



Annual Meeting 2017

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Company progress

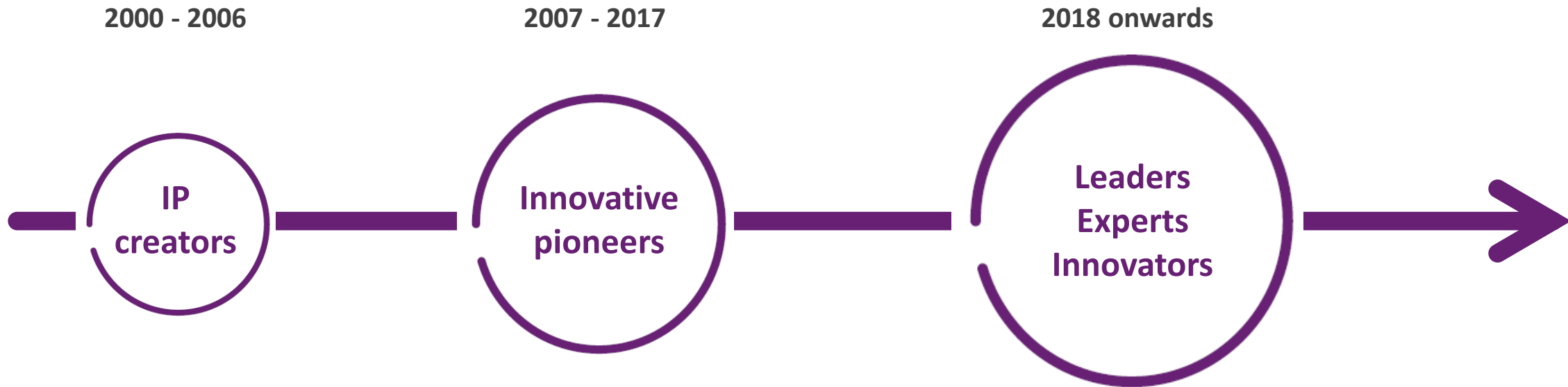


A decade of significant progress (2007 – 2017)

- A decade focused on targeted investment and strategic decisions to establish a strong foundation for future growth
- Building on the early development of the science and intellectual property (2000 to 2006)
- Successful transition from IP licensing to operating business model
- Established a2 Milk™ as a highly recognised brand in the Australian market, resonating with millennial consumers
- Broadened the product portfolio, including the launch of a2 Platinum® infant formula
- Established ‘capital smart’ investment approach and developed key supplier partnerships
- Diversified into new targeted growth markets of China, UK and USA
- Established a highly motivated and capable management team, supported by a diverse and experienced board
- Supported the advancement in beta-casein science
- Continued a programme of targeted investment in brand development, intellectual property and proprietary know-how
- Achieved first mover advantage



Evolving from pioneer to global leader



- Emerging beta-casein science
- IP development
- Licensing approach to market entry (ANZ, Asia, US)
- Initial brand development
- Communication exploration

- Move from licensing to operating business model
- Develop brand, IP and know-how
- Australian a2 Milk™ brand captures significant market share
- Emergence of infant formula business
- Regional business model: China, US, UK
- 'Capital smart' approach
- Developing organisational depth and capability
- Advancements in beta-casein science
- Achieved first mover advantage

- Building a global branded dairy nutritionals business
- Accelerate new product development
- Furthering strategic partnerships
- Expanding into SE Asia
- Further market expansion opportunities
- Continuing to build corporate capability
- Increasing investment in brand, IP and know-how to ensure leadership in an emerging A1 protein-free category
- Development of sourcing strategies for nutritional products to support growth initiatives

Leading the way in the A1 protein-free category

- a2MC is the creator and pioneer of the A1 protein-free category
- The science in support of the A2 protein proposition continues to develop and consumer awareness is rapidly building in targeted markets
- The Company expects broader interest in the A1 protein-free category over time and is well positioned to respond:
 - Existing comprehensive suite of patents, trade marks and proprietary know-how;
 - Ongoing investment in IP and research & development will further reinforce the Company's position as the leader and innovator of the A1 protein-free category;
 - Will continue to actively defend intellectual property rights;
 - Unique business model focused solely on products free of the A1 protein;
 - Leverage future category expansion as credibility of the proposition and awareness grows

The IP portfolio continues to provide barriers to entry

- Portfolio strength derived from interlocking complex relationship between trade marks, patents, proprietary know-how and geographical spread

Brand and Trade marks

- Recognisable and trusted suite of brand assets (words, designs, symbols)
- Extending marks across an innovative product portfolio
- Growing brand presence in targeted growth markets (China, USA)
- Trade mark registrations/applications across 55 territories

Patents

- Rights to 15 families of patents and patent applications
- Focus on beneficial uses and physical properties associated with A1 protein free milk products
- New patents extending to 2035

Proprietary know-how

- Leading quality and product integrity systems; operational and compliance capability
- Owners of The a2 System™



Group strategy



Growth strategy

OUR PURPOSE

As the a2 Milk™ pioneers we are determined to help people enjoy a better life

OUR VISION

To be the innovative and smart choice for dairy nutrition

OUR AMBITION

To be the most admired and commercially attractive dairy nutritional company

OUR STRATEGIC PRIORITIES



BROAD DAIRY NUTRITIONAL PRODUCT PORTFOLIO

Across a continuum from the purity of
fresh a2 Milk™ to customised
A1 protein-free products

Targeting adults, children and infants to
satisfy their growing digestive
health needs



TARGETED ATTRACTIVE REGIONS

Asia Pacific focus
(ANZ, China, Other Asia)

