

MEDIA RELEASE

Nutritional Powder Packing Facility

Bega Cheese has approved a capital investment plan to build a nutritional powder blending and packing facility to support the continued growth of its infant formula business. Bega Cheese's wholly owned subsidiary Tatura Milk Industries has a long history in the manufacture and supply of infant formula and growing up milk powders particularly to customers in the Asian market.

The new blending and packaging facility will allow Tatura Milk to meet the projected growth of its existing customers and respond to the ongoing demand for retail ready infant formula products sourced from Australia.

The facility will be commissioned in early 2014 and have an annual capacity to blend and package up to 15,000 tonnes of canned nutritional powders. Bega Cheese also confirm that the footprint will allow for future upgrades of additional packaging lines to increase capacity and format flexibility. Bega Cheese has entered into a supply and services agreement with Melbourne based nutrition company Omniblend Nourish Pty Ltd. who will access up to 25% of the initial capacity. Omniblend Nourish co-operated with Bega Cheese in the design and selection of the equipment for the facility.

CEO of Bega Cheese Aidan Coleman commented "nutritional dairy products are one of our key and most exciting business platforms, we are very pleased to be announcing an investment in the further value adding of our nutritional products."

The growth in demand for high quality infant formula products particularly from the Asian region is well documented with China alone consistently delivering double digit market growth.

Paul van Heerwaarden, General Manager Sales & Marketing added "we are very confident that we will quickly build volume in our new facility and the company was pleased to work closely with Omniblend Nourish in both the design of a modern, efficient blending and packaging facility and a long term supply agreement".

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For further information please contact:

Barry Irvin Executive Chairman - Bega Cheese <u>public.relations@begacheese.com.au</u> 02 6491 7720