



— INTRODUCTION TO YILI —



About Yili

10

2008

2010



Address from Chairman

In my opinions, there are two kinds of people: the ones who drink milk and the ones who do not. My goal is to combine the two kinds of people into one, the ones who drink milk and to let everybody enjoy drinking milk.

Pan Gang, President of Yili Group





Management Thinking



" " & " "
The "national networking" and "global networking" strategy



" " & " "

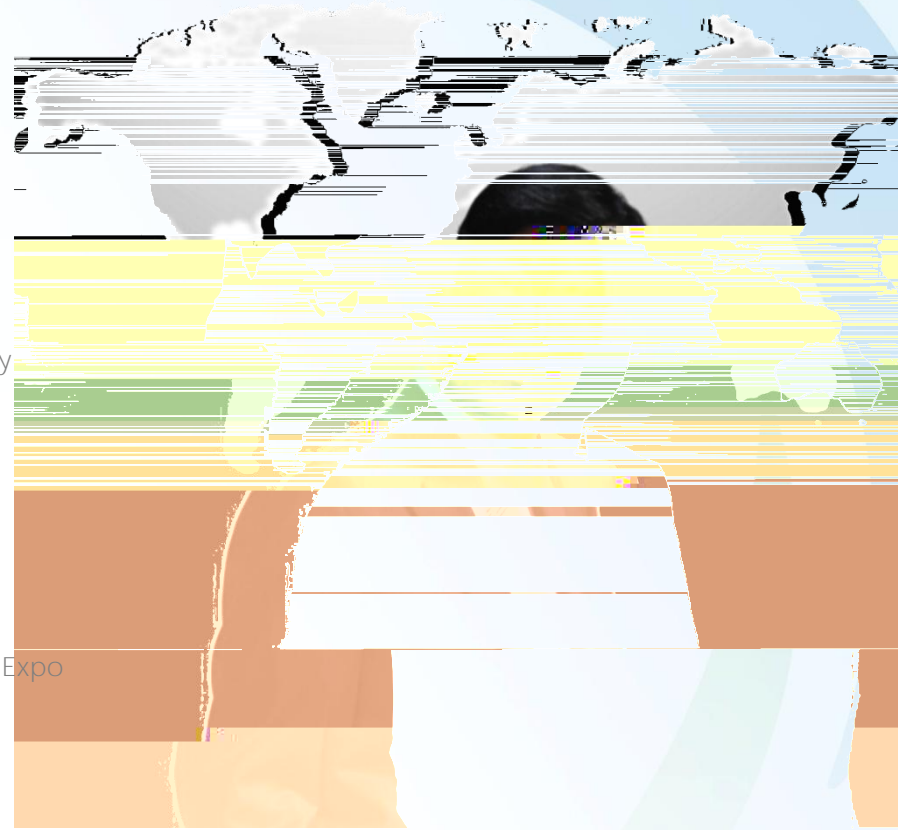


" " & " "
The strategic partner of the Olympic Games and the World Expo

"
"

Accumulation is more important than speed, the prosperity of the industry is more important than the success of individual enterprise, social value is more important

