

31 January 2017

Private and Confidential

Our ref. PS:M160079

The Manager
ASX Limited
Company Announcements Office
Exchange Centre, 20 Bridge Street
SYDNEY NSW 2000

By electronic lodgement

Dear Sir or Madam

Takeover Bid for Warrnambool Cheese and Butter Factory Company Holdings Limited ACN 071 945 232 (Warrnambool) - Bidder's statement without offer dates and shareholder information

We act for Saputo Dairy Australia Pty Ltd ACN 166 135 486 (**Saputo**).

On 30 January 2017, Saputo announced an offer to acquire 100% of Warrnambool's share capital at the end of the offer period (**Offer**).

In fulfilment of its obligations under item 3 of the table set out in section 633(1) of the *Corporations Act 2001* (Cth) (**Act**), Saputo has today sent a bidder's statement setting out all the terms of the Offer to Warrnambool. In accordance with item 5 of the same table of the Act, we attach a copy of that bidder's statement.

Please note that the bidder's statement omits the following information, as permitted by section 633(1A) of the Act (inserted by ASIC Class Order 13/521):

1. the date of the proposed offer or any other date that is related to or dependent on that date; and
2. the name and address of holders of securities in Warrnambool to whom the offer will be made.

For the purposes of section 633(2) and section 633(4) of the Act, Saputo has set 7.00pm (Melbourne time) on 1 February 2017 as the register date.

Yours faithfully



Peter Shaw
Director
e: pshaw@ashstreet.com.au
d: 61 2 8651 8706

Encl.

THIS IS AN **IMPORTANT DOCUMENT**

AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD
CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Bidder's Statement

**ACCEPT
RECOMMENDED CASH OFFER**

by
Saputo Dairy Australia Pty Ltd
ACN 166 135 486
BIDDER

to acquire all of your ordinary shares in
Warrnambool Cheese and Butter Factory Company Holdings Limited
ACN 071 945 232
TARGET

The Independent Warrnambool Directors unanimously recommend that, in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable, Warrnambool Shareholders ACCEPT the Bidder's cash Offer

Date of the Bidder's Statement: 31 January 2017

KEY DATES

Announcement of Offer	30 January 2017
Bidder's Statement lodged with ASIC and dated	31 January 2017
Date of Offer	[##] February 2017
Offer Period opens	[##] February 2017
Offer Period closes ¹ (unless extended)	5.00pm (Melbourne time) on [##] March 2017

How to Accept this Offer

Please refer to section 7.15 of this Bidder's Statement and your personalised Acceptance and Transfer Form (which accompanies this Bidder's Statement) for full details on how to accept this Offer.

To accept the Offer you should proceed as follows:

1.	Read	Read this document in full. Also read the Target's Statement to be provided by Warrnambool.
2.	Consult	Consult your legal, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer.
3.	Complete or instruct	<p><i>For Issuer Sponsored Holdings of Warrnambool Shares (Securityholder Reference Number beginning with 'I'):</i></p> <p>To accept the Offer, complete the enclosed Acceptance and Transfer Form in accordance with the instructions on it and return it in the enclosed envelope or to the postal address on the Acceptance and Transfer Form (as set out below).</p> <p><i>For CHESS Holdings of Warrnambool Shares (Holder Identification Number beginning with 'X'):</i></p> <p>To accept the Offer, either instruct your Controlling Participant (usually your broker) to accept the Offer on your behalf, or complete the enclosed Acceptance and Transfer Form in accordance with the instructions on it and return it in the enclosed envelope to the postal address on the Acceptance and Transfer Form (as set out below).</p>
4.	Post	Post your completed Acceptance and Transfer Form and any other documents specified in the Acceptance and Transfer Form in the enclosed envelope to:

¹ This date is indicative only and may be extended as permitted by the Corporations Act

		<p>Postal Address: Computershare Investor Services Pty Limited GPO Box 2115 Melbourne VIC 3001</p> <p>Your acceptance must be received by no later than 5.00pm Melbourne time on [##] March 2017, unless the Offer is extended or withdrawn.</p> <p>Please do not send your completed Acceptance and Transfer Form by email.</p>
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Important Information

THIS BIDDER'S STATEMENT IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY BEFORE DECIDING WHETHER TO ACCEPT THE OFFER. YOU SHOULD ALSO READ THE TARGET'S STATEMENT TO BE PROVIDED BY WARRNAMBOOL

This Bidder's Statement is given by Saputo Dairy Australia ACN 166 135 486 (**Saputo**), a wholly owned Subsidiary of Saputo Inc.. This Bidder's Statement is given under Part 6.5 of the Corporations Act (as modified by ASIC Class Order [CO 13/521]). A copy of this Bidder's Statement is dated, and was lodged with ASIC on, 31 January 2017. ASIC takes no responsibility for the contents of this Bidder's Statement.

Investment decisions

The information provided in this Bidder's Statement is not financial or investment advice and has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. You should seek independent financial and taxation advice from your financial or other professional adviser before deciding whether to accept the Offer.

Disclaimer as to forward looking statements

This Bidder's Statement contains forward-looking statements within the meaning of securities laws. These statements are based, among other things, on Saputo's assumptions, expectations, estimates, objectives, plans and intentions as of the date hereof regarding the Offer, its success, anticipated benefits, the number of Warrnambool Shares that Saputo will actually be able to purchase and any change to the Consideration or the Condition.

Forward-looking statements are based on Saputo's current estimates, expectations and assumptions, which Saputo believes are reasonable as of the date of the Bidder's Statement, and, accordingly, are subject to changes after that date. You should not place undue importance on forward-looking statements and should not rely upon this information as of any other date. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Warrnambool and Saputo and the members of the Saputo Group operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

Except as required under applicable securities legislation, Saputo does not undertake to update or revise these forward-looking statements, whether written or verbal, that may be made from time to time by or on behalf of Saputo, whether as a result of new information, future events or otherwise.

None of Saputo Inc. (or any of its officers), nor Saputo (or any of its officers), or any other person named in the Bidder's Statement with their consent, or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law.

Disclaimer as to Warrnambool information

The information on Warrnambool, Warrnambool's securities and the Warrnambool Group contained in this Bidder's Statement has been prepared by Saputo using publicly available information. Saputo does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Warrnambool's business may be included in Warrnambool's Target's Statement which Warrnambool will provide to its shareholders in response to this Bidder's Statement.

Privacy

Saputo has collected your information from the Warrnambool register of shareholders for the purposes of making this Offer and, if accepted, administering acceptances over your holding of Warrnambool Shares and making payments of the Consideration. The Corporations Act requires the names and addresses of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Saputo's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC.

Internet

References to Warrnambool's website (www.wcbf.com.au) are for your reference only. References to Saputo Inc.'s website (www.saputo.com) are for your reference only. Information contained in or otherwise accessible from either website does not form a part of this Bidder's Statement.

Notice to Foreign Shareholders

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions. The Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to which, it would not be lawful to make such an offer.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, capitalised terms have the meaning given in the Glossary.

All references to time in this Bidder's Statement are to Melbourne, Australia time.

Saputo's Letter to Warrnambool Shareholders

Dear Warrnambool Shareholder,

I am pleased to enclose an offer to acquire your shares in Warrnambool Cheese and Butter Factory Company Holdings Limited ACN 071 945 232 (**Warrnambool**). Saputo is offering you an all-cash Consideration of \$8.85 for each of your Warrnambool Shares (the **Offer**).

Saputo made a previous takeover offer for Warrnambool Shares in October 2013, at the close of which on 13 February 2014 Saputo held 87.92% of the Warrnambool Shares. Since that date, there has been very limited trading of the Warrnambool Shares and no real market for Warrnambool Shares. Saputo currently holds 88.02% of the Warrnambool Shares and Lion Dairy & Drinks Pty Limited holds approximately 10.2% of the Warrnambool Shares, meaning the market for trading Warrnambool Shares is very illiquid.

The Offer now provides Warrnambool Shareholders with smaller holdings of shares the opportunity to realise that investment in Warrnambool for cash.

Warrnambool Shareholders should note the following:

- there is virtually no public market for trading Warrnambool Shares;
- the Offer is the only offer for all of your Warrnambool Shares – there is no guarantee that a further offer will be made for your Warrnambool Shares at any time in the future;
- if as a result of the Offer, Saputo is in a position to proceed to compulsory acquisition of the outstanding Warrnambool Shares in which it does not have a Relevant Interest, it currently intends to do so, with the result that Warrnambool Shareholders who have not accepted the Offer will have their Warrnambool Shares compulsorily acquired; and
- Saputo does not believe it is appropriate for Warrnambool to continue as a listed entity, accordingly:
 - whilst Saputo reserves all of its rights to free the Offer from the Condition, if the threshold number of remaining Warrnambool Shareholders for Delisting and/or privatisation of Warrnambool is met during the Offer Period, Saputo's current intention is to free the Offer from the Condition; and
 - even if Saputo is not entitled to proceed to compulsory acquisition at the end of the Offer Period, but is in a position to Delist and/or privatise Warrnambool, then the current intention is that it will take steps to do so.

If Warrnambool is Delisted you will hold Warrnambool Shares in an unlisted company with no public market for your Warrnambool Shares.

Saputo is also supportive of any steps the board of Warrnambool might take to seek ASX approval to Delist.

Support of Saputo Inc.

Saputo Inc. is fully supportive of the bid by Saputo and has made finance available to Saputo to make the Offer. Saputo Inc. also does not believe it is appropriate for Warrnambool to continue as a listed entity.

A compelling offer to Warrnambool Shareholders

The Consideration of \$8.85 represents an attractive and compelling opportunity for Warrnambool Shareholders to exit their investment in Warrnambool.

In particular, Saputo's \$8.85 all-cash Consideration represents a substantial premium to Warrnambool's closing price of \$7.09 on the last trading day before the Announcement Date and the trading range of Warrnambool Shares over the preceding six months.

Specifically, the Consideration represents:

- (a) a 24.8% premium to Warrnambool's closing price of \$7.09 per share on the last trading day before the Announcement Date; and
- (b) a 30.0% premium to Warrnambool's six month volume weighted average share price to the last trading day before the Announcement Date of \$6.81.

Independent Warrnambool Directors unanimously recommend you ACCEPT Saputo's Offer

The Independent Warrnambool Directors unanimously recommend that, in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable, Warrnambool Shareholders accept the Offer.

Yours sincerely,



Jeffery Goss

Director

Saputo Dairy Australia Pty Ltd

31 January 2017

Why you should accept Saputo's Offer

Highlights

Saputo is offering all-cash Consideration of \$8.85 for each Warrnambool Share.

Saputo believes that its Offer provides significant benefits to Warrnambool and Warrnambool Shareholders. The key reasons you should accept Saputo's Offer are as follows:

1. **Saputo's \$8.85 all-cash Consideration represents a substantial premium to Warrnambool's historical trading price;**
2. **There is virtually no public market for trading Warrnambool Shares;**
3. **Saputo's Offer is the only offer currently available for your Warrnambool Shares;**
4. **Saputo's Offer is subject to only one condition;**
5. **The Independent Warrnambool Directors unanimously recommend that, in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable, you accept the Offer.**

The above is only a headline summary of the benefits to Warrnambool and Warrnambool Shareholders and should be read in conjunction with the detailed information set out elsewhere in this Bidder's Statement, including further information on the benefits and the relevant applicable assumptions.

Details

The Offer provides significant benefits for Warrnambool Shareholders. The key reasons why you should accept Saputo's Offer are as follows:

1. **Saputo's \$8.85 all-cash Consideration represents a substantial premium to Warrnambool's historical trading price**

Saputo's Offer is \$8.85 cash per Warrnambool Share for all your Warrnambool Shares. This represents a substantial premium to Warrnambool's closing price of \$7.09 on the last trading day before the Announcement Date and the trading range of Warrnambool Shares over the preceding six months.

Specifically, it represents:

- (a) a 24.8% premium to Warrnambool's closing price of \$7.09 per share on the last trading day before the Announcement Date; and
- (b) a 30.0% premium to Warrnambool's six month volume weighted average share price to the last trading day before the Announcement Date of \$6.81.

2. **There is virtually no public market for trading Warrnambool Shares**

There is a very limited public market for your Warrnambool Shares since the previous takeover bid for Warrnambool Shares made by Saputo in October 2013 which closed on 13 February 2014.

During calendar year 2016, only 207,461 Warrnambool Shares were traded on ASX, equivalent to 0.27% of the total number of Warrnambool Shares on issue.

3. **Saputo's Offer is the only offer currently available for your Warrnambool Shares**

Saputo's Offer is the only offer available for all your Warrnambool Shares. As at the date of this Bidder's Statement, Saputo is not aware of any other party intending to make an offer for Warrnambool Shares. Saputo considers the fact that Saputo holds a Relevant Interest in 88.02% of Warrnambool Shares means that it is unlikely that another offer will be made.

In the absence of the Offer, the opportunity to sell all of your Warrnambool Shares at a price equal to \$8.85 is unlikely to be available due to the fact that there is a very limited public market for Warrnambool Shares. Accordingly, Saputo's Offer provides an exit from an illiquid stock at a substantial premium and you will incur no brokerage.

4. **Saputo's Offer is subject to only one condition**

Saputo has already received FIRB Approval. Saputo's Offer is subject to only one Condition which is described in section 7.7 of Part B of this Bidder's Statement.

5. **The independent Warrnambool Directors unanimously recommend that, in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable, you accept the Offer**

Saputo's Offer has been unanimously recommended by the Independent Warrnambool Directors and all Independent Warrnambool Directors recommend that Warrnambool Shareholders accept the Offer, in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable.

