

“Why is GLG Life Tech an important party in the launch of stevia for mass market consumption?”

Consumers have long been awaiting a safe alternative for sugar and artificial sweeteners. Although widespread market acceptance is still in the future, GLG Life Tech (GLG) is playing an active role in developing the needed components to launch high quality stevia based products for consumers around the world. There are four key requirements for a successful launch including participation and support from major industry players. GLG currently plays a critical role in each of the key requirements. Signing a long term strategic alliance agreement with Cargill, Incorporated who in turn has partnered with The Coca Cola Company, GLG and partners are working to revolutionize the sweetener industry as we know it today.

Step 1: Stevia Seed Development and Growth

The first step in the production of a mass market-ready stevia product is to secure a firm supply of stevia leaf. The stevia plant has a sweet taste derived from a component of its leaf called Rebaudioside A (or RA). Research shows that higher quality seeds result in higher levels of RA present once the plant has matured. Management’s involvement in R&D for over 8 years has enabled GLG to breed seeds that produce high quality stevia plants whose leaves in turn produce a superior, purer tasting product. GLG has pending patents on these seeds and accompanying technology, and has developed its own seed base operations.

At the seed bases, stevia seeds are planted and grown in a greenhouse until they are approximately 3 inches tall. These seedlings are then transported to farmers to be planted. The seeds and seed bases are extremely important for controlling the quality of the stevia leaf that is produced. The cycle time to establish a seed base operation capable of generating commercially viable seeds and seedlings is 5 to 8 years.

GLG holds a very important position as no other company in the world has a commercially viable operation that monitors so closely the quality and care of the stevia plant during its most important growth stages. GLG has even secured vast expanses of exclusive growing areas with the three top stevia producing provinces in China. The local governments have agreed to allow only GLG to grow stevia in these areas for the next 10 years (20 years in Juancheng).

Through its seed base and growing operations, GLG now controls 80% of the high quality stevia leaf supply in China.

Step 2: Refining

The second key step in the production of a mass market-ready stevia product is to take the raw stevia leaf and extract the sweet component Rebaudioside A. This requires experience, technology and a very exact refining process for which GLG has spent years perfecting. The process has two phases and is very similar to steeping tea. The leaf is soaked, the glycoside (Rebaudioside A) is isolated, and the resulting product is a fine white powder. GLG calls this “intermediate powder” as it only completes the first phase of production.

In the second phase, the powder is further refined to produce the pure tasting, very high quality raw material for use in a market-ready stevia product .

The extraction and refining process is complex and was developed after 10 years of research. As a result, GLG is now able to manufacture pure, high quality product with no backbite or lingering aftertaste. Further, GLG is the only company in China able to economically produce this product in large quantities.

Step 3: Formulation

The third step in the production of a mass market-ready stevia product is formulation. Much of the high quality raw material produced by GLG is sent to Cargill where it is formulated into the world's newest and most advantageous natural sweetener, *rebiana*. GLG currently supplies 80% of Cargill's global stevia requirements and 100% of anything sourced from China. GLG also has formulation capabilities and has achieved great tasting 1:1 and 2:1 ratios (as compared to a cup of sugar) for consumer ready stevia products with no lingering backbite or aftertaste. Formulated stevia will be used by many major industry players for use in food, beverages and supplements as a healthy alternative for consumers.

Step 4: Marketing and Sales

The last step is the marketing and sale and distribution of product. Established brand recognition and the reputation of major industry players is crucial in this step as well as for marketwide acceptance of a stevia-based sweetener. GLG is working with partners to drive global sales for stevia in all major markets around the world. The promotion of this exciting new product by trusted household names will help drive consumer demand. Coupled with a trend toward healthier living and consumer attention to diet, this new, great-tasting, natural and zero-calorie sweetener will soon be welcomed around the world as the next generation of sweeteners.

