



ASX ANNOUNCEMENT

Bega Cheese Update

Bega Cheese Limited (ASX:BGA) is pleased to announce a number of important developments in the business.

Executive Chairman

As previously announced Executive Chairman Barry Irvin has been on a leave of absence to undergo chemotherapy. Barry has completed the chemotherapy with positive results and prognosis. It is Barry's intention to return from his leave of absence and chair the Board meeting scheduled for 29 January 2020.

Banking Facilities

In conjunction with its long-term financiers Rabobank and Westpac, Bega Cheese has extended the maturity date on facilities 4 and 5 to 30 September 2022. These facilities have a combined total capacity of \$200 million. Bega Cheese has also extended existing covenant ratios to December 2020 which provides increased facility headroom.

Lactoferrin Facility at Koroit

The construction of a new lactoferrin facility at Koroit is on schedule to be commissioned in April 2020 and fully operational for FY2021. As previously announced the lactoferrin facility will add 35 tonnes of additional capacity and is supported by a long-term supply arrangement with a large international customer.

Bega Cheese Strategy

The company is maintaining the forecast provided in October with the review of direct and indirect costs ensuring Bega Cheese remains cost competitive in both domestic and international markets.

It is well documented that there has been a particularly challenging period for the dairy industry with many regions affected by extreme drought conditions and very strong competition for milk amongst processors. Bega Cheese continues to be well placed to execute its long-term strategy while continuing to focus on the growth of its branded consumer foods business.

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