Part A: Summary of the Offer

1. Summary of the Offer

This section 1 of Part A of the Bidder's Statement provides an overview of the all-cash Offer to acquire all of your Warrnambool Shares. This section provides an overview only of the information and risks that you should consider and should be read with section 7 of Part B of the Bidder's Statement which contains the full terms and conditions of the Offer. You should read the Bidder's Statement in full before deciding whether or not to accept the Offer.

Question	Answer
What is the Offer?	<p>The Offer detailed in this Bidder's Statement is Saputo's cash offer to acquire all of your Warrnambool Shares.</p> <p>Saputo is offering to acquire all of your Warrnambool Shares for an all-cash Consideration of \$8.85 for each Warrnambool Share.</p> <p>This Bidder's Statement in respect of Saputo's Offer to buy all of your Warrnambool Shares is an important document and should be considered in its entirety before you decide whether to accept Saputo's Offer.</p> <p>The Bidder's Statement, containing the Offer, is given by Saputo to Warrnambool under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act, in relation to the Offer contained in section 7 of Part B of this Bidder's Statement.</p>
What do the Independent Warrnambool Directors recommend?	<p>The Offer has been unanimously recommended by the Independent Warrnambool Directors and all Independent Warrnambool Directors recommend that Warrnambool Shareholders ACCEPT the Offer, in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable .</p>
Will there be an independent expert report on the Offer?	<p>Because of the size of Saputo's current shareholding in Warrnambool, an independent expert's report must be prepared. The Independent Warrnambool Directors have appointed Lonergan Edwards & Associates Limited as the independent expert (Independent Expert) to provide an opinion on whether the Offer is "fair and reasonable".</p> <p>The independent expert's report will be attached to the Target's Statement. You should read the independent expert's report carefully.</p>
Who is making the Offer?	<p>Saputo Dairy Australia Pty Ltd ACN 166 135 486.</p>

Question	Answer
	Further information on Saputo and its parent company, Saputo Inc. is set out in section 1 of Part B of this Bidder's Statement.
What is Saputo's current interest in Warrnambool Shares?	Saputo's Relevant Interest in Warrnambool's issued share capital and Voting Power in Warrnambool prior to the Offer is 88.02%.
Who may accept this Offer?	<p>Any person who is capable of, during the Offer Period, giving good title to a parcel of Warrnambool Shares that are on issue on the Register Date.</p> <p>The Register Date, being the date of determination of those Warrnambool Shareholders to whom this Bidder's Statement will be sent, is 7.00pm (Melbourne time) on 1 February 2017.</p> <p>The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions. The Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to which, it would not be lawful to make such an offer.</p>
What are the tax consequences if I accept the Offer?	A general summary of the potential Australian tax consequences of accepting the Offer is set out in section 6 of Part B of this Bidder's Statement. In addition, Saputo recommends that you seek independent professional advice in relation to your own particular circumstances.
How do I accept the Offer?	<p>The Offer is for all of your Warrnambool Shares.</p> <p>To accept the Offer:</p> <ol style="list-style-type: none"> 1. if your Warrnambool Shares are in the issuer sponsored subregister (<i>Securityholder Reference Number beginning with 'I'</i>), complete and sign the Acceptance and Transfer Form in accordance with the instructions on the form and send it in the enclosed envelope to the address specified on the Acceptance and Transfer Form, so that it is received before the end of the Offer Period; or 2. if your Warrnambool Shares are in a CHES Holding and are sponsored by a Broker or other CHES Participant (<i>Holder Identification Number beginning with 'X'</i>), or if you are a Participant, either: <ol style="list-style-type: none"> (a) complete and sign the Acceptance and Transfer Form in accordance with the instructions on the form and send it in the

Question	Answer
	<p>enclosed envelope or to the address specified on the Acceptance and Transfer Form; or</p> <p>(b) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,</p> <p>in sufficient time for the acceptance to be received and processed before the end of the Offer Period.</p> <p>Detailed instructions on how to accept the Offer are set out on the Acceptance and Transfer Form.</p>
<p>What choices do I have in respect of the Offer?</p>	<p>As a Warrnambool Shareholder, you have the following choices in respect of the Offer:</p> <ul style="list-style-type: none"> ▪ accept the Offer for all of your Warrnambool Shares; ▪ sell some or all of your Warrnambool Shares on ASX. If you sell some of your Warrnambool Shares on ASX, you can accept the Offer for all of the balance of your Warrnambool Shares; or ▪ do nothing. <p>If you choose to do nothing and Saputo at the end of the Offer Period becomes entitled to do so under the Corporations Act, Saputo will exercise its rights to compulsorily acquire your Warrnambool Shares, in which case the Consideration will be paid to Warrnambool in trust and become available for you to claim at a later time than those who accept the Offer.</p> <p>For information on how Consideration is paid refer to the question "When will I be paid?", the question "What will happen if I accept the Offer?", the question "What will happen if I do not accept the Offer?" and the question "Will Warrnambool be Delisted and privatised?"</p>
<p>Can I accept the Offer for part of my holding in Warrnambool?</p>	<p>No. You cannot accept the Offer for part of your holding. You may only accept the Offer for ALL of your Warrnambool Shares.</p>
<p>Can I sell my Warrnambool Shares on the market?</p>	<p>You may sell some or all of your Warrnambool Shares on the market. Warrnambool is a public company listed on ASX, however, there is a very limited public market for Warrnambool Shares.</p> <p>You may incur brokerage costs if you choose to sell your Warrnambool Shares on ASX.</p>
<p>Can I withdraw my acceptance?</p>	<p>Under the terms and conditions of the Offer, you can only withdraw your acceptance if a withdrawal right arises under the</p>

Question	Answer
	Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, the Offer remains conditional and Saputo varies the Offer in a way that postpones, for more than one month, the time when Saputo has to meet its obligations under the Offer.
<p>What is the earliest date I can accept the Offer?</p>	<p>The earliest date on which you may accept the Offer is [##] February 2017.</p> <p>For information on the effect of accepting the Offer, refer to the question 'What will happen if I accept the Offer?' below.</p>
<p>When will I be paid?</p>	<p>You will only be paid the Consideration if you accept the Offer and the Offer becomes unconditional or the Offer is freed from the Condition.</p> <p>If you accept the Offer, you will be paid the Consideration within the earlier of:</p> <ol style="list-style-type: none"> 1. 5 Business Days after you have accepted the Offer or, if the Offer is subject to a Condition, within 5 Business Days after the Offer becomes unconditional; and 2. 21 days after the end of the Offer Period. <p>The Consideration will be paid at the time and in the amount specified in the Offer. You are encouraged to read the terms of the Offer carefully.</p>
<p>Do I have to pay brokerage if I accept the Offer?</p>	<p>If your Warrnambool Shares are registered in an Issuer Sponsored Holding (your SRN starts with an "I") in your name and you deliver them directly to Saputo, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.</p> <p>If your Warrnambool Shares are registered in a CHESS Holding (your HIN starts with an "X"), or if you are a beneficial owner whose Warrnambool Shares are registered in the name of a broker, bank, custodian or other nominee, you will not be obliged to pay stamp duty by accepting the Offer but you should ask your "Controlling Participant" (usually your broker) or nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.</p> <p>You may incur brokerage costs if you choose to sell your Warrnambool Shares on ASX.</p>
<p>Do I have to pay stamp duty if I accept the Offer?</p>	<p>You will not pay stamp duty on the disposal of your Warrnambool Shares if you accept the Offer.</p>

Question	Answer
When does the Offer commence?	The Offer commences on [##] February 2017.
When does the Offer close?	The Offer is currently scheduled to close at 5.00pm (Melbourne time) on [##] March 2017, unless extended in accordance with the Corporations Act.
Can the Offer Period be extended?	Yes, the Offer Period can be extended by Saputo in accordance with the Corporations Act. If you remain a Warrnambool Shareholder, you will be sent written confirmation of any extension as required by the Corporations Act.
Are there any conditions to the Offer?	<p>The Offer is subject to only one Condition. The details of that Condition are set out in full in sections 7.7 and 7.8 of Part B of this Bidder’s Statement. Takeover offers are often subject to conditions.</p> <p>Saputo may choose to free the Offer from the Condition, in accordance with the terms of the Offer set out in section 7 of Part B of this Bidder’s Statement. Details as to how the Offer can be freed from the Condition are set out in section 7.9 of Part B of this Bidder’s Statement.</p> <p>Whilst Saputo reserves all of its rights to free the Offer from the Condition, if the threshold number of remaining Warrnambool Shareholders for Delisting and/or privatisation of Warrnambool is met during the Offer Period, Saputo’s current intention is to free the Offer from the Condition.</p> <p>For information on Delisting, refer to the question “Will Warrnambool be Delisted and privatised?”</p>
What happens if the Condition is not satisfied or waived?	If the Condition is not satisfied or the Offer freed from the Condition by the end of the Offer Period, the Offer will lapse. In this case, if you have accepted the Offer, your Warrnambool Shares will not be acquired by Saputo and you will not be paid the Consideration.
Does Saputo require FIRB approval to acquire Warrnambool Shares?	Saputo has already received FIRB Approval.
What will happen if I accept the Offer?	<p>If you accept the Offer and the Offer becomes unconditional, you will be paid the Consideration for each of your Warrnambool Shares at the specified payment time.</p> <p>Once you accept the Offer (even while it remains subject to the Condition), you will not be able to deal with your Warrnambool</p>

Question	Answer
	<p>Shares, subject to any statutory withdrawal rights that may arise.</p> <p>Your statutory withdrawal rights will arise if the Offer is varied in such a way as to postpone for more than one month the time by which Saputo has to meet its obligations under the Offer and the Offer is subject to a Condition. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.</p>
<p>What will happen if I do not accept the Offer?</p>	<p>If, following the Offer Period, Saputo and its Associates:</p> <ul style="list-style-type: none"> (a) have Relevant Interests in at least 90% (by number) of all Warrnambool Shares; and (b) acquired at least 75% (by number) of the Warrnambool Shares which Saputo offered to acquire under the Offer in which Saputo and its Associates did not at the date of the Offer already have a Relevant Interest, <p>Saputo will become entitled to compulsorily acquire Warrnambool Shares under Part 6A.1 of the Corporations Act. Under the Offer, Saputo intends to exercise its compulsory acquisition rights to acquire your Warrnambool Shares.</p> <p>If this occurs, Warrnambool will be paid the Consideration in cash in trust for you, at the relevant time for payment, for each Warrnambool Share that you hold at the conclusion of this process. You will receive the Consideration sooner if you accept the Offer.</p> <p>If Saputo cannot proceed to compulsory acquisition or the Offer lapses, you will continue to hold your Warrnambool Shares.</p> <p>For information on what happens if you continue to hold your Warrnambool Shares once the Offer ends refer to the question "Will Warrnambool be Delisted and privatised?" and the question "Could my Warrnambool Shares be compulsorily acquired at a later time?".</p>
<p>Will Warrnambool be Delisted and privatised?</p>	<p>Saputo will support any steps the Warrnambool Board might take to seek ASX approval to Delist given the ongoing compliance costs associated with being a listed company in the context of limited, if any, liquidity in Warrnambool Shares and a very small shareholder base.</p> <p>Under the ASX Listing Rules, following a successful takeover bid, where the bidder controls at least 75% of the listed entity's shares and there are fewer than 150 members (excluding the bidder and its Related Bodies Corporate) which hold ordinary securities of that listed entity with a value of at least \$500, then subject to some other limited conditions, ASX will usually enable</p>

Question	Answer
	<p>the entity to Delist without seeking approval of its security holders. Following the Offer Period, Saputo intends to cause Warrnambool to apply to Delist in accordance with the ASX guidance.</p> <p>In addition, if during or after the Offer Warrnambool has fewer than 50 shareholders, Saputo intends to take steps to cause Warrnambool to convert from a public company to a proprietary limited company.</p>
<p>Could my Warrnambool Shares be compulsorily acquired at a later time?</p>	<p>If Saputo does not become entitled to compulsorily acquire Warrnambool Shares under section 661A of the Corporations Act, it may nevertheless become entitled to exercise the general compulsory acquisition power under Part 6A.2 of the Corporations Act if it becomes a 90% holder as defined in that part. Saputo intends to exercise that power in respect of Warrnambool Shares if it becomes entitled to do so.</p>
<p>What if I have further enquiries in relation to the Offer?</p>	<p>If you have further enquiries in relation to the Offer, please contact your legal, financial or other professional adviser.</p>

2. General risks associated with the Offer

You should consider the risks identified in this section, and all other information in this Bidder's Statement, in deciding whether to accept Saputo's \$8.85 all cash Offer for all of your Warrnambool Shares. However, Saputo emphasises that the risks and other information set out in this Bidder's Statement are of a general nature and are not intended to provide you with financial advice. The risks do not take account of your personal circumstances, or your financial position and objectives.

There may be other risks of which Saputo is not presently aware, or which may arise in the near future.

2.1 There can be no certainty that the Offer will close successfully

If the Condition of the Offer is not satisfied or if the Offer is not freed from the Condition by the end of the Offer Period, the Offer will lapse. In this case, if you have accepted the Offer, your Warrnambool Shares will not be acquired by Saputo, you will not be paid the Consideration and you will remain a Warrnambool Shareholder.

2.2 Warrnambool's Share price may fall once the Offer closes

The Offer provides an all cash premium for Warrnambool Shares, and this premium has very likely been factored into Warrnambool's quoted share price on the ASX. While many factors affect the price of any given quoted security, Warrnambool's share price may decrease in the short term after this Offer closes, in the absence of an alternative offer.

2.3 You may remain a minority shareholder

Warrnambool is controlled by Saputo. If Saputo is not entitled to compulsorily acquire the remaining Warrnambool Shares not acquired under this Offer, remaining Warrnambool Shareholders will continue to be minority shareholders with limited influence in the running of the business. Decisions made in respect of the business of the Warrnambool Group under the control of Saputo may, therefore, impact upon Warrnambool Shareholders who reject the Offer, and are subject to the future trading results of Warrnambool.