USA

UK

Potential new markets



PROPRIETARY KNOW-HOW, A2 PROTEIN EXPERTISE

Integrated intellectual property portfolio

Leading operational &
compliance capability

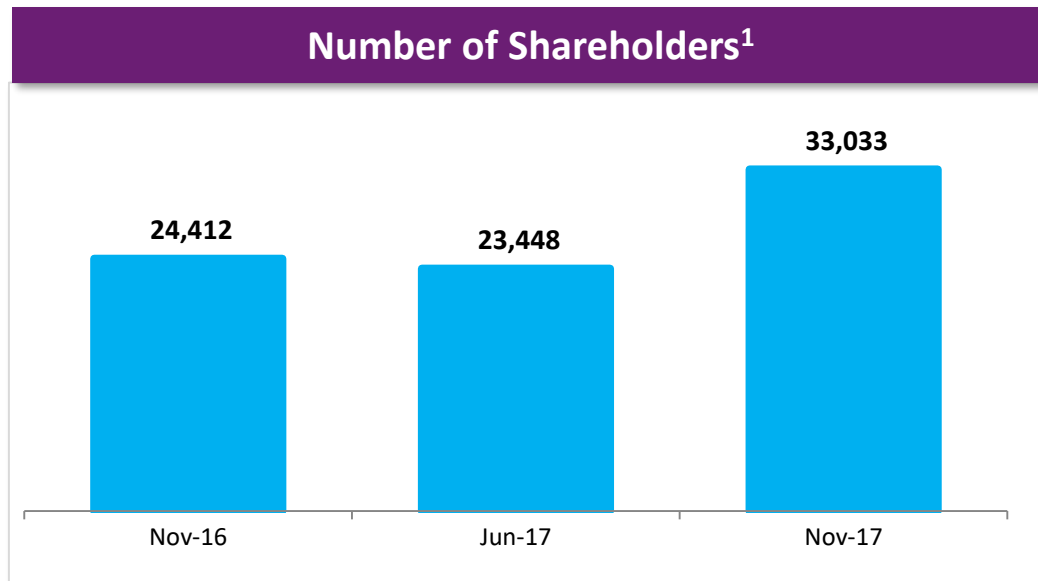
Sponsoring relevant scientific research

Differentiated brand development

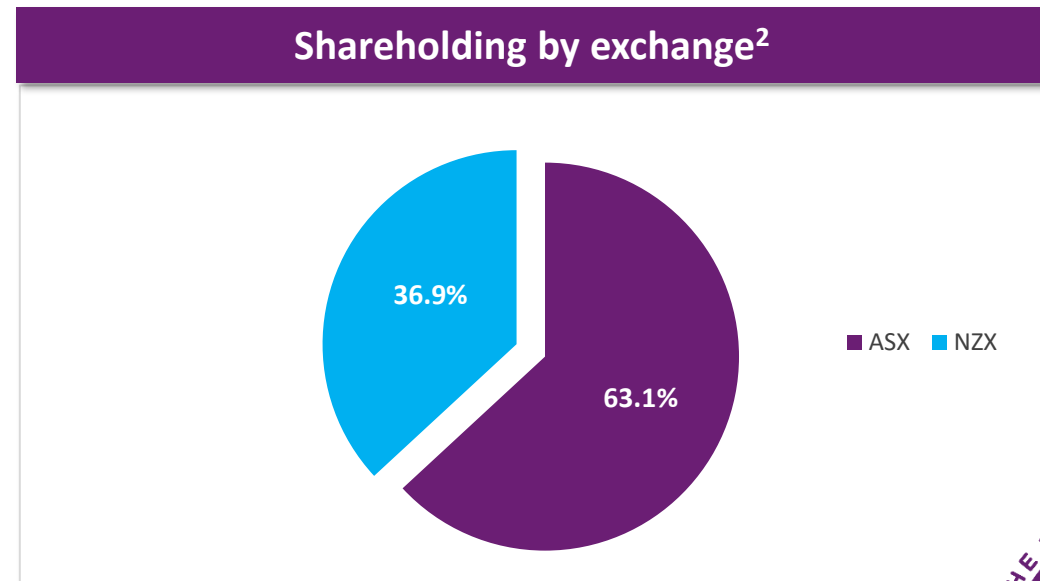


Organisational renewal and shareholder information

- Continued build of Board and senior management capability
 - Appointment of Warwick Every-Burns & Jesse Wu as non-executive Directors during FY17
 - Recent reorganisation of senior leadership team and new focus:
 - Chief Executive Asia Pacific
 - Executive Vice President China
 - Head of Business Development – Emerging Markets
 - UK, Europe & Strategic initiatives
- New hires across the Company to support regional growth and innovation needs



¹Total shareholders (ASX & NZX combined) as at 15 November 2017



²Weighting based on % of fully paid issued capital by exchange as at 15 November 2017

FY17 result highlights



Financial summary

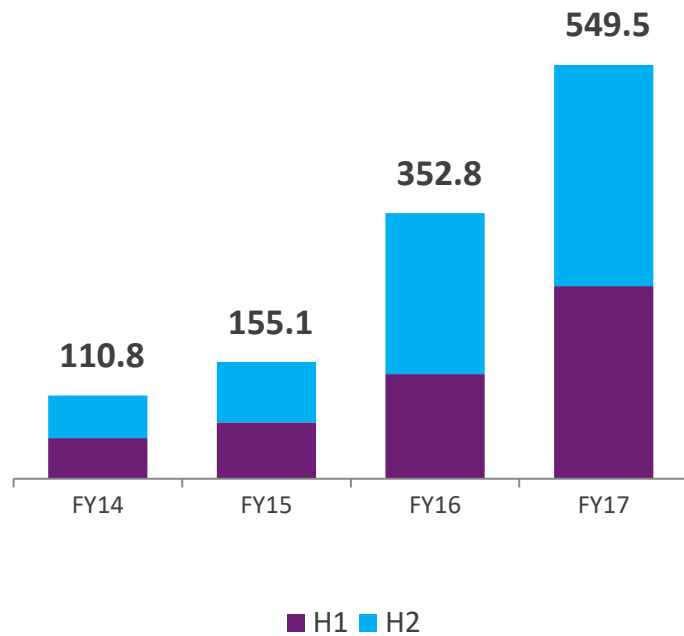
NZ\$ million	FY17	FY16	% change
Revenue	549.5	352.8	56%
Gross margin	263.5	151.0	75%
Sales & distribution	(21.3)	(19.0)	12%
Marketing	(42.0)	(33.0)	27%
Employee costs	(23.0)	(19.1)	20%
Administration & other	(36.0)	(25.3)	42%
EBITDA	141.2	54.6	159%
EBIT	138.5	51.8	167%
NPAT	90.6	30.4	198%
	Jun-17	Jun-16	% change
Cash on hand	121.0	69.4	74%
Inventory	28.4	52.6	(46%)

