



12 February 2015

ASX Announcement

### **WCB HALF YEAR PROFIT**

Warrnambool Cheese and Butter Factory Company Holdings Limited (“WCB” or “the company”) today announced a half year statutory net profit after tax (NPAT) of \$25.0 million, a decrease of \$6.2 million compared with the same period last year.

In a change to the accounting treatment of raw milk costs, WCB has applied a full year milk cost pricing estimate methodology at the half year. This is a departure from the actual milk cost pricing methodology applied at the half year in FY2014. Application of the milk cost pricing approach applied in FY2014 would see half year FY2015 NPAT increase to \$38.6 million.

As reported previously the Board has resolved to align the WCB financial year end with Saputo Inc. As such the effective WCB financial year end reporting date has been changed to 31 March each year commencing 31 March 2015.

Management’s outlook for the balance of the financial year ending 31 March 2015, is cautiously optimistic. The decline in International commodity pricing has slowed significantly and softer international pricing is being partially offset by the considerable depreciation of the Australian dollar.

Investors should note that during the balance of the financial year ending 31 March 2015, the Company’s performance may be subject to:

- (a) variations in milk prices that are retrospective from 1 July and cannot be accurately estimated as at 31 December 2014;
- (b) seasonal milk flow variations that result in less effective utilisation of plant;
- (c) variations in international commodity pricing; and
- (d) foreign exchange rates between the US dollar and Australian dollar as approximately 60% of the Company’s product is exported.

**ENDS**

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