

Agenda

- Company overview
- Financial information
- Regional overview
 - Australia and New Zealand
 - China and other Asia
 - UK
 - USA
- Infant formula
- R&D update
- Summary







Company overview

The a2 Milk Company™ at a glance

- The a2 Milk Company ("a2MC") is in the business of producing, marketing and selling premium branded dairy and infant formula products in targeted global markets
- a2MC branded products contain only A2 beta-casein protein rather than both A1 protein and A2 protein which are found in regular cows' milk products
- How is a2MC unique from other dairy businesses?
 - 1 Focused on building a high margin and differentiated business supported by an integrated IP portfolio
 - 2 Seek to achieve upper quartile return on capital through investment in brand building and a flexible and scalable supply chain
 - 3 Distinctive products that have broad appeal across a number of developed and emerging markets

a2Milk™	F	Regula	ır milk	_
A2 protein		A1 protein	A2 protein	

Key metrics			
	NZ\$ million		
Market Capitalisation ¹	~1,375		
FY15 Revenue	155.1		
FY15 EBITDA ²	4.8		
FY16 Revenue ³	335.0 - 350.0		
FY16 EBITDA ³	45.0 - 49.0		

¹ Based on share price of NZ\$1.90 as at 1 April 2016



² EBITDA before non-recurring items (ASX listing costs of NZ\$1.7 million in FY15)

³ Guidance released to market on 17th February 2016

Distinctive and premium product portfolio is expanding



China UK USA









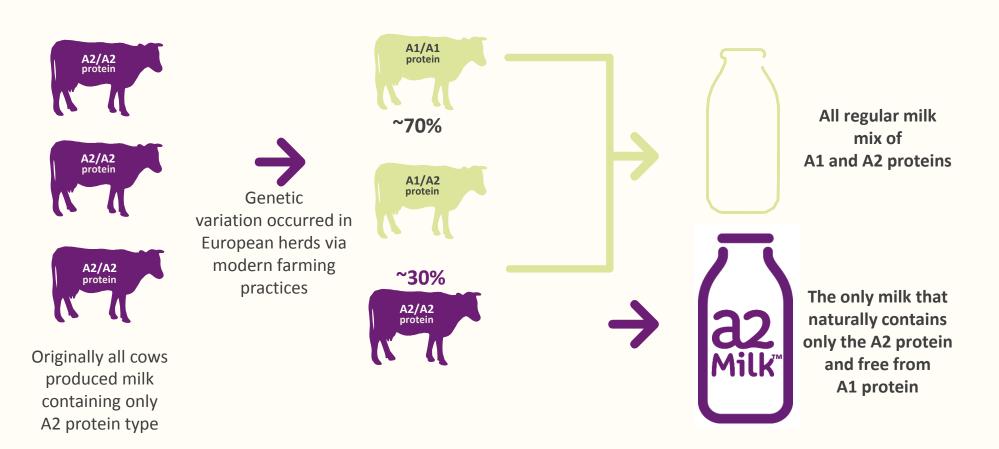






What is the a2 Milk™ difference?

• The a2 Milk® brand is a naturally occurring cows' milk and not a product of a technological process or genetic engineering





Investment highlights a2MC is not a conventional dairy company

- Premium brand and product range supported by an integrated intellectual property portfolio and growing scientific evidence
- O2 Proven and profitable Australian business remains on a strong growth trajectory
- Outstanding success of a2 Platinum[®] infant formula (China, Australia) provides long term growth potential and is significant contributor to earnings
- O4 Strategic investments in USA and UK provide exciting platform for future growth
- O5 Flexible and scalable supply chain allows optimization of return on capital
- Senior management team with relevant industry and market experience, focused on creating value for shareholders





Focussed and consistent strategic growth map

STRATEGIC INTENT

Continue to build a substantial premium dairy business in Australia and NZ

STRATEGIC PRIORITIES

- 1. Australian growth in liquid milk and other dairy products
- 2. Investigate NZ liquid milk opportunity