- Group revenue growth of +56% on pcp, a2 Platinum® infant formula revenue +84%
- EBITDA to sales margin of 26% (up from 15% in pcp)
- Gross margin primarily reflects increased contribution from infant formula sales and lower infant COGS in FY17
- Increased marketing and brand development spend of \$9.0m vs pcp, primarily in US and China
- Increases to 'administration and other' reflects write-down of intangibles (+\$2.4m), increased spend on patents, trademarks and R&D (+\$2.0m) and other costs associated with business expansion
- Effective tax rate reduced from ~42% to ~35% reflecting lower weighting of non-deductible expenses and international losses not tax effected
- Cash on hand reflects strong NPAT contribution offset by \$48.7m investment in Synlait
- Inventory reduction reflects strong demand for infant formula
- Refer Appendix for geographic performance, cash position and a reconciliation of non-GAAP measures

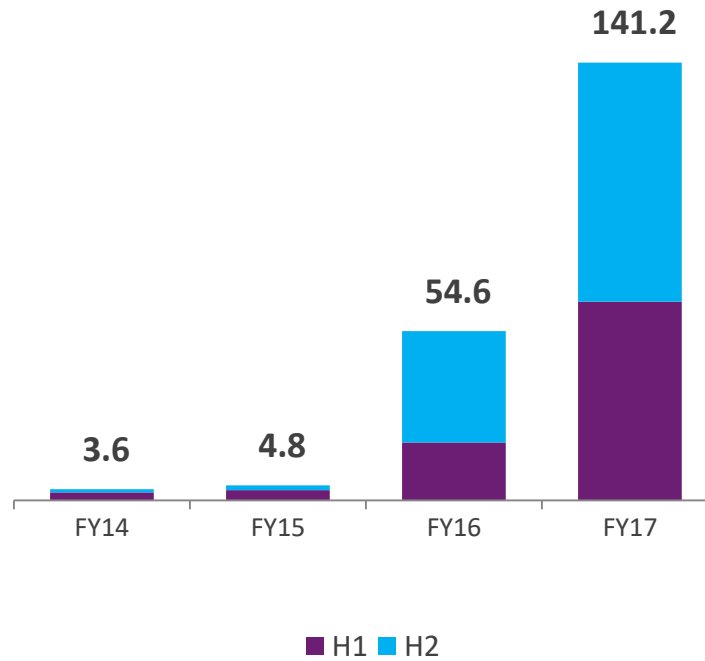


The year in charts

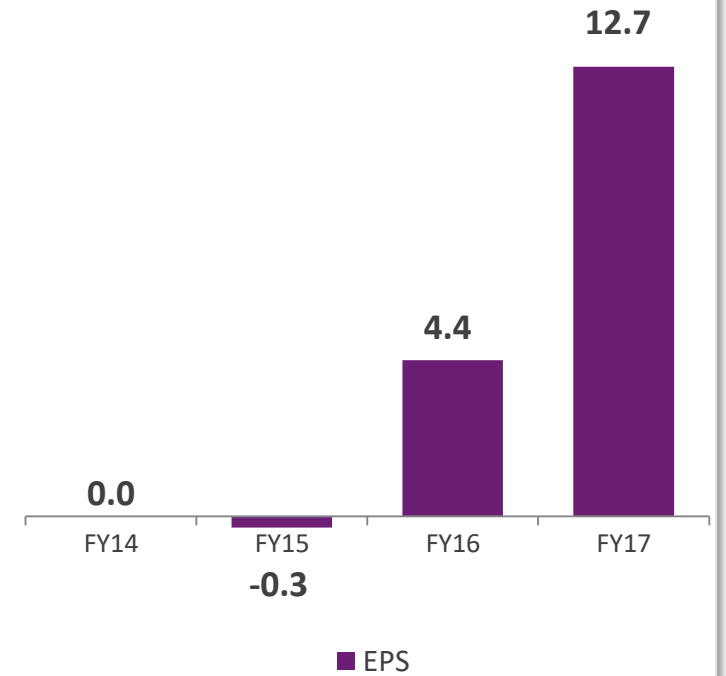
Group Revenue (NZ\$ million)



Group EBITDA¹ (NZ\$ million)



Basic Earnings Per Share (Cents)



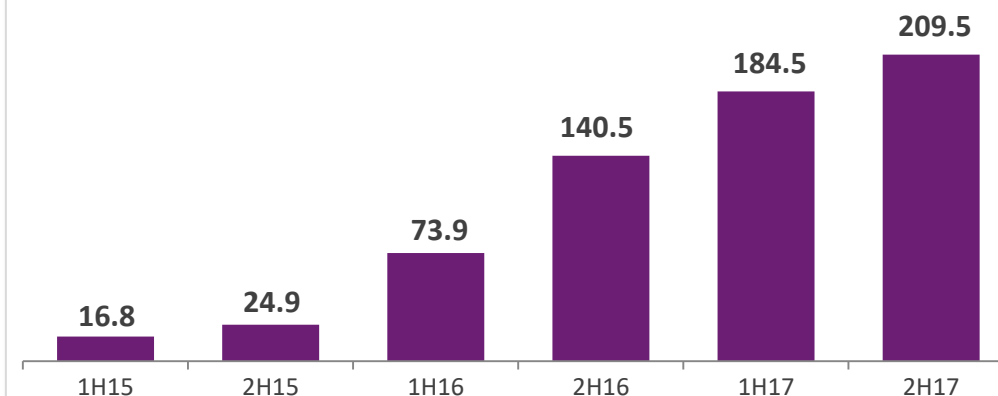
¹EBITDA is a non-GAAP measure and represents earnings before interest, tax, depreciation and amortisation, and is shown before non-recurring items

