

ASX RELEASE
5 December 2019

Chair's Address to Scheme Meeting & Proxy Results

Attached at Appendix A is a copy of the address to be delivered by Chair John Ho at the Scheme Meeting of Bellamy's Australia Limited (ASX: BAL), which is scheduled to be held at 10.00am (AEDT) today at Greenfields Albert Park, Corner Lakeside Drive & Queens Road, Albert Park Lake, Melbourne, Victoria (**Scheme Meeting**).

Attached at Appendix B is the Proxy results received in relation to the Scheme Meeting.

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APPENDIX A – Chair's address delivered by John Ho

Overview of Scheme

On 16 September 2019, Bellamy's announced a proposed scheme of arrangement under which a subsidiary of Mengniu, one of the leading dairy product manufacturers in China, would acquire all of the shares in Bellamy's, other than those which it already holds (the **Scheme**).

If the Scheme is approved and becomes effective, Bellamy's Shareholders will transfer their Bellamy's shares to Mengniu's subsidiary, and Shareholders will receive a total of \$13.25 cash per share, comprising:

- \$12.65 per Bellamy's Share paid by Mengniu under the Scheme; and
- a fully franked special dividend of \$0.60 per Bellamy's Share paid by Bellamy's.

The purpose of this meeting is to vote on a resolution to approve the proposed Scheme.

You should have previously received a Scheme Booklet, which contains information on the Scheme, and also contains an independent expert's report from Grant Samuel & Associates on the Scheme. As stated in the Scheme Booklet:

- Your Directors have unanimously recommended that shareholders vote in favour of the Scheme at today's meeting, in the absence of a superior proposal; and
- The independent expert has concluded that the Scheme is fair and reasonable, and therefore it is in the best interests of Bellamy's shareholders, in the absence of a superior proposal. The independent expert has assessed the full underlying value of Bellamy's Shares at between \$12.25 and \$13.93 per Bellamy's Share. The total cash amount of \$13.25 per Bellamy's share is within this valuation range.

The key reasons for your Directors' recommendation are set out in the Scheme Booklet, and include:

- The total cash amount of \$13.25 represents a **significant premium** to Bellamy's recent historical trading prices. It is:
 - a 59% premium to the closing price on 13 September 2019 of \$8.32; and
 - a 54% premium to the 3-month volume weighted average price (**VWAP**) to 13 September 2019 of \$8.59.
- The total cash amount of \$13.25 equates to an **attractive acquisition multiple**, which compares favourably to comparable precedent transactions.
- If the Scheme proceeds, shareholders will receive cash **certain value** for their investment in Bellamy's and will avoid ongoing risks and uncertainties associated with Bellamy's business.
- Since the announcement of the Scheme, **no superior proposal has emerged** for the company.
- Those shareholders who can realise the **full benefit of the franking credits** attached to the Special Dividend (provided a favourable class ruling is obtained from the ATO) may receive additional benefit from the value of those franking credits.

With this background, we will now move to the formal business of the Scheme Meeting. I will explain the voting process and meeting procedure. There will then be an opportunity for shareholders to ask questions in relation to the Scheme, before we proceed with the vote.

APPENDIX B – Proxy voting results

That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Bellamy's Australia Limited ("Bellamy's") and the holders of its fully paid ordinary shares (other than certain excluded shareholders), the terms of which are contained in and more particularly described in the Scheme Booklet of which the notice convening the Scheme Meeting forms part, is approved (with or without alteration or conditions as approved by the Supreme Court of New South Wales and agreed to by Bellamy's) and, subject to approval of the Scheme by the Court, the Bellamy's Board is authorised to implement the Scheme with any such alterations or conditions.

	Summary of proxies received			
	Votes	% of total votes	Shareholders	% of total shareholders
For	60,130,447	98.92%	883	73.70%
Against	389,706	0.64%	185	15.44%
Open*	265,110	0.44%	130	10.85%
Abstain**	98,598	-	11	-

* Includes 218,209 open proxy votes, from 110 shareholders, in favour of the Chair, which must be voted in favour of the resolution.

** Votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities.