



BESTON GLOBAL FOOD
COMPANY

ANNUAL GENERAL MEETING 2016

22nd November 2016

This presentation includes both information that is historical in character and information that consists of forward looking statements. Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. The forward looking statements are subject to risks, stakeholder engagement, uncertainties and assumptions which could cause actual results, timing, or events to differ materially from the expectations described in such forward looking statements. Those risks and uncertainties include factors and risks specific to the industry in which Beston Global Food Company operates, any applicable legal requirements, as well as matters such as general economic conditions.

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1. Chairman's Address
2. CEO Presentation
3. Resolutions
4. Closing Remarks
5. Q&A



Chairman's Address: Dr. Roger Sexton





Dr Roger Sexton
Chairman



Stephen Gerlach
Non-Executive Director



Petrina Coventry
Independent Non-Executive Director



Jim Kouts
Independent Non-Executive Director



Catherine Cooper
Independent Non-Executive Director



Ian McPhee
Independent Non-Executive Director



Sean Ebert
Chief Executive



Richard Willson
Company Secretary

FOOD SECURITY

FOOD SAFETY

Global Population Growth

- World population is expanding by a net increase of 80 million people each year.
- Of the 7.4 billion people on planet earth, an estimate of 4.4 billion or 59% live in the Asia region.

Food Demand

- The demand for food will increase by 70% between now and 2050.
- World food production will need to be more than double to feed the global population by 2050.

Food Supply

- The **footprint** available in the world for producing food is shrinking... and fast.
- Global demand for water is estimated to exceed supply by 40% over the next 20-30 years.

- All these factors are reducing the supply of food and raising its cost.
- Future food security (ie sufficient food) will be an increasingly important challenge for the world.
- 805 million people in the world are already going hungry.
- There is a \$2.3 billion pa global demand for food currently.
- The **volume** and **value** of food demand will rise dramatically over the next 20 to 30 years.



- An equally critical challenge for the world is **Food Safety**... or ensuring that the food which is supplied to populations is safe to eat.
- As the food production footprint shrinks, and demand rises, food manufacturers are making compromises.
- More disreputable producers are popping up to take advantage of the situation (as we have seen in China for example with the “melamine in milk” and “cadmium rice” scandals).
- Food Fraud is estimated to cost around USD40 billion per annum currently, and getting worse by the day.

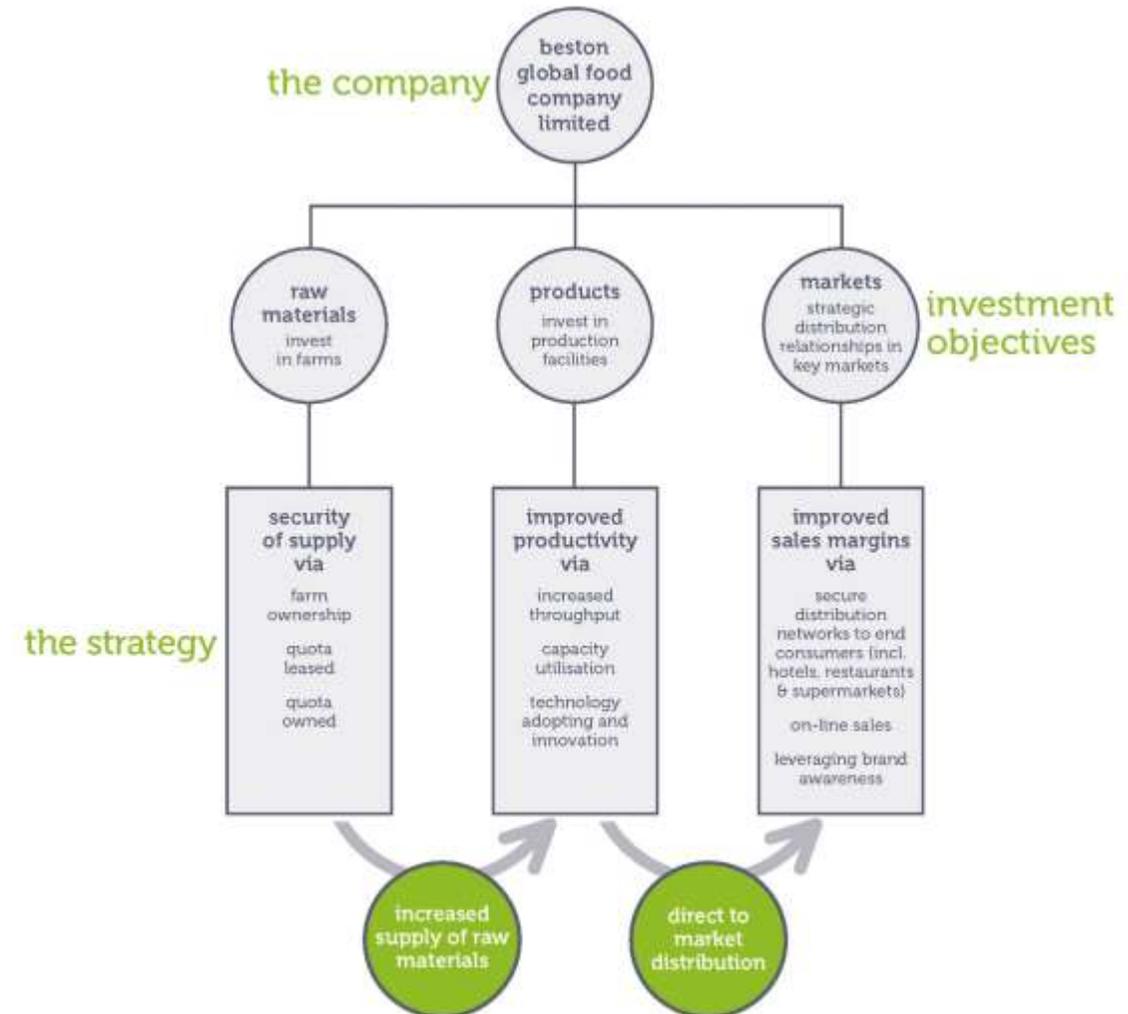


- The traditional model of agribusiness which has been practised in Australia for over 200 years, is not a model which can easily meet the emerging challenges.
- This traditional model, where food companies manufacture commoditised product and distribute through wholesalers, fails to take account of the changing imperatives in the market place, including:
 - **Concentration of buying power** which has been exacerbated over the last 10-15 years by the duopoly of Coles and Woolworths in Australia.
 - The relatively **small size** of many agribusiness companies which makes it difficult to either penetrate or compete on international markets.
 - The trend for more meal preparation to be **outsourced**.
 - The demand from health-conscious consumers to understand the **origins of the food** they want to eat, the nature of its ingredients and whether it is **safe to eat**.

