



SYNLAIT MILK LIMITED
ANNOUNCEMENT

NZX: SML
ASX: SM1

3 JULY 2018

SYNLAIT EXTENDS SUPPLY AGREEMENT WITH THE A2 MILK COMPANY

Synlait (NZX: SML; ASX: SM1) and The a2 Milk Company™ (NZX: ATM; ASX: A2M) have today announced a significant extension to their long-term infant formula supply agreement.

The supply agreement for a2 Platinum® infant formula and other nutritional products, announced on 23 August 2016, provided for a minimum term of five years, with a rolling three-year term from 1 August 2018.

The key components of the revised agreement are:

- A two-year extension to the term of the agreement, effectively providing for a new minimum term of five years to 31 July 2023
- An increase in the volume of infant formula products over which Synlait already has exclusive supply rights
- Increased committed production capacity from Synlait
- Pricing terms that reflect the commitment on the part of both companies to an ongoing market-competitive pricing regime

The agreed variations are conditional on either NZX granting a waiver from the requirement to obtain shareholder approval under NZX Listing Rule 9.1.1 or shareholder approval being obtained.

The agreement continues to reinforce the two companies' close working relationship as they work to develop a2 Platinum® for the ANZ and China markets on an exclusive basis to a specified product volume.

“The success of the a2 Platinum® product has exceeded all expectations over the past two years. This step is about bringing Synlait and The a2 Milk Company™ closer together in anticipation of continued growth,” says John Penno, Managing Director and CEO.



“It also puts both companies in a great position to further leverage the Chinese Food and Drug Agency (CFDA) registration of a2’s™ infant formula products, which was achieved in September 2017,” he says.

ENDS

For more information about Synlait, visit or www.synlait.com or contact:

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