



Oxford Farming Conference 2015

Paul Vernon, CEO,
Glanbia Cheese



Produced & Processed in the UK, Consumed Globally



- Our Credentials
- The Global Supply Chain
- The UK's role in the Global Supply Chain
- Challenges & Opportunities



GLANBIA plc

- Over €3 billion global nutritional and ingredients group
- Ireland's leading dairy co. with 7 of the top 100 consumer food brands
- Global leader in value-added dairy ingredients and micro-nutrient premixes
- Exporting to 130 markets**



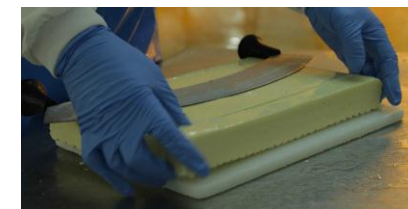
LEPRINO FOODS

- Over \$4 billion global cheese and dairy ingredient company with **exports to over 48 countries**
- World's largest mozzarella and lactose producer
- Leader in food technology with over 50 production patents
- Exclusive supplier of mozzarella to the top 3 pizza chains in the US.



GLANBIA CHEESE

- A winning combination that draws on each partner's strengths
- Leading supplier of Mozzarella in Europe
- Facilities in Wales & Northern Ireland **exporting to 50 countries**
- Providing Global Supply Solutions to Global Customers



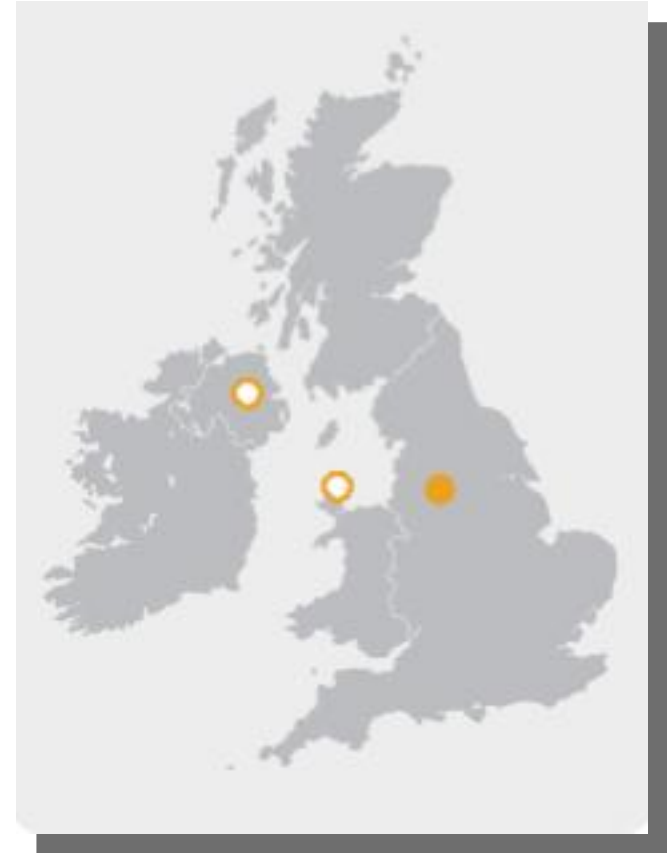
Vision:

“To be Europe’s best mozzarella manufacturer.”

Mission:

“We make every customer feel like our *only* customer, through Quality, Service, Competitive Price, and Ethics.”

- The No.1 mozzarella manufacturer in Europe
- The No 2 cheese manufacturer in the British Isles
- Producing 75k tonnes of cheese and growing
- Processing 20% of NI milk
- Processing 20% of Welsh milk
- Exporting to 50 countries



1/3 of UK Cheese exports

- Growing milk supply
- Scale Plants
- Ongoing investment in capital and people assets
- Patented and proprietary technology
- Investment in consumer insights



GLANBIA CHEESE INNOVATION KITCHEN™



Innovation Studio Mission:
To be a critical ingredient in our customers' growth

A commercial-driven, dedicated team of cross-functional experts that partner with customers for growth.

