



For Immediate Release

**AMERICA'S DAIRY DISRUPTER THE a2 MILK COMPANY™
ACHIEVES NATIONAL DISTRIBUTION**
Kroger, Albertsons/Safeway stores added to its lineup

February 19, 2019

BOULDER, CO – (BUSINESS WIRE) – Capitalizing on strengthening demand among American consumers, The a2 Milk Company™ today announced expanded sales agreements with leading supermarket chains Kroger and Albertsons/Safeway. These additions complete the company's goal of achieving national geographic distribution in the U.S. market.

Starting this month, a2 Milk® branded products will begin to appear on the shelves of additional Kroger stores and Albertsons/Safeway stores, bringing the company's total distribution to approximately 12,400 outlets operated by 80 major grocers across the country. a2 Milk® is already available at other leading retailers including Costco, Walmart, Ahold, Sprouts Farmers Market and Whole Foods Market. Sales velocities in both new and existing accounts have accelerated, and total store distribution has increased by almost 45% since November 2018.

“The a2 Milk Company couldn't be more thrilled with the expanded partnerships that we have secured with two of the leading supermarket chains in the U.S.,” said Blake Waltrip, CEO of The a2 Milk Company™ U.S. “The acceptance of the a2 Milk® innovative proposition continues to be a true validation of our products and our benefit to consumers. Signing on with Kroger and Albertsons/Safeway will allow a2 Milk® products to gain additional exposure in new markets, bringing us

closer to our goal of giving every American consumer the chance to enjoy the nutritious benefits of real milk.”

This significant expansion comes at a time of tremendous international growth for the Australian headquartered dairy nutrition company. At the company’s half year results announcement, the company announced total revenue of \$613.1 million (NZ \$) and a 52.7% gain in operating EBITA. In addition, the company reported that the U.S. region’s momentum continued with sales growth of 114.1% in the half underpinned by increased investment in brand awareness and a stronger distribution base.

Recent U.S. research data indicates the U.S. brand development looks a lot like the experience with fresh milk in Australia with the a2 Milk® brand in the U.S. successfully growing category consumption, sourcing volume across multiple product segments and trading up consumers from conventional milk while demonstrating high levels of consumer loyalty once the brand is trialed.

The a2 Milk Company™ will now seek to further extend its geographic reach into other parts of the U.S. including the Southwest, West, Pacific Northwest and Midwest as well as throughout its more established markets in California, the Northeast and the Southeast.

Other major grocers carrying a2 Milk® products include Wegmans, Food Lion, Meijer, Target, Publix, ShopRite, HEB, and Market Basket.

Ordinary cows’ milk naturally contains a mix of two main types of beta-casein proteins, A1 and A2 protein types. Published research suggests that a2 Milk® may help avoid stomach discomfort in some people because it contains only the A2 protein type and no A1.

The a2 Milk Company™ works with local U.S. dairy farmers to identify cows that only naturally produce the A2 protein type and process their milk separately, making it possible for some with sensitivities to enjoy real cows’ milk. The a2 Milk Company™ pays a premium to all its farmers and all U.S. farms are certified by Validus for animal welfare.

About The a2 Milk Company™

The a2 Milk Corporation was founded in 2000 in New Zealand by Dr. Corran McLachlan after a scientific research showed that proteins in milk affect people differently. Specifically, he noted that ordinary cows produce milk contains 2 different beta-casein protein types, called A1 and A2.

Since its foundation the company has flourished in its home market Australia, where it is the leading premium milk brand with over 10% of the total supermarket milk category and more recently has become market leader in infant formula with ~33% value share. This success has also translated into the China market with 5.6% share of the lucrative China infant formula category estimated to be approximately USD \$18 billion.

a2 Milk® products include Whole, 2% Reduced Fat, Chocolate 2% Reduced Fat and 1% Low Fat.

For more information on The a2 Milk Company™, its products and location availability, please visit a2milk.com.

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