



SYNLAIT MILK LIMITED ANNOUNCEMENT

14 OCTOBER 2016

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

SYNLAIT COMPLETES \$98 MILLION ENTITLEMENT OFFER

Synlait has successfully completed its pro rata entitlement offer announced on 19 September, raising \$98 million of new equity.

The funds will be used for a mix of debt repayment and contributing to a three-year circa \$300 million capital growth project program.

“We’re very happy with the support our shareholders have shown during this offer and I’m pleased we were able to welcome new shareholders to our company at the same time,” said Graeme Milne, Chairman.

Synlait’s largest shareholder, Bright Dairy, has maintained its 39.12% shareholding.

“As a growth company, we will continue pursuing profitable opportunities to make more from milk. Our planned growth projects are expected to enable us to take advantage of these opportunities and to solidify our international position as a trusted and innovative dairy manufacturer,” said Mr Milne.

The growth projects will provide additional capacity for infant formula manufacturing, consumer packaging, infrastructure requirements and value added cream manufacturing.

John Penno, Managing Director and CEO, added the process to dual list on the Australian Securities Exchange (ASX) is well underway.

“We expect to be trading on the ASX by the end of 2016 and look forward to strengthening existing and building new relationships with Australian investors in the near future,” said Mr Penno.

The last stage of Synlait’s offer concluded yesterday with the completion of the retail bookbuild component (Retail Bookbuild). The 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, consisted of four stages:

- 1) Institutional Entitlement offer (19 – 20 September)
- 2) Institutional Bookbuild (21 September)
- 3) Retail Entitlement offer (22 September – 11 October)
- 4) Retail Bookbuild (13 October)

A total of approximately NZ\$98 million was raised under the Offer, with settlement occurring on



Monday 17 October 2016.

The clearing price under the Retail Bookbuild was NZ\$3.15 per share, representing a premium of NZ\$0.15 per share over the Application Price of NZ\$3.00 under the Offer. Therefore, Eligible Retail Shareholders who elected not to take up all or part of their Entitlements and Ineligible Retail Shareholders will receive NZ\$0.15 for each New Share not taken up by them.

The New Shares taken up under the Retail Bookbuild are expected to be issued and commence trading on NZX on Monday 17 October 2016 and will rank equally with existing fully paid ordinary shares of Synlait (Shares).

SUBSCRIPTION SCHEDULE

The following table summarises the distribution of subscribed entitlements during the Offer (excluding the premiums in respect of the bookbuilds):

| (NZ\$million) | Bright Dairy Holding Limited | Other Shareholders | Bookbuild participants | Total Proceeds |
|--------------------------------|------------------------------|--------------------|------------------------|----------------|
| Institutional Component | 22.8 | 21.2 | 14.3 | 58.2 |
| Retail Component | 15.4 | 14.3 | 9.7 | 39.3 |
| Total | 38.2 | 35.5 | 23.9 | \$97.6m |

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 be released from trading halt on NZX today.

ENDS

For more information, please contact:

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

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 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 US state securities laws.