



3 November 2016

## **ASX Announcement**

### **WCB HALF YEAR RESULT**

Warrnambool Cheese and Butter Factory Company Holdings Limited (“WCB” or “the Company”) today announced a half year 2017 (HY17) normalised net profit after tax (Normalised NPAT) of \$12.0 million, an increase of \$13.2 million compared with the six months ended 30 September 2015 (HY16).

The increase in Normalised NPAT is due to improved returns from the Company’s consumer goods business and joint ventures, realigning raw milk cost with market conditions and a lower average Australian dollar.

Normalised NPAT for HY17 is calculated after removing the one-off net profit after tax of \$8.8 million achieved on the sale of the Company’s interest in food testing business Dairy Technical Services Limited.

#### **Outlook**

There has recently been some recovery in international dairy prices and the Australian market continues to be highly competitive. The Australian dollar is currently above the FY16 average and remains volatile.

Further to the above, investors should note that during the balance of FY17, the Company’s performance may be subject to:

- (a) variations in milk prices that are retrospective from 1 July and cannot be accurately estimated as at 30 September 2016;
- (b) seasonal milk flow variations that result in less effective utilisation of plant;
- (c) variations in international commodity pricing; and
- (d) movements in foreign exchange rates between the US dollar and Australian dollar as the Company exports a significant amount of product.

The company intends to continue to improve its efficiencies, while remaining committed to producing quality products, innovation and growth. WCB intends to accelerate its growth activities, invest in capital projects, increase manufacturing capacity, grow milk intake and create new opportunities.

#### **Dividend**

No interim dividend was declared for HY17 and the Board does not intend to declare any as the Directors have decided to retain cash for investment into the business for growth, investment and development.

**About WCB**

WCB produces, markets and distributes a wide array of quality dairy products including cheese, packaged milk, and dairy ingredients. These products are all made from Australian milk which has been sourced from our dedicated farmer partners in Victoria and South Australia. WCB is the fourth largest dairy processor in Australia and is the Dairy Division (Australia) of Saputo Inc. Our products are sold in several countries and under well-known brand names in Australia such as *Coon*, *Cracker Barrel\**, *Mil Lel*, *Great Ocean Road*, *Warrnambool Heritage*, *Enprocal* and *Sungold*. Warrnambool Cheese and Butter Factory Company Holdings Limited is a publicly traded company and its shares are listed on the ASX under the symbol “WCB”.

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