

The background features a collage of various Yili logos and graphics. In the top left, there is a circular logo with the Chinese characters '伊利' (Yili) and a stylized figure. Below it, another logo shows the characters '伊利' in a different font. To the right, there is a logo with the characters '伊利' and a stylized figure. At the bottom right, there is a logo with the characters '伊利' and a stylized figure. The text 'http://www.yili.com' is overlaid on the collage.

<http://www.yili.com>

2018

YILI 2018 Interim Results

The Yili logo, featuring the Chinese characters "伊利" in red and blue, with a green and blue circular graphic element.

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About Yili



About Yili



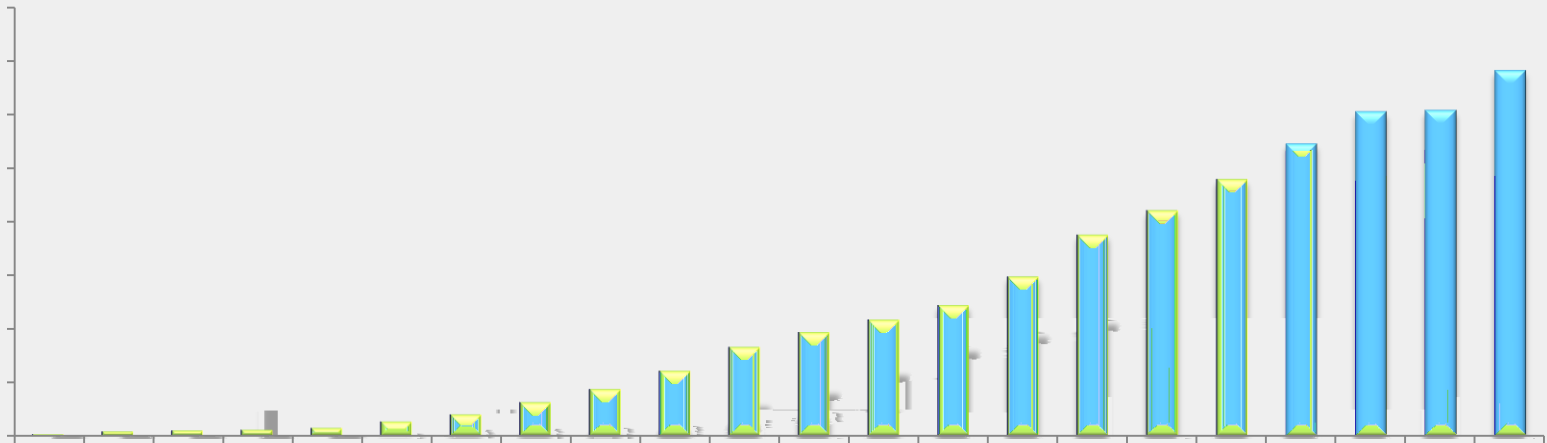
Yili is the NO.1 dairy enterprise in Asia.

Yili owns the largest scale and the most complete product line in China dairy industry.

Yili is the sole enterprise in China who conforms to both Olympic Standard and World Expo Standard, providing dairy products for both Beijing 2008 Olympic Games and 2010 Shanghai World Expo. In 2017, Yili became the Official Dairy Products Partner of the Olympic and Paralympic Winter Games Beijing 2022, which made Yili the only sponsor for both Summer and Winter Olympics games.



