



15 October 2014

ASX ANNOUNCEMENT

Warrnambool Cheese and Butter Factory Company Holdings Limited Chairman's AGM speech

Introduction

2014 has been a solid financial year for Warrnambool Cheese and Butter Factory Company Holdings Limited (WCB). WCB reported profit in line with guidance.

Takeover Bid Process

FY2014 was characterized by a competitive bidding process for control of the company, which ended up with Saputo acquiring an interest of 87.92% of Warrnambool shares at the closing of the bid on 12 February 2014.

Financial Performance

The following are financial highlights and key performance measures for fiscal 2014:

- Revenue of \$609.0 million, up \$112.5 million or 22.7%
- Net operating profit after tax – \$21.3 million, an increase of \$13.8 million or 184.1%
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) – increased by \$19.7 million or 77.3% to \$45.2 million
- Underlying EBITDA, after excluding non-recurring items of \$13.9 million, increased by \$33.6 million or 131.8% to \$59.1 million
- No final dividend was declared for FY2014 and we do not intend to declare any as the company will retain cash for investment into the business for growth, investment and development.

Board Changes

On 9 May 2014, a new WCB Board was elected consisting of five directors including myself. I would like to thank the continuing directors and the directors who retired in May for their efforts during the takeover period.

Change in Senior Management

WCB's Chief Executive Officer, Mr David Lord, has advised the company that he will be stepping down from his current position as of 1 April 2015. Mr Lord will continue as CEO until such date and the Board has a succession planning process in place to identify Mr Lord's successor during the coming months.

Outlook

WCB is focussed on the successful integration of its operations within Saputo's structure.

WCB, with its parent company Saputo Inc, intends to continue to improve its efficiencies, while remaining committed to producing quality products, innovation and internal growth.

The company plans to accelerate its growth activities, invest in capital projects, increase manufacturing capacity, grow milk intake and create new opportunities.

Additionally, WCB intends to deliver benefits for its employees, suppliers and the local communities.

As for the marketplace, the current world market is characterized by high demand, which is a positive long-term trend for the dairy industry. International dairy prices have reduced from FY2014 highs. The Australian dollar is currently slightly lower than the FY2014 average but remains volatile.