
TasFOODS LTD

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By ASX Online

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Acquisition of Pyengana Dairy

TasFoods Group is pleased to announce it has entered into a Business Purchase Agreement to acquire the assets of the Pyengana Dairy with completion of the transaction scheduled for 6 October 2017.

The acquisition will mark another step forward in achieving the Group's strategy of building an integrated business based on premium food products primarily sourced from Tasmania.

Pyengana Dairy is a leading Australian producer of traditional Cloth Matured Cheddar Cheese winning multiple awards including 2015 Delicious Produce Awards Producer of the Year and the 2013 and 2014 Australian Grand Dairy Awards Champion Cheddar Cheese. The cheese is supplied to leading retail outlets and restaurants throughout Australia.

Pyengana Dairy also produces fresh bottled milk under the Real Milk brand which is supplied to major retail chains, independent retail outlets and cafes across Tasmania.

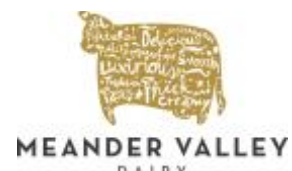
The business is located in Pyengana, a lush valley of North Eastern Tasmania, surrounded by dairy farms with an average herd size of approximately 350 cows. The business currently sources milk from the farm co-located on the site. Pyengana Dairy Company was established by Jon Healey in 1992 continuing over 100 years of cheesemaking and dairy farming over four generations of his family in the valley.

Upon completion, the TasFoods Group will acquire the assets of Pyengana Dairy including a milk supply agreement with the on-site leased farm and enter into a long-term lease of the dairy processing factory.

For the 12 months ended 30 June 2017, Pyengana Dairy reported normalised revenue of \$3.1 million (unaudited).

TasFoods Group expects to invest further funds to build up cheese stocks and install new equipment to support future capacity growth.

There are a number of synergies and efficiencies gained from the inclusion of Pyengana Dairy operations in the TasFoods Group. The acquisition of the Pyengana Dairy assets will also enhance



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the existing TasFoods Group dairy operations that include production of Meander Valley Dairy products and goat milk products under the Robur Farm Dairy brand.

Acquisition consideration

The consideration for the acquisition is approximately \$1.55 million (subject to certain post-completion adjustments), and is to be satisfied in cash.

Jon Healey, the founder of the Pyengana Dairy Company will remain with the Pyengana business post completion. As the business founder Jon brings over 20 years of experience in cheese making and dairy operations.

“This is an exciting time for the business and I am looking forward to working with the TasFoods team to grow and expand the business” said Jon Healey

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If you have a query about any matter covered by this announcement, please contact TasFoods Group CEO Jane Bennett on 0418 567 480.