Warrnambool may remain a listed entity, subject to the ASX Listing Rules, if it does not meet the necessary threshold to Delist. Saputo currently holds a Relevant Interest of 88.02% in Warrnambool. The market for Warrnambool Shares is illiquid and therefore minority shareholders may continue to have difficulty selling their Warrnambool Shares.

Saputo will support any steps the Warrnambool Board might take to seek ASX approval to Delist given the ongoing compliance costs associated with being a listed company in the context of limited, if any, liquidity in Warrnambool Shares and a very small shareholder base.

Under the ASX Listing Rules, following a successful takeover bid, where the bidder controls at least 75% of the listed entity's shares and there are fewer than 150 members (excluding the bidder and its Related Bodies Corporate) which hold ordinary securities of that listed entity with a value of at least \$500, then subject to some other limited conditions, ASX will usually enable the entity to Delist without seeking approval of its security holders. Following the

Offer Period, Saputo intends to cause Warrnambool to apply to Delist in accordance with the ASX guidance.

If the conditions in ASX Guidance Note 33 for Delisting following a takeover bid are not satisfied, Warrnambool could still seek to Delist. Any proposal by Warrnambool to Delist will require ASX consent and may be subject to conditions imposed by ASX, which may include seeking shareholder approval. Saputo is supportive of any steps the Warrnambool Board might take to seek ASX approval to Delist.

In addition, if during or after the Offer Warrnambool has fewer than 50 shareholders, Saputo intends to take steps to cause Warrnambool to convert from a public company to a proprietary limited company.

Part B: Details of the Offer

1. Overview of Saputo

The bidder is Saputo Dairy Australia Pty Ltd ACN 166 135 486. Saputo is a proprietary limited Australian company incorporated in Victoria on 4 October 2013 at the time for the sole purpose of acting as the vehicle to offer to acquire Warrnambool Shares.

Saputo is a wholly owned subsidiary of ACN 166 119 133 Pty Ltd. That company is in turn a wholly owned subsidiary of Saputo Foods Limited, a Canadian company. Saputo Foods Limited is a wholly owned Subsidiary of Saputo Inc..

Saputo Inc., a Canadian public company was incorporated on 1 July 1992 and was publicly listed on the Toronto Stock Exchange (under the symbol SAP) on 15 October 1997.

For information about how Saputo will fund the acquisition of Warrnambool Shares under the Offer, please refer to section 5 of Part B of this Bidder's Statement.

1.1 Major activities and locations

Saputo Inc. is one of the top ten dairy processors in the world, the largest cheese manufacturer and the leading fluid milk and cream processor in Canada, the third largest dairy processor in Argentina and the fourth largest in Australia. In the US, Saputo Inc. ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products.

Saputo Inc. employs approximately 12,500 people and operates 53 manufacturing facilities across Canada (24) and the USA (25), in Argentina (2) and in Australia (2).

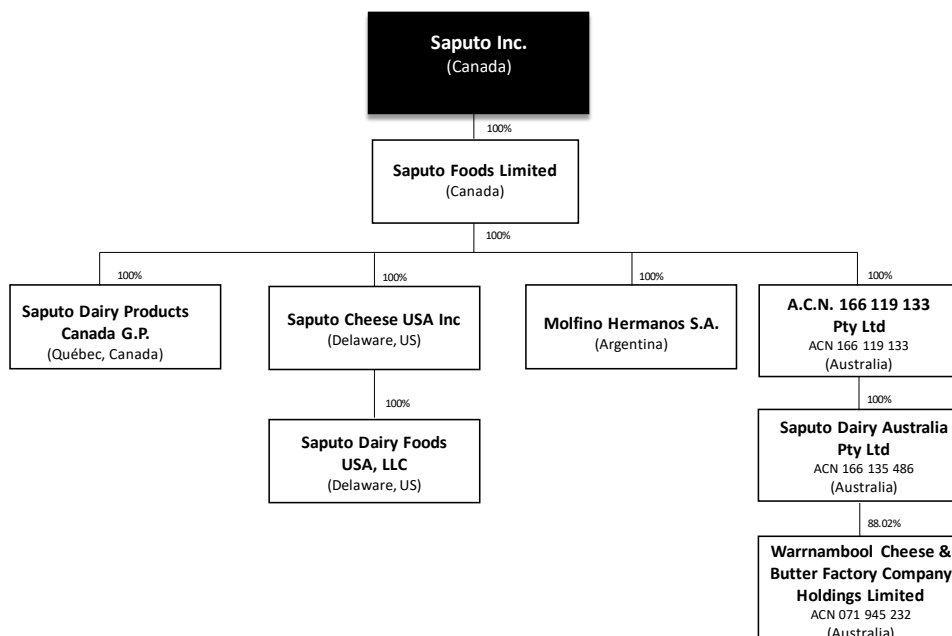
Saputo Inc.'s operations in Australia are conducted through Warrnambool. These are described in section 3 of Part B.

As at 31 March 2016 (financial year end for Saputo Inc.), Saputo Inc. operated its business through three sectors, the Canada Sector, the USA Sector and the International Sector, which represented, respectively, 34.6%, 52.6% and 12.8% of Saputo Inc.'s total revenues. The Canada Sector consists of the Dairy Division (Canada). The USA Sector includes the Cheese Division (USA) and the Dairy Foods Division (USA). The International Sector includes the Dairy Division (Argentina), the Dairy Division (Australia), and the Dairy Ingredients Division. The Dairy Ingredients Division includes national and export ingredients sales from the North American divisions, as well as cheese exports from these same divisions.

Saputo does not have any investments or assets in Australia other than its shareholding in Warrnambool.

1.2 Major subsidiaries and associated companies

The following structure diagram sets out Saputo Inc.'s position in respect of its major subsidiaries and associated companies:



For each of Saputo Inc.'s sectors, the following are the names of its major subsidiaries and associated companies:

Canada Sector

Dairy Division (Canada): Saputo Dairy Products Canada G.P.;

USA Sector

Cheese Division (USA): Saputo Cheese USA Inc.;

Dairy Foods Division (USA): Saputo Dairy Foods USA, LLC;

International Sector

Dairy Division (Argentina): Molfino Hermanos S.A.;

Dairy Division (Australia): Warrnambool.

1.3 Details of ownership

Saputo Inc. was publicly listed on the Toronto Stock Exchange (under the symbol SAP) on 15 October 1997. Saputo's current market capitalisation is approximately CAD18.7 billion (AUD18.9 billion).

Securities laws in Canada require disclosure of holdings of 10% or more of the issued and outstanding shares of Saputo Inc.. Two entities have disclosed that they own or exercise control or direction over 10% or more of the issued and outstanding shares of Saputo Inc., Jolina Capital Inc. and Placements Italcane Inc.

Jolina Capital, which as at 31 December 2016 owns 127,059,848 shares representing approximately 32.5% of Saputo Inc.'s common shares is a Canadian holding company controlled by Mr. Emanuele (Lino) Saputo. Mr. Emanuele (Lino) Saputo is a Canadian resident, the founder of Saputo Inc. and currently holds the position of Chairman of the Board of Saputo Inc..

Placements Italcant Inc., which as at 31 December 2016 owns 40,000,000 shares representing approximately 10% of Saputo Inc.'s common shares, is a Canadian holding company controlled by Mr. Francesco Saputo. Mr. Francesco Saputo is also a Canadian resident.

1.4 Board of Directors of Saputo Inc.

**Emanuele (Lino) Saputo, C.M., O.Q.,
Dr h.c.**
Chairman of the Board
Director since 1992

Lino A. Saputo, Jr.
Chief Executive Officer and Vice
Chairman of the Board
Director since 2001

Henry E. Demone
Director since 2012

Anthony M. Fata
Director since 2008

Tony Meti
Director since 2008

Annalisa King
Director since 2012

Annette Verschuren
Director since 2013

Karen Kinsley
Director since 2015

Diane Nyisztor
Director since 2016

Franziska Ruf
Director since 2016

1.5 Publicly available information

As noted above, Saputo Inc. is a Canadian public company whose shares are listed on the Toronto Stock Exchange (under the symbol SAP). As such, Saputo Inc. is subject to continuous reporting obligations. A substantial amount of information concerning Saputo Inc. (including information about the directors of Saputo Inc.) is publicly available and may be accessed by referring to www.saputo.com.

Information on the website referred to above does not constitute part of this Bidder's Statement.

1.6 Board of Directors of Saputo

Louise St-Jean
Director and Company Secretary
Appointed: 12 March 2014

Experience and expertise

Louise St-Jean is currently Senior Vice President, Taxation of Saputo Inc.. She has been with Saputo Inc. since 2006. Ms. St-Jean has a bachelor's degree in accounting from Montreal's business school *École des Hautes Études Commerciales* (HEC) and a master's degree in taxation from the University of Sherbrooke.

Jeffery Goss

Director

Appointed: 12 March 2014

Experience and expertise

Jeff Goss has over 40 years' experience in banking and project finance, construction and major corporate and commercial transactions. Mr Goss has a bachelor's degree in law from Sydney University.

Bryan Dulhunty

Director and Company Secretary

Appointed: 3 June 2016

Experience and expertise

Bryan Dulhunty runs a private financial and regulatory compliance company. He is an officer of a number of listed public entities. Bryan has 20 years' experience in the life sciences sector and served as a director or senior executive of a number of listed and non-listed biotechnology companies. Mr Dulhunty holds a Bachelor of Economics from the University of Sydney and is a Chartered Accountant.

2. Overview of Warrnambool

2.1 Background

Warrnambool Cheese and Butter Factory Company Holdings Limited ACN 071 945 232 (ASX: Warrnambool) is an Australian public company, listed on the ASX. Warrnambool is the listed holding company for a number of companies in the group.

Warrnambool was incorporated on 6 December 1995 in Victoria and was publicly listed on ASX on 27 May 2004.

Warrnambool's consolidated revenues for the financial year ended 31 March 2016 were \$642,419,000, with net profit after tax of \$4,218,000.

Warrnambool's consolidated revenues for the half year, ended 30 September 2016 were \$325,883,000, with net profit after tax of \$20,767,000.

2.2 Major activities and locations

Warrnambool's main activities include manufacturing, processing and sale of cheese, milk powder, butter and butter blends, cream, whey protein concentrate, lactoferrin and bulk and processed milk. Warrnambool's business is divided into three core business areas:

- Commodities or ingredients;
- Consumer goods; and
- Other – nutritional supplements such as whey protein concentrate and prebiotic products.

Warrnambool's products are both sold in Australia and widely exported internationally.

Warrnambool operates two manufacturing sites located across Victoria and South Australia:

- one at Allansford (comprising of the Warrnambool cheese manufacturing facility and cut-and-wrap facility); and
- one at Mil Lel.

Warrnambool is a significant employer in South West Victoria with approximately 700 employees.

All of Warrnambool's assets are located in Australia apart from its 49% ownership interest in Warrnambool Cheese and Butter Japan Company Limited. This joint venture is described below.

2.3 Major subsidiaries and associated companies

Warrnambool has four major subsidiaries:

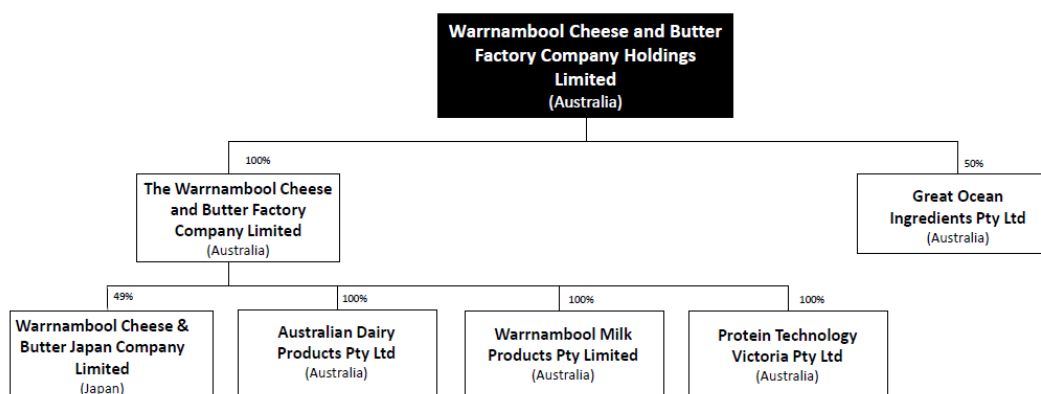
Name of Subsidiary	Percentage held by Warrnambool
The Warrnambool Cheese and Butter Factory Company Ltd	100%
Australian Dairy Products Pty Ltd	100%
Warrnambool Milk Products Pty Ltd	100%
Protein Technology Victoria Pty Ltd	100%

Warrnambool also has the following associated companies (which Warrnambool describes as joint ventures):

- Great Ocean Ingredients Pty Ltd (50%) – owned equally with Royal FrieslandCampina of The Netherlands; its principal activity is the production of galacto-oligosaccharides for sale to infant formula manufacturers; and
- Warrnambool Cheese and Butter Japan Company Ltd (49% ownership and 50% voting rights) – an incorporated partnership formed with Mori International Corporation of Japan; its principal activity is to facilitate and enhance trade of Warrnambool's dairy products in the Japanese market.

2.4 Structure diagram

The following Structure Diagram sets out Warrnambool's position in respect of its Subsidiaries and associated companies:



2.5 Ownership

2.5.1 Warrnambool was publicly listed on the ASX on 27 May 2004.

2.5.2 As at the date of this Bidder's Statement, Warrnambool has 77,079,624 ordinary shares on issue and has a market capitalisation of \$546,494,534.16 which is based on a price per share of \$7.09 on the last trading day before the Announcement Date.