- New product & menu development
- Concept commercialisation
- Co-creation
- Culinary innovation
- Consumer insights
- Product sensory & qualification

Our Innovation Process



- Leading Mozzarella supplier in Europe
- c40 % of the UK mozzarella market
- c15% of the European mozzarella market and growing outside Europe

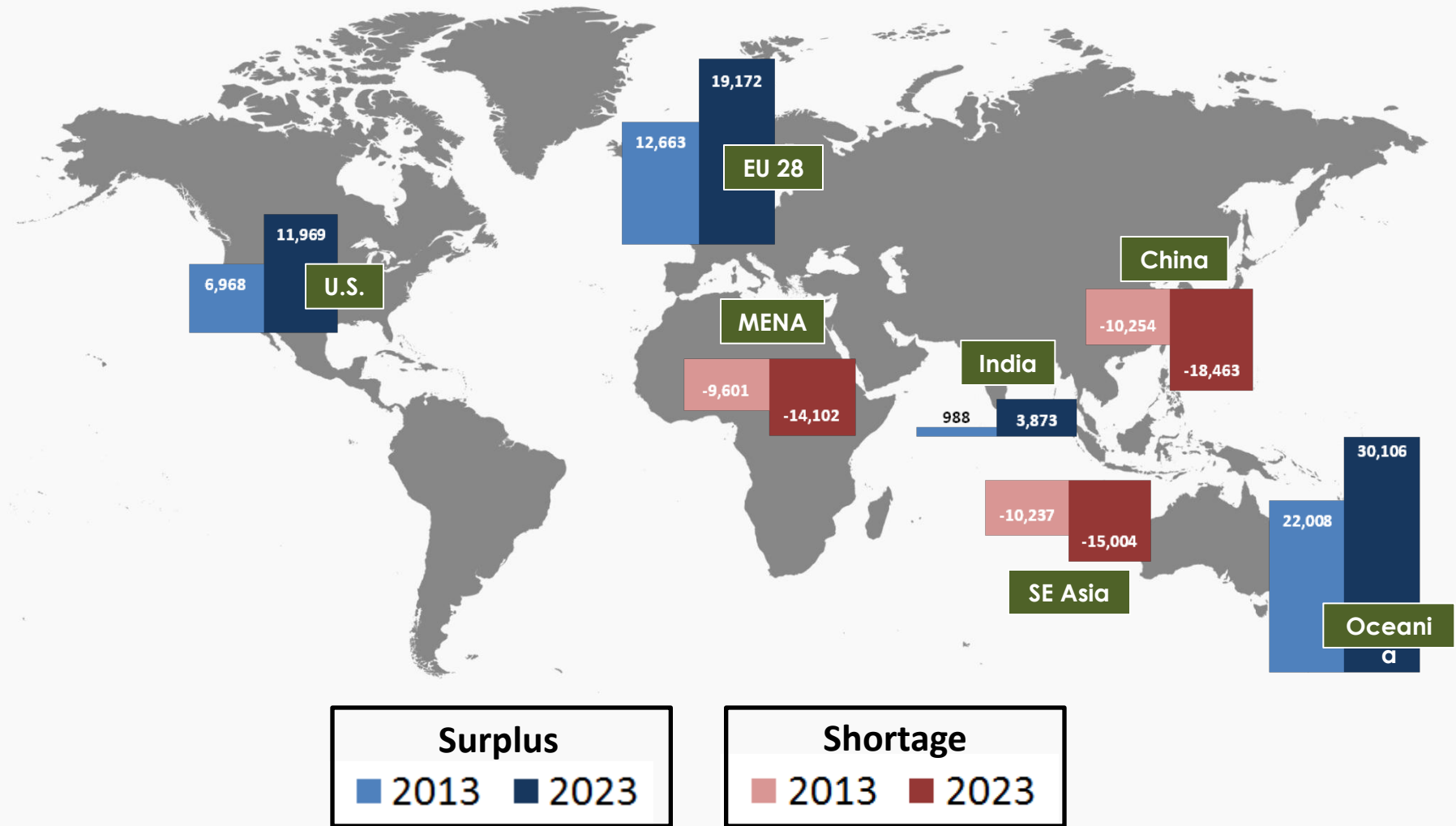


THE GLOBAL SUPPLY CHAIN

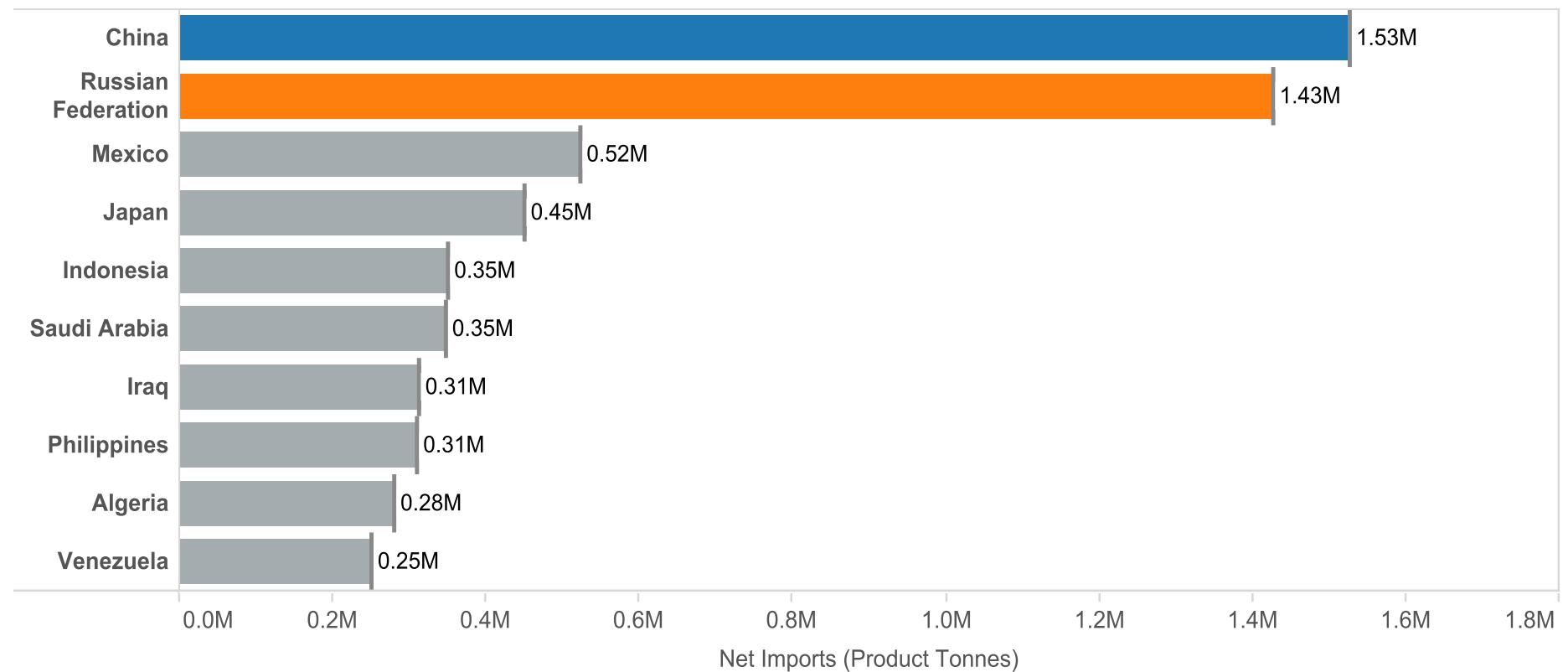
Technology is driving the Global Supply Chain



