Presentation Agenda

1. Introduction

2. Strategic review outcomes
   - Introduction
   - Australian and NZ business
   - A2 Milk (UK JV)
   - A2 Infant Nutrition
   - New markets and products

3. Key financial results

4. Australian business

5. Summary
Introduction

• A2 Corporation Limited (“A2C”) is a differentiated, premium price dairy Company which is building a global business based on unique intellectual property applying to a2™ brand milk and related dairy products

• a2™ brand milk has a unique proposition that delivers a tangible consumer benefit which aligns with the positive macro global consumer health trend

• A2C is now one of the fastest growing Australian FMCG businesses

• Strategic review confirmed A2C is well-positioned for future growth

• Throughout 2012, A2C progressed the Company’s strategic agenda from 2010
Delivering on the strategic agenda

July 2010
Acquired the remaining 50% it did not already own of the Australian JV from Freedom Foods. Appointed Geoffrey Babidge CEO of A2C

October 2010
Developed the new strategic agenda

June 2011
Formally developed the ‘The A2 System’ and ‘The A2 System Manual’, comprising A2C’s proprietary know-how

November 2011
Formed 50 / 50 marketing and distribution joint venture with Robert Wiseman Dairies for a2™ brand milk in the UK and Ireland

March 2012
Commissioned milk processing facility in Smeaton Grange, New South Wales

September 2012
Reported record FY12 revenue of A$62.5m (+48% yoy)

April 2012
Entered into strategic agreement with Synlait Milk Limited for the manufacture of a2™ brand nutritional powders (including infant formula) is its state-of-the-art facility in New Zealand

October 2012
Appointed China State Farm as exclusive distributor of a2™ brand infant formula in China
Strategic review outcomes

- There is an increasing consumer focus on health and wellbeing which strongly favours a2\textsuperscript{TM} brand dairy products
- Large global drinking milk markets exceed US$120bn with scope for innovation in mature, commoditised markets
- A2C can directly access high growth Asian dairy markets, including infant formula and UHT
- A2C has a strong suite of global intellectual property supported by a growing body of know-how and developing brand equity
- A2C’s proven Australian dairy supply chain model provides a scalable technical & commercial template for other markets
- The strategic review confirms that A2C’s capital light, partnership focused model will facilitate the Company’s global expansion into new dairy markets and categories

5
**Consumer and industry trends strongly favour growth of a2™ brand products**

<table>
<thead>
<tr>
<th>Consumer focus on health and wellbeing</th>
<th>a2™ brand products respond directly to the increasing global focus on digestive health, allergies and intolerances</th>
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<table>
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<tr>
<th>Scope for innovation in commoditised markets</th>
<th>a2™ brand milk is a differentiated and innovative product</th>
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<td></td>
<td>Able to command and maintain a premium price position</td>
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<th>Retailer margin benefit</th>
<th>Target consumer is a high value shopper</th>
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<td></td>
<td>a2™ brand milk delivers attractive margin to retailers</td>
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<tr>
<th>Dairy farmers benefit</th>
<th>Premium prices paid by A2C to A2 farmers at farmgate (without additional costs to farmers)</th>
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| Global milk market exceeds US$120bn | a2™ brand niche shares can deliver significant revenues given the large size of the markets |

| Asia is the major growth market | A2C can directly access high growth Asian dairy markets, including infant formula |

<table>
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<th>Other dairy categories are large and high growth</th>
<th>Ability to transition A2C into cheese, yoghurt and ice cream</th>
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<td></td>
<td>US$272bn potential market and growing at c.5.0% p.a. (1)</td>
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| Global partnership opportunities | Industry consolidation creates the opportunity to partner with strong local players in key global markets |

**Note:**
a2™ brand milk is the fastest growing and largest brand in the Australian premium segment

% Share of Fresh Milk in the Grocery Channel (Latest Quarter—by value)

Source: Aztec Scan Data (week ending 2/9/12)
Current trends and strategy suggest value share of at least 10% of the fresh milk category in the Australian grocery channel is achievable

Australia Growth Strategy

<table>
<thead>
<tr>
<th>Priority 1</th>
<th>Media and Marketing</th>
<th>Distribution</th>
<th>Health Care</th>
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<tbody>
<tr>
<td></td>
<td>Increased investment in media and marketing</td>
<td>Plan launch in the “route trade” through distribution partnerships</td>
<td>Health Care Professional recommendation through an expansion of the effective HCP programme</td>
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<td></td>
<td>Maintain spend at c.6% of strongly growing sales</td>
<td>Expand SKU count</td>
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<td></td>
<td>Maintain high consumer engagement through creative excellence</td>
<td>Broaden non-chain distribution</td>
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<tr>
<th>Priority 2</th>
<th>Processing Facilities</th>
<th>Operational Improvement</th>
<th>New Products</th>
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<td></td>
<td>Additional processing capability to cater for rising demand and effectively manage the supply chain</td>
<td>Margin enhancement in existing plants due to volume expansion</td>
<td>Evaluate market potential for launch of other dairy products</td>
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<td></td>
<td></td>
<td>Options to reduce freight to WA</td>
<td>Enhance yoghurt offering</td>
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Source: Management Forecasts
UK Creative Direction

• The UK launch is now underway, with three major supermarket chains listing a2™ brand milk in approximately 700 outlets nationwide (Tesco, Morrisons and Budgens)
• Performance expected to follow Australian experience—a ‘slow build’ driven by PR and consumer marketing, engagement with health care professionals and broadening distribution