2.5.3 All 77,079,624 shares on issue in Warrnambool are ordinary shares. There were no employee shares issued to any Warrnambool employees during the financial year ended 31 March 2016.

2.5.4 As at the date being the last trading day before the Announcement Date, there were 491 Warrnambool Shareholders (excluding Saputo).

2.6 Shareholders and number of Warrnambool Shares owned

The top twenty (20) shareholders of Warrnambool, as set out in the Annual Report for Warrnambool for the period ended 31 March 2016, held 99.38% of the Warrnambool Shares.

Saputo currently has a Relevant Interest in 67,847,789 Warrnambool Shares, representing 88.02% of the total Warrnambool Shares and Saputo believes that Lion Dairy & Drinks Pty Ltd has maintained a Relevant Interest in approximately 10.22% of the total Warrnambool Shares.

Name	% of Warrnambool Shares
Saputo Dairy Australia Pty Ltd	88.02%
Lion-Dairy & Drinks Pty Ltd	10.22%*
Other shareholders	1.76%*
TOTAL	100%

*approximate values based on publicly available information

2.7 Directors and associate Directors

The Warrnambool Board comprises:

Name	Position
Lino A. Saputo, Jr.	Non-Executive Director and Chairman
Louis-Philippe Carrière	Non-Executive Director
Neville Fielke	Non-Executive Director
Terence Richardson	Non-Executive Director
Bruce Vallance	Non-Executive Director

For the purposes of this Offer, Warrnambool has formed an independent board committee which comprises the Independent Warrnambool Directors, with full power to deal with all aspects of Saputo's takeover bid.

2.8 Management

The management team of Warrnambool comprises:

Name	Position
Kai Bockmann	President and Chief Operating Officer
Paul Moloney	Vice President, Finance and Administration, Chief Financial Officer and Company Secretary
Richard Wallace	Senior Vice President and General Manager

2.9 Other Warrnambool information

The above information about Warrnambool and the Warrnambool Group is based on public information and has not been independently verified. Saputo does not make any representation or warranty as to the accuracy or completeness of this information.

Warrnambool Shares are listed on the ASX and Warrnambool is obliged to comply with the continuous disclosure requirements of the ASX.

The Annual Report for the year ended 31 March 2016 was lodged with ASIC on 8 June 2016 and given to the ASX on that date.

The Half Year Financial Report for the period ended 30 September 2016 was lodged with ASIC on 3 November 2016 and given to the ASX on that date. A list of the ASX announcements made in relation to Warrnambool between 3 November 2016 and the Announcement Date is set out in Annexure A.

Information about Warrnambool (including copies of the financial statements and Annual Reports) may also be obtained from either Warrnambool's website (www.wcbf.com.au) or the ASX website (www.asx.com.au).

Information on the websites referred to above does not constitute part of this Bidder's Statement.

Warrnambool Shareholders should also refer to the Target's Statement for further information about Warrnambool and the Warrnambool Group.

3. Current relationship of Saputo and Warrnambool

3.1 Background

As at the date of this Bidder's Statement, Saputo owns 67,847,789 of Warrnambool Shares (being 88.02% of the issued shares in Warrnambool).

In October 2013, Saputo made an off-market takeover bid for all shares in Warrnambool. By 12 February 2014, Saputo had acquired a shareholding in 87.92% of the shares on issue in Warrnambool under the terms of its off-market takeover bid which successfully closed on that date.

On 29 June 2016, Warrnambool completed the Warrnambool Entitlement Offer. Saputo took up its full rights under the Warrnambool Entitlement Offer as permitted under the Corporations Act. As a result of the Warrnambool Entitlement Offer, Warrnambool issued

18,495,743 shares in Warrnambool to Saputo, increasing the holding of Saputo to 67,817,723 shares in Warrnambool, which represents 87.98% of the total issued capital of Warrnambool post the Warrnambool Entitlement Offer.

In November and December 2016, Saputo acquired an additional 30,066 Warrnambool Shares on market, as permitted under the Corporations Act.

3.2 Saputo representation on Warrnambool Board

There are two directors appointed to the board of Warrnambool who are representatives of Saputo:

- (a) *Lino A. Saputo, Jr.*, non-executive director and Chairman of Warrnambool. Mr Saputo, Jr. is the current Chief Executive Officer and Vice Chairman of the Board of directors of Saputo Inc., which has a Relevant Interest in 67,847,789 shares (88.02%) of Warrnambool. In addition, Mr Saputo, Jr. has a personal interest in Jolina Capital Inc., the principal shareholder of Saputo Inc.; and
- (b) *Louis-Philippe Carrière*, non-executive director of Warrnambool. Mr Carrière is the Chief Financial Officer of Saputo Inc., which has a Relevant Interest in 67,847,789 shares (88.02%) of Warrnambool.

On 1 April 2015, Kai Bockmann, the President and Chief Operating Officer of Saputo Inc.'s Dairy Division (International) assumed the role of Warrnambool's President and Chief Operating Officer, after David Lord, Warrnambool's Chief Executive Officer, stepped down from that role.

3.3 Warrnambool Shares held by Warrnambool Board

None of the members of the Warrnambool Board or senior executive management of Warrnambool hold shares in Warrnambool, except as set out below:

- Lino A. Saputo, Jr., non-executive director and Chairman of Warrnambool and the current Chief Executive Officer and Vice Chairman of the Board of directors of Saputo Inc., which has a Relevant Interest in 67,847,789 shares in Warrnambool being 88.02% of the issued shares in Warrnambool;
- Louis-Philippe Carrière, non-executive director of Warrnambool and the Chief Financial Officer of Saputo Inc., which has a Relevant Interest in 67,847,789 shares in Warrnambool being 88.02% of the issued shares in Warrnambool;
- Paul Moloney, the Vice President, Finance and Administration, Chief Financial Officer and Company Secretary holds 10 Warrnambool Shares.

3.4 Independent Board Committee

For the purposes of this Offer, Warrnambool has formed an independent board committee which comprises the Warrnambool Directors who are not related to Saputo (the

Independent Warrnambool Directors), with full power to deal with all aspects of Saputo's takeover bid.

4. Saputo's intentions

4.1 Overview

This section 4 sets out the intentions of Saputo and Saputo Inc. in relation to the following:

- 4.1.1 the continuation of the business of Warrnambool;
- 4.1.2 any major changes to be made to the business of Warrnambool, including any redeployment of the fixed assets of Warrnambool;
- 4.1.3 the future employment of the present employees of Warrnambool;
- 4.1.4 compulsory acquisition of Warrnambool Shares;
- 4.1.5 Delisting and privatization of Warrnambool;
- 4.1.6 the board of directors and constitution of Warrnambool; and
- 4.1.7 Warrnambool's dividend policy,

on the basis of the facts and information concerning Warrnambool which were available to Saputo as at the time of the preparation of this Bidder's Statement.

Final decisions about Saputo's future intentions in relation to Warrnambool will only be made by Saputo following the close of the Offer and in light of the applicable circumstances. Accordingly, statements set out in this section are statements of current intention only, which may change as new information becomes available or circumstances change. The statements in this section should be read in this context.

Saputo is a wholly owned Subsidiary of Saputo Inc. and, accordingly, the intentions and beliefs of Saputo in the Bidder's Statement reflect the intentions and beliefs of Saputo Inc..

Saputo already holds a Relevant Interest in Warrnambool of 88.02% and has control of Warrnambool, accordingly the statements of intention are Saputo's current statements of intention and apply irrespective of the outcome of the Offer. To be clear, this includes where Saputo's Relevant Interest in Warrnambool Shares after the Offer Period ends is less than 90%, however Saputo's ability to implement any of these intentions in that scenario will be subject to the limitations identified in section 4.9.

4.2 Rationale for the Offer

As at the date of this Bidder's Statement Saputo owns 67,847,789 Warrnambool Shares (being 88.02% of the issued shares in Warrnambool).

The reason that Saputo is making the Offer is to offer minority Warrnambool shareholders an opportunity to liquidate their investment in Warrnambool.

There is virtually no public market for trading Warrnambool Shares. To the best of the knowledge of the directors of Saputo, the Offer is the only offer for all of your Warrnambool Shares. There is no guarantee that a further offer will be made for your Warrnambool Shares at any time in the future and accordingly, Saputo believes that the Offer is a good exit strategy for Warrnambool Shareholders.

4.3 Intentions regarding Warrnambool's operations

Upon gaining Control of Warrnambool in February 2014, Saputo conducted a full review of Warrnambool's operations, assets and structure and has implemented a series of changes to the business of Warrnambool.

Saputo is supportive of WCB's intentions to continue to improve its efficiencies, while remaining committed to producing quality products, innovation and growth, and aiming to maximise its operational flexibility to mitigate fluctuations in market conditions. Saputo:

- (a) proposes to continue to operate the business of Warrnambool and re-invest the cash generated by the business into the development of Warrnambool;
- (b) has no plans to redeploy any material fixed assets of Warrnambool at this stage; and
- (c) has no plans to make any changes to the employment of the current Warrnambool employees at this stage.

4.4 Intentions regarding compulsory acquisition of Warrnambool Shares

If it becomes entitled to do so, Saputo intends to proceed with the compulsory acquisition of any Warrnambool Shares not acquired under the Offer, in accordance with section 661A of the Corporations Act. This right will arise if by the end of the Offer Period, Saputo has acquired a Relevant Interest in at least 90% of the Warrnambool Shares on issue and has acquired at least 75% of the Warrnambool Shares the subject of the Offer. More details on compulsory acquisition in accordance with section 661A of the Corporations Act are set out in section 8.7.1 of Part B of this Bidder's Statement.

If Saputo does not become entitled to compulsorily acquire Warrnambool Shares under section 661A of the Corporations Act, it may nevertheless become entitled to exercise the general compulsory acquisition power under Part 6A.2 of the Corporations Act if it later becomes a 90% holder as defined in that part. Saputo currently intends to exercise that power in respect of Warrnambool Shares if it becomes entitled to do so. More details on compulsory acquisition in accordance with Part 6A.2 of the Corporations Act are set out in section 8.7.3 of Part B of this Bidder's Statement.

4.5 Intentions regarding Delisting

Acquisition of 100% of Warrnambool Shares would remove the compliance obligations and costs associated with Warrnambool being listed on ASX.

It is Saputo's expectation that if it proceeded with compulsory acquisition of Warrnambool Shares ASX would suspend trading of Warrnambool Shares and then would Delist Warrnambool in a manner consistent with ASX Listing Rules and guidance on Delisting. If Warrnambool is no longer listed on ASX, Warrnambool will not be bound by the ASX Listing Rules.

If Saputo was not able to immediately proceed with compulsory acquisition of Warrnambool Shares after the Offer Period ends, Saputo intends to cause Warrnambool to apply to Delist in accordance with the ASX guidance. Under the ASX Listing Rules and guidance notes, following a successful takeover bid, where Saputo controls at least 75% of the Warrnambool Shares and there are fewer than 150 Warrnambool Shareholders (excluding Saputo and its Related Bodies Corporate) which hold Warrnambool Shares with a value of at least \$500, then subject to the requirements of ASX Guidance Note 33, ASX would not usually require Warrnambool to seek approval of the Warrnambool Shareholders to Delist. The requirements of ASX Guidance Note 33 are summarised in section 8.7.4 of Part B of this Bidder's Statement.

In addition, even if the conditions in ASX Guidance Note 33 for Delisting following a takeover bid are not satisfied, Warrnambool could seek to Delist. Any proposal by Warrnambool to Delist will require ASX consent and may be subject to conditions imposed by ASX, which may include seeking shareholder approval.

Saputo is supportive of any steps the Warrnambool Board might take to seek ASX approval to Delist.

If neither of the above alternatives is available to Saputo after the end of the Offer Period, Saputo expects that Warrnambool Shares would remain listed on ASX for the time being. However, the continued listing of Warrnambool on the ASX is subject to Warrnambool satisfying the ongoing requirements under the ASX Listing Rules (including there being the required spread of shareholders). ASX may Delist Warrnambool if it does not meet these requirements.

4.6 Intentions regarding privatisation of Warrnambool

If during or after the Offer Period Warrnambool has fewer than 50 Warrnambool Shareholders, Saputo intends to take steps to cause Warrnambool to convert from a public company to a proprietary company if it is able to do so in accordance with the requirements of the Corporations Act.

4.7 Intentions regarding the Warrnambool Board and constitution

Upon successful acquisition of all Warrnambool Shares, Saputo intends to amend the constitution of Warrnambool to reflect its status as a wholly owned subsidiary of Saputo.

Upon successful Delisting of Warrnambool, Saputo intends to remove the provisions relevant only to being listed on ASX. If Warrnambool is no longer listed on ASX, Warrnambool will not be bound by the ASX Listing Rules.

Consideration will also be given to simplify the board composition and structure, such as removing the board sub-committees, including the audit and risk committee and a nominations and remuneration committee. In the same way, this change would streamline the decision-making and approval processes at Warrnambool.

If Warrnambool remains listed on ASX after the conclusion of the Offer, Saputo will have regard to the ASX Listing Rules and the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council in determining the composition of the Warrnambool Board. At this stage, Saputo has no plans to make any

changes to the Warrnambool Board or the Warrnambool constitution if Warrnambool remains listed on ASX after the conclusion of the Offer.

If Warrnambool is privatised following Delisting, the constitution will be amended to reflect Warrnambool becoming a private company.

