools. Celebrating 100 years in 2014.
- Wants to be seen as the shopper’s friend offering cheap prices on key, high volume items
- Substantial UK influence through former Tesco employees
- DistributionCentres:



Type	NSW (4)	QLD (4)	VIC (3)	SA (1)	WA (2)
Ambient	3	2	2	1	1
Liquor	1	1	1	1	1
Chilled/ Frozen	1	1	1	1	1



Metcash

Food

Liquor

Hardware &
Auto

Wholesale



Retail





- Primarily a wholesaler – servicing a network of independently owned stores
- Trades Food, Alcohol, Hardware and Automotive parts
- National and state offices (possible to do business at both levels)
- State offices have most influence in store
- Six distribution centres – one per state
- Runs Royal Supplier program to gain compliance in store
- Holds approximately 14% market share, strongest states are SA and WA
- Store Break Up:
 - 1,365 IGA branded stores
 - 700 Foodworks stores
 - 420 Lucky 7 convenience stores
 - 520 other stores
- Australian Liquor Marketers (ALM) service 15,000 hotels, liquor stores, restaurants and other licensed premises. Operates in NZ as Tasman Liquor Company
- 410 Mitre 10 and True Value hardware stores, plus supply additional 400 independents

- Launched in Australia in 2001, network of over 300 stores across 3 states with aggressive expansion plan to enter remaining states
- Store network serviced by 5 distribution centres – 2 in NSW and VIC, 1 in QLD
- Approximately 8% share in contested markets
- Roy Morgan Customer Satisfaction Supermarket of the Year – 2011 & 2012
- Selected outlets licensed to sell alcohol
- First retailer to introduce Unit Pricing, Only retailer to have National Pricing
- Only retailer to have front of pack Nutrition Labelling on all items
- Only retailer with entire range 100% free of artificial colours
- Prices 25-40% cheaper than the nearest priced competitor
- Aldi exclusive brands form majority of range
- 2013 introduced Aldi Mobile (phone network)



- Established office in Sydney in 2008, first warehouse opened in 2009 in Vic. Currently 3 warehouses – Melbourne (Vic), Sydney (NSW) and Canberra (ACT)
- Three more warehouses to open within 6 months – 2nd Melbourne, 2nd Sydney & Brisbane
- Total revenue in excess of \$600 million, planned stores should boost sales over \$1 billion.
- Melbourne and Sydney stores have over 100,000 members each
- Only club store chain in Australia
- Popular categories include fresh food category, the bakery, and household goods, hearing aids and premium wines.



Melbourne







Sydney



Canberra

Australia – Other Retail Opportunities

Channel	Definition	Leading Customers*
<p>Drug/Chemist</p>   	<ul style="list-style-type: none"> • A store where prescriptions are filled and drugs and other articles are sold; pharmacy. • Pharmacies in Australia are operated as franchises of retail brands offered by pharmaceutical wholesalers. • Unlike USA pharmacies carry limited range of non-personal care products (confectionery, paper goods etc.) Little encroachment into supermarket product offers. 	<ul style="list-style-type: none"> ➢ Priceline ➢ Soul Pattinson ➢ AMCAL
<p>Mass Merchandiser/ Discount Department Store</p>   	<ul style="list-style-type: none"> • A retail store that seeks to sell large quantities of goods quickly through such means as discounting, customer self-service, or unadorned display and packaging, as in a warehouse. • No supercenters. Greater range of food products than Drug/Chemist, however due to fact parent companies are Supermarket chains there is no competitive desire to dramatically increase offer. 	<ul style="list-style-type: none"> ➢ BigW #1 (owned by WWs) ➢ Target #2 (owned by Coles) ➢ Kmart #3 (owned by Coles)

I. Introduction

II. Overview of Australia

III. Australian Retailer Introduction and Key Considerations

IV. Retail Trends and the Buying Process

V. Route to Market in Australia

VI. New Zealand Market Profile

VII. Combined Australia and New Zealand considerations

2. Asian Region

Retail Industry Trends in Australia

1

Price deflation in retail food channels, major retailers averse to price increases

- *Focusing on driving value to shopper.*
- *When Australian Dollar weakens, relative other currencies, retailers unlikely to change their positions forcing manufacturers to hold relative costs.*

2

Increasing private label penetration is a priority for the majority of retailers

- *In an attempt improve margins and create point of difference , effectively creating and entrenching their own shopping ecosystems, focus on private label product and quality has increased along with consumer interest.*

3

Major retailers seeking to have '1st mover' status on brands/ product extension

- *Impacts brand launches, proliferates slight alterations to pack styles & net weights to give dominant supermarkets point of difference (effectively form of branded PL)*

4

Efficiency-based measures are the focus of cost-cutting initiatives

- *Range rationalization to reduce inventory and drive volumes/productivity*
- *Moving to Shelf Ready Packaging/Display Ready Packaging throughout the stores*
- *Increasing pressure on manufacturers to provide smaller case pack configurations (eg: 8packs or 6packs) at same price per unit as current standard.*

5

Increasing unique products/ specialty products to promote diversity of offer

- *Major supermarkets reacting to public interest and perceptions and an increasingly diverse food interests to capture dollars. Done so on DSD basis to Coles & Woolworths.*