• Initial brand position similar to that originally at launch in Australia, tailored for the UK market
• Key positioning “The Natural Answer” (compared to “Feel the Difference”)
• Communication of the a2™ product benefit (the natural answer to A1 milk intolerance) and consumer testimonials initially via Press, Online, Social Media, PR
• Launch communication supported by endorsement from a profile HCP, Dr. Hilary Jones and celebrity, Dannii Minogue
• TV advertising planned from Jan 2013
China business model

- A2C will source shelf-ready packaged, 100% New Zealand a2™ brand infant formula and sell FOB to its distribution partner in China, who will then on-sell to 3rd party distributors and retailers
  - A2C has secured New Zealand supply through a manufacturing agreement with Synlait (NZ)
  - A2C has appointed China State Farm (“CSF”), a leading Chinese SOE, which has the local relationships and financial resources to build distribution and market premium priced a2™ brand infant formula to major cities in Greater China (including Hong Kong and Macau)
A2C, together with its distribution partner, plans to progressively roll-out the a2™ infant formula product across c.45 Tier 1 and 2 cities in the Greater China region (including Hong Kong and Macau).

CSF advised that a2™ branded infant formula was the only unique infant formula product offering at the July 2012 Child Baby Maternity Exhibition in Shanghai.
New markets for the a2™ brand

### A2C’s Key Market Selection Criteria

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<tr>
<th>Category</th>
<th>Criteria</th>
<th>Description</th>
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<tbody>
<tr>
<td>White milk market size</td>
<td>Per capita milk consumption</td>
<td>Existing top end in the market</td>
</tr>
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<td>A2C IP registered</td>
<td>Likely entry cost / speed of return</td>
<td>Cost effective distribution options</td>
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### Tier 1
- USA
- China
- UK
- Germany
- Canada

### Tier 2
- Spain
- Italy
- France

### Tier 3
- Japan
- India
- Mexico
- Korea
- Brazil
New categories for the a2™ brand

- The high growth UHT and Yoghurt categories have been identified as attractive opportunities for the a2™ brand
- Other potential products include dietary supplements, cheese and milk powders

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<th>UHT</th>
<th>Yoghurt</th>
<th>Target Markets</th>
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</table>
| ✓ Global growth opportunity with a number of potential target markets | ✓ Target markets have a combined market size c.US$20bn<sup>(1)</sup> | China  
  France  
  Germany  
  Spain |
| ✓ Chinese market for UHT milk is c.US$8bn with demand growing rapidly  
  – Discussions with Chinese distributors are currently underway | ✓ The fastest growing segments are those that offer functional benefits  
  ✓ Strategic agenda would likely leverage licensing arrangements with international groups | Australia<sup>(2)</sup>  
  France  
  Germany  
  Spain  
  UK  
  USA |

Note:
1. Euromonitor (2011)
2. A2C has a non-exclusive licence and supply agreement with Jalna Dairy Foods to manufacture, market and sell a range of A2 branded yoghurts in Australia
## Key financial results

<table>
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<th>NZ$’000</th>
<th>2012</th>
<th>2011</th>
<th>Variance</th>
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<tbody>
<tr>
<td>Trading Revenue</td>
<td></td>
<td>$62,458</td>
<td>$42,206</td>
<td>48%</td>
</tr>
<tr>
<td>Gross Margin – excl dep’n</td>
<td></td>
<td>$21,297</td>
<td>$15,271</td>
<td>40%</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td>$4,737</td>
<td>$2,683</td>
<td>77%</td>
</tr>
<tr>
<td>NPAT</td>
<td></td>
<td>$4,405</td>
<td>$2,116</td>
<td>108%</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td>$37,348</td>
<td>$25,183</td>
<td>48%</td>
</tr>
<tr>
<td>EPS</td>
<td>0.74</td>
<td>0.40</td>
<td>85%</td>
<td></td>
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<tr>
<td>Current Ratio</td>
<td>2.03</td>
<td>2.66</td>
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<tr>
<td>ROE</td>
<td>11.8%</td>
<td>8.4%</td>
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Shares on Issue at August 31, 2012 – 604,666,979
The Australian business performed strongly in 2012

• a2 Milk™ sales increased 48% on the prior year

• Significant growth in 2012 Operational Profit compared to last year

• Increase in marketing and communication including successful “Thank-you A2” campaign, public relations and health care professional activity

• Further evolution in packaging to a broader health position

• Estimated market share by value in grocery at year end of 5.8%

• Commissioned new milk processing facility in south west Sydney from February 2012 with progressive improvement in efficiencies

• Increased milk supply to cater for continued growth in sales
The a2™ milk brand exceeds c.A$50m in Australia

- The Australian business has generated significant and sustained growth over the last three years with effectively no change in wholesale price

Ex-Factory Gross Sales Fresh Milk A2DPA (A$m)
Summary

- A2C will continue to develop the business consistent with its strategic plan:
  - Further grow the Australian fresh milk business and increase activities in NZ
  - Support the development of the UK fresh milk business
  - Progress A2 infant nutrition business in China
  - Prioritise product and market growth options standalone or with partners
  - Maintain a conservative balance sheet position

- The Board continues to assess the Company’s optimal capital structure in light of its growth opportunities, including new opportunities that may emerge:
  - A2C qualifies for listing on the NZX Main Board
  - The NZX Main Board is a more recognised market which provides greater transparency and investor protection
  - A move to the NZX Main Board may provide greater liquidity and increase access to capital
  - To this end, the Company has commenced discussions with the NZX regarding a move to the NZX Main Board
Thank You