4.8 Intentions regarding Warrnambool's dividend policy

The Warrnambool Board has not declared a final dividend for the financial year ended on 31 March 2016 or an interim dividend for the half financial year ended on 30 September 2016 and the Warrnambool Board has stated in the announcement to the market accompanying the release of the Warrnambool Half-Year Financial Report on 3 November 2016, that it does not intend to declare any dividends *"as the Directors have decided to retain cash for investment into the business for growth, investment and development"*.

Saputo supports Warrnambool's current dividend policy and focus on investing in strategic capital investment initiatives such as expanding manufacturing capacity.

4.9 Limitation on intentions

The implementation of Saputo's intentions in the event of Saputo controlling less than 100% of Warrnambool, will be subject to the Corporations Act and ASX Listing Rules, Warrnambool's constitution and the obligations of Warrnambool's directors to act in the best interests of Warrnambool and all Warrnambool Shareholders.

In particular, if Saputo does not obtain a Relevant Interest in at least 90% of the Warrnambool Shares and therefore cannot compulsorily acquire the balance of Warrnambool Shares, the related party provisions of the Corporations Act (and the ASX Listing Rules) will apply.

Saputo will only make a decision on its courses of action in these circumstances after it receives appropriate legal and financial advice on such matters, where required, including in relation to any requirements for Warrnambool Shareholder approval.

5. Provision of cash consideration

5.1 Cash consideration

The Consideration for the acquisition of your Warrnambool Shares under the Offer is to be satisfied wholly by payment in cash. The Consideration will be paid at the time specified in section 7.13.1 below.

5.2 Amount payable

Based on the number of Warrnambool Shares on issue as at the date of this Bidder's Statement, and assuming that no Warrnambool Shares are issued prior to the end of the Offer Period, the maximum number of Warrnambool Shares which could be acquired by Saputo under the Offer is 9,231,835 Warrnambool Shares (being all Warrnambool Shares currently on issue other than the Warrnambool Shares in which Saputo already has a Relevant Interest). The maximum amount payable by Saputo to Warrnambool

Shareholders under the Offer upon acquisition of those Warrnambool Shares, is approximately \$81,701,739.75 (not including any transaction costs).

5.3 Source of funds

Saputo will fund the acquisition from cash on hand and credit facilities available to it through Saputo Inc..

Bid Funding Agreement

Saputo has entered into a Bid Funding Agreement. Under the terms of the Bid Funding Agreement, Saputo Inc. has undertaken to:

- lend to Saputo any amount required to satisfy its obligations to pay Accepting Shareholders under the terms of the Offer;
- cover the consideration payable if the Offer becomes unconditional and/or closes successfully; and
- meet all transaction and other costs associated with the Offer.

The loan from Saputo Inc. is a simple, unconditional and unsecured interest free loan with a repayment date being the earlier of receiving at least 60 days prior written notice from Saputo Inc. and 6 years from the date of when any amount is first advanced (unless that date is extended by agreement).

Line-of-credit

On 1 August 2012, Saputo Inc. entered into a syndicated revolving line-of-credit co-lead by National Bank of Canada and Bank of Montreal in the amount of USD500 million (AUD665 million). The revolving line-of-credit is due in full on 31 December 2021 and is unsecured. As at 30 January 2017, no amounts had been drawn from this credit facility.

The line of credit documents contains events of default, subject to applicable grace periods, that are customary for facilities of this nature, including:

- non-payment of principal, interest or other amounts;
- breaches of covenants;
- cross-default and cross-acceleration under certain other indebtedness;
- material monetary judgments against Saputo Inc..

Saputo Inc. has no reason to believe that any of the events of default will occur such that a drawdown will not be able to be made.

With CAD232 billion in assets as at 31 October 2016, National Bank of Canada together with its subsidiaries, forms one of Canada's leading integrated financial groups, and has been named among the 20 strongest banks in the world by Bloomberg Markets. The Bank has close to 22,000 employees and is widely recognized as a top employer. Its securities are listed on the Toronto Stock Exchange.

Established in 1817 as Bank of Montreal, BMO Financial Group, with its shares listed on both Toronto Stock Exchange and the New York Stock Exchange, is a highly diversified financial services organization. With total assets of CAD688 billion as of 31 October 2016, and more than 45,000 employees, BMO provides a broad range of retail banking, wealth management and investment banking products and solutions.

Exchange rate movements

The funds available to Saputo Inc. under the line of credit which may be advanced to Saputo are denominated in USD. At the indicative exchange rate of USD1.00 = AUD1.33, the funds available are significantly in excess of the amount required to complete the Offer. This would remain the case even if there were significant adverse movements in the USD/AUD exchange rate during the Offer Period.

In aggregate, the funds available under the credit facility are more than sufficient to fund the maximum consideration payable by Saputo pursuant to the Offer and all associated transaction costs.

6. Taxation Information

The following is a general summary of the potential Australian capital gains tax (CGT), goods and services tax (GST) and stamp duty consequences arising to Warrnambool Shareholders from accepting the Offer. The summary does not take into account the specific circumstances of any particular Warrnambool Shareholder. It does not constitute tax advice and should not be relied upon as such.

The comments below only apply to Warrnambool Shareholders who are Australian residents for income tax purposes and are individuals, complying superannuation entities or companies that hold their Warrnambool Shares on capital account.

The tax treatment for Warrnambool Shareholders who hold their Warrnambool Shares on revenue account (such as banks and other trading entities) or carry on a business of trading in shares has not been addressed. In addition, these comments do not take into account the circumstances of Warrnambool Shareholders who acquired their Warrnambool Shares in respect of their, or an associate's, employment with Warrnambool or an associated company of Warrnambool or Warrnambool Shareholders who are subject to the taxation of financial arrangement rules.

Warrnambool Shareholders should consider the taxation impact of prior restructures of the company on their Warrnambool Shares, including:

- the scheme of arrangement in March 1996, when Warrnambool Cheese and Butter Factory Company Limited became a wholly owned Subsidiary of the Warrnambool Cheese and Butter Factory Company Holdings Limited and whether scrip-for-scrip rollover relief was sought at the time. In this scheme of arrangement, Warrnambool Cheese and Butter Factory Company Limited shareholders were issued shares in Warrnambool in consideration for their shares in Warrnambool Cheese and Butter Factory Company Limited;

- a further scheme of arrangement, effective in 2000, which involved capital raising and a change from being a public company limited by shares and guarantee to a public company limited only by shares; and
- Warrnambool shares being listed on the ASX on 27 May 2004.

All Warrnambool Shareholders should seek independent professional advice on the consequences of their disposal of Warrnambool Shares, based on their particular circumstances. This information is not intended to be taxation advice to any particular Warrnambool Shareholder.

The following summary is based upon the Australian tax laws in effect at the date of this Bidder's Statement. This summary is not intended to be an authoritative or complete statement of the applicable law.

6.1 Taxation on disposal of Warrnambool Shares

The sale of Warrnambool Shares pursuant to the Offer should constitute a disposal of Warrnambool Shares and result in a CGT event for Australian capital gains tax purposes. If, for any reason the Offer does not proceed, no disposal should occur.

For Warrnambool Shares acquired before 20 September 1985, no capital gain should arise on the disposal of those shares pursuant to the Offer.

A Warrnambool Shareholder, who is an Australian tax resident and holds Warrnambool Shares acquired on or after 20 September 1985, may make a capital gain or a capital loss from the disposal of those shares pursuant to the Offer. These amounts will be relevant in determining whether a Warrnambool Shareholder is required to include a net capital gain in their assessable income for the year.

Generally, in any given income year, capital gains and capital losses are firstly aggregated to determine whether there is a net capital gain, which is calculated after taking into account any discount capital gains or other concessions that may be available in respect of the capital gains. Any remaining net capital gain is included in the taxpayer's assessable income. Where a net capital loss arises, it may not be deducted against assessable income for income tax purposes, but rather, may be carried forward to be offset against future capital gains, subject to satisfaction of any applicable loss recoupment rules.

6.1.1 Capital Gain

If the capital proceeds received by a Warrnambool Shareholder from the disposal of Warrnambool Shares exceeds the tax cost base (or if applicable, the indexed tax cost base) of those Warrnambool Shares, a capital gain should arise.

The capital proceeds of the CGT event should generally be the consideration received by the Warrnambool Shareholder for the sale of their Warrnambool Shares under the Offer.

Warrnambool Shareholders' tax cost base in their Warrnambool Shares should generally include the cost of acquisition of the shares plus any incidental costs on acquisition (such as brokerage and stamp duty), subject to any relevant

adjustments (for example, as a result of any transactions in respect of the shares such as capital reductions).

If the Warrnambool Shares were acquired at or before 11:45am on 21 September 1999, Warrnambool Shareholders who are individuals or complying superannuation entities may elect to adjust the cost base of the Warrnambool Shares to include indexation for inflation (by reference to changes in the Consumer Price Index from the calendar quarter in which those shares were acquired) until the quarter ended 30 September 1999.

Warrnambool Shareholders who are individuals or complying superannuation entities and who do not or cannot elect to adjust their cost base for indexation (as outlined above) may be able to discount the amount of any capital gain in respect of the disposal of Warrnambool Shares if they acquired their Warrnambool Shares at least 12 months before the date of disposal (referred to as the CGT Discount). The CGT Discount is applied only after any available capital losses have been applied to reduce the capital gain. For individuals, the CGT discount rate is 50% and for complying superannuation entities the discount rate is 33⅓%. Certain small business concessions may also be available to qualifying shareholders.

Warrnambool Shareholders which are companies are not eligible for the CGT Discount.

6.1.2 Capital Loss

If the capital proceeds received by a Warrnambool Shareholder are less than the reduced tax cost base of Warrnambool Shares, a capital loss should arise. Generally, the reduced tax cost base of Warrnambool Shares is the tax cost base of Warrnambool Shares (discussed above) subject to certain adjustments. The reduced tax cost base cannot be indexed and the CGT Discount does not apply to capital losses.

As above, where a net capital loss arises, it may not be deducted against assessable income for income tax purposes, but rather, may be carried forward to be offset against future capital gains, subject to satisfaction of any applicable loss recoupment rules.

6.2 Stamp duty

The Warrnambool Shareholders should not be liable to pay any stamp duty as a consequence of accepting the Offer and the disposal of their Warrnambool Shares.

6.3 Goods and services tax

The GST implications of the sale by Warrnambool Shareholders of their Warrnambool Shares should depend on whether they are registered, or required to be registered for GST.

For Warrnambool Shareholders who are registered, or required to be registered for GST, no GST should apply to the sale of their Warrnambool Shares as it should be an input taxed financial supply. However, depending on their particular circumstances, there may not be an entitlement to claim input tax credits in relation to GST paid on fees associated with

partaking in the Offer (such as fees for advisory services provided to those Warrnambool Shareholders).

For Warrnambool Shareholders who are not registered, or required to be registered for GST, there should be no GST implications as the disposal of their Warrnambool Shares should be outside the scope of GST. As they are not registered for GST, there should be no entitlement to claim input tax credits in relation to GST paid on fees associated with partaking in the Offer.

7. Terms of the Offer

7.1 Identity of Saputo

Saputo is making the Offer to each Warrnambool Shareholder. Saputo is wholly owned by Saputo Inc.. Saputo Inc. is a Canadian-based public company, listed on the Toronto Stock Exchange under the symbol "SAP".

Saputo is a proprietary limited Australian company incorporated in Victoria. As at the date of this Bidder's Statement Saputo has a Relevant Interest in 67,847,789 Warrnambool Shares, representing 88.02% of the total Warrnambool Shares and Saputo holds 88.02% of Voting Power in Warrnambool.

7.2 Date of the Offer

The Offer is dated [##] February 2017.

7.3 Offer

- 7.3.1 Saputo offers to acquire from you on the terms of the Offer all of your Warrnambool Shares on the terms and conditions set out in section 7 of Part B of this Bidder's Statement.
- 7.3.2 You may only accept the Offer in respect of all of your Warrnambool Shares.
- 7.3.3 It is a term of the Offer that:
- (a) Saputo will be entitled to, and you agree to transfer to Saputo, all Rights attaching to or arising from your Warrnambool Shares acquired by Saputo pursuant to the Offer; and
 - (b) the Offer will not vary as a result of the declaration, payment or existence or accrual of any Rights.
- 7.3.4 An Offer in this form is being made to each Warrnambool Shareholder registered in the Warrnambool Shareholder register as at 7.00pm Melbourne time on 1 February 2017. It also extends to any person who becomes registered as a holder of your Warrnambool Shares during the Offer Period.
- 7.3.5 If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of Warrnambool Shares to which the Offer relates:

- (a) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those Warrnambool Shares;
- (b) a corresponding offer on the same terms and conditions of the Offer will be deemed to have been made to you in respect of any other Warrnambool Shares you hold to which the Offer relates; and
- (c) the Offer will be deemed to have been withdrawn immediately at that time in relation to Warrnambool Shares you have ceased to hold.

7.3.6 If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Warrnambool Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct Offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance and Transfer Form, please call Computershare Investor Services Pty Limited on 1300 783 664 (within Australia) or +61 3 9415 4250 (outside Australia).

7.3.7 If your Warrnambool Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.

7.4 Consideration

The Consideration Saputo offers you, as a Warrnambool Shareholder, is a cash payment of \$8.85 for each of your Warrnambool Shares.

7.5 Benefit of improved Consideration

If Saputo improves the Consideration offered, the Corporations Act contains provisions to ensure that any Warrnambool Shareholder who has already accepted the Offer receives the benefit of the improved consideration.

7.6 Offer Period

7.6.1 The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of the Offer being [##] February 2017, and ending at 5.00pm (Melbourne time) on:

- (a) [##] March 2017; or
- (b) any date to which the period of the Offer is extended in accordance with the Corporations Act,

whichever is the later.