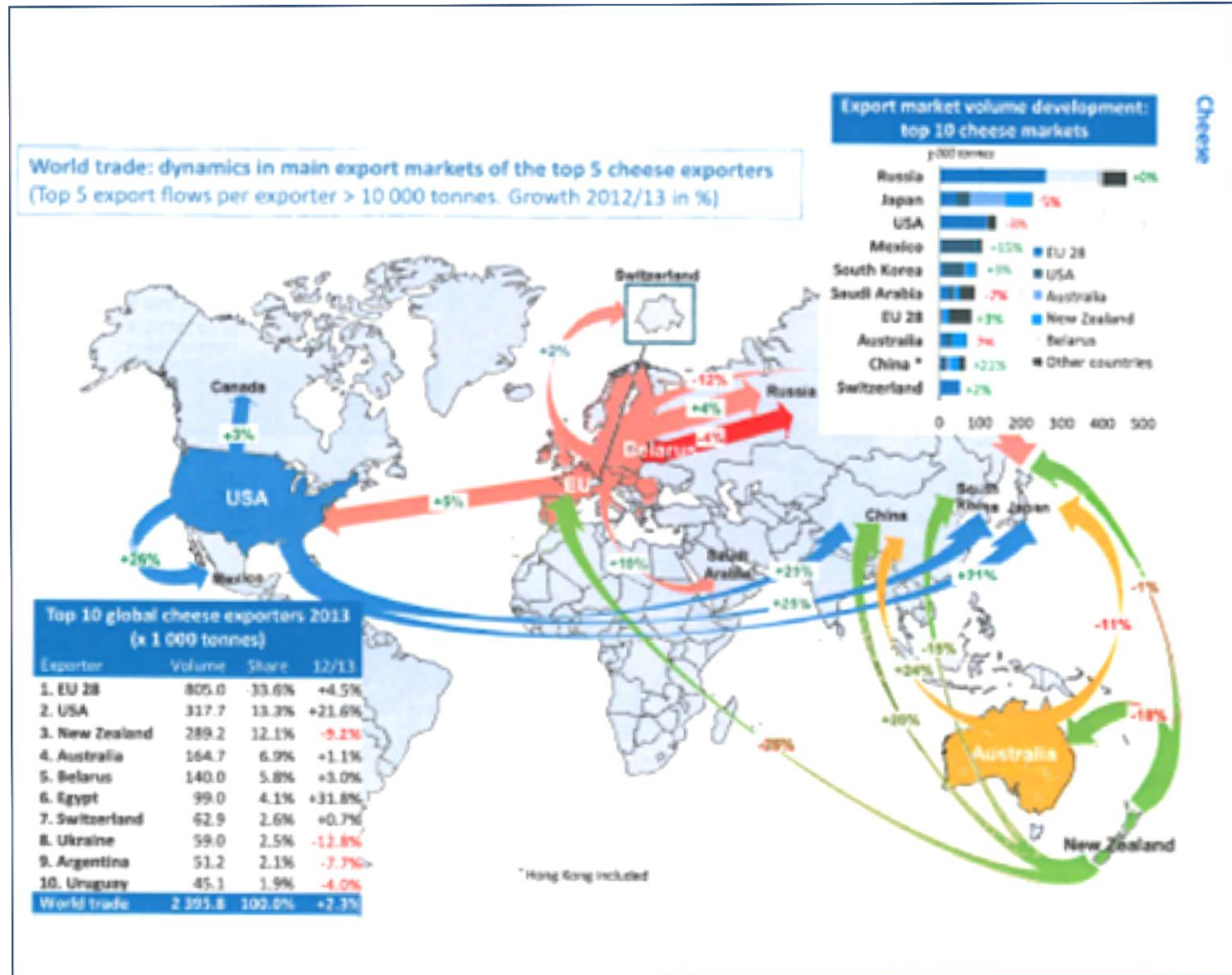
The Key exports regions will continue to supply those in deficit



