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All values are expressed in New Zealand currency unless otherwise stated and our financial statements are prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and not U.S. general accepted accounting principles.

Also, this presentation includes certain financial measures that were not prepared in accordance with NZ GAAP. Reconciliations of those non‐NZ GAAP financial measures to the most directly comparable NZ GAAP financial measures can be found in our annual report and half‐yearly report. Any non‐NZ GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by NZ GAAP, have no standardized meaning prescribed by NZ GAAP and may not be comparable to the calculation of similar measures of other companies.
Agenda

• Company overview
• 1H17 result & regional commentary
• Science & IP
• Summary
• Appendix
COMPANY OVERVIEW
As the a2 Milk® pioneers, we are single-mindedly determined to help people enjoy a healthier life.
Our consumers tell us we are making a difference to their lives

Liz (Australia)
“Members of my family have all had problems with milk. We switched to a2 Milk™ about a year ago and the issues disappeared. The big bonus is that we are also supporting our dairy farmers!”

Slobhan (Australia)
“I wish this had been around with my first born. It has been amazing for my son who had an upset tummy on 3 other brands we tried first then within 5 days on a2 he was the happiest baby, no constipation, no wind, a different kid. Hands down the best.”

Andrew (UK)
“a2 Milk™ has allowed myself and 8 year old son to enjoy milk again without suffering from the issues we had from standard milk.”

Beverly (USA)
“This milk has been a game changer for our family. We can start eating our favorite foods again.”

Kristin (USA)
“This stuff changed my life.”

The a2 Milk Company
The a2 Milk Company at a glance

• The a2 Milk Company (“a2MC”) is in the business of producing, marketing and selling premium branded dairy nutritional products in targeted global markets

• All a2MC branded products contain only A2 beta-casein protein type rather than both A1 protein and A2 protein found in conventional cows’ milk products

• Uniquely focused on building a branded, high margin and differentiated business supported by an integrated IP portfolio

### Key metrics

<table>
<thead>
<tr>
<th></th>
<th>USD million¹</th>
<th>NZD million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Capitalisation²</td>
<td>~1,500</td>
<td>~2,150</td>
</tr>
<tr>
<td>EPS³ (cents per share)</td>
<td>3.10 c</td>
<td>4.43 c</td>
</tr>
<tr>
<td>FY16 Revenue</td>
<td>246.7</td>
<td>352.8</td>
</tr>
<tr>
<td>FY16 EBITDA</td>
<td>38.2</td>
<td>54.6</td>
</tr>
<tr>
<td>FY16 NPAT</td>
<td>21.3</td>
<td>30.4</td>
</tr>
</tbody>
</table>

¹ USD metrics converted at 29 March 2017 (USD/NZD = 1.43)
² Based on share price of USD2.07/NZD2.96 as at 29 March 2017 (quoted securities only)
³ Basic Earnings Per Share
What is the a2 Milk® brand difference?

- The a2 Milk® brand is a naturally occurring cows’ milk and not a product of a technological process or genetic engineering.
- a2MC have accumulated significant proprietary know-how and quality processes to ensure a2MC products are A1 protein-free.

Originally all cows produced milk containing only A2 protein type. A genetic mutation occurred in European herds via migration and modern farming practices. All ordinary milk is a mix of A1 and A2 proteins. a2MC milk naturally contains only the A2 protein and free from A1 protein.
The a2 Milk Company proposition

1. Single-minded company focus on A1 protein-free products (pioneers and experts)

2. Compelling and growing scientific evidence

3. Integrated IP portfolio and proprietary know-how

4. Unique and effective marketing approach

5. Clean and green Australia and New Zealand sourcing profile (strength in Asia)

6. Capital-light investment model coupled with strong long-term supply partners
Expanding portfolio within targeted regions

Australia and NZ

UK

China

USA

The a2 Milk Company
A history of significant growth and continual transformation

2000-2007
IP Company licensing knowledge to others

2007-2012
Branded dairy company challenging the dairy industry

2012-2015
Branded dairy company that also makes infant formula

2016 onwards
Branded dairy nutrition company profitably making a difference to people’s lives

Revenue NZ$
FY07 $7.6m
FY12 $64.1m
FY15 $155.1m
FY16 $352.8m
The Company’s financial year ends 30 June. “1H” represents 6-months to 31 December; “2H” represents 6-months to 30 June.