The Buying Process ~ Australia

Key Initial Considerations

- Category direction from UK and Europe (not USA)
 - Strong historical and cultural links back to Europe further enhanced by the introduction of a number of senior managers from Europe (UK in particular)
- Looking for innovation in their sets, view Europe positively
 - Coles and Woolworths are so competitive with one another that they are constantly looking for some form of competitive advantage via new and innovative products
 - Being a remote island nation, Australian's are used to dealing with companies and brands imported from all over the world.
 - Europe viewed positively from a food safety and clean image perspective
- Looking for premium products in most categories
 - Buyers willing to explore ways to trade consumers up **IF** it can lead to increased retailer profit
- Buyers time is highly demanded due to the consolidated nature of the market
 - Can be difficult to arrange appointments outside of specific review dates

The Buying Process ~ Australia



Buyer Expectations and Considerations

- Want solid sales numbers/projections and will:
 - Take proven sales in Europe as basis for projections in Australia.
 - Accept that Australian taste profile in alignment with UK/Europe
 - Expect to make high GM on product (Category dependent)
 - Expect brand investment by manufacturer as part of the launch proposal
 - Require trending on sales per store projections within 12 weeks of launch
 - Expect that price will be stable for minimum 18 months from launch.

Other Considerations Include

- Fair Trade and Rainforest Alliance seen as a benefit
- Organic and Vegetarian accredited products viewed as positive point of difference
- Looking for seasonal extensions to complement everyday sales

I. Introduction

II. Overview of Australia

III. Australian Retailer Introduction and Key Considerations

IV. Retail Trends and the Buying Process

V. Route to Market in Australia

VI. New Zealand Market Profile

VII. Combined Australia and New Zealand considerations

2. Asian Region

Routes to Market:

