

Business Update
BLIS Technologies Ltd
AGM 2010

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Recent Highlights

- 2010 – A challenging year with significant advances in sales and product applications.
- BLIS business focus is ingredient sales:
 - dietary supplements (lozenges, gum, powder)
 - food ingredients (yoghurt, beverage, other applications)

- ***Prestigious award***

Market Research Co. Frost & Sullivan announce BLIS Technologies Ltd as their Global Probiotics Entrepreneurial Company of The Year 2010



Recent Highlights: US Market

- **CostCo** (3rd largest US retailer) and **Rite Aid** (3rd largest US retail drugstore) to launch Imagenetix's BioGuard™ containing BLIS K12™ nationwide in September.
- CostCo has more than 400 warehouses in 40 states in the US.
- Rite Aid has 4800 stores in the US.
- Now more than 30 products with BLIS K12 or BLIS M18

Recent Highlights: Ingredient Sales

- Recent sales/commitments for BLIS K12 ingredient are YTD NZD 600K cf NZD 720K in the previous year.
- BLIS K12 ingredient sales currently to Asia and North America. Europe can commence once regulatory approval is gained. Tightening of regulatory position in Europe has recently impacted on multinational food companies.
- More than 30 products using BLIS K12 and M18 now launched compared to 8 in 2009.



Recent Highlights: BLIS M18

- BLIS M18 for dental caries applications launched to selected customers in late 2009
- BLIS M18 is to be officially launched in the US in September 2010. BLIS to attend major trade show – Supply Side West.
- BLIS M18 Ingredient sales/commitments NZD 200K.

Recent Highlights: GRAS

- BLIS well advanced with GRAS application (generally recognised as safe) to FDA.
- To support its application BLIS is undertaking human safety study, partly funded by Foundation for Research Science & Technology.
- Current requirement is for toxicity study in rodents – human safety study will establish new benchmark for probiotics.
- Seeking to complete self affirmed GRAS by end 2010.

BLIS Business Strategies

- Branded ingredients; increase sales growth through strategic account management
- Open new markets by gaining regulatory approval for BLIS K12 ingredient in Europe, USA, China and Korea.
- Actively protect the business through patents, trademarks and regulatory approvals.
- Continued innovation and product development is a key business strategy for BLIS. Support customer developments.
- Seek external funding – BLIS appreciates grants from NZ Trade & Enterprise (marketing) and Foundation for Research, Science & Technology (2 TBG grants)

BLIS Business Strategies.....

- BLIS relationships with Nestle Nutrition, a global consumer Co. and other food companies are strategically very important.
- Nestle Nutrition analysing results of clinical study.
- Frutarom Ltd as global distributor for BLIS K12 and BLIS M18 (except China) is making good progress.
- BLIS working closely with Frutarom in Europe, Asia and USA and with partners to access markets in Europe.
- BLIS is developing consumer web site with Frutarom.

Regulatory & IP Update

- Regulatory approval is important in achieving sales in:
 - USA – GRAS approval required for food applications
 - China
 - South Korea
 - European Union
- Have drug master file for dietary supplements in Canada
- Major commitment of BLIS resources to regulatory developments.
- Patent for anti-caries (M18) in Europe approved

Summary of Key Priorities for FY 2011

- Growth in sales of K12 and M18 in:
 - Nth America and Asia (Japan, Taiwan and Malaysia)
 - Australian developments
 - Initiating sales in Europe
- Business developments also in Australia, India, South Korea, China and Europe.
- FDA (GRAS) approval for US.
- Regulatory approval in Europe.
- BLIS has a well defined set of objectives to pursue in

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