SYNLAIT MILK LIMITED
ANNOUNCEMENT

21 SEPTEMBER 2016

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

INSTITUTIONAL ENTITLEMENT COMPONENT OF SYNLAIT'S ENTITLEMENT OFFER COMPLETED

Synlait is pleased to advise it has successfully completed the institutional entitlement offer component (Institutional Entitlement Offer) of its underwritten 2 for 9 pro rata accelerated entitlement offer (Offer) of new fully paid ordinary shares in Synlait (New Shares), announced on 19 September 2016.

A total of approximately NZ$98 million will be raised under the Offer.

The Institutional Entitlement Offer closed on Tuesday 20 September 2016 and raised gross proceeds of approximately NZ$59 million, including entitlements attributable to the pre-committed shareholders Bright Dairy Holding Limited and Munchkin, Inc.

The New Shares taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer are expected to be issued and commence trading on NZX on Tuesday 27 September 2016 and will rank equally with existing fully paid ordinary shares of Synlait (Shares). Bright Dairy Holding Limited will defer part of its settlement to the Retail Allotment Date to comply with the Takeovers Code.

INSTITUTIONAL BOOKBUILD

4.7 million New Shares are available for the institutional bookbuild component of the Offer, which will be conducted today, Wednesday 21 September 2016.

RETAIL ENTITLEMENT OFFER

The retail component of the Offer (Retail Entitlement Offer) will open at 10.00am (NZ time) on Thursday 22 September 2016 and close at 5.00pm (NZ time) on Tuesday 11 October 2016.

Eligible Retail Shareholders with registered addresses in New Zealand will be able to subscribe for 2 New Shares for every 9 Shares held on the Record Date, being 5.00pm (NZ time) on Wednesday 21 September 2016, at the same Application Price as the Institutional Entitlement Offer of NZ$3.00 per New Share.

An Offer document (Offer Document) (accompanied by a personalised entitlement and acceptance

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form) will be sent to Eligible Retail Shareholders on Thursday 22 September 2016 and is available on the website established for the Offer at www.synlaitmilkshareoffer.co.nz.

Eligible Retail Shareholders wishing to acquire New Shares under the Retail Entitlement Offer will need to complete their personalised entitlement and acceptance form or complete an online application (via the website noted above). Eligible Retail Shareholders may choose to take up their entitlements in whole, in part or not at all.

New Shares not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer, and those which would otherwise have been offered to Ineligible Retail Shareholders, will be offered for subscription to selected Institutional Investors through a Retail Bookbuild scheduled for Thursday 13 October 2016.

Any premium achieved above the Application Price of NZ$3.00 for the New Shares in the Retail Bookbuild will be shared on a pro rata basis (with no brokerage costs deducted) between those Eligible Retail Shareholders who did not take up their Entitlement in full (with respect to the part of the Entitlement they did not take up only) and each Ineligible Retail Shareholder. There is no guarantee that any value will be received from the Retail Bookbuild by Eligible Retail Shareholders who do not take up their full entitlement or Ineligible Retail Shareholders.

FURTHER INFORMATION

Shareholders who have any questions about the Offer are encouraged to read the Offer Document and seek financial, investment or other professional advice from a qualified professional adviser.

Synlait's Shares will continue in trading halt on NZX until an announcement containing the results of the Institutional Bookbuild is made, which is expected to occur on Thursday 22 September 2016.

ENDS

For more information, please contact:

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Note: All capitalised terms used in this announcement have the meanings given the Offer Document dated 19 September. This announcement has been prepared for publication in New Zealand and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered in the United States under the US Securities Act of 1933 and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable to US state securities law.