



18 December 2015

NZX/ASX Market Release

The a2 Milk Company updates FY16 forecast

The a2 Milk Company Limited (the "Company") advised at the time of its Annual Meeting on 17 November 2015 that, given the favourable trading performance during the first four months for its a2 Platinum[®] infant formula products, Group revenue was forecast to grow to \$285 million and Group operating EBITDA¹ to \$22 million in the 2016 financial year.

The Company experienced a significant uplift in sales of infant formula in the month of November, exceeding the sales projected at the time of the previous forecast. This is expected to continue in the month of December. We now expect sales of a2 Platinum[®] to be approximately \$68 million for the six months to 31 December 2015.

Based on the current trading trends, the Company has determined it appropriate to further revise its full year outlook upwards. The Company is now forecasting Group revenue in the range of \$300 million to \$315 million, and Group operating EBITDA in the range of \$33 million to \$37 million for the 2016 financial year².

The changing and dynamic nature of the infant formula markets in both Australia and China continues to make forecasting challenging. The Company will continue to monitor its performance and provide further commentary with the release of the first half trading results in February.

The Company's Managing Director & CEO Mr Geoffrey Babidge said, "the infant formula market in Australia is rapidly evolving and experiencing significant growth. The Company has recently increased the supply of a2 Platinum[®] infant formula to our customers however we continue to experience a level of out of stocks on shelf.

The strong trading performance advised today provides further evidence of the increasing appeal of the a2 Platinum[®] brand in Australia and China and the growth potential in additional markets in the future".

For more information:

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¹ Operating EBITDA is a non-GAAP measure and represents earnings before interest, tax, depreciation and amortisation, before non-recurring items and intercompany charges

² Please refer to the comments in relation to forward looking information which appear on the last page of this release



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All values are expressed in New Zealand currency unless otherwise stated.

Forward Looking Information

Certain statements in this release constitute forward looking statements and comments about future events, including the Company's expectations about the performance of its businesses as at the date of this release. By their nature, forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. No assurances can be given that any forward looking statements referred to in this release will be realised. Any forward looking information speaks only as of the date of this release. Past performance is not indicative of future performance and no guarantee of future returns is implied or given. Nothing contained in this release is a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company. The Company makes no representation, and gives no assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this release will occur or that any assumption that underpins any forward looking information is reasonable.

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