Continued strong growth in sales and market share for a2 Platinum®

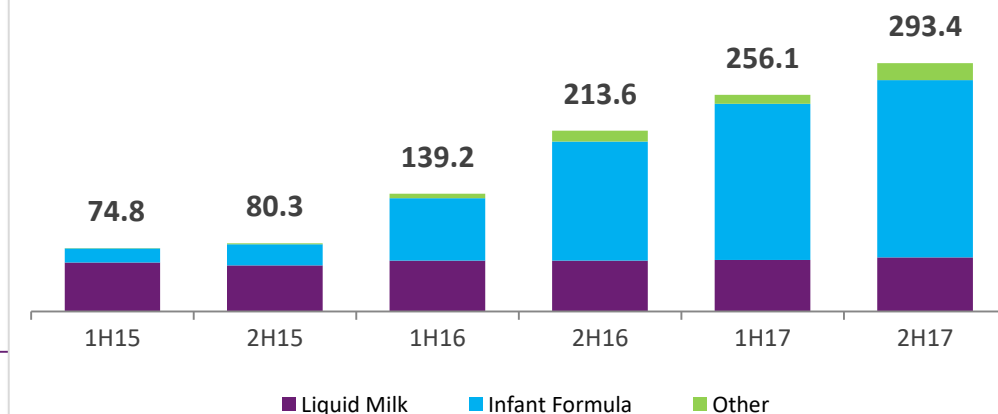
- Group infant formula revenue of NZ\$394.0 million, compared to NZ\$214.4 million for FY16
- Infant formula accounts for 72% of Group revenue
- Significant growth in Australian marketplace:
 - Fastest growing Australian infant formula brand by value¹
 - Number 2 infant formula brand in the Australian market¹
 - Value market share growing from ~16% to ~26% (MAT)¹
- Continued success of a2 Platinum® in China a function of our multi-product, multi-channel strategy:
 - Direct sales into China increased significantly in cross border e-commerce channels (CBEC) and mother baby retail stores (MBS)
 - China achieved ~150% growth of infant formula sales from FY16
 - China Label accounted for ~6% of Group infant formula sales in FY17, strengthening to ~8% in 2H17
- Synlait Milk Limited:
 - Enhanced supply agreement completed in August 2016 provides security of supply
 - a2MC acquired 8.2% shareholding (March 2017)

¹Australian Grocery and Pharmacy Scan 52 weeks to 30 June 2017

Group Infant Formula Net Revenue (NZ\$m)



Portfolio Composition (Net Revenue NZ\$m)



FY17 regional performance

ANZ

- Exceptional ANZ business performance; revenue \$439.6m (+48.3%)
- ~78% growth in a2 Platinum® infant formula
- a2 Milk™ fresh milk revenue up ~5.5%
- Strong growth in whole milk powder
- Skim milk powder introduced (May 17)
- a2MC highest brand advertising spend¹
- Continued to pay a premium to farmers

China

- Strong sales and earnings momentum; revenue \$88.9m (+132.9%)
- Infant formula consumption value share of 3.5%²
- Strong growth across mother baby retail and cross border e-commerce channels
- Increased local China team capability
- Managed expansion in structured way, supported by in-market consultants

USA

- Progress in building brand awareness, growing rate of sale and expanding footprint region-by-region
- Distribution to ~3,000 stores
- ‘Love Milk Again’ campaign launched
- Continued focus on return on investment
- Financial outlook now assumes ~US\$25M future investment before positive monthly EBITDA in FY20

UK

- Achieved first annual operating profit
- ‘a2tonishing™’ marketing campaign continued
- Distribution expansion to ~1,600 stores and growth in rate of sale
- Assessing incremental opportunities in Europe and Middle East

¹ Highest brand advertising spend for both infant formula and fresh milk categories for FY17

² Kantar Infant Formula market tracking of China Tier 1 and Key A cities for quarter ending 30/06/17 vs prior year of 2.1% (Kantar track a substantial proportion of the total market)



FY18 market update



FY18 market update: regional performance

ANZ

- a2 Milk™ branded fresh milk performing well with continued pleasing growth on pcp (4 months to October)
- a2 Platinum® infant formula continues to be a significant contributor to the ANZ segment
- The a2 Platinum® brand was the largest contributor to revenue growth across all Australian grocery and OTC pharmacy categories¹
- Successful launch of a2 Platinum® Stage 4 with strong consumer acceptance
- Strong growth in a2 Milk™ branded milk powders (skim, whole milk)
- a2 Milk™ considered top brand of choice for Australian millennials (#1 brand on millennial shopping lists²)
- The Australian Federal Court action initiated against a competitor remains in progress; a2MC remains confident of achieving a successful outcome. The scheduled hearing date has been vacated from November 2017 until a date to be determined in the New Year

China and other Asia

- Building local team under new Executive Vice President China, Jane Xu, to support ongoing sales growth
- Distribution in China Mother Baby (MBS) channel now exceeds 5,800 stores; further expansion remains a key focus
- Consumption share for a2 Platinum® infant formula brand continues to strengthen; ~4.1% Kantar value share up from ~3.5%³
- Successful “11/11” e-commerce sales event achieving number 1 infant formula brand in Kaola, number two on JD.com and 3rd place on Tmall
- Increased marketing investment with new advertising campaign planned from December 2017 within a key China region
- China Food and Drug Administration (CFDA) registration achieved for China label infant formula
- Launch of a2 Platinum® infant formula (English label) in Hong Kong with initial distribution through pharmacy from November
- Recent launch of Australian fresh milk into Singapore, first SEA initiative progressing well