World Dairy Trade - dominated by 2 key importers China and Russia

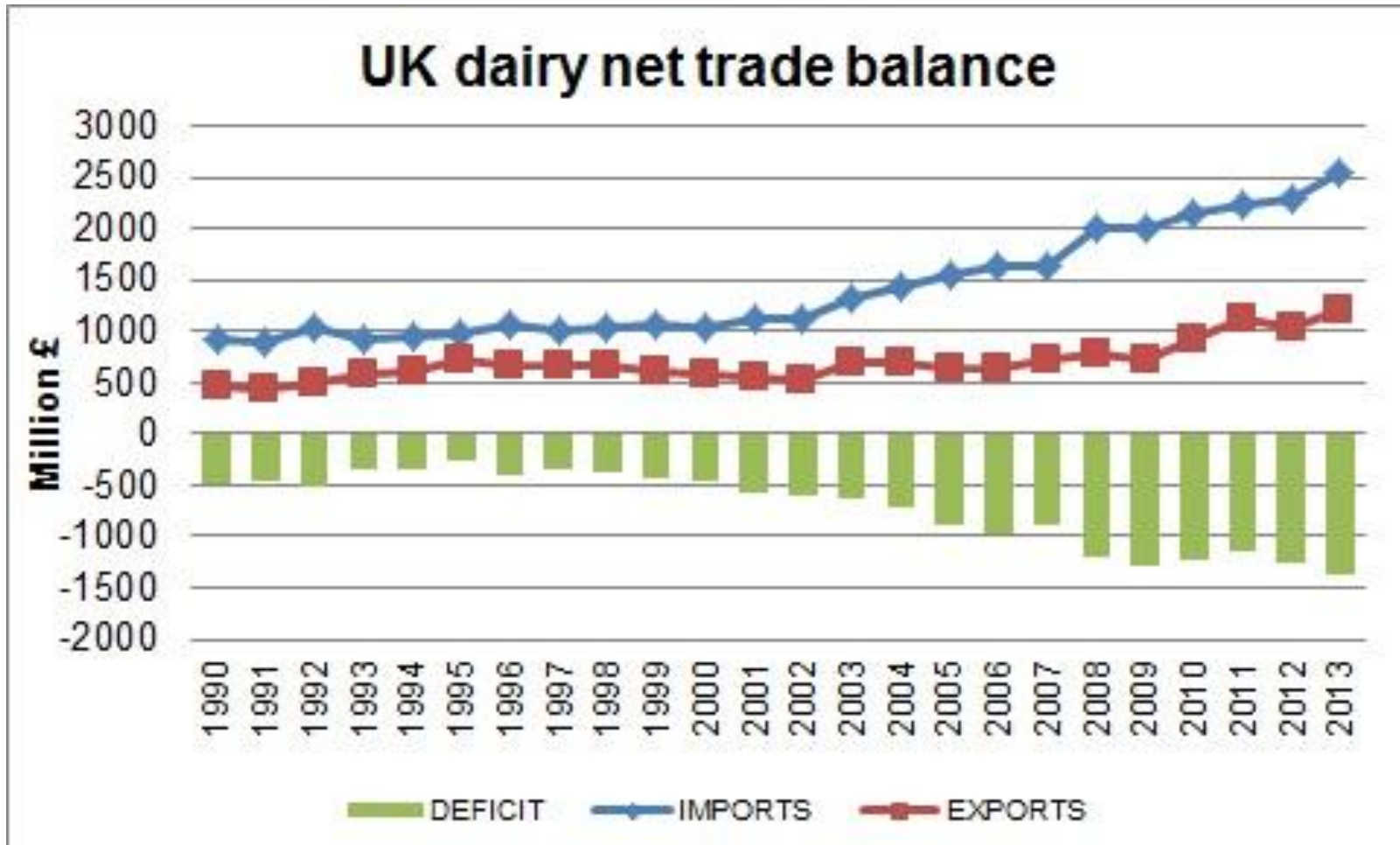


Global Cheese Trade



THE UK's Role in the Global Supply Chain

The UK is losing out in the Global Supply Chain



How does UK milk end use compare?