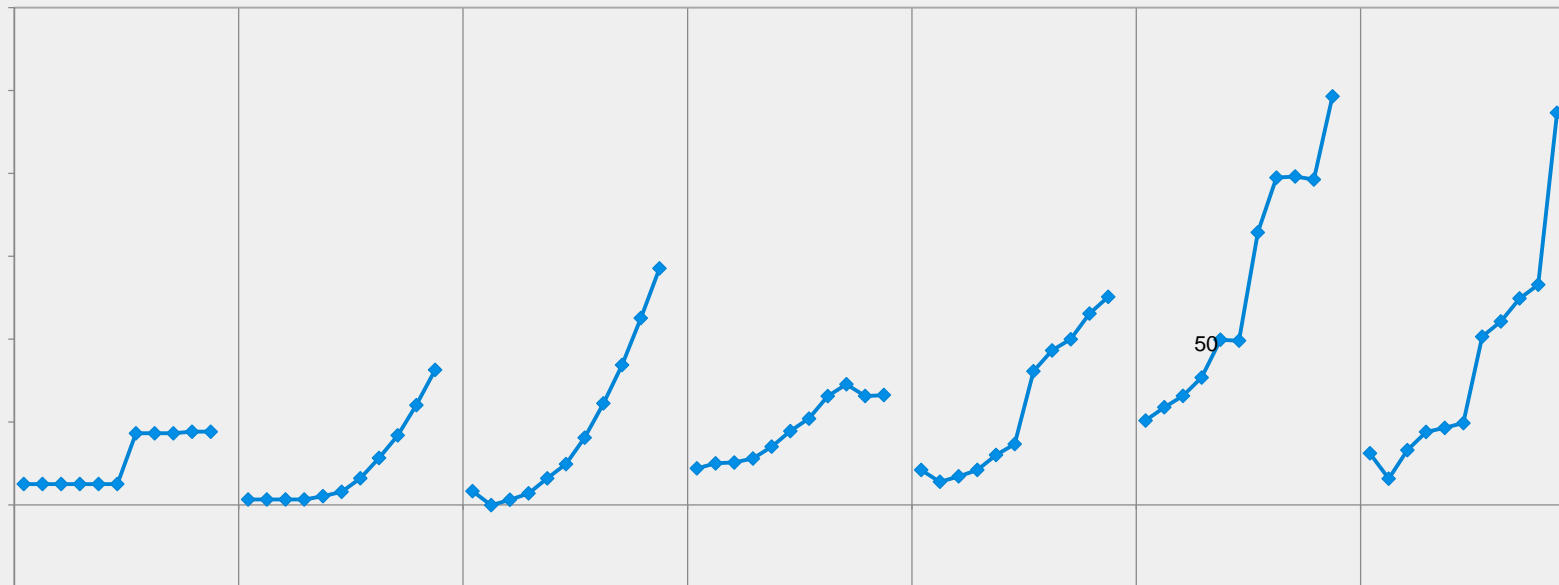
Total revenues of Yili in 2017 were RMB68.058 billion, and net profit attributable to shareholders of the company was RMB6.001 billion. Both revenues and net profit maintained growth as compared with last year and continued to rank NO.1 in Asia dairy industry.





Shareholder Return

Fixed Assets Net Assets Total Assets Market Cap Right Axis





Pan Gang, the Chairman and president of Yili Group

伊利



Introduction of Our Leader

Major Recognition

President Pan enjoys the special allowance of the State Council.

2011, Outstanding leadership award of Green economy in Asia & Pacific area

2010, Outstanding business leader in Asia & Pacific area

2010, Business leader in Power of Changing China Awards

2009, Top 10 Chinese economics leader

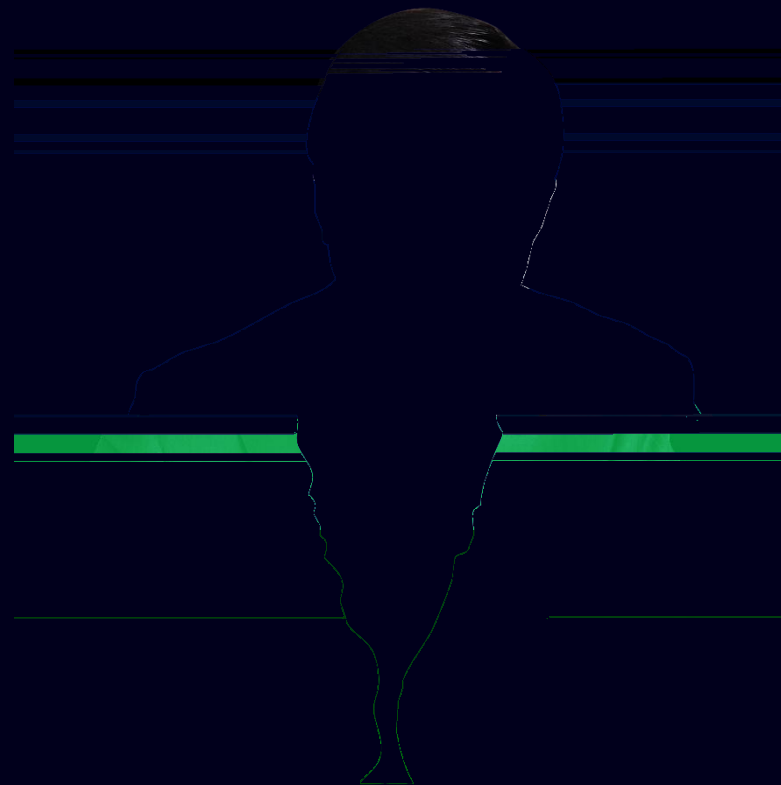
2007, The best leader of Russia-China friendship

