



Market Update on CDC Acquisition

On 29 December 2015, AHF announced the execution of contracts for the acquisition of the whole of the issued capital in Camperdown Dairy Company Pty Ltd (CDC).

AHF has received numerous calls from investors concerned that the acquisition may not complete and makes this ASX announcement to allay those concerns and provide a further update to investors regarding the delayed settlement of the acquisition of CDC.

The delay has been frustrating for investors and the company as well as the vendor. AHF directors and their Aussie Farmers Direct counterparties as the vendors have been working in a mutually cooperative manner to resolve the remaining issue.

AHF directors have a high degree of confidence that the acquisition will complete in accordance with the terms of the contract, despite the delay and believe the vendors share this confidence.

AHF directors have been included in meetings with major customers of the business and, where applicable, have been consulted on any negotiations of a material nature. The operating business of CDC is not in any way affected by the negotiations causing the delay and since the execution of the acquisition contract, CDC has expanded orders and delivered shipments of milk and yoghurt to new customers in China.

To provide further clarity on the issue, the Camperdown processing factory is part of a large site, which has tenants other than CDC. The delay has continued because the landlord of the Camperdown factory and the lessee of another part of the same land adjoining the CDC factory, owned by the same landlord, have not yet agreed terms of a lease amendment that is required to be able to deliver CDC and AHF a registrable lease.

Delivery of the registrable lease provides security of tenure for CDC and is a condition precedent to the completion for the protection of CDC and therefore AHF. Directors of AHF could waive the condition precedent and complete the transaction, however the directors believe that would not be in AHF's best interests.

At present, the remaining matter is close to being resolved with execution of final amending documents expected imminently.

AHF will continue to update investors of the position and expect to be able to announce resolution in the near future.

For further information

Contact

Media

James Moses **Managing Director** **Mandate Corporate**
Bus: +61 2 8211 0612 Mob: +61 420 991 574
Email: james@mandatecorporate.com.au

Company

Adrian Rowley **Director** **Australian Dairy Farms Group**
Bus: +61 3 9629 9900 Mob: +61 448 803 768
Email: adrianrowley@adfl.com.au

About Australian Dairy Farms Group

***Australian Dairy Farms Group** (AHF or the Group or Australian Dairy Farms Group) is Australia's first ASX listed dairy farmer. Its focus is on aggregating high quality dairy farms in Victoria, initially in the South Western region with particular emphasis on the well regarded Golden Triangle region of dairy between Warrnambool and Colac south of the Princes Highway to the coast around Port Campbell.*

***Australian Dairy Farms Group** is listed as a stapled security comprising one fully paid share in **Australian Dairy Farms Limited** (the Company) and one fully paid unit in **Australian Dairy Farms Trust** (the Trust). Within the structure, the Company is the operator and manager of the dairy farm properties which are leased from the Trust as the registered owner.*