



SYNLAIT MILK LIMITED
ANNOUNCEMENT

NZX: SML
ASX: SM1

16 JUNE 2017

SYNLAIT REVISES 2016 / 2017 FORECAST MILK PRICE TO REFLECT CURRENT MARKET

Synlait Milk (NZX: SML; ASX: SM1) is forecasting a total milk price of \$6.29 kgMS for the 2016 / 2017 season, consisting of a forecast base milk price of \$6.15 kgMS and \$0.14 of premium payments.

An average premium payment of \$0.14 kgMS will go to Synlait's Canterbury milk suppliers creating value behind the farm gate with seasonal and Special Milk programmes such as a2 Milk™, Grass Fed™ and Lead With Pride™.

"These premiums reward our suppliers for differentiating milk on their farm. The forecast increase from our 2015 / 2016 premium of \$0.11 kgMS reflects a growing number of our suppliers wanting to make more from milk," said John Penno, Managing Director and CEO.

Synlait's forecast base milk price has been revised down from the \$6.25 kgMS announced in February following a significant drop in the dairy market.

Mr Penno said they have been signalling to their milk suppliers the \$6.25 kgMS forecast was under pressure due to the rapid market downturn.

"Gradual price improvements at the end of the season have made up some of the losses taken in March, but those improvements have been too late in the season to maintain the \$6.25 kgMS forecast," said Mr Penno.

"We make a commitment to our milk suppliers to use the best information available at the



time to forecast milk prices as accurately as we can.”

“It is a forecast and while things can change, we communicate regularly with our milk suppliers so they aren’t taken by surprise. Many of them will have anticipated this update.”

Synlait’s final milk price for the 2016 / 2017 season will be confirmed in late September.

ENDS

For more information about Synlait, visit or www.synlait.com or contact:

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