2006, Davos Youth Global Leader

2006, National May-1st Labor Medal

2005, CCTV China Annual Economic Figure

2004, China Youth May-fourth Medal



伊利



-the-supply-chain innovation" strategy

management " and the "precise management" management ideas

The strategic partner of the Olympic Games and the World Expo

Solid results matter more than time taken; Industrial prosperity outranks value that we hold in every step of our growth.

Pan Gang , Chairman

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Address from Chairman



About Yili

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 enjoy the nutritional and healthy lifestyle by drinking milk.

Pan Gang





Financial Highlights

RMB (million)

Growth Rate

Total Revenues

Core Business Revenues

Gross Profit

Gross Profit Margin

Operating Profit

Net Profit Attributable to Shareholders of the Company

Net Profit Margin

EPS (RMB)



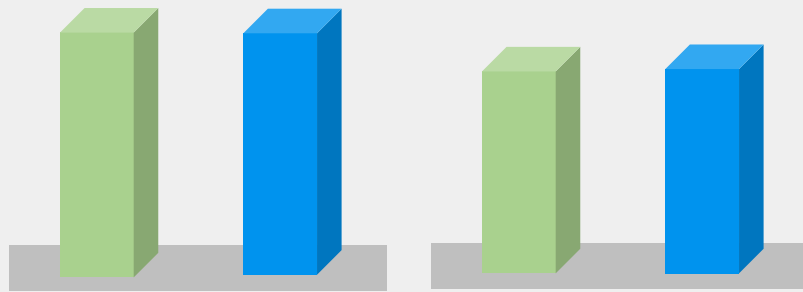
Core Business Revenues Breakdown by Segment

| RMB (million) | Revenues | % | Revenues | % | Growth Rate |
|---------------|----------|---|----------|---|-------------|
|---------------|----------|---|----------|---|-------------|

| | | | | | |
|-------------|--|--|--|--|--|
| Liquid Milk | | | | | |
|-------------|--|--|--|--|--|



Gross Margin by Segment



Total

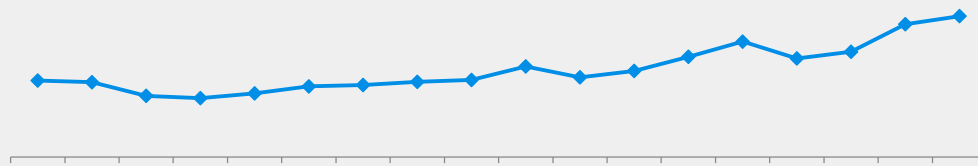
Liquid Milk



Market Share of Yili

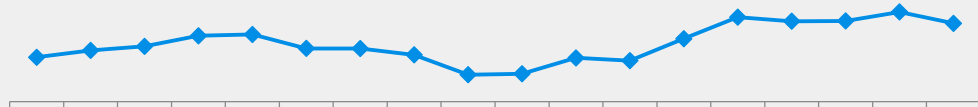
Ambient Products

The market share of our ambient products was 35.8% in 1H 2018, up 2.38 ppts YoY.



