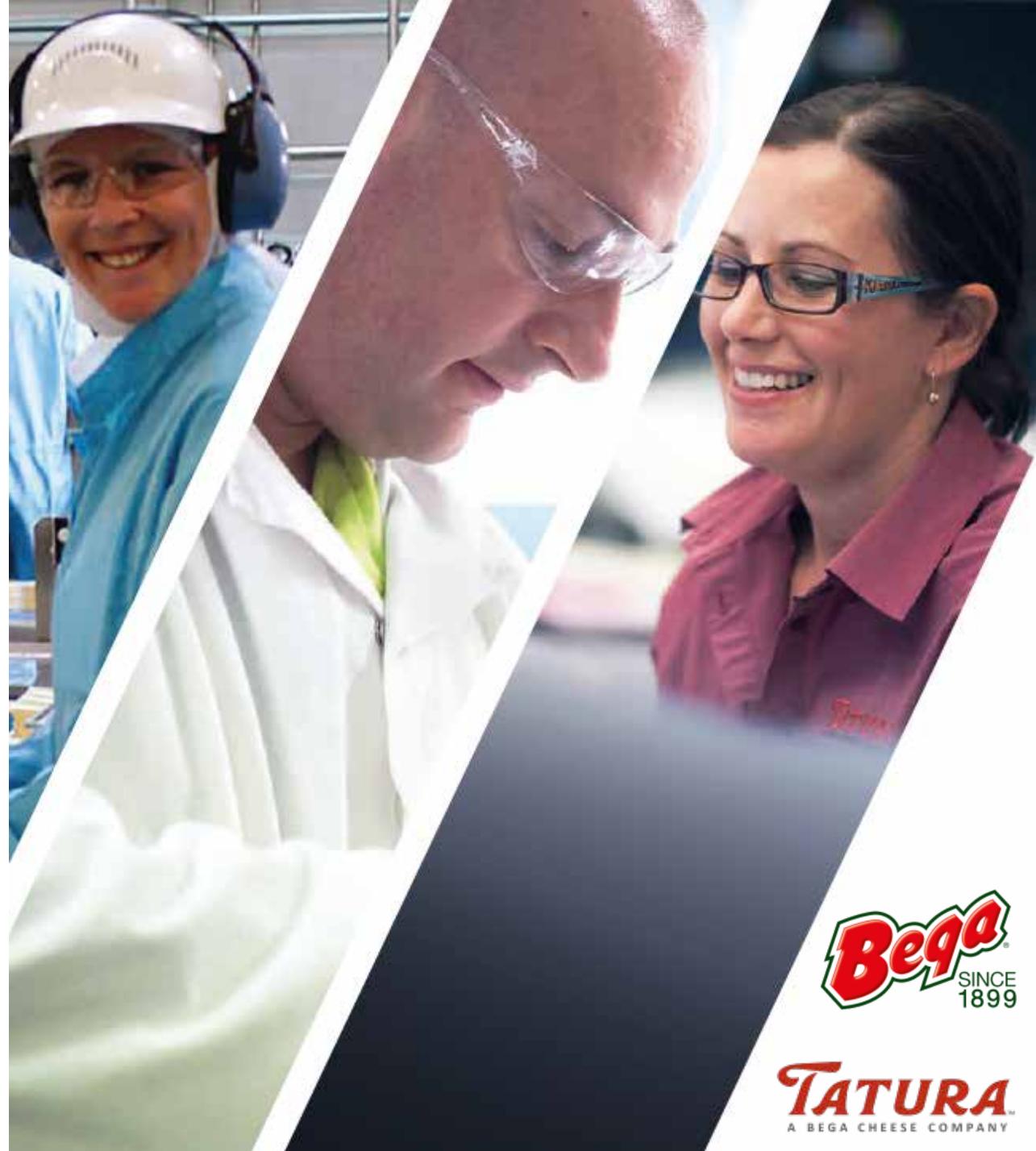


Bega Cheese Annual General Meeting

Barry Irvin – Executive Chairman

Aidan Coleman – CEO



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Agenda

- 2016 Annual Report
 - Executive Chairman's Report
 - Chief Executive Officer's Report
- Questions
- Approval of Remuneration Report
- Election of Directors
- Directors fee pool increase



Welcome

- Shareholders
- Suppliers
- PricewaterhouseCoopers
- Addisons Lawyers
- Kidder Williams
- Link Market Services
- Bega Cheese Staff

