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**17 January 2005**

**Release: A2 Corporation Limited**

**Sale of Australian subsidiary company A2 Australia Pty Ltd.**

A2 Corporation Limited (NZAX:ATM) advised the stock exchange today that the company's agreement with F&N Dairy Investments Pte Ltd (F&NDI) relating to the acquisition of A2 Australia Pty Ltd (A2A), an Australian company wholly owned by A2 Corporation, is unconditional and the purchase price has been settled.

F&NDI is a wholly-owned subsidiary company of Fraser and Neave, Limited (F&N), a Singapore incorporated company listed on the Singapore Exchange (SGX). A2A was incorporated in October 2004, and presently distributes A2 Milk into supermarket chains and health shops in areas of Queensland and South Australia under licence by A2C.

The consideration received by A2 Corporation under the agreement, the majority of which comprised the repayment of shareholder advances by A2 Corporation to A2A, was approximately AUD1.1 Million. Under the agreement, A2A will continue to retain a licence for Australia and production in Australia for export into Asia.

Richard Le Grice, A2 Corporation's Chief Executive International Business, stated; "This transaction is the first the company has undertaken in line with its recently adopted revised business and strategy plan. We now have a strategic partner in F&NDI who is a significant regional player in the dairy industry that has invested in an existing dairy business, A2 Australia. This is likely to provide significant royalties to A2 Corporation going forward and is a tremendous endorsement of the A2 proposition."

Huang Hong Peng, F&N's Chief Operating Officer for Food & Beverage, said : "This acquisition further extends our dairy business in key regional markets. We see good growth prospects for this product in Australia, with its high per capita consumption of dairy products. We plan to develop fully the potential of A2 Milk and establish its presence in Australia."

F&N is a leading Singapore-based Asia Pacific Consumer Group with core expertise and dominant standing in the Food and Beverage, Property, and Printing & Publishing industries. Leveraging on its strength in marketing and distribution; brand management; product development and innovations; as well as financial management and strategic development, it provides key resources and sets strategic directions for its subsidiaries companies across all three industries. Today, F&N owns an impressive array of renowned brands that enjoy market leadership across a mix of beer, dairy products, soft drinks and beverages; residential properties, retail malls and service residences; as well as publishing and printing services. Listed on the Singapore Exchange, F&N's shareholders' funds are approximately S\$2.9 billion, and its total assets employed are approximately S\$8 billion. F&N is present in more than 20 countries spanning Asia Pacific, Europe and USA, and employs more than 11,000 employees worldwide.

A2 Corporation Limited is an Auckland based company that is listed on the NZAX. The company owns and licenses intellectual property that enables the identification of cattle for the production and subsequent marketing of "A2 Milk™". A2 Milk™ is naturally produced to contain milk protein variants that have been associated with possible health benefits. A2 Corporation does not produce A2 Milk™, but licenses its intellectual property to suitable partners around the world. A2 Corporation receives royalty income from sales of A2 Milk products and testing for A2 Milk™ producing cattle.

***For Further Information***

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