Chilled Products

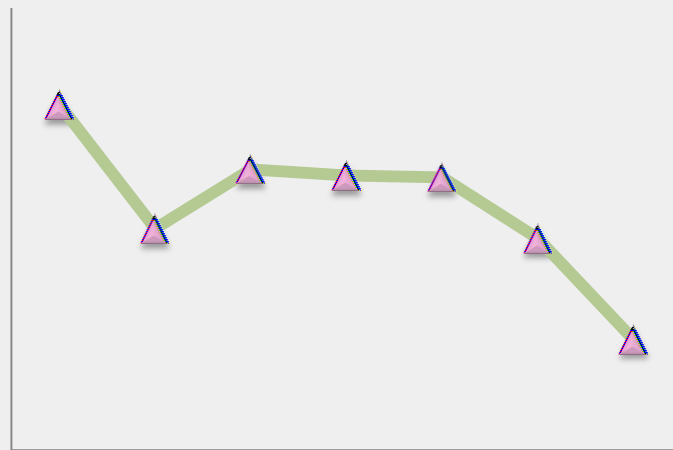
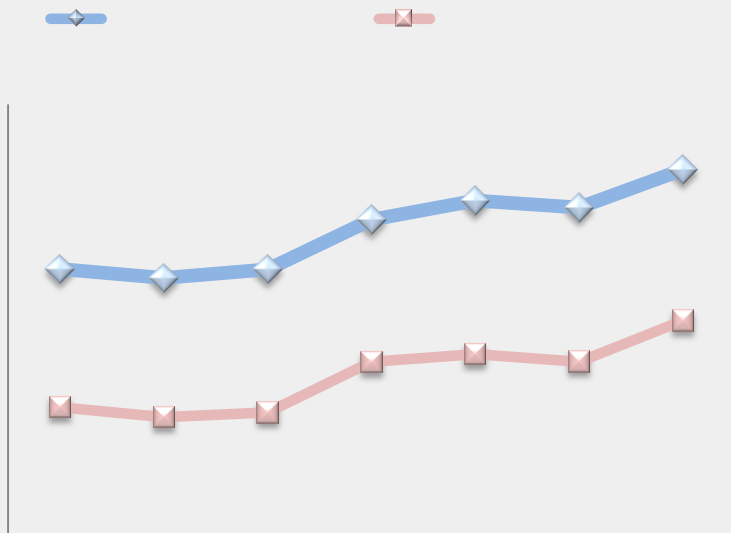
The market share of our chilled products was 17.5% in 1H 2018, up 1.01 ppts YoY.



Infant Milk Formula

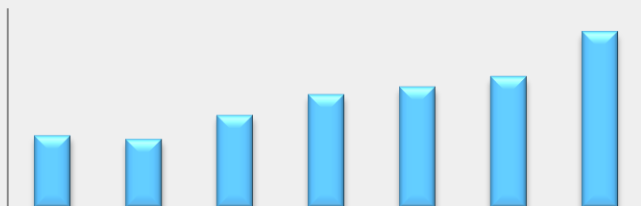
The market share of our infant milk formula was 5.8% in 1H 2018, up 0.81 ppt YoY.



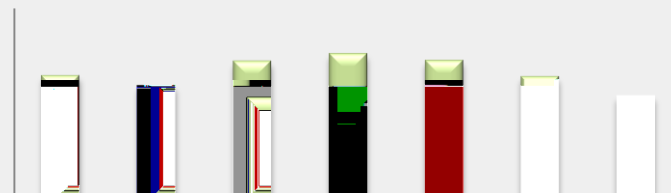


Operating Efficiency

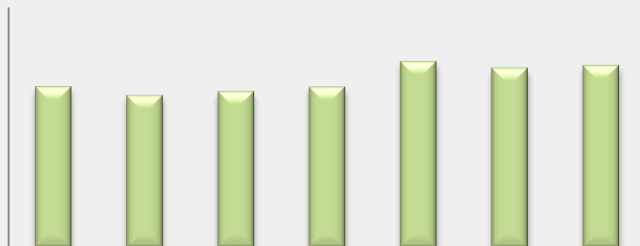
Accounts Receivable Turnover (Days)



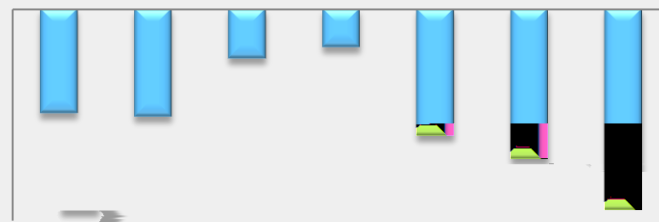
Inventory Turnover (Days)



