WELCOME

FY13 Annual Report.
Released 24.09.2013

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

Gross Profit per MT (NZD)

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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

2. 22,500M² DRYSTORE
   March 2014

3. BLENDING & CANNING
   June 2014

4. QUALITY TESTING LABORATORY
   November/December 2014
   One building including admin facilities.

5. BUTTER PLANT
   May 2015

6. DRYER 3
   August 2015
GROWTH INITIATIVES VIDEO
GROWTH INITIATIVES PROGRESS

Drystore  Lactoferrin  Canning & Blending
TOTAL MILK VOLUME

Total Milk Volume (Kg MS) by Year

- **FY09**: 4101 Kg MS
  - Contracted: 14404
  - Other: 2660
- **FY10**: 21865 Kg MS
  - Contracted: 4525
  - Other: 17340
- **FY11**: 24934 Kg MS
  - Contracted: 4524
  - Other: 20410
- **FY12**: 37572 Kg MS
  - Contracted: 6453
  - Other: 31119
- **FY13**: 42076 Kg MS
  - Contracted: 4692
  - Other: 37384

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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.
CHIEF FINANCIAL OFFICER’S MESSAGE
RESULTS OVERVIEW

Revenue
$420 million ↑ 11.5%

Gross Profit
$65.1 million ↑ 39.6%

Gross Profit per MT
$751 ↑ 39.6%

EBITDA
$38.5 million ↑ 74%

Net Profit After Tax
$11.5 million ↑ 161%

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

<table>
<thead>
<tr>
<th>NZD ($m)</th>
<th>2013 Actual</th>
<th>2012 Actual</th>
<th>Change %</th>
<th>2013 PFI Forecast</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>420.0</td>
<td>376.8</td>
<td>11.5%</td>
<td>426.4</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>65.1</td>
<td>46.0</td>
<td>41.5%</td>
<td>64.6</td>
<td>0.8%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>38.5</td>
<td>22.1</td>
<td>74.2%</td>
<td>37.4</td>
<td>2.9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>28.3</td>
<td>13.4</td>
<td>111.2%</td>
<td>27.5</td>
<td>2.9%</td>
</tr>
<tr>
<td>NPAT</td>
<td>11.5</td>
<td>4.4</td>
<td>161.4%</td>
<td>10.8</td>
<td>6.5%</td>
</tr>
<tr>
<td>EPS</td>
<td>19.74</td>
<td>8.59</td>
<td>129.8%</td>
<td>18.56</td>
<td>6.4%</td>
</tr>
</tbody>
</table>
# BALANCE SHEET AND CASH FLOWS

## Balance Sheet and Cash Flow

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

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:

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