

PURA[®] MILK

THE MARKET

The Australian milk market is worth \$2 billion a year. The dairy industry ranks third in Australia, behind only the wheat and beef industries. National Foods Limited leads both the fresh white milk market and the fresh flavoured milk market with 23.6 per cent and 49.7 per cent value shares respectively.

There are four major segments in the Australian milk market, based on butterfat content. "Creamy" refers to milks with more than 4.2 per cent fat, "milk" or "full fat" milk has a minimum requirement of 3.2 per cent fat. "Reduced fat" milk has less than 1.5 per cent fat and "no/low fat" has less than 0.15 per cent fat.

The average Australian drinks 100 litres of milk per annum, with 60 per cent of this being whole milk. Consumption trends vary greatly between states, with South Australians consuming the most per capita. It is interesting to note that Queenslanders consume the most whole milk per capita (69.06 litres), Tasmanians drink the most reduced fat milks (24.17 litres) and South Australians drink the most low fat milks and flavoured milks (16.97 litres and 22.2 litres respectively).



ACHIEVEMENTS

The Pura range commands 33.8 per cent volume share of total fresh white milk and dominates the whole milk segment, holding 21.6 per cent volume share. Pura is the sixth highest performing grocery brand in Australia (AC Nielsen 2001), making it the second largest food brand behind Coca-Cola.

National Foods is the number one branded milk player in grocery with 22.6 per

cent volume share of fresh white milk. Pura Light Start is Australia's biggest-selling reduced fat milk. Pura Tone is the nation's fastest growing No Fat milk. Pura Tone is also the only brand of fresh white milk to be recommended by Weight Watchers.

Leading the industry with innovation, National Foods launched PET recyclable milk bottles onto the Australian market in December 1999. The 1.1 litre recyclable bottle provides the benefit of pack clarity without the food safety issues of glass. Today, Pura milk, Pura Tone, Pura Light Start and Pura Gold are sold in this pack.

National Foods owns some of Australia's favourite flavoured milk brands. Big M was launched in January 1977, and the brand became a Victorian icon with 60.8 per cent market share. Big M is now the largest flavoured milk brand on the east coast with 45 per cent volume share.

NATIONAL FOODS

Masters flavoured milk is made by the Masters Dairy in Western Australia and is the market leading brand in the west. Masters has recently successfully launched Masters Light, a 99 per cent fat free fresh flavoured milk.

South Australia's Farmer's Union Iced Coffee is the biggest selling flavoured milk in the nation. The brand proudly holds over 60 per cent of the South Australian market. In a recent survey of convenience store sales, Farmers Union Iced Coffee 600ml outsold its nearest competitor Coca-Cola 600ml three to one (Australian C-Track). Farmers Union is now available in most states.

HISTORY

The Pura brand was established in 1934 when German farmer Albert Siebel purchased a dairy in Preston, Victoria and named it the Pura Dairy. From a one-cart dairy delivering to only a few streets, Pura grew to become the best known milk brand in Victoria. By 1964, Pura Dairy supplied 32 per cent of Melbourne's milk.

In 1991, the Pura Dairy combined with other food related companies to form National Foods. In the same year, National Foods was listed on the Australian Stock Exchange and acquired Allowrie Farmers Group, including Farmers Union. The company also gained market leadership in milk sales in Western Australia with the acquisition of the Masters Dairy.



Today, National Foods is Australia's largest and only national fresh milk processor, with an annual turnover in excess of \$1 billion. It is listed on the Australian Stock Exchange and has production facilities and sales offices in every state.

THE PRODUCT

Pura offers the most extensive range of exciting, contemporary and nutritious milk products to meet all family needs.

With its combination of natural vitamins, minerals and calcium, and containing less than 4 per cent fat, Pura milk provides nourishment for the whole family.

With only 1 per cent fat and 99 per cent taste, Pura Light Start provides healthy nourishment without compromising on taste. Pura Light Start contains over 25 per cent more calcium than full cream milk and tastes great. It has the endorsement of the Heart Foundation.

