"Opening the Gateways to Dairy Process Innovation"



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Agenda:

- Building Trust
- Breast is Best
- Value Proposition
- Brand Positioning
- Innovation and Rennovation
- Listening to Consumers

The Entire Infant Formula Industry is built on

Trust!

Building Trust in the IF industry?

- Goes way beyond risk aversioneven beyond an effective quality system
- Must be layer upon layer deep
- Values based....integrity, customer first, meeting commitments
- Based on Deep Quality Awareness and Quality Culture
- Top Down
- Culture is everything......

Breast is Best.....

- Compliance to WHO Code of Marketing Practice for Infant Formula
- Transposed into law in most countries....details depending on the market

....No advertising for First/Second age formulae

....No direct sales contact with Healthcare Providers

....No bonuses based on sales

....No gifts/sales aids

....Highly controlled labelling

Value Proposition:

- **Premium/Super Premium:** High innovation/High Intellectual Property (IP)/High investment and risk/High market spend/Long term innovation planning/Intense Regulatory, Medical and Key Opinion Leader communication/High reward
- **Mid Price:** Lesser investment and risk but IP still needs to be built, so still a lot of investment required. Still a lot of risk.....for lesser rewards.
- **Economy:** "Me too" products. Opportunistic, highly competitive, difficult to gain market entry except at very low price levels. Lower but still significant risk/much lower rewards.

Brand Positioning and Innovation

Brand Positioning:

In which segment of the business is it planned to compete?

Some areas of possible focus:

- Gut Health/Comfort
- 。 Metabolic Health
- Immune System Development
- Allergy Prevention
- Learning/Brain development
- Growth
- 。.....?

What are the unique attributes of the proposed product?.....What new claims can be made?

Brand Positioning drives the Innovation/Rennovation Plan

Company Brand 1

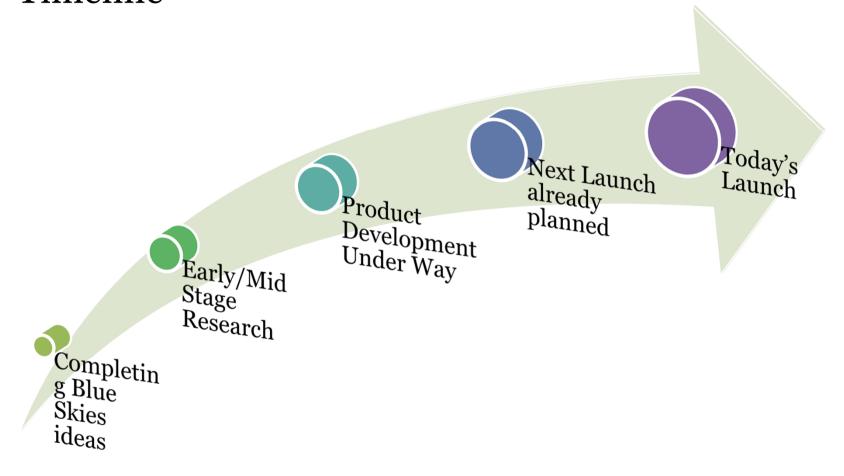
Company Brand 2

Brand Platform	Gut Health	Learning and Development
Target	Consumer A	Consumer B
Emotional Benefits	Desires of the family/mother	Desires of the family/mother
Functional Benefits	Specific outcome for the infant	Specific outcome for the infant
Brand Support	Specific support information and resources	Specific support information and resources
Key Attributes	Specific attribute: eg proven claim, advantages of specific ingredient etc Teagasc Presentation - Tom Mulqueen - Dec 4th 2014	Specific attribute: eg proven claim, advantages of specific ingredient etc

Principles of Innovation and Rennovation

- Science is at the core but must be Commercially driven using HCP and consumer insights.
- Innovation is long term and sequential in nature....remember the competitors are innovating too.
- 5 Generation model....:
 - Current Product Launch/Next Launch proposal/Product Development
 Under way/Early Stage Research/Blue Sky
- Claims must be supported by scientific and medical evidence including Clinical studies.
- Timelines and investment must be factored into the business case for launch

Timeline



Listening to Consumers – Live Market Feedback

- A Dedicated Consumer care line in every market, staffed by dedicated and caring professionals is an essential element of success.
- This is designed to take care of mother's needs, assist them through difficulties and promote positive and supportive relations.
- When difficulties do arise this communication channel is a lifesaver!
- Open communication channels, combined with a deep quality culture strong science, medical strength and a caring approach will allow you to deal with big issues while preserving the health of your consumers.....and your

Summary

- Trust/Quality Culture
- Playing by the rules.....
- Value Proposition
- Brand Positioning
- Proven Innovation
- Consumer listening



Thank You!