Establish and build a global infant formula business



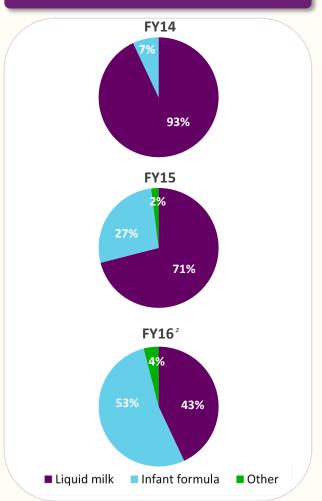
- 2. Strengthen the a2 Platinum® brand presence in China amongst targeted consumer group
- 3. Seek additional market opportunities

capture sustainable shares for premium a2MC branded products in targeted global dairy markets



- 2. Continue to build UK business
- 3. Actively pursue China liquid milk opportunity utilising Australian exports
- 4. Explore other priority Asian markets

PORTFOLIO COMPOSITION¹



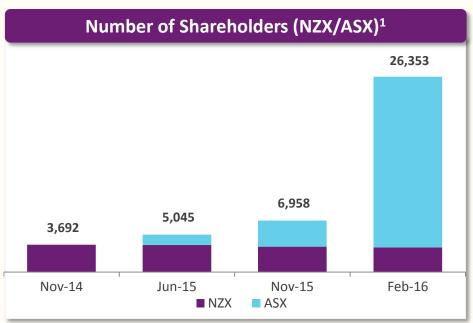


¹ Composition defined by net revenue per product type

² Portfolio composition based on 1H16 results

Other corporate initiatives

- Oversubscribed equity raising to fund increase in infant formula working capital and maintain conservative capital position:
 - \$40 million raised from institutional investors, October 2015
 - \$3 million share purchase plan, November 2015
- Admission to ASX in March 2015 successful in broadening investor participation





- Board renewal process continuing with appointment of Mr Peter Hinton as a NZ based non-executive Director
- Appointment of additional director with appropriate international experience planned



Shareholders by exchange as at 10 February 2016

² Weighting based on % of fully paid issued capital held as at 10 February 2016



Financial overview

Key consolidated financial results

NZ\$ million	FY14	FY15	Movement FY14 – FY15	1H16
Revenue	110.8	155.1	+40%	139.2
Gross margin	39.8	54.4	+37%	57.0
Administration	(12.0)	(15.4)	+28%	(13.3)
Marketing	(9.8)	(10.3)	+5%	(10.0)
Other	(14.4)	(23.9)	+66%	(15.0)
EBITDA before non- recurring items	3.6	4.8 ¹	+35%	18.7
EBITDA	3.6	3.1	-13%	18.7
EBIT	2.1	1.2	-44%	17.4
NPAT	0.0	(2.1)	n/a	10.1
Cash on hand	16.0	6.1	-62%	36.4

- Gross margin increase reflects ongoing growth in Australian fresh milk business and significant acceleration of infant formula. Trend has continued strongly into FY16
- Other expenses increased primarily due to expansion into new markets
- FY15 EBITDA includes investment establishing positions in the US of NZ\$4.3 million and the UK of NZ\$7.8 million
- FY16 full year forecast increased to Group revenue range of \$335 million to \$350 million and Group operating EBITDA range of \$45 million to \$49 million



 $^{^{1}}$ Non-recurring items represent ASX listing costs of \$1.7 million in FY15

Operating results by segment

NZ\$ million	FY15	1H15	1H16	Movement 1H15 – 1H16%
ANZ	149.1	72.8	127.9	76%
China and Other Asia	4.1	1.1	8.4	681%
UK and USA	1.9	0.9	2.9	222%
Group Revenue	155.1	74.8	139.2	86%
ANZ	30.0	14.0	34.5	146%
China and Other Asia	(3.1)	(2.2)	1.2	(155%)
Corporate and Other	(10.0)	(4.3)	(8.9)	107%
EBITDA excluding UK & USA	16.9	7.5	26.8	257%
UK and USA	(12.1)	(4.2)	(8.1)	93%
Total Group EBITDA ¹	4.8	3.3	18.7	472%