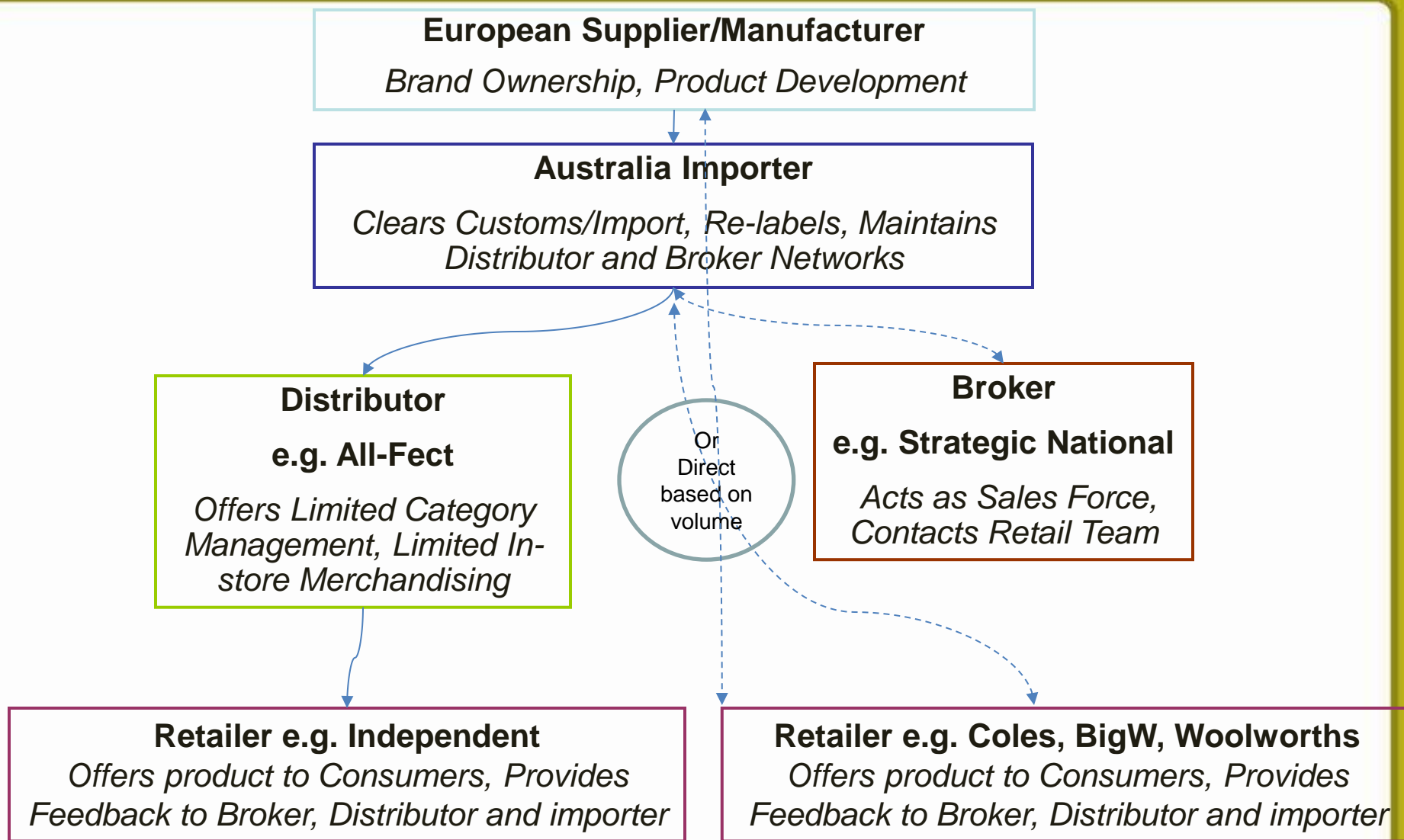
Examples of the Key Trade Customers



	Importer	Distributor	Broker
Role	Clears Customs/Import, Re-sticker, Deliver direct Maintain Distributor and Broker Networks	Offers Limited Category Management, Limited In-store Merchandising	Acts as Sales Team for importer/manufacturer. Contact Retail Team.
POR	25% – 45%	15 – 35%	5 - 15% Commission. Monthly retainer until sales ramp up.
Examples	<ul style="list-style-type: none"> ➤ Stuart Alexander ➤ Manassen Foods 	<ul style="list-style-type: none"> ➤ All-Fect ➤ Dickson- Hollier ➤ Doward International ➤ The Distributors 	<ul style="list-style-type: none"> ➤ Strategic National ➤ Guild Enterprises
Comments	<p>These importers are broadline firms with experience across diverse portfolios, particularly familiar with confectionery. Offer full suite of brand management services and have capability to deliver direct to customers.</p> <p>POR requirements dependent on model used. Eg: If uses distributors or brokers or funds case deals then higher the POR.</p>	<p>To get to independent trade that importer does not have infrastructure to service, they will have agreements in place with a number of sub-distributors. Usually requires price discount of 25% - 30% to cover logistics costs.</p>	<p>Perform HQ calls as well as provide in-field merchandising support as part of their commission structure. Have greater reach than in-house sales force of importer.</p> <p>Will work in tandem with importer in much same way as they do with manufacturers.</p>

Routes to Market

The Australian Supply Chain



Australian Retailer – Key Points



2 Chains dominate supermarkets

70% of shoppers shop all three major retailers

Review schedules vary by retailer

Terms and conditions differ – Trading Terms negotiated at least once per year

No slotting fees – expect to have comprehensive launch package

Moving to shelf ready/friendly packaging

Highly competitive promotional programs in impulse categories

Retailers willing to parallel import volume lines

Private Label a major focus of retailers

Data seen as cost of business, limited availability of loyalty data

I. Introduction

II. Overview of Australia

III. Australian Retailer Introduction and Key Considerations

IV. Retail Trends and the Buying Process

V. Route to Market in Australia

VI. New Zealand Market Profile

VII. Combined Australia and New Zealand considerations

2. Asian Region

NZL Country Profile



Market Size

- 4.3 million and growing at 0.85%
- Consists of two islands – North and South – total area only 268,000km²
- Largest cities are Auckland (economic capital), Wellington (political capital) on the North Island and Christchurch on the South Island
- Time zones: One at +12GMT, approx 3hrs by air from Sydney
- **Small market, however a strong food culture exists, ensuring strong interest from consumers for new and innovative international brands.**

Economics

- \$128 billion GDP - \$29k per capita (\$49k per capita in the US and \$42k in Australia)
- Food store sales: \$18.1 billion to Mar 2013
- Liquor sales: \$1.3 billion to Mar 2013



NZ Retail Overview



Supermarkets

- Three chains dominate – Countdown (Woolworths Limited), New World (Foodstuffs) and Pak N Save (Foodstuffs)
- Countdown operates as a national chain (centrally organized)
- Foodstuffs operates in three regional units – Upper North Island (Auckland), Lower North Island (Wellington) and South Island (Christchurch) – stores independently owned
- Market share split – Countdown 40%, Foodstuffs 57%, Other 3%

Store Numbers

	National	UNI	LNI	SI
Countdown Supermarkets	165	96	33	36
SuperValue/Fresh Choice	56	22	3	31
New World Supermarkets	139	49	49	41
Pak N Save Supermarkets	50	26	14	10
Write Price Supermarkets	3	-	3	-
<i>Total Supermarkets</i>	<i>413</i>	<i>193</i>	<i>102</i>	<i>118</i>

I. Introduction

II. Overview of Australia

III. Australian Retailer Introduction and Key Considerations

IV. Retail Trends and the Buying Process

V. Route to Market in Australia

VI. New Zealand Market Profile

VII. Combined Australia and New Zealand considerations

2. Asian Region

AUS & NZ Summary

Food law governed by FSANZ (Food Standards Australia New Zealand)

Restrictions on importation of raw and unprocessed plant or meat goods

Strong A\$ sees imports seen as affordable options (NZ dollar weaker)

Highly concentrated market in both countries

Low relative penetration of Private Label (15% at Total Grocery level)

Retailer interested in increasing range and penetration of Private Label

High level of promotional (price activity)

