Agenda

1. Introduction
2. Key financial results
3. Australian business
4. UK business
5. China business
6. New market entry
7. Intellectual capital
8. Outlook
POSITIVE CONSUMER EXPERIENCES ARE FUNDAMENTAL TO THE SUCCESS OF a2 MILK™

“We have found a2 Milk to be fantastic as my partner has a real problem with normal milk, but a2 seems to have relieved this! Thanks!”

“Our life has been transformed and this happened literally overnight!”

“Well we have had a2 Milk for nearly 2 weeks and I have to say I have been pleasantly surprised. My kids are not complaining of tummy aches any more. They are actually asking for glasses of milk, whereas before they would only ask for water or juice. My son loves the taste. I love the taste.”

“We have found a2 Milk to be fantastic as my partner has a real problem with normal milk, but a2 seems to have relieved this! Thanks!”

“Since switching to a2 Milk, I’m able to enjoy dairy again. This has improved my overall wellbeing...and helps me to train everyday...Thanks a2 for helping me achieve my goals!”

“a2 Milk has truly changed our lives. My son, Noah, has terrible reflux and was constantly ill. It wasn’t until I discovered a2 Milk that I realised the cause was the A1 protein. Almost immediately his reflux stopped and he was happy again.”

Source: Consumer testimonials given to a2MC from Australia, UK, China
## Key financial results

<table>
<thead>
<tr>
<th>NZ$m</th>
<th>FY13</th>
<th>FY14</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>94.3</td>
<td>110.6</td>
<td>+17%</td>
</tr>
<tr>
<td>NPAT</td>
<td>4.1</td>
<td>-</td>
<td>-100%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10.6</td>
<td>3.6</td>
<td>-66%</td>
</tr>
<tr>
<td>EBIT</td>
<td>9.5</td>
<td>1.7</td>
<td>-82%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>12.6(^1)</td>
<td>16.4(^2)</td>
<td>+30%</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>20.2</td>
<td>16.0</td>
<td>-21%</td>
</tr>
</tbody>
</table>

- Revenue growth of 17% on prior year
- EBITDA comprises EBITDA of $18.7m for Australia (before license fees) less investments in new market development of $7.5m (UK and China) and corporate costs
- Share of costs associated with a2MC (UK) JV of $1.4m were incurred in first half FY14
- Corporate costs include employee share scheme expenses of $1.2m (non-cash)
- Reported revenue growth reduced by circa $14m and EBITDA by circa $2.7 due to NZD/AUD exchange rate movement on PCP

Notes:
1. Includes $7.5m freight costs, $0.8m strategic review costs and $2.3m other operating expenses
2. Includes $7.9m freight costs and other operating expenses, with the inclusion of UK 100% from January 2014, higher legal and consulting costs, amortisation and f/x
Reconciliation of non GAAP measures

<table>
<thead>
<tr>
<th>NZ$m</th>
<th>FY13</th>
<th>FY14</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia Segment Profit(^1)</td>
<td>3.6</td>
<td>4.5</td>
<td>+25%</td>
</tr>
<tr>
<td>China Segment Profit(^1)</td>
<td>(0.1)</td>
<td>(1.7)</td>
<td></td>
</tr>
<tr>
<td>New Zealand Segment Profit(^1)</td>
<td>6.7</td>
<td>3.0</td>
<td>-55%</td>
</tr>
<tr>
<td>UK &amp; Unallocated Segment Profit(^1)</td>
<td>(0.4)</td>
<td>(2.2)</td>
<td></td>
</tr>
<tr>
<td>EBITDA including non-recurring items(^2)</td>
<td>9.8</td>
<td>3.6</td>
<td>-63%</td>
</tr>
<tr>
<td>EBITDA(^2)</td>
<td>10.6</td>
<td>3.6</td>
<td>-66%</td>
</tr>
<tr>
<td>Depreciation/Amortisation</td>
<td>(1.1)</td>
<td>(1.9)</td>
<td>+72%</td>
</tr>
<tr>
<td>EBIT(^2)</td>
<td>9.5</td>
<td>1.7</td>
<td>-82%</td>
</tr>
<tr>
<td>Share of Associate loss(^3)</td>
<td>(3.7)</td>
<td>(1.4)</td>
<td>-63%</td>
</tr>
<tr>
<td>Non-recurring items(^4)</td>
<td>(0.8)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>0.3</td>
<td>0.4</td>
<td>58%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(0.1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Income tax expense/income</td>
<td>(1.1)</td>
<td>(0.7)</td>
<td>-36%</td>
</tr>
<tr>
<td>Net Profit for the Period</td>
<td>4.1</td>
<td>-</td>
<td>-100%</td>
</tr>
</tbody>
</table>

