

Media release

19 October 2016

Bellamy's Australia Limited (Bellamy's, ASX:BAL) today held its Annual General Meeting (AGM). Bellamy's shareholders voted on five resolutions, four of which were passed. Resolution 2 (Remuneration Report) was not passed with 72.21% voting for and 27.79% against. Bellamy's provides the below statement regarding the AGM results:

In FY16 Bellamy's was one of Australia's fastest growing companies, delivering exceptional growth and financial returns for its shareholders with earnings before interest and tax (EBIT) growth of 342% and share price growth of 133%. In line with this outstanding performance, and in consultation with an experienced professional remuneration consultant, Bellamy's Board established a remuneration structure to continue ongoing profitable growth aligned with shareholder interests.

Three out of the four proxy advisors recommended voting for the Remuneration Report. Bellamy's has a total shareholder base of over 19,000; around 40 fund managers and retail shareholders, who control a large number of shares, voted against this resolution.

Addressing the result, Bellamy's Chairman Rob Woolley said:

"The Board is committed to having a remuneration strategy and framework that attracts, rewards, and retains executives and aligns their interests with those of our shareholders. This is done by providing a fixed remuneration component together with appropriate short-term and long-term incentives.

"We understand that the key driver for the vote against the Remuneration Report was concern from a number of shareholders regarding a perceived lack of disclosure on specific performance hurdles in the report or lack of an adequate explanation for not disclosing these performance hurdles, rather than any concern relating to fixed remuneration.

"We value the opinions of our investors and have spoken to key shareholders. We have added extra information in our presentation at today's AGM in an effort to address these concerns. The presentation will be lodged with ASX and uploaded to the Bellamy's website. We will elicit and consider shareholder feedback in the coming months and in the lead up to next year's Remuneration Report."

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