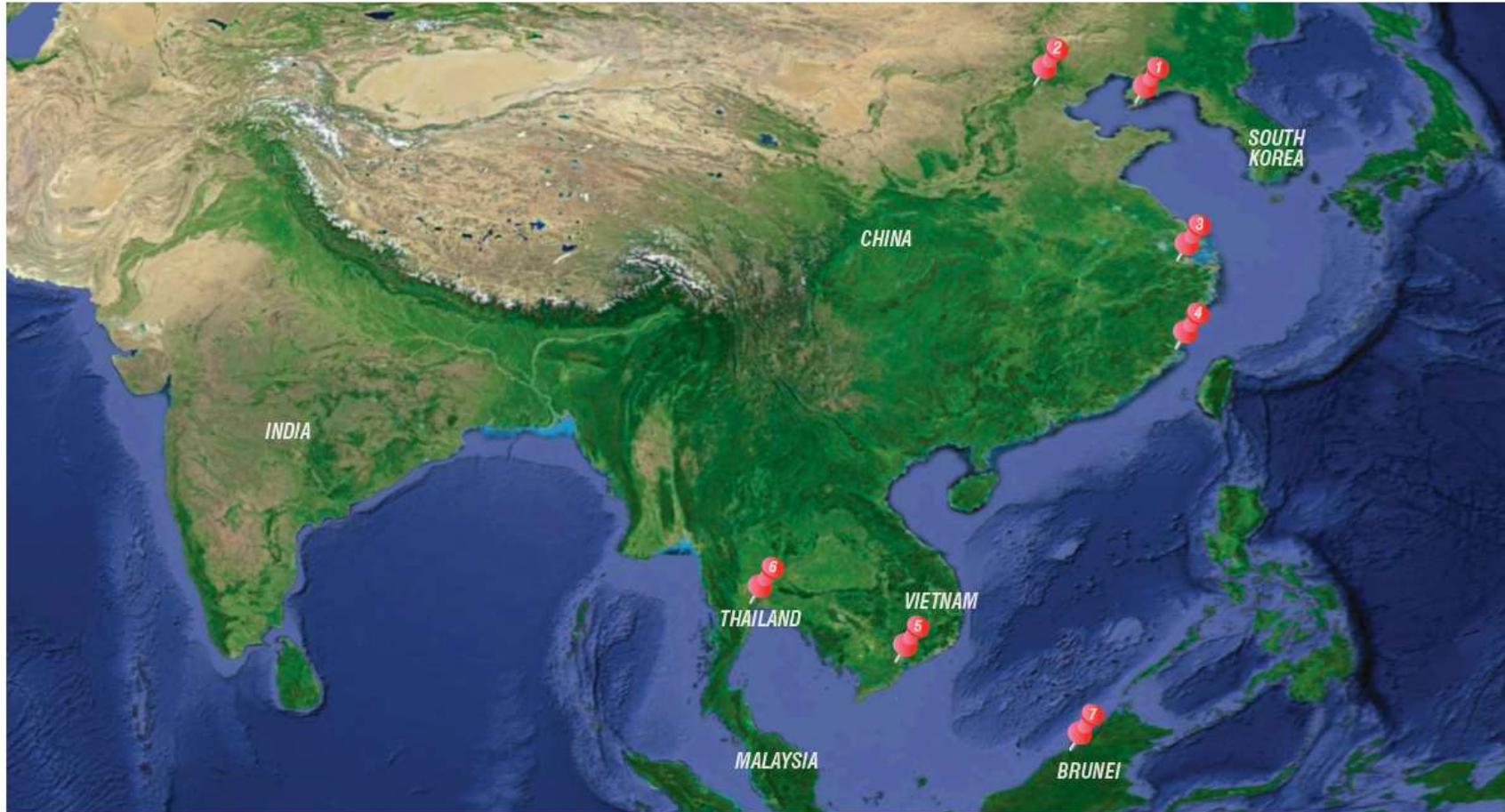
- Food companies that have been successful for the past 20 to 30 years wont necessarily be successful for the next 20 to 30 years.
- To be successful in the future, food companies need to be **innovative** and **quick on their feet** so as to design products which meet the needs of consumers for more healthy, nutritious offerings..... and need to be able to **re-make the supply chain** so that they can extract more of the **margins** from distributors and wholesalers who have traditionally been able to command a disproportionate share of these margins.

Our business model is unique we believe, at least in Australia, in having a closed loop supply chain which has:

- Our **own sources of raw materials** (via ownership of farms, fishing licences, lobster pot licences, water rights and other productive real property)
- Our **own factories** for value-adding to these raw materials and manufacture custom made food products
- Our **own marketing and distribution** outlets in key target markets in Asia.



- **Dashang**
 - BFC started the financial year with contracted sales to Dashang Group Co which is a major supermarket chain in China and a significant BFC Shareholder.
 - Sales of RMB 200 million or approx. AUD 42.0 million were committed in the contract signed with Dashang but did not eventuate, leaving a hole of some \$4.5 million in our net earnings for the year.
- **Pedra Branca**
 - Termination of the lease over the Pedra Branca farm at Mt Gambier (which reduced our revenues by approx \$1.6 million in the second half of 2015-16).
- **Regulatory Hurdles**
 - Delays in sales in China resulting from the various non-tariff barriers and regulatory hurdles which have been introduced in China following the signing of the China Australia Free Trade Agreement.



- 1 Beston Global Food Company - Dalian Office
- 2 Beston Global Food Company - Beijing
- 3 Beston Global Food Company - Shanghai
- 4 Beston Global Food Company - Fuzhou

- 5 Beston Global Food Company - Vietnam Office
- 6 Beston Global Food Company - Thailand Office
- 7 Beston Global Food Company - Brunei Office



