



SYNLAIT MILK LIMITED

ANNOUNCEMENT

25 March 2015

Synlait announces forecast market milk price range of \$4.50 - \$4.70

Synlait Milk has increased its forecast of the market milk price for the FY2015 season from \$4.40 per kgMS to a range of \$4.50 - \$4.70 per kgMS.

“The market has recovered faster than expected, but recent volatility has shown us it still remains fragile,” said John Penno, Managing Director.

Mr Penno also acknowledged how financially difficult the current season is for suppliers and says this increased forecast market milk price range will be well received.

“Cash flows are incredibly important for our suppliers, particularly as they head into winter. We indicated in February that our next update would be in May, but given current market conditions, I’m pleased we can provide one now”.

Mr Penno added that this update will enable Synlait suppliers to manage their finances with more certainty and a corresponding increase in advance rates will further support this.

“We believe the market will continue to recover in the medium term as consumption expands and production growth slows in response to lower pricing. However, we remain mindful of the additional milk growth likely to come from Europe as milk production quotas are removed on April 1”.

“We will continue to keep an eye on the market and expect to update our forecast market milk price towards the end of May 2015”.

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