



**NZAX release  
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## **A2 Corporation Limited Settlement of Korean legal dispute**

A2 Corporation Limited (NZAX:ATM) (A2C, the Company) is pleased to advise it has reached a settlement of a long running legal dispute with a former licensee in the Republic of Korea.

A wholly owned subsidiary of the Company, A2 Exports Limited (A2 Exports) entered into a Licence agreement with Purmil Co., Ltd (Purmil) for the production and sale of A2 Milk in Korea in October 2007. Purmil ceased production of A2 Milk in December 2008. A2C has been pursuing its legal rights for compensation under the terms of the Licence which culminated in proceedings being initiated against Purmil in the High Court of New Zealand in December 2010.

A2 Exports and Purmil have agreed to settle the dispute, without admission of liability, on amicable terms which include a payment by Purmil and each party bearing its own legal costs. The payment by Purmil has been received and A2 Exports is in the process of lodging a notice of discontinuance of the proceedings. The net proceeds to A2 Exports are estimated to approximate NZD1.1m.

This is a positive development for A2C. It represents the resolution of the one remaining significant legacy issue relating to the Company's former business model. In addition, the settlement should enhance the Company's reputation and prospects for growth in Asia particularly in markets where consumers are focusing on the benefits of functional foods and beverages.

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