



A2 Corporation Presentation

April 2012

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Presentation Agenda



- A2 Corporation background
- A2 Corporation intellectual property
- What is a2™ brand milk
- The A2 Australian business
- Building a Pan Asian infant formula business

A2 Corporation background



- A2 Corporation Limited (A2C) owns and commercialises unique and comprehensive intellectual property rights (patents, trademarks, proprietary processes and know-how) relating to a2™ brand milk and related dairy products in international markets
- In 2010 A2C was repositioned to become a differentiated premium priced FMCG business compared to an earlier strategy focussed on licensing intellectual property
- a2™ brand fresh milk is the fastest growing milk brand in Australia and has achieved in excess of 4.7% value share of market in the grocery channel at premium pricing
- The product is positioned on a broad health platform focusing on digestive wellbeing
- In February 2012 A2C commissioned a new state of the art processing facility in south west Sydney to support the continued growth of the Australian business and enhance financial returns



A2 Corporation background (cont.)

- A2C announced in November 2011 the formation of a Sales and Marketing Joint Venture in the United Kingdom and Ireland
- Our Joint Venture partner Robert Wiseman Dairies is UK's largest most efficient liquid milk processor with:
 - annual sales of circa GBP950m
 - investment in plant and equipment over the past decade of circa GBP500m
 - circa 4,800 employees, 1,000 dairy farmer suppliers
 - delivers to every post code in Britain
- The JV organisation structure is in place following the appointment of a dedicated JV CEO and testing of herds is progressing. Target launch for a2™ fresh milk in the UK is September 2012
- The UK fresh milk market is around 6.5b litres pa. We estimate the market opportunity for the JV could be 3x that of the Australian business

A2 Corporation background (cont.)



A2C is primarily focused on 3 core growth initiatives:

- Building the beverage business in Australia and New Zealand
- Capturing niche shares in global milk and dairy product markets, and
- Developing an infant formula business in highly prospective markets

The Strategic Agenda draws on:

- The credibility of the core a2TM brand proposition, particularly given the successful commercialisation in Australia and the expansion into the UK
- A number of international markets have characteristics that support building niche businesses at the premium end of the white milk market with critical mass
- a2TM brand Infant formula into Asian markets represents a priority opportunity
- Further dairy product categories provide global growth opportunities
- Our model to partner and take a hands-on approach to create a consistent business framework

A2 Corporation Intellectual property



- The manufacture and sale of a2™ brand milk is protected by a comprehensive suite of global intellectual property (IP)
- Collectively this IP provides significant barriers, both legal and commercial, to third party production of any dairy product claiming to contain the protein content of a2™ brand milk
- This suite comprise registered patents, trade marks either registered or under application, proprietary processes and know-how
- A2C owns proprietary systems tailored for the protection, quality control and efficiencies of the a2™ brand milk supply chain. Processes and protocols essential to production efficiencies and quality assurance of a2™ brand milk are codified in the A2 System© manual
- A2C has developed effective and compliant promotional strategies and material to convey information tailored for consumers, health care professionals, government institutions and regulatory bodies

A2 Corporation Patents



- A2C has rights to six families of patents registered or under application in key markets identified for production or export
- The scope of collective patent rights encompass aspects of the testing, breeding and herd formation of animals used to produce a2™ brand milk and the production and sale of such milk for a range of purposes
- Patents titles are:
 1. Food Product and Process / Bovine Genotype Testing for Beta-caseins / Breeding and Milking Cows For Milk Free of Beta Casein A1
 2. Method of Selection Non-diabetogenic Milk or Milk Products and Milk or Milk Products so Selected.
 3. Prophylactic dietary supplement based on Milk
 4. Animal Genotyping Method
 5. Method for Altering Fatty Acid Composition in Milk/Method for Determining Fatty Acid Composition in Milk
 6. Therapeutic Uses of Beta Casein A2 and Dietary Supplement Containing Beta Casein A2
- A2C has an active R&D program to enhance patent rights and improve proprietary processes

