



Synlait Milk Limited Annual Meeting of Shareholders 3 December 2013

WELCOME

FY13 Annual Report.

Released 24.09.2013

Digital Edition.

synlait.com/investors

AGENDA

- Welcome and Introductions
- Chairman's Message
- Managing Director's Message
- Chief Financial Officer Message
- Formal Resolutions
 - Auditor's Remuneration
 - Re-election of Directors
 Graeme Milne / John Penno / Sam Knowles
- Other Business
- Close.

CHAIRMAN'S MESSAGE



THE BOARD OF DIRECTORS



KEY MESSAGES

Operating

- FY13 delivered on prospective forecast.
- Significant improvement in financial performance over FY12.
- On-going focus on improving operational performance.

Growth

- FY14 performance is on target to achieve FY14 forecast.
- Our focus in FY14 will be on the execution of growth initiatives.
- Market develop progressing to plan.

GROWTH FOCUS

- Operational improvement.
- Market development.
- Capital spend of approximately \$180 million to support volume and value growth.
- Enjoying strong support from milk suppliers and customers.

MANAGING DIRECTOR'S MESSAGE



BECOMING THE TRUSTED SUPPLIER OF CHOICE TO THE WORLD'S LEADING MILK-BASED HEALTH AND NUTRITION COMPANIES



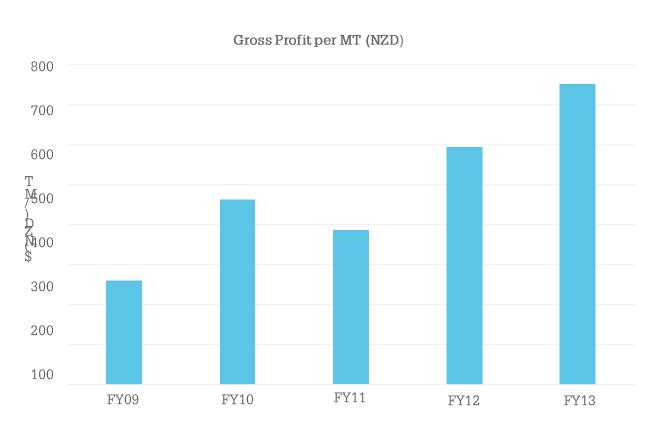








MARGIN GROWTH KEY TO SUCCESS



TWO KEY STRATEGIES

 Migrating milk powder and cream to higher value products, customers and markets.

 Building our infant formula and nutritional product volumes.

STRATEGIC GROWTH INITIATIVES

1 LACTOFERRIN PLANT
January 2014

4

OUALITY TESTING LABORATORY
November/December 2014
One building including admin

facilities.

22,500M² DRYSTORE March 2014 5

BUTTER PLANT

May 2015

BLENDING & CANNING
June 2014

6

DRYER 3 August 2015

GROWTH INITIATIVES VIDEO



GROWTH INITIATIVES PROGRESS





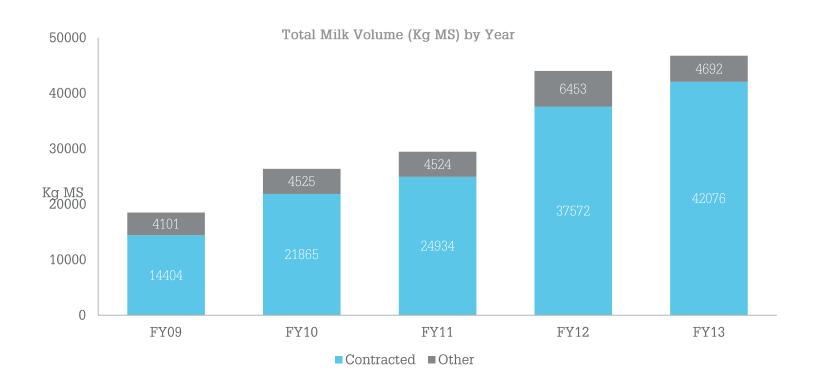


Lactoferrin



Canning & Blending

TOTAL MILK VOLUME





FY14 OUTLOOK

- First half sales of infant nutritionals likely to be affected by announcement of new Chinese regulations and NZ food safety issues.
- However we still expect to achieve forecast sales of infant nutritionals this year.
- Now forecasting to take a significant allocation of DIRA milk.
- Focus is on successful execution of growth initiative projects.
- Financial performance on track to achieve FY14 forecast.

© Synlait 2013

CHIEF FINANCIAL OFFICER'S MESSAGE



RESULTS OVERVIEW

Revenue \$420 million ↑ 11.5%

Gross Profit per MT \$751 \(^1\) 39.6%

Net Profit After Tax \$11.5 million ↑ 161%

Gross Profit \$65.1 million ↑ 39.6%

EBITDA \$38.5 million ↑ 74%

Shareholders Funds \$164 million \ \ \ \ 90\%

CAPITAL RAISE AND REFINANCING

Completion of IPO 23 July 2013

- Raised \$68.9 million.
- Initial share price of \$2.20 per share and market capitalisation \$322 million.
- Bright Dairy shareholding decreased to 39.12%.
- Friesland Campina shareholding of 7.5% interest.
- Completed refinance of bank facilities to assist with funding of growth initiatives.

GROWTH IN VOLUMES AND MARGINS IMPROVE PROFITABILITY

Key Financial Operating Metric's for FY13 Compared to FY12 and FY13 Forecasts

NZD (\$m)	2013	2012	Change	2013	Change
	Actual	Actual	%	PFI Forecast	%
Revenue	420.0	376.8	11.5%	426.4	(1.5)%
Gross Margin	65.1	46.0	41.5%	64.6	0.8%
EBITDA	38.5	22.1	74.2%	37.4	2.9%
EBIT	28.3	13.4	111.2%	27.5	2.9%
NPAT	11.5	4.4	161.4%	10.8	6.5%
EPS	19.74	8.59	129.8%	18.56	6.4%

BALANCE SHEET AND CASH FLOWS

Balance Sheet and Cash Flow

	2013 Actual	2012 Actual	Change %	2013 PF1 Forecast	Change %
Net Working Capital	(7,527)	(51,402)	(85.4)%	(17,914)	(58.0)%
Fixed Assets	210,780	214,099	(1.6)%	217,954	(3.3)%
Net Debt	105,555	107,063	(1.4)%	109,183	(3.3)%
Shareholders Funds	164,038	86,291	90.1%	164,991	(0.6)%
Gearing	39.2%	55.4%	(29.3)%	39.8%	(1.7)%
ROCE ¹	13.1%	7.3%	79.5%	12.8%	2.3%
Operating Cash Flows	(13,788)	29,820	(146.2)%	(8,263)	66.9%
Capital Expenditure	6,592	35,991	(81.7)%	11,214	(41.2)%

¹ ROCE calculated after adjusting down FY2013 capital employed for the impact of \$34.6m of one off cashflow items that will unwind in FY2014

FORMAL RESOLUTIONS

FORMAL RESOLUTIONS

Auditors Remuneration:

- Resolution 1: "That the Board be authorised to determine the auditor's fees and expenses for the 2014 financial year."

FORMAL RESOLUTIONS

Re-election of Directors

- Resolution 2: "That Graeme Milne be re-elected as a Director."
- Resolution 3: "That John Penno be re-elected as a Director."
- Resolution 4: "That Sam Knowles be re-elected as a Director."

ANY OTHER BUSINESS

THANK YOU

Media or investor queries can be directed to:

Michael Wan

Marketing & Communications Manager

Synlait Milk Limited

P: +64 3 373 3084

E: michael.wan@synlait.com