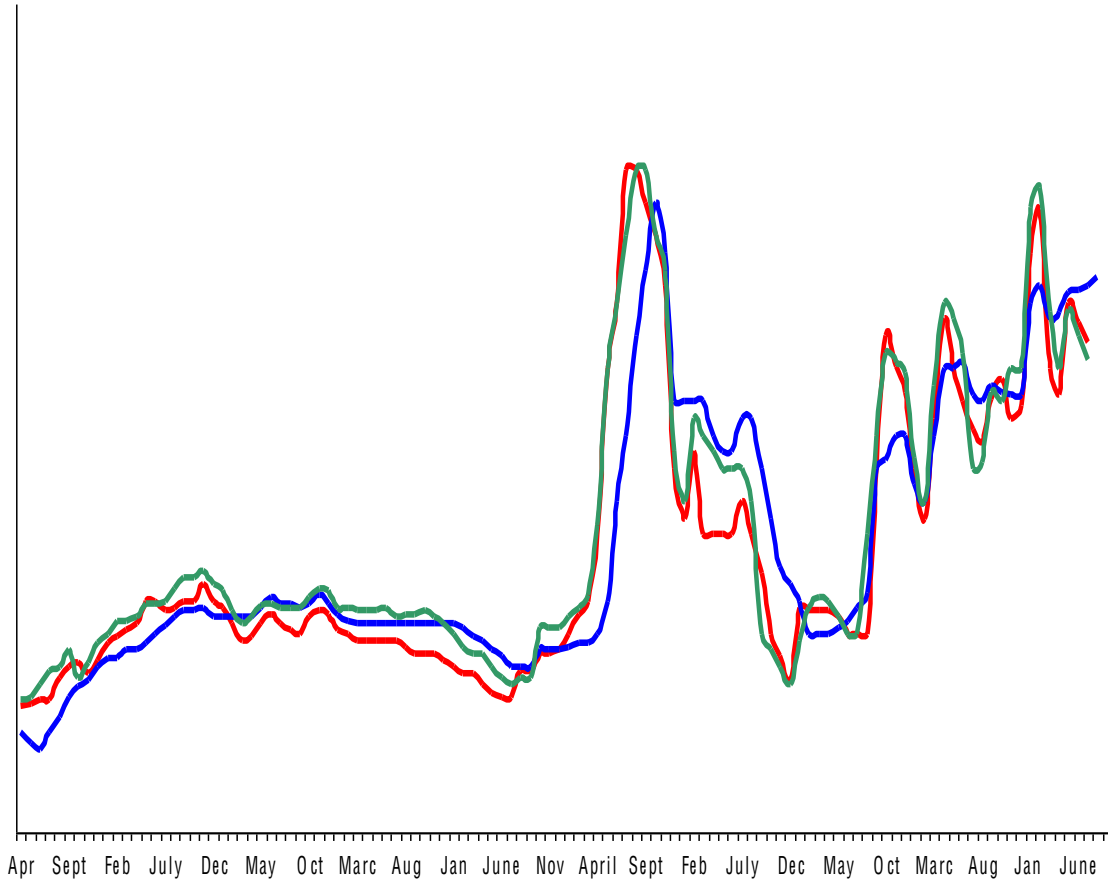
SOURCE: International Dairy Federation

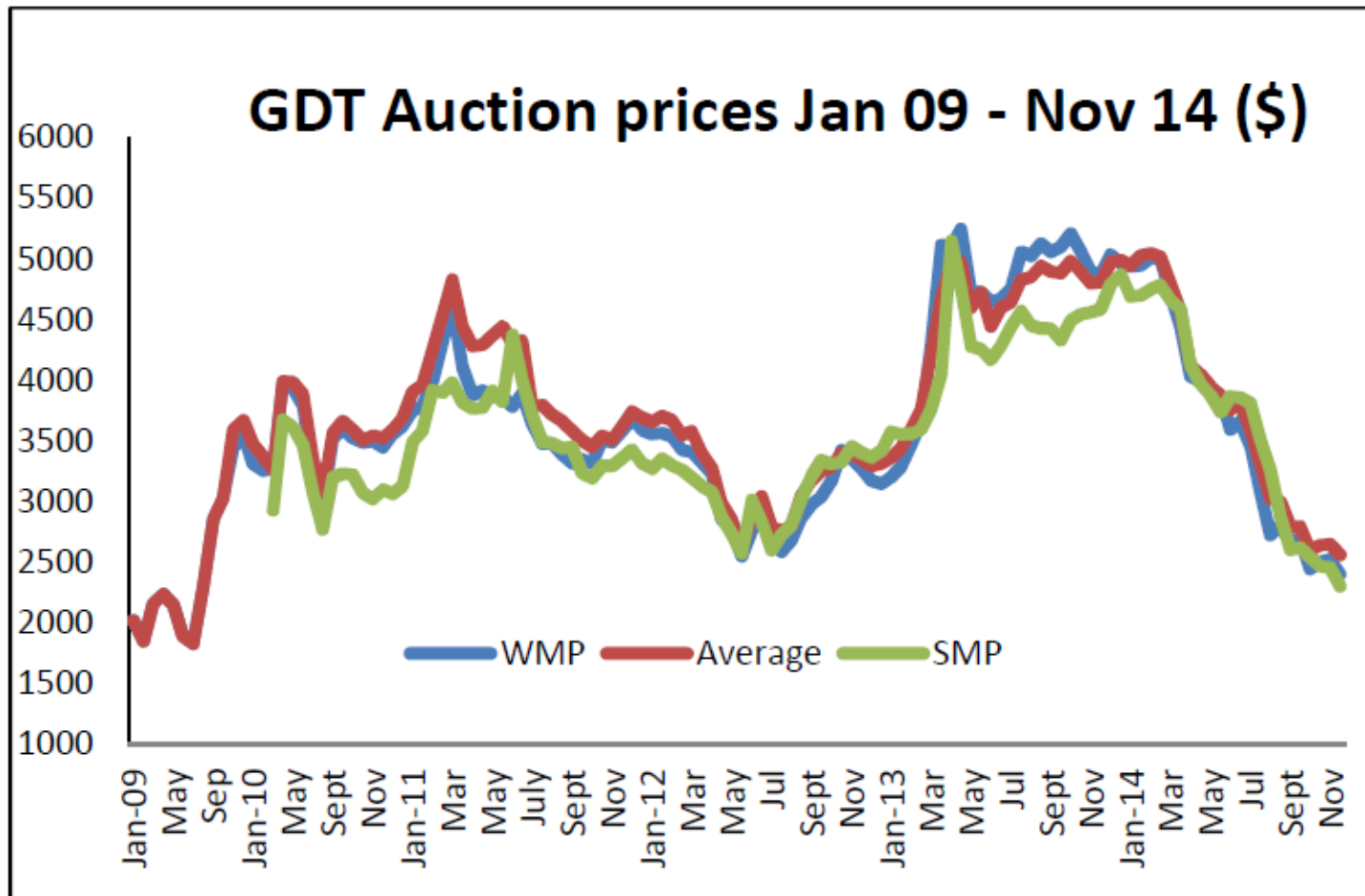
	UK	EU	USA	INDIA	AUST- RALIA	NZ
Liquid milk	57	21	27	78	25	2
Fermented Products	3	6	2	n/a	n/a	n/a
Cheese	29	57	56	1	34	16
Butter	3	3	2	5	3	7
WMP	3	4	...	7	11	53
SMP	6	8	12	9	27	22
	100	100	100	100	100	100

