BEGA CHEESE
SINCE 1899

PO Box 123
Bega NSW 2550
Australia

Ph: +61-2-6491 7777
Fax: +61-2-6491 7700

General email enquiries:
bega.admin@begacheese.com.au

Export email enquiries:
bega.export@begacheese.com.au

Internet:
www.begacheese.com.au
www.bega.net.au

15 December 2011

Julia Kagan
Principal Adviser, Listings (Melbourne)
ASX Compliance Pty Limited
Level 4, Rialto North Tower
525 Collins Street
MELBOURNE VIC 3000

Dear Julia

Bega Cheese Limited (the Company)

We refer to your letter dated 13 December 2011 relating to the late lodgement of the Change of Director's Interest Notices lodged by the Company with ASX on 13 December 2011.

1. Please explain why the Appendices were lodged late

The changes to which the Notices relate occurred over the period from 16 November 2011 to 18 November 2011. Unfortunately the processes the Company has put in place to ensure that its directors advise the Company of any changes were not followed in this instance, until the omission was discovered on 13 December 2011, whereupon the Appendices 3Y were lodged immediately.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

Pursuant to the terms of the Company's securities trading policy and the terms of each director's appointment, the directors of the Company are required to notify the Company immediately if any changes occur in their security holdings in the Company to ensure the Company can meet its disclosure obligations in terms of listing rule 3.19A.

3. **If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?**

   The Company believes that the current arrangements for directors to notify changes in their security holdings where they initiate the changes are adequate and the late lodgement of the Notices in question was an unfortunate irregularity.

   However, to further ensure that the Company's Directors are aware of their obligation to notify and to assist them to notify the Company immediately upon any changes, the Company proposes to provide the directors with a simplified reporting notice to be used immediately upon any change to their interests.

Please do not hesitate to contact me if you require any further information regarding the above.

Yours sincerely

B. G. Kelly

Brett Kelly
Company Secretary

ASX Compliance Pty Ltd
ABN 26 087 780 489
Level 4
Rialto North Tower
525 Collins Street
Melbourne VIC 3000

GPO Box 1784
Melbourne VIC 3001

Telephone 61 3 9617 8658
Facsimile 61 3 9614 0303
www.asx.com.au

13 December 2011

Mr Brett Kelly
Company Secretary
Bega Cheese Limited
Bega NSW 2550

By Email only

Dear Brett

Bega Cheese Limited (the "Company")

We refer to the following.

1. The Change of Director's Interest Notices lodged by the Company with ASX on 13 December 2011 notifying the change of interest of Mr D'arcy in the securities of the Company ('Notices").

2. Listing rule 3.19A.2 which requires an entity to notify ASX of a change to a notifiable interest of a director of the entity by completing an Appendix 3Y and lodging it with ASX no more than 5 business days after the change occurs.

3. Listing rule 3.19B which requires an entity to make the necessary arrangements with each director of the entity to ensure that the director discloses to the entity all the information required by the entity to comply with its obligations under listing rule 3.19A.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the change to notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Notices appear to have been lodged later than required under the listing rules and consequently the Company may be in breach of listing rules 3.19A and/or 3.19B. ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers it appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Notices were lodged late.

2. Please explain what arrangements the Company has in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

3. If the current arrangements are inadequate or not being enforced, please outline what additional steps the Company intends to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by return e-mail. It should not be sent to the Company Announcements Office.

A response is requested by 4pm EDST on Friday, 16 December 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please do not hesitate to call me.

Yours sincerely

Sent electronically without signature

Julia Kagan
Principal Adviser, Listings (Melbourne)