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ASX Release

**WCB ANNOUNCES CREAM CHEESE
MANUFACTURING AGREEMENT WITH KRAFT FOODS**

Warrnambool Cheese and Butter Factory Company Holdings Limited (WCB) and Kraft Foods Australia (Kraft Foods) today announced they have entered into a long term supply agreement under which Kraft Foods will produce specially formulated cream cheese under WCB's Sungold brand.

The product will be exported to WCB customers in Japan, China, Singapore, Malaysia and the Middle East.

Effective from the second quarter of CY2013 the agreement will provide a staged increase of up to 5,000 metric tonnes of product per annum for WCB exclusively.

The cream cheese agreement follows a recent announcement of a further collaboration with Kraft Foods, with WCB developing premium low fat cheese for Kraft Foods marketed under the Livefree brand. This unique cheese contains 80% less fat and half the energy of regular tasty cheese while maintaining a delicious cheddar flavour.

Kraft Foods' Managing Director of Foods Darren O'Brien said that collaboration was proving to be a key ingredient for business success. "Together, Kraft Foods and WCB have combined their expertise and resources to deliver two new exciting innovations."

"Australian food companies are strong in food innovation and our products are trusted around the world, so it's great that we're making the most of our local manufacturing capabilities, supporting our farmers by sourcing locally and capitalising on this brilliant export opportunity."

WCB CEO and Managing Director David Lord said "it is an exciting time for WCB, with the cream cheese and low fat cheese agreements building on an already strong relationship with Kraft Foods." He added "both agreements are consistent with WCB's strategy to build a portfolio of higher margin products and deliver more customer specific applications."

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