

The Swisse logo consists of the word "Swisse" in a white, sans-serif font, centered within a black oval. This oval is set against a solid red rectangular background.

Swisse

Swisse Wellness

The Importance of Collaborative Partnerships

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Topics

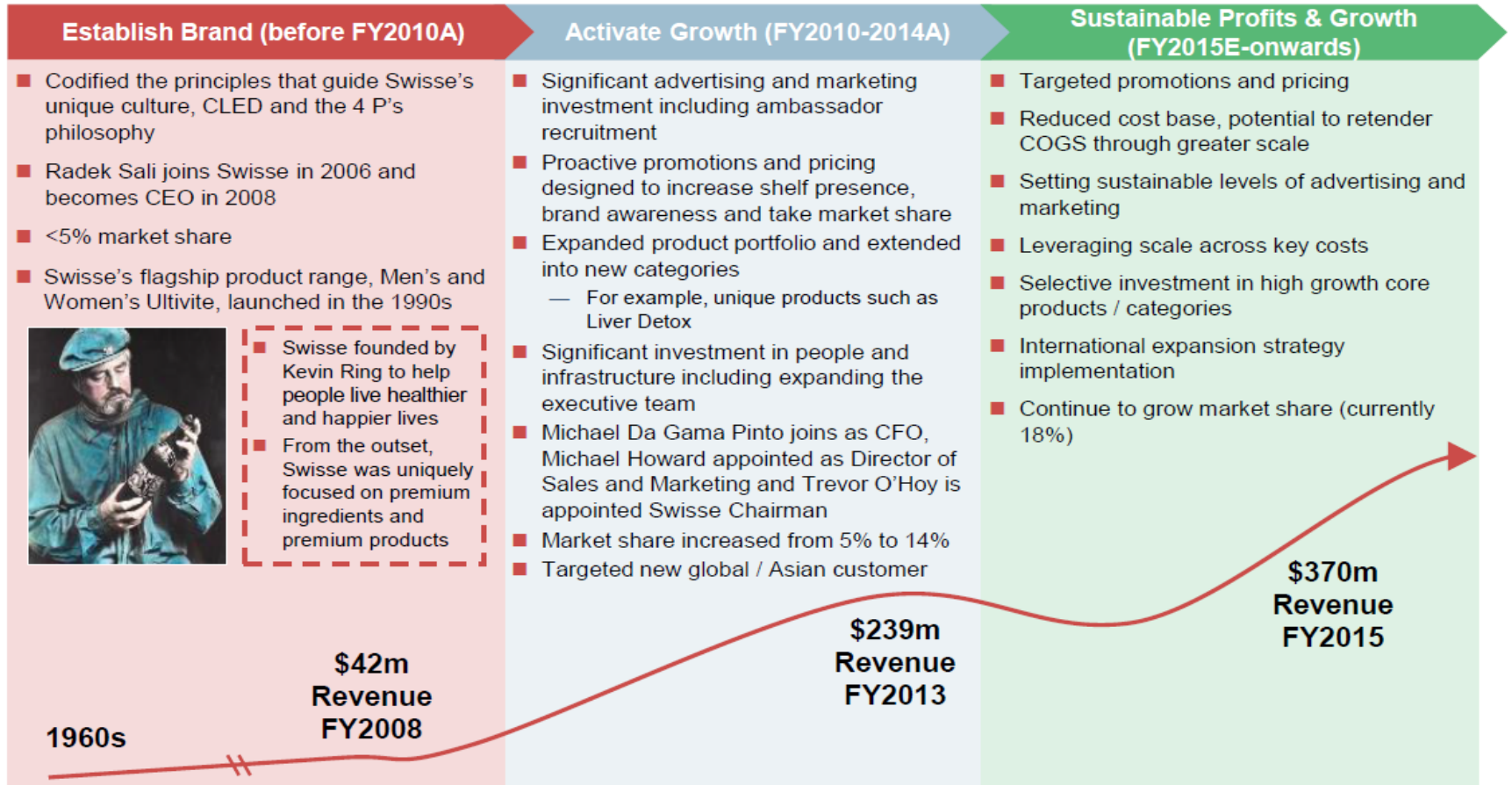


- Swisse's Export Journey
- Different Types of Partnerships
- What Swisse Looks for in a Partner
- Challenges in Forming Good Partnerships
- Future Partnership Opportunities

Swisse has grown to become the most recognised Australian wellness brand



Swisse has embarked on an aggressive growth journey to become Australia's #1 vitamins brand, with a profitable and sustainable core business and accelerating international growth



Note: Revenue represents gross sales. Market share reflects Aztec data for Australia. FY15 market share is based on top 4 customers, MAT to 17-May-2015, historicals whole of market.

