



Australian Dairy Farms Group

24 August 2018
ASX Code: AHF

- **Seven new Australian Dairy Farms produced products to be sold in over 600 Woolworths stores from this week.**
- **Three new Australian Dairy Farmers produced organic products to be sold nationally in Woolworths from next week.**

Australian Dairy Farms Limited (AHF) has commenced supply, as part of a major new contract with New Zealand-based specialist dairy foods company The Collective, under which Australian Dairy Farms is producing ten of The Collective's branded yoghurts, to supply Woolworths stores.

The products that Australian Dairy Farms is making for The Collective are:

- Four flavours of straight yoghurt – a full-bodied ultra-creamy probiotic yoghurt made using Australian Dairy Farmers single-origin Jersey milk;



- Three flavours of super kefir 13 – a cultured pourable yoghurt, made by fermenting milk with a diverse blend of 13 live cultures;



- Three flavours of li'l suckies – a creamy organic yoghurt blended with real fruit, served in a portable pouch with a child-friendly cap.



AUSTRALIAN DAIRY FARMS LIMITED

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AUSTRALIAN DAIRY FARMS TRUST

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The products are being ranged in Woolworths stores progressively this, and next week. **straight up** and **super kefir 13** will be sold in over 600 Woolworths stores in New South Wales, Victoria and Queensland: the **li'l suckies** pouches will be available in Woolworths stores nationwide from 3 September 2018.

The Collective is the “international food company” referred to in Australian Dairy Farms’ 24 April 2018 announcement to ASX. Established in New Zealand in 2009 by chefs Angus Allan and Ofer Shenhav, The Collective is an all-natural specialist dairy company that boasts the fastest-growing yoghurt brand in the United Kingdom, which is also available across Asia and now Australia.

“We are delighted to be associated with The Collective, which we see as a high-growth, high-value business that is well down the path of establishing its products in the ‘food-as-a-benefit’ space, demonstrating the highly beneficial aspects of probiotics,” said Peter Skene, Chief Executive Officer of Australian Dairy Farms. “We think The Collective is a fantastic fit with our business, which is also dedicated to the proposition that dairy products can not only taste great, but also be very good for you.”

Mr Skene said Australian Dairy Farms expects the multi-year contract to generate sales value to the company in the range of \$30 million-\$40 million, conservatively, and potentially more.

“We have known of The Collective for a long time; this is not an overnight deal,” he said. “We were delighted, about six months ago, when they decided they would like to work with us, and launch nationally in Australia.”

Production and sales volumes are confidential, but Mr Skene said Australian Dairy Farms had increased the yoghurt capacity at its Camperdown Dairy Company significantly. “AHF invested \$500,000 to gear up to do the volumes The Collective requires. Within the month of August 2018 Camperdown Dairy will have produced more yoghurt than it produced in the whole of 2017.”

Entering the **organic yoghurt** market through the contract with The Collective means that Camperdown Dairy Company is now producing and distributing organic yoghurt, organic bottled milk and organic butter.

“This material contract for AHF and Camperdown Dairy is a further tangible demonstration of the Board’s Transition Strategy to move from being a producer of commodity products such as non-differentiated conventional white milk, into the production of high-value-added products,” said Mr Skene.

“The Collective has been exceptionally successful in capturing a significant share of the yoghurt market in both New Zealand and the United Kingdom, and we’re very confident that the high quality, unique flavours and demonstrable health benefits of the yoghurt products we make for them will have a similar impact on the Australian market.”

“The production agreement is a wonderful vote of confidence in the skill of our Camperdown workforce and our organic processes, and we’re delighted to have strengthened our operation through this contract with The Collective. We have several advanced opportunities for new organic products and customers, which gives us great confidence in the future.”

AUSTRALIAN DAIRY FARMS GROUP

Ends.

Further Details

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Communications Policy

As a policy, because of the heavy demands on limited management resources and to ensure compliance with continuous market-wide disclosure regulations, AHF does not respond to individual security holder communications regarding the management of the business, the company or with respect of any opinion or analysis that is not contained in market releases and released financial reports.

AHF makes ASX market releases at times directors believe it would be helpful or necessary for investors and as required by the Listing Rules. For further information regarding our shareholder communications policy, please refer to AHF's website: www.adfl.com.au

About Australian Dairy Farms Group

Australian Dairy Farms Group (AHF) was the first ASX listed dairy farmer. Its initial focus was on aggregating high quality dairy farms in Victoria, initially in the South Western region with particular emphasis initially, on the famous Dairy Golden Triangle region of South West Victoria between Warrnambool and Colac south of the Princes Highway to the coast around Port Campbell.

In April 2016 the Group completed the acquisition of Camperdown Dairy Company Pty Ltd - ACN 140 640 606 (Camperdown Dairy) – see announcement on <http://www.adfl.com.au/announcements>.

Australian Dairy Farms Group is listed as a stapled security comprising one fully paid share in **Australian Dairy Farms Limited (the Company)** and one fully paid unit in **Australian Dairy Farms Trust (the Trust)**. Within the structure, the Company is the operator and manager of the dairy farm properties, which are leased from the Trust as the registered owner.

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