



ASX ANNOUNCEMENT

Tatura Milk Industries Limited (TMI) – Successful Resolution of Tax Issues

Bega Cheese Limited is pleased to announce that its wholly owned subsidiary, TMI, has successfully resolved tax concerns previously raised by the Australian Taxation Office (ATO).

On 5 March 2014 Bega Cheese Limited made an ASX announcement concerning an audit position paper in which the ATO expressed the view that TMI was not a co-operative within the meaning of Division 9 of Part III of the Income Tax Assessment Act 1936 (Act) during the 2009, 2010 and 2011 tax years and that, consequently, certain deductions claimed would not be allowed and additional tax of \$13,341,324 would be payable.

The ATO has now confirmed in writing that, following the receipt of further submissions and information presented by TMI, the ATO has adjusted its position as set out in that position paper and now will not challenge TMI's status as a co-operative for tax purposes or issue any amended assessments to TMI in respect of the relevant tax years.

This means that no additional tax will be payable by TMI in respect of these matters.

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For further information please contact

Brett Kelly
Company Secretary
Bega Cheese Limited

ABN 81 008 358 503

www.begacheese.com.au

02 6491 7777