

20 June 2017

Not for release or distribution in the United States

Dear Shareholder

Bellamy's Australia Limited Entitlement Offer – Notification to Ineligible Shareholders

On 13 June 2017, Bellamy's Australia Limited (ASX: BAL) (**Bellamy's or Company**) announced a fully underwritten 5 for 38 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of fully paid ordinary shares (**New Shares**) to raise approximately \$60.4 million.

The Entitlement Offer is fully underwritten and comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Entitlement Offer is being made by the Company under a prospectus prepared in accordance with the requirements of section 713 of the *Corporations Act 2001* (Cth) (**Act**) (**Corporations Act**). The Institutional Entitlement Offer has already closed and the results of the Institutional Entitlement Offer have been announced to the ASX. The Retail Entitlement Offer is expected to raise approximately \$46.1 million (excluding any amount relating to shortfall from the Institutional Entitlement Offer which is settled with the Retail Entitlement Offer).

This notice is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

DETAILS OF THE RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below), on the basis of 5 New Shares for every 38 existing fully paid ordinary shares held in Bellamy's at 7:00pm (Sydney, Australia time) on Thursday, 15 June 2017 (**Record Date**).

Documents relating to the Retail Entitlement Offer were lodged with the ASX on Tuesday 13 June 2017 and are being mailed to Eligible Retail Shareholders.

Eligibility Criteria

Eligible Retail Shareholders are those persons who:

- are registered as a holder of fully paid ordinary shares in Bellamy's as at the Record Date, being 7.00pm (Sydney, Australia time) on Thursday, 15 June 2017;

- have a registered address on Bellamy's share register that is in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds fully paid ordinary shares in Bellamy's for the account or benefit of such person in the United States);
- are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification; and
- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder (as defined in the Prospectus lodged with ASX on Tuesday, 13 June 2017) under the Institutional Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders and are consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to Bellamy's of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing fully paid ordinary shares in Bellamy's they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. Bellamy's has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make or extend offers to Bellamy's shareholders in certain countries under the Retail Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), Bellamy's wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer and you will not receive any value for the New Shares to which you would otherwise have been entitled.

As the Retail Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been entitled to if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for your entitlements in respect of any New Shares that would have been offered to you if you had been eligible. New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Retail Shareholder may be allocated to other Eligible Retail Shareholders who subscribe for New Shares in excess of their entitlement under the Retail Entitlement Offer.

You are not required to do anything in response to this letter.

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, you can call Bellamy's Entitlement Offer Information Line on 1300 853 809 (within Australia) or +61 1300 853 809 (outside Australia) from 8.30am to 5.30pm

(Sydney time) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of Bellamy's, I thank you for your continued support.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Melinda Harrison'.

Melinda Harrison
Company Secretary

Important Notices

This letter does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any securities in Bellamy's. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States or persons acting for the account or benefit of persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities law. The New Shares may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in "offshore transactions" in reliance on Regulation S under the Securities Act.