



10 June 2016

Dear Shareholders

PRO-RATA RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO ELIGIBLE SHAREHOLDERS

Warrnambool Cheese and Butter Factory Company Holdings Limited (**WCB** or the **Company**) today announced that it was conducting a 3 for 8 pro-rata renounceable entitlement offer of New Shares at an Offer Price of \$6.75 per New Share to raise up to \$142.0 million (**Entitlement Offer**).

The Offer Price represents an 18.2% discount to the closing price of WCB Shares of \$8.25 per Share as at 9 June 2016, the last day before the Entitlement Offer was announced, and a 13.9% discount to the theoretical ex-rights price (**TERP**).

All of the proceeds from the Entitlement Offer, less costs, will be used to repay debt. This will strengthen the balance sheet and provide greater financial flexibility to invest in strategic capital investment initiatives. This includes a planned capital project to expand capacity to manufacture cheese and other dairy products. This project will commence in FY17 and is expected to be completed in FY18 and will cost approximately \$40 million.

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act 2001 (Cth) as modified by Australian Securities and Investments Commission (ASIC) Corporations (Non-Traditional Rights Issues) Instrument 2016/84, which allows entitlement offers to be made without a prospectus. The Entitlement Offer is not underwritten. This letter is to inform you about the Entitlement Offer and to explain that if you are an Eligible Shareholder (as defined below), you will be able to purchase 3 New Shares for every 8 existing Shares held on the Record Date of 7.00 pm (Melbourne time) on Thursday, 16 June 2016 (**Entitlement**).

The Entitlement Offer is renounceable, which means that Entitlements may be offered for sale on the ASX or otherwise transferred, providing the opportunity for Eligible Shareholders to potentially realise value for any Entitlements not taken up. Entitlements may be traded on the ASX or otherwise transferred if Eligible Shareholders do not wish to take up some or all of their Entitlements. Entitlement trading is expected to commence on Wednesday, 15 June (on a deferred settlement basis) and end at 4:00pm (Melbourne time) on Wednesday 22 June 2016. Eligible Shareholders may also apply for additional New Shares in excess of their Entitlement (**Additional New Shares**) at the Offer Price under the Top Up Facility.

Saputo Inc. (**Saputo**), the ultimate holding company of the Company'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 Entitlement Offer, providing the Company with approximately \$124.8 million of new equity. Saputo Dairy will not be applying for New Shares under the Top Up Facility.

The Entitlement Offer is open to Eligible Shareholders and will close at 5:00pm (Melbourne time) on Wednesday, 29 June 2016.

Eligibility criteria

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

- are registered as a holder of existing Shares as at 7.00pm on the Record Date;
- have a registered address on the WCB share register in Australia or New Zealand at the Record Date;
- are not in the United States or acting for the account or benefit of a person in the United States; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

All other shareholders are not eligible to participate in the Entitlement Offer (**Ineligible Shareholders**).

According to our records, you satisfy the eligibility criteria for an Eligible Shareholder.

Details of the Entitlement Offer

Full details of the Entitlement Offer including details about how to apply are outlined in the Offer Booklet. The Offer Booklet together with an Entitlement and Acceptance Form is expected to be mailed to all Eligible Shareholders on 20 June 2016. Eligible shareholders should read the Offer Booklet carefully and consult their stockbroker, accountant or other professional adviser before making any investment decision.

Entitlement Offer Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Ex-date and Entitlement market opens on ASX	15 June 2016
Record Date for the Entitlement Offer	7.00pm (Melbourne time) 16 June 2016
Offer Booklet despatched, Entitlement Offer opens	20 June 2016
Entitlement market ceases on ASX	22 June 2016
New Shares commence trading on ASX on a deferred settlement basis	23 June 2016
Entitlement Offer closes	5.00pm (Melbourne time) 29 June 2016
Issue of New Shares (and any Additional New Shares)	6 July 2016
Trading of New Shares (and any Additional New Shares) on ASX on a normal settlement basis	7 July 2016

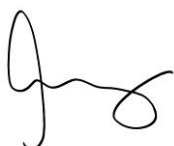
The timetable above is indicative only and may be subject to change. The Company reserves the right to vary the above dates without notice subject to the Corporations Act, Listing Rules and any other applicable law.

Further Information

Please refer to the Offer Booklet for further details relating to the Entitlement Offer.

If you have not received or you have lost your personalised Entitlement and Acceptance Form, a replacement can also be requested during the period of the Entitlement Offer by calling the Share Registry on 1300 554 474 (inside Australia) or +61 1300 554 474 (outside Australia). Alternatively, you can access information about the Entitlement Offer online at www.wcbf.com.au. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

Yours faithfully



Lino A. Saputo, Jr.
Chairman

IMPORTANT INFORMATION

This letter is issued by WCB. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any entitlements or securities in WCB in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or WCB shares. If you are unsure of your position, please contact your accountant, tax adviser, stockbroker or other professional adviser

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 as amended (U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Shares may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

The Entitlements and New Shares to be offered and sold in the Entitlement Offer will only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the U.S. Securities Act.