Pan Gang, President of Yili Group



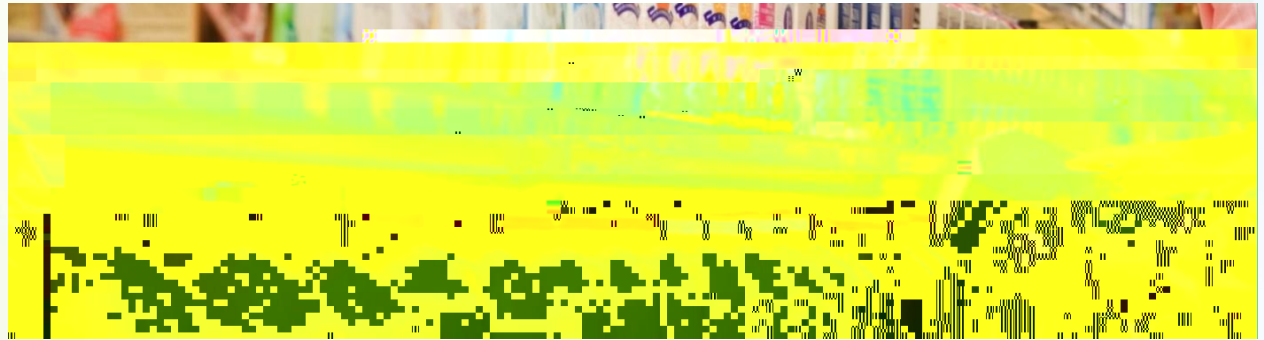
- Industry Outlook
- Development History
-

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Industry Outlook

China Dairy Industry

Development Opportunity



China Dairy Industry

Challenges

The development of dairy industry more and more relies on production innovation. With the decrease of production life, innovation will be more important.

The channel environment has changed dramatically and the channel is becoming diverse. The rise of new channel challenges the channel management of a company.

Consumers pay high attention to food safety and bear less tolerance on food safety accident. Dairy company faces the challenge of paying more attention on food safety control ,quality management, etc.



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Development History

1956-2004
1956

Birth & Growth

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Main Business

1

Main Business of Yili



Liquid Milk



Milk Powder



Yogurt



Ice Cream



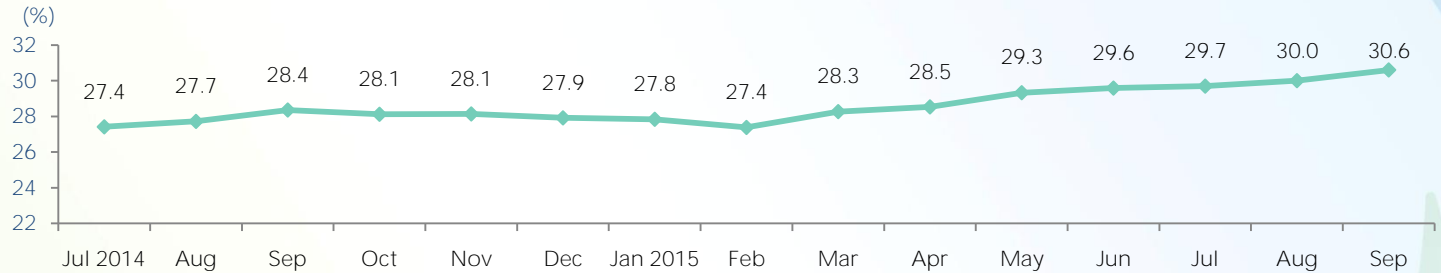
The background features large, overlapping, curved shapes in shades of light green and light blue, creating a soft, abstract pattern. The shapes are semi-transparent and blend into each other, with the lightest areas appearing white.