Today our range consists of a wide selection of products with over 180 SKUs across vitamins, functional foods & skincare



We continuously review our products to ensure they meet the changing needs of our global customers.

Global and Australian Nutraceuticals Industry

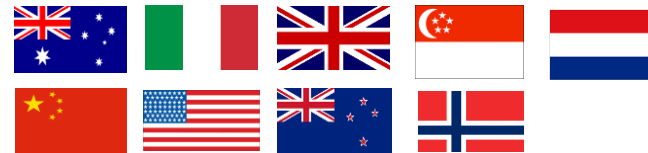


- ▶ Global industry valued at US\$182b
- ▶ Predicated to reach US\$278b by 2021
 - trends in preventative health,
 - lifestyle diseases
 - Growing Asian middle class (China industry \$20b)



- Australia's industry valued at \$3.2b
- Directly employs over 8,000 people
- \$1.5b of exports, growing at 20%+ pa
- 65% of Australians regularly take vitamins and supplements

Swisse's Global Expansion



Definition and Different Types of Partnerships



Collaborative partnerships are agreements and actions made by consenting organisations to share resources to accomplish a mutual goal.

Collaborative partnerships rely on participation by at least two parties who agree to share resources, such as finances, knowledge, and people.

Organisations in a collaborative partnership share common goals. The essence of collaborative partnership is for all parties to mutually benefit from working together.

Different Types of Partnerships



Branding and Promotion

- sponsorships
- brand ambassadors

Research and Development

- universities and research institutes
- IP tie ups
- industry bodies

Supply Chain and Logistics

Manufacturing

- contract suppliers/manufacturers

Sales Channels

- distributors
- licensing agreements

Swisse Ambassadors and Partnership Strategy



- 6 Global Ambassadors
- 6 Australian only Ambassadors
- 13 Olympic and Paralympic Ambassadors
- 10 Sporting Partnerships



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Benefits to Collaboration



For exporting companies, collaborative partnerships provide a variety of benefits:

- sharing and staying abreast of international knowledge, developments and expertise
- establishing networks in export markets
- Leveraging established sales/logistics channels
- increasing competitive advantage through acceleration of the innovation process (R&D tie ups)
- Financial savings and better use of existing resources
- Risk mitigation

The Six Things Swisse Looks for in a Partner



- Shared Goals
- Interdependency and Complementary Skills
- Accountability
- Cultural fit
- Commitment
- Authentic Communication

Challenges



- Decision making can become more complex and sometimes more protracted - clear communication and a coherent decision making process will be essential
- Savings can take time to materialise
- Return on investment can be difficult to measure empirically
- Loss of flexibility in working practices
- Lack of awareness of legal obligations
- Stakeholder confusion

Future Collaborative Opportunities



- To build an end-to-end local supply chain for the nutraceutical industry
- Develop collaborative partnerships at various points:
 - Growers
 - Processors
 - R&D institutes
 - Logistics companies
 - Finish product manufacturers

Farm to Factory



Farm

- Losses/seconds from growing for fresh market
- Growing for value addition

Primary processing

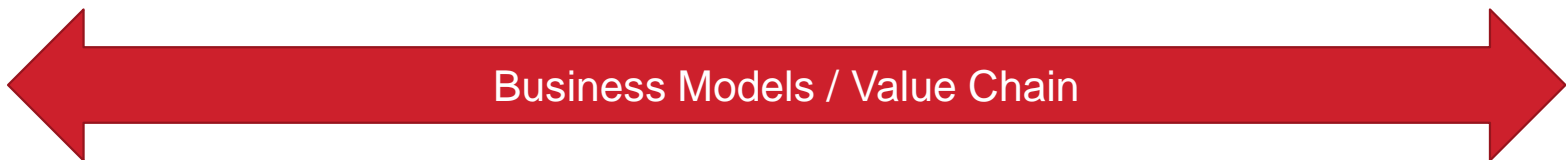
- Stabilisation
- Extraction
- Separation
- Concentration
- Drying

Secondary processing Product formulation

- Functional Ingredients
- Nutraceuticals
- Cosmeceuticals
- Food & Beverages

Distribution & Marketing

- On-line
- Super markets
- Health food stores
- Cosmetics



Ingredient Opportunities



- **Avena Sativa (oats)** – anti-inflammatory, stress relief
- **Avocado** (*Persea americana*)
 - Oil – effects against osteoarthritis
 - Pulp and seed – hypertension, anti-inflam, diabetes
- **Fish Oil** – Omega 3 fatty acids EPA and DHA
- **Apples/Pears** – antioxidant and vitamin C qualities
- **Brassica** – broccoli, carrots, cauliflower – large body of scientific evidence around impacts on cancer, brain health, heart, gut function, diabetes



Thank you

Celebrate Life Every Day