Alcohol licensed in AUS but available from supermarkets in NZ



I. Introduction

II. Overview of Australia

III. Australian Retailer Introduction and Key Considerations

IV. Retail Trends and the Buying Process

V. Route to Market in Australia

VI. New Zealand Market Profile

VII. Combined Australia and New Zealand considerations

2. Asian Region

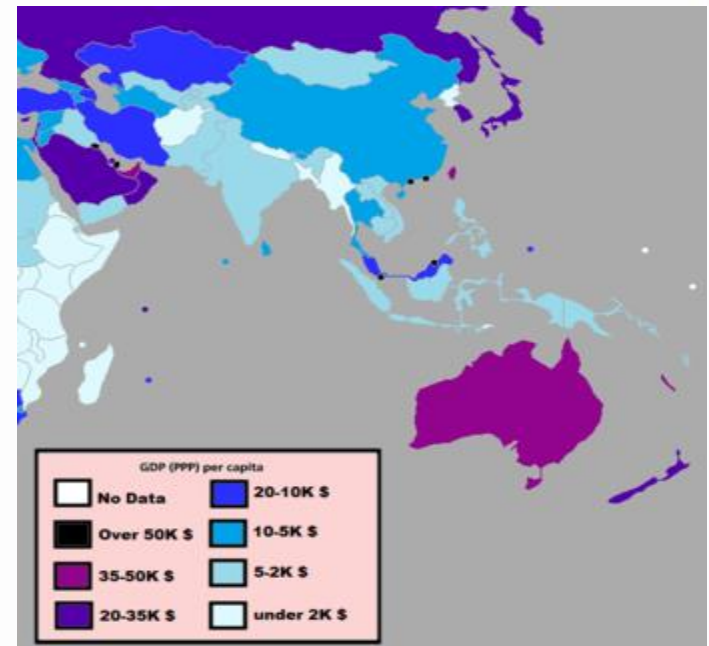
Overview – Asian Region

Size

- Population of Asia – 4.3 billion
 - China 1.4 billion
 - India 1.2 billion
 - East Asia 211 million
 - South-East Asia 562 million
 - South Asia 436 million
 - West Asia 393 million
- Stretches from Japan to Turkey across 8 time zones
- 26 cities with population over 5 million (16 of the Top 30 largest urban centres are in Asia)

Economics

- Most Asian countries have a PPP (GDP/capita) of less than \$5k. The notable exceptions are Japan, Korea, Hong Kong, Macau, Taiwan, Singapore and Malaysia
- Singapore and Hong Kong are key economic centres for trade and transport



Overview – Asian Region

Markets are Diverse

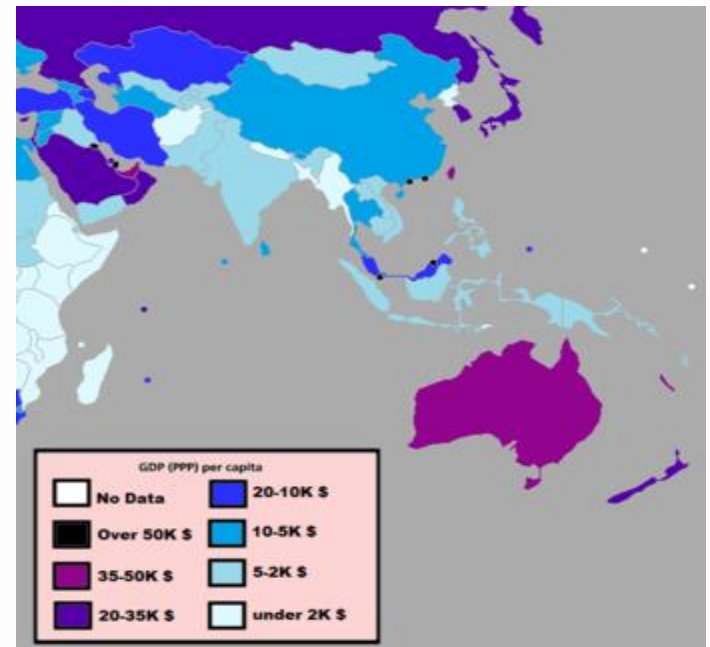
- Every market is unique in terms of culture, history, religion, currency and expectation
- Competitive sets in each market are unique: Unique retailer mix, unique brand mix
- Some markets influence others so it is important to invest in influential markets ahead of perceived larger markets in the launch phase
- Opportunities are immense and will continue to develop: Competition is also increasing so inaction now could result in major opportunity costs

Sophistication

- Brand and their associated image (and how this relates to the consumer) are critical
- Asian consumers are becoming more sophisticated every year:
 - Increased international travel and education
 - Increased exposure to International Brands
 - Increased aspirations

Challenges

- The region can seem daunting and overwhelming, however if approached correctly, can be highly rewarding



I. Country Profiles

II. Pan Asia Retailer Profiles

III. Asian Route to Market

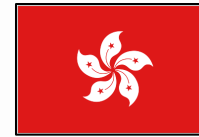
IV. 5 Steps to Success in Asia

V. Case Studies

VI. The Green Seed Team

VII. Collaborative Opportunities

Hong Kong Country Profile



Market size

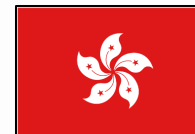
- 7.1 million and growing at 0.39%, 100% urbanised
- Nearest neighbours: China (1.3 billion), Macau (0.6 million)
- Crossroads market – Europe, Asia and US
- **Entry point to China – Many Chinese retailers view success in Hong Kong as being relevant to success in mainland China**
- Time zone: One at +8GMT

Economics

- \$364 billion GDP - \$51k per capita (\$49k per capita in the US)
- Packaged Food store sales: \$3.5 billion (est 2013)



Hong Kong Country Profile



Supermarkets

- Two main grocery chains – Wellcome and ParknShop
- Majors control 80% of supermarket trade, maintain dominance through links with developers
- No European based retailers
- Shelf space is exceptionally tightly controlled due to a lack of physical space

