



15 May 2018

NZX/ASX Market Release

## Trading Update and FY18 Outlook

The a2 Milk Company is pleased to provide the following update on the Group's trading performance for the 9 months to 31 March 2018, as well as its outlook of the Group's full year FY18.

### Trading performance for 9 months to 31 March 2018

The Company confirms that for the 9 months ended 31 March 2018, Group revenue was NZ\$660 million<sup>1</sup>, up ~70% on the prior corresponding period. This performance reflects continued sales growth in both nutritional products and liquid milk. It also includes the impact of seasonal sales from key China selling events weighted towards 1H18.

### FY18 outlook

The Company is anticipating Group revenue in the range of NZ\$900 million to NZ\$920 million for the 12 months ended 30 June 2018. This takes into account the planned transition to new infant formula packaging during Q4.

Gross margin percentage for the full year is expected to remain broadly consistent with 1H18, given the benefit of throughput efficiencies and currency movements.

The Group's total marketing investment is now expected to be in the range of NZ\$82 million to NZ\$87 million for the full year, given higher expenditure primarily in the US and China businesses in 2H18 compared to 1H18.

This information is to be included in an investor presentation to be given by the Company during an investor roadshow in Singapore and Hong Kong from 16 May 2018.

### For further information contact:

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<sup>1</sup> Unaudited Group revenue for the 9 months to 31 March 2018.