- FY15 was a record year for the ANZ business with growth expected to build into FY16
 - a2 Platinum® sales building with significantly increased demand and liquid milk sales continuing to grow
- Following investment in previous years China and Other Asia experiencing strong a2 Platinum® revenue and profit growth in FY16
- Rest of world roll-out underway in the US and the UK
 - The initial US entry commenced in Southern California from April 2015, followed by expansion into Northern California
 - UK on track to achieve monthly breakeven by year end, ahead of plan
- Corporate and Other comprises group costs including board/senior management, IP and R&D cost

The **32 Milk** Company

¹ Before non-recurring items relating to the ASX listing: FY15 \$1.7million; 1H15 of \$0.8million



Regional overview

Australia and New Zealand business overview

Current position

- Significant branded milk business with a reliable supply chain, continued sales growth and premium pricing
- Australian business achieved 45% 5-year CAGR to December 2015
- Segment revenue grew by 76% on pcp to NZ\$127.9 million for 6 months to December 2015
- Modern purpose-built processing facility in Sydney, quality 3rd party processors and developed distribution network
- a2 Milk[™] brand is largest premium milk brand at ~9.3% market share¹
- a2 Platinum[®] was the fastest growing infant formula brand with a grocery market share by value of ~16.7% across supermarkets and pharmacy²
- a2 Ice Cream™ distribution now broadened to all major Australian retailers
- Expanding into a2 Milk[™] branded whole milk powder given the strong growth opportunity

Growth strategy

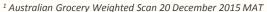
The milk that's ALL A2*

- Continue to enhance premium brand strength
- Build on core ANZ liquid milk business

 Continue to grow a2 Platinum® and other dairy product innovation

Build scale and efficiency





² Australian Grocery and Pharmacy Scan, quarter to date vs YA December 20, 2015



China and Other Asia business overview

Current position

- Launched a2 Platinum[®] in Nov 2013 with the intention of establishing a position in China before expanding into other Asian markets
- a2MC now directly manages sales and distribution with a growing team based in Shanghai and Auckland
- The business is performing well ahead of plan in FY16 and is posting positive EBITDA returns
- Multi-product, multi-channel strategy to build both local China products and cross-border ANZ labelled products
- Strong emphasis on e-commerce retailers and Mother & Baby channels where distribution is over 1,000 stores
- E-commerce partners include T-mall, JD.com and other strategic digital platforms
- Infant formula processed and packaged by Synlait Milk NZ which has an integrated facility and allows full manufacturing and packaging control

Growth strategy

- Build a high profile premium brand in China
- Educate consumers and health professionals about the unique benefits of the A2 protein
- Build core infant formula and milk (liquid and powder) businesses
- Build relationships with distributors, e-commerce partners, retailers. Continue to utilize and maximize e-commerce presence





UK business overview

Current position

- Commenced sales in the UK in Nov 2012 through a JV with Robert Wiseman Dairies which was then subject to a takeover by the Müller group
- In Jan 2014 a2MC fully acquired UK JV
- a2 Milk[™] brand repositioned during calendar 2014 to premium specialty milk segment
- a2 Milk™ fresh milk unit sales continue to grow from modest base, distributed in 4 of the 5 key UK grocery retailers
- Marketing focused on digital advertising, promotional events and health care professional engagement
- Revised UK business model broadens the product portfolio beyond fresh milk with UHT milk available from Q2 and a market trial for a2 Platinum® underway
- The UK business on track to achieve monthly breakeven ahead of plan, by end of FY16

Growth strategy

- Continue to build targeted premium brand
- Grow distribution in existing supermarkets (in-store and online)

