



SYNLAIT MILK LIMITED ANNOUNCEMENT

NZX: SML

ASX: SM1

29 November 2019

Synlait lodges Product Disclosure Statement and announces indicative margin

Synlait Milk Limited (Synlait) is making an offer of up to \$150 million of five-year unsecured subordinated fixed rate bonds (with the ability to accept up to \$50 million of oversubscriptions at Synlait's discretion) maturing on 17 December 2024 to New Zealand institutional and retail investors (the Offer).

The Offer is expected to open on 9 December 2019 and close on 13 December 2019, with the bonds quoted on the NZX Debt Market.

Synlait Chair Graeme Milne commented: "Synlait's strategy to diversify our earnings, customer base and sites, must extend to our balance sheet. We have experienced a period of sustained growth and investment, and the Board believes that now is an appropriate time to issue Bonds. This will provide diversification of funding and capital structure flexibility, while providing an interest-bearing investment option to those wishing to invest in Synlait."

Synlait has announced that the indicative margin range above the five year swap rate for the bonds is 2.50% to 2.70% per annum, subject to a minimum interest rate of 3.70% per annum. An announcement of the interest rate for the bonds will be made following a bookbuild process, which is expected to be completed on 6 December 2019.

ANZ Bank New Zealand Limited (ANZ) and Jarden Securities Limited (Jarden) are the Joint Arrangers. ANZ, Deutsche Craigs Limited, Forsyth Barr Limited and Jarden have been appointed as Joint Lead Managers with Hobson Wealth Partners Limited appointed as a Co-Manager for the Offer.

Synlait has lodged a Product Disclosure Statement (PDS) with the Registrar of Financial Services Providers in New Zealand (Registrar) and made available further information on the register of offers of financial products administered by the Registrar (Register Entry) (the PDS and the Register Entry are the Offer Materials) in respect of the Offer. The Offer Materials are available at www.companies.govt.nz/disclose under Synlait's offer number (OFR12776). The PDS is also available at www.synlait.com/bondoffer or from a Joint Lead Manager, the Co-Manager or a NZX Participant. The Offer Materials contain details of the Offer and should be read before any investment decision is made. Investors should not subscribe for any bonds in Synlait except on the basis of information in the Offer Materials and should consult their financial and other advisers before making any investment in Synlait.

There is no public pool for the Offer, with all of the bonds being reserved for clients of the Joint Lead Managers, the Co-Manager, NZX Participants and other approved financial intermediaries. Investors can register their interest by contacting any of the Joint Lead Managers or the Co-Manager, as detailed below, or their usual financial advisor.

This Offer is being made in accordance with the Financial Markets Conduct Act 2013.



Copies of the PDS, Synlait's roadshow presentation and the indicative terms sheet are attached and are also available at: www.synlait.com/bondoffer

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For more information about Synlait visit www.synlait.com

ABOUT SYNLAIT

- Synlait is a manufacturer with a focus on supplying high value fully finished infant formulas and dairy ingredients to leading milk-based health and nutrition companies internationally, including The a2 Milk Company™
- The company has grown from start-up to 146,000 MT of annual production volume in 11 years, with revenue growing by a 25% CAGR and exceeding \$1 billion for the first time in FY19.
- Synlait operates from a powder manufacturing, blending and canning and advanced liquid dairy facility in Dunsandel, a powder manufacturing facility in Pokeno, a blending and canning facility in Auckland, a bulk and speciality cheeses manufacturing facility in Temuka, and recently



announced the acquisition of all of the shares in the branded dairy products business Dairyworks Limited in Christchurch. This acquisition is subject to Overseas Investment Office approval.

- The company has recently entered the Everyday Dairy category, supplying fresh milk and cream to Foodstuffs South Island, and acquiring Talbot Forest Cheese and Dairyworks Limited.

Synlait does not intend that the bonds be offered for sale, and no action has been taken or will be taken to permit a public offering of bonds in any jurisdiction other than New Zealand.

This document is not, and should not be construed as, an offer to sell or a solicitation of an offer to buy Synlait bonds and may not be relied upon in connection with any purchase of Synlait bonds. This document may not be published, delivered or distributed in or from any country other than New Zealand.

The information in this document has been prepared by Synlait solely for informational purposes and does not purport to be complete or comprehensive and does not constitute financial product, investment, tax or other advice.

Synlait has been designated as a "Non-Standard" (NS) issuer by NZX because Bright Dairy Holdings Limited, its cornerstone shareholder, has the right to appoint four Directors to the Board.