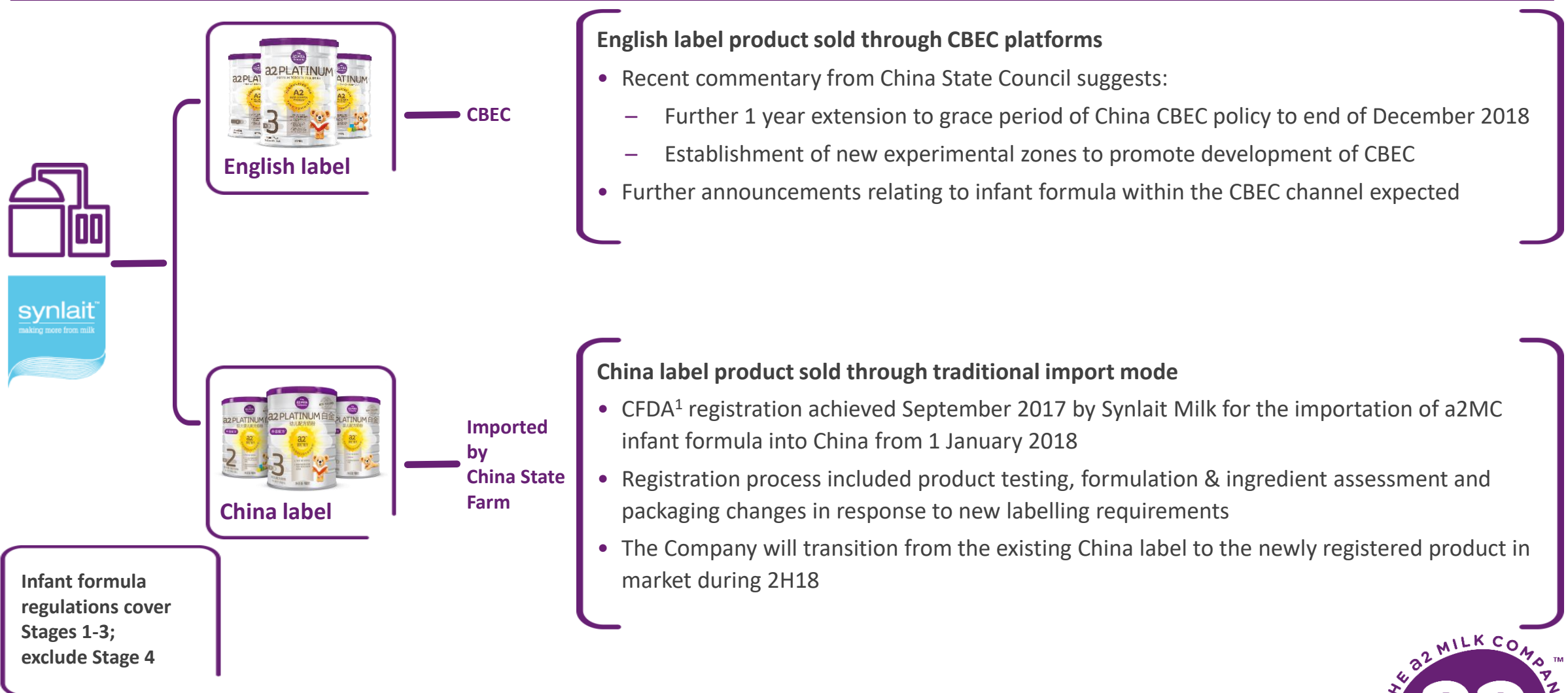
¹ Source: IRI MarketEdge, MAT To 13/08/17, Australian grocery and OTC (over the counter) pharmacy categories (excluding tobacco and private label)

² The Urban List, Food & Drink Survey, 1 May 2017

³ Kantar Infant Formula market tracking of China Tier 1 and Key A cities for latest quarter ending 08/09/17, up from 3.5% quarter ended 30/06/17



China infant formula regulatory environment



¹ CFDA: China Food and Drug Administration

China focus on MBS expansion

October 2017:

Distributors: ~65

Stores: >5,800

Building in-store support personnel



 Newly added distributors

Stepped up investment in China marketing



The a2 Milk Company

新西兰原装进口

The a2 Milk Company, trusted pioneers of the A2 protein a2 - feel the difference

The a2 Milk Company

PROUDLY MADE IN NEW ZEALAND

a2 PLATINUM 白金

幼儿配方奶粉

升级配方¹

a2TM

源乳TM配方

专利应用的A2奶牛基因检测²

1. 100% A2 蛋白配方
2. 通过基因检测证实



FY18 market update: regional performance

UK

- Pleasing progress in rate of sale for fresh milk (>50% revenue growth on pcp¹)
- Continued growth in distribution footprint, total stores now exceeding 2,000 (up from ~1,600 at June 2017)
- Results include a2 Platinum® infant formula sales in the wholesale channel in line with pcp
- Continuing to assess incremental opportunities in Europe and the Middle East