Table: Key Players In Hong Kong's Mass Grocery Retail Sector							
Parent Company	Country of Origin	Sales (HKDmn)	Sales (US\$mn)	Financial Year End	Fascia	Format	No. of outlets
Dairy Farm International Holdings	Hong Kong	71,070*	9,130*	Dec 11		Total	1,246
					Wellcome	Supermarkets	282
					7-Eleven	Convenience stores	964
Aeon Stores (Hong Kong) Co Ltd	Japan	7,200e	926.3e	Dec 12		Total	45
					Aeon MaxValu Prime	Supermarkets	
					Jusco	Supermarkets	
AS Watson (Group) HK**	Hong Kong	144,009	18,500	Dec 11	Bento Express	Supermarkets	
						Total	505
					Park n Shop	Supermarkets	
Convenience Retail Asia (Li & Fung)	Hong Kong	3,979.9	511.3	Dec 11	Park n Shop Express	Convenience stores	
					Circle-K	Convenience stores	322
						Total	45e
China Resource Enterprises	Hong Kong	101,160	12,995	Dec 11			
					Suguo Supermarket	Supermarkets	
					CR Vanguard	Supermarkets	

na = not available. All sales figures are for Hong Kong retail sales only, unless stated. *North Asia sales, **Retail Division Sales, Source: Company Investor Relations, Trade press, BMI

Singapore Country Profile



Market Size

- 5.4 million and growing at 1.96%
- Nearest neighbours: Malaysia (29.6 million) and Indonesia (251 million)
- One of two crossroad markets in Asia
- One time zone at +8GMT
- Free trade port, key member of ASEAN
- **Viewed by other markets in Asia as a trendsetting market – so whilst volumes may not be huge, success in Singapore can open doors into other parts of SE Asia**

Economics

- \$325 billion GDP - \$61k per capita (\$49k per capita in the US)
- Food & beverage sales: \$11.4 billion in 2011



Singapore Country Profile



Supermarkets

- Three major chains – NTUC Fairprice (NTUC), Cold Storage (Dairy Farm) and Sheng Siong (Sheng Siong)
- Each chain operates multiple formats – hypermarkets, supermarkets and convenience
- Traditional market/wet markets still have 20 – 30% market share

Economics

- \$325 billion GDP - \$61k per capita (\$49k per capita in the US)
- Food & beverage sales: S\$11.4 billion in 2011

KEY PLAYERS IN SINGAPORE'S MASS GROCERY RETAIL SECTOR								
Parent Company	Nationality	Sales (SGD mn)	Sales (US\$m)	Financial year-end	Fascia	Format	Outlets	Employees
NTUC Fairprice	Singapore	2,414.6	1,893.0	Mar-11	NTUC FairPrice	Supermarkets	94	5,000
					Cheers	Convenience stores	124	
					FairPrice Express	Convenience stores	23	
					Xtra	Hypermarkets	4	
					Finest	Supermarkets	7	
Dairy Farm International	Hong Kong	na	1,880.9*	Dec-11	Cold Storage	Supermarkets	105*	5,500
					Market Place	Supermarkets		
					Shop 'n' Save	Discount supermarkets		
					Giant	Hypermarkets	7	
Sheng Siong	Singapore	578.4	453.5	Dec-11	Sheng Siong	Supermarkets	33	na
					7-Eleven	Convenience stores	549	
Carrefour	France	EUR8,169mn*	10,293.8	Dec-11	Carrefour	Hypermarkets	2	na

* Latest available data. Source: Investor Relations, BMI

Indonesia Country Profile



Market Size

- 251 million and growing at 0.99% – 44% urbanized
- Nearest neighbours: Malaysia (29.6 million), Singapore (5.4 million) and Australia (23 million)
- Archipelago of 24,000 islands, 1.9 million km²
- Largest 5 Cities based on Population: Jakarta - Capital (9.1m), Surabaya (2.5m), Bandung (2.4m), Medan (2.1m) and Semarang (1.3m)
- Four time zones; Eastern (+9GMT), Central (+8GMT) and West (+7GMT)
- **Despite the huge population, remain focused on the top-tier, inspirational consumer that is interested in international brands. Although a Muslim country, the sale and consumption of alcohol is widespread.**

Economics

- \$1.2 trillion GDP - \$5k per capita (\$49k per capita in the US)
- Food & beverage store sales: \$5.5 billion to 2010
- 80% of food still sold through traditional markets.



Indonesia Country Profile



Supermarkets

- Unlike most markets, convenience formats dominate
- Mixture of local, Asian and European retailers