Notes:
1. Segment Profits per note 27 of Annual Report
2. EBITDA and EBIT are non GAAP measures, however, the company believes that they provide investors with a comprehensive understanding of the underlying performance of the business
3. Share of costs associated with a2MC (UK) JV
4. Relate to costs associated with the Strategic Review in FY13
Australian business – FY14 ahead of plan

• Total revenue increased +31% in AUD PCP
  – a2 Milk™ fresh milk sales increased 24% in AUD PCP
  – Market share of fresh milk increased to circa 9% by value in grocery at year end (weighted scan June quarter)
  – a2Platinum® infant formula and a2™ Thickened Cream contributed to sales growth

• Revenue and earnings negatively impacted by NZD/AUD exchange rate movement YOY

• Increase in gross margin from increased efficiencies at Smeaton Grange facility, ongoing improvements in supply chain

• Launch of a2Platinum® infant formula very successful
  – Launch in Coles and Pharmacy channel from October 2013
  – Strong sales performance compensated reduced export sales into China in 2nd half

• New competitor responses experienced and responded to during 2nd half FY14
Australian business – FY15 continues to grow

• Australian business revenue continues to grow

• a2MC Australia’s total sales from July to October 2014 have grown +38% in AUD on PCP
  – Fresh milk continues to grow and a2Platinum® infant formula growth ahead of plan
  – a2Platinum® accepted for ranging in Woolworths supermarkets given successful performance in Coles, Independents and Pharmacy

• a2 Milk™ branded fresh milk, now has 2 SKU’s in the top 20 total grocery SKU (ex PL & Tobacco)¹

• The business will continue to positively respond to competitor activity ensuring consumers are aware the benefits of a2 Milk™ branded products are only available from The a2 Milk Company™

• Product extensions for a2 Milk™ branded products in Australia being progressed

Source: (1) IRI-Aztec MarketEdge National Grocery (incl. ALDI weighting) ‘What’s Hot’ Report (Rolling 12 month MAT 29/06/14)
UK business – FY14 reset in place

• Full acquisition of interest in a2MC (UK) JV effective from Jan 2014
• New structure provides increased control and a2MC to benefit from 100% of future value
• Support for a2MC farmer base with one-off herd incentive scheme and a2 Milk™ premium
• Primary focus to build consumer trial and rate of sale to support increased distribution
• Increased distribution achieved in Tesco, growth in Ocado, with more focus in M25 area
• UK a2 Milk™ high value consumer generally consistent with the attractive Australian shopper profile
• a2MC remains committed to developing the a2 Milk™ brand in the UK
• Plan assumes investment of circa £3.5 million during FY15 and monthly cash breakeven during 2nd half FY16
UK business – FY15 new model in progress

• Prior JV plan positioned a2 Milk™ within the regular fresh milk segment given Muller Wiseman Dairy distribution model

• New model
  – Repositions a2 Milk™ within the speciality added value milk segment
  – Consistent with launch in Australia from 2007
  – New 1 litre packaging format and pricing
  – Grow distribution in existing accounts, particularly in SE England
  – Continued marketing focus on dairy sensitive consumers
  – Slower volume build than original plan but improved margins

• New product and brand positioning listed at Sainsbury, landing in over 200 Stores from 19 November 2014 and Wholefoods from January 2015

• Tesco and Ocado (leading online supermarket) will list the new 1-litre package from Jan 2015

• Major launch campaign “Welcome back to Milk” from January 2015 with TV, online and in-store activity
Welcome back to breakfast with a2 Milk.

“He loves cereal again!”
- Joe’s Mum
China business – FY14 regulatory changes slowed momentum

- Launch of a2Platinum® infant formula to Chinese consumers commenced in November 2013
- New Asia regional structure implemented from January 2014
- Regulatory environment continued to evolve during 2nd half FY14 given the China Government’s aim to improve product quality and confidence
- New access arrangements from May 2014, manufacturers and brand owners required new form of registration and to satisfy “close association” criteria
- Registration of our NZ manufacturing partner Synlait Milk Limited was delayed (now achieved)
- Significant uncertainty for participants including a2MC - slow down in in-market sales, impact on sub-distributor confidence, slow down in distribution build
- a2MC infant formula export sales well below plan
China business – FY15 growth plans underway

- Synlait Milk Limited announced new infant formula manufacturer registration for China on 30 September 2014
- a2MC working to enhance importation and distribution model following disruption from regulatory changes and sales being behind plan
- a2MC to continue to closely monitor and respond to China market regulatory developments
- a2MC remains confident of significant infant formula and other a2 Milk™ product opportunities in Asia
- a2Milk™ fresh milk sourced from Australia launched in China from August 2014 - delivery to consumers in home
- Plans for UHT milk sales into China and other Asian markets
- Discussions progressing around a number of strategic opportunities for further growth in China
USA – an attractive market opportunity

