



SYNLAIT MILK LIMITED
ANNOUNCEMENT

NZX: SML
ASX: SM1

29 NOVEMBER 2016

SYNLAIT INCREASES FORECAST MILK PRICE TO \$6.00 kgMS

Synlait Milk (NZX: SML; ASX: SM1) has increased their forecast milk price from \$5.00 kgMS to \$6.00 kgMS for the 2016 / 2017 season.

Synlait planned to provide an updated forecast at the start of February 2017, however Mr Milne said an update now is more appropriate and beneficial for Synlait's 200 Canterbury milk suppliers.

"We've kept a close eye on the global dairy market and the trending increase in dairy prices can't be ignored. As a result, we've increased our forecast milk price to \$6.00 kgMS," said Graeme Milne, Chairman.

Mr Milne said reduced European production over the past three months shows European dairy farmers are responding to lower milk prices.

"Production is also reducing here in New Zealand, but Europe has a much greater impact on overall dairy prices and we've seen this in action with dairy prices over the past three months."

"We are also mindful China's demand for dairy products is another key driver for global dairy prices. While their demand has risen recently, it's unclear if - and for how long - it might continue," said Mr Milne.

John Penno, Managing Director and CEO, said the increased milk price forecast will be well received by Synlait's milk suppliers.

"Our milk suppliers have been through two tough seasons. I'm really pleased this increase will provide them and their businesses with a higher cash flow than they had planned for at this stage in the season," said Mr Penno.

"While we're very pleased to lift milk supplier payments on the back of substantial improvements in commodity prices, we remain cautious about the medium to long term outlook and encourage our milk suppliers to take this into account as they make their plans."

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

Dan Walraven
Communications Manager, Synlait Milk
P: +64 27 836 7532
E: daniel.walraven@synlait.com