



2 March 2015

**ASX Announcement**

**WCB TO ACQUIRE THE EVERYDAY CHEESE BUSINESS OF  
LION-DAIRY & DRINKS PTY LTD**

Warrnambool Cheese and Butter Factory Company Holdings Limited (“WCB”) today announced that it has entered into an agreement to acquire the everyday cheese business (“EDC Business”) of Lion-Dairy & Drinks Pty Ltd (“Lion”) based in Victoria, Australia.

The purchase price of \$137.5 million, on a debt-free basis, includes \$106.5 million which represents the value of inventory net of a minimal amount of assumed liabilities, and is subject to the final determination of the inventory amount and assumed liabilities amount at closing. The purchase price is payable in cash at closing and will be financed through additional financing to be obtained in connection with the transaction. The transaction is subject to the usual conditions and is expected to close towards the beginning of May 2015.

The transaction is subject to WCB shareholder approval under the ASX Listing Rules relating to related party transactions as Lion holds 10.22% of the shares in WCB. The Directors of WCB intend to recommend that shareholders vote in favour of the transaction. Saputo Inc., which holds 87.92% of the shares in WCB is supportive of the transaction and has advised WCB that it will vote its shares in favour of the transaction. WCB expects to convene a shareholder meeting to be held in late April or early May to consider the transaction.

The EDC Business’ operations include cutting and wrapping, distribution, sales & marketing and intellectual property associated with the *COON*, *Cracker Barrel*, *Mil Lel* and *Fred Walker* brands. The EDC Business generates annual sales of approximately \$160 million and employs approximately 170 people. The cut and wrap operations of the EDC Business are located in a building owned by WCB which is adjacent to WCB’s cheese manufacturing facility at Allansford.

The transaction will enable WCB to increase its presence in consumer branded everyday cheese products segment in Australia, with strong market positions in this segment.

ENDS

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