CEO Presentation: Sean Ebert

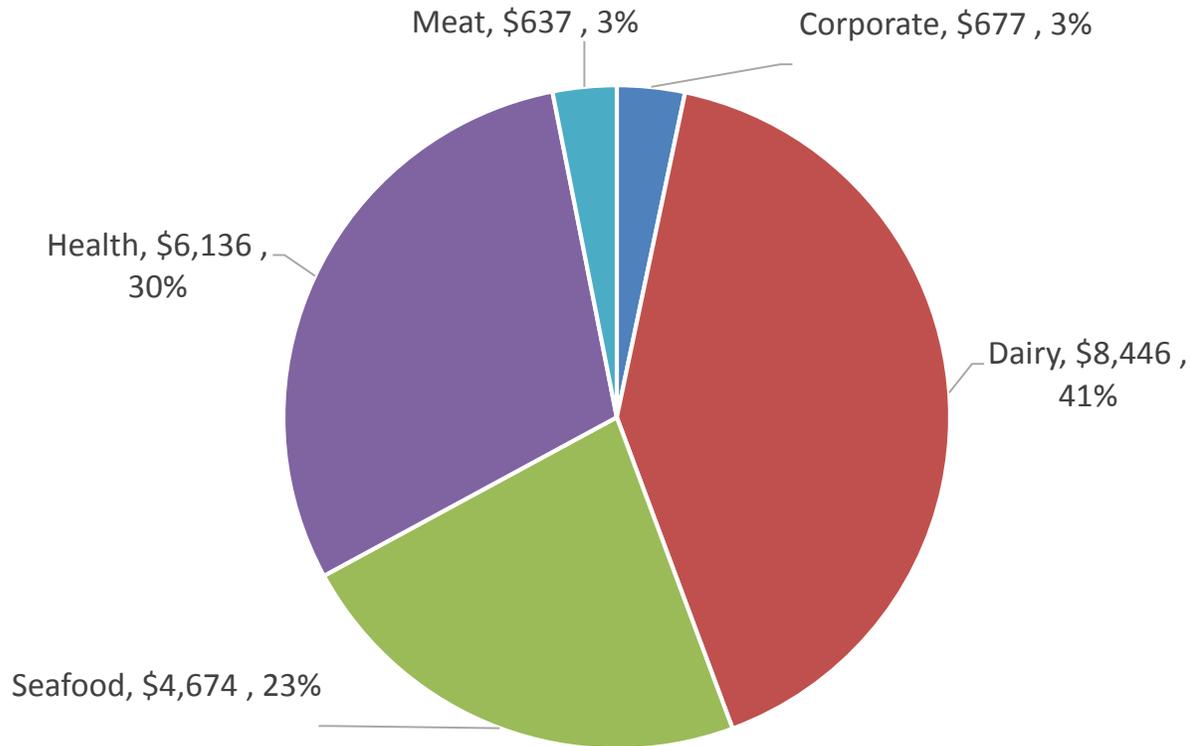


Financial Summary - P&L 2016

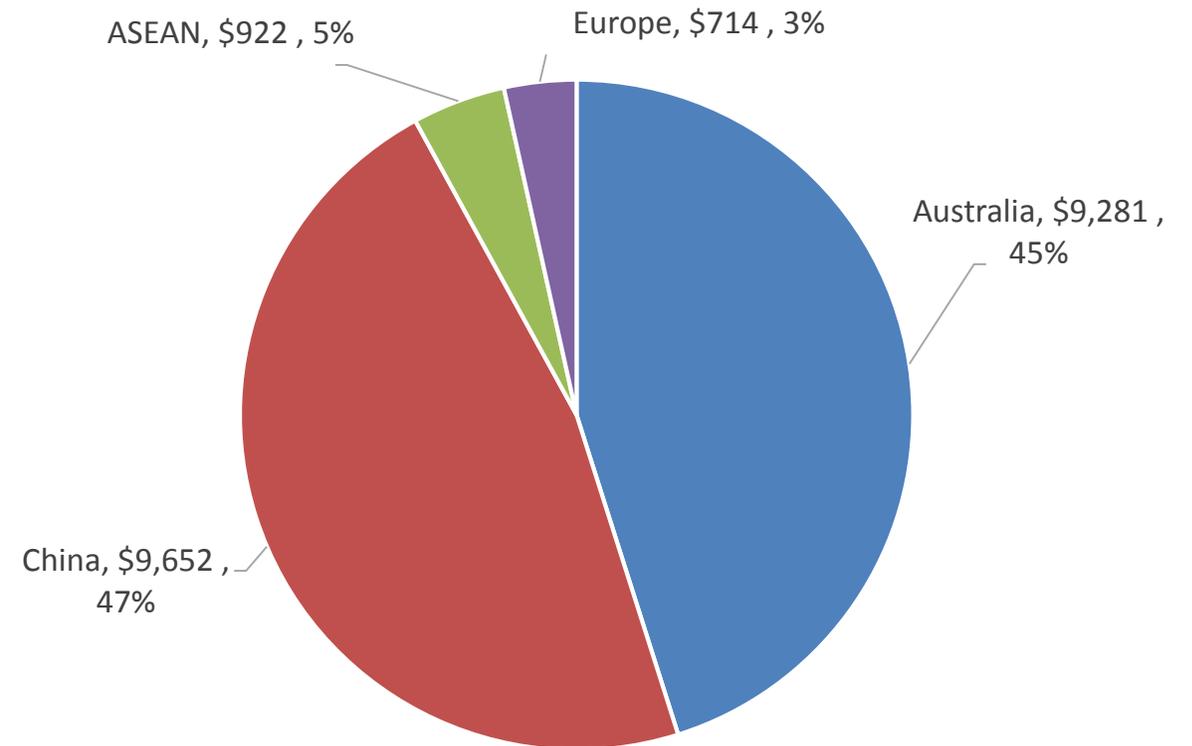
	\$000's
Group Revenue	\$20,568
- H1 Revenue	\$8,747
- H2 Revenue	\$11,821
UNPAT	\$2,449
UNPAT Earnings per Share	0.77c per share
Unfranked Dividend per Share (*)	0.60c per share

(*) Represents a 2.05% return on an annualised basis equivalent to the cash rate of return

Segment Revenue by Vertical (\$000's)

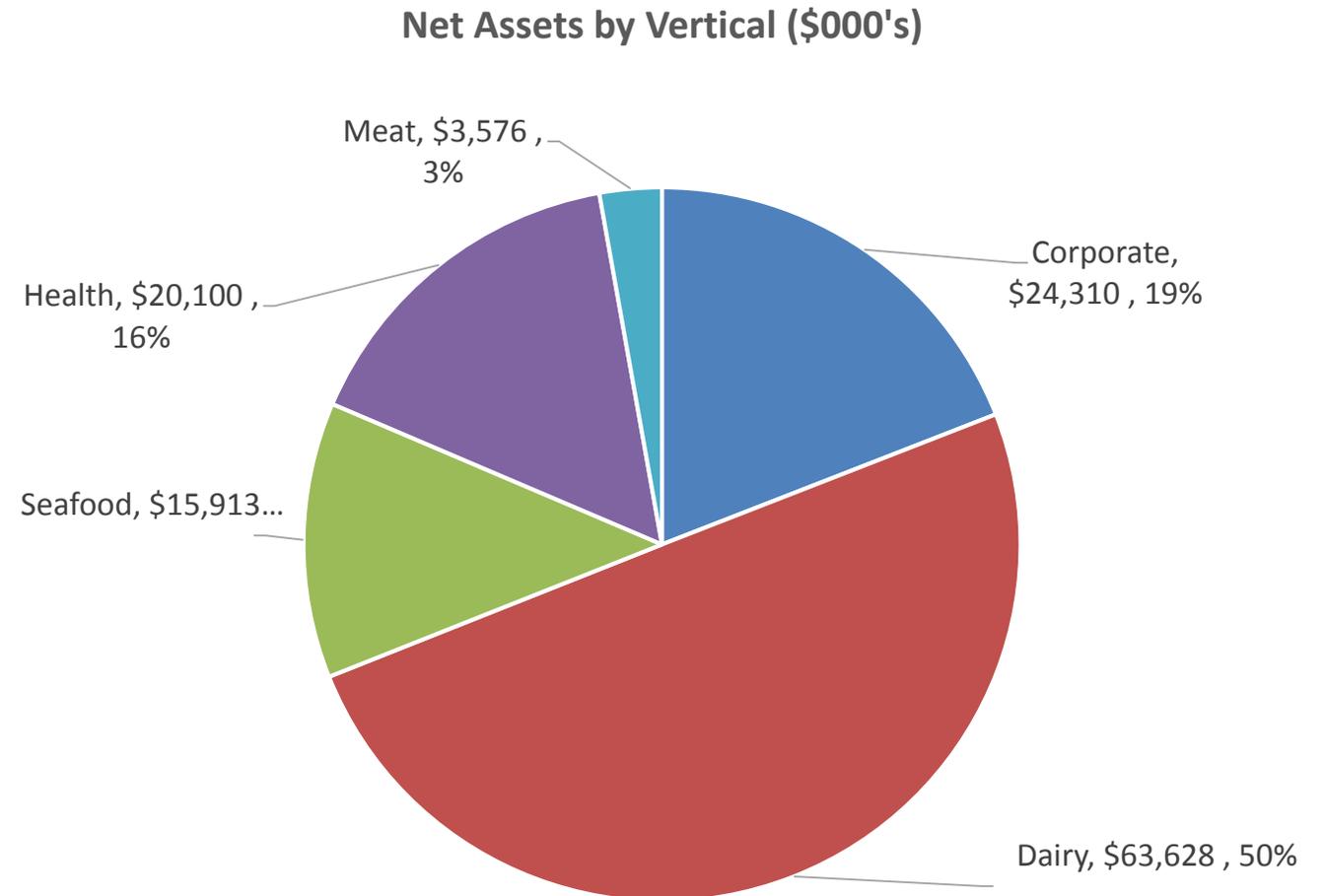


Segment Revenue by Region (\$000's)



Notes: Corporate revenue reflects bank interest. All amounts shown are after intercompany eliminations

Assets	\$000's
Cash and cash equivalents	\$19,372
Trade and other receivables	\$26,610
Inventories	\$7,965
Equity accounted investments	\$16,935
Property, plant and equipment	\$38,267
Biological assets	\$4,241
Deferred tax assets	\$4,096
Intangible assets	\$10,041
Total Assets	\$127,527
Total Liabilities	\$10,362
Net Assets	\$117,165



BFC had no debt as at 30 June 2016

- **Trade & other receivables:** Reflects the increase in sales at the end of the financial year as well as the convertible notes held in investee companies
- **Inventories: Strategic decision to increase hard cheese inventory to enable “aged” products to be released to the market as part of our ‘Cheese Bank’ announcement.**
- **Property, Plant & Equipment:** Largely reflects the assets held in the dairy vertical. Independent valuations at replacement value show an increase of \$43.4m compared to carrying values in the balance sheet.
- **Intangible assets:** Water licences and owned lobster quota. Independent valuations show an increase of circa \$1.0m compared to carrying values in the balance sheet
- **Biological assets:** Reflects the dairy herd at the Kurleah and Pedra Branca dairy farms.

- **Share Placement:** On 31st August 16 BFC announced the placement of 64,051,111 shares to a Singapore Company Kunteng Pte Ltd (a wholly owned subsidiary of China based private company Dalian Hairunlai Group) at a price of 45c per share
- **Use of funds:** The net proceeds of the placement \$28.3m intended to be used for the following:
 - Development of high value add dairy nutritional products
 - Construction of the Mozzarella cheese plant
 - Enhancement of the BFC production facility at Jervois
 - Further acquisitions within existing verticals
- **Synergistic benefits from the DHG Investment:**
 - Access to Cheom C&Co – which provides access to the South Korean market
 - Access to new customers in China – access to key customers such as Greenland
 - Market development by purchase of one container for China and one for South Korea

Milk Production

Farms	Herd at Acquisition	Cows at 30 June 16	Herd Increase	Increase %
Total	1,221	2,675	1,454	119%

Dairy Production

Beston Pure Dairies	Budget 2016	Full Year 2016 (actual)	Variance
Milk Processed	25ML	36 ML	40%
Cheese Produced	1400T	3,560T	154%
Whey Powder Produced	270T	1,094T	305%

Seafood Production

Ferguson Australia	2015 Actual	2016 Actual	Variance %
Lobster Tonnage	190T	399T	110%
Tuna Processed	605T	791T	31%
Giant Crabs	7T	3T	-54%
Other Fish	34T	39T	15%