Accounts Payable Turnover (Days)



Cash Turnover (Days)

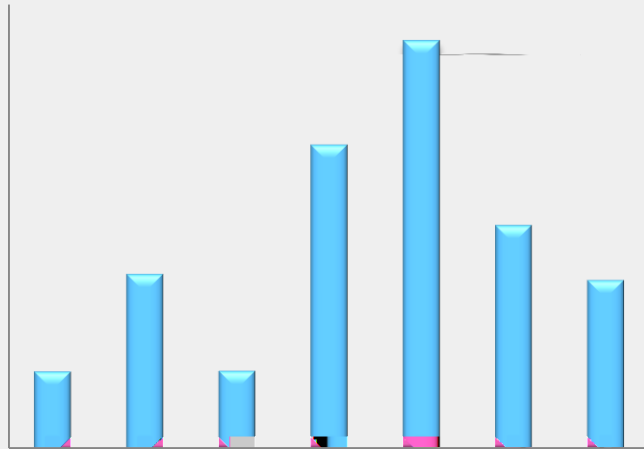




Cash Flow and Capital Expenditure

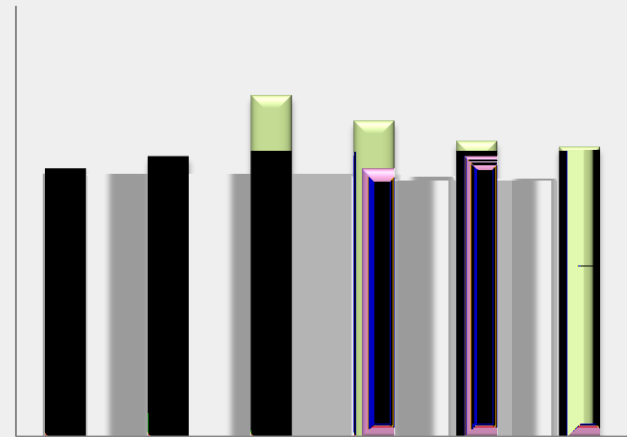
Net Cash Flow from Operating Activities

Unit: RMB million



Capital Expenditure

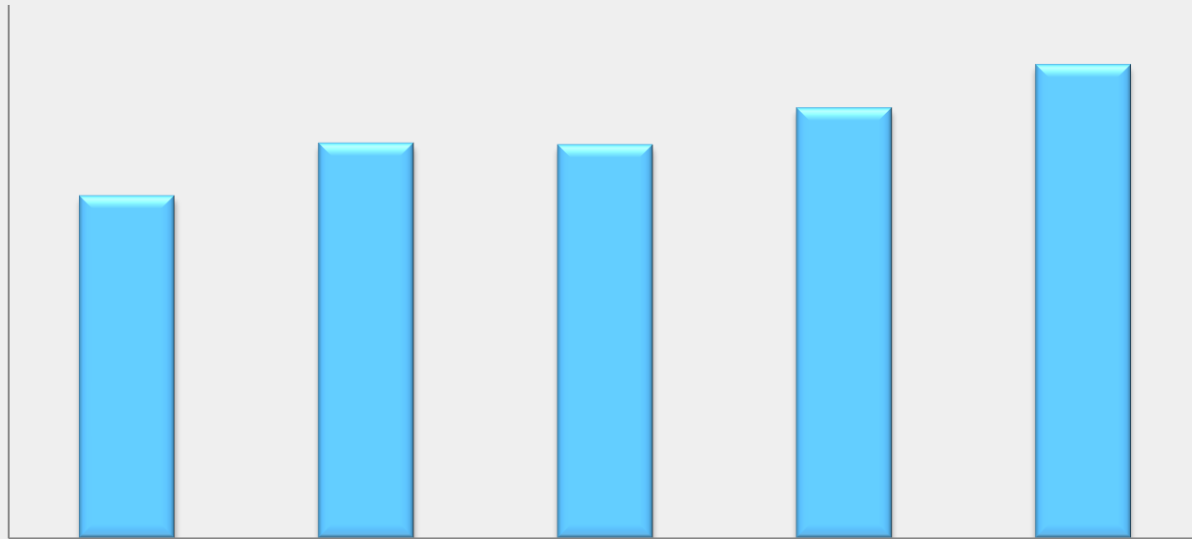
Unit: RMB million





Dividend Rate Steadily Improved

Dividend Rate





Business Review

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Product



Channel



Brand



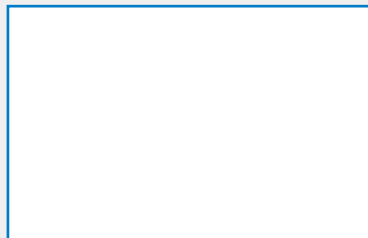
Globalization



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Satine





Products Innovation

The company has maintained and propelled its innovation strategies and has

Huanxingyuan

Youyue -end yogurt



Youyue



Fruit Smoothie



Plant Selected
Soymilk



Huanxingyuan



Chang Qing (PET)

伊利

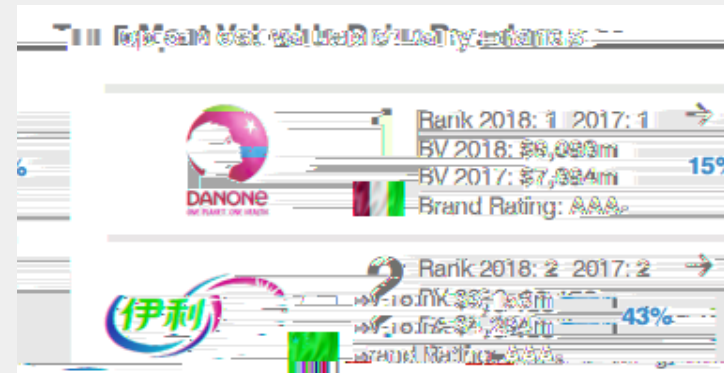




Brand

| Rank | Brand Value (USD billion) | Company | Headquarters | Country |
|------|---------------------------|------------------|----------------|---------|
| 1 | 21.4 | Nestlé | Switzerland | 24.2 |
| 2 | 17.7 | Lactalis | France | 19.9 |
| 3 | 15.5 | Danone | France | 17.6 |
| 4 | 13.6 | FrieslandCampina | Netherlands | 12.1 |
| 5 | 13.7 | Fonterra | New Zealand | 12.0 |
| 6 | 11.7 | Arla Foods | Denmark/Sweden | 10.7 |
| 7 | 10.8 | Saputo | Canada | 9.6 |
| 8 | 9.9 | Yili | China | 8.8 |
| 9 | 8.8 | Mengniu | China | 7.8 |

Yili Group maintained the undisputable position of No. 1 in Asia and stayed firmly in the first dairy camp in the world .



released by Brand Finance, Yili ranked No.1 in the global dairy brand potential and maintained No. 2 in the global dairy brand value. The brand value of our company increased by 43% compared with 2017.



Globalization

The New Zealand imported milk Satine and Perfectlands, which are produced in our Oceania production base, have been launched in domestic market



