



MEDIA RELEASE

March 18, 2019

Better prices, more export opportunities for Westland Farmers from Yili offer

AUCKLAND – Dairy farmers in the Westland Co-operative Dairy Company Limited will benefit from a competitive milk payout and greater export opportunities under a purchase offer made to the company by the Yili Group – one of the world’s leading dairy producers.

Westland and Yili today signed a conditional agreement that will see Inner Mongolia Yili Industrial Group Co Ltd offer to buy 100 per cent the shares of the company’s existing shareholders and take over operation of Westland, following a lengthy competitive process run by Westland.

The Chief Executive Officer of the Yili Group, Mr Jianqiu Zhang, said the offer, if accepted by shareholders, would result in an immediate cash windfall to farmer shareholders, as well as a competitive milk payout.

Westland and Yili would also be able to share the expertise each entity has developed over many years in the industry, which will lead to increased innovation, Mr Zhang said.

“The Yili Group sees our offer to Westland farmer shareholders as very much a partnership arrangement,” he said.

“We believe we are offering farmer shareholders a stronger financial future, and greater access to international markets. In return, we are asking to become the custodians of one of New Zealand’s most trusted brands – Westland Milk – with all the knowledge, history and expertise that comes along with that.”

Mr Zhang said Yili had already demonstrated its commitment to local dairy farmers and its determination to be a good corporate partner with New Zealand dairy farmers.

“At our Oceania processing plant at Glenavy, we have increased the average price to local dairy farmers because we believe that supporting our farmers and their families is the best way to achieve our business goals.

“This proven track record is what Westland farmer shareholders and suppliers can expect from us if they accept our offer.

“Yili believes it has made the best offer to farmer shareholders, and has backed that up by offering a very competitive milk payout.

“We are very hopeful that the farmer shareholders will support our offer, and that we can work together for a strong and secure future for Westland Milk.”

[ENDS]

Media contact: Mark Unsworth, Saunders Unsworth, +64 21 359 258



About Yili

Inner Mongolia Yili Industrial Group Co., Ltd (Yili) is Asia's largest dairy producer with the widest range of product lines, and one of the largest globally according to the Rabobank *Global Dairy Top 20 Report 2018*.

In fiscal year 2018, Yili realized about RMB 80 billion gross revenue – an increase of 16.89 per cent from the previous year. Net profit was RMB 6.452 billion, an increase of 10.32 per cent after deducting non-net profits. This was a new high for the dairy industry in Asia.

Yili was the only dairy product sponsor of the Beijing Olympic Games and Expo 2010 Shanghai. In 2017, Yili became the Official Dairy Products Partner of the Olympic and Paralympic Winter Games Beijing 2022, which makes Yili the only dairy sponsor across the world for both Summer and Winter Olympics games.

Yili has built a resource, innovation and marketing network that reaches across the globe. With the corporate philosophy of "Yili represents the highest quality", the company aims to become the most trusted healthy food provider in the world.

More information – www.yili.com