MEDIA RELEASE

Bega Cheese Announces Strong FY 2011 Result

- Sales Revenue $932 m
- NPBT $22 m
- EBITDA $52 m
- Operating Cash Flow $74 m
- Key strategic investment WCB
- Successful Completion of IPO raising $35 m

Bega Cheese, Australia's largest listed dairy company, today announced results which were in line with expectations and reflected the forecasts in the initial public offering prospectus released on 18 July 2011.

Total sales revenue for the Bega Cheese Group was $931.7 million with a profit after tax of $21.6 million before non-controlling interests. The Bega business generated net operating cash flows of $73.9 million and EBITDA of $52.2 million.

The Bega Cheese Group manufactured in excess of 186,000 tonnes of dairy products. Bega Cheese is the largest provider of contract cheese packaging and processing services in Australia as well as producing an extensive product range of cheddar, mozzarella, processed cheese, cream cheese, milk powders, infant formula and other dairy nutritional products for sale in Australia and international markets.

The ongoing demand for Bega Cheese's products and services has seen the group further invest in capacity and efficiency. Capital expenditure this year totalled $24.8 million. The major investment was in the natural cheese cutting and packaging capacity at Bega Cheese's recently acquired Strathmerton facility in northern Victoria.

Executive Chairman Barry Irvin commented: "The significant investment in excess of $66 million in capacities and capabilities over the past three years positions Bega Cheese well to take advantage of already identified dairy industry rationalisation and market growth opportunities".

He further added that the Bega Cheese Group's long term contracts with major global dairy companies such as Fonterra, Kraft and Mead Johnson Nutritionals gave the company the confidence to continue to invest in efficiencies, innovation and capacity.

Executive Chairman Barry Irvin and CEO Aidan Coleman were keen to point to the continued growth in international demand, particularly in two of the Bega Cheese Group's key platforms of cream cheese and nutritional powders.

CEO Aidan Coleman commented that demand for dairy products, particularly nutritionals, has continued to grow at double digit rates in much of Asia, adding: "The business is well positioned to respond to that demand and deliver value added dairy products to the international market place. Our investment program to date and the planned capital expenditure for the 2011/12 year will deliver the capacities to continue to grow our business and improve our margins."

The company remained positive in its view that there are many growth opportunities in both the domestic and international arena. The high quality infrastructure stability and experienced leadership team at Bega Cheese ensures the business is able to identify and remain strongly focussed on its strategic and business performance agenda.

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