



MEDIA RELEASE

1H FY2014 Results Announcement

Consistent financial performance, Strong Balance Sheet, Corporate opportunities

A 4% rise in revenue, 10% lift in EBITDA, 18% increase in PAT and a 14% increase in the interim dividend to 4.0 cents per share fully franked highlighted the strength of the Bega Cheese business model in the 1H FY2014 results announcement.

Since listing in 2011 Bega Cheese has consistently delivered both top line and bottom line growth, increased dividends and successfully responded to volatile trading environment in the dairy industry.

A significant rise in global commodity prices and a more favourable exchange rate has seen suppliers across all dairy companies receive a welcome increase in farm gate milk prices. The improved international trading position has seen increased competition for milk and farm gate prices increase by some 23% in 1H FY2014 compared to the same period last year.

CEO Aidan Coleman commented “Bega Cheese’s consistent performance is reflective of the strength of our business model, we have been very pleased to see continued strong demand and improved global pricing for dairy commodities and a more favourable currency position drive an optimistic outlook for the industry. Improved farm gate milk prices which will encourage production increases combined with consistent business performance and investment at Bega Cheese positions the company well to respond to growth opportunities in the medium term”.

The Bega Cheese business and product range of cheddar, mozzarella, processed and cream cheese, infant formula, dairy nutritional powders, milk powders and lactoferrin continue to position the company well to respond to demand in both the Australian and international market.

In 1H FY2014 Bega Cheese initiated what was to become a strongly contested bid process for Warrnambool Cheese and Butter. The competition for control of WCB is well documented, Bega Cheese’s initial bid resulted in a re-rating of the value of Australian dairy companies and created significant value for both WCB and Bega Cheese shareholders. The conclusion of the bid has seen Bega Cheese receive \$99 million for its shareholding in WCB with a profit after tax of approximately \$44 million.



Executive Chairman Barry Irvin said “we are pleased with the outcome of the Warrnambool bid. Bega Cheese has a number of business development and corporate opportunities that we are currently evaluating. The Board continues to hold the view that further consolidation of the Australian dairy industry will create greater value across the supply chain and Bega Cheese has the balance sheet strength, business profile and performance that positions it well to pursue that value creation. The Board will continue to review the capital requirements, investment and corporate opportunities available to the business and in the event that the capital is not required the Board will consider options for a capital return to shareholders”.

ends

February 19, 2014

For further information please contact:

Barry Irvin
Executive Chairman
Bega Cheese
02 6491 7720