



SYNLAIT MILK LIMITED

ANNOUNCEMENT

3 December 2013

Shareholders welcome Synlait Milk plans for growth

Synlait Milk's performance for the 2013 financial year and its plans for the future were welcomed at its Annual Meeting of Shareholders, held today in Christchurch.

Managing Director Dr John Penno said FY13 had been a good year.

"The IPO was successful and we are very pleased to welcome all new shareholders. During the year product volumes and margins continued to grow. This helped the business deliver on its forecast which was a significant improvement over performance for the previous financial year."

Key to achieving this result was growth in gross profit, which rose from \$600 per metric tonne in 2012, to \$750 per metric tonne in 2013.

Commenting on the future Chairman Graeme Milne said, "We're on track to achieve the financial targets we set for the FY14 year during the IPO. Our focus is on continuing to increase the proportion of value added products in our ingredients business, and increase the volume of our infant formula and nutritional product sales."

"This focus is supported by our growth initiatives which will add lactoferrin production, blending and packaging of infant formula products and a 40% increase in production capacity."

Synlait's lactoferrin plant, which is under construction, is on target with production expected to begin in February 2014.

Lactoferrin is a high-value minor milk protein that is an increasingly important ingredient in infant formula and adult nutritional products.

A new 22,500m² capacity drystore is under construction and is expected to be commissioned at the end of March 2014, and a blending and canning facility is expected to be commissioned ahead of schedule in June 2014.

Resource consent applications have been lodged for a new large scale infant formula spray drying plant for the Synlait Dunsandel site which will provide the large increase in production capacity.

During the annual meeting shareholders approved the re-election of Graeme Milne, John Penno and Sam Knowles as Synlait Milk Directors.

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