

**A2 CORPORATION LIMITED**  
**OPERATING SEGMENT INFORMATION**  
**For the Six Months Ended 31 December 2011**

The Company has adopted NZ IFRS-8 *Operating Segments*. NZ IFRS-8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance.

For management purposes, the group is organised into business units based on their geographical location and has reportable operating segments as follows:

- The New Zealand segment receives interest, royalty, licence fee and management fee income;
- The Australian segment receives income from milk sales;
- The United Kingdom segment will receive income from milk sales.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

<b>Period ended 31 December 2011</b>	<b>NZ</b>	<b>Aust</b>	<b>UK</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Revenue</b>					
External customers	3,598	28,326,091	-	-	28,329,689
Other revenue	1,664,658	101,711	-	-	1,766,369
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Total Revenue	<u>\$1,668,256</u>	<u>\$28,427,802</u>	<u>-</u>	<u>-</u>	<u>\$30,096,058</u>
<b>Segment profit/(loss)</b>	<u>\$1,984,176</u>	<u>\$1,197,398</u>	<u>\$(79,503)</u>	<u>-</u>	<u>\$3,102,071</u>
Interest expense	27	74,167	-	-	74,194
Depreciation expense	1,616	21,229	-	-	22,845
Share of (profit)/loss & other obligation of associates	-	-	79,503	-	79,503
Income tax expense	106,482	67,347	-	-	173,829
<b>Segment assets</b>	<u>\$30,169,545</u>	<u>\$48,192,465</u>	<u>\$2,246,309</u>	<u>\$(38,970,490)</u>	<u>\$41,637,829</u>
<b>Segment liabilities</b>	<u>\$4,068,036</u>	<u>\$36,119,323</u>	<u>-</u>	<u>\$(29,794,042)</u>	<u>\$10,393,317</u>