



20 November 2018  
NZX/ASX Market Release

## Chair's 2018 Annual Meeting Address

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### Welcome

Good morning ladies and gentlemen and welcome to The a2 Milk Company's 2018 Annual Meeting.

On behalf of the Board I would like to acknowledge the People of the Kulin Nations, who are the Traditional Owners in this area. We pay our respects to their elders past and present and emerging.

As part of our policy of rotating the location of our Annual Meetings between New Zealand and Australia, we are pleased to be holding this year's Annual Meeting in Melbourne. Victoria is the dairy heartland of Australia and also the home of a big part of our organisation. Thank you for welcoming us so warmly to Melbourne.

I am satisfied that, in accordance with the constitution of the Company, a quorum is present – and I would therefore like to declare the meeting formally open.

### Introduction of Directors and Advisors

First of all, I would like to introduce those with me here today. On my right are the Company's Directors: Jayne Hrdlicka, the Company's Managing Director & CEO; Julia Hoare, the Company's Deputy Chair; Warwick Every-Burns; Peter Hinton and Jesse Wu.

Also present are representatives from the Company's Auditors, Ernst & Young. We are also accompanied by a number of members of our senior management team, and by other colleagues.

Before we start the formal procedures, could I please draw your attention to an important matter of house-keeping before we get fully under way. Because some people may be using their mobile phones later to vote, can I please ask that everyone attending in person ensures that their phones are switched to silent now.

I will outline the measures we will adopt for the voting process in detail when we come to the resolutions later in the meeting.

## **Agenda**

The agenda for the meeting is as follows:

- I will make some brief remarks about the business
- Jayne will then give the CEO's business update
- We will then proceed to the formal business of the meeting, comprising:
  - the Auditor's fees and expenses proposal for the ensuing year;
  - the election and re-election of Directors; and
  - the increase in Non-Executive Director remuneration
- We will then consider any General Business that shareholders wish to raise

## **Notice of Meeting**

The formal business is set out in the Notice of Meeting, which has been circulated to all shareholders.

Unless anybody has an objection, I will proceed on the basis that the Notice of Meeting is taken as read – thank you. There are spare copies of the Notice of Meeting and the Annual Report available on the table near the back of this room if anyone would like a copy.

## **Proxies**

I have been advised that 1,123 valid proxies have been received representing more than 425 million (or 59%) of the total number of votes able to be cast at the meeting.

## **Minutes of the previous Annual Meeting**

The minutes of the last Annual Meeting, held on 21 November 2017, have been signed by me as the Chair of that meeting, as a correct record of those proceedings.

The minutes are available for inspection with our legal representatives.

## **Chair's introduction**

Before I ask our Managing Director & CEO, Jayne Hrdlicka, to present her report, I would like to say a few words by way of introduction.

## **FY18 in review**

Firstly, I would like to thank you our shareholders for your ongoing support which has been a key component of our continuing performance.

FY18 was not only a very strong financial year, but also one which represented further significant progress towards our objective of building a truly global company with a broad range of nutritional products, all centred on our unique and compelling brand proposition. In doing so, we continue to strengthen our position as the pioneers and leaders of the A1 protein free category.

FY18 was a transformative year for the Company. Not only are we much larger and more financially robust, but, more importantly, this progress creates future strategic opportunities for the Company. We should never forget that we have evolved from a business that a short five years ago was centred on fresh milk in Australia and today we are well on our way to creating a leadership position within speciality dairy nutrition in the two largest consumer markets in the world, China and the United States.

In a moment, Jayne will further detail the progress we've made in building a more substantial foothold in both China and the US with a significant physical distribution base in both countries, supporting increased investment to further build the brand's presence and loyalty in these critical markets. In addition to this progress in China and the US, I would like to briefly highlight a couple of other key elements of this last transformative year.

Firstly, during the last 12 months we significantly strengthened the Company's strategic supply chain arrangements with an enhanced relationship with Synlait Milk and a new strategic partnership with Fonterra. Both of these arrangements put the Company in a much more secure position in respect of our critical infant formula supply chain.

Secondly, we have recently undergone one of the most significant transitions that any company can experience – namely the move from a retiring Managing Director & CEO to a new appointment. I and the board are delighted to have been able to attract Jayne to the Company and, as importantly, we are all delighted with the start she has made in the business. I would also like to take this opportunity on behalf of the Board and all shareholders to thank Geoff Babidge for his extraordinary contribution to the business over many years and specifically for the immense value that he helped create for all shareholders.

As I just said, I am pleased to report that your new Managing Director & CEO has made a strong start to her role. She has hit the ground running after the benefit of a break to recharge and reset. Jayne now understands the business deeply, has built strong relationships with our most important partners and, importantly, has already identified the key challenges and priorities for the future. As a team, management have been hard at work in the last four months, taking a detailed, fact-based approach to refining our ongoing growth strategy while never taking the eye off the delivery of FY19. While much of this is commercial in confidence, we look forward to sharing with you as appropriate over the coming months.

Finally, the Board recognises that these outstanding results only come as a consequence of a great deal of hard work by all of the Company's employees and I would like to take this opportunity to thank management and staff across all segments for their hard work, their passion and their dedication to the Company.

I would now like to hand over to Jayne.