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1 EBITDA is a non-GAAP measure and represents earnings before interest, tax, depreciation and amortisation, and is shown before non-recurring items.
1H17 result highlights

• Total Group revenue of $256.1 million, an increase of 84% on pcp (prior corresponding period)
• Group a2 Platinum® infant formula revenue of $184.5 million, up 150% on pcp
• Operating EBITDA\(^2\) of $64.1 million, up 243% on pcp
• Net profit after tax of $39.4 million, an increase of 290% on pcp
• Continuing strong growth in sales and share for a2 Platinum® infant formula in ANZ and China
• Growing sales and broader distribution of liquid milk in the United States
• Increased sales and positive operating earnings in the United Kingdom
• Operating cash flow of $38.1 million, a $48.1 million increase on pcp
• Cash on hand at 31 December 2016 of $108.4 million
• Conservative management of infant formula production and inventory

\(^1\) All figures quoted in New Zealand Dollars (NZD) unless otherwise stated
\(^2\) Operating EBITDA is a non-GAAP measure and represents earnings before interest, tax, depreciation and amortisation
## Financial overview

<table>
<thead>
<tr>
<th>Operating Segment</th>
<th>NZ$ million</th>
<th>1H17</th>
<th>1H16</th>
<th>Movement %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Segment Revenue</td>
<td>Operating EBITDA&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Segment Revenue</td>
<td>Operating EBITDA</td>
</tr>
<tr>
<td>ANZ</td>
<td>206.6</td>
<td>70.4</td>
<td>127.9</td>
<td>34.5</td>
</tr>
<tr>
<td>China and other Asia</td>
<td>37.7</td>
<td>13.7</td>
<td>8.4</td>
<td>1.2</td>
</tr>
<tr>
<td>Corporate and other</td>
<td>-</td>
<td>(12.3)</td>
<td>-</td>
<td>(8.9)</td>
</tr>
<tr>
<td>Total excluding UK &amp; USA</td>
<td>244.3</td>
<td>71.8</td>
<td>136.3</td>
<td>26.8</td>
</tr>
<tr>
<td>UK &amp; USA&lt;sup&gt;2&lt;/sup&gt;</td>
<td>11.8</td>
<td>(7.7)</td>
<td>2.9</td>
<td>(8.1)</td>
</tr>
<tr>
<td>Total Group</td>
<td>256.1</td>
<td>64.1</td>
<td>139.2</td>
<td>18.7</td>
</tr>
<tr>
<td>EBITDA / Sales %</td>
<td></td>
<td>25%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

<sup>1</sup> Operating EBITDA is a non-GAAP measure and represents earnings before interest, tax, depreciation and amortisation

<sup>2</sup> UK & USA Operating EBITDA includes $2.2 million in impairment charges

Infant formula (included in Group total)

<table>
<thead>
<tr>
<th>NZ$ million</th>
<th>1H17</th>
<th>1H16</th>
<th>Movement %</th>
</tr>
</thead>
<tbody>
<tr>
<td>184.5</td>
<td>73.9</td>
<td></td>
<td>+150%</td>
</tr>
</tbody>
</table>

*The a2 Milk Company*
Financial summary

<table>
<thead>
<tr>
<th>NZ$ million</th>
<th>1H17</th>
<th>1H16</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>256.1</td>
<td>139.2</td>
<td>+84%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>119.0</td>
<td>57.0</td>
<td>+109%</td>
</tr>
<tr>
<td>Sales &amp; Distribution</td>
<td>(11.2)</td>
<td>(7.2)</td>
<td>+56%</td>
</tr>
<tr>
<td>Marketing</td>
<td>(16.0)</td>
<td>(10.0)</td>
<td>+60%</td>
</tr>
<tr>
<td>Employee Costs</td>
<td>(9.9)</td>
<td>(9.6)</td>
<td>+3%</td>
</tr>
<tr>
<td>Admin &amp; Other</td>
<td>(17.8)</td>
<td>(11.5)</td>
<td>+55%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>64.1</td>
<td>18.7</td>
<td>+243%</td>
</tr>
<tr>
<td>EBIT</td>
<td>62.5</td>
<td>17.4</td>
<td>+258%</td>
</tr>
<tr>
<td>NPAT</td>
<td>39.4</td>
<td>10.1</td>
<td>+290%</td>
</tr>
</tbody>
</table>

