



The Manager  
Company Announcement Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

10 June 2016

**Warrnambool Cheese and Butter Factory Company Holdings Limited (ASX: WCB) (WCB) Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (Act)**

This notice is given by WCB under section 708AA(2)(f) of the Act as notionally modified by the Australian Securities and Investments Commission (**ASIC**).

WCB has announced a pro-rata renounceable entitlement offer (**Offer**) of 3 fully paid ordinary shares in Warrnambool (**New Shares**) for every 8 fully paid ordinary shares in WCB held as at 7:00pm (Melbourne time) on the Record Date of 16 June 2016 by shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**).

The Offer is renounceable and rights can be traded on the ASX or otherwise transferred if Eligible Shareholders do not wish to take up some or all of the New Shares to which they are entitled.

If fully subscribed, the Offer will raise approximately \$142.0 million and result in the issue of 21,037,049 new fully paid ordinary shares in WCB.

WCB confirms that:

1. The New Shares will be offered by WCB without disclosure under Part 6D.2 of the Act.
2. This notice is being given under section 708AA(2)(f) of the Act as modified by ASIC.
3. As at the date of this notice, WCB has complied with:
  - (a) the provisions of Chapter 2M of the Act as they apply to WCB; and
  - (b) section 674 of the Act.
4. As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) or 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act.
5. Saputo Inc., the ultimate holding company of WCB's 87.92% shareholder, Saputo Dairy Australia Pty Limited (**Saputo Dairy**), has provided an irrevocable commitment that Saputo Dairy will take up its full pro-rata share of the Offer, but will not participate in the shortfall facility.

6. The potential effect that the issue of New Shares will have on the control of WCB, and the consequences of that effect, will depend on a number of factors, including the extent to which Eligible Shareholders elect to take up their full entitlement under the Offer and the extent to which each Eligible Shareholder participates in the shortfall facility. However, the Offer is structured as a renounceable pro-rata issue with a shortfall facility, which may facilitate that take-up of Entitlements and reduce the potential effect of the issue of the New Shares on the control of WCB

7. **Ownership of WCB following the Entitlement Offer**

- 7.1 The table below illustrates the effect of the Entitlement Offer on the control of WCB where all Eligible Shareholders take up their Entitlement.

Shareholder	Number of ordinary WCB shares held (pre-Entitlement Offer)	Number of ordinary WCB shares held (post-Entitlement Offer)	% of total ordinary WCB shares on issue (post-Entitlement Offer)
Saputo Dairy	49,321,980	67,817,723	87.92%
Lion	5,733,400	7,883,425	10.22%
Other shareholders	1,043,417	1,434,698	1.86%
<b>Shares on issue</b>	<b>56,098,797</b>	<b>77,135,846</b>	<b>100%</b>

- 7.2 The table below illustrates the effect of the Entitlement Offer on the control of WCB where only Saputo Dairy and Lion Dairy & Drinks Pty Ltd (**Lion**) take up their Entitlement.

Shareholder	Number of ordinary WCB shares held (pre-Entitlement Offer)	Number of ordinary WCB shares held (post-Entitlement Offer)	% of total ordinary WCB shares on issue (post-Entitlement Offer)
Saputo Dairy	49,321,980	67,817,723	88.37%
Lion	5,733,400	7,883,425	10.27%
Other shareholders	1,043,417	1,043,417	1.36%
<b>Shares on issue</b>	<b>56,098,797</b>	<b>76,744,565</b>	<b>100%</b>

- 7.3 The table below illustrates the effect of the Entitlement Offer on the control of WCB where all Eligible Shareholders other than Lion take up their Entitlement.

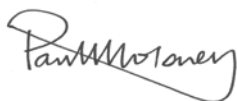
Shareholder	Number of ordinary WCB shares held (pre-Entitlement Offer)	Number of ordinary WCB shares held (post-Entitlement Offer)	% of total ordinary WCB shares on issue (post-Entitlement Offer)
Saputo Dairy	49,321,980	67,817,723	90.44%
Lion	5,733,400	5,733,400	7.65%
Other shareholders	1,043,417	1,434,698	1.91%
<b>Shares on issue</b>	<b>56,098,797</b>	<b>74,985,821</b>	<b>100%</b>

- 7.4 The table below illustrates the effect of the Entitlement Offer on the control of WCB where only Saputo Dairy takes up its Entitlement.

Shareholder	Number of ordinary WCB shares held (pre-Entitlement Offer)	Number of ordinary WCB shares held (post-Entitlement Offer)	% of total ordinary WCB shares on issue (post-Entitlement Offer)
Saputo Dairy	49,321,980	67,817,723	90.92%
Lion	5,733,400	5,733,400	7.69%
Other shareholders	1,043,417	1,043,417	1.40%
<b>Shares on issue</b>	<b>56,098,797</b>	<b>74,594,540</b>	<b>100%</b>

8. If Saputo Dairy's participation in the Offer results in an increase in Saputo Dairy's shareholding in WCB beyond 90%, Saputo Dairy will be entitled under Part 6A.2 of the Act to compulsorily buy-out the minority shareholders of WCB within 6 months after the date on which Saputo Dairy's shareholding in WCB reaches 90% or more.
9. Saputo has advised WCB that it has not yet made a decision as to whether it would procure Saputo Dairy to exercise the right to proceed with the compulsory acquisition of any WCB shares not owned by Saputo Dairy and such a decision would depend on a number of variables including:
- (a) Saputo's assessment of whether the compulsory acquisition of all minority shareholders' WCB shares represents a commercially attractive transaction having regard to market conditions at the relevant time;
  - (b) Saputo's assessment of the fair value of WCB shares at the relevant time; and
  - (c) The ability of Saputo and Saputo Dairy to obtain regulatory approvals.
10. Any final decisions on the matters referred to above will only be made having regard to all material facts known to Saputo and the circumstances at the relevant time.

Yours sincerely



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**Company Secretary**  
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