- Apologies



2016 Annual Report Executive Chairman's Report

Barry Irvin – Executive Chairman



Key Messages

Australian dairy industry

- Global supply and demand
- Australian markets
- Competitor behaviour

Bega Cheese

- Significant revenue growth
- Improved financial performance
- Honoured milk price commitments to farmers
- Continued investment in capacity and capabilities
- Strong balance sheet



Result Highlights Statutory

Revenue
Growth
7.5%

EBITDA
Growth
56%

PAT
Growth
132%

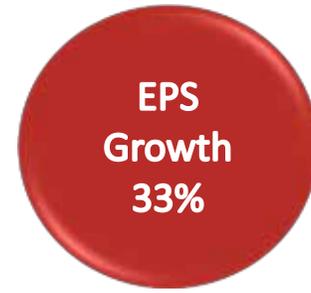
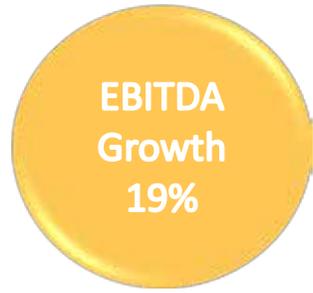
EPS
Growth
132%

Final
Dividend
5.0cps

- Revenue increase to \$1,196m
- EBITDA increase to \$65.4m
- PAT increase to \$28.8m
- EPS increase to 18.9cps
- Final dividend 5.0cps



Result Highlights *Normalised



- Revenue increase to \$1,196m
- EBITDA increase to \$66.0m
- PAT increase to \$29.2m
- EPS increase to 19.1cps
- Final dividend 5.0cps (full year dividend 9.5cps)



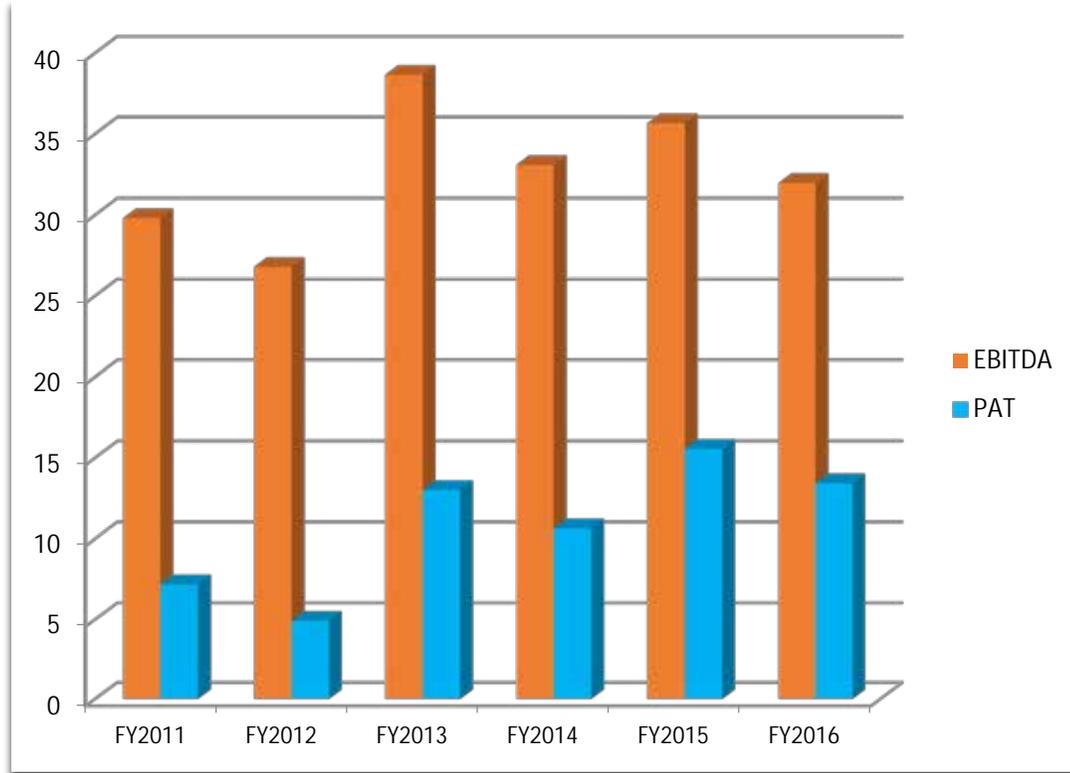
*Normalised for investment in Milk Sustainability and Growth Program (FY2016 and FY2015)