- Gross margin reflects increased contribution from infant formula sales
- Continued investment in marketing and brand development - reflects targeted spend in ANZ, China and USA
- Increases to ‘administration and other’ reflects increased spend on business development (+$1.9m) and R&D (+$0.9m) and write-down of intangibles (+$2.4m)
- NPAT reflects high effective tax rate due to international losses not tax effected, and other non-deductibles including employee share scheme costs and write-down of intangibles. The effective tax rate of 37.4% is expected to reduce as results improve in the US business
- Cash on hand reflects strong 6-month NPAT contribution

<table>
<thead>
<tr>
<th>NZ$ million</th>
<th>Dec-16</th>
<th>Jun-16</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>108.4</td>
<td>69.4</td>
<td>+56%</td>
</tr>
</tbody>
</table>
Strategic agenda update

• The growth of infant formula has driven the shift to a broader nutritional products strategy

• Additional nutritional products are planned for launch during calendar 2017

• Comprehensive strategic review of China infant formula market concluded in December - deepened understanding and assisted in development of medium term plans

• a2 Milk® brand to expand distribution into South East USA from March 2017

• Review of growth opportunities in SE Asia progressing

• Enhanced Synlait Nutritional Powders Supply agreement completed August 2016

• Acquisition of ~8.2% of Synlait Milk Limited announced 2 March 2017:
  – Purchased from FrieslandCampina for a total consideration of ~NZ$47.8 million
  – Investment demonstrates a2MC’s commitment to supporting its major contractor
  – Considered a long-term holding, a2MC considers the investment will provide stability to Synlait’s capital structure as it grows

Growth in Group Infant Formula Sales (NZ$m)

Portfolio Composition (% Group Revenue)
Australia and New Zealand

• a2 Platinum® continues as fastest growing infant formula brand for latest year\(^1\), market share growing to ~25% for latest quarter\(^1\)
• A flexible strategy to best meet changing distribution trends in ANZ including managing the “Daigou” channel
• Fresh milk revenue continued to grow, market share stable at 9.3%\(^2\). The only dairy brand distributed in all six major retailers
• Investment in a2 Milk® and a2 Platinum® brand advertising continues to increase. The highest spend of any brand within their respective categories for the latest 12 months ending 31 October 2016
• Continuing to pursue Lion Group over what a2MC believes are misleading and deceptive packaging and advertising claims; case scheduled to be heard in November 2017, a2MC confident in its position

China and other Asia

• Brand awareness and IF market share growing rapidly from ~0.7% to ~2.6% value share of defined market for latest quarter\(^3\)
• Online strategy centres on building strong relationships with profile providers and participating in key annual selling events
• Offline strategy based on building sustainable Mother & Baby store sales through growth in distribution and in-store marketing activities and sales personnel at store level
• Engaged a leading China-based consultancy to further assist building market intelligence and medium term scenario planning

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\(^1\) Aztec Australian grocery/supermarket infant formula value share for 52 weeks and 13 weeks ending 01/01/17
\(^2\) Aztec Australian weighted grocery (Woolworths, Coles, Independents) dairy milk value share for 52 weeks ending 01/01/07
\(^3\) Kantar Infant Formula market tracking of Tier 1 and A cities for quarter ending 31/12/16 (Kantar track a substantial portion of the total market)
a2MC expects annual category growth ~5-10% over next three years

Total China Infant Formula Market: Annual Volume Growth
(Official + Grey)

Source: Euromonitor, Literature review, China-based consultancy derived analysis
### Brand awareness and understanding is building in China

#### Brand perception ~July 2015

- **Brand knowledge**
  - Mainly premium Australian image driven
  - Little knowledge and understanding of A2 protein proposition