A2 Corporation Brands



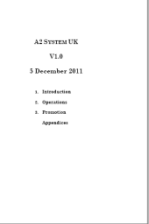
- A2C has rights to use a range of brands utilised in the sale and promotion of a2™ brand milk products
- A2C Brands include trade marks, trade mark applications and unregistered trade names and slogans
- A2C brands, logos and word marks have been registered or are under application in key markets for a2™ brand milk product manufacture and export. These include:



A2 MILK
THE ORIGINAL MILK PROTEIN



FEEL THE DIFFERENCE
NATURE'S ORIGINAL DAIRY MILK

- 





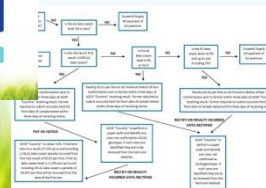








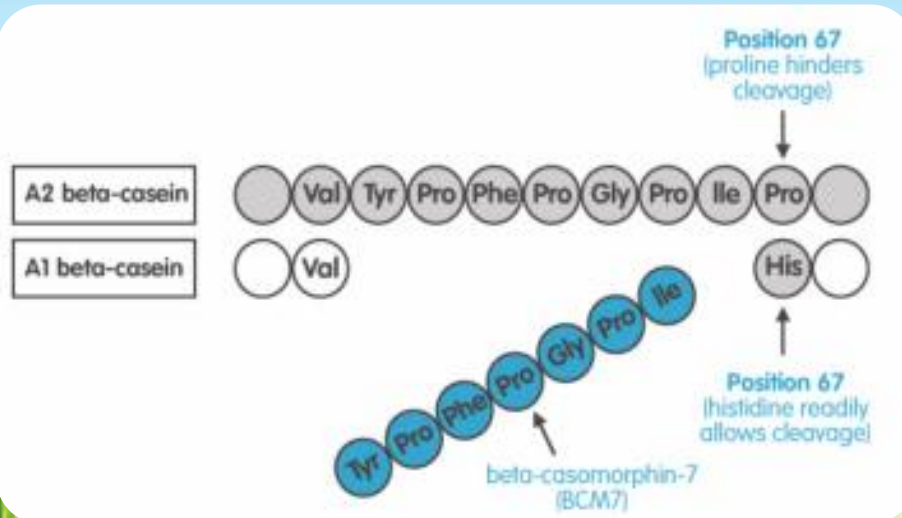




What is a2™ brand milk?



- Research on beta caseins report:
 - A2 is the original form of beta casein in modern cattle
 - A2 does not release the bioactive fragment BCM-7
 - Human beta casein is referred to as A2, with comparable structure around BCM-7 release
 - A2 is associated with a lower risk to adverse reaction and certain diseases relative to A1



Published studies reporting these research observations may be found at www.betacasein.net

Discussion of these research outcomes in terms of human health may be found at www.betacasein.org