USA

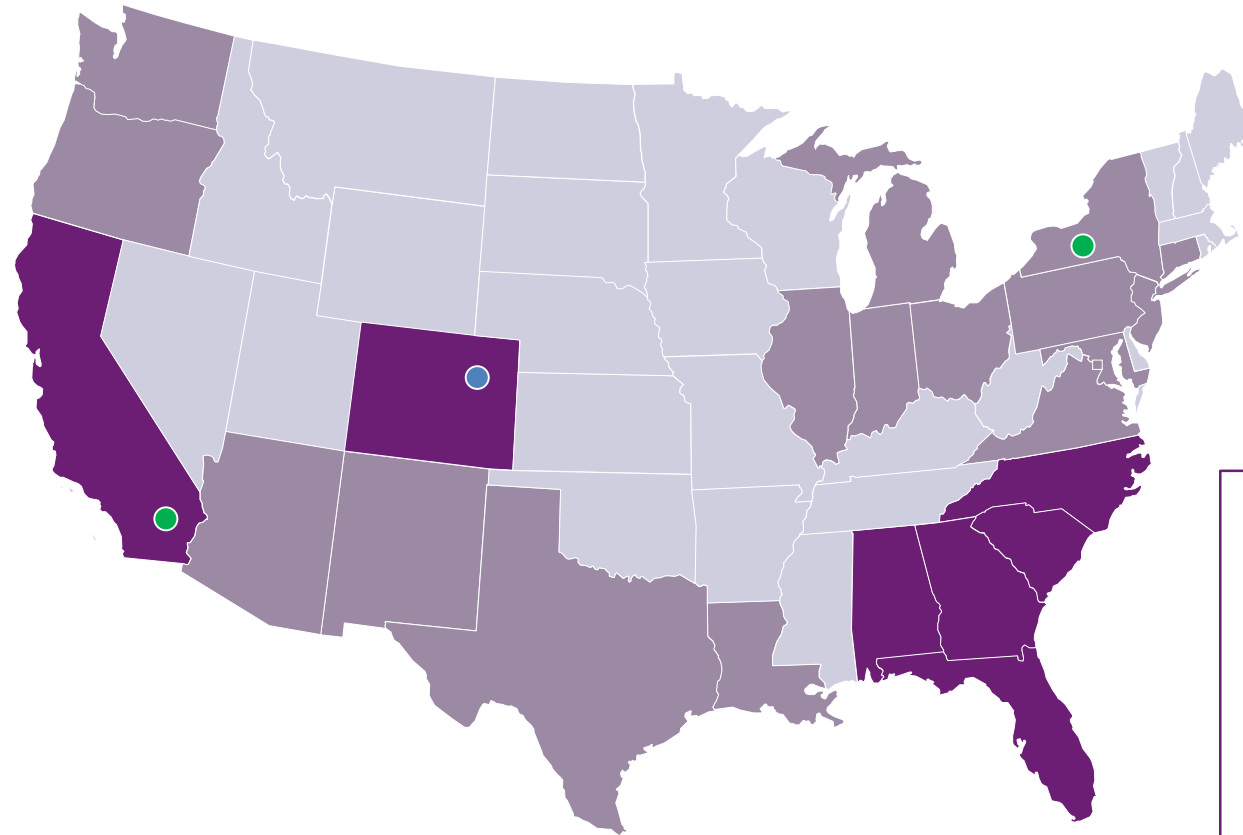
- Distribution build in core regions and national accounts:
 - Stores now totalling ~3,600 across the country, a growth of 600 stores in 4 months to October 2017
 - Natural retailers include Whole Foods (7 of 11 regions nationally), Sprouts (national)
- Velocity in key accounts approaching or exceeding 30 units per store per week²
- Rate of sale build in Publix backed by earned media and “*Love Milk Again*” advertising campaign
- Achieving national earned media including “CBS This Morning” national TV news feature during October and strong press coverage
- Investigating specific new product opportunities for this market
- Given achievement of KPIs (sales velocity and brand awareness) in California and the South East, plans are progressing for further expansion in an additional region during 2H18
- The FY18 outlook assumes increased marketing expenditure in 2H18 in support of this expansion

¹ 4 months to October 2017 vs prior corresponding period

² Refers to the units per store per week for the total range



Current and near term distribution



Legend

- Broad Distribution
- Limited Distribution
- No Current Distribution
- Processing and Milk Supply
- US office, Boulder, Colorado

California

- Launched April 2015
- High levels of acceptance from retailers including Sprouts, Whole Foods, Kroger & Safeway
- Distribution has further grown to include Target & independent retailers