Industry Current Situation

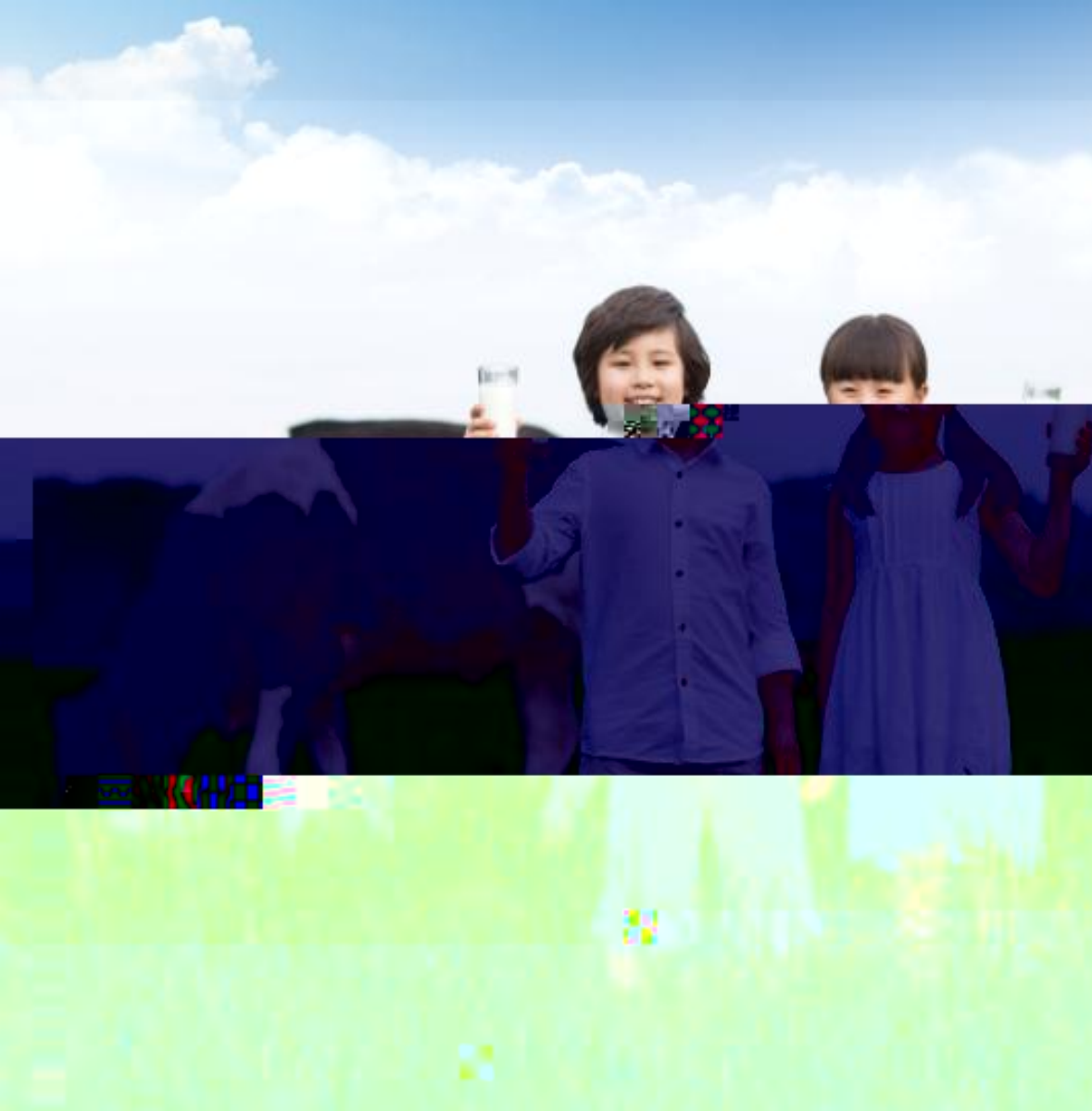


Rapid development in different segments

According to Nielsen , the retail sales of milk powder, chilled pure milk and ambient yogurt at the physical retail terminals increased by 14.8%,16.1% and18.6% YoY, respectively. According to Syntun , the transaction scale of dairy products in online retail channels continued to expand and the online retail sales increased by 36.8% YoY.

Rapid development in lower tier cities and rural areas

Raw material prices under pressure



Corporate Culture and Brand Concept



Our Culture

Belief

Yili Means Quality



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Our Culture



Vision

Becoming the most trusted
healthy food provider
around the world.



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Our Culture



The Spirit of Yili

Be loyal, trustworthy,
grateful, and value
emotions

Be courageous in meeting
challenges, diligent in
overcoming them

Be extremely disciplined,
highly efficient in
execution

Be vigilant,

伊利



Brand Essence

Nourish for Life

It is the provider of healthy food and also the advocator of healthy lifestyle





DISCLAIMER

This material is provided by the Inner Mongolia Yili Industrial Group Co., Ltd. (the "Company"). This presentation is a simple description, which is for reference only, not a complete version. Material involving industry, strategy, vision and other forward-looking statements is not substantive commitment to investors. Investors should be aware of investment risks.



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