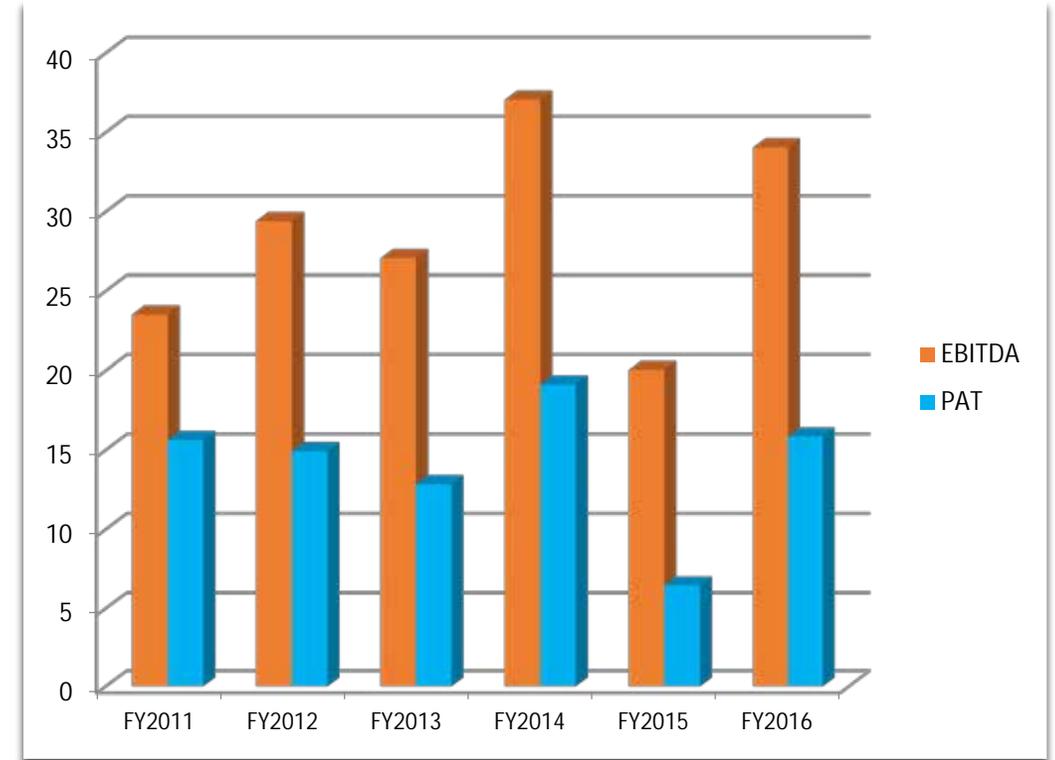
Bega Cheese and Tatura Milk Segment *Normalised



