



5 December 2013

## UPDATE ON TAKEOVERS

On 28 November Murray Goulburn Co-operative Co. Limited (**MG**) announced that it had amended its 13 November 2013 proposed off market takeover bid for all of the shares in WCB to an all cash proposal of \$9.50 per WCB share (**Amended MG Proposal**).

The Amended MG Proposal is subject to the same previously announced conditions, including MG having a greater than 50% relevant interest in WCB shares and no objection by the ACCC or authorisation being granted by the Australian Competition Tribunal.

**WCB continues to advise shareholders to take NO ACTION in relation to their shares until WCB's directors have reviewed detailed information regarding the Amended MG Proposal, including MG's Australian Competition Tribunal application.**

### **Australian Competition Tribunal (Tribunal)**

On 28 November 2013 WCB requested from MG an advance copy of the non confidential form of the proposed application and supporting materials. MG did not provide these documents.

MG filed a merger authorisation application and supporting materials with the Tribunal on 29 November 2013.

A non confidential (redacted) version of MG's application was publicly released on the Tribunal's website on the evening of 3 December 2013. The WCB Board is currently reviewing this document with the assistance of its legal advisers. No supporting materials (including statements and reports) to the application have been publicly released and are therefore not yet available for review. Confidential versions of the application and supporting materials have still not been made available to WCB by MG.

As MG's offer is conditional on, among other things, authorisation being granted by the Tribunal, evaluating the merits or otherwise of MG's application and supporting materials is of central importance to WCB and its shareholders in assessing the likelihood that MG's offer will become unconditional and be capable of completing. In other words, determining the likelihood that MG will be permitted to proceed with its offer and pay its proposed \$9.50 per WCB share to accepting shareholders.

WCB will seek leave to actively participate in the Tribunal process as an *interested party* given the importance of the Tribunal's decision to WCB and its shareholders. WCB intends to appear in the first case management conference relating to MG's application before the Tribunal on 9 December 2013.

WCB notes that the Tribunal has provisionally set 10 February 2014 as the date for commencement of a public hearing of MG's application. There is not yet an indication of the exact date by which the Tribunal will make its decision in relation to MG's application. This may be between 3 to 6 months after the application was filed.

### **Warrnambool Cheese and Butter Factory Company Holdings Limited**

5331 Great Ocean Road, Allansford Victoria 3277 Australia

Telephone: (03) 5565 3100 Facsimile: (03) 5565 3156 Website: [www.wcbf.com.au](http://www.wcbf.com.au)

ACN 071 945 232 ABN 15 071 945 232

## **MG Bidder's Statement**

WCB was not provided with a draft of the Bidder's Statement prior to it being released to the ASX late afternoon on Thursday, 28 November 2013 nor has MG attempted to meaningfully engage with WCB in relation to its proposed offer. However WCB has completed an accelerated review of the Bidder's Statement and provided its preliminary comments to MG and ASIC so that WCB's issues can be addressed by MG as quickly as possible.

WCB notes that the Amended MG Proposal remains subject to 8 conditions which compares unfavourably on the basis of certainty to each of the Saputo Dairy Australia Pty Ltd (**Saputo**) and Bega Cheese Limited (**Bega**) off market takeover offers which are both unconditional. This will be a consideration in the formal recommendation by the WCB Board.

## **Bega offer**

WCB notes the announcement by Bega on 3 December 2013 that neither the Takeovers Panel proceedings nor the interim orders affect the offer made by Bega.

**The WCB Board continues to unanimously reject the Bega offer of 1.5 shares and \$2.00 cash for the reasons set out in WCB's Supplementary Target's Statement dated 20 November 2013.** In particular the WCB Board considers that the current Bega Share price continues to include a significant premium reflecting the buying activity of Fonterra and speculation of a potential takeover bid for Bega.

The WCB Board notes that as at close of trading on 4 December 2013, the implied value of Bega's offer was \$8.84. This represents a:

- 1.8% discount to the \$9.00 cash offer Saputo announced on 25 November 2013 (without including the additional \$0.20 per share payable to all shareholders if Saputo reaches a relevant interest in WCB of greater than 50% during its offer period) (**Saputo Offer**);
- 3.9% discount to WCB's share price of \$9.20 as at close 4 December 2013; and
- 6.9% discount to the \$9.50 cash offer MG announced on 28 November 2013.

## **Saputo Offer**

As the Saputo Offer is currently the subject of a Takeovers Panel proceeding initiated by MG, the WCB Board makes no comment on its status.

## **CONTACTS**

### **MEDIA**

Paula Hannaford  
Kreab Gavin Anderson  
Mobile: +61 413 940 180  
Email: phannaford@kreabgavinanderson.com

### **INVESTORS**

David Lord, CEO & MD  
Warrnambool Cheese and Butter Factory Company  
Holdings Limited  
+ 61 3 5565 3102

Brodie Treloar, Director  
CIMB  
+ 61 421 586 044  
Brodie.treloar@cimb.com