



FONTERRA AND FUTURE CONSUMER LIMITED JV TO PROVIDE HIGH VALUE DAIRY NUTRITION IN INDIA

8th August 2018, Mumbai: Fonterra has announced a joint venture partnership with one of India's largest consumer companies, Future Consumer Ltd, to produce a range of consumer and foodservice dairy products that will help meet the growing demand for high-quality dairy nutrition in India.

Lukas Paravicini, Fonterra's Chief Operating Officer Global Consumer and Foodservice, said the partnership, under the name Fonterra Future Dairy Partners, will enable Fonterra to establish a presence in India.

"It will allow us to prepare the groundwork and make the most of our expertise as we enter the world's largest and fastest growing dairy industry. Consumer demand for dairy in India over the next seven years is set to increase by 82 billion litres – seven times the forecasted growth for China.

"The partnership will be driven by growth through profitability. The initial stages of the partnership will focus on product development, and marketing with the right capital investment made during this period. The first consumer products will be launched by the middle of 2019, using both locally sourced milk and dairy products from New Zealand.

"We will also use this time to settle in the partnership infrastructure, learn the market and prioritise geographies."

Mr. Paravicini, added that the joint venture comes at a time when the Indian dairy industry is transforming itself.

"This has resulted in a big shift away from more traditional locally-based dairy businesses with limited product and brand differentiation, to a new era where more value-added and innovative dairy products are in high demand across the country," he said.

Fonterra MD Sri Lanka & Indian Subcontinent, Sunil Sethi, said that India was also witnessing the emergence of new FMCG organisations like Future Consumer which has a deep understanding of the Indian consumer, the experience of working with international partners, and a nationwide supply chain and retail network.

"These dynamics have created an opportunity for this partnership, where we will focus on leveraging our global dairy innovation, manufacturing and nutrition expertise," said Mr Sethi.

Kishore Biyani, Group Chief Executive Officer, Future Group, said the association with Fonterra comes at a time when the dairy industry in India is flourishing.

"Consumption of milk and other dairy products in India are increasing and will continue to receive strong demand. With Fonterra, Future Consumer will enhance its food and FMCG portfolio and will offer a variety of dairy products which are high in demand and consumed daily." he said.

Driving this growth is the country's young population where 70 per cent of people are below 45 years old. They are digital, live in urban areas, lead an active lifestyle, have more disposable income, and want to consume higher quality and higher nutritional dairy products.

Ashni Biyani, Managing Director of Future Consumer Limited, added: "As a company that stands for FMCG 2.0, Future Consumer is committed to provide not only the best, but the latest in food and other daily consumed products. We are delighted to partner with Fonterra, who globally leads the dairy industry in

quality and innovation. Through this partnership, we will be able to reach our customers daily with quality dairy products.”

Future Consumer Ltd is part of the Future Group which is leading the way in India by developing a new retail experience for consumers, with plans to launch 1,100 stores this year. The stores will be within close proximity of target consumers, and feature a complete digital experience both in-store and through a virtual market place.

The new retail experience will add to Future Group’s existing footprint. Future Group is present in 26 of 31 Indian states with over 2,000 modern trade outlets and 5,000 public distribution outlets and a nationwide cold-chain and ambient distribution network.

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ABOUT FONTERRA

We’re a global dairy nutrition company owned by 10,000 farmers and their families. We’ve built our expertise on the legacy of the thousands of farmers who’ve made New Zealand a world leader in dairy. With a can-do attitude and a collaborative spirit, we’re a world leading dairy exporter. Our 22,000 people share the goodness of dairy nutrition with the world through our innovative consumer, foodservice and ingredient solutions brands, and our farming and processing operations across four continents.

ABOUT FUTURE CONSUMER LIMITED (FCL)

Future Consumer Limited (FCL), a part of the Future Group, operates in the Food and FMCG space with 27 brands in over 65 categories. FCL is constantly expanding its already existing vast portfolio of established Food & FMCG brands. Currently it caters to various categories such as Basic Foods, Ready to Eat Meals, Snacks, Beverages, Personal Hygiene Care and Home Care. FCL has also set up India Food Park at Tumkur, Karnataka in partnership with the Ministry of Food Processing Industries, Government of India. Spread in 110 acres of land, this state-of-the-art food park facilitates end-to-end food processing along the value chain (grading, sorting, pulping, packaging & distribution) from the farm to the market.

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