AquaEssence

AquaEssence	2015 Actual ML	2016 Actual ML	Variance
AquaEssence	0.41ML	0.45ML	8%

We addressed the two key issues driving global long term food demand

1. Food Security

- Premium Southern Rock Lobster Licenses & access ~ 265 Tonnes quota pa
- Natural high alkaline water licenses ~ 140ML per annum
- Agricultural irrigation water licenses ~ 5,600ML per annum
- Dairy farm agricultural assets including herd assets ~ 2,400Ha & 2,675 cows
- Nutritional health food intellectual property - Sugar, Salt, Fat Replacements
- Core production assets and brands - Premium Brands

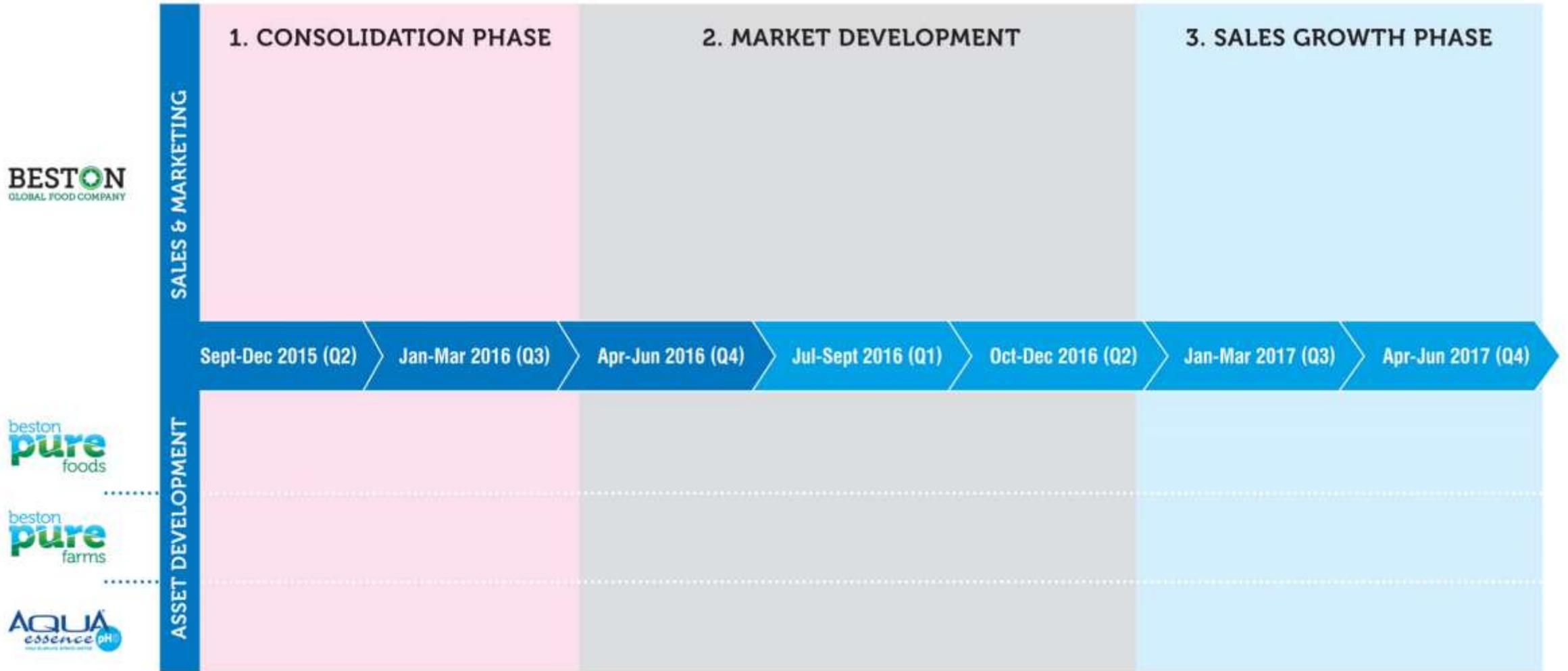
2. Food Safety

- Worlds first combined food traceability (OZIRIS) and anti-counterfeit technology (Brandlok)

- **IPO:** planned IPO transactions settled
- **Overseas Sales:** expanded sales and marketing teams in China and ASEAN
- **People:** developed strength in diversity of cultural backgrounds
- **Dairy Facilities:** re-opened former UDP Facility, renamed as Beston Pure Foods
- **Dairy Farms:** rebuilding and herd expansion from 1,221 to 2,675 cows in line with plan
- **Regulatory:** import licenses and registration of main products in China and ASEAN regions

- **Sales channel:** premium sales channels with customers aligned to quality not only price
- **Platform agreements:** established a platform of Joint Ventures and key partnerships
- **Brand development:** of BFC, Edwards Crossing, ei8h+, Kyubu, Yarra Valley, Ferguson & Mori
- **New products:** developed retail flavoured cheeses for emerging Asian dairy consumers
- **Acquisitions:** completed acquisition of 51% in AquaEssence to secure supply of water
- **Recognition:** gold and silver medals for Beston Pure Foods Edwards Crossing cheeses