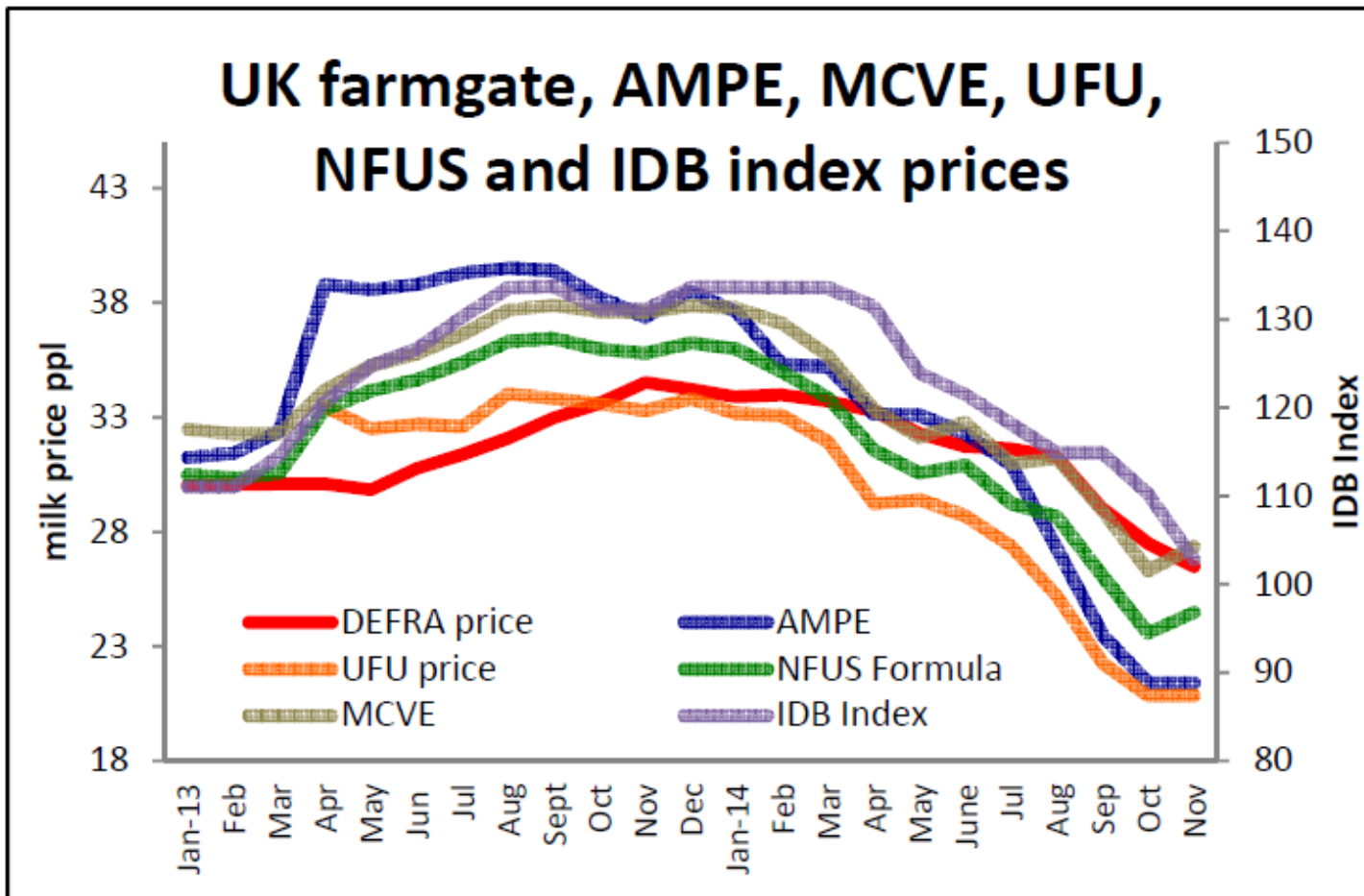
% utilisation of total whole milk, cream and skim for the products listed for each country