 Expand product portfolio (UHT and infant formula) as milk business develops

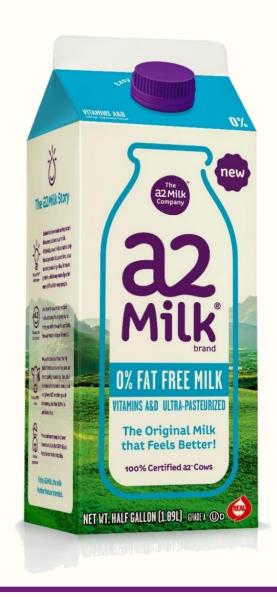


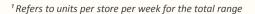


USA business overview

Current position

- Initial launch commenced in Southern California region from April 2015, extended to Northern California
- a2MC pleased with progress in building distribution in Southern and Northern California, with future plan to extend to additional state markets
- Quality partner contracted to manage milk supply and processing
- Estimated retail weighted distribution in California of circa 85% from February following acceptance across Safeway/Alberstons/Vons stores
- Units per store per week building, on track to achieve target rates of 30¹ by end FY16 in key retailers
- TV advertising campaign launched in February in Los Angeles coupled with social digital media, PR, shopper marketing and in-store promotional activity across total California (www.a2milk.com)
- Given build in retail distribution, plan to invest additional US\$3 million during 2H16
- Building strong credibility with HCP network, gaining support with science and medical practitioners, including USA clinical trial initiative

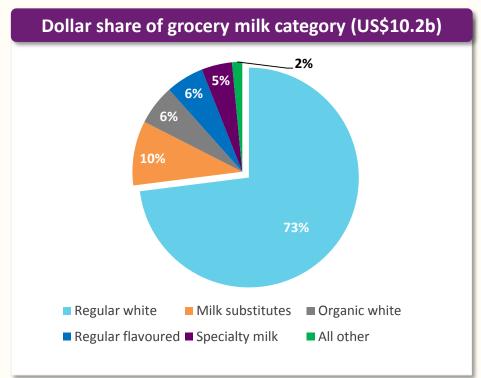


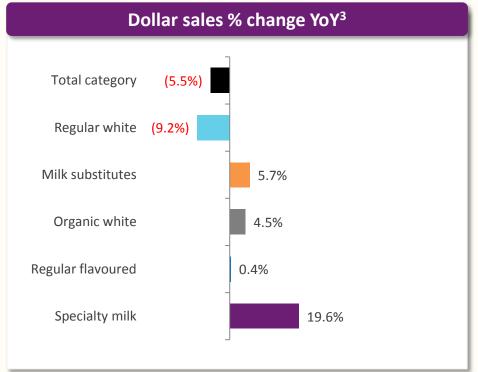




USA grocery milk category overview¹

- US\$10.2 billion grocery milk category down ~5.5% over the 52 weeks ending 1 November 2015
- Regular white milk sales driving overall decline (~9.2% category decline)
- Main driver of decline in regular milk is digestive related²
- Strong growth in specialty milk and milk substitutes (plant-based) gaining share from regular white milk
- a2MC product format in ½ gallon carton across four variants in specialty milk category





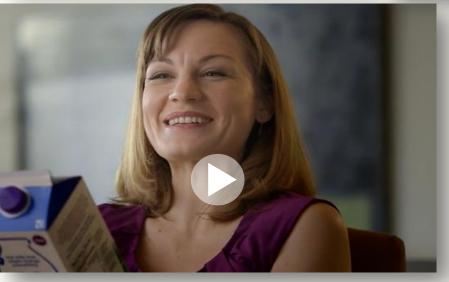
¹Source: TOTAL US FOOD (Information Resources Inc. 52 weeks ending 1 November 2015) ²Source: Kantar Worldpanel (2014 US beverage landscape); IRI DMI Custom Milk Database ³52 weeks ending 1 November 2015 vs YA



USA ramping up marketing support















Infant formula

a2 Platinum® overview

Current position

- Infant formula accounts for ~53% of total group revenue
- Compelling and unique point of difference
 - The only infant formula naturally rich in the A2 beta casein protein which supports a baby's natural digestion
 - Taps into significant growth of alternative milk formula products due to its natural digestive health benefits
 - Remainder of formulation is on par with premium market leaders (Omega 3 DHA, prebiotics and essential nutrients such as iron, calcium, vitamin D, zinc and iodine)
- Demand continues to grow amongst Australian and Chinese mothers
 - The growing success of a2 Platinum® is based on the well established quality reputation of the a2 Milk™ brand in Australia
- Experiencing stock shortages in first half despite increased production
- Building further milk supply in NZ to increase production in FY17
- Majority of sales occurred across Australian grocery and pharmacy channels, however direct sales into China increasing in cross border e-commerce channels and mother baby retail stores