Timeline - Market and Asset Development



Timeline - Market and Asset Development



Timeline - Market and Asset Development



Timeline - Market and Asset Development



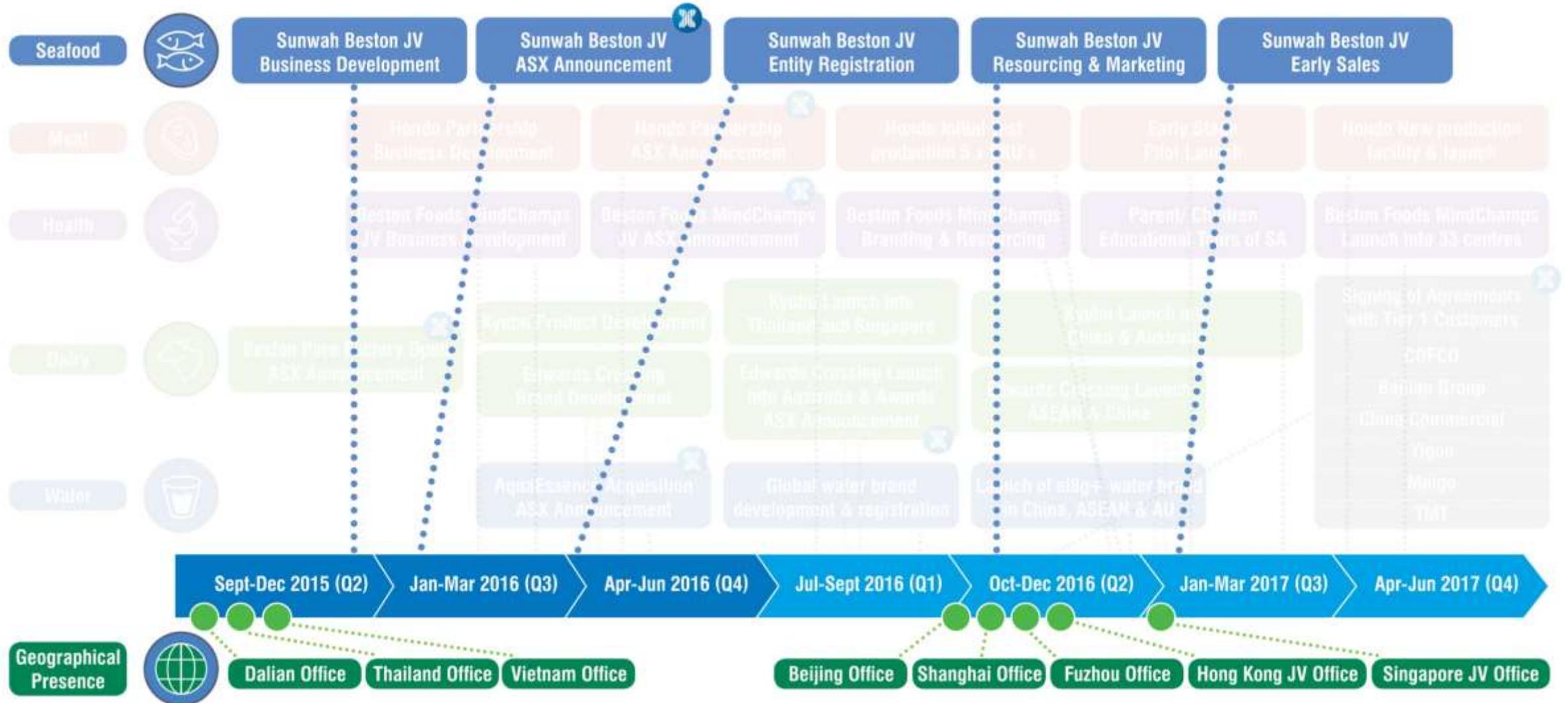
Timeline - Market and Asset Development



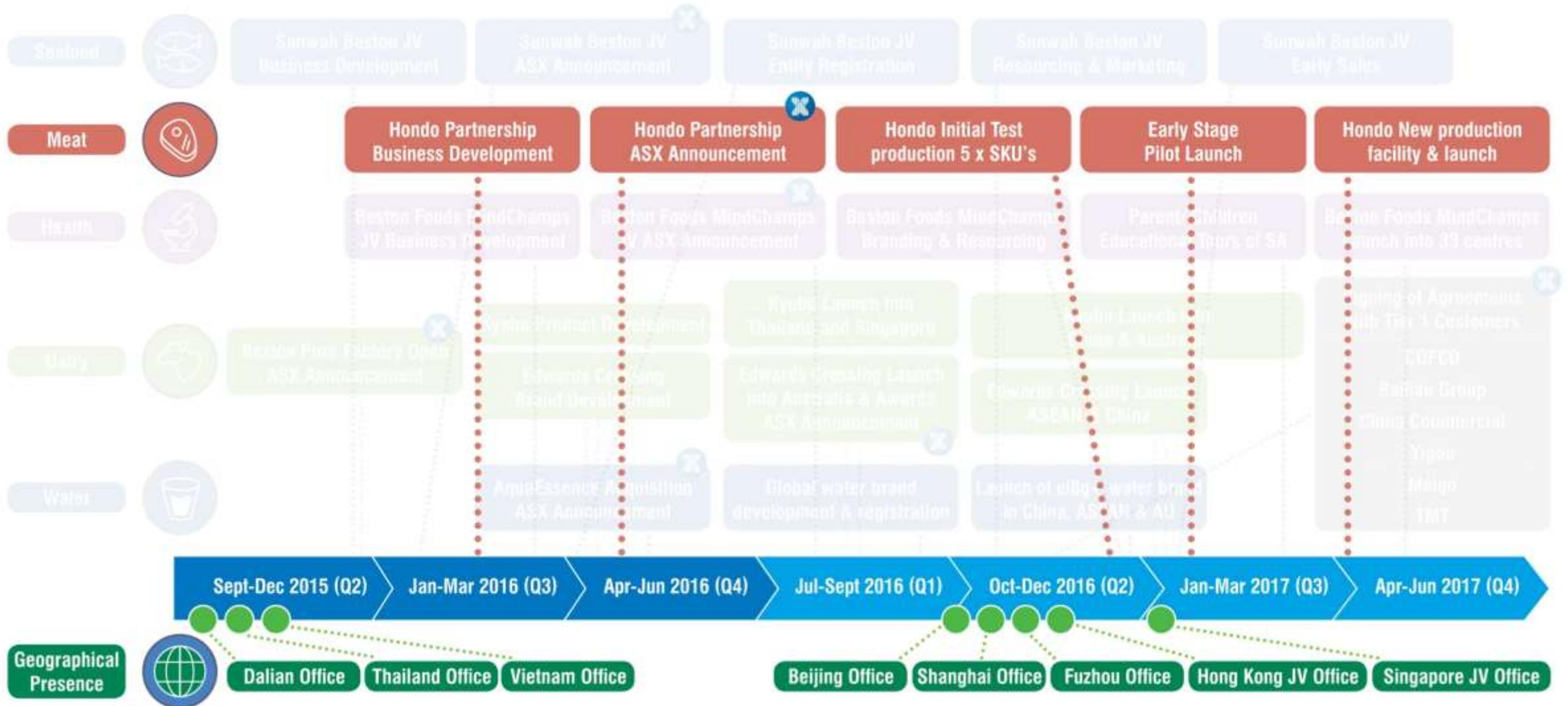
Progress Timeline – Milestones



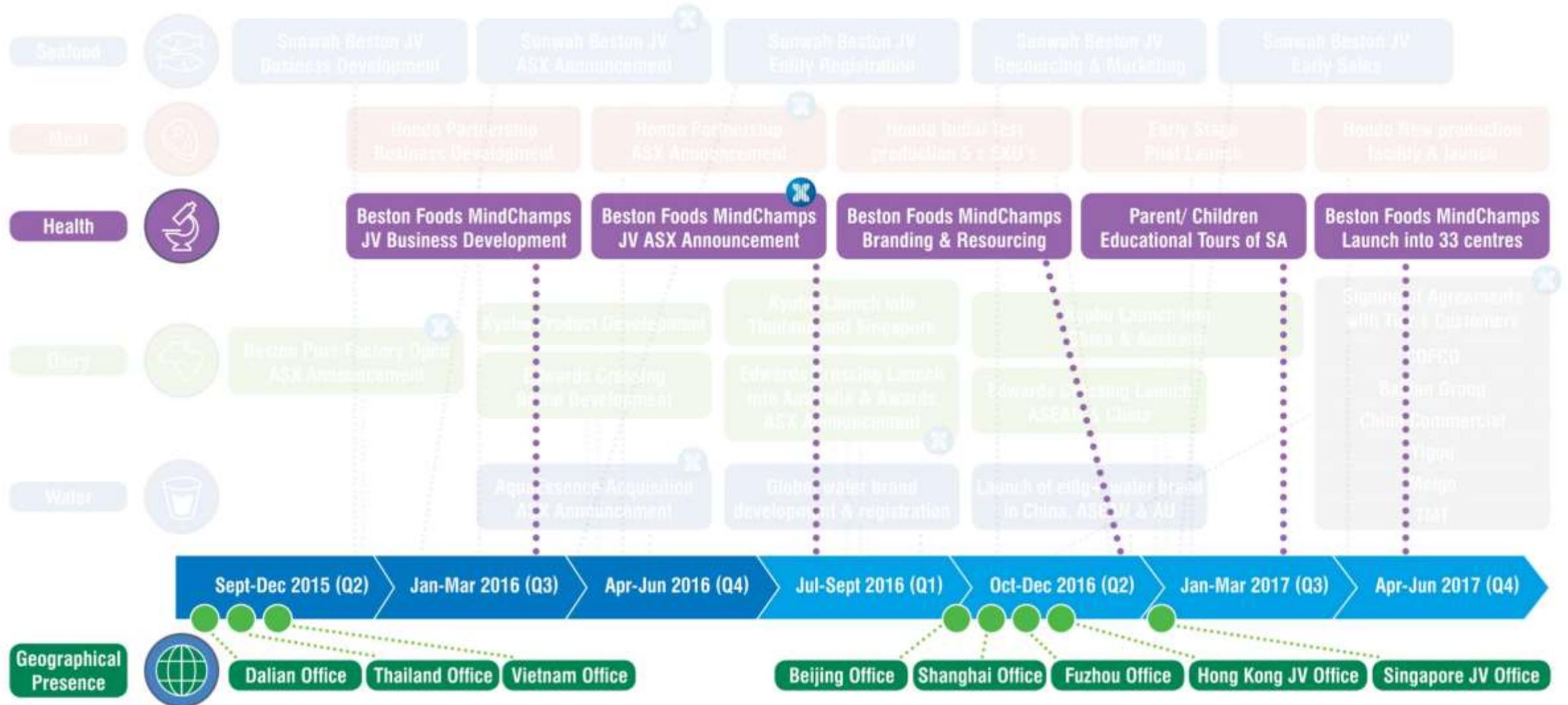
Progress Timeline



Progress Timeline



Progress Timeline



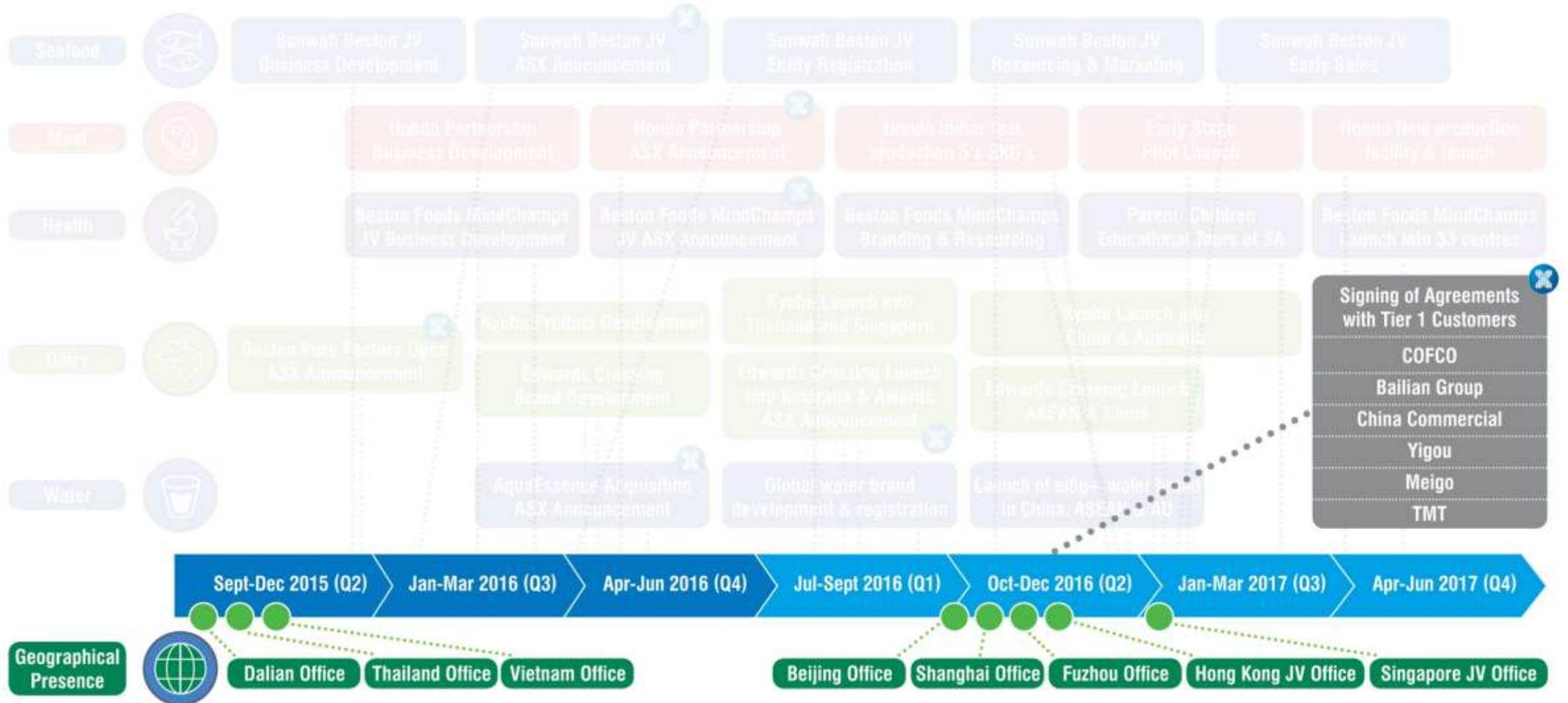
Progress Timeline



Progress Timeline



Progress Timeline

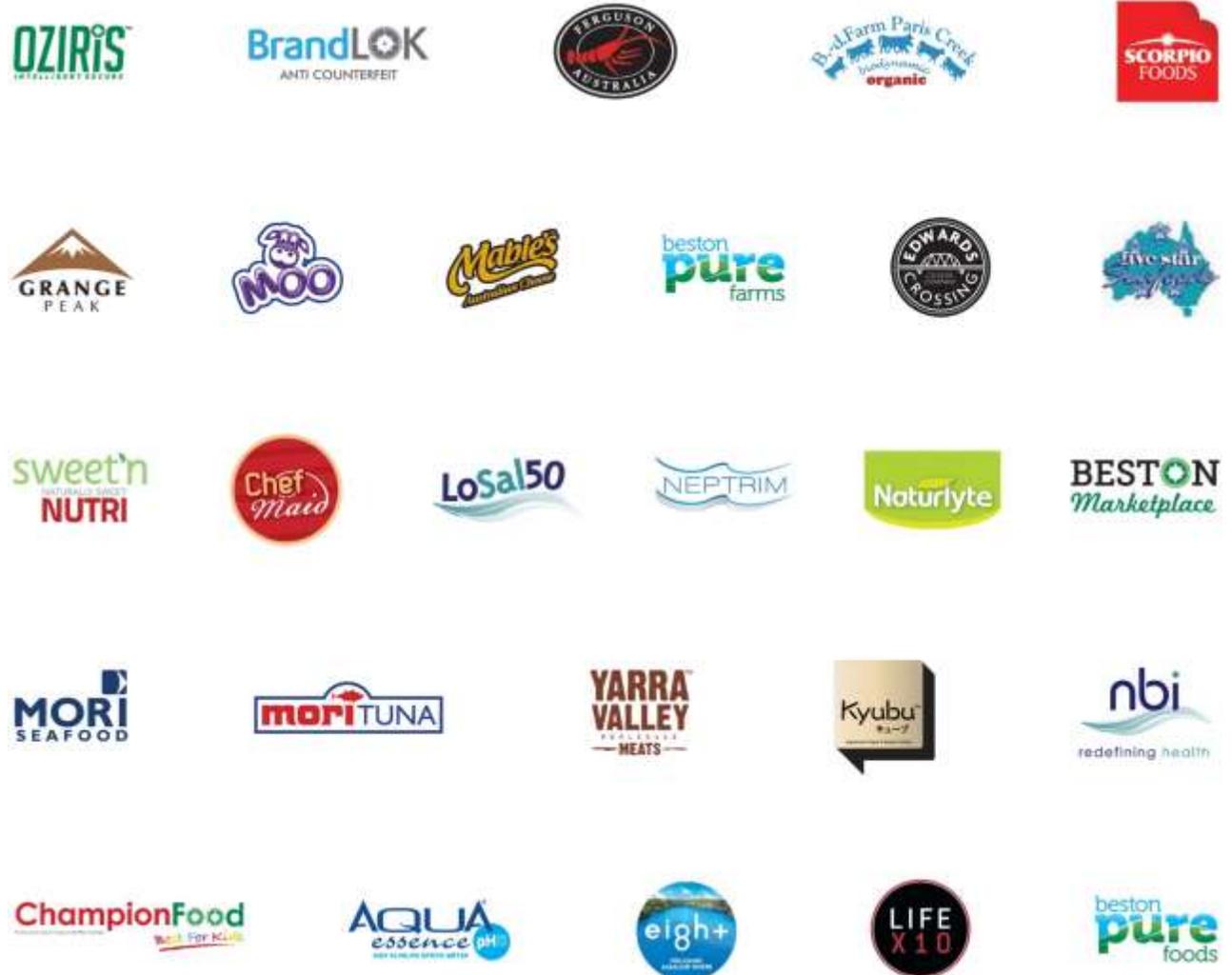


Progress Timeline



Building Our Own Brands

- Combining over 3 generations of premium brands in the Australian and export markets
- Our vision for BFC is to move away from commodity-style, mass-production practices to producing high-quality premium food & beverage products.
- We create value by using the BGFC umbrella to aggregate and distribute premium Australian products.
- We have created a House of Brands



- Dairy Demand: Chinese Demand for Australian Dairy