\$m Bega Cheese



\$m Tatura Milk Industries

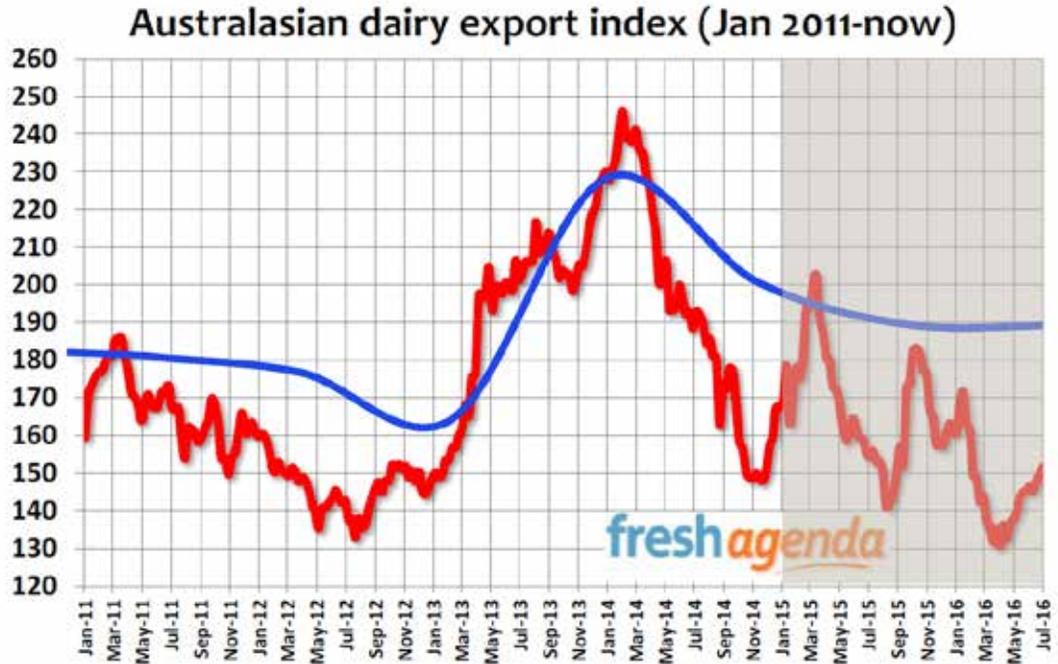


- Segment stability reflects business exposure to retail and food service markets in Australia and internationally
- Food service into Asia contributes to growth in export volumes

- Strong performance in nutritional platform
- Milk price more reflective (although not entirely) of global commodity markets

*Normalised for investment in Milk Sustainability and Growth Program (FY2014 and FY2015) and sales of shares in WCB (FY2014).

Dairy Commodity Prices and Farm Gate Milk Price



- Export trend index - global commodity prices/Australian currency impact source *freshagenda*
- Farm gate milk price trend
- FY2015 Milk price \$6.00 per Kg MS
 FY2016 Opening and closing milk price \$5.60 per Kg MS
 FY2017 Opening milk price \$5.00 per Kg MS

- Reflects milk price before retrospective cuts by MG and Fonterra
- Farm gate milk price more reflective of market in FY2017
- Global supply/demand not in balance
- Some global commodity market improvement
- Analysts predicting further improvement over next 12 to 18 months



Product Range



Customer Relationships

BLACKMORES[®]

Mondelēz
International

MeadJohnson[™]
Nutrition
NOURISHING THE BEST START IN LIFE

Fonterra[™]

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NEW SOUTH WALES

VICTORIA

Investing in Infrastructure

- Infant canning facility upgrade
- Continued research and development on high value whey protein infrastructure
- Automated slice and shredded cheese capacity
- Continued investment in Bionutrients
- Enterprise resource planning implementation



TATURA
236 Hogan Street
Tatura VIC 3616 Australia



DERRIMUT
11 Benn Court
Derrimut VIC 3090 Australia



STRATHMERTON
Murray Valley Highway
Strathmerton VIC 3641 Australia



BEGA CHEESE MANUFACTURE
11-13 Lagoon Street
Bega NSW 2550 Australia



COBURG
10-16 Ailenby Street
Coburg VIC 3058 Australia



PORT MELBOURNE
684 Lorimer Street
Port Melbourne VIC 3207 Australia



**BEGA HEAD OFFICE AND
PROCESSING & PACKAGING PLANT**
23-45 Ridge Street
North Bega NSW 2550 Australia

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Balance Sheet (extract)