 The

Company"

Infant formula supply chain





China regulatory issues under review

- Presently a number of regulatory changes signalled for review by the Chinese Government
- A number of changes remain in draft form
- a2MC continues to monitor developments in this area, positioned to respond to change

Regulatory issues under review	Potential effect	Progress/timing
New China Advertising Law	China label product must comply with the new Advertising Law	Effective 1 September 2015. a2MC compliant
China Cross Border E-commerce tax change	New taxation on both E-commerce Bonded mode ¹ and Cross Border mode ² imports	Effective 8 April 2016
Food Safety Law Implementation Plan (Draft Version 2)	Formula registration; domestic / imported product compliance	Estimated to issue Draft Version 3 in the coming months
Cross Border E-commerce Policy Draft	Full label & formula compliance with the China GB (Guobiao) Standard	Draft issued mid October 2015
China's WTO ³ submission	Formula registration (3 product lines / 9 formulas)	Ended consultation 7 March 2016
WHO ⁴ proposed scope change to include Stage 3 formula (1 to 3 years)	Mainly restricts packaging & advertising	Consultation 8 April 2016



¹ E-commerce platforms via Free Trade Zone bonded facilities ("E-commerce Bonded mode")

² Non-bonded mode cross border transactions ("Cross Border mode")

³ World Trade Organisation

⁴ World Health Organisation

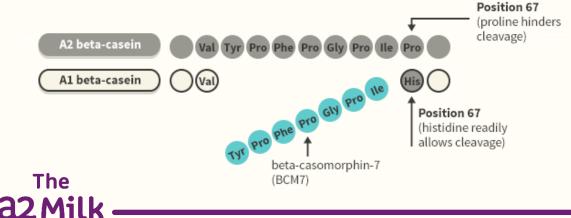


R&D update

R&D Update

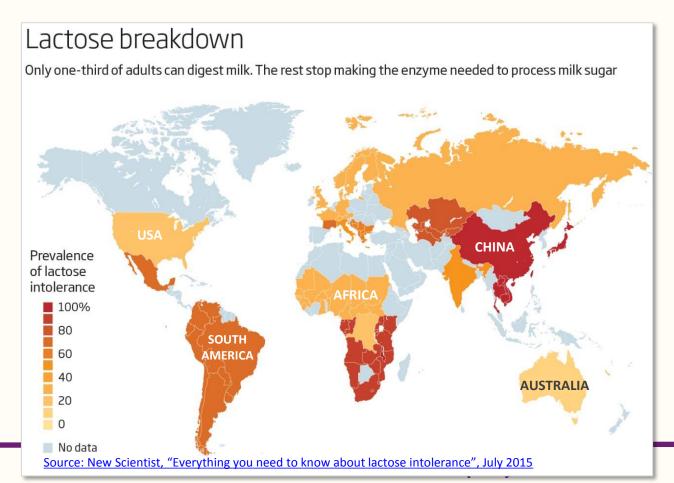
- Continuing to develop and enhance portfolio of brand assets, intellectual property and participate in R&D associated with the benefits of the A2 beta-casein protein and the absence of A1
- Research findings from recent completed studies:
 - Explains at the human cell level the mode of action and digestive benefits of a2 Milk™
 - The consumption of a2 Milk™ products can increase antioxidant production (glutathione) over and above regular dairy
 - BCM-7 from A1 protein has a negative effect on human neural stem cell growth and development
- Several new research studies have been initiated
 - Further clinical trials in China to assess benefits of A2 beta casein protein amongst adults, preschoolers and infants
 - A clinical trial into the benefits of a2 Milk® to digestive function with a leading USA biomedical research center
 - Professor Gibson in conjunction with Monash University Australia will lead a human clinical study examining the benefits of a2
 Milk™ on IBS/bowel inflammation
- New Zealand government awarded the Company a significant NZ\$1.1 million research grant in partnership with AgResearch and The University of Auckland as part of a government push to invest funds into areas of High-Value Nutrition