 - Increased cheese demand especially in Asian countries with Australian Cheese Exporters aiming at fulfilling the market - "FoodMate.net on 14/10/16"
<http://news.foodmate.net/2016/10/399577.html>¹



- Dairy Demand: Kyubu Brand Innovation in Dairy trending in the US
 - Kyubu Combines Snack Cubes That Blend the Taste of Fruit and Cheese being released into Thailand and Singapore - "Trendhunter on 1/10/16"
<http://www.trendhunter.com/trends/fruit-and-cheese>¹

¹ Links current as at October 2016



- Water: Naturally high pH Water
 - Packaged water consumption overtaking carbonates with China and India consuming half the worlds production
<http://www.canadean.com/news/global-packaged-water-consumption-to-overtake-carbonates-in-2015/>¹



- Meat Demand–Australian Beef & Ready to eat
 - Australia enjoys new boom in Australian beef demand
- “Sydney Morning Herald on 9/02/16”
<http://www.smh.com.au/business/retail/australia-enjoys-new-boom-in-china-beef-demand-20160208-gmoz4x.html>



¹ Links current as at October 2016



- Seafood - Japanese Restaurants and Free Trade Agreement

- Japanese restaurant Akasaketei raises USD10m for China expansion
- "Shanghai Business Review on 24/04/14"

