Presentation Agenda

- Overview
- 2012 Financials
- Key Results
- The A2C Growth Strategy
- Australian Business Summary
- A2 Milk (UK) Joint Venture Summary
- Further International Initiatives
Overview

During 2012, A2C progressed the company's strategic agenda from 2010

- **Australia:**  
  Continued strong growth in sales and profitability in Australia;  
  Commissioned green-field fresh milk processing facility in Sydney

- **International:**  
  Established fresh milk JV business in the UK and Ireland;  
  Further developed infant formula strategy for Asia;  
  Executed nutritional powders manufacturing agreement in New Zealand;  
  Settled long running dispute in Korea

- **Equity Raisings:**  
  Capital raising of $2.6m in July 2011 and $5.2m in March 2012
2012 Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading Revenue</td>
<td>$62,458</td>
<td>$42,206</td>
<td>48%</td>
</tr>
<tr>
<td>Gross Margin – excl dep’n</td>
<td>$21,297</td>
<td>$15,271</td>
<td>40%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$4,737</td>
<td>$2,683</td>
<td>77%</td>
</tr>
<tr>
<td>NPAT</td>
<td>$4,405</td>
<td>$2,116</td>
<td>108%</td>
</tr>
<tr>
<td>Equity</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>
</tr>
<tr>
<td>Current Ratio</td>
<td>2.03</td>
<td>2.66</td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>11.8%</td>
<td>8.4%</td>
<td></td>
</tr>
</tbody>
</table>

Shares on Issue at August 31, 2012 – 604,666,979
Key Results

- Group Profit after Tax for 2012 of $4,405,000, compared to $2,116,000 in prior year

- EBITDA before share of associate earnings and non recurring items of $4,737,000. The Australian business contributed operational profit well ahead of plan and 2011

- Share of associate earnings (A2 Milk (UK)) of ($743,000); net proceeds from Korean settlement of $1,101,000

- Costs associated with a Group Strategic Review process of $522,000

- International business development expenses of $870,000

- Income tax credit of $287,000 due to revaluation of assets for tax purposes

- Cash on hand at 30 June 2012 was $6.57 million
Current Geographical and Product Overview

Geographical Overview

KEY:
- **Australia**: Sourcing, processing, marketing and sale of fresh milk and licensing of yoghurt.
- **NZ**: Brand license to Fresco Valley for fresh milk and infant nutrition manufacturing agreement with Synlait Milk.
- **UK & Ireland**: Sales and marketing JV with Robert Wiseman Dairies for fresh milk, UHT and cream.
- **US / Canada / Europe**: Tier 1 global growth areas.
- China: Infant formula growth area nutritional powders manufacturing agreement with Synlait Milk.

Current Product Offering

[Image of various dairy products with the 'a2' logo]
The A2C Strategic Growth Agenda

- A2C is focused on three core growth initiatives:
  #1 Building the beverage business in Australia and New Zealand
  #2 Capturing niche shares in global milk and other dairy product markets
  #3 Developing an Infant Formula business in highly prospective markets

- The strategic agenda draws on:
  - The credibility of the core a2™ brand proposition particularly given the successful commercialisation in Australia and the expansion into the UK & Ireland
  - Global opportunities exist across a number of international markets that have characteristics which support building niche businesses in premium white milk and other dairy products
  - a2™ brand Infant Formula into Asian markets represents a priority opportunity
  - The capital light operating model is highly scalable and allows rapid expansion
  - Our model to partner and take a hands-on approach to create a consistent business framework

A2C’s global growth strategy in milk and other dairy product markets, and infant formula is a key driver of value beyond its existing Australia / NZ and UK operations
The Australian Business Performed Strongly

- 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 HCP 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
a2™ brand sales performance in Australia

822% Growth Since Sept 2007

Gross Sales A$ (000's)
Ex-Factory Gross Sales Fresh Milk A2DPA (A$ 000's)
a2™ brand milk: fastest growing and largest in the premium market

% Share of Fresh Milk in Australian Grocery (Latest Quarter – by value)

<table>
<thead>
<tr>
<th>Product</th>
<th>Jul-2011</th>
<th>Jul-2012</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZ</td>
<td>46.3%</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>Lactose Free</td>
<td>4.1%</td>
<td>15.4%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Organic</td>
<td>2.0%</td>
<td>2.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Plant Sterol</td>
<td>0.5%</td>
<td>0.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Goatmilk</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Fresh Soy</td>
<td>1.8%</td>
<td>1.9%</td>
<td>0.1%</td>
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</table>

