



MEDIA RELEASE

Bega Branded UHT Milk for China

As part of the continuing international development of Bega Cheese Limited (Bega), the company today signed a supply and distribution agreement with one of China's leading retail groups, Chongqing General Trading Group (CGTG) whereby Bega will supply CGTG with Bega branded UHT milk produced in Australia for distribution in China.

The agreement is expected to generate revenues of approximately \$100 million dollars over five years. Bega and CGTG see this as the basis for a broader commercial relationship in the future.

The Chongqing municipality in Southwest China is one of the fastest growing regions in China. It has a population of 32 million people and GDP growth in 2013 of 12.3%. CGTG is the leading retail group in the region, with a 50% retail market share across food and general merchandise.

On hand in Chongqing from Bega for the formal signing were Barry Irvin – Executive Chairman, Aidan Coleman – CEO and Paul van Heerwaarden – General Manager Sales and Marketing.

Mr Coleman said that "the company is very pleased to form this partnership with CGTG and it is a strong endorsement of the reputation of the quality of Bega product and the bio security of Australia as a dairy producing nation. We see this as a first step in developing a comprehensive UHT offering in the future".

Dr He, Chairman of CGTG, said his company was excited to partner with an iconic Australian company like Bega Cheese.

"China's consumption of milk and dairy products is increasing rapidly. CGTG is delighted to work with Bega to satisfy that need".

The signing of the Chongqing agreement represents an expansion of Bega Cheese's products entering the Chinese market. The company has had a presence in the Chinese market for over 14 years, the Bega brand has been sold in China since 2000 and Bega Cheese through its wholly owned subsidiary Tatura Milk Industries has been a major Australian exporter of high value milk powder, infant formula and cream cheese to the Chinese market.

Executive Chairman Barry Irvin commented "we are very proud of our long term business relationships and we look forward to a long term relationship with CGTG. We are confident our relationship will grow and that CGTG's many customers will be delighted with the excellent quality and range of Bega products they are able to purchase."



The companies were initially brought together by the Victorian Department of Environment and Primary Industry, a great example of business and government working together. Mr Irvin and Mr Coleman acknowledged the efforts of Minister Walsh, the Victorian Department of Environment and Primary Industry and former Queensland Government Minister, Mr Craig Wallace in bringing together the two businesses.

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For further information please contact:

Barry Irvin
Executive Chairman
Bega Cheese
02 6491 7720