
TasFOODS LTD

ACN 084 800 902

OFFER BOOKLET

Fully underwritten non-renounceable Rights Issue

A 1 for 3.099 non-renounceable rights issue
by TasFoods Limited ACN 084 800 902
to raise \$8.0 million (before costs).
The Rights Issue is fully underwritten.

Last date for acceptance and payment
5pm (Sydney time) on Friday, 12 July 2019



This is an important document and requires your immediate attention. This document and the accompanying Entitlement and Acceptance Form should be read in their entirety. If you are in any doubt about what to do, you should consult your professional adviser without delay.

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Board of Directors

Shane Noble	Executive Chair
Jane Bennett	Managing Director and CEO
Alexander Beard	Non-Executive Director
Roger McBain	Non-Executive Director

Company Secretary

Janelle O'Reilly

Registered Office

52-54 Tamar Street
Launceston Tasmania 7250 AUSTRALIA
Telephone: + 61 3 6331 6983
Facsimile: + 61 3 6256 9251
Website: www.tasfoods.com.au

Postal Address

PO Box 425
Launceston Tasmania 7250 AUSTRALIA

Share Registry

Link Market Services
Level 12, 680 George Street
Sydney New South Wales 2000 AUSTRALIA
Telephone: + 61 1300 554 474
Facsimile: + 61 2 9287 0303

Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank Boulevard
Southbank Victoria 3006 AUSTRALIA

Solicitors to the Offer

K&L Gates
Level 31, 1 O'Connell Street
Sydney New South Wales 2000 AUSTRALIA

Bankers

Australia and New Zealand Banking Group
Bendigo Bank

Stock Exchange Listing

TasFoods Limited shares are listed on the
Australian Securities Exchange, code TFL

TasFoods Shareholder Information Line:

1300 407 677 (within Australia) or
+61 1300 407 677 (outside Australia)

Chairman's Letter

Dear Shareholder,

As a valued Shareholder of TasFoods Ltd (**TasFoods** or the **Company**), I am pleased to offer you the opportunity to participate in TasFoods' recently announced fully underwritten 1 for 3.099 non-renounceable rights issue of new TasFoods ordinary shares (**New Shares**) at an issue price of \$0.12 (**Issue Price**) per New Share to raise \$8 million (before costs and expenses) (**Rights Issue**).

Rights Issue and Use of Proceeds

On 13 May 2019, TasFoods announced its intention to raise \$8 million by way of a Rights Issue. The proceeds of the Rights Issue will be applied to partially fund TasFoods' acquisition of the milk processing assets and brands of Betta Milk Co-operative Society Limited (**Betta Milk** or **Acquisition**). The Rights Issue is fully underwritten by Wentworth Global Capital Partners (**Underwriter**).

The Acquisition is another step in TasFoods' strategy to build a successful premium food business leveraging Tasmania's unique environmental and marketing advantages. The shareholders of Betta Milk voted on 12 June 2019 to approve the sale.

Betta Milk, established in 1956, processes approximately 10 million litres of milk each year and services the Tasmanian milk market, with market shares of 17% of Tasmanian fresh milk sales and 37% of branded milk sales. In FY2019¹ the Betta Milk milk assets and brands are expected to deliver net sales revenue of approximately \$16.7 million and a normalised EBITDA of approximately \$800,000 before synergy benefits and growth opportunities are realised, excluding one-off integration costs.

The Acquisition will strengthen TasFoods' existing dairy business and brands – Pyengana Dairy, Meander Valley Dairy and Robur Farm – and is expected to lead to significant revenue opportunities and operational synergies. The acquisition of Betta Milk's processing assets (and brands) will add to TasFoods' expected positive EBITDA from existing operations in FY2019² and will expand the Company's present distribution network.

The Betta Milk acquisition is expected to be transformational for TasFoods; it will enable us to have two key business pillars in Poultry and Dairy and will further enhance our opportunities for growth into new markets. We expect that the expanded business will have revenue of approximately \$60 million in 2020.

Further information about the Acquisition, including the strategic and financial benefits are described in more detail in the investor presentation lodged with the Australian Securities Exchange (**ASX**) on 20 June 2019 and TasFoods' market release lodged with the ASX on 13 May 2019 (both included in this **Offer Booklet**).

Key Details

The number of New Shares you are entitled to subscribe for (**Entitlement**) under the Rights Issue is set out in your personalised Entitlement and Acceptance Form that accompanies this Offer Booklet.

The Issue Price of \$0.12 per New Share represents a 25% discount to the last trading price of the Company's shares on ASX on Wednesday, 19 June 2019 (the last trading day immediately before the Company announced that it would be proceeding with the Rights Issue).