<http://www.sbrchina.com/japanese-restaurant-akasaketei-raises-usd10m-for-china-expansion/>¹



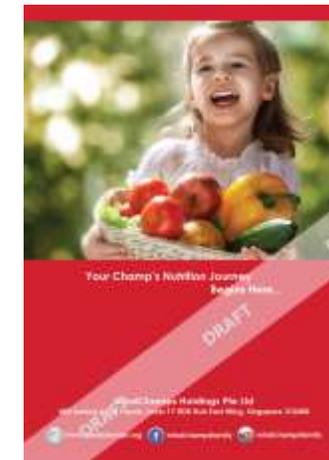
- Health - Early Child Nutrition

- Why early life nutrition is the cornerstone of lifelong health
- "Nutraingredients.com on 06/04/16"

<http://www.nutraingredients.com/Community-Insights/Why-early-life-nutrition-is-the-cornerstone-of-lifelong-health>¹



nt as at October 2016



Infrastructure - production facilities

Ferguson Australia,
Hendon, SA
Products: Various
seafood products
including lobster,
king crab, oyster etc



Mori Seafood,
Port Lincoln, SA
Products: Southern
Bluefin Tuna



Ferguson Australia,
Kangaroo Island, SA



5 Star Seafoods,
Port Macdonnell, SA



Beston Pure Foods,
Murray Bridge and
Jervois, SA
Products: Cheese,
Milk, Dairy Desserts



Pedra Branca,
Kurleah and
Wellington
Dairy Farms, SA



Neptune Bio
Innovations,
Lidcombe, NSW
Products:
Health products



Scorpio Foods,
Dandenong,
Shepparton
Colac, VIC
Products:
Meat products



Bd Farm Paris Creek,
Paris Creek, SA
Products: Cheese,
Milk, Dairy Desserts



AQUAEssence,
Mt Gambier, SA
Products:
High pH
Alkaline Water

China - Some of our key partnerships

Dalian

- Dalian Hairunlai Group
- China Commercial
- Asia Sea
- Ocean Family

Beijing

- Beijing Foreign Trade Food Service Company
- COFCO
- Beijing North Star Group
- Greenland
- Hondo Agricultural

Shanghai

- JMU WOWO
- Greenland G-Super Stores
- Yiguo Sheng Xian
- Shanghai New Fish Port
- OZ-Town

Hong Kong

- Sunwah Group

Qingdao – Seafood Co-Branded with COFCO Trade Show



ASEAN - Some of our key partnerships

Thailand

- Bangkok Fine Foods
- Lacto Asia
- Rimping
- The Food Hall
- Tops Markeet
- Villa Market
- Foodland
- Friendship Supermarkets
- Global Foods

South Korea

- Emart



Vietnam

- TMT Distributors
- VBBC

Malaysia

- Aeon
- Pikzern Marketing

Singapore

- Cold Storage
- FairPrice finest
- Kaiser Foods
- Lacto Asia

Japan

- Costco



Australia - our key customers

National

- MPD
- Say Cheese
- IGA
- Aldi
- Costco

South Australia

- Say Cheese
- Cheesemonger
- Woolworths
- Foodland
- Barossa Fine Foods



Queensland

- Metcash

NSW

- McCains
- Gulli Food Distributors

Victoria

- Quality Food World
- Di Rossi Foods
- Australia Fine Foods
- Warnambool Cheese & Butter



- **O2O**: strong trend in Chinese market to Online to Offline
- **BFC owned online site**: establishing Beston Marketplace firstly in Australia and now in China
- **Core Online Partners**: partner with selected online providers with cold chain logistics
- **In country online marketing**: team in place to drive consumer purchasing and cut through
- **Food Safety**: roll-out planned for Oziris traceability and anti-counterfeit technology



Online to Offline



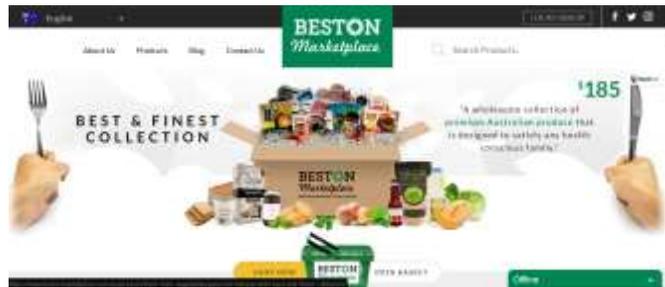
Consumer engagement of Australian Premium Products



Oziris - anticounterfeit

Beston Technology Platform

Beston Marketplace - Australia



Beston Marketplace – China



Beston Marketplace – ASEAN



JMWOWO B2B



Jin Sin Song B2C



China Commercial B2C



Yiguo B2C (Dec 16)



Meigo B2C (Dec 16)



Strategic Partner Platforms

- **Shanghai:**
 - OzTown – located near Times Square in Shanghai
 - Greenland G-Super Stores – first SKU's to 17 stores
- **Beijing:**
 - Beijing Foreign Trade – opening soon
 - China Commercial – opening soon
- **Dalian:**
 - Sungiven Food Stores
 - Friendship Stores
- **ASEAN:**
 - Expand SKU's in Singapore and Thailand
 - Enter Vietnam market
- **Virtual Store Experience:**
 - Following virtual retail trends, bring the experience of Australia to our customers

Oz Town - Shanghai



Friendship Store
- Dalian



Thailand
- In Store Promo

Virtual Customer
Experience



Establishing a long term platform with highly respected companies:

- **COFCO** - agreement with the largest importer of food products into China
- **Beijing Foreign Trade Food Service** - a leading supplier of imported food into China
- **China Commercial** - large importer of food to china commercial enterprises
- **Ocean Family** - large owned seafood fishing fleet, processor and importer/exporter in China
- **Yiguo** - Alibaba's exclusive fresh food B2C ecommerce companies in China
- **Bailian Group** - Fortune 500 company in retail, HORECA & convenience stores in China

Establishing a long term platform with highly respected companies:

- **Vietnam Beef Company (VBBC)** – strategic partner in beef imports into Vietnam
- **Bangkok Fine Foods** - strategic partner in ASEAN for premium retail and food service
- **MindChamps** - strategic partner into **early learning childcare centres**
- **Lacto Asia** - strategic partner and customer for range of dairy products into ASEAN
- **Kaiser Foods** - strategic partner in our growth in into premium distributors in Singapore
- **Global Foods** - key partner and premium distributor in Thailand to retail
- **Pikzern** - key partner and premium distributor in Malaysia
- **TMT** - key partner and premium distributor in Vietnam

1. Sales growth:

- **Sales expansion:** growth in sales 'in-country' teams in China, ASEAN and Australia
- **Product brand building:** positioning products in the Premium category in each region
- **BFC umbrella branding:** market umbrella brand of BFC and pull through investee brands
- **Growing key partnerships:** partnerships with Sunwah, Hondo and MindChamps
- **Geographical growth expansion:** explore establishment of office in Seoul, South Korea

2. Asset optimisation:

- **Capital program delivery:** dairy capital expenditure expansion and farm's optimisation
- **Standardising systems:** standardising systems across asset base

Our People: recruitment, growth and opportunity for our people.