Challenges & Opportunities in the Global Supply Chain

Roller Coaster Global Dairy Markets







- Demand for Dairy will continue to grow worldwide
- Milk supply in both EU and worldwide will continue to grow
- World pricing will be driven by demand verses supply balance and will exhibit **ongoing volatility**
- USA / NZ / EU / GB / milk price will be driven by the Global Supply Chain
- Sustainability of supply aligned with cost competitiveness will see milk production migrate to the more efficient producers and regions
- Tools to manage volatility for the entire supply chain need to (will) emerge

- Dairy markets are currently over supplied
- Product prices and milk prices will remain depressed until this imbalance is corrected
- Producers and Processors face a tough start to 2015
- Pricing will recover – the key unknown is when ?
- The Global Supply Chain will drive price's in the UK
- So what do we do ?

Think Global, Act Local.

NINJA MEAL DEAL
ONLY
£18.99
 Add a 2nd large pizza for only **£5**

1 large* Ninja-approved pizza, 1 garlic bread, 1 classic or premium side & 1 bottle of drink.

NINJA

SUPER SIX
CHOOSE ANY OF OUR SUPER SIX PIZZAS * MINIMUM PAN OR ITALIAN
£6 EACH
 COLLECTION OR DELIVERY

PEPPERONI PIZZA • MARGHERITA
 VEGO SUPREME • MARIQUETTA
 ADD MORE... • 4-Cheese

A NEW BIG Surprise for the pizza choice !

BIG BOX
www.pizzahut.com.hk

BIG BOX \$250
 (For 3-4 persons)

Honey Mustard Sauce & BBQ Sauce are included in BIG BOX. Combo Upgrade is not applicable to BIG BOX

Choice of 1 Regular Pizza

New!

Prawn Deluxe

New!

Feta Chicken

Crayfish Delight Pizza

Seafood Supreme

3 Snacks

- + 1 Garlic Bread
- + 1 Potato Waffle
- + 1 Original or Spicy Chicken Wing

Choice of 1 Pasta/Rice

Prawn Fettuccine with or Lobster Sauce
 Spanish Seafood Fried Rice

Pizza Hut
Endless
LUNCH BUFFET

PIZZA • PASTA • SALAD • DESSERT

Just \$5 PER PERSON

PAN 4 ALL

ENJOY 4 PERSONAL PAN PIZZAS IN ONE BOX™

<p>▣ Veg I: 249</p> <p>Tangy Tomato Cheese, Tomato</p> <p>Crispy Onion Cheese, Onion</p> <p>Crunchy Capsicum Cheese, Capsicum</p> <p>Juicy Corn Cheese, Corn</p>	<p>▣ Veg II: 299</p> <p>Veggie Delight (Tomato, Corn)</p> <p>Paneer Tikka Masala (Paneer, Capsicum)</p> <p>Veggie Surprise (Capsicum, Tomato)</p> <p>Veggie Blast (Mushroom, Onion)</p>	<p>▣ Non Veg: 399</p> <p>Masala Chicken (Chicken Hot 'n' Spicy, Capsicum)</p> <p>Tangy Chicken (Chicken Hot 'n' Spicy, Tomato)</p> <p>Chicken Lovers (Chicken Plain, Corn)</p> <p>Spicy Chicken (Cheese 'n' Onion Chicken Sausage, Onion, Green Chillies)</p>
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Collage of various dishes including:

- 28: Beef in So-Cha Sauce with Rice
- 28: Green Rice Burgers with Cheese and Bacon
- 32: Beef in So-Cha Sauce with Rice
- 32: Green Rice Burgers with Cheese and Bacon

Our Global Supply Chain





Thank You