- 7.6.2 Saputo reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- 7.6.3 If within the last 7 days of the Offer Period the Offer is varied to improve the consideration offered, then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

7.7 Condition of the Offer

Subject to section 7.9 of Part B, the Offer and any contract arising from acceptance of the Offer is subject to fulfilment of the following Condition:

(Minimum Acceptance Condition) During, or by the end of, the Offer Period, Saputo has a Relevant Interest in at least 90% (by number) of Warrnambool Shares.

7.8 The nature and benefit of the Condition

The Condition described in section 7.7 of Part B is a condition subsequent. The non-fulfilment of a condition subsequent does not, until the end of the Offer Period prevent a contract to sell your Warrnambool Shares resulting from your acceptance of the Offer, from arising, but entitles Saputo, by written notice to you, to rescind the contract resulting from your acceptance of the Offer. If this occurs, Saputo will destroy those documents and notify the ASX of this.

Subject to the Corporations Act, Saputo alone is entitled to the benefit of the Condition in section 7.7 of Part B, or to rely on any non-fulfilment of it.

7.9 Freeing the Offer from the Condition

Subject to section 650F of the Corporations Act, Saputo may, at any time and at its sole discretion, determine that the Offer is to be freed from the Condition.

Saputo reserves all of its rights to consider whether or not to free the Offer from the Condition and will consider its decision in that regard if required at the relevant time, in light of all of the circumstances at that time. Saputo may declare the Offer free from the Condition in section 7.7 of Part B, either generally or by reference to a specific fact, matter, event, occurrence or circumstance (or class thereof), by giving notice in writing to Warrnambool. This notice must be given not less than 7 days before the end of the Offer Period.

Whilst Saputo reserves all of its rights to free the Offer from the Condition, if the threshold number of remaining Warrnambool Shareholders for Delisting and/or privatisation of Warrnambool is met during the Offer Period, Saputo's current intention is to free the Offer from the Condition.

If at the end of the Offer Period, the Condition in section 7.7 of Part B has not been fulfilled and Saputo has not declared the Offer (or it has not become) free from the Condition, all contracts resulting from the acceptance of the Offer will be automatically void.

7.10 Notice on the status of the Condition

The date for giving the notice on the status of the Condition required by section 630(3) of the Corporations Act is [##] 2017, subject to variation in accordance with section 630(2) of the Corporations Act if the period during which the Offer remains open for acceptance is extended.

7.11 Withdrawal of the Offer

Saputo may withdraw the Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

If, at the time the Offer is withdrawn, the Condition in section 7.7 of Part B has been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.

If, at the time the Offer is withdrawn, the Offer remains subject to the Condition in section 7.7 of Part B, all contracts arising from its acceptance will become void (whether or not the events referred to in the Condition have occurred).

7.12 Variation of the Offer

Saputo may vary the Offer in accordance with the Corporations Act.

7.13 Provision of Consideration

7.13.1 When Consideration is paid

Subject to this section 7.13 and the Corporations Act, if you accept the Offer, and the Condition of the Offer and of the contract resulting from acceptance of the Offer are satisfied or the Offer freed from that Condition, then Saputo will pay the Consideration for your Warrnambool Shares under acceptance of the Offer on or before the earlier of:

- (a) 5 Business Days after the date the Offer is validly accepted by you, or if the Offer is subject to a defeating Condition when accepted, within 5 Business Days after the contract resulting from your acceptance of the Offer becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

7.13.2 Where additional documents are required

Where the Acceptance and Transfer Form requires additional documents to be given to Saputo with your acceptance of the Offer to enable Saputo to become the holder of your Warrnambool Shares (such as a power of attorney):

- (a) if the documents are given with your acceptance, Saputo will pay the Consideration in accordance with section 7.13.1 above;
- (b) if the documents are given after acceptance and before the end of the Offer Period and the Offer is subject to a defeating Condition at the time that

Saputo is given the documents, Saputo will provide the Consideration by the end of whichever period ends earlier:

- (i) within 5 Business Days after the contract resulting from your acceptance of the Offer becomes unconditional; or
 - (ii) 21 days after the end of the Offer Period; or
- (c) if the documents are given after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that Saputo is given the documents, Saputo will provide the Consideration by the end of whichever period ends earlier:
- (i) 5 Business Days after Saputo is given the documents; and
 - (ii) 21 days after the end of the Offer Period; or
- (d) if the documents are given after the end of the Offer Period, and the Offer is unconditional at that time, Saputo will provide the Consideration within 5 Business Days after the documents are given.

If you do not provide Saputo with the required additional documents within one month after the end of the Offer Period, Saputo may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

7.13.3 No interest

Under no circumstances will interest be paid on the consideration payable under the Offer, regardless of any delay in paying the consideration or any extension of the Offer.

7.13.4 Delivery of Consideration

Payment will be by cheque in Australian currency. The cheque will be sent at your risk to you at your address shown in the copy of the register of the Warrnambool Shareholders Saputo last received from Warrnambool by prepaid ordinary mail or, in the case of addresses outside Australia, by prepaid airmail.

7.13.5 Return of Documents

If the Offer does not become unconditional or any contract arising from the Offer is rescinded by Saputo on the ground of a breach of a condition of that contract, Saputo will destroy those documents and notify the ASX of this.

7.13.6 Where Saputo is entitled to any Rights

Where Saputo becomes entitled to any Rights on acceptance of the Offer, you must give Saputo all documents that Saputo needs to give Saputo title to those Rights, except where Saputo has waived its entitlement to a Right. If you do not give those documents to Saputo, or if you have received the benefit of those Rights before Saputo provides the Consideration to you, Saputo will deduct from the consideration otherwise due to you under the Offer the amount (or value, as

reasonably assessed by Saputo) of those Rights for the avoidance of doubt, excluding the value of franking credits attached to any dividend, if any.

If Saputo does not, or cannot, make such a deduction, you must pay that amount to Saputo.

7.14 Who may accept

7.14.1 During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Warrnambool Shares may accept (if they have not already accepted an offer in the form of the Offer) as if an offer on terms identical with the Offer has been made to them; and
- (b) any person who holds one or more parcels of Warrnambool Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - (i) each of those distinct parcels; and
 - (ii) any distinct parcel they hold in their own right.

7.14.2 Registered holders

A person is taken to hold Warrnambool Shares if the person is registered as the holder of those Warrnambool Shares.

7.14.3 Trustees and nominees

A person is taken to hold Warrnambool Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are registered as the holder of particular Warrnambool Shares; and
- (b) hold their interest in Warrnambool Shares on trust for, as nominee for, or on account of, that other person.

7.14.4 Required notice

In the case of a person who may accept under section 7.14.3 as if a separate offer, on the same terms and conditions as the Offer, has been made to that person for a parcel of Warrnambool Shares within a holding, an acceptance of that offer is ineffective unless:

- (a) the person gives the holder a notice stating that Warrnambool Shares consist of a separate and distinct parcel; and
- (b) the acceptance specifies the number of Warrnambool Shares in the distinct parcel.

7.14.5 **How to provide notice**

A notice under section 7.14.4 must be made:

- (a) if it relates to Warrnambool Shares in a CHESS Holding, in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; or
- (b) otherwise, in writing.

7.14.6 **Two or more parcels**

A person may, at the one time, accept for two or more parcels under this section 7.14.6 as if there had been a single offer for a separate parcel consisting of those parcels.

7.15 **How to accept the Offer**

7.15.1 **All of your Warrnambool Shares**

The Offer is for all of your Warrnambool Shares. You may accept the Offer at any time during the Offer Period only in respect of all of your Warrnambool Shares. You may not accept the Offer for part of your holding.

7.15.2 **Acceptance procedure for Warrnambool Shareholders**

To validly accept the Offer:

- (a) For Warrnambool Shares held in your name on Warrnambool's issuer sponsored subregister (as indicated on the Acceptance and Transfer Form), you must:
 - (i) complete and sign the Acceptance and Transfer Form in accordance with the terms of the Offer and the instructions on the Acceptance and Transfer Form; and
 - (ii) ensure that the Acceptance and Transfer Form (including any documents required by the terms of the Offer and the instructions on the Acceptance and Transfer Form) is sent so that it is received before the end of the Offer Period, to the address specified on the Acceptance and Transfer Form; or
- (b) for Warrnambool Shares held in your name in a CHESS Holding (as indicated on the Acceptance and Transfer Form):
 - (i) if you are not a Participant, you should instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or

- (ii) if you are a Participant, you should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

Alternatively, you may sign and complete the Acceptance and Transfer Form in accordance with the terms of the Offer and the instructions on the Acceptance and Transfer Form and ensure that it (including any documents required by the terms of the Offer and the instructions on the Acceptance and Transfer Form) is sent so that it is received before the end of the Offer Period, to the address specified on the Acceptance and Transfer Form.

If your Warrnambool Shares are held in your name in a CHESS Holding (as indicated on the Acceptance and Transfer Form), you must comply with any other applicable ASX Settlement Operating Rules.

7.15.3 Warrnambool Shares of which you are entitled to be registered as a holder

To accept this Offer for Warrnambool Shares which are not held in your name, but of which you are entitled to be registered as a holder, you must:

- (a) complete and sign the Acceptance and Transfer Form in accordance with the terms of this Offer and the instructions on the Acceptance and Transfer Form; and
- (b) ensure that the Acceptance and Transfer Form (including any documents required by the terms of this Offer and the instructions on the Acceptance and Transfer Form) is received before the end of the Offer Period, at the address shown on the Acceptance and Transfer Form.

7.15.4 Mailing and delivery details

The mailing and delivery address for completed Acceptance and Transfer Forms and any associated documents are as follows:

Mail the enclosed reply paid envelope to:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne VIC 3001

A reply paid envelope has been enclosed for Warrnambool Shareholders with Australian addresses to return their completed Acceptance and Transfer Form. Overseas Warrnambool Shareholders should return their Acceptance and Transfer Form by airmail or if the Warrnambool Shares are in a CHESS Holding, make contact with their Controlling Participant about their form of instructions that are required.

The method chosen to deliver the Acceptance and Transfer Form and other documents is at the risk of each accepting Warrnambool Shareholder.

7.15.5 Acceptance and Transfer Form and instructions on it

The Acceptance and Transfer Form which accompanies the Offer forms part of the Offer. The requirements on the Acceptance and Transfer Form must be observed in accepting the Offer in respect of your Warrnambool Shares.

If your Acceptance and Transfer Form (including any documents required by the terms of this Offer and the instructions on the Acceptance and Transfer Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Saputo at the address shown on the Acceptance and Transfer Form before the end of the Offer Period.

When using the Acceptance and Transfer Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance and Transfer Form (and any documents required by the terms of this Offer and the instruction on the Acceptance and Transfer Form) are received by Saputo in time for Saputo to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

The postage and transmission of the Acceptance and Transfer Form and other documents is at your own risk.

7.15.6 Validity of acceptances

Subject to this section 7.15.6 of Part B of this Bidder's Statement, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in sections 7.15.1 to section 7.15.5.

Saputo will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Saputo is not required to communicate with you prior to making this determination. The determination of Saputo will be final and binding on all parties.

Notwithstanding this section 7.15.6, section 7.15.2(a) section 7.15.2(b), section 7.15.3 and section 7.15.5, Saputo may, in its sole discretion, at any time and without further communication to you, deem any Acceptance and Transfer Form it receives to be a valid acceptance in respect of your Warrnambool Shares, even if a requirement for acceptance has not been complied with, but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Saputo.

Where you have satisfied the requirements for acceptance in respect of only some of your Warrnambool shares, Saputo may, in its sole discretion, regard the Offer to be accepted in respect of those of your Warrnambool Shares but not the remainder.

Saputo will provide the consideration to you in accordance with section 7.13, in respect of any part of an acceptance determined by Saputo to be valid.

7.15.7 **Power of attorney, deceased estate**

When accepting the Offer you must also forward for inspection:

- (a) if the Acceptance and Transfer Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance and Transfer Form is executed by the executor of a will or the administrator of the estate of a deceased Warrnambool Shareholder, the relevant grant of probate or letters of administration.

7.15.8 **When acceptance is complete**

Acceptance of the Offer is complete once the completed Acceptance and Transfer Form (together with all other documents required by the instructions on it) has been received at the address in section 7.15.4 above and the requirements of this section 7.15 have been met, provided that:

- (a) Saputo may in its sole discretion waive any or all of those requirements at any time; and
- (b) where such requirements have been complied with in respect of some but not all of your Warrnambool Shares, Saputo may, in its sole discretion, deem your acceptance of the Offer complete in respect those Warrnambool Shares for which such requirement has been complied with,

and Saputo is not required to communicate with you prior to making its determination as to the above matters and the determination of Saputo will be final and binding on all of the parties.

7.16 **The effect of acceptance**

7.16.1 **Effect of Acceptance and Transfer Form**

By signing and returning the Acceptance and Transfer Form in accordance with section 7.15:

- (a) you authorise Saputo and each of its officers and agents to correct any errors in, or omissions from, the Acceptance and Transfer Form necessary to:
 - (i) make it an effective acceptance of the Offer in relation to your Warrnambool Shares which are not in a CHES Holding; and
 - (ii) enable the transfer of your Warrnambool Shares to Saputo; and
- (b) if any of your Warrnambool Shares are in a CHES Holding, you authorise Saputo and each of its officers and agents to:
 - (i) instruct your Controlling Participant to give effect to your acceptance of the Offer for those Warrnambool Shares under Rule 14.14 of the ASX Settlement Operating Rules; and

- (ii) give to your Controlling Participant on your behalf any other instructions in relation to those Warrnambool Shares which are contemplated by the sponsorship agreement between you and your Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer.

