



ASX ANNOUNCEMENT

Bega Cheese secures long term nutritional partnership with Mead Johnson Nutrition and sale of spray drying and finishing facilities

Bega Cheese Limited (Bega Cheese) is pleased to announce it has agreed to sell one of its spray dryers at Tatura and its infant formula finishing plant at Derrimut, to Mead Johnson Nutrition (Australia) Pty Ltd (Mead Johnson) for AUD \$200 million.

As a part of the transaction Bega Cheese has secured a 10 year service and access agreement with Mead Johnson for the spray dryer and finishing plant. Bega Cheese's Executive Chairman, Mr Barry Irvin said "We are delighted to strengthen our relationship with one of our long-term customers, Mead Johnson. The sale of the dryer and finishing plant together with the ongoing relationship with Mead Johnson is strategically and financially important for Bega Cheese. It secures revenue streams from these assets and releases capital which will be used to fund our recent purchase of Mondelez' Australian grocery business including Vegemite."

Bega Cheese's Chief Executive Officer, Mr Paul van Heerwaarden said "We are proud that Mead Johnson has recognised the quality of Bega Cheese's assets and our global reputation for producing premium infant nutrition products. We are excited to continue to work with them over the next 10 years". He also said that "Bega Cheese's ability to continue to access the spray dryer and finishing plant together with its other spray drying assets means we can continue to supply our many valued customers."

The transaction is expected to be completed before the end of the financial year and is subject to customary conditions precedent for a transaction of this nature.

Bega Cheese was advised by Addisons Lawyers and Kidder Williams.

About Bega Cheese

Today, with sites spread from Bega to Melbourne to Northern Victoria, Bega Cheese employs over 1,700 people and the company has evolved from its modest and localized co-operative heritage in Bega into a significant and innovative player in the Australian and international dairy industry. Bega's rich history stands in pride of place across the business, and the factors which have driven its success for over a century remain enmeshed in its culture, ensuring that it remains an Australian icon.

About Mead Johnson

Mead Johnson, a global leader in pediatric nutrition, develops, manufactures, markets and distributes more than 70 products in over 50 markets worldwide. The company's mission is to nourish the world's children for the best start in life. The Mead Johnson name has been associated with science-based pediatric nutrition products for over 110 years. The company's "Enfa™" family of brands, including Enfamil® infant formula, is a world leading brand franchise in pediatric nutrition.

27 February 2017

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