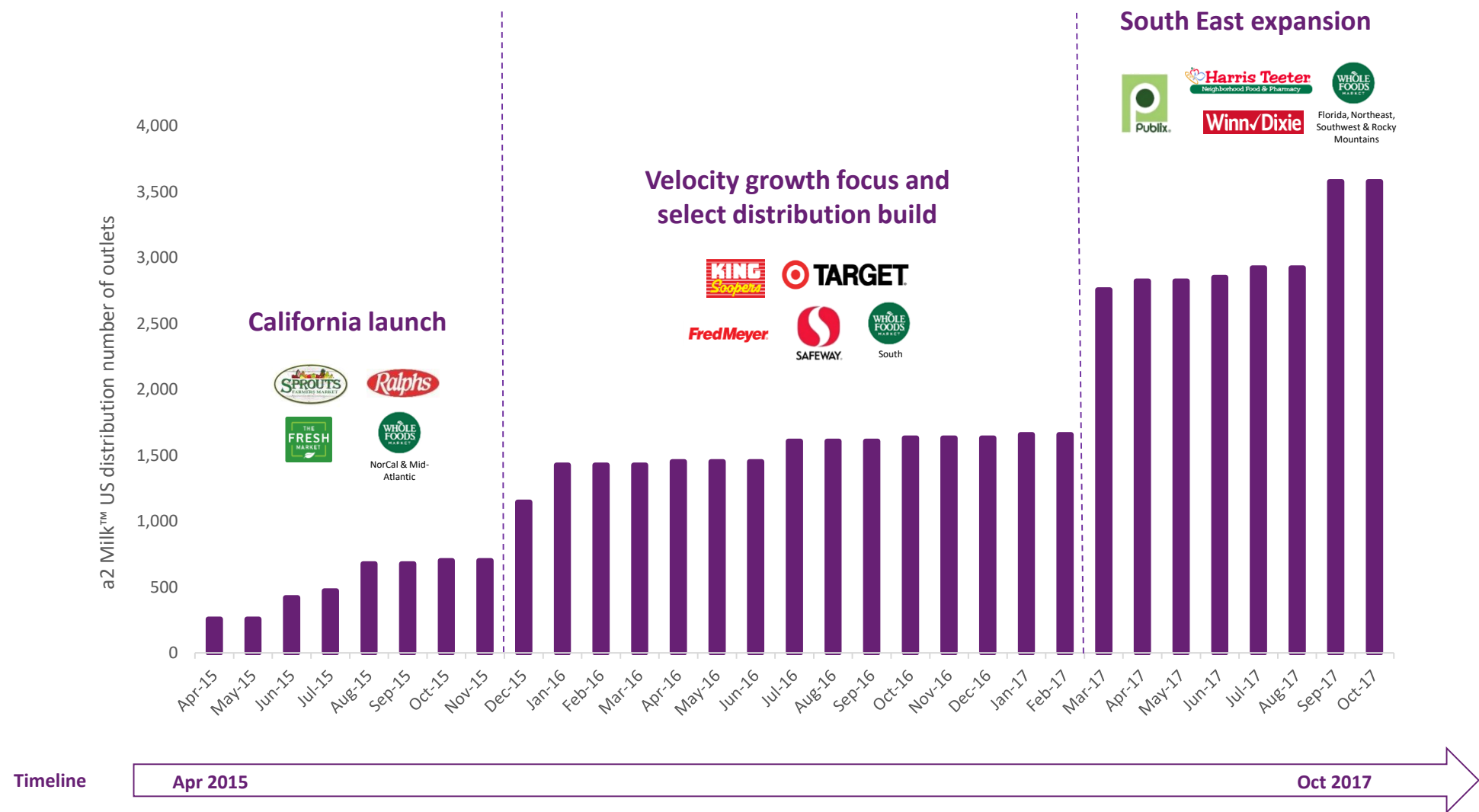


Southeast

- Entered March 2017
- Initially through Publix into 1,100 Stores
- Distribution expanded into Winn Dixie and Harris Teeter



Building brand awareness and expanding footprint on a region-by-region basis



The science continues to develop

- Newly published human clinical research reports A1 protein¹ found in conventional milk may trigger symptoms associated with milk intolerance²
 - Study involved 600 adult Han Chinese participants with self-reported lactose intolerance
 - Participants found that the adverse GI symptoms following consumption of only 1 glass of conventional milk may be related to the presence of A1 protein type rather than lactose itself
 - Study was independently published in UK based Nutrition Journal and sponsored by The a2 Milk Company
- Other significant research projects progress:
 - First acute human pilot study under the New Zealand Government grant has been completed by the University of Auckland and further studies now progressing
 - Clinical study in China amongst pre-school children examining digestive and cognitive function submitted for publication; results aligned with recent adult findings
 - Human clinical study in association with Monash University Australia examining the benefits of a2 Milk™ on irritable bowel syndrome
 - Clinical examination of benefits of A1 protein-free milk to gut and systemic inflammation at USA Pennington Biomedical Research Centre
 - Human clinical trial with Pennington Biomedical Research progressing

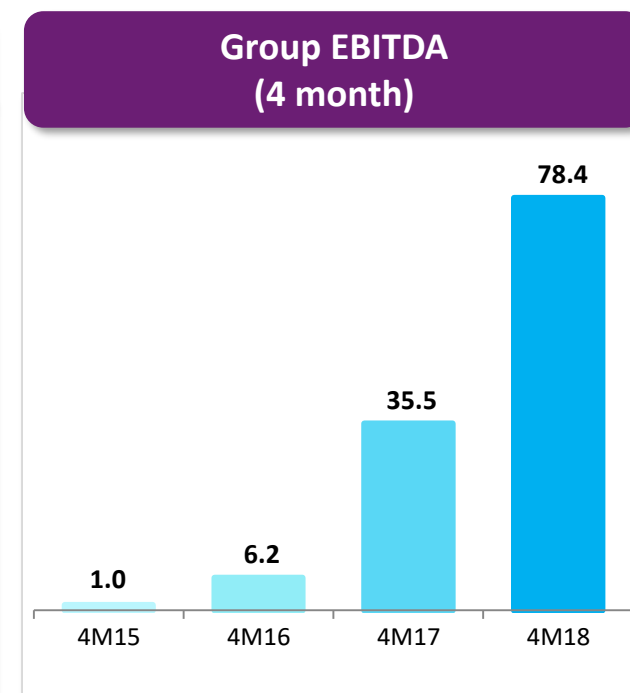
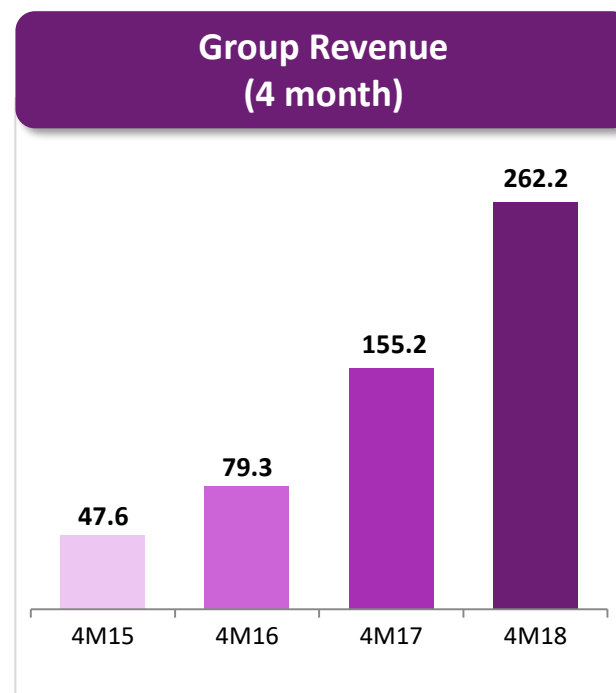


¹ A1 and A2 protein refers to the A1 and A2 beta-casein protein types

² <https://nutritionj.biomedcentral.com/track/pdf/10.1186/s12937-017-0275-0?site=nutritionj.biomedcentral.com>

FY18 YTD results: 4 months to October 2017

NZ\$ million	4M18 ¹	4M17	% change
Revenue	262.2	155.2	+68.9%
EBITDA	78.4	35.5	+120.8%
PBT	78.0	35.0	+122.9%
NPAT	52.3	22.0	+137.7%