KEY PLAYERS IN INDONESIA'S MASS GROCERY RETAIL SECTOR

Parent Company	Country of Origin	Sales, IDR bn	Sales, US\$m	Financial Year Ending	Fascia	Format	No Outlets	Year est
PT Carrefour Indonesia	France/Indonesia	EUR1,126mn***	1,492.0	December 2011	Carrefour	Hypermarkets	63	1998
PT Sumber Alfaria Trijaya Tbk	Indonesia	18,227.0	2,132.6	December 2011	Alfamart	Supermarket	16	1999
					Alfa Minimart	Convenience Stores	5,000	
PT Hero Supermarket Tbk	Indonesia/ Hong Kong	8,952.1	975.8	December 2011	Hero	Supermarkets	46	1972
					Giant	Hypermarkets	38	
					StarMart	Convenience Stores	128	
PT Matahari Putra Prima Tbk	Indonesia	8,554.8	994.5	December 2010	Foodmart	Supermarkets	25	1958
					Hypermart Cut Price	Hypermarkets Discount Stores	52	
PT Ramayana Lestari Sentosa Tbk	Indonesia	6,597.1	719.1	December 2011	Ramayana	Supermarkets	9	1978
PT Indomaret Primatama	Indonesia	na	520.0e	2011	Indomaret	Convenience Stores	6,006	na
PT Lion Superindo	Belgium/Indonesia	EUR291mn*	385.6	December 2011	Super Indo	Supermarkets	83	1997
PT Makro Indonesia **	Netherlands	5,928e	681.7e	2011	Makro	Cash & carry	20	1991
PT Alfa Retailindo Tbk	Indonesia	1,602.1	174.6	December 2010	Alfa	Supermarkets	35	1989
					Alfa Grosir	Supermarkets	8	
					Gelael	Supermarkets	11	

e = BMI estimate; *Based on Delhaize Group rest of world sales (Delhaize owns 51% of Lion Superindo and the Rest of World division encompasses Indonesia and Romania); ** South Korea's Lotte acquired Makro in October 2008; ***Based on Carrefour's Indonesia sales.
Source: Company investor relations, BMI

Thailand Country Profile



Market size

- 67.4 million and growing at 0.52%, 34% urbanised
- Nearest neighbours: Myanmar (62.3 million), Laos (6.6 million), Cambodia (14.5 million) and Malaysia (30.4 million)
- Monarchy, only Asian country not colonised by Europe
- Time zone: One at +7GMT however country stretches 1,648km from north to south
- **Developing mid-tier market that is open to new brands, new concepts and premium pricing. Furthermore, as one of the largest tourist markets in the world, food service oriented products are in demand.**

Economics

- \$645.7 billion GDP - \$10k per capita (\$49k in the US)
- Packaged Food store sales: \$8.6billion (est 2013)



Thailand Country Profile



Supermarkets

- Retailers from Europe and Asia represented in this market – Japan, UK & France
- Packaged Goods market expected to grow at 4.8% through to 2014

Table: Key Players In Thailand's Mass Grocery Retail Sector							
Parent Company	Country of Origin	Sales (THBbn, unless otherwise indicated)	Sales, US\$m	Financial Year End	Fascia	Format	No of Outlets Est.
CP All (previously CP 7-Eleven Co Ltd)	Thailand/ Japan	161,890	5,310	December 2011	7-Eleven	Convenience Store	6,600/1988
Tesco Lotus	UK/ Thailand	GBP3,235mn	na	February 2012			1,218/1998
					Tesco Lotus	Hypermarket	305
					Tesco Lotus Value	Hypermarket	68
					Tesco Lotus Express	Convenience Store	680
					Tesco Talad Lotus	Supermarket	165
Siam Makro Plc	Netherlands	99,700.0	3,180	December 2011	Makro	Hypermarket	66/1988
Casino Group	France/ Thailand	112,130	3,614	December 2012	Big C	Hypermarket	95**/1993
					Big C Jumbo	Hypermarket	1
					Big C Extra	Hypermarket	16
					Leader Price	Supermarket	10
					Mini Big C	Convenience Store	50
Central Food Retail	Thailand	23,272e	750e	December 2012	Tops	Supermarket	213/1996
					City Market	Supermarket	
					Market Place	Supermarket	
Siam FamilyMart (FamilyMart***)	Japan/ Thailand	7,757e	250e	February 2012	FamilyMart	Convenience Store	800/1993
Siam-Jusco Co Ltd (Aeon Group)	Japan/ Thailand	3,500	113	2012			100
					MaxValu	Supermarket	61/1985
					MaxValu Tanjai	Mini-supermarket	392/009

*Asia sales; **International sales; ***subsidiary of Itochu Corp. e= estimate, na = not available. Source: BMI, Investor relations, Trade press

Agenda



I. Country Profiles

II. Pan Asia Retailer Profiles

III. Asian Route to Market

IV. 5 Steps to Success in Asia

V. Case Studies

VI. The Green Seed Team

VII. Collaborative Opportunities

Pan Asian Retailer Profile – Dairy Farm

Dairy Farm (Jardine Matheson)

Dairy Farm is a leading pan-Asian retailer. The Group operates over 5,600 outlets; employs over 90,000 people and has total annual sales exceeding US\$11 billion.

Well-known brands include:

- **Supermarkets** – Wellcome in Hong Kong, Taiwan and the Philippines, ThreeSixty and Oliver's The Delicatessen in Hong Kong, Jason's Market Place in Singapore, Hong Kong and Taiwan, Cold Storage in Singapore and Malaysia, Giant in Malaysia, Indonesia and Brunei, Shop N Save in Singapore, Hero in Indonesia, Lucky in Cambodia, Rustan's in the Philippines and Foodworld in India;
- **Hypermarkets** – Giant in Malaysia, Indonesia, Singapore, Brunei and Vietnam, and Shopwise in the Philippines;
- **Health and beauty stores** – Mannings in Hong Kong, mainland China and Macau, Guardian in Malaysia, Singapore, Indonesia, Brunei and Vietnam, and Health and Glow in India;
- **Convenience stores** – 7-Eleven in Hong Kong, Singapore, Southern China and Macau, and Starmart in Indonesia
- Home furnishings stores – IKEA in Hong Kong and Taiwan.

