



MEDIA RELEASE
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Launch into China a mint of a deal for milk protein innovator

Hamilton, New Zealand - Quantec Limited today announced it has signed a major deal to sell its patented milk protein ingredient – IDP® - to Auckland-based NZ New Paradise.

NZ New Paradise has secured exclusive rights to the unique ingredient for use in oral care and throat care confectionery products manufactured in New Zealand and exported to China.

NZ New Paradise's first IDP-based product will be a mint to fight halitosis, launched under its existing Purel brand. The company also plans to capitalise on IDP's proven ability to kill bad bacteria in the mouth and reduce inflammation by manufacturing a flavoured chewable tablet for Chinese children to boost their oral health.

General Manager of Auckland-based NZ New Paradise, Lavinia Huang, says, "Purel sees IDP-based products as a springboard into the Chinese market for oral health products that address the cause of bad breath and boost people' immune systems.

"Purel and Quantec share a desire to deliver high-quality, safe and healthy products manufactured in New Zealand into the Chinese market.

"Our products will initially be launched at a major baby and infant products expo in Shanghai from 17-19 July and then released progressively to other cities and regions including: Beijing, Hunan, Hubei, Jiangsu and Zhejiang. They will be sold online as well as in baby care shops," explains Ms Huang.

Based at the Waikato Innovation Park in Hamilton, New Zealand, Quantec is a company specialising in the discovery and commercialisation of high-value bioactives from natural products. In 2006, Quantec discovered and patented its novel milk fraction, comprised of native immune defense proteins (IDP®), that has proven anti-microbial and anti-inflammatory properties.

Founder and Managing Director, Dr Rod Claycomb, explains that IDP "is a unique ingredient in that it is naturally derived from fresh milk. Plus, when used in an oral care product, IDP targets and kills organisms responsible for bad odour but leaves healthy mouth organisms unharmed."

Quantec and NZ New Paradise have worked together extensively to develop some unique formulations, scope the Chinese market and test consumers' attitudes toward IDP-based products.

Dr Claycomb says, "We've been working with NZ New Paradise for over a year to test the Chinese market and prepare for market introduction. As a result of time spent in-market, Quantec projects China has the potential to be a \$2 million market for us.

"Chinese consumers look very favourably on New Zealand dairy products and we expect Purel's mint and chewable tablets to fulfil a real market need.

"Several years ago we were fortunate to secure New Zealand Trade and Enterprise funding for export growth, which has been invaluable in helping us to get to this stage. That funding allowed us to engage international marketing consultants, publicise Quantec and IDP in China and attend Chinese tradeshows."

The terms of the deal between Quantec and New Zealand New Paradise remain confidential.

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*Dr Claycomb is in NZ through 17 July and then overseas for three weeks. He remains available on his mobile and will return voicemails.

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*Lavinia is currently in China, this number will reach her there.