Thank You



Resolutions



Total Valid Proxy Votes Received

# RECEIVED	SHARES	% OF SHARES ON ISSUE
219	82,606,466	19.3%

Adoption of the Remuneration Report for the year ended 30 June 2016

	FOR	AGAINST	OPEN	ABSTAIN
#	119	42	38	16
SHARES	66,751,380	1,529,465	2,028,846	3,089,118
%	94.94	2.18	2.89	

Re-election of Mr Stephen Gerlach as a Director

	FOR	AGAINST	OPEN	ABSTAIN
#	156	21	39	4
SHARES	26,963,707	49,597,155	2,064,546	30,535
%	34.29	63.08	2.63	

Election of Mr Ian McPhee as a Director

	FOR	AGAINST	OPEN	ABSTAIN
#	165	11	40	3
SHARES	75,864,814	691,798	2,073,796	25,535
%	96.48	0.88	2.64	

Election of Ms Catherine Cooper as a Director

	FOR	AGAINST	OPEN	ABSTAIN
#	169	10	37	3
SHARES	76,092,900	483,677	2,053,831	25,535
%	96.77	0.62	2.61	

Approval of Share Placement

	FOR	AGAINST	OPEN	ABSTAIN
#	124	30	48	17
SHARES	75,330,756	1,755,759	1,085,608	483,820
%	96.37	2.25	1.39	



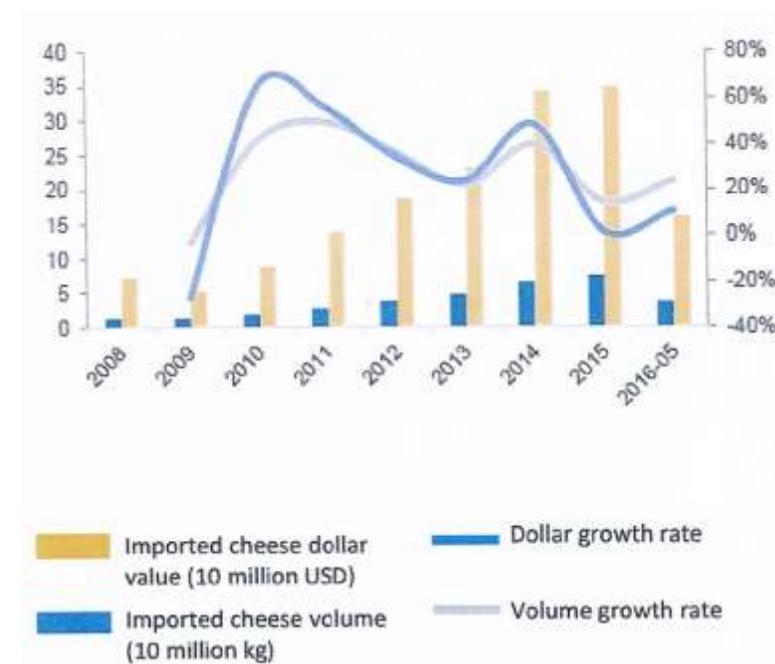
Closing Remarks: Dr. Roger Sexton

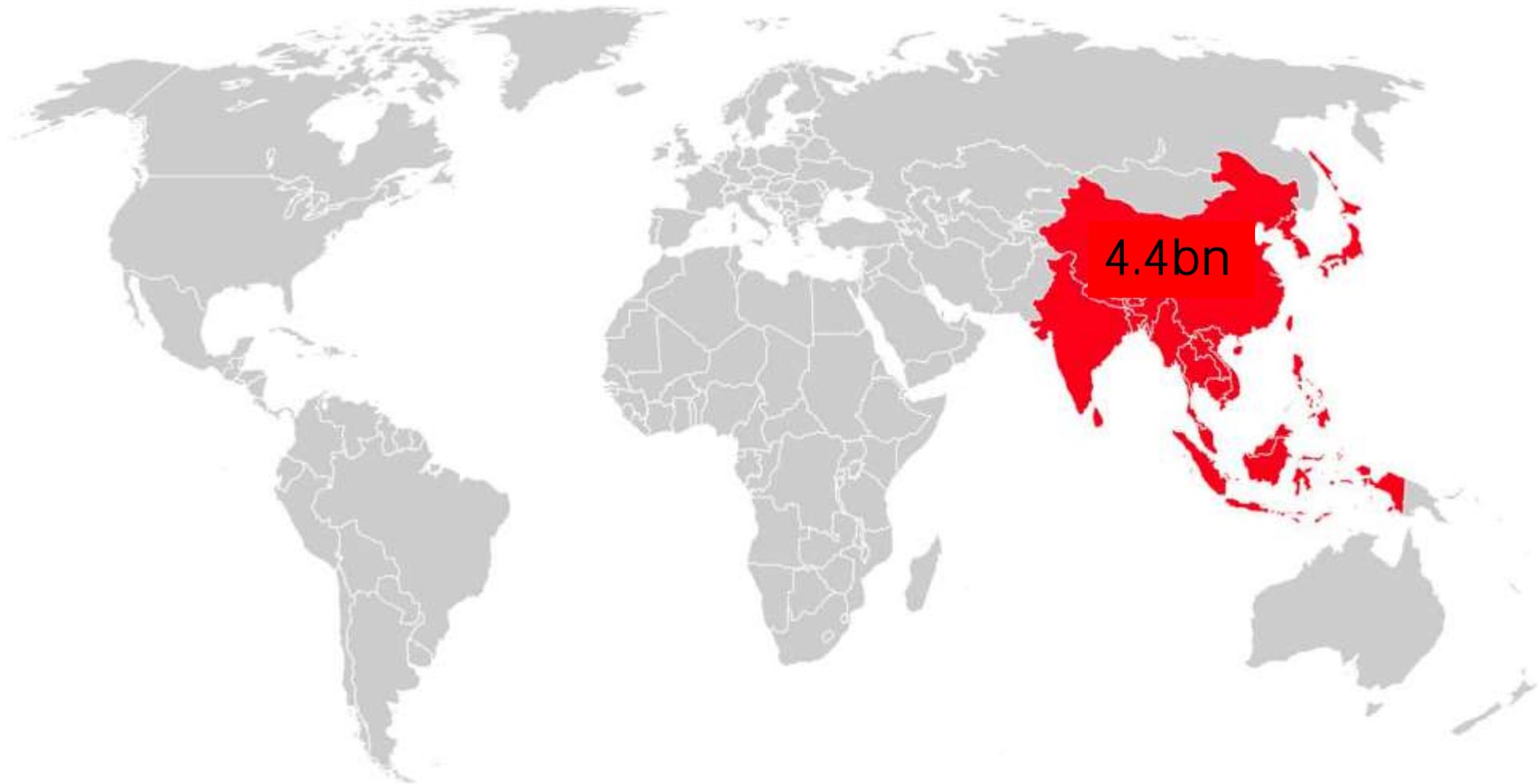


- Consumption is now the main driver of economic growth in China (Economist Intelligence Unit).
- Incremental annual growth in private consumption in China over the next 15 years will be **more** than the current level of consumer expenditure in the European Union.
- Nearly 35% of the population, or around 480 million consumers, will move into the middle and high income brackets by 2030.
- This emerging middle class will look to upgrade their consumption, shifting to higher quality and more branded products (particularly in the area of food, beverage and alcohol).



- The trend toward more expensive, premium foods is being evidenced already in the cheese market.
- Cheese consumption in China grew at a rate of 20% per annum over the last 5 years and imported cheese grew at a rate of more than 24%.
- There is no question that China's growing middle class, the steady urbanisation of the country and the growing attention of the population to healthy and safe food will drive an increasing demand for foodstuffs produced in the clean and green environment of Australia.
- We need to be there.... And we are!
- We are positioning Beston Foods to be a recognised and trusted brand in China... which can grow as the market in China grows.





Total World Population: 7.4 billion

- ✓ To integrate technology into our whole supply chain
- ✓ To develop healthy food products which could be consumed across the whole of a person's life span
- ✓ To exploit synergies between our investee companies
- ✓ To create new, value-added products
- ✓ To develop strategic alliances with other companies to enhance our own capabilities
- ✓ To enhance our manufacturing capacities and capabilities
- ✓ To improve productivity on our farms
- ✓ To build our own brands

Over the next 12 months, we will continue to build on these achievements while focusing on two key objectives:

1. To extract greater returns from our existing assets
2. To increase sales revenues by leveraging the mainstream distribution channels we have now established, and continuing to pursue new channels.

“The gestation of great products... and great businesses... takes much longer than it appears. What seems to emerge from nowhere belies a long progress of development, trials and mis-steps”.

- Steve Jobs

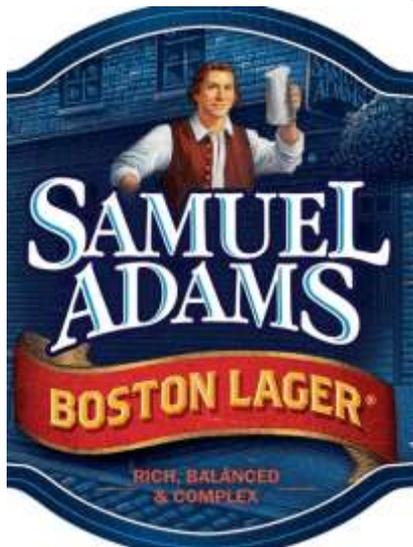




“.. an unswerving commitment and dedication to become one of the best branded food companies in the world.”

"If you know your are right about something... You should stick with it and push it... because time will prove you right."

- Jim Koch



THANK YOU!



BESTON GLOBAL FOOD
COMPANY

the natural direction