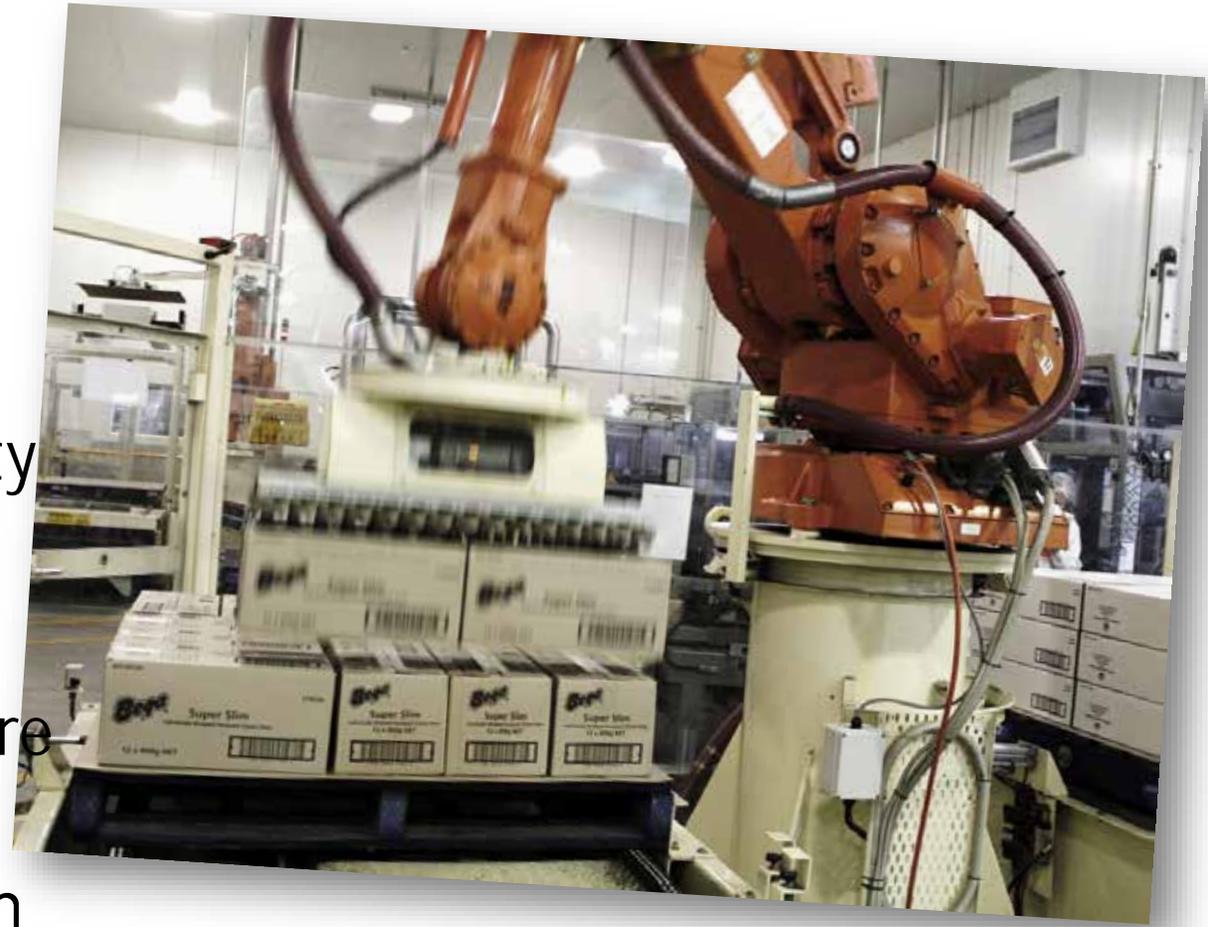
	FY2016 \$m	FY2015 \$m
Trade and other receivables	143.7	119.5
Inventories	192.4	194.9
Property, plant & equipment	219.9	209.7
Total Assets	586.7	552.4
Trade and other payables	156.0	139.1
Borrowings	62.7	69.0
Total Liabilities	258.8	239.8
Net Assets	327.8	312.7
Net Debt	53.1	58.7

Strategic Priorities

- Maintain the growth trajectory of the business in all key platforms
- Drive efficiencies through ongoing investment in infrastructure
- Maximise the value of milk components
- Further investment in brand portfolio
- Continue to build strong long term relationships
- Investigate corporate opportunities
- Build on well established company values

Outlook

- Revenue growth
- International business growth
- Analysts predicting global dairy commodity price improvements
- Challenges in dairy nutritionals
- Financial performance impacted by Bemoore provisions
- Investing in business efficiency and growth
- Company of choice for Australian dairy farmers and investors





BEGA CHEESE LIMITED
ANNUAL REPORT 2016



2016 Annual Report Chief Executive Officer's Report

Aidan Coleman – CEO



FY2016 Results *Normalised



Consolidated Period Ending 30 June 2016	Per Financial Statements \$'000	Milk Sustainability and Growth outcome \$'000	Normalised Result \$'000	Change from prior period \$'000	%
Revenue	1,195,967	-	1,195,967	83,337	7
Cost of sales	(1,042,595)	604	(1,041,991)	(64,180)	7
Gross profit	153,372	604	153,976	19,157	14
Other income and expenses	(87,962)	-	(87,967)	(8,853)	11
EBITDA	65,405	604	66,009	10,304	18
EBIT	43,496	604	44,100	10,609	32
Finance costs	(3,596)	-	(3,596)	(266)	8
Profit before income tax	39,900	604	40,504	10,343	34
Profit for the year	28,779	423	29,202	7,185	33
Basic earnings per share - cents	18.9		19.1	4.7	33