- **Communication touch points**
  - Mainly from cross-border online
  - Very low awareness of China label

#### Brand perception ~ Sept 2016

- **Brand knowledge**
  - Premium image remains
  - A2 protein understanding emerging
  - Strong perception of uniqueness

- **Communication touch points**
  - Significant increase in media touchpoints for both ANZ and China label consumers
  - Greater breadth of channels for cross-border online
  - Greater awareness of Chinese label product
  - Growing awareness of presence in Mother & Baby stores as a way to review the brand (both labels) and purchase China label
  - Health care professional education starts to emerge in some cities

- **Consumer types**
  - Early adopters
  - Early adopters with fast followers emerging

- **Purchase channels**
  - Mainly C2C
  - Greater channel variety (ANZ and China label)

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1. Three-city brand qualitative research study, October 2016
China infant formula regulatory environment

- A number of regulatory changes announced during calendar 2016 are being implemented
- a2MC continues to adjust its manufacturing and distribution model in response to evolving market conditions

1. CBEC¹ to be managed as personal goods

   China Ministry of Commerce (MoC) announcement, 17 March 2017:
   - In interim, CBEC will be managed in the same way as personal goods (or direct mail)
   - Increase to CBEC pilot zones (from 10 to 15)
   - MoC expects changes will help maintain the stability of CBEC
   - Detailed implementation plans to come

2. Infant formula registration

   Registration for China label infant formula products
   - Approved application requirements issued by CFDA² in November 2016
   - Registration required by 1 January 2018
   - a2MC supporting Synlait Milk application process

3. Draft infant formula labelling guidelines

   New draft labelling guidelines on China label infant formula issued by CFDA in December 2016
   - Limitations on product naming descriptions
   - Brand owners to proactively review and amend pack labels as required
   - a2MC to continue to use “Platinum®” in English on both China and English labels

¹ CBEC: Cross border e-commerce platforms
² CFDA: China Food and Drug Administration
United States of America

• Continued to build distribution and sales of liquid milk in California (now in ~1,800 stores in California, Pac NW and Colorado)
• Sales focus on building average UPSW relevant to the speciality milk category (> 30 for range)\(^1\)
• Marketing and communication increased over the pcp across digital and social media, retail promotions and PR
• Supply chain efficiency enhanced with a second processor from the West Coast appointed
• A clearer view of the key success factors is emerging and accordingly the Company is to:
  – Significantly expand into the South East through Publix, with ~1,100 stores primarily in Florida, Georgia and the Carolinas
  – Expand product range to include chocolate flavoured milk
  – Increase marketing spend in 2H17 to support market expansion
• Level of total investment during FY17 and subsequent 2 years, before achieving positive monthly EBITDA, expected to be in the range of US$30 – $35 million

United Kingdom

• Positive operating earnings for the half year for the first time
• Average rates of sale in-store improved by ~40% on pcp
• Sales of a2 Milk® branded fresh milk grew >45% on pcp aided by increased distribution
• Growth of infant formula sales in non-grocery segment, opportunity within the retail market to be assessed

\(^1\) Refers to the units per store per week for the total range
SCIENCE & IP
The difference occurs upon digestion

- Studies highlight there are potential benefits of a2 Milk® due to the complete exclusion of A1 protein type
  - Conventional milk is a combination of A1 and A2 protein types

- The A1 and A2 proteins are different in structure and hence break down differently upon digestion
  - Scientific understanding of the impact of these differences has grown over the years

- Animal and human studies have shown that the A1 protein uniquely releases a fragment called BCM-7 upon digestion, demonstrated to interact with digestive function
  - A2 protein does not release this fragment

- Human research reports consumption of A1 protein can trigger inflammation and delay gut transit time in human gut cells and tissue, leading to symptoms of digestive issues
IP and R&D

• The Company continues to initiate and support R&D around the benefits of A1 protein-free products and develop its Intellectual Property portfolio (including brand assets and proprietary know-how)