The Rights Issue is non-renounceable and therefore your Entitlement will not be tradeable on the ASX, cannot be sold and is not otherwise transferable. This means that if you choose not to take up your Entitlement you will not receive any value in respect of your Entitlement and your percentage interest in the Company will reduce. I encourage you to consider this offer carefully.

¹ Betta Milk completes its FY2019 financial year on 30 June 2019.

² TasFoods completes its FY2019 financial year on 31 December 2019.

Chairman's Letter (continued)

Other Information

This Offer Booklet contains important information, including:

- ASX announcements relating to the Rights Issue and the Acquisition, including the investor presentation which provides information on TasFoods, the Rights Issue and key risks for you to consider;
- Instructions on how to participate in the Rights Issue if you choose to do so, and a timetable of key dates;
- Information regarding the personalised Entitlement and Acceptance Form that will accompany this Offer Booklet, which will detail your Entitlement, to be completed in accordance with the instructions in this Offer Booklet and your personalised Entitlement and Acceptance Form; and
- Instructions on how to take up all or part of your Entitlement via BPAY® or by cheque, bank draft or money order.

You should carefully read this Offer Booklet in its entirety and consult your financial adviser before making your investment decision. In particular, you should read and consider the 'Key Risks' section of the Investor Presentation included in this Offer Booklet. If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Rights Issue.

For further information on the Rights Issue you can call the TasFoods Shareholder Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) from 9.00am to 5.00pm (Sydney time) Monday to Friday until the Closing Date.

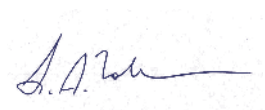
The Rights Issue closes at 5.00pm (Sydney time) on 12 July 2019.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you decide to take this opportunity to increase your investment in TasFoods please ensure that, before 5.00pm (Sydney time) on 12 July 2019, you have paid your Application Monies pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Offer Booklet when it is sent to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Share Registry.

On behalf of the board of TasFoods, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of TasFoods.

Yours sincerely,



Shane Noble

Executive Chairman

Key Dates for the Rights Issue

Indicative Timetable

The anticipated timetable for the Rights Issue is as follows:

Event	Date
Lodgement of Appendix 3B and cleansing notice including Offer Booklet and Investor Presentation with ASX	Thursday, 20 June 2019
"Ex" date (date from which Shares trade without an Entitlement)	Monday, 24 June 2019
Record date for the Rights Issue (Record Date)	7pm, Tuesday, 25 June 2019
Mailing of Offer Booklet and Entitlement and Acceptance Forms	Friday, 28 June 2019
Rights Issue opens	Monday, 1 July 2019
Rights Issue closes (Closing Date)	5pm, Friday, 12 July 2019
Trading in New Shares (on a deferred settlement basis) starts	Monday, 15 July 2019
Announcement of shortfall (if any) under the Rights Issue	Wednesday, 17 July 2019
Issue of New Shares under the Rights Issue	Friday, 19 July 2019
Trading of New Shares (on a normal settlement basis) starts	Monday, 22 July 2019

Note: Times and dates shown above are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, the Listing Rules and the Underwriter's consent, to vary the dates of the Rights Issue without prior notice, including by extending the Rights Issue or accepting late Applications, either generally or in particular cases, or to withdraw the Rights Issue. The commencement of quotation of New Shares is subject to confirmation from ASX. References in the above noted Rights Issue timetable to "New Shares" includes a reference to "Additional New Shares" if the context requires.

ASX Offer Announcements

TasFOODS LTD

54 Tamar St, Launceston.
PO Box 425, Launceston, TAS, 7250.
(03) 6331 6983
admin@tasfoods.com.au

ABN 53 084 800 902 ACN 084 800 902

13 May 2019
ASX Release

TasFoods signs agreement to buy Betta Milk

- Transformational acquisition with significant growth and synergy opportunities
- Complements and strengthens TasFoods' existing dairy business
- Purchase subject to final due diligence
- TasFoods expects to be EBITDA positive in FY2019 from existing operations

TasFoods Ltd. (ASX: TFL) today announced that it has entered into an agreement to purchase the milk processing assets and brands of The Betta Milk Co-Operative Society Limited (Betta Milk), an unlisted public company, subject to final due diligence and approval by Betta Milk's shareholders. The cost of the acquisition will be approximately \$11.5 million in cash which will be funded from internal and external sources including an \$8 million non-renounceable rights issue which has been fully underwritten at \$0.12 per share. At 30 April 2019, TasFoods' cash-on-hand was circa \$6 million.

The acquisition of Betta Milk's milk processing assets (and brands), located in Burnie, Tasmania, will strengthen TasFoods' existing dairy business and are expected to lead to significant revenue opportunities and operational synergies as well as contributing to TasFoods' expected positive EBITDA in FY2019. The transaction, which is anticipated to be underlying earnings per share accretive in the year to 31 December 2019, is expected to complete in late July 2019.