Once you have accepted this Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw your Warrnambool Shares from the Offer or otherwise dispose of your Warrnambool Shares, except as follows:

- (a) if by the end of the Offer Period, the Condition in section 7.7 of Part B has not been fulfilled or freed, this Offer will automatically terminate and your Warrnambool Shares will be returned to you;
- (b) if the Offer Period is varied in any way that postpones for more than one month the time when Saputo has not met its obligations under the Offer and, at the time, this Offer is subject to the Condition in section 7.7 of Part B, you may be able to withdraw your acceptance and your Warrnambool Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in that regard.

7.16.2 **Your agreement**

By signing and returning the Acceptance and Transfer Form or otherwise accepting the Offer in accordance with section 7.15, without the need for any further action:

- (a) you irrevocably accept the Offer (and any variation of it) in respect of, and subject to the Condition being fulfilled or freed, and agree to transfer to Saputo, your Warrnambool Shares (even if the number of Warrnambool Shares specified on the Acceptance and Transfer Form differs from the number of your Warrnambool Shares subject to clause 7.3.5 and 7.3.6);
- (b) you represent and warrant to Saputo as a fundamental condition going to the root of the contract resulting from your acceptance that at the time of acceptance, and the time the transfer of your Warrnambool Shares (including any Rights) to Saputo is registered, that you have paid to Warrnambool all amounts which at the time of acceptance have fallen due for payment to Warrnambool in respect of your Warrnambool Shares and Saputo will acquire good title to and beneficial ownership of all of your Warrnambool Shares free from Encumbrances;
- (c) you represent and warrant to Saputo that you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership in your Warrnambool Shares to Saputo;
- (d) you irrevocably authorise Saputo (and any director, secretary or nominee of Saputo) to alter the Acceptance and Transfer Form on your behalf by inserting correct details of your Warrnambool Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be

considered necessary by Saputo to make it an effective acceptance of this Offer or to enable registration of your Warrnambool Shares in the name of Saputo;

- (e) you irrevocably authorise Saputo to notify Warrnambool on your behalf that your place of address for the purpose of serving notices upon you in respect of your Warrnambool Shares is the address specified by Saputo in the notification;
- (f) if you signed the Acceptance and Transfer Form in respect of Warrnambool Shares which are held in a CHESS Holding, you irrevocably authorise Saputo (or any director, secretary or agent of Saputo) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of your Warrnambool Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (g) if you signed the Acceptance and Transfer Form in respect of Warrnambool Shares which are held in a CHESS Holding, you irrevocably authorise Saputo (or any director, secretary or agent of Saputo) to give any other instructions in relation to your Warrnambool Shares to your Controlling Participant, as determined by acting in its own interests as a beneficial owner and intended registered holder of those Warrnambool Shares;
- (h) you transfer, or consent to the transfer in accordance with the ASX Settlement Operating Rules of, all of your Warrnambool Shares to Saputo subject to the conditions of the constitution of Warrnambool on which they were held immediately before your acceptance of the Offer (and Saputo agrees to take those Warrnambool Shares subject to those conditions) and acknowledge that your Warrnambool Shares will, at the time of transfer of them to Saputo, subject to you being in receipt of cleared funds of the Consideration payable to you under the terms of the Offer in respect of these Warrnambool Shares, vest in Saputo, free of Encumbrances and, subject to payment of any stamp duty, the name of Saputo will be entered in the register of members of Warrnambool;
- (i) you irrevocably authorise and direct Warrnambool to pay to Saputo, or to account to Saputo for, all Rights to which you are entitled (conditionally or otherwise) in respect of your Warrnambool Shares except, subject to, if this Offer is withdrawn, Saputo accounting to you for any such Rights received by Saputo;
- (j) if and when the contract resulting from your acceptance of the Offer becomes unconditional (even though Saputo has not yet provided the Consideration due to you) you irrevocably appoint Saputo and each director of, and any nominee of, Saputo, severally from time to time as your true and lawful attorney to:
 - (i) exercise all your powers and rights in relation to your Warrnambool Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person in respect of your Warrnambool Shares at all general and class meetings of

Warrnambool or appoint a proxy or proxies or a body corporate representative or body corporate representatives, to attend and vote in the manner directed by Saputo on your behalf in respect of your Warrnambool Shares at any such meeting and to request Warrnambool to register, in the name of Saputo or its nominee, your Warrnambool Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest being irrevocable);

- (ii) execute all forms, notices, documents (including a document appointing a director of Saputo as a proxy for any of your Warrnambool Shares) and resolutions relating to your Warrnambool Shares and generally to exercise all powers and rights which you have as a registered holder of your Warrnambool Shares; and
 - (iii) authorise and direct Warrnambool to pay to Saputo, or to account to Saputo for, all Rights attaching to your Warrnambool Shares subject however to any such Rights received by Saputo being accounted for by Saputo to you, in the event that the Offer is withdrawn or avoided;
- (k) you agree that in exercising the powers and rights conferred by the power of attorney granted under section 7.16.2(j) above, the attorney is entitled to act in the interests of Saputo as the beneficial owner and intended registered holder of your Warrnambool Shares;
- (l) you agree to do all such acts, matters and things that Saputo may require to give effect to the matters the subject of this section 7.16 (including the execution of a written form of proxy to the same effect as section 7.16 which complies in all respects with the requirements of the constitution of Warrnambool) if requested by Saputo;
- (m) you represent and warrant to Saputo that unless you have notified it in accordance with section 7.14.4 your Warrnambool Shares do not consist of separate parcels of securities;
- (n) if and when the contract resulting from your acceptance of the Offer becomes unconditional (even though Saputo has not yet provided the consideration due to you), you agree not to attend or vote in person at any general or class meeting of Warrnambool or to exercise or to purport to exercise, in person, by proxy or otherwise, any of the powers conferred on the directors of Saputo by section 7.16.2(j) above;
- (o) if and when the contract resulting from your acceptance of the Offer becomes unconditional (even though Saputo has not yet provided the consideration due to you), you authorise Saputo to transmit a message to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to enter those of your Warrnambool Shares, which are in CHESS Holding into Saputo's Takeover Transferee Holding;

- (p) if and when the contract resulting from your acceptance of the Offer becomes unconditional (even though Saputo has not yet provided the Consideration due to you), you authorise Saputo to enter those of your Warrnambool Shares, which are the Issuer Sponsored Holding into Saputo's name; and
- (q) you agree to indemnify Saputo and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Security Reference Number or in consequence of the transfer of your Warrnambool Shares being registered by Warrnambool without production of your Holder Identification Number or Security Reference Number.
- (r) you agree, subject to the Condition of this Offer in clause 7.7 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Saputo may consider necessary or desirable to convey your Warrnambool Shares registered in your name and Rights to Saputo.

The undertakings and authorities referred to in this section 7.16 will remain in force after you receive the Consideration for your Warrnambool Shares and after Saputo becomes registered as the holder of your Warrnambool Shares.

7.16.3 Powers of attorney

If the Acceptance and Transfer Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power.

7.16.4 Validation of otherwise ineffective acceptances

Except in relation to Warrnambool Shares in a CHESS Holding, Saputo may treat the receipt by it of a signed Acceptance and Transfer Form as a valid acceptance of the Offer even though it does not receive the other documents required by the instructions on the Acceptance and Transfer Form or there is not compliance with any one or more of the other requirements for acceptance. If Saputo does treat such an Acceptance and Transfer Form as valid, subject to section 7.13, Saputo will not be obliged to give the Consideration to you until Saputo receives all those documents and all of the requirements for acceptance referred to in section 7.15 and in the Acceptance and Transfer Form have been met.

7.17 Certain Warrnambool Shareholders

If at the time you accept the Offer you are a person to whom or to whose assets the following apply:

- 7.17.1 the *Banking (Foreign Exchange) Regulations 1959* (Cth) or any instrument issued under those regulations;
- 7.17.2 the *Autonomous Sanctions Regulations 2011* (Cth) or any instrument issued under those regulations;

- 7.17.3 the *Charter of the United Nations Act 1945* (Cth), the *Charter of United Nations (Dealings with Assets) Regulations 2008* (Cth) or any other regulations made thereunder or any instrument issued under those regulations;
- 7.17.4 Part 9 of the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth);
- 7.17.5 any other law of Australia that would make it unlawful for Saputo to provide the Consideration for your Warrnambool Shares,

you will not be entitled to receive payment under the Offer until all requisite authorities and clearances have been obtained.

7.18 Notices

- 7.18.1 Any notice, nomination, or other communication to be given by Saputo to you under the Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of Saputo by any of its directors and is delivered to or sent by post in a pre-paid envelope or by courier to your address as recorded on the last copy of the register of Warrnambool Shareholders supplied to Saputo.
- 7.18.2 Any notice, nomination, or other communication to be given by Saputo to Warrnambool may be given by leaving it or sending it by mail to Warrnambool's registered office.
- 7.18.3 You or Warrnambool may give a notice to Saputo in relation to the Offer or this Bidder's Statement by leaving it at, or sending it by mail to, Saputo's registered office which is:

C/- Cosa Pty Ltd
Suite 1A Level 2 802-808 Pacific Highway
GORDON NSW 2072

Copy to:

Peter Shaw
Director
Ash St.
Level 18, 9 Castlereagh St
SYDNEY NSW 2000

If:

- (a) the Offer is withdrawn after your Acceptance and Transfer Form has been sent to Saputo, but before it has been received; or
- (b) for any other reason Saputo does not acquire Warrnambool Shares to which your Acceptance and Transfer Form relates,

Saputo will destroy those documents and notify the ASX of this.

7.18.4 All costs and expenses of the preparation, dispatch and circulation of the Offer and all stamp duty payable in respect of a transfer of your Warrnambool Shares in respect of which the Offer is accepted, will be paid by Saputo.

7.19 Brokerage and Stamp Duty

No brokerage or stamp duty is payable by you as a consequence of accepting the Offer.

7.20 Governing Law

The Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in Victoria and the Commonwealth of Australia.

8. Additional Information

8.1 Status of the Condition

At the date of this Bidder's Statement, Saputo is not aware of any events which would result in a breach or inability to satisfy the Condition.

At the date of this Bidder's Statement, the following is the status of the Condition:

(Minimum Acceptance Condition): this Condition is not fulfilled at the date of this Bidder's Statement.

8.2 Inducing benefits given during previous 4 months

Neither Saputo, nor any of its Associates, have during the period of 4 months ending on the day immediately before the date of the Offer, given, offered or agreed to give, a benefit to another person which was likely to induce the other person, or an associate, to:

8.2.1 accept the Offer; or

8.2.2 dispose of Warrnambool Shares,

and which benefit was not offered to all Warrnambool Shareholders under the Offer.

8.3 Acquisitions and disposals of Warrnambool Shares during the previous 4 months

Saputo has acquired 30,066 Warrnambool Shares during the 4 months before the date of this Bidder's Statement at prices ranging from \$6.80 to \$7.15 per Warrnambool Share, as follows:

Date of acquisition	Number of Warrnambool Shares acquired	Price per share at which the Warrnambool Shares were acquired
9 November 2016	6,631	\$6.80
11 November 2016	244	\$6.80

15 November 2016	4,813	\$6.90
23 November 2016	5,000	\$7.15
25 November 2016	10,487	\$7.15
5 December 2016	2,291	\$7.15
9 December 2016	500	\$7.15
12 December 2016	100	\$7.15
Total:	30,066	

8.4 No escalation agreement

Neither Saputo nor any of its Associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

8.5 Current Bidder's Relevant Interest and Voting Power

As at the date of this Bidder's Statement:

- (a) Saputo has a Relevant Interest in 67,847,789 Warrnambool Shares, representing 88.02% of the total Warrnambool Shares;
- (b) Saputo holds 88.02% of Voting Power in Warrnambool.

8.6 Broker handling fee

Saputo will not pay any handling fee to brokers in respect of valid acceptances received from retail Warrnambool Shareholders.

8.7 Compulsory acquisition/Compulsory buy-out

8.7.1 Compulsory acquisition following the Offer Period

If, following the Offer Period, Saputo and its Associates have:

- (a) Relevant Interests in at least 90% (by number) of all Warrnambool Shares:
and
- (b) acquired at least 75% (by number) of the Warrnambool Shares which Saputo offered to acquire under the Offer in which Saputo and its Associates did not at the date of the Offer already have a Relevant Interest,

(the **Relevant Thresholds**),

Saputo becomes entitled to compulsorily acquire Warrnambool Shares under Part 6A.1 of the Corporations Act. The Corporations Act sets out procedures and safeguards for Warrnambool Shareholders. In order to compulsorily acquire Warrnambool Shares, Saputo must prepare and issue a notice in the form prescribed by the Corporations Act. A Warrnambool Shareholder covered by a

compulsory acquisition notice under Part 6A.1 of the Corporations Act may apply to the court for an order that their Warrnambool Shares not be compulsorily acquired in this way. The court may make an order that a Warrnambool Shareholder's Warrnambool Shares not be compulsorily acquired under Part 6A.1 of the Corporations Act if the court is satisfied that the consideration is not fair value for the Warrnambool Shares.

8.7.2 Compulsory buy-out following the Offer Period

If it is required to do so under Part 6A.1 of the Corporations Act, Saputo will give notices to Warrnambool Shareholders under Section 662B of the Corporations Act (as applicable), offering to acquire their Warrnambool Shares as required by Section 662A of the Corporations Act. Saputo must despatch the notices to the Warrnambool Shareholders within one month of the end of the Offer Period. The terms on which Saputo would be required to acquire any Warrnambool Shares are the same as under the Offer.

Warrnambool Shareholders who receive such a notice may, but are not required to, accept the offer made in that notice.

8.7.3 General compulsory acquisition

If Saputo does not compulsorily acquire any outstanding Warrnambool Shares under Part 6A.1 of the Corporations Act, or is not entitled to do so because it has not reached the Relevant Thresholds, it may nonetheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act.

