



SYNLAIT MILK LIMITED

MEDIA RELEASE

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Synlait Milk receives China approval to manufacture retail-ready infant formula

Synlait Milk is now a registered manufacturer of retail-ready infant formula for export to China, following approval from the Certification and Accreditation Administration of the People's Republic of China (CNCA).

Managing Director Dr John Penno says Synlait Milk's registration is a major milestone for the business, and adds to its existing registration as a manufacturer of general dairy products and infant formula base powders for export to China, granted in May 2014.

"Being able to manufacture and export high quality finished infant formula products to China will help Synlait Milk deliver on its value added strategy, and provides an important confidence boost for our China business where we see significant opportunity for future earnings," said Dr Penno.

Synlait Milk's application for registration was sent to the Chinese regulatory authority following the approval of its Risk Management Programme by the Ministry for Primary Industries for its dry blending and consumer packaging plant.

The large, state-of-the-art plant has a processing capacity of 30,000 metric tonnes per annum, or up to 110 cans per minute, making it a cost competitive solution for large volume customers.

"Our dry blending and consumer packaging plant is a key part of our strategy. It was our intention to build the best plant of its type in the Southern Hemisphere, particularly in terms of operating efficiency and product quality standards, and feedback from our multinational customers who refer to the plant as 'next generation' affirms our goal."

"We now have an integrated facility on one site in Canterbury, New Zealand that gives us full manufacturing and packaging control, and delivers on the needs of our infant formula customers for a complete, integrated supply chain solution, from raw milk sourcing and collection through to manufacturing and retail packaging," said Dr Penno.

The packaging plant features leading European equipment and a three-zone hygiene system. Automation has been effectively used throughout to reduce the amount of physical handling of product, and a purpose built in-process lab inspects every can that is processed through the plant.

The plant is capable of processing a range of can sizes, including 400 gram and 900 gram cans, and is designed for expansion into other packaging formats, such as sachets.

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