• New studies initiated across China, USA and ANZ with a focus on human research
  – Significant clinical study undertaken in China (n=600) completed and submitted for publication
  – Concurrent study in China amongst pre-schoolers completed; results align with adult findings around digestive and cognitive responses
  – USA and Australian human clinical research underway at Pennington Biomedical Facility and Monash University
  – First study funded by the New Zealand High Value Nutrition Government grant underway

• Scientific publication in October reports consumption of a2 Milk® increases the body’s production of a key antioxidant (glutathione or GSH) in study participants relative to conventional dairy
Conclusions and outlook

• Exceptional 1H result, reflecting continued strong growth in nutritional products

• First half a2 Platinum® performance includes sales build for key China selling events

• Remaining agile in response to evolving market conditions for infant formula continues to inform a prudent approach to inventory management

• Anticipating infant formula sales in 2H17 to be lower relative to 1H17 (but materially higher than 2H16)

• Marketing spend likely to be ~$15 million higher in 2H17 given phasing, in particular for USA and China

• Assuming current trends in earnings and cash flow continue and in the absence of significant capital demands, the Board expects to adopt a dividend policy following completion of the financial year
APPENDIX
Brief company history

2000-2007
IP Company licensing knowledge to others

Company founded by scientist Dr. Corran McLachlan and business partner Howard Patterson

Listed on NZX Alternative Market
Licences granted in ANZ, Asia and USA

2007-2012
Branded dairy company challenging the dairy industry

G Babidge appointed MD & CEO
Licences repurchased, strategy focuses on branded dairy company
a2 Milk™ brand builds significant momentum and scale in Australia
Listed on NZX Main Board
Launched a2 Milk™ into the UK fresh milk market

2012-2015
Branded dairy company that also makes infant formula

a2 Platinum® infant formula launched in China, Australia and NZ
First human digestion trial published reporting digestive difference between A1 and A2 protein\(^1\)
Listed on the ASX
Launched a2 Milk™ liquid milk into the USA

Today (2017)
Dairy nutrition company profitably making a difference to people’s lives

- a2 Platinum® infant formula accounts for 72% of Group turnover
- Admission to S&P/ASX 200 Index
- Scientific evidence strengthens with China clinical trial further supporting potential benefits of A1 protein-free products\(^2\)
- New agreement with Synlait Milk announced
- New strategic direction as a branded dairy nutritional business

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\(^1\)Published in European Journal of Clinical Nutrition

\(^2\)Published in UK Nutrition Journal
Reconciliation of non GAAP measures

<table>
<thead>
<tr>
<th>NZ$ million</th>
<th>1H17</th>
<th>1H16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia &amp; New Zealand Segment EBITDA</td>
<td>70.4</td>
<td>34.5</td>
</tr>
<tr>
<td>China &amp; other Asia Segment EBITDA</td>
<td>13.7</td>
<td>1.2</td>
</tr>
<tr>
<td>UK &amp; USA Segment EBITDA</td>
<td>(7.7)</td>
<td>(8.1)</td>
</tr>
<tr>
<td>Corporate &amp; other Segment EBITDA</td>
<td>(12.3)</td>
<td>(8.9)</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>64.1</td>
<td>18.7</td>
</tr>
<tr>
<td>Depreciation/Amortisation</td>
<td>(1.6)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>EBIT(^1)</td>
<td>62.5</td>
<td>17.4</td>
</tr>
<tr>
<td>Net interest income</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Income tax expense/income</td>
<td>(23.5)</td>
<td>(7.4)</td>
</tr>
<tr>
<td>Net Profit/(Loss) for the Period</td>
<td>39.4</td>
<td>10.1</td>
</tr>
</tbody>
</table>

\(^1\)EBITDA and EBIT are non GAAP measures. However, the Company believes they assist in providing investors with a comprehensive understanding of the underlying performance of the business.
Cash position

Group Cash Movement: 1H17
(NZ$ million)

- Inventory reduction reflects strong 1H infant formula sales and conservative management of production and inventory
- Working capital movement driven largely by increase in trade debtors and prepayments relating to infant formula
- Other non-cash includes employee share scheme costs and write-down of intangibles
- FX and other includes movements on foreign currency cash holdings due to strengthening of NZD