



**21 FEBRUARY 2018**

NZX/ASX MARKET RELEASE

## NO CHANGE TO EXISTING SYNLAIT AND A2 MILK INFANT FORMULA SUPPLY ARRANGEMENTS

Synlait Milk Limited (NZX: SML, ASX: SM1) and The a2 Milk Company Limited (NZX: ATM; ASX: A2M) wish to clarify that the announcements made today by The a2 Milk Company and Fonterra do not change Synlait's exclusive infant formula supply arrangements to The a2 Milk Company.

Synlait and The a2 Milk Company have an exclusive long-term supply agreement for the production of the a2 Platinum® infant formula range for China, Australia and New Zealand.

This agreement was announced in August 2016 and continues to underpin the growing partnership between Synlait and The a2 Milk Company.

"Today's announcement is great news for both The a2 Milk Company and Fonterra. It is a strategically sound decision and while we understand it brings additional dynamics to our existing relationship, we are supportive of The a2 Milk Company's growth," says John Penno, Synlait Milk's Managing Director and CEO.

"We both remain committed to a positive, long-term partnership with The a2 Milk Company and are looking forward to continued growth for both organisations," said Mr Penno.

Geoffrey Babidge, Managing Director and CEO of The a2 Milk Company, adds "The arrangement we announced this morning is about The a2 Milk Company having options to diversify sourcing, processing and manufacturing over time in light of continued growth in demand for the company's products."

"Our Company recognises that Synlait has performed outstandingly under the exclusive infant formula supply arrangement between the two companies and our on-going relationship will continue to serve us both well into the future," says Mr Babidge.

### ENDS

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