- North American market characterised by a commoditised and declining regular milk market and a dynamic and growing premium milk market (organic and alternate milks)
- Increasing consumer demand for health products, in particular digestive health and catering for milk sensitivities/allergies\(^1\)
- US Dairy Study reports dairy discomfort is largely incorrectly attributed to Lactose Intolerance\(^2\):
  - One in four American adults experience physical discomfort
  - Likely only 5-7% of population are lactose intolerant
  - 81% of people would add more dairy if they could avoid symptoms
- US farm gate prices in decline\(^1\), farmers welcoming premiums a2MC willing to pay at farm gate
- Initial retailers canvassed and consumer research confirms positive response to a2 Milk™ proposition


Overall Milk Category
Down 25% per consumer since 1980

Source: Tetrapak
USA – market entry plan

• Entry model
  – Wholly owned USA subsidiary, local experienced management team now recruited
  – Sales, marketing, logistics to be managed by a2MC
  – Packaging and milk supply to be outsourced
  – Targeted launch initially in one region on the west coast
  – Product to be positioned within specialty milks segment
  – Plan provides an appropriate balance of risk and reward

• Model assumes cash investment of $US20m funded from cash flow and internal sources over a 3 year period
Intellectual capital - science momentum building

• Continued advances in scientific research supports that a2 Milk™ makes dairy nutrition accessible to many consumers who would otherwise limit or avoid their intake of dairy

• Further scientific studies were published in FY14
  – Compared to conventional milk, a2 Milk™ offers benefits to the digestive function; specifically transit time (Barnett et al, 2014) and gut inflammation (Barnett et al, 2014; Ul Haq et al, 2013)
  – Human digestion study published by Curtin University demonstrated a clear difference between a2 Milk™ proteins and those in conventional milk on digestive comfort, with a2 Milk™ linked to greater levels of comfort (Ho et al 2014)
  – Consistent digestive benefits of a2 Milk™ with the benefits of gluten-free products in terms of intolerance (Trivedi et al, 2014)
  – Evidence that a2 Milk™ may offer benefits to children with behavioural conditions (Sokolov et al, 2014)
  – a2 Milk™ proteins may be beneficial to children who suffer from dry skin and inflammation (Fiedorowicz et al, 2014)

• a2MC's R&D program continues to improve efficiencies around proprietary processes and the filing of additional patents

• In FY15 a2MC is collaborating in a number of new human studies in different geographies

• The company continues to encourage further research into understanding the effects from drinking a2 Milk™ vs conventional milk (containing A1 beta casein protein)
Intellectual capital - brand identity refresh globally

• New global brand vision and positioning will be progressively implemented over coming months

• Strategy continues to bring awareness of the benefits of a2 Milk™, build brand values and create greater consumer engagement

• New packaging graphics and a new global digital ecosystem to be launched during FY15

• The first step was the change of the company name for the corporate and trading entities to “The a2 Milk Company” from April 2014

• The new global brand strategy will build brand differentiation, increase trade mark opportunities and improve global consistency

*Website concept only
Proposed ASX dual listing

- The Board has been assessing the merits of dual listing the company on the ASX for some time
- The core operating subsidiary is currently located in Australia and its profile is increasing
- An ASX listing provides an opportunity to access a broad range of investors who invest primarily in ASX listed companies
- The Board has resolved to commence the process to seek a dual listing on the ASX
- The Company will maintain its NZX listing and remain New Zealand incorporated
- The Company has appointed Goldman Sachs as financial advisors and DLA Piper Australia as legal advisors to lead the process
- The process to seek an ASX listing has commenced and a2MC are targeting achieving a listing in first quarter calendar 2015
- There is no intention to raise capital as part of the listing process
The a2 Milk Company™ long term strategic direction remains consistent

**STRATEGIC INTENT**

Building a major dairy business in Australasia

Capturing sustainable targeted shares in global dairy markets

Establishing & building a global Infant Formula and Powder business

**STRATEGIC PRIORITIES**

1. Australian growth in fresh milk and other dairy products
2. Investigate NZ opportunity

1. UK reset
2. US milk market entry
3. China milk opportunity
4. Priority Asian markets

**STRATEGIC APPROACH**

To have a recognised and enviable position in the global dairy industry as a leading and dynamic brand-led company that punches above its weight

1. Strengthen China
2. Capitalise on Australia’s growth
3. Seeking additional market opportunities

**MEASURES OF SUCCESS**

1. Revenue growth
2. Profit margin
3. Investment in Brand and R&D
4. Return on invested capital
“The Company today is stronger and better positioned than at any time previously and our conservative balance sheet provides a secure basis for our growth plans in international markets.”

CJ Cook
Chairman
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