Betta Milk, established in 1956, processes approximately 10 million litres of milk each year, and has market shares of 17% of Tasmanian fresh milk sales and 37% of branded milk sales. In FY2018, the business' net revenue was \$16.422 million.

The sale agreement includes Betta Milk's recently upgraded export-accredited processing facility in Burnie as well as distribution centres in Launceston and Hobart. Betta Milk will complement TasFoods' existing dairy brands – Pyengana Dairy, Meander Valley Dairy and Robur Farm – and will expand its present distribution network.

TasFoods' Executive Chairman, Shane Noble, said: "This is a transformational acquisition for TasFoods that will enable us to leverage our present resources and facilities. Betta Milk has excess production capacity presenting multiple avenues for growth within Tasmania, other states and export markets.

“TasFoods’ increased scale will allow us to grow our investment in premium Tasmanian food products and help us achieve our goal to become a more significant player in the Australian dairy market. TasFoods will continue to support the Betta Milk brand in the Tasmanian market where it has a strong and loyal following. We believe there are also opportunities in mainland and Asian markets to leverage our recently registered Van Diemen’s Land Dairy brand.

“We also confirm that we remain on track to report positive EBITDA from existing operations for the year to 31 December 2019.”

Further detail in relation to the rights issue (including the record date) as well as the required offer documentation (including an investor presentation and offer booklet) will be released to the ASX and sent to shareholders once the due diligence and Betta Milk shareholder approval conditions have been satisfied. TasFoods has signed a binding agreement with Wentworth Global Capital Partners to underwrite the \$8 million rights issue at \$0.12 per share.

For further information please contact:

Janelle O’Reilly
Company Secretary
03 6331 6983

About TasFoods

TasFoods, established in 2015, is a diversified food business focused on leveraging the natural attributes of Tasmania’s agricultural and food production environment to create premium food products for sale to Australian and export customers.

The company owns a stable of high value food brands, focused on the three key product categories of Chicken (Nichols Poultry), Dairy (Pyengana, Meander Valley and Robur Farm) and Horticulture (Shima Wasabi).

TasFoods has a strong and loyal customer base in Tasmania and continues to focus on showcasing the State’s finest produce to the world.



TasFoods Acquisition Presentation

TASFOODS LTD

Investor Presentation

Acquisition of selected assets and brands of Betta Milk Co-operative Society

June 2019



About TasFoods

TasFoods is a diversified food business leveraging Tasmania's unique environment to create premium food products for sale to Australian and export customers.

TasFoods has a strong and loyal customer base in Tasmania and continues to focus on its vision to showcase the State's finest produce to the world.

The Company owns a stable of high value food brands in three key product categories:

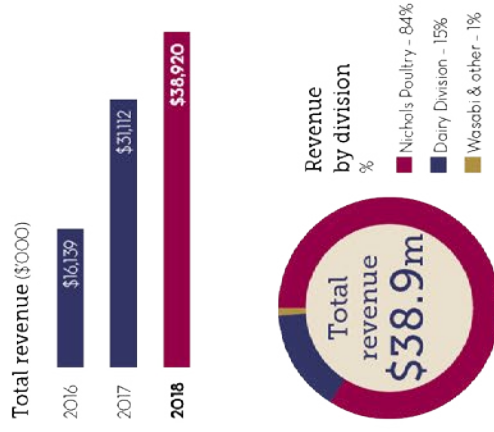


FY18* Company Highlights

FY18 was a year of strong growth for TasFoods, setting the company on a pathway to profit.

Highlights include:

- Sales revenue up 25% to \$38.4 million.
- Gross profit up 54% to \$10.7 million.
- EBITDA improvement of \$4.6 million.
- H2 delivered positive operating cash flow.



* Financial year ended 31 December 2018.

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TASFOODS LTD

TasFoods' Dairy Operations

TasFoods has a small, strongly growing dairy business with a diversified suite of brands and product types. Sales revenue grew by 140% in FY 2018 to \$5.96 million.

Premium Quality Artisan Cheese

Sold to independent retail, premium food service and hospitality customers.

- Pyengana Dairy Cloth Matured Cheddar
- Pyengana Dairy St Columba Blue
- Robur Farm Marinated Goat Cheese
- Robur Farm Spreadable Chevre

Indulgent Cream and Butter

Sold to national retail supermarkets, independent retail, premium food service and hospitality customers.

