

SO NATURAL / IAN THORPE JOINT VENTURE
QUESTIONS & ANSWERS

- Q. What revenues/EBIT projections do you have for each of the Joint Ventures (JVs)? What revenues do you think you'll generate in Japan/elsewhere?
- A. *We are developing detailed business plans for each joint venture with varying strategies for market entry. Our priority products are beverages into Australia and Japan and then China and seafood into Japan. The size of the business in the offshore markets will be a function of the marketing and distribution arrangements we put in place. We are not in the position to make projections but our initial target is to build the joint ventures to achieve sales of \$50m over 3 years.*
- Q. When do you expect to commence distribution in Japan? And then elsewhere?
- A. *We hope to commence distribution in Japan by July prior to commencement of the Athens Olympics. We expect to achieve distribution in China in early 2005 with a view to being well entrenched well before the Beijing Games.*
- Q. Are we talking about Thorpedo branded beverages in the Japanese market? Are we talking about mineral/spring water?
- A. *We are talking about a range of beverages that will draw on Ian Thorpe's Intellectual property. While our plans are well advanced we do not wish to be more specific because the information is competitively sensitive.*
- Q. What overseas markets do the JVs cover?
- A. *We are targeting a list of specified markets, primarily in Asia. However, the JVs have 1st and last options worldwide for Ian Thorpe's exclusive involvement and endorsement of all the products under the JVs.*
- Q. What expertise does So Natural have in developing and marketing products in Japan and China?
- A. *So Natural has in place a team of experienced marketing, sales and corporate management executives with skills in domestic and international brand building. In addition we are to engage local strategic partners in specific markets who can add value. These partners will have the relevant distribution, marketing and branding expertise to support our plans.*

Q. Is the Food & Beverage Joint Venture (F&BJV) exclusive for all foods or just functional foods?

A. *The F&BJV is exclusive for all foods in agreed territories subject to existing contractual obligations for Thorpe IP in particular territories. We have a shared commitment to developing and marketing only food and beverages that assist a healthy lifestyle.*

Q. What shelf life do you believe that Ian Thorpe's "brand" has in overseas markets?

A. *Together we are developing brands that will become integrally associated with a healthy lifestyle. In that sense we are looking at brands with longevity well beyond Ian's swimming career.*

Q. What will be the bottom line impact of the JV on So Natural's F04 and F05 performance?

A. *On Friday, 13th February we gave the market guidance as to our ½ year results. Our most recent strategy has been to invest short term profitability in building our core So Natural brand and the new brands recently acquired. We anticipate the JVs will have a negligible impact on our F04 performance and will make a positive contribution to our F05 performance.*

Through the power of Ian Thorpe's involvement and endorsement, So Natural will achieve much greater efficiency of our marketing spend in the future.

Q. When will Ian Thorpe start promoting So Natural products in Australia, and which ones?

We expect Ian to be promoting So Natural and Thorpedo beverage products in Australia in the immediate term.