



**UNITY IS
STRENGTH.**

Who is NATIONAL FOODS?

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- 1991 NF formed and listed on the Stock Exchange.
- 2001 The Australian milk industry is deregulated. National Foods (NF) emerges as the market leader.
NF acquires King Island Dairy Company.
A new Vitasoy plant opens in Wodonga (Vic).
- 03/04 NF acquires an ambient dairy beverage plant in Cobden (Vic).
- 04/05 San Miguel Corporation acquires NF.
NF merges with Berri (a subsidiary of San Miguel) combining Berri, Just Juice, Daily Juice, Australian Fresh and more.
- 2006 NF acquires Lactos Pty Ltd
- 2007 Kirin Holdings Company Limited buys NF from San Miguel Corporation.
- 2008 NF acquires Dairy Farmers Milk Co-op and Hillwood Cheese.
- 2009 Kirin Holdings acquires 100% of Lion Nathan and merges it with NF.
- 10/11 LNNF begins to consolidate its operations.



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Who is KIRIN HOLDINGS?

- Kirin Group is a Mitsubishi company.
- Formed in 1907
- Listed on the Tokyo Stock Exchange.
- Manages group companies in alcohol, soft-drinks and foods and pharmaceuticals.
- Employs nearly 40,000 people.
- Main domestic rival is Asahi



From left to right: Kazuyasu Kato, Yoshinori Isozaki, Hirotake Kobayashi, Senji Miyake, Hajime Nakajima, Yoshiharu Furumoto, Hiroshi Ogawa



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Where we do fit in?

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KIRIN GROUP COMPANIES



Source: Kirin Holdings, 'Products and Services' accessed 8 April 2011 <www.kirinholdings.co.jp>



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Who is Lion Nathan National Foods?

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- LNNF is a wholly owned conglomerate of Kirin Holdings Company Limited.
- While Lion Nathan and Nation Foods merged, there is still an element of separation as far as the sectors they operate in.
- Lion Nathan National Foods employs approximately 8,000 people across Australia and New Zealand.
- Our Union represents more than 1000 people working for LNNF.