Source: Aztec Scan Data: w/e 8/7/12
A2 Sydney processing facility: commissioned February 2012, officially opened August 2012

Smeaton Grange facility opened 28th August 2012 by NSW Premier, The Hon. Barry O’Farrell MP
A2C to enter the UK market with the largest milk processor

- A2C established a Sales and Marketing JV for fresh milk, UHT and cream with Robert Wiseman Dairies in November 2011
- Management team, herd testing, marketing plans are in place
- Launch of a2™ brand milk now planned for last quarter 2012

Robert Wiseman Dairies

- UK's largest and most efficient liquid milk processor
- Annual sales of GBP 950m
- Substantial investment in plant equipment over the past decade
- Subsidiary of Müller which has 5,400 employees
- Provides over 30% of fresh milk delivered in Britain

Initial Equity contribution of £4m, split 50/50

- Provides processing, distribution, sales and associated support services
- Distribution of net profit 50/50 (post licence fees)

Provides intellectual property, know-how and marketing services
A2 UK marketing and communication plans: tailored for the UK market

- Brand position largely similar to that originally in Australia, tailored as appropriate for the UK market
- Key positioning “The Natural Answer” supported by research
- Clear communication of the a2™ product benefit (The natural answer to a question of A1 milk intolerance) and a2™ product health benefits expressed through testimonials
Communication: 2 Pronged Strategy

- Building awareness and advocacy among UK Healthcare Professionals (Press, Events, Online, Social Media, PR)
- Engaging The UK Consumer (TV, Press, Outdoor, Online, Social Media, PR)

Milk intolerance under the microscope.

Those who suffer from mild forms of milk intolerance often present as chronic health issues. However, while these conditions can be diagnosed, the symptoms are often difficult to pinpoint.

The natural answer to A2 milk protein intolerance

Some people who experience dairy intolerance have a condition called non-secretor status, which can affect their digestion.

A2 milk protein is best absorbed by children, newborns, and adults.

A2 Milk grown in Australia

A2 Milk is produced from cows that are known as non-secretors. This means that these cows do not contain the B-galactosidase enzyme, which causes milk intolerance.

A2 Milk milk is not completely absorbed by people with milk intolerance, making it easier for them to digest.

The natural answer

A2 Milk is the only milk that is considered suitable for those with milk intolerance. The symptoms of milk intolerance can be reduced with the use of A2 Milk.

My whole family are getting on well with A2 Milk. It definitely helps my symptoms.

ALICIA MEADA

If you're ever bed ridden with milk or dairy, you have an intolerance to the dairy products. A2 Milk could be the answer for you. Read on to find out why.

What is A1 milk protein intolerance?

A milk protein intolerance is a type of intolerance that affects people who are unable to properly process milk proteins.

What is A2 Milk?

A2 Milk is a completely natural milk that is derived from a cow that has not been exposed to the B-galactosidase enzyme.

Where can I find A2 Milk?

A2 Milk is available in many countries and is sold in numerous supermarkets and specialty stores.
Further growth initiatives are underway

- A2C has progressed discussions with a number of parties in markets considered attractive for a2 Milk™ beverages.

- The Company has undertaken significant planning around the introduction of infant formula into China, and considers this represents a standout growth opportunity.
  - In April 2012, A2C announced a strategic agreement with Synlait Milk to manufacture a2™ brand milk powders and infant formulas in New Zealand.
  - Synlait Milk will source A2 milk from accredited dairy farms in Canterbury.
  - A2C has reviewed alternate business models for the marketing and distribution of nutritional powders in China and is well advanced in selection of a quality distribution partner.
  - Production of a2™ brand infant formula to begin from December 2012.
A2C infant formula focused on the China market opportunity

- The China infant formula market is very large (c. US$6bn), growing quickly (c. 12% p.a.) and is regarded as undersupplied.

- The key driver of infant formula purchasing decisions in China is a strong focus on safety, quality, country of origin and health benefits.
  - Chinese manufacturers have experienced a number of quality and incidents over recent years.
  - Chinese consumers appear to perceive local manufacturers as having lower quality standards thereby making the emphasis on safety paramount.

- As a consequence, 100% New Zealand sourced imports are generally recognised as of the highest quality in the Chinese infant formula market.
  - New Zealand manufactured products have been growing strongly in China.
  - The growth of the middle class establishes an ideal platform for A2C products.
  - A2C will be able to leverage this along with the competitive advantage of offering the unique benefits associated with the A2 protein.

- Premium infant formula in China commands a potentially attractive margin.
Thank You