2014

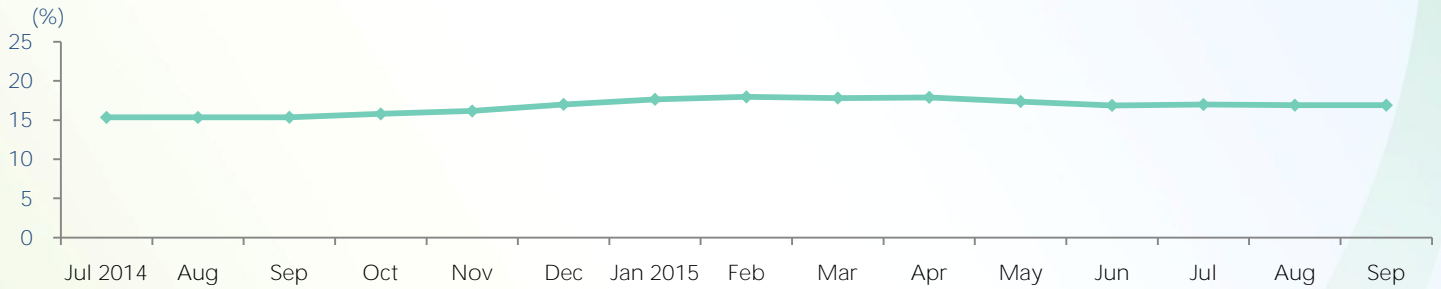


Market Share of Yili

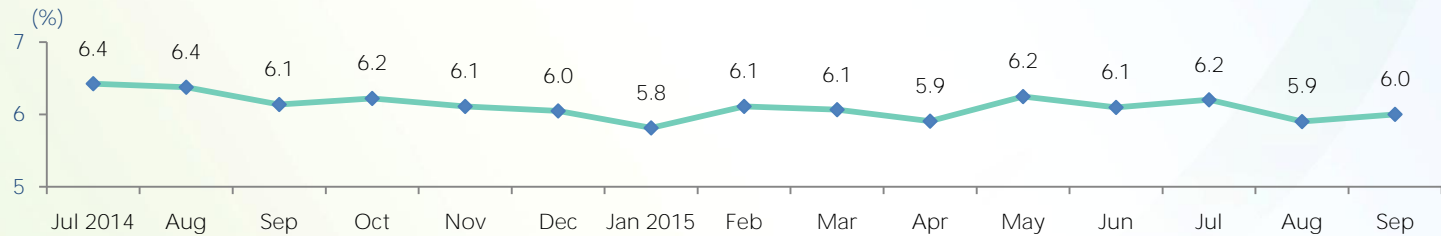
Room Temperature



Low Temperature



Infant Milk Powder





SG&A Ratio

Selling Expense Ratio

G&A Ratio

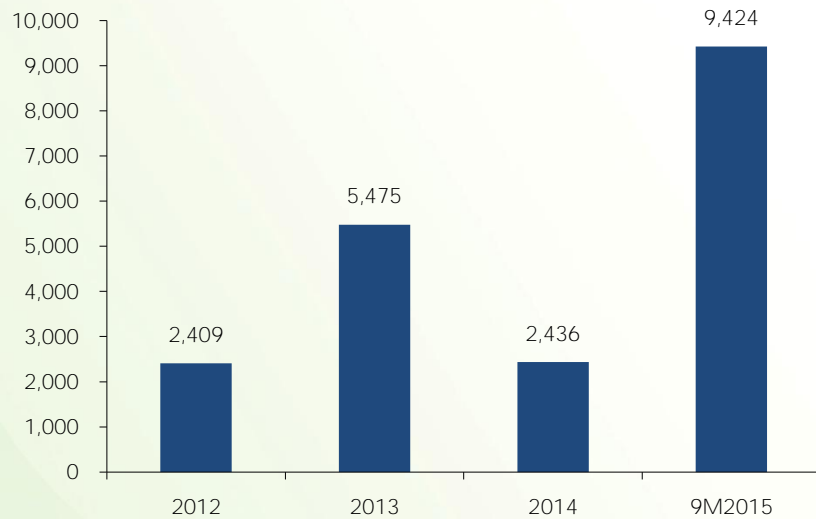