The Group also has a 50% interest in Maxim's, Hong Kong's leading restaurant chain.



Pan Asian Retailer Profile - Watsons



AS Watsons (Hutchison Whampoa)

- The world's largest health, beauty & lifestyle retailer with over 10,800 stores operating 20 retail brands in 33 markets worldwide
- Asia's largest health & beauty retailer with Watsons currently operating over 3,200 stores and more than 1,100 pharmacies in 11 Asian markets, including China (Mainland, Hong Kong, Taiwan and Macau), Singapore, Thailand, Malaysia, the Philippines, Korea, Indonesia and Turkey
- Europe's largest luxury perfumeries & cosmetics retailer with over 1,600 stores in 16 markets, operating under three retail brands, including Marionnaud, ICI Paris XL, and The Perfume Shop



I. Country Profiles

II. Pan Asia Retailer Profiles

III. Asian Route to Market

IV. 5 Steps to Success in Asia

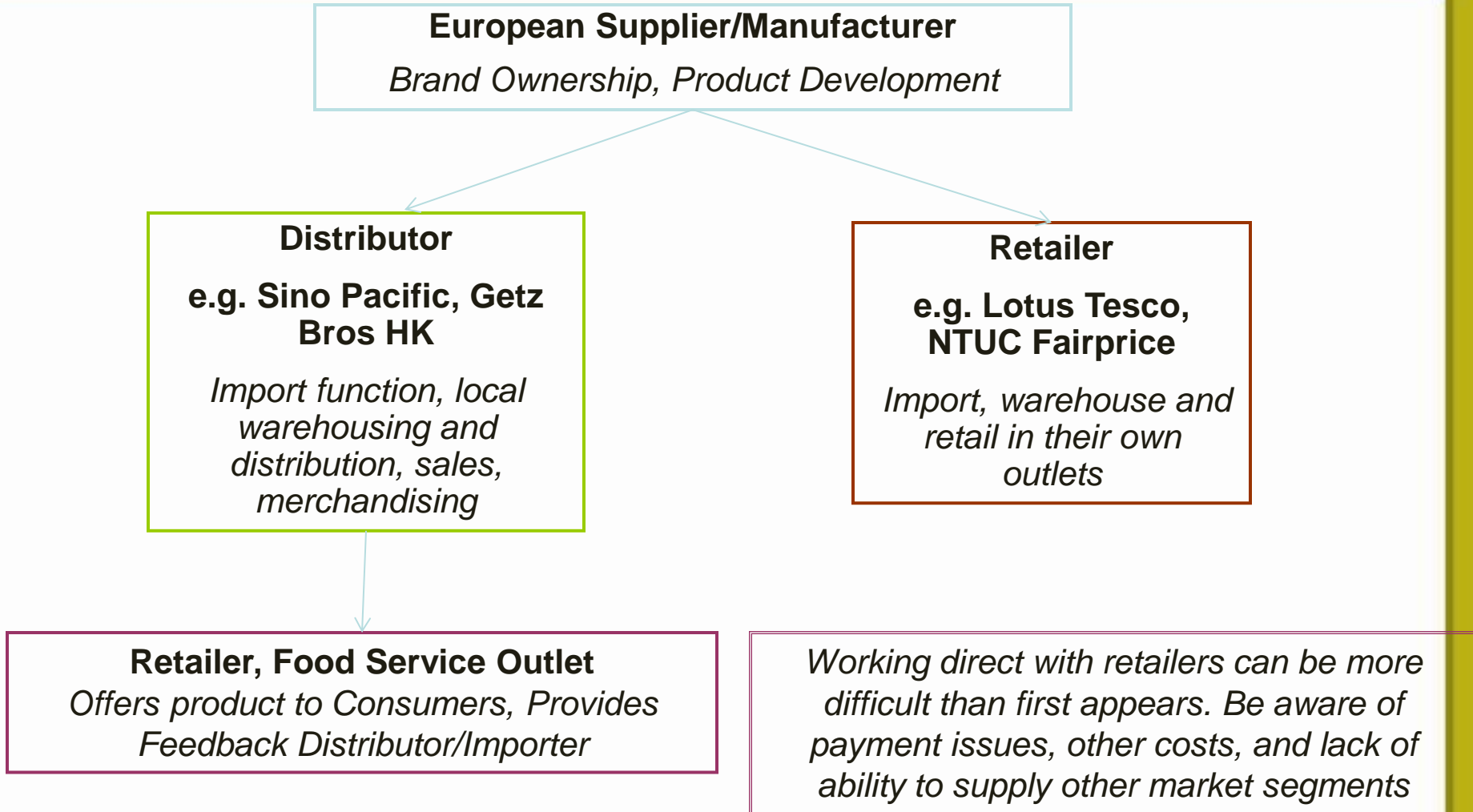
V. Case Studies

VI. The Green Seed Team

VII. Collaborative Opportunities

Routes to Market

The Asian Supply Chain



Agenda



I. Country Profiles

II. Pan Asia Retailer Profiles

III. Asian Route to Market

IV. 5 Steps to Success in Asia

V. Case Studies

VI. The Green Seed Team

VII. Collaborative Opportunities

5 Steps to Success in Asia

1

Confirm the presence of a market for your product

- *What is your point of difference, what is the competitive landscape like?*
- *Can you sustainably supply the region with the length of supply chain and the shelf life of your product?*

