



SYNLAIT MILK LIMITED
ANNOUNCEMENT

NZX: SML
ASX: SM1

20 JUNE 2018

SYNLAIT CONFIRMS COMMISSIONING DATE OF NEW POKENO SITE

Synlait (NZX: SML; ASX: SM1) has confirmed its new nutritional manufacturing site in Pokeno, Waikato, will be commissioned for the 2019 / 2020 season.

The functionality of Synlait's first nutritional spray dryer at Pokeno has also been expanded as a result of forecast customer demand.

The nutritional spray dryer will be capable of producing a full suite of nutritional, formulated powders (including infant-grade skim milk, whole milk and infant formula base powders) and the capacity has increased to 45,000 metric tonnes (MT) from an initial 40,000 MT.

The initial capital investment is estimated at \$250 million, excluding the land previously acquired.

Synlait has the capital required to fund this programme through a combination of cashflow and an increased bank revolver facility.

"Our immediate focus is on establishing the nutritional spray dryer and associated services, including a wetmix kitchen and warehousing," says Mr Penno.

"But additional capacity and capabilities may be added in future as Synlait seeks to develop the site to a similar level as Synlait's Dunsandel site over time," he says.

Initially, Synlait Pokeno will produce infant-grade ingredients while regulatory registration is obtained for infant formula base powder production.

Milk supply will be sourced from the Waikato region from 1 June 2019 and Synlait will grow their a2 Milk™ and Lead With Pride™ programmes through new suppliers.



“We’ve had a really positive response from dairy farmers looking to supply Synlait, so we’re confident of securing sufficient milk for the 2019 / 2020 season,” says David Williams, Synlait’s Milk Supply Manager.

“This was reinforced with our presence at Fieldays at Mystery Creek last week. It was great to meet a number of passionate dairy farmers who are serious about doing more with their milk and adding value on farm, which is exactly what we do,” says Mr Williams.

Anyone interested in supplying Synlait Milk can register their interest by calling 0800 ADD VALUE or visiting www.synlait.com

ENDS

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

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