



ASX ANNOUNCEMENT

FY2015 profit guidance

Following a review of forecast full year earnings, Bega Cheese has revised its normalised full year earnings forecast downward from the previously announced range of \$25-\$28 million PAT to \$21-\$24 million PAT.

The lower than forecast result for FY15 reflects the impact of a weaker recovery in global dairy commodity prices than was previously expected by the company. While there was some recovery in February/March the expected continued improvement in pricing has not occurred and price improvement has not been maintained. The Bega Cheese business has been particularly impacted by returns from skim milk powder with current pricing affecting both the value of sales and stock valuations.

Bega Cheese has been pleased with the second half performance of its consumer goods, food service and value added business platforms, particularly the infant and child nutritionals platform. The new canning and blending plant at Derrimut is now performing at expectation having absorbed commissioning, start-up costs and built volume to the point where a third shift has now been added.

While global commodity prices have impacted the FY15 result Bega Cheese continues to have a positive outlook for FY16 with particularly strong growth in the nutritional and consumer goods and food services platforms.

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For further information please contact

Barry Irvin

Executive Chairman

Bega Cheese Limited

ABN 81 008 358 503

www.begacheese.com.au

02 6491 7777