



MEDIA STATEMENT

14 May 2013

Announcement of Intention to IPO

Synlait Milk Limited (**Synlait Milk**) advises that it is considering an initial public offering (**IPO**) of shares and to list on the NZX Main Board.

Synlait Milk is currently 49% owned by Synlait Limited and 51% owned by Bright Dairy & Food Co., Ltd (**Bright Dairy**).

Prior to any shares being allotted under any IPO, Synlait Limited has advised Synlait Milk that it intends to distribute to its shareholders, on a pro-rata basis, the shares it holds in Synlait Milk.

As part of the proposed IPO, Synlait Milk intends to offer existing Synlait Limited shareholders the opportunity to sell some or all of their shares in Synlait Milk.

It will be a term of any offer that any Synlait Limited shareholders who do not sell all of their Synlait Milk shares into the offer will be subject to escrow arrangements.

Bright Dairy is expected to retain its full investment in Synlait Milk.

It is intended that the offer price for the proposed offer will be set by way of a bookbuild process managed by Synlait Milk's advisers. First NZ Capital and Goldman Sachs have been appointed by Synlait Milk as Joint Lead Managers of the proposed IPO.

It is intended that the proceeds of any offer will be used to support various growth initiatives including the construction of a new packaging plant, and to facilitate Synlait Milk refinancing its debt position to support these growth initiatives.

It is intended that the offer will be made to members of the public in New Zealand via NZX Broker Firms and institutional investors in New Zealand, Australia and certain overseas jurisdictions only.

The terms of any offer will be set out by Synlait Milk in a combined investment statement and prospectus registered with the Registrar of Financial Service Providers.

No money is currently being sought by Synlait Milk in connection with the proposed offer and no applications for shares will be accepted or money received unless the subscriber has received an investment statement and prospectus.

Synlait Milk intends to apply to NZX to list Synlait Milk and quote the shares on the NZX Main Board. NZX Main Board is a registered market and NZX is a registered exchange. NZX accepts no responsibility for any statement in this notice.

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