2

Market selection is the critical next issue

- *Markets across the region vary greatly, so it is critical to identify the best potential market for your product*
- *Staged launches across the region may be the best strategy – e.g Ensure a successful launch in HK before entering the Chinese marketplace*

3

Partner selection is critical to success

- *Many viable options exist in each market, however your in-market partner becomes an extension of your business*
- *Look out for conflicts of interest, experience, supply chain capabilities, account mgt experience, merchandising capability etc.*

4

Once in market continually monitor ongoing performance

- *Is your product actually on-shelf in the agreed retailers*
- *How is your product being represented to retailers and consumers*

5

Maximise your market presence and start to build your local brand

- *Branding in Asia is as important as any other part of the world, and Asian consumers are prepared to support products that they know, trust and associate with.*
- *Explore opportunities to develop your brand beyond the shelf*

Agenda



I. Country Profiles

II. Pan Asia Retailer Profiles

III. Asian Route to Market

IV. 5 Steps to Success in Asia

V. Case Studies

VI. The Green Seed Team

VII. Collaborative Opportunities

➤ **Situation:**

Client had prior experience in the margarine category and wanted to create a product to launch in the Asian market.

➤ **Action:**

Undertook market research on consumer preferences in the spreads category and created a formulation and packaging that was superior to the market leaders. Furthermore, created a launch matrix to prioritize market rollout plan.

➤ **Result:**

Undertook a staggered launch in 7 markets across SE Asia and has gained 3rd position with it quickly reaching 2nd position for imported margarine by the end of 2013. Have now been approached by the key retailer in Hong Kong to list into their stores with the aim to replace the previous market leading brand.



➤ **Situation:**

The client wanted to take it's Meadow Fresh brand internationally and utilize its available capacity to improve manufacturing efficiency and profitability.

➤ **Action:**

Established a three person cross-functional project team to identify suitable markets and viable distributors in the Asian markets to establish Meadow Fresh as a high quality but accessible UHT milk brand.

➤ **Result:**

Meadow Fresh is now being sold in over 10 countries throughout SE Asia and now demand has surpassed available production capacity. With brand image now developed, consumers are willing to pay a price premium for the Meadow Fresh brand.



Agenda



I. Country Profiles

II. Pan Asia Retailer Profiles

III. Asian Route to Market

IV. 5 Steps to Success in Asia

V. Case Studies

VI. The Green Seed Team

VII. Collaborative Opportunities

The Green Seed Team – Hong Kong



Romeo Kekic

- Originally from Australia, however has been living and working in Hong Kong for the past two years
- Huge network of importer, distributor, retailer and other contacts across all key markets
- Well connected and experienced in taking a structured approach to new brands entering the region



Frankie Chan

- Experience in the Asian Region working for major food companies including Heinz, Meiji and SweetVet Development
- Has overseen the successful launch of numerous brands across a range of markets in the region
- Well connected and experienced in taking a structured approach to new brands entering the region

The Green Seed Team – Australia



Matthew McKenzie



Henry Fowlds

- Thorough knowledge of the Australian and New Zealand markets
- Having recently worked at Darrel Lea, has a high knowledge on confectionery market requirements and relevant contacts.
- Expat Canadian living in Australia, so relates well to the foreign companies and individuals entering the market for the first time



Rob Lindbeck

- Vast experience in data analysis and identifying opportunities from within the data
- Access to and experience in working with data from all markets across the region
- Spends time between Singapore and Sydney

I. Country Profiles

II. Pan Asia Retailer Profiles

III. Asian Route to Market

IV. 5 Steps to Success in Asia

V. Case Studies

VI. The Green Seed Team

VII. Collaborative Opportunities

Collaborative Opportunities

CONFIRM

CONFIRM

- **Confirm the presence of a market for your product**
- Undertake research on your behalf to confirm the presence of the opportunity in the region for your particular brand, product or concept.

SELECT

SELECT

- Evaluate product concept for with the region to come up with a matrix of priority markets for further consideration.
- Identify opportunities or threats before any further investment is made.

PARTNER

PARTNER IDENTIFICATION

- Based on the priority matrix, identify the most appropriate local partner for each market.
- If required, we can approach potential partners on your behalf or we can arrange to take you to the market to meet and evaluate potential partners.

MONITOR

MONITOR

- With our physical presence we can continue to monitor the performance of your partner, ensure that they are meeting their obligations and ensure that your product and brand is in the market in the agreed manner and locations.

MAXIMISE

MAXIMISE

- Provide you with the options and methods with which to increase your in-market brand presence to develop your product in a sustainable and methodical way.

UPDATE

UPDATE

- Provide you with an ongoing update on what is happening in the markets within your chosen category by way of competitive launches, brand extensions etc.

Collaborative Opportunities

- For those of you with an existing export business to Australasia we can:
 - Assess your current business model, local partner, cost paradigm
 - This may allow you to make an educated decision of whether to remain on the current strategy or consider possible changes
 - Provide you with a spot competitive environment check in any of the markets discussed here today

- Please remember the Australasia is a constantly evolving, dynamic and exciting part of the world. Therefore, it is never too late to enter, re-enter or re-invigorate your business approach

Thank You

Green Seed Australasia awaits the opportunity to help grow your business in our part of the World

