

ASX Announcement
10 May 2016

Proposed Investment in Maggie Beer Products

Primary Opinion Limited (Primary Opinion) is pleased to announce that it has agreed to acquire a 48% equity stake in Maggie Beer Products Pty Ltd (MBP) for \$15.0m.

The investment in MBP is Primary Opinion's first step in a wider investment strategy focussed on the food and beverage sector. Primary Opinion intends to fund the investment in MBP through a capital raising, subject to shareholder approval. A notice of meeting, informing Primary Opinion's shareholders of further details in respect of the MBP investment, will be lodged in the near term.

About MBP

MBP Maggie Beer Products (MBP) is a privately owned business based in the Barossa in South Australia. MBP is currently owned 100% by entities associated with Maggie and Colin Beer. Maggie Beer is an iconic figure in the Australian premium food industry and is a well-known cook, author and TV presenter.

MBP's strategy is centred around making premium food products under the Maggie Beer brand for retailing in Australia through major supermarkets independent supermarkets, gourmet food stores and online.

Maggie Beer is the driving force behind MBP. Maggie's food philosophy is "to cook from the heart, making the most of each and every ingredient. Flavour and quality are paramount in the creation of the MBP range which strives to make the very best products available to everyone, regardless of cooking skills or the time restrictions of a busy lifestyle"

MBP produces premium food products either through its owned manufacturing capabilities or under contract manufacturing arrangements with third parties. Critical to the production of each product is quality locally sourced and seasonal ingredients.. Quality control, both internally and at contract manufacturers is a critical to the success of the business. Key products categories manufactured by MBP and its contract manufacturers include Paste (ie Quince Paste), Pate (ie Pheasant Farm Pate), Ice Cream (ie Burnt Fig and Honeycomb), Ice Cream Sticks, Non Alcoholic Sparkling Beverages, Soups, Stocks, Jams and Verjuice.

Primary Opinion investment in MBP

Primary Opinion will acquire a 48% equity stake in MBP through a transfer of existing shares and the issue of new shares by MBP. Following completion of the acquisition,, Tony Robinson will be appointed a non-executive director of MBP.

It is anticipated that as a result of this transaction, MBP will have approximately \$10.0m in gross proceeds to deploy over time to grow and expand its business. Primary Opinion believes that by providing capital and expertise to MBP, this iconic business will be in a strong position to grow domestically and explore export opportunities for its existing product suite as well as accelerate new product development.

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Capital raising

Primary Opinion intends to raise up to \$25.0m at a share price no more than \$0.05 per share to fund its investment in MBP and to provide it with additional capital to explore other opportunities either through MBP or elsewhere in the food and beverage industry.

The capital raising is anticipated to be conducted through an issue of ordinary shares, subject to shareholder approval. A notice of meeting and a prospectus will be distributed in due course. The shares intended to be issued to investors will rank equally from the date of their issue with the existing fully paid ordinary shares in Primary Opinion.

An important component of the capital raising will be a Priority Offer for existing Primary Opinion Shareholders as well as Maggie Beer Food Club members. Details regarding these offers will be set out in the Prospectus to be issued in due course.

Completing the investment is a priority for Primary Opinion and MBP. It is expected that the completion will occur on or about 30 June 2016.

Shareholder approvals

Given the significant change to the nature and scale of Primary Opinion's activities as a consequence of the proposed investment in MBP, ASX has exercised its discretion under rule 11.1.2 of the ASX Listing Rules to require Primary Opinion to obtain shareholder approval in connection with the investment. Primary Opinion will convene a general meeting to seek that approval. The meeting is expected to be held in June 2016. At that meeting, shareholder approval will also be sought for the issue of shares under the proposed capital raising.

Further details regarding the investment and MBP will be set out in the notice of meeting and prospectus.

Compliance with ASX admission requirements

ASX has also exercised its discretion under rule 11.1.3 of the ASX Listing Rules to require Primary Opinion to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. Chapters 1 and 2 set out the rules relating to the admission of an entity to ASX's official list and quotation of the entity's securities on the ASX. Those requirements include that Primary opinion must issue a prospectus for the proposed capital raising.

Accordingly, assuming shareholders approve the proposed acquisition of shares in MBP, Primary Opinion's shares will be suspended from quotation at the date of the general meeting until Primary Opinion re-complies with each of the conditions for admission.

Primary Opinion intends to lodge a prospectus and to apply to ASX for quotation of the new shares to be issued under the prospectus, for those shares to be issued, and to satisfy the requirements under Chapters 1 and 2, by June 2016.

For more information:

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