If Saputo becomes entitled to compulsorily acquire Warrnambool Shares under Part 6A.2 of the Corporations Act, and elects to compulsorily acquire any outstanding Warrnambool Shares, it must despatch to each Warrnambool Shareholder a notice in the form prescribed by the Corporations Act. The notice must be provided together with an expert's report which states whether in the expert's opinion the terms proposed in Saputo's notice give a fair value for the relevant Warrnambool Shares. The expert commissioned to prepare that expert's report must be nominated by ASIC.

A Warrnambool Shareholder may object to compulsory acquisition of their Warrnambool Shares under Part 6A.2 of the Corporations Act. If Warrnambool Shareholders who hold at least 10% of the outstanding Warrnambool Shares validly object to that compulsory acquisition, Saputo will not be able to compulsorily acquire the remaining Warrnambool Shares unless it applies to the court for approval of the compulsory acquisition. Such approval may only be granted by the court where the court determines that Saputo has established that the terms set out in the compulsory acquisition notice give a fair value for the relevant Warrnambool Shares. In accordance with the Corporations Act, Saputo is required to bear the legal costs of any such Warrnambool Shareholder in relation to any application by Saputo for the court to approve the compulsory acquisition, unless the court is satisfied that the Warrnambool Shareholder acted improperly, vexatiously or otherwise unreasonably.

If Saputo becomes entitled to compulsorily acquire the Warrnambool Shares, that entitlement will expire at the end of the period of 6 months after Saputo becomes the holder of a Relevant Interest in 90% of Warrnambool Shares, unless that time period is extended in accordance with the Corporations Act or otherwise by relief of the court or ASIC.

8.7.4 **Delisting**

Warrnambool may apply to ASX to Delist. Saputo expects that a final decision as to the Delisting will be ultimately made by ASX in accordance with the published ASX guidance on this point. ASX has stated in that published guidance that it is generally acceptable for an entity to be removed from the official list of ASX if, as a result of a takeover, the entity only has a small number of remaining security holders so its continued listing can no longer be justified.

According to ASX Guidance Note 33, if following the successful closing of the Offer:

- (a) the number of Warrnambool Shareholders (excluding Saputo and its Related Bodies Corporate) with holdings with a value of at least \$500 is fewer than 150; and
- (b) Saputo does not become entitled to compulsorily acquire the Warrnambool Shares;

provided that:

- (c) Saputo foreshadowed in the Bidder's Statement that it intended to cause Warrnambool to apply for Delisting;
- (d) the takeover bid remained open for at least two weeks following Saputo and its Related Bodies Corporate having attained control of at least 75% of Warrnambool Shares (in this regard, as at the date of this Bidder's Statement, Saputo has Relevant Interest in 88.02% of Warrnambool Shares); and
- (e) Warrnambool has applied for Delisting no later than one month after the Closing Date,

then ASX would not usually require Warrnambool to seek approval of the Warrnambool Shareholders to Delist.

Saputo intends to cause Warrnambool to apply to Delist in accordance with the ASX guidance if it is able to do so.

Even if the conditions in ASX Guidance Note 33 for Delisting following a takeover bid are not satisfied, Warrnambool could seek to Delist. Any proposal by Warrnambool to Delist will require ASX consent and may be subject to conditions imposed by ASX, which may include seeking shareholder approval. Saputo is supportive of any steps the Warrnambool Board might take to seek ASX approval to Delist.

8.7.5 **Privatisation**

If during or after the Offer Period Warrnambool has fewer than 50 Warrnambool Shareholders, Saputo intends to take steps to cause Warrnambool to convert from a public company to a proprietary company if it is able to do so in accordance with the requirements of the Corporations Act.

8.8 **Miscellaneous matters**

8.8.1 **Date for determining holders of Warrnambool Shares**

For the purposes of Section 633 of the Corporations Act, the date for determining the persons to whom information is to be sent under items 6 and 12 of Section 633(1) of the Corporations Act is the Register Date.

8.8.2 **No agreements with Warrnambool officers**

There is no agreement between Saputo or its Associates and a Director or another officer of Warrnambool in connection with or conditional on the outcome of Saputo's Offer.

8.8.3 **Consents**

This Bidder's Statement contains references to statements made by, and/or statements said to be based on statements made by Saputo Inc., which is the ultimate holding company of Saputo and Warrnambool who has consented to the inclusion of each statement it has made and each statement which is said to be based on a statement it has made, in the form and context in which the statements appear and have not withdrawn that consent as at the date of this Bidder's Statement.

Rothschild have acted as financial advisers, and Ash Street Partners has acted as Australian legal adviser to Saputo Inc. and Saputo and Computershare has acted as Share Registrar to Saputo in relation to the Offer. Each of Rothschild and Ash Street Partners has consented to be named in this Bidder's Statement in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Bidder's Statement, but should not be regarded as authorising the issue of this Bidder's Statement or any statements in it.

This Bidder's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement.

8.8.4 **Independent Expert's Report**

Warrnambool appointed Lonergan Edwards & Associates Limited to prepare an independent expert's report in accordance with section 640 of the Corporations Act, which will opine on whether the Offer is "**fair and reasonable**". This report will be provided to Warrnambool Shareholders with the Target's Statement to be

provided by Warrnambool. Warrnambool Shareholders should read that report carefully.

Saputo's Offer has been unanimously recommended by Independent Warrnambool Directors and all Independent Warrnambool Directors recommend that Warrnambool Shareholders accept the Offer, in the absence of a superior proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable .

8.8.5 **Approval of Bidder's Statement**

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the directors of Saputo in accordance with Section 637(1)(a)(i) of the Corporations Act.

8.8.6 **No other material information**

Except as set out in this Bidder's Statement (including any annexures), there is no other information that:

- (a) is material to the making of a decision by a Warrnambool Shareholder whether or not to accept the Offer;
- (b) is known to Saputo; and
- (c) has not previously been disclosed to Warrnambool Shareholders.

9. **Glossary**

ABN means Australian business number.

Acceptance and Transfer Form means the form of acceptance accompanying this Bidder's Statement.

Accepting Shareholder means a Warrnambool Shareholder who accepts the Offer in respect of a Warrnambool Share.

ACN means Australian company number.

Announcement Date the date the Offer was announced, being 30 January 2017.

ASIC means Australian Securities and Investments Commission.

Ash Street Partners means Ash Street Partners Pty Ltd ACN 165 119 657.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it.

ASX Listing Rules means the listing rules published by ASX from time to time.

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement Pty Limited ACN 008 504 532.

Associate has the meaning given in Section 12 the Corporations Act.

ATO means the Australian Taxation Office.

Bid Funding Agreement means the bid funding agreement entered into between Saputo and Saputo Inc., dated 30 January 2017.

Bidder's Statement means this bidder's statement in respect of the Offer given by Saputo pursuant to Part 6.5 of the Corporations Act.

Business Day means a business day in Victoria.

CGT means capital gains tax under the *Income Tax Assessment Act 1997* (Cth).

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited ACN 008 504 532.

CHESS Holding has the meaning set out in the ASX Settlement Operating Rules.

CHESS Participant means the Participant in CHESS who is designated as the Controlling Participant for securities in a CHESS Holding in accordance with the ASX Settlement Operating Rules (e.g., your sponsoring Broker).

Closing Date means 5.00pm (Melbourne time) on [##] March 2017, unless extended or withdrawn.

Computershare means Computershare Investor Services Pty Limited ABN 48 078 279 277.

Condition means each condition of the Offer as set out in section 7.7 of Part B of this Bidder's Statement.

Consideration means the aggregate amount of the consideration per Warrnambool Share payable to each Accepting Shareholder, being \$8.85 per Warrnambool Share.

Controlling Participant in relation to your Warrnambool Shares, means Participant that has the capacity in CHESS to transfer your Warrnambool Shares.

Corporations Act means the *Corporations Act 2001* (Cth).

Delist means removal of quotation of the securities of an entity from the official list of ASX.

Encumbrance means in relation to any asset:

- (a) a PPS Security Interest;
- (b) any other mortgage, charge, pledge or lien;
- (c) an easement, restrictive covenant, caveat or similar restriction over property;

- (d) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money);
- (e) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase);
- (f) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (g) an agreement to create anything referred to above or to allow any of them to exist.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

FIRB means the foreign investment review board, administered by the FATA.

FIRB Approval means confirmation that the Treasurer has no objection to the proposed acquisition by Saputo of Warrnambool Shares under the terms of the Offer, for the purposes of the FATA.

FY means financial year ended 31 March of any year (e.g. FY16 means the financial year to 31 March 2016).

GST means Goods and Services Tax under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Holder Identification Number has the meaning given to **HIN** as set out in the ASX Settlement Operating Rules.

Independent Expert means Lonergan Edwards & Associates Limited ACN 095 445 560.

Independent Warrnambool Director means each of Neville Fielke, Terence Richardson and Bruce Vallance being the directors of Warrnambool who are not related to Saputo.

Issuer Sponsored Holding has the meaning set out in the ASX Settlement Operating Rules.

Offer or **Saputo's Offer** means the offer by Saputo to acquire Warrnambool Shares made by way of an off market takeover bid under Chapter 6 of the Corporations Act, on the terms set out in section 7 of Part B of this Bidder's Statement (and for the avoidance of doubt includes each other offer made by Saputo to Warrnambool Shareholders in the form of that offer), including, in each case, as varied in accordance with the Corporations Act.

Offer Period means the period that the Offer is open for acceptance, commencing on [##] February 2017 and ending on the Closing Date.

Participant means an entity admitted to participate in CHESS under the ASX Settlement Operating Rules.

PPS Security Interest means a security interest that is subject to the PPSA.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Record Date has the meaning given to that term in the ASX Listing Rules.

Register Date means the date set by Saputo under Section 633(2) of the Corporations Act, being 7.00 pm (Melbourne time) on 1 February 2017.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Relevant Thresholds has the meaning given in section 8.7.1 of Part B of this Bidder's Statement.

Rights means all accretions and rights attaching to or arising from Warrnambool Shares, directly or indirectly, at or after the Announcement Date (including dividends and all rights to receive them, bonuses or other shares of its profits or assets, as well as rights to receive or subscribe for shares, notes, bonds, options, or other securities and all other distributions or entitlements declared, paid, made or issued by Warrnambool or any of its subsidiaries).

Rothschild means Rothschild Australia Limited ACN 008 591 768.

Saputo means Saputo Dairy Australia Pty Ltd ACN 166 135 486.

Saputo Inc. means the company Saputo Inc. listed on the Toronto Stock Exchange under the symbol "SAP".

Saputo Group means Saputo Inc. and each of its Subsidiaries.

Security Reference Number has the meaning given to **SRN** as set out in the ASX Settlement Operating Rules.

Subsidiary has the meaning given in the Corporations Act.

Takeover Transferee Holding means the CHES Holding to which Warrnambool Shares on the CHES subregister are to be transferred after acceptance of the Offer.

Target's Statement means the Target's Statement to be provided by Warrnambool in response to the Bidder's Statement.

Toronto Stock Exchange means the Toronto stock exchange operated by TMX Group Limited.

Voting Power has the meaning given to this term in Section 610 of the Corporations Act.

Warrnambool means Warrnambool Cheese and Butter Factory Company Holdings Limited ACN 071 945 232.

Warrnambool Board means the board of directors of Warrnambool.

Warrnambool Entitlement Offer means a 3 for 8 renounceable rights issue as announced by Warrnambool on the ASX announcements platform on 10 June 2016.

Warrnambool Group means Warrnambool and each of its Subsidiaries.

Warrnambool Share means a fully paid ordinary share in the capital of Warrnambool, and all Rights attaching to that share.

Warrnambool Shareholder means a person registered in the register of members of Warrnambool as a holder of a Warrnambool Share.

your Warrnambool Shares means the Warrnambool Shares in respect of which you are able to give good title at 7.00pm (Melbourne time) on 1 February 2017 and, where applicable, the number of such Warrnambool Shares specified in the Acceptance and Transfer Form relating to the Offer.

10. Interpretation

Terms used in this Bidder's Statement have the meaning (if any) given to them in Chapter 6 of the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules unless that meaning is inconsistent with the context in which the term is used.

In this Bidder's Statement (including the Offer) and the Acceptance and Transfer Form, the following principles of interpretation apply unless the context otherwise requires:

- 10.1.1 headings are for convenience only and do not affect the meaning of the paragraphs they introduce;
- 10.1.2 the singular includes the plural and vice versa;
- 10.1.3 words importing any gender include any other genders;
- 10.1.4 references to persons include corporations;
- 10.1.5 appendices and annexures to this Bidder's Statement form part of this Bidder's Statement;
- 10.1.6 references to **AUD** or **\$** are references to Australian currency;
- 10.1.7 references to **USD** are references to United States of America currency;
- 10.1.8 references to **CAD** are references to Canadian currency; and
- 10.1.9 references to sections are to sections in the Bidder's Statement.

All foreign exchange calculations in this Bidder's Statement are done using the indicative exchange rates of CAD1.00 = AUD1.01 and USD1.00 = AUD1.33.

To the extent permissible under applicable law, this Bidder's Statement (including the Offer) and the Acceptance and Transfer Form are governed by the laws in force in Victoria and the Commonwealth of Australia.

11. Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution of the directors of Saputo.

31 January 2017

Signed for and on behalf of
Saputo Dairy Australia Pty Ltd ACN 166 135 486



Jeffery Goss

Director

Annexure A – Warrnambool ASX Announcements since 3 November 2016

Date	Description
3 November 2016	Appendix 4D & Half Year Financial Report
3 November 2016	Half Year Results Announcement
30 January 2017	WCB Announces Recommended Takeover Offer from Saputo
30 January 2017	Saputo Announces Takeover Offer for WCB