



21 October 2013

ASX ANNOUNCEMENT

**2013 AGM RESOLUTION TO APPROVE GRANT OF PERFORMANCE RIGHTS
TO DAVID LORD**

Warrnambool Cheese and Butter Factory Company Holdings Limited (**WCB**) refer to its annual general meeting scheduled for 1pm on Thursday, 24 October 2013 (**AGM**).

Proposed resolution 8 at the AGM seeks shareholder approval for the grant of additional performance rights to David Lord (CEO and Managing Director) in accordance with the executive performance rights plan and the terms set out in the notice of meeting for the AGM (**Performance Rights Resolution**).

One of the conditions of Bega Cheese Limited's (**Bega**) takeover bid for WCB (**Bega Offer**) is that no performance rights are to be granted or issued during the offer period, currently proposed to close on 28 November 2013, unless extended or withdrawn. It is therefore possible that if WCB were to grant the additional performance rights to Mr Lord, Bega may act on the breach of this condition of the Bega Offer and withdraw its offer or take action to prevent the grant of the performance rights to Mr Lord.

WCB through its lawyers requested Bega waive the condition with respect to the additional performance rights given their purpose and relatively modest number but Bega declined.

Despite the above condition in the Bega Offer and Bega's position not to waive it, WCB intends to still put the Performance Rights Resolution to shareholders at the AGM as it is an important aspect of Mr Lord's remuneration package.

However if the Performance Rights Resolution is approved by WCB shareholders, WCB will not grant the performance rights to Mr Lord unless and until it becomes reasonably certain that the Bega Offer is unlikely to result in Bega acquiring a majority of the WCB's shares on issue.

Yours faithfully

Paul Moloney
Company Secretary