Operating Efficiency

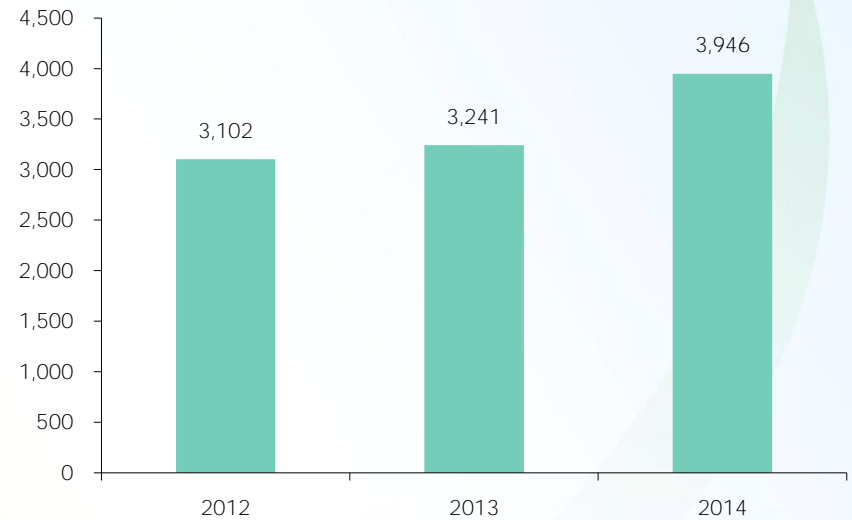


Cash Flow and Capital Expenditure

Net Cash Flow from Operating Activities (million)

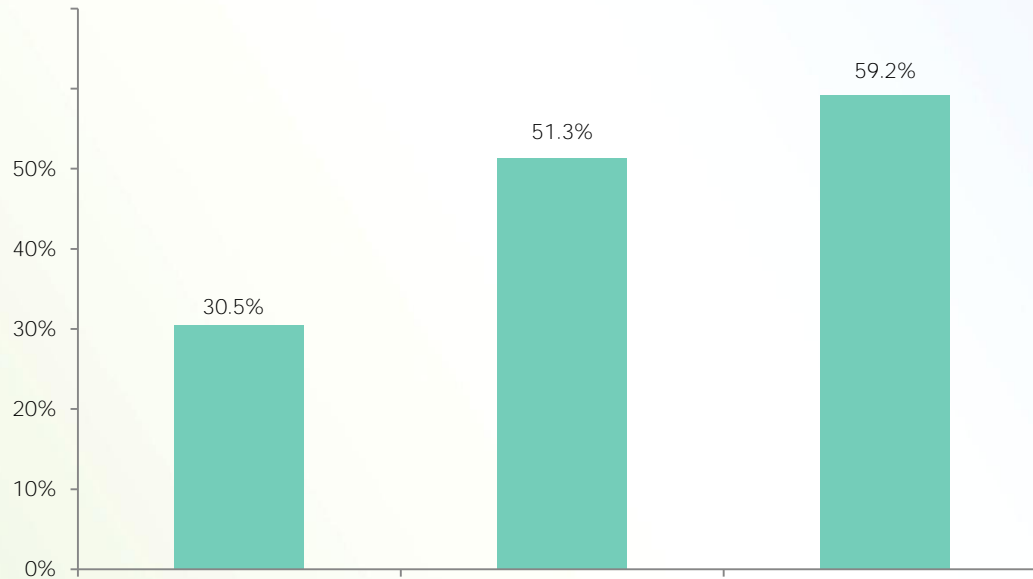


Capital Expenditure (million)



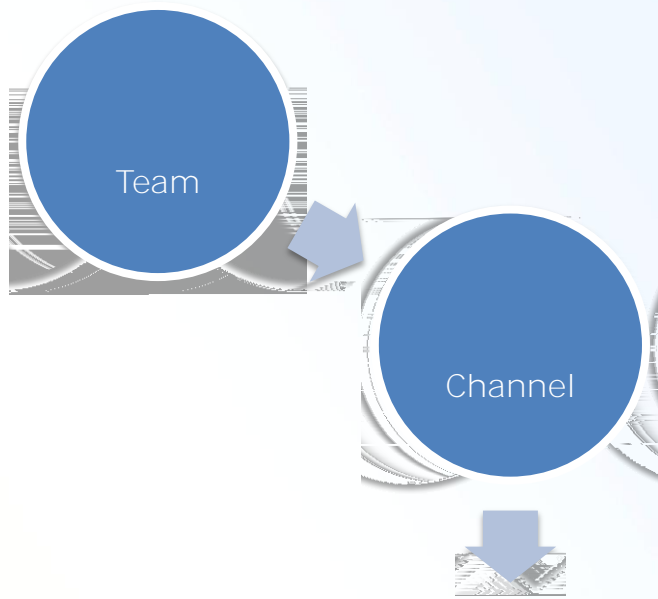


Stock Dividend Rate



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Core Advantages





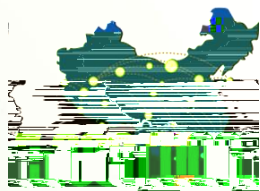


Distribution Advantages of Yili

88.1%

88.1%

The brand penetration of Yili has reached 88.1%.



500

Yili has covered over 5 million sales outlets across China.



1.1

Yili sells about 110 million pieces of products per day.

37 BILLION

2014

370

Over 37 billion pieces of products in all kinds of categories were sold in 2014.

1.1 BILLION

11

We serve 1.1 billion Chinese consumers with nutritious and tasty Yili products every year.



Capacity Layout of Yili

64

Yili has 64 production bases whose milk source bases are located around the whole country. And its sales organizations also have extended to villages and towns .





Classic Marketing Cases of Yili

World Expo

2010

At 2010 Shanghai Expo, Yili exclusively supplied nutritious dairy products for the 70 million guests from domestic and abroad

7000

2015

At 2015 Milan Expo, Yili quality will be proud to accept a global inspection and feedback again.



Yili's International Layout



USA

2015

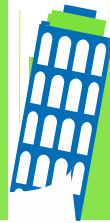
In 2015, the high-level and advanced wisdom group-Sino US Food Wisdom Valley was founded.



Netherland

2014

The highest standard overseas research center in the entire Chinese dairy industry.



Italy

2013

Yili and Sterilgarda Alimenti S.p.A. entered into a strategic cooperation.

New Zealand

2014

Yili established the biggest global integrated dairy industry base and signed a strategic cooperation agreement with the Lincoln University.



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Global Position



Yili's Position in Global Dairy Industry

Global Dairy Top 20 Report - 2014

Yili ranks the 10th in global dairy industry and the 1st in Asian dairy industry





2014

544.36

In 2014, the gross revenue of Yili reached

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Mission & Vision

2014

“

At the end of 2014, he upgraded our vision at: To be and be recognized as the most trustworthy healthy food provider around the world. This therefore marks a new era of Yili Group making a industrbe



Mission & Vision of Yili



Mission

Vision To become the most trustworthy healthy food provider around the world and to be acknowledged as such

Quality Control

FSSC22000

To keep up with internationally advanced quality safety standards while sticking to FSSC22000; and to continue optimizing

Innovative Management

O2O

Exploring O2O channel innovation and promoting integration of resources online and offline.

health ecosphere.

Brand Management

Paying attention to the increase in asset value of major sub-brands and bringing forward the common development of parent brand and sub-brands.

Channel Management

The company is planning to accelerate the expansion of mother & baby and e-commerce channels, and to

Supply Chain Operation Optimization

Continuously improving supply chain operation efficiency through benchmarking management, project implementation, process optimization, system perfection and other methods.

SCM

To keep promoting the construction of SCM information system.

Capacity Layout

Optimizing the capacity allocation and improving resource collaboration efficiency.

Industrial Chain Finance

Planning and implementing internet + industrial chain finance project with characteristics.

+

ERP

CRM

SRM

Forging an industrial chain financial ecosphere internally through the interconnection and interworking of ERP system, Customer Relations Management System (CRM), Supplier Management System (SRM) and finance company e-banking system by virtue of internet+; And externally, improving the interfacing with settlement and credit management systems of financial institutions, as well as business systems in terms of markets, supermarkets, suppliers and other upstream and downstream cooperative partners.



DISCLAIMER

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