



SYNLAIT MILK LIMITED
ANNOUNCEMENT

NZX: SML
ASX: SM1

27 FEBRUARY 2018

SYNLAIT ACQUIRES POKENO SITE FOR INFANT FORMULA GROWTH

Synlait (NZX: SML; ASX: SM1) has conditionally purchased 28 hectares of land in Pokeno, North Waikato, to establish their second nutritional powder manufacturing site.

Currently an undeveloped site in New Zealand's North Island, Synlait expects to invest around \$260 million in the coming years as we establish our infant base powder manufacturing capability at the site.

“Our forecast increase in customer demand for infant formula products means we need to add additional powder manufacturing capacity as soon as we can,” says Graeme Milne, Chairman.

“Our long-term infant formula supply agreements underpin this forecast demand and we have these in place with The a2 Milk Company, New Hope Nutritionals, Bright Dairy and Munchkin.”

Synlait will grow their a2 Milk™ and Lead with Pride™ programmes with farmers in the Waikato as a part of establishing their new milk supply for Synlait Pokeno.

“We want to partner with dairy farmers who are excited to do more with their milk. a2 Milk™ and Lead with Pride™ are two of our special milk programs and we're really excited to bring these opportunities to the Waikato,” says John Penno, CEO and Managing Director.

Potential Waikato suppliers are encouraged to register their interest with Synlait at www.synlait.com to ensure they don't miss out.

“As well as helping us to meet our forecast infant formula demand, we see Pokeno as an opportunity to balance our exposure to a single powder manufacturing site and single milk supply pool at Synlait Dunsandel in the South Island,” he says.



Mr Penno says the commissioning date will be known once the necessary consents and approvals have been obtained for the site.

The first dryer at Synlait Pokeno is expected to replicate the specifications of Dryer Three from Synlait Dunsandel, which is an infant formula-capable spray dryer commissioned in late 2015 with an annual capacity of 40,000 metric tonnes (MT).

“We have built one of the world’s most sophisticated infant formula manufacturing sites in Dunsandel. With the addition of Pokeno, we will have a national portfolio of added-value capability to leverage for our future growth,” he says.

“Along with Synlait Auckland and our Research and Development Centre in Palmerston North, we will have some of the most reliable, productive and modern capability globally to support our customers, categories and markets, as well as our value add strategy,” says Mr Penno.

The conditional purchase of land is subject to Overseas Investment Office (OIO) approval and Synlait will support the OIO process as required.

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

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