



PRESS RELEASE

TATUA FINANCIAL RESULTS FOR THE YEAR ENDED 31 JULY 2018

The Tatua Board of Directors and Executive met on 26 September 2018 to consider the financial results for the 2017/18 season and decide on the final payout to our Suppliers.

We are pleased to report that Tatua has had a good year and has achieved record Group revenue of \$357 million, and earnings of \$127 million.

Our focus on growing our value-add businesses has contributed significant additional revenue and our bulk ingredient product mix has served us well.

Milksolids processed from Tatua Suppliers was 14.7 million kilograms, which is our divisor for earnings, was lower than last season, reflecting the less than favourable farming conditions experienced in the first half of the season.

Our Group earnings of \$127 million equates to \$8.62 per kilogram of milksolids, before retentions for reinvestment and taxation. This is an improvement on the previous season earnings of \$7.60 per kilogram of milksolids.

We have confirmed a cash payout to supplying Shareholders of \$8.10 per kilogram of milksolids, and in addition, declared a pre-tax retention for reinvestment of 52 cents per kilogram of milksolids.

In deciding our payout, we have sought balance between supporting our shareholders and Tatua's requirements for reinvesting in the future.

Our gearing (debt divided by debt plus equity) at year end lifted slightly from 35% last year to 37%, but will normalise back to around 35% or less as we move further into the current season.

We are optimistic in our outlook for dairy and the season ahead, but will also be keeping a healthy level of caution considering the emerging global trade situation that may affect us in some way.

Kind regards

A handwritten signature in black ink, appearing to read "S. B. Allen".

Stephen Allen
CHAIRMAN
0274 719 791

A handwritten signature in black ink, appearing to read "Brendhan Greaney".

Brendhan Greaney
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