



ASX ANNOUNCEMENT

Fire impact on milk supply

Bega Cheese Limited (ASX:BGA) announced today that while the bushfires have had a significant impact on some farmers and employees, there has been minimal direct impact to the Company overall or milk supply or its ongoing operations. The Company's two factories in Bega recommenced production this week with the majority of employees returning to work.

Acting Chairman, Max Roberts said "we have been working closely with our farmers providing and connecting generators to enable daily milking and also supplying feed for cattle."

As the remaining road access restriction is lifted in the next two days, and full milk supply resumes, the total volume of milk unable to be collected is expected to reach 900,000 litres out of an overall annual milk intake across the company of circa one billion litres. In addition, two suppliers have decided to dry their herds off earlier than planned because of the fires and this may reduce milk supply by up to a further one million litres. These milk losses will have no material overall impact on Bega's operations.

The bushfires have affected farm operations and infrastructure including the destruction of fencing and power lines, burnt out paddocks and restricted road access, but fortunately no dairy sheds have been lost. A Bega Cheese Crisis Management team along with a significant number of volunteers are working with farmers to provide generators, feed, fencing and other assistance to repair farms and keep milk flowing.

Bega Cheese expects that some of the costs of this assistance will be covered by business interruption insurance.

Authorised for release by BGA Acting Chairman, Max Roberts.

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