



HD Australia, **China** : FONTERRA plans to **acquire** 20% **stake** in BEINGMATE from **CHINA'S dairy industry**

WC 320 words

PD 30 August 2014

SN Mena Report

SC MENREP

LA English

CY © 2014 Al Bawaba (Albawaba.com). Provided by Syndigate.info, an Albawaba.com Company

LP

New Zealand **dairy firm** Fonterra Limited plans to **acquire** a 20% **stake** of infant formula manufacturer, Beingmate, to gain a foothold in **China's dairy** industry that has been rocked by scandals. The specifics of the deal were not disclosed. The minority **stake** acquisition is completed, the 2 parties plans to establish a joint venture with \$A200 **million** in capital to purchase Fonterra's Darnum plant in Australia and a distribution agreement for Beingmate to sell Fonterra's Anmum **brand** in **China**. Beingmate will hold 51% **stake** of the Australian **dairy** plant, and Fonterra will take the rest. The 2 parties aim to create an integrated global supply chain from the farm gate direct to **China**'s consumers. The infant formula market in **China** is worth NZ \$18 **billion** and is expected to be worth NZ\$33 **billion** by 2017. This growth is driven by increasing urbanization, higher disposable incomes, a preference for premium brands, and relaxation of the one child policy.

TD

Beingmate, Pingan Caizhi Investment Management and CEL Venture Capital has seen its adjusted net profit for the first half year of 2014 slumped by 80% to RMB84.2 **million**, due to the sluggish customer demand for its products. Both **Chinese** and Western private **equity** firms and investors have been scrambling to strike deals in the **Chinese dairy** industry, to capitalize on the increasing demand of high-quality **dairy** products in the country. **Chinese** private **equity** firms Yunfeng Capital and CITIC Private **Equity** Funds Management (CITIC PE) agreed to invest RMB2 **billion** in a unit of **Chinese dairy firm** Inner Mongolia Yili Industrial **Group** Co. Ltd. Fosun International agreed to **acquire** 20.45% of the **dairy firm** Sanyuan Foods Co. Ltd. for RMB\$2 **billion**. Asian private **equity firm** RRJ Capital agreed to invest US \$250 **million** in Bright **Dairy** & Food Co., Ltd.

CO foncop : Fonterra Co-operative Group Limited

IN i81502 : Trusts/Funds/Financial Vehicles | i8150203 : Private Equity | ialtin : Alternative Investments | ifinal : Financial Services | iinv : Investing/Securities | i41 : Food/Beverages/Tobacco | i413 : Dairy Products | icnp : Consumer Goods | ifood : Food Products

NS c181 : Acquisitions/Mergers/Takeovers | cacqu : Acquisitions | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : C&E Industry News Filter

RE china : China | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

IPD Agriculture

PUB Al Bawaba.com, Inc.

AN Document MENREP0020140831ea8u003zt