

**Note: Key data/information in this sample page is hidden, while in the report it is not.**

### 8.1.1 Basic info

Table 8.1.1-1 Basic info of Wahaha Group, 2013

<b>Company name</b>	Hangzhou Wahaha Group Co., Ltd.
<b>Business address</b>	No. 160, Qingtai Street, Hangzhou City 310009, Zhejiang Province, P.R. China
<b>Website</b>	www.wahaha.com.cn
<b>Tel.</b>	[REDACTED]
<b>Fax</b>	[REDACTED]
<b>Establishment date</b>	1987
<b>Registered capital</b>	[REDACTED]
<b>Company type</b>	[REDACTED] [REDACTED]
<b>Main business</b>	The company's business mainly involves bottled water, beverages, canned foods and snack foods, etc. It is also the largest milk beverage in China.
<b>Employee</b>	[REDACTED]

Source: Hangzhou Wahaha Group Co., Ltd.

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## 11.2 Products & investment

Table 11.2-1 Supply and production situation of Mengniu, 2012, tonne

Milk intake	Formula output	UHT milk output	Yogurt output	Milk beverage output	Ice cream output
× × ×	4,500	× × ×	× × ×	× × ×	× × ×

Source: CCM

Mengniu has started to build a plant in Jinhua City, Zhejiang Province in Feb. 2012 with a total capacity of  $\times\times\times$  t/yr, and this is mainly producing milk beverage and is expected to be commissioned in March 2013. As for formula powder, Mengniu's Arla plant enjoys the production capacity of  $\times\times\times$  t/yr. But Mengniu's formula business has developed relative slowly in recent years, with its sales only accounting for about 2.1% of Mengniu's main business sales in 2011. However, in Aug. 2012, Ms Sun Yiping, the new president of Mengniu, indicated that Mengniu will keep formula business and pay more attention to developing this sector in the future. Therefore, the output of Mengniu's formula is estimated to increase in the following years.

### 11.3 Marketing and sales mode

Mengniu, another leading dairy processor in China, is good at brand marketing. Its marketing approaches mainly include "Shenzhou" events marketing, "Super girl" entertainment marketing, "Donated milk" charity marketing and "NBA" sport marketing, etc. These marketing activities are proved to be efficient. According to data from AC Nielsen, the market shares of Mengniu's liquid milk was ××× in China in H1 2012, ranking No. 1. So far, Mengniu has ×× products brands (with high sales volume), mainly including UHT milk, milk beverage, yogurt and ice cream. The company indicated that it will launch more dairy products under the good brands and develop more premium products in the future, aiming to seek high profitability.

Compared with Yili, Mengniu has paid more attention to increasing quality of dairy products in recent two years, aiming to recover consumers' confidence after 2008 melamine scandal and Aflatoxin incident. In Sept. 2012, Mengniu changed all its product packages, and announced a new slogan of "little happiness matters", aiming to convey the conception of "innovation, healthy, happiness" to consumers. What's more, Mengniu has accepted Arla Foods as its second large shareholder in June 2012, after COFCO becoming its largest shareholder in 2009. Mengniu intends to introduce advanced technology of both dairy farm and company management through cooperating with Arla Foods. This will help Mengniu's business expansion outside mainland China, such as Hong Kong, Macao, Singapore and Mongolia in the future.

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### 12.1.4 Overall business performance

Table 12.1.4-1 Overall business performance of Yili, 2009-2012

Company name	Inner Mongolia Yili Industrial Group Co., Ltd.
Total assets	2009 USD1,925.36 million (RMB13,152.14 million) 2010 × × × 2011 × × × 2012 × × ×
Annual revenue	2009 × × × 2010 USD4,382.15 million (RMB29,664.99 million) 2011 × × × 2012 × × ×
Total profit	2009 USD118.85 million (RMB811.88 million) 2010 × × × 2011 × × × 2012 × × ×

Source: Inner Mongolia Yili Industrial Group Co., Ltd.

Table 12.1.4-2 Main business sales revenue of Yili by industry, 2009-2012 (Unit: Million USD)

Industry	2009	2010	2011	2012	% (2012)
Liquid milk & dairy products industry	× × ×	× × ×	× × ×	× × ×	× × ×
Mixed fodder industry	62.39	58.12	× × ×	108.86	× × ×
<b>Total</b>	× × ×	× × ×	<b>5,769.73</b>	× × ×	<b>100.00%</b>

Source: Inner Mongolia Yili Industrial Group Co., Ltd.

Table 12.1.4-3 Main business sales revenue of Yili by product, 2009-2012 (Unit: Million USD)

Product	2009	2010	2011	2012	% (2012)
Liquid milk	× × ×	× × ×	4,169.92	× × ×	× × ×
Cold drink	477.77	× × ×	× × ×	× × ×	10.29%
Milk powder & other dairy products	× × ×	682.87	× × ×	710.95	× × ×
Mixed fodder	62.39	× × ×	× × ×	× × ×	1.65%
<b>Total</b>	× × ×	× × ×	× × ×	× × ×	<b>100.00%</b>

Source: Inner Mongolia Yili Industrial Group Co., Ltd.

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## 14.4 SWOT analysis

Table 14.4-1 SWOT Analysis of New Hope Dairy

<b>Strength</b>	<ol style="list-style-type: none"> <li>1. New Hope Dairy implements strict control for its raw materials like dairy feeds, thanks to its previous parent company-New Hope Agribusiness who is engaged in dairy feed producing.</li> <li>2. New Hope Dairy has paid more attention to building more self dairy farms, which will bring more high quality raw milk supply for the company's expansion, and improved consumer confidence to some extent.</li> <li>3. New Hope Dairy's products enjoyed high brand awareness, owing to the company's good popularity.</li> <li>4. The company has completed sales networks in the markets of Southwest China, East China and North China.</li> </ol>
<b>Weakness</b>	<ol style="list-style-type: none"> <li>1. The company lacks of raw milk supply at present.</li> <li>2. Although New Hope Dairy has integrated several regional dairy companies, it still hasn't uniformed these regional brands into one brand yet, which is not conducive to improve the company's competitiveness.</li> </ol>
<b>Opportunity</b>	<ol style="list-style-type: none"> <li>1. Chinese Government's encouragement.</li> <li>2. Good development of China's dairy industry.</li> </ol>
<b>Threat</b>	<ol style="list-style-type: none"> <li>1. New Hope Dairy faces challenge in production costs and sales costs to support its fresh strategy, as there are high requirements of raw milk supply and cold chain transportation.</li> <li>2. New Hope Dairy faces fierce competition with domestic large dairy processors like Bright Dairy.</li> <li>3. Consumer's demand for dairy products changes constantly.</li> </ol>

Source: CCM