CEO Rob Murray



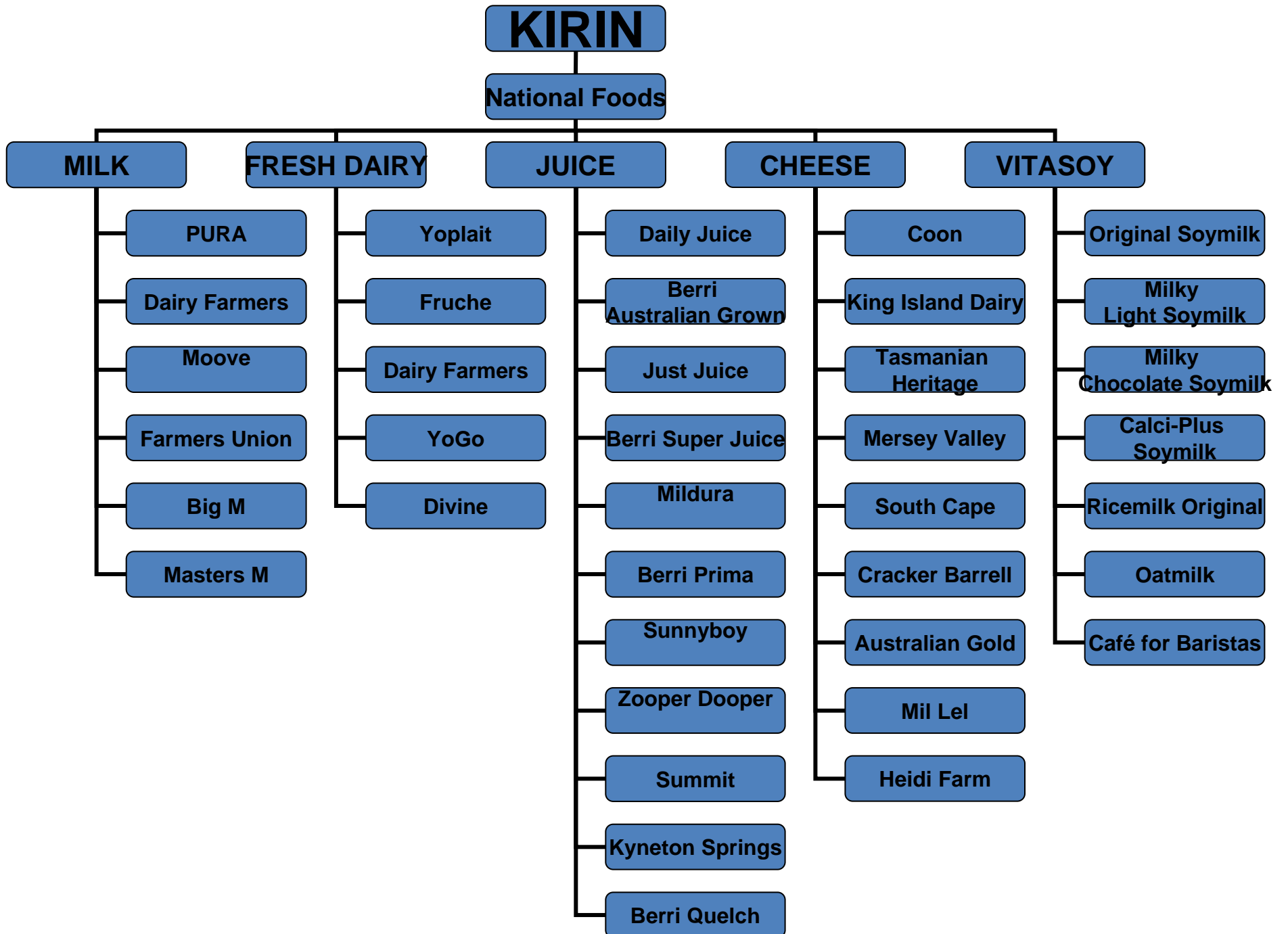
People & Culture
Bob Barbour

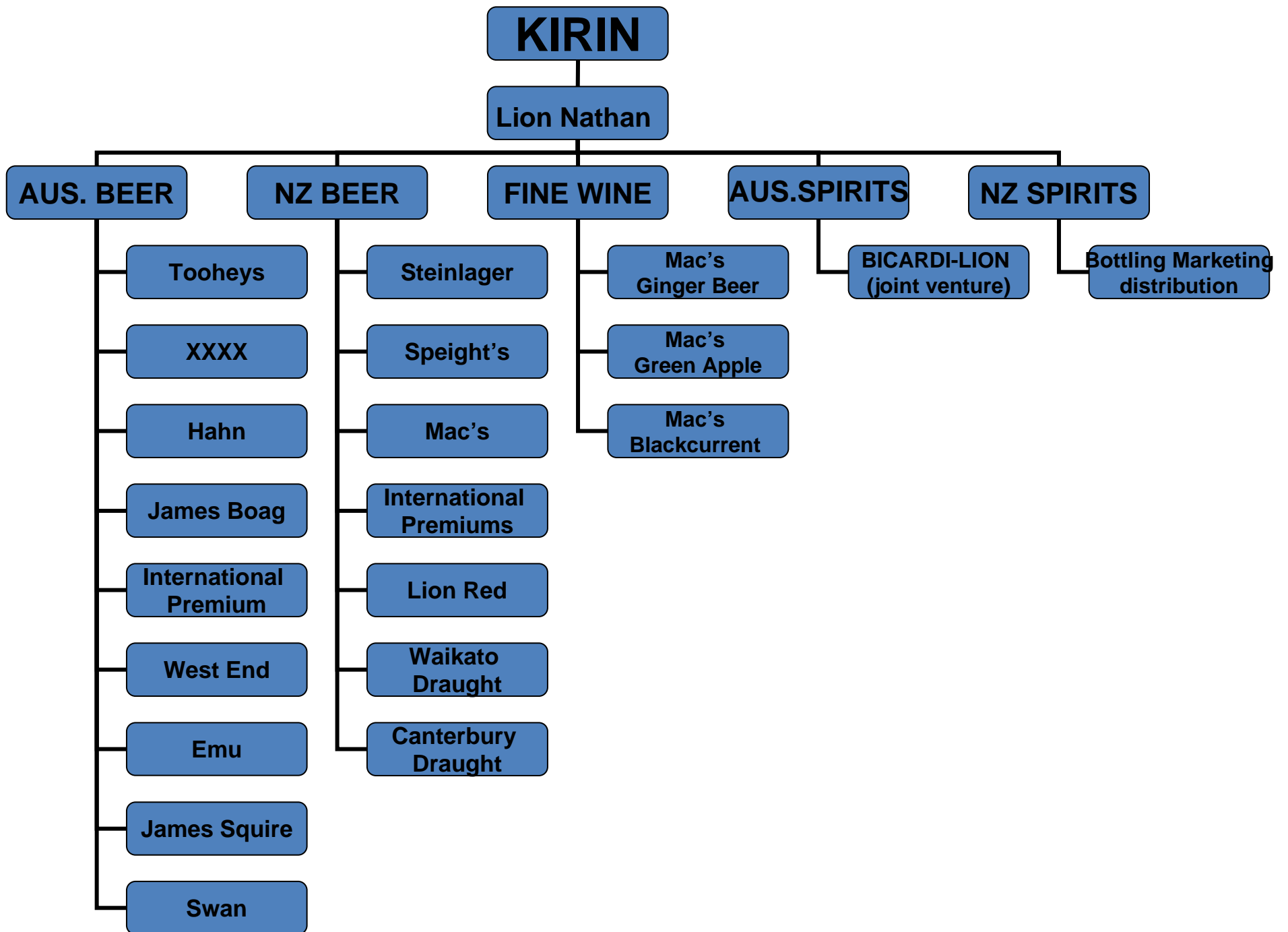


MD National Foods
Peter Kean



Duncan McKeig
General Counsel &
Company Sec.







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Where does LNNF stand in the
Food & Beverage industry?



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CHEESE MANUFACTURING (Simpson, King Meadows, King Island, Allansford, Campbellfield, Garbutt)

Major Competitors	Market Share
Murray Goulburn Co-op	34.20
LNNF	27.20
Bega Cheese Limited	23.00
Fonterra Co-op	7.00



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MILK AND CREAM PROCESSING (Chelsea, Vitasoy, Bayswater, Garbutt)

Major Competitors	Market Share
LNNF	46.10
Fonterra Co-op	17.50
Parmalat Australia Ltd	17.20
Murray Goulburn Co-op	5.50

Source: IBISWorld, 'Lion Nathan National Foods', 31 December 2009



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BUTTER AND OTHER DAIRY PRODUCT MANUFACTURING (Morwell, Garbutt)

Major Competitors	Market Share
Murray Goulburn Co-op	45.30
Fonterra Co-op	35.30
LNNF	5.20
Warrnambool Cheese & Butter Factory	5.00

Source: IBISWorld, 'Lion Nathan National Foods', 31 December 2009



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DAIRY PRODUCE WHOLESALING

Major Competitors	Market Share
LNNF	20.30
Murray Goulburn Co-op	14.60
Fonterra Co-op	10.00
Parmalat Australia Ltd	5.40



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FRUIT JUICE DRINK MANUFACTURING (Berri)

Major Competitors	Market Share
LNNF	36.90
Heinz Wattie's Pty Ltd	26.00

LNNF also operates in the fruit & veg processing sector and the Confectionary and Soft Drink Wholesaling sector but is not a major player in either.



