



## SUBORDINATED BOND OFFER

22 November 2019

### SYNLAIT CONSIDERS SUBORDINATED RETAIL BOND OFFER

Dear Shareholders,

As an investor in Synlait Milk Limited (Synlait), I am pleased to tell you that today we announced that we are considering making a bond offer to New Zealand institutional and retail investors (the Offer).

The Offer is expected to be for up to \$150 million of five year unsecured subordinated fixed rate bonds (with the ability to accept up to \$50 million in oversubscriptions). The bonds will be subordinated to Synlait's senior bank debt facilities and the proceeds of the Offer are intended to be used to repay a portion of Synlait's existing bank debt.

We intend to release full details of the Offer in late November/early December.

Investors can register their interest by contacting a Joint Lead Manager or the Co-Manager, as detailed below, or their usual financial adviser. Registrations of interest will not create an obligation or commitment to acquire the bonds.

No money is currently being sought and no bonds can be applied for or acquired until the Offer opens and the investor has received a copy of the Offer document in relation to the bonds. If Synlait makes the Offer, it will be made in accordance with the Financial Markets Conduct Act 2013. Application will be made to NZX for the bonds to be quoted on the NZX Debt Market on completion of the Offer.

For more information on Synlait please visit: <https://www.synlait.com/bondoffer>

Thank you very much for your ongoing support of Synlait

Kind regards,

A handwritten signature in black ink, appearing to read 'Graeme Milne', is positioned above the printed name.

Graeme Milne ONZM  
Chair

## ABOUT SYNLAIT

- Synlait is a manufacturer with a focus on supplying high value fully finished infant formulas and dairy ingredients to leading milk-based health and nutrition companies internationally.
- The company has grown from start-up to 146,000 MT of annual production volume in 11 years, with revenue growing by a 25% CAGR and exceeding \$1 billion for the first time in FY19.
- Synlait operates from a powder manufacturing, blending and canning and advanced liquid dairy facility in Dunsandel, a powder manufacturing facility in Pokeno, a blending and canning facility in Auckland, a bulk and speciality cheeses manufacturing facility in Temuka, and recently announced the acquisition of all of the shares in the branded dairy products business Dairyworks Limited in Christchurch. This acquisition is subject to Overseas Investment Office approval.
- Synlait is the largest exporter of high value infant formula in New Zealand, supplying customers including The a2 Milk Company™.
- The company has recently entered the Everyday Dairy category, supplying fresh milk and cream to Foodstuffs South Island, and acquiring Talbot Forest Cheese and Dairyworks Limited.

## JOINT LEAD MANAGERS



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DeutscheCRAIGS

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FORSYTH BARR

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JARDEN

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## CO-MANAGER

H Q B S O N  
W E A L T H

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## FOR INVESTOR RELATIONS ENQUIRIES:

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Synlait does not intend that the bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of bonds, in any jurisdiction other than New Zealand.

This document is not, and should not be construed as, an offer to sell or a solicitation of an offer to buy Synlait bonds and may not be relied upon in connection with any purchase of Synlait bonds. This document may not be published, delivered or distributed in or from any country other than New Zealand.

The information in this document has been prepared by Synlait solely for informational purposes and does not purport to be complete or comprehensive and does not constitute financial product, investment, tax or other advice.

Synlait has been designated as a "Non-Standard" (NS) issuer by NZX because Bright Dairy Holdings Limited, its cornerstone shareholder, has the right to appoint four Directors to the Board.