*Normalised for investment in Milk Sustainability and Growth Program (FY2016 and FY2015)

Cash Flow



	FY2016 \$m	FY2015 \$m
Receipts from customers	1,241	1,161
Payments to suppliers	(1,175)	(1,165)
Interest and other costs of financing paid	(3.8)	(3.4)
Income tax paid	(3.3)	(9.9)
Operating activities	59.0	(17.3)
Investing activities	(39.6)	(36.4)
Financing activities	(20.0)	35.4
Net (decrease) in cash and cash equivalents	(0.6)	(18.3)

- Improved gross profit
- Strong working capital and inventory management

Operations

Manufacturing

- Production increased 6% to over 238,000 tonnes
- Continued improvement in quality performance

Environment

- Energy use down 7.9% on prior year
- Further investments in compliance infrastructure across key sites

Capital Investment (\$34 million)

- Nutritional blending and canning
- Natural cheese
- Enterprise resource planning



Milk Intake

- Continued decrease in global commodity pricing
- Challenging farming conditions in a number of our supply regions
- 3.8% growth in milk supply
- Direct intake 656 million litres



Global Dairy Prices to Remain Subdued for Much of 2016



With the world producing more milk than the market could consume, the need to clear dairy product kept global commodity prices low in 2015. These low prices combined with modest consumption growth will see stocks gradually erode and, once the brakes go on production in 1H 2016, we expect prices for Whole Milk Powder to improve to around USD 3,200 by the end of 2016.

Workplace Safety

- Industry leading metrics...
- Injuries reduced by 69%
- LTIFR < 4



Business Platforms

Bega Brand

- Number one Australian cheese brand with 15.7% market share
- Brand portfolio available in over 40 countries

Food Service and Consumer Goods

- International portfolio now exceeds \$100 million
- Continued growth in domestic cheese cut, pack and processing

Nutritionals

- Sales revenue now exceeds \$200 million
- 50% growth in nutritionals business

Bionutrients

- Lactoferrin and other micro proteins
- Dairy, marine and botanical micro nutrients



Note: Bega Cheese brand franchised to Fonterra Brands (Australia) for the Australian market



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Reflections

- Publicly listed 2011
- In the last 5 years
 - Revenue growth from \$933 million to \$1,196 million, a CAGR of 6.4%
 - Profit after tax growth from \$20.4 million to \$29.2 million a CAGR of 9.34%
 - EPS growth from 12.81 cents to 19 cents, a CAGR of 10.5%
- Customers, suppliers, investors and colleagues





BEGA CHEESE LIMITED
ANNUAL REPORT 2016





2016 Annual Report Formalities and Voting

Barry Irvin – Executive Chairman



Remuneration Report

- Pages 24–28 of Annual Report
- Board, Executive Chairman, CEO and other key management personnel
- Market data and external advisors

Resolution

- *Adopt remuneration report for the year ended 30 June 2016*

Remuneration Report

- Proxies
- Total votes – 44,794,050 (29.35%)
- For – 43,275,204 (96.61%)
- Open – 1,169,603 (2.61%)
- Against – 349,243 (0.78%)

Election of Directors

- Max Roberts
- Richard Platts



Election of Directors



Max Roberts

- Total Votes – 45,146,114 (29.58%)
- For – 28,355,393 (62.81%)
- Open – 1,217,600 (2.7%)
- Against – 15,573,121 (34.49%)

Election of Directors



Richard Platts

- Total Votes – 45,145,688 (29.58%)
- For – 30,429,826 (67.4%)
- Open – 1,220,452 (2.7%)
- Against – 13,495,410 (29.89%)

Directors Fee Pool Increase

- Current maximum aggregate yearly remuneration for Directors \$900,000
- Remuneration payable to Directors for FY2016 \$825,164
- Directors remuneration review by Nom and Rem committee with the assistance of independent remuneration experts (recommendation for FY2017 \$877,250)
- While remuneration will not exceed the \$900,000 aggregate the Board believes it is appropriate to review the cap which was set on listing in 2011
- Recommendation the pool be increased by \$300,000 from \$900,000 to \$1.2 million
- Directors will not be voting, Chairman will exercise proxies as directed



Directors Fee Pool

- Proxies
- Total votes – 44,797,682 (29.36%)
- For – 42,987,837 (95.96%)
- Open – 1,144,263 (2.55%)
- Against – 665,582 (1.49%)



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