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2010 FINANCIAL YEAR RESULTS

- Tough market conditions in 2nd half of 2010
- Lion Nathan contributed 85% (\$597.7m) of LNNF profit while National Foods contributed 15% (\$99.9m).
- Conditions in the retail and consumer goods sector continue to be a challenge specifically in the dairy and juice areas
- Lion Nathan did solidly and while Nation Foods improved on last years results, it is still returning profit margins below 5%.
- There are pressures on the dairy and juice sectors in the form of heavy discounting (milk price wars) and natural disasters.



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What does the future hold?



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- In December 2010, Kirin Holdings wiped \$500 million off the value of National Foods-Dairy Farmers brands and goodwill.
- A recent review of its cheese manufacturing operations resulted in National Foods ceasing cheese manufacturing in Victoria and South Australia.
- The company has decided to consolidate its cheese manufacturing sites to Burnie, Tasmania where it will inject \$120 million into expanding the existing facility.
- The National Foods arm of LNNF will continue to, “optimise manufacturing operations and reduce duplication in the network.”
- The company’s focus will be on investment around ‘power brands’.
- By 2015, Kirin intends to generate 30% of its sales in the Asia and Oceania regions.
- The ‘health and functional foods’ sector will be Kirin Groups 4th business in addition to alcohol beverages, soft drinks and pharmaceuticals.