



17 December 2013

TAKEOVERS PANEL AND UPDATE ON TAKEOVERS

Takeovers Panel

Warrnambool Cheese and Butter Factory Company Holdings Limited (**WCB**) advises that the Takeovers Panel proceedings initiated by Murray Goulburn Co-operative Co. Limited (**MG**) have concluded with undertakings being provided by Saputo Dairy Australia Pty Ltd (**Saputo**) varying its offer as noted below and WCB undertaking to make this announcement and issue a supplementary target's statement in respect of the Saputo offer.

Saputo's offer

Saputo's offer has now been declared last and final and involves the following principal terms:

1. an unconditional offer of \$9.00 cash per WCB share payable within 5 business days of processing of acceptances by Saputo;
2. an increase to \$9.20 cash per WCB share if Saputo acquires a relevant interest in greater than 50% of WCB's shares during its offer period. This will be payable to all accepting shareholders regardless of when they accept Saputo's offer within 5 business days of that level of relevant interest being achieved;
3. a further increase to \$9.40 cash per WCB share if Saputo acquires a relevant interest in greater than 75% of WCB's shares during its offer period. This will be payable to all accepting shareholders regardless of when they accept Saputo's offer within 5 business days of that level of relevant interest being achieved;
4. a final increase to \$9.60 cash per WCB share if Saputo acquires a relevant interest in greater than 90% of WCB's shares during its offer period. This will be payable to all accepting shareholders regardless of when they accept Saputo's offer within 5 business days of that level of relevant interest being achieved;
5. the offer period will now close at 7.00pm (Melbourne time) on 10 January 2014, unless extended in accordance with the Corporations Act 2001 (Cth);
6. withdrawal rights will be offered to all WCB shareholders who accepted Saputo's offer from 15 November 2013 to today (**Affected Shareholders**). If the withdrawal right is not exercised by 3 January 2014, the acceptance will be deemed to be confirmed and payment will be made within 5 business days after 3 January 2014. If an Affected Shareholder confirms their acceptance before 3 January 2014 then they will receive their payment within 5 business days of receipt of their confirmation; and
7. all acceptances received by Saputo after today will be paid within 5 business days of processing them.

The WCB Board notes that Saputo's offer has received acceptances of approximately 16.9% although these acceptances are subject to the above withdrawal right.

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Further details of the above terms will be set out in Saputo's Third Supplementary Bidder's Statement which will be dispatched to WCB shareholders after it is lodged with ASIC and ASX.

Bega's offer

The Bega Cheese Limited (**Bega**) offer involves the following principal terms:

1. an unconditional offer of 1.5 shares and \$2.00 cash per WCB Share, which will be provided within 8 business days of processing of acceptances by Bega; and
2. the offer period has been extended until 7.00pm (Melbourne time) on 20 December 2013.

The WCB Board notes that Bega's Final Offer has received acceptances of less than 1%.

MG's proposal

MG's proposal remains as announced on 28 November 2013 being a proposed off market takeover bid for all of the shares in WCB at \$9.50 cash per WCB share (**MG Proposal**).

The MG Proposal remains subject to the same previously announced 8 conditions, including MG having a greater than 50% relevant interest in WCB shares and no objection by the ACCC or authorisation being granted by the Australian Competition Tribunal (**ACT**). These conditions compare unfavourably in terms of certainty to each of the Saputo and Bega off market takeover offers which are both unconditional. This will be a consideration in the formal recommendation by the WCB Board.

As the MG Proposal is conditional on, among other things, authorisation being granted by the ACT, evaluating the merits or otherwise of MG's ACT application and supporting materials is of central importance to WCB and its shareholders in assessing the likelihood that the MG Proposal will become unconditional and be capable of completing.

WCB advises that at the ACT case management conference on 9 December 2013, WCB was granted leave to become a party to MG's ACT application. The ACT maintained its previously set provisional date of 10 February 2014 for commencement of a public hearing of MG's ACT application with an estimated duration of not more than 5 days. The procedural timetable set by the ACT at the case management conference is aimed at permitting the application to be determined by 28 February 2014, subject to the discretion of the ACT to extend that time by up to a further 3 months.

The WCB Board notes that MG has not yet dispatched its bidder's statement to WCB shareholders and therefore has not received any acceptances.

Next steps

WCB will continue to assess MG's ACT application, including recently released supporting information. The WCB Board will shortly provide a further update to WCB shareholders, including a formal recommendation in relation to the MG Proposal.

For further details regarding this announcement please contact WCB's information line:

- 1300 880 732 (toll free) (for callers in Australia); and
- +61 1300 880 732 (for callers outside Australia).

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