



MEDIA RELEASE

24 June 2013

Synlait Milk details IPO

Synlait Milk Limited has today registered a combined investment statement and prospectus dated 24 June 2013 (Offer Document) seeking to raise \$75 million new primary capital. In addition, the initial public offering (Offer) will include a secondary sell-down indicatively set at \$45 million. The final size of the secondary sell-down will be determined as part of the bookbuild process and will likely vary depending on the price achieved. On completion of the Offer, Synlait Milk will list on the NZX Main Board under the stock code 'SML'. The Offer Document is available at www.synlait.com.

The indicative price range for the Offer of \$2.05 to \$2.65 per share will give the Company a market capitalisation of \$305 - \$372 million on listing.

The new primary capital of \$75 million is being raised to enable the funding of Synlait Milk's growth initiatives. Proceeds will be applied to repay Synlait Milk's existing debt facilities which will be refinanced in conjunction with the IPO. Synlait Milk's growth initiatives include:

- a new a Lactoferrin extraction and purification plant. Lactoferrin is an important ingredient in some of Synlait Milk's key infant formula products;
- an onsite blending and consumer packaging plant;
- a 10,000 square metre dry store;
- a quality testing laboratory;
- an Ammix butter plant; and
- a new spray dryer capable of producing a full range of powder products to enable continued volume growth and year round production of infant formula products.

Synlait Milk Managing Director and co-founder John Penno says, "We are pleased with where the company has got to, and are ready to accelerate the development of our promising Infant Formula and Nutritional products business."

"Since 2010 the Company has had the benefit of strong support from Bright Dairy and Food Co., Ltd (Bright Dairy) as a cornerstone shareholder. Bright Dairy is a long established Company in China and has provided Synlait Milk with valuable strategic insights into that important market. Bright Dairy also became an early customer for our fully-formulated infant formula."

Bright Dairy has elected not to sell any of its shares into the Offer and will retain its current shareholding. As a result Bright Dairy's percentage holding is expected to reduce post IPO from 51 per cent currently to approximately 40 per cent, dependent on the final price of the shares offered.



Indicative Timetable

Bookbuild, pricing and allocation	8/9 July 2013
Final Price announcement	10 July 2013
Opening Date	10 July 2013
Closing Date	5.00pm, 19 July 2013
Allotment Date	23 July 2013
Quotation and trading of Shares expected to commence on the NZX Main Board	23 July 2013
Mailing of holding statements	25 July 2013

These dates are indicative only and may change.

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Application has been made to NZX Limited (NZX) for permission to list Synlait Milk, and to quote the ordinary shares of Synlait Milk on the NZX Main Board. All requirements of NZX relating to that application that can be complied with on or before the date of this announcement have been duly complied with. However, NZX accepts no responsibility for any statement in this announcement. The NZX Main Board is a registered market operated by NZX, which is a registered exchange, regulated under the Securities Markets Act 1988.

Synlait Milk will bear a "Non Standard" designation on the NZX Main Board to reflect Synlait Milk's governance arrangements, and, in particular, the special rights Bright Dairy will have if it holds on listing between 37% and 50% of the ordinary shares in Synlait Milk.

The Joint Lead Managers and Bookrunners for the offer are First NZ Capital Securities Limited and Goldman Sachs New Zealand Limited. There will be no public pool. Interested parties should contact the Joint Lead Managers, their broker or financial adviser for information and advice.

Attached

Appendix 1 – Synlait Milk key facts and history

Appendix 2 – Who is Bright Dairy & Food Co Ltd.,?

The Offer Document is available at www.synlait.com

For more information please contact:

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