



ASX ANNOUNCEMENT

TATURA MILK INDUSTRIES SHAREHOLDERS APPROVE FULL MERGER WITH BEGA CHEESE

Bega Cheese Limited (Bega Cheese) is pleased to announce that the shareholders of Tatura Milk Industries Limited (Tatura Milk) have today approved the Scheme of Arrangement to effect a full merger with Bega Cheese.

Upon implementation of the scheme, Tatura Milk redeemable preference shareholders will receive two Bega Cheese shares for every Tatura Milk redeemable preference share they hold. This will result in the issue of approximately 24m new Bega Cheese shares and increase the number of Bega Cheese issued shares to over 150m. At the current share price Bega Cheese's market capitalisation will be circa \$250m. Group revenue in 2012 will be approximately \$1 billion.

The transaction remains subject to a number of other conditions, including court approval of the Scheme of Arrangement.

Commenting on the outcome of the meeting, Bega Cheese's Chairman, Mr Barry Irvin said, "I am delighted that the merger has been overwhelmingly endorsed by the Tatura Milk redeemable preference shareholders. We look forward to welcoming the new shareholders and milk suppliers to the Bega Cheese family. Once the merger is complete, the management teams of Bega Cheese and Tatura Milk will work in earnest to capture the efficiencies and synergies from the merger."

Mr Aidan Coleman, Bega Cheese's Chief Executive Officer said, "Bega Cheese Group is the largest listed dairy business in Australia. Tatura Milk with its market leading position in cream cheese, nutritional food products such as infant formula and nutraceuticals is an excellent complementary fit with Bega Cheese's pre-eminent position in cheddar and processed cheese."

Mr Irvin said, "The merger will conclude a milestone year for Bega Cheese that has seen the company list on the ASX, announce new business to significantly increase facility utilisation and now secure the approval of Tatura Milk redeemable preference shareholders for a full merger of Tatura Milk with Bega Cheese."

As a result of the outcome of the Tatura Milk meetings today, Bega Cheese will also welcome Mr Rick Cross and Mr Jeff Odgers, Tatura Milk farmer directors, who will join the Bega Cheese Board of Directors on the Implementation Date.

Application will be made to the Supreme Court of Victoria on Friday 16 December 2011 to approve the Scheme of Arrangement and to enable the merger to be implemented on Friday 23 December 2011.

Bega Cheese was advised by Kidder Williams Limited and Addisons Lawyers.

14 December 2011

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