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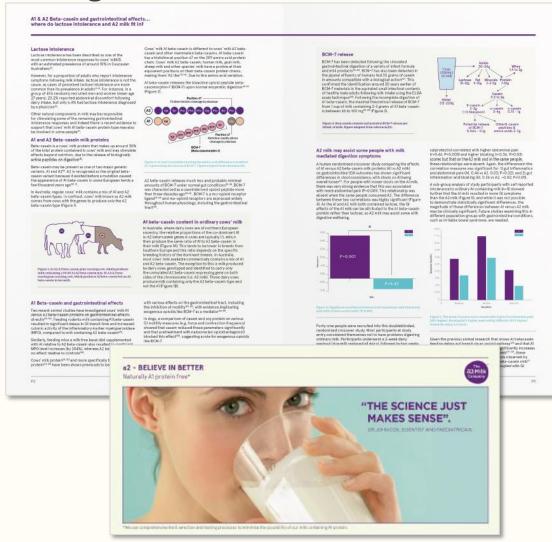


New human clinical research under publication

- As previously reported a human clinical trial was conducted in China and submitted for publication during H1 FY16
- China was chosen due to the significant levels of reported lactose intolerance
- The results lend further support around the digestive benefits of milk free of the A1 protein and has been accepted for publication by a respected European Journal in April 2016
- Findings enhance the commercial opportunity for a2MC within China and other markets with high levels of milk intolerance

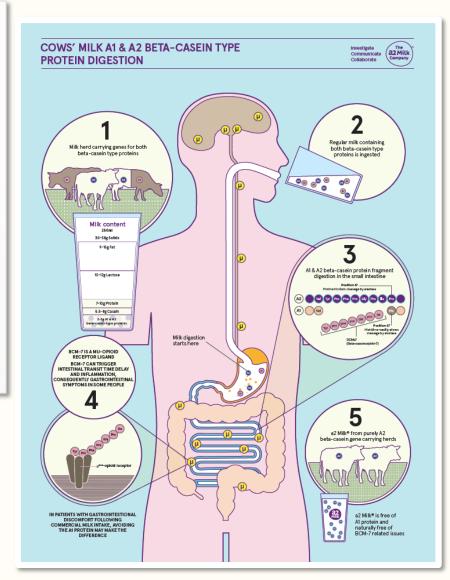


New global health care educational materials



Disclaimer: The information contained within this page is intended for health care professionals and should not be construed as professional medical advice nor as any health claim associated with consuming a2 Milk™.







Summary

Summary

✓ A proven, sustainable, profitable business model in ANZ delivering upper quartile returns on capital relative to the industry

✓ Establishing a premium infant formula brand and business synonymous with quality - targeting growth across multiple markets

✓ Business centered on continuing to build a unique premium international brand that is supported by a multi-product, multi-channel strategy

✓ Broad and consistent positive consumer acceptance of the benefits of A2 protein and continuing to pioneer further knowledge and understanding

✓ First mover advantage given comprehensive intellectual property portfolio, brand equity and a2MC business systems and experience



a2MC receiving strong global media attention



The milk you've never heard of that's rocking the dairy world

Millions of Australians are ditching organic milk in favour of the best selling premium milk: a2 Milk



Read article

New milk featuring an old protein promises big health benefits

Dairy products containing only one of two milk proteins might be easier to digest than conventional milk



Read article

The milk that might change everything?

a2 Milk - milk from cows that only produce A2 beta-casein protein – is set for an April launch in California



You're drinking the wrong kind of milk

An emerging body of research suggests that many of the 1 in 4 Americans who exhibit symptoms of lactose intolerance could instead be unable to digest A1 protein



Read article

a2 Milk less likely to cause gastro problems: new study

First human trial measures the impact of A1 and A2 protein on the digestive system. A1 tougher on the gut according to double-blind test at Curtin University



Read article

Should we be giving up cows' milk?

If you think milk protein is the issue, you could try a2 Milk, a dairy revolution which started in Australia

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