



Australian Dairy Nutritionals Group

29 May 2019
ASX Code: AHF

Update on acquisition of Infant Formula Plant

- **Due diligence investigations on Infant Formula plant now complete and the Board is satisfied with the results**
- **Relocation works commenced this week**
- **Plant now expected to arrive in Australia ahead of schedule in late July.**

The Board of Australian Dairy Nutritionals Group (the **Group** or **AHF**) is pleased to advise that it has now completed and is satisfied with its due diligence investigations in relation to the purchase of the Infant Formula plant announced to ASX on 4 April 2019.

Decommissioning and dismantling works commenced this week with the Plant now expected to arrive in Australia in late July 2019, ahead of the previously advised date of September 2019. The Group expects to complete the acquisition of the Plant in August 2019, shortly after its arrival in Australia.

This is a major milestone in the Group's strategy to become one of Australia's first vertically integrated manufacturers of organic infant formula. The purchase of an existing operational plant will accelerate the Group's entry into the organic infant formula market in a sensible staged manner without the initial, much higher capital cost and longer construction lead time of a large dryer with higher capacity.

The Group is heavily focussed on its strategy to shift away from production of conventional white milk to concentrate on value added own brands and premium dairy products and the purchase of this plant is a key part of the execution of this strategy. Furthermore, the Board believes the Group's provenance story will be particularly attractive to consumers as milk will be sourced from the Group's own organic farms in Western Victoria and processed just half an hour away at the Group's own processing facility in Camperdown.

Ends.

AUSTRALIAN DAIRY NUTRITIONALS GROUP.

Further Details

For additional company information or media enquiry matters please contact:

Peter Skene

Group CEO/ Director

Australian Dairy Nutritionals Limited

Email: peterskene@adfl.com.au

Communications Policy

As a policy, because of the heavy demands on limited management resources and to ensure compliance with continuous disclosure requirements, 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. For further information regarding our shareholder communications policy, please refer to AHF's website: www.adfl.com.au.

About Australian Dairy Nutritionals Group

AUSTRALIAN DAIRY NUTRITIONALS LIMITED

AUSTRALIAN DAIRY FARMS TRUST

325 Manifold Street, Camperdown VIC 3260 | GPO Box 6, Brisbane Qld 4001
Phone: +61 07 3020 3020 | Fax: +61 07 3020 3080 | Email: shareholders@adfl.com.au

Australian Dairy Nutritionals Group (AHF) was Australia's first ASX listed dairy farmer. Its initial focus was on aggregating high quality dairy farms in the South Western region of Victoria with particular emphasis on the famous Dairy Golden Triangle between Warrnambool and Colac south of the Princes Highway. In April 2016 the Group completed the acquisition of its processing facility Camperdown Dairy Company Pty Ltd. The Group is now a vertically integrated milk producer, processor and product distributor in Australia and for export.

Disclaimer – Forward Looking Statements

This announcement may include “forward looking statements” within the meaning of securities laws of applicable jurisdictions. These forward-looking statements are not facts but are based on AHF's current expectation, estimates and projections about the industry in which it operates, and beliefs and assumptions. Forward looking statements may include indications of, and guidance on, future earnings, financial position and performance and involve risks, uncertainties and other factors, many of which are beyond the control of AHF, and its officers, employees, or associates, that may cause actual results to differ materially from such forward-looking statements Readers are cautioned not to place undue reliance on forward looking statements.