The A2 Australian business



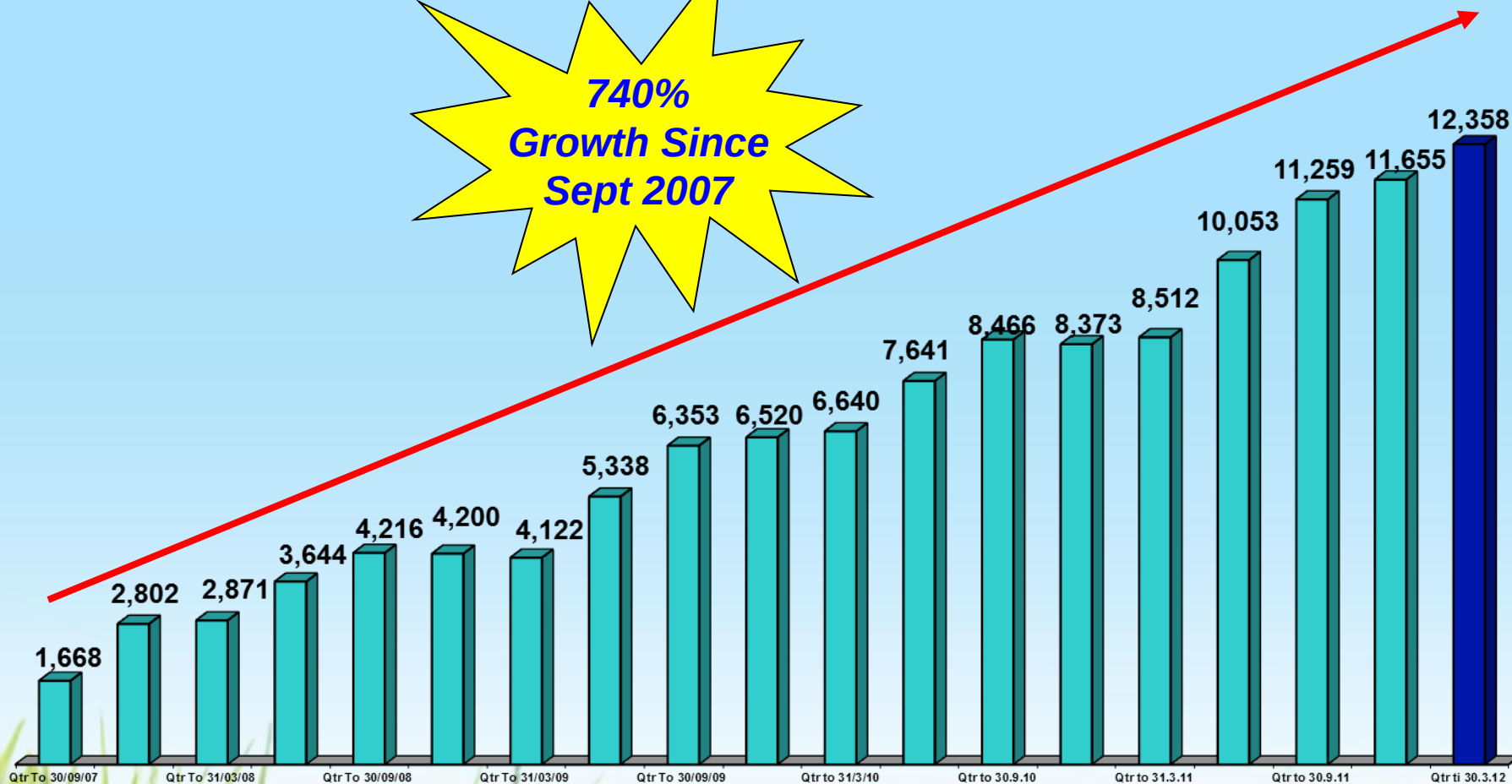
- The Australian business is primarily engaged in sourcing, processing, marketing and sale of fresh a2™ brand milk through major grocery stores nationally
- The product is positioned on a broad health platform focusing on digestive wellbeing. In Australia, 23% of consumers have perceived dairy intolerances. Only 5% of the population are medically diagnosed as lactose intolerant*
- *“My family drinks a2™ brand milk because it allows us to enjoy all the benefits of dairy milk without experiencing some intolerance responses to cows milk such as digestive discomfort, skin irritations and bloating which are normally associated with lactose intolerance. It is reassuring that it is totally natural and unmodified and it contains the original milk protein”*
- a2™ brand milk is the fastest growing fresh milk brand in Australia
- a2™ brand milk is retailed at a premium of around 45% to mainstream milks and around 150% of generic milk prices

*Sweeney Research October 2009

The a2™ brand milk sales journey in Australia



**740%
Growth Since
Sept 2007**



Purpose built facility: Sydney, Australia



Building a Pan Asian a2™ brand infant formula business



- A2C is progressing a plan to establish an a2™ brand infant formula business
- This business will focus on the supply of a2™ brand infant formula manufactured in Australia or New Zealand for sale into selected Asian markets
- The China market has been identified as a priority given its size and growth prospects and the consumer demand for consistent high quality product
- The plan assumes a2™ brand infant formula positioned as a premium product providing digestive and health benefits uniquely associated with the A2 protein
- A2C is progressing alternate strategies for the manufacture of a2™ brand infant formula including outsourced supply and establishing dedicated manufacturing facilities with partners
- Finished product would be sold via in-market distributors on an exclusive territory basis



Thank You