¹ Unaudited management results, 4 months to October 2017 = 4M18

FY18 trading performance and outlook

4M18 trading

- Group revenue of NZ\$262.2 million:
 - Reflects continued strong growth in nutritional products (ANZ, China) and positive momentum in USA, UK
 - Includes some seasonal build ahead of key China e-commerce sales events, 11/11 Singles Day and 12/12
- Group EBITDA of NZ\$78.4 million:
 - Benefited from timing of marketing spend (2H18 to exceed 1H18)
 - Evolving product mix and raw material cost increases creating some downward pressure on product margins; more than offset by favourable YTD currency movements (weaker NZD)

FY18 outlook

- Expecting marketing expense in 2H18 to exceed 1H18 by ~NZ\$30 million, driven by timing of planned spend in China and USA
- Seeking to build inventory to more sustainable levels during FY18
- Targeting greater flexibility and lower cost procurement arrangements throughout the supply chain

Capital management

- The Board continues to monitor the appropriate use of the Company's available capital in the best long-term interest of all shareholders





thea2milkcompany.com



Appendix

Geographic financial performance

NZ\$ million	FY17		FY16		Movement %	
Operating Segment	Segment Revenue	Operating EBITDA ¹	Segment Revenue	Operating EBITDA ¹	Segment Revenue	Operating EBITDA ¹
Australia & New Zealand	439.6	155.3	296.3	84.7	48.3%	83.4%
China & other Asia	88.9	32.8	38.2	9.2	132.9%	257.6%
Corporate and other	-	(24.4)	-	(18.8)	-	30.2%
Total excluding US & UK	528.5	163.7	334.5	75.1	58.0%	118.0%
US & UK ²	21.0	(22.5)	18.3	(20.5)	15.1%	9.8%
Total Group	549.5	141.2	352.8	54.6	55.8%	158.6%

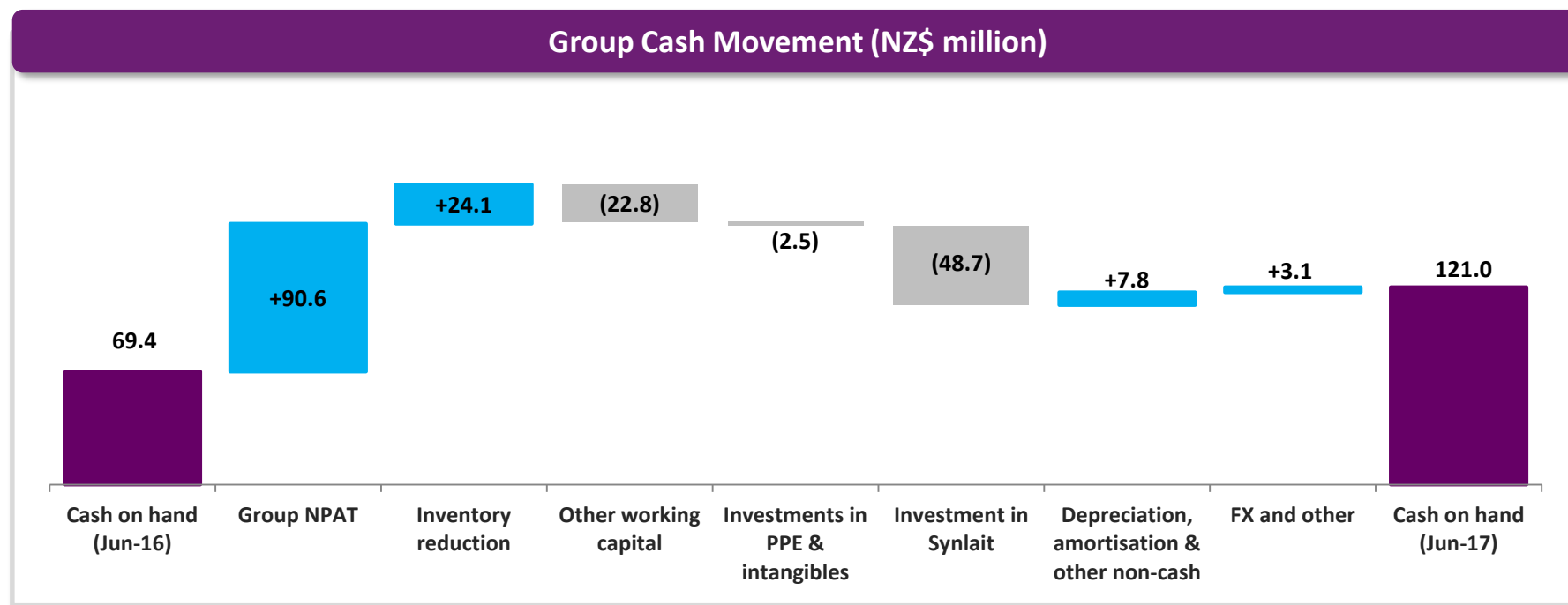
Infant formula (included in Group total)	394.0	214.4	83.8%
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¹Operating EBITDA is a non-GAAP measure and represents earnings before interest, tax, depreciation and amortisation

²UK & US Operating EBITDA includes \$2.2 million in impairment charges in FY17



Cash position



- Cash on hand reflects continued earnings momentum
- Inventory reduction reflects strong infant formula demand exceeding stock availability
- Working capital movement driven largely by increase in trade debtors and prepayments relating to infant formula
- Includes acquisition of shareholding in Synlait
- Working capital outlook assumes a planned increase in infant formula inventory in FY18

Reconciliation of non-GAAP measures

NZ\$ million	FY17	FY16
ANZ segment EBITDA	155.3	84.7
China & other Asia segment EBITDA	32.8	9.2
US & UK segment EBITDA	(22.5)	(20.5)
Corporate & other segment EBITDA	(24.4)	(18.8)
EBITDA ¹	141.2	54.6
Depreciation & amortisation	(2.7)	(2.8)
EBIT ¹	138.5	51.8
Net interest income	0.8	0.5
Income tax expense	(48.7)	(21.9)
Net profit for the period	90.6	30.4

¹EBITDA and EBIT are non-GAAP measures, but the Company believes they provide investors with a comprehensive understanding of the underlying performance of the business