Pura Tone is the only milk that combines no fat with great taste. Pura Tone is 40 per cent higher in both protein and calcium than regular milk, and offers the added benefit of "no cholesterol" while delivering a delicious creamy taste. It also has the Heart Foundation tick on every pack, and is the only brand of fresh white milk to be recommended by Weight Watchers.

Pura Gold is the extra creamy milk that tastes deliciously rich from the first drop to the last. Pura Gold offers creamy milk taste and is great for creamy coffee and baking.

Pura Café makes a good coffee great. It is the milk developed exclusively to meet the specific and unique needs of discerning coffee lovers.

Pura Classic is rich premium flavoured milk for those looking for intense creamy flavours. There has been a huge trend toward low fat products in recent times. To meet this demand, Pura Classic Lite, which is 99 per cent fat free, was launched in September 2000.

The National Foods stable of superbrands also includes Big M, Farmers Union and Masters flavoured milks. Big M is one of the dairy industry's most successful flavoured milk brands and has been an icon in Victoria. Now, people in New South Wales and Queensland can also enjoy its great taste.

Farmers Union Iced Coffee is Australia's largest selling flavoured milk. In SA it has a massive 60.8 per cent market share and consumption of over 14 litres per head per annum. First launched in 1977,



MMM, THAT BIG M FEELING.

Farmers Union Iced Coffee has reached icon status in SA with many consumers having the product sent interstate when they move. It has become a part of South Australians' working life with many people consuming four 600 ml cartons per day.

National Foods also offers the Masters range of flavoured milk including Masters Light, the only 99 per cent fat free fresh flavoured milk in WA.

RECENT DEVELOPMENTS

After nearly 12 months of searching for a suitable philanthropic partner, National Foods provided more than \$1 million dollars to "Big Brothers Big Sisters" in December 1999. This is a mentor program that carefully screens and trains adults to mentor children between 7 and 17 years who may be abused, isolated or vulnerable to addiction or crime, or experiencing difficulties at school.

In September 2000, National Foods purchased the Big M brand from the Victorian Dairy Industry

Association. A new television commercial featuring the "mmm ka chukka" chant and the popular song "Hooked on a Feeling" has recently been launched. The brand has also been given a face-lift with bright, bold and modern new packaging.

In Western Australia, the Masters Light Iced Coffee and Masters Light Choc line extension captured a 10.4 per cent volume share of the fresh flavoured milk market in grocery, reflecting consumers' preference for a choice of low fat products.

PROMOTION

National Foods invests in a broad range of advertising media to support the brands and build brand values. Above the line media has seen contemporary television campaigns developed for Pura Light Start, Pura Tone, Big M, Farmers Union Iced Coffee, Classic and Masters.

Major sponsorships include cricket's Pura Cup, the Newcastle Knights in Rugby League, Mt Buller Ski School, St Kilda Football Club and a strong relationship with NBL's Adelaide 36ers. National Foods supports major sporting events such as the Australian Grand Prix, the Australian Tennis Open and the Gold Coast Indy race. The company also sponsors activities like the Big M Beach Concerts.

In 1993, Kieren Perkins signed a long-term sponsorship agreement with National Foods to endorse Pura Light Start. This successful union has led to the brand affectionately becoming known as "Kieren's milk".

Store level support is a major focus, with on-pack promotions and point of sale displays. Pura store signage and point of sale material is seen across the nation in many milk bars, convenience stores and grocery outlets.

BRAND VALUES

Pura milks are founded on the core principles of freshness and quality. This is summed up clearly with "Pure Fresh Pura". Strong family values of wholesome nourishment, trustworthiness and well being are reflected in the brands.

THINGS YOU DIDN'T KNOW ABOUT PURA

- Pura is Australia's only national milk brand.
- National Foods has one third of the total Australian milk market and over half of the Australian flavoured milk market. One in three Australians consumes a National Foods product each day.
- Approximately every third bottle or carton of milk sold in Australia is Pura.
- Pura Light Start is Australia's leading reduced fat milk brand.

