

SANDON CAPITAL

Sandon Capital Investments Limited

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ASX ANNOUNCEMENT

APPLICATION TO THE TAKEOVERS PANEL

Sandon Capital Investments Limited made an application to the Takeovers Panel yesterday with respect to the affairs of Warrnambool Cheese and Butter Factory Company Holdings Limited.

Attached is a copy of the Panel's media release in relation to the application. We will keep shareholders informed as the status of the application where appropriate.

Contact

If you have any questions regarding the Company or its investments, please call Gabriel Radzynski on 02 8014 1188. If you have questions regarding your shareholding, please contact Link, whose details appear below.

Further information:

Sandon Capital Investments Limited

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Share registry:

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Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP16/43

Monday, 27 June 2016

Warrnambool Cheese and Butter Factory Company Holdings Limited 02 – Panel Receives Application

The Panel has received an application from Sandon Capital Investments Limited in relation to the affairs of Warrnambool Cheese and Butter Factory Company Holdings Limited. The application concerns the entitlement offer announced by Warrnambool on 10 June 2016.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Warrnambool is undertaking a 3 for 8 renounceable entitlement offer at an offer price of \$6.75 per share to raise up to \$142 million. The offer price represents an 18.2% discount to the closing price prior to the announcement of the offer. The offer includes a top-up facility under which shareholders can apply for additional new shares in excess of their entitlement.

Saputo Dairy Australia Pty Limited holds 87.92% of Warrnambool. The entitlement offer booklet states that Saputo Dairy's holding company (Saputo Inc) has provided an irrevocable commitment that Saputo Dairy will take up its full entitlement under the offer, but Saputo Dairy will not participate in the top-up facility. The offer booklet also states that Saputo Inc *"has advised [Warrnambool] that it has not yet made a decision as to whether it would procure Saputo Dairy to exercise the right to proceed with compulsory acquisition of any [Warrnambool] shares not owned by Saputo Dairy."*

Sandon submits that:

- Warrnambool does not require the funds being raised under the entitlement offer and there is no incentive for shareholders to participate in the offer

- the entitlement offer is being inappropriately used as a mechanism to enable Saputo Dairy to proceed to compulsory acquisition of the remaining Warrnambool shares and therefore is an abuse of item 10 of s611¹ and
- the entitlement offer booklet is deficient as it fails to disclose (a) Saputo Dairy's intentions should it hold 90% or more of Warrnambool after the entitlement offer or (b) sufficient reasons for the size of the entitlement offer, why additional funds are required or the benefits of participating in the offer.

Sandon seeks interim and final orders that the entitlement offer be prevented from proceeding and final orders that any application moneys received under the entitlement offer be returned to applicants.

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¹ References are to the *Corporations Act 2001* (Cth)