

FrieslandCampina (Hong Kong) Ltd.  
菲仕蘭坎皮納(香港)有限公司

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**Submission by FrieslandCampina (Hong Kong) Ltd. to the Hong Kong Legislative Council Panel on Food Safety and Environmental Hygiene as Part of our Commitment to Share our Views on Measures to Stabilize Supply of Formula Products for Infants and Young Children in Hong Kong**

Meeting local market needs and ensuring the welfare of our customers are top priorities for FrieslandCampina (Hong Kong) Ltd. (“FrieslandCampina”). In response to the increasing market demand for infant and toddler formulae products in Hong Kong, our Company has been working closely with our retail partners and the Hong Kong government to ensure a stable product supply to the local market. The following is a summary of the actions that our company has taken in recent weeks to ensure that the needs of local mothers and their children’s for our milk formulae products are fulfilled:

- On January 11, we announced an expanded product ordering service, the Store Reservation Program, which is an additional channel available exclusively to Hong Kong mothers who are Friso Mother’s Club members. This program allows Hong Kong mothers to have increased access to Friso’s formula milk products as they prepare for the Chinese New Year holidays. Club members are entitled to enjoy product ordering service at the suggested retail price through Friso’s official website (<http://www.friso.com.hk/#preferential>) or the Friso hotline (+852 2859 3705), and they can choose to pick up their orders from a list of over 250 selected Mannings or Watsons stores.
- Two weeks after the Store Reservation Program announcement, we made a follow-up announcement on January 25 to double availability of Friso infant milk products to one million tins to ensure adequate supplies to the Hong Kong market over the Chinese New Year holiday period. We also expanded our hotline service capacity and extended the service hours to seven days a week to handle the orders from Hong Kong mothers.
- Last Wednesday (January 30), two additional measures have been announced including the commitment of a one-year product supply guarantee to ensure certainty of product supply and delivery for members of Friso Mother’s Club. At the same, an additional 100 tins of different stages of products were delivered last Friday and Saturday (February 1 and 2) to each of our existing pharmacy customers. Subject to the demand of different pharmacy customers, we may consider additional measures to enhance supply as required, including the option of restocking supplies via air freight shipments.

In addition to our company’s initiatives, we are also supporting the 24-hour special hotline service established by the government, which refers Hong Kong mothers to Friso Mother’s Club for product ordering. We are now processing the requests and as promised, products will be delivered within three days after the orders are confirmed. Those who have made orders on or before February 3 will be guaranteed delivery of their purchased products before Chinese New Year.



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All products ordered through the Friso Mothers' Club are sold at the recommended retail price and there are no plans for any price increase. Our last adjusted price was made in August, 2012. The suggested retail price is also shared with all of our retail partners.

Separately, our company is also taking additional measures to support the government's efforts to prevent unscrupulous sales practices at the retail level. This includes regular visits to retail outlets by our company's staff to monitor the market situation, informing existing pharmacy customers that all customer complaints regarding irregular sales practices would be investigated and could result in termination of the relationship with our company.

FrieslandCampina will continue to support the government as it addresses this challenging issue and we are fully committed to working with our retail partners to ensure a stable and sufficient supply of our company's milk formulae products to Hong Kong mothers.

FrieslandCampina (Hong Kong) Limited  
February 4, 2013