- Meander Valley Dairy Double Cream
- Meander Valley Dairy Crème Fraîche
- Meander Valley Dairy Clotted Cream
- Meander Valley Dairy Cultured Butter

Premium Milk

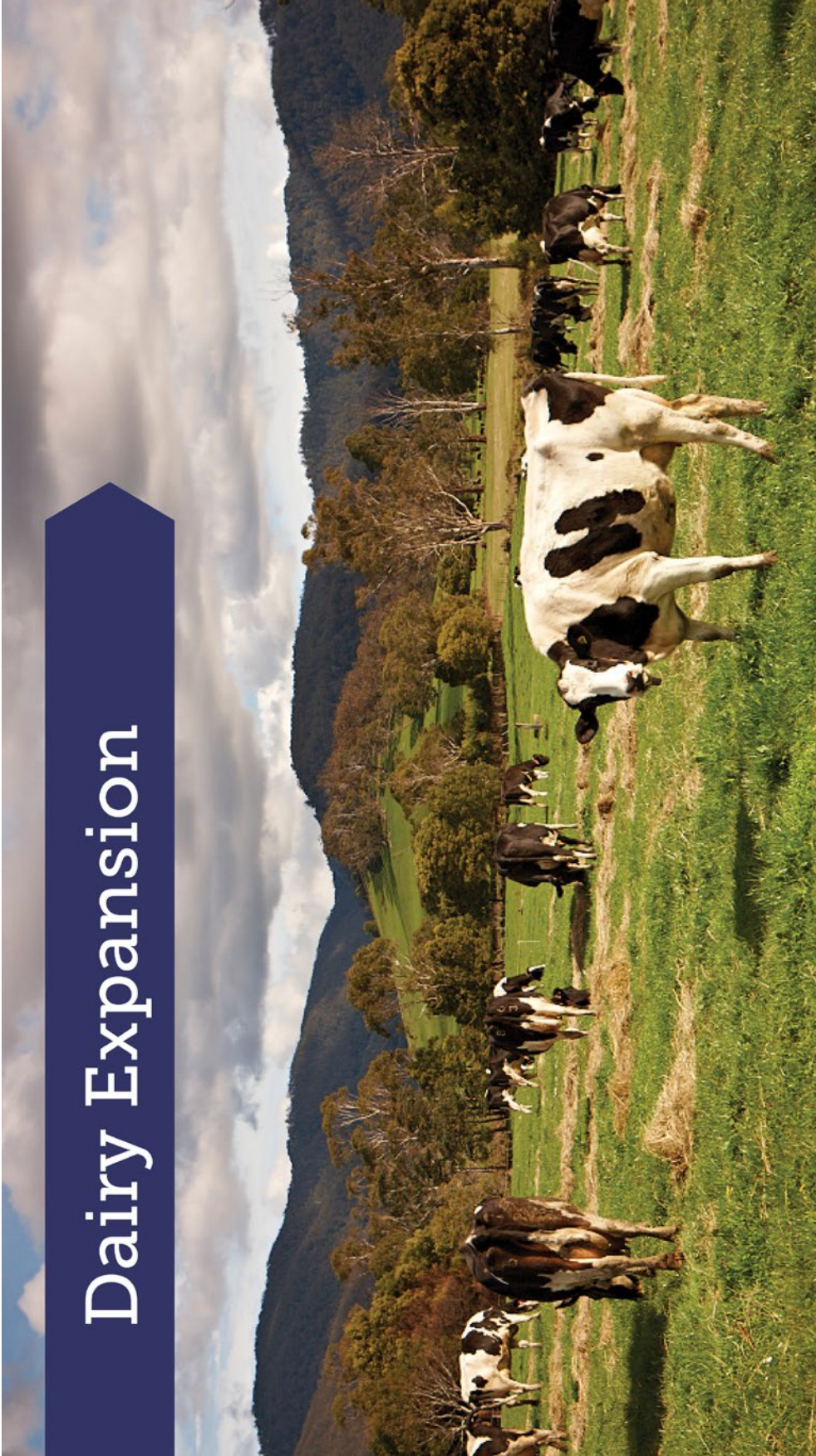
Sold to major retail chains in Tasmania, food service customers in Tasmania and independent retail in Tasmania and NSW.

- Pyengana Dairy White Milk Range – Full Cream, Non Homogenised and Light.
- Real Milk – Non Homogenised
- Pyengana Dairy Premium Flavoured Milk
- Robur Farm Goat Milk

Sales revenue (\$'000)



Dairy Expansion



TasFoods Expands Dairy Business with Purchase of Betta Milk

Transformational acquisition for TasFoods with significant growth and synergy opportunities.

- On 13 May 2019, TasFoods entered into an agreement to purchase the milk processing assets and brands of the Betta Milk Co-operative Society Limited.
- The cost of the acquisition will be approximately \$11.5 million in cash, funded in part through a fully-underwritten \$8 million non-renounceable rights issue at \$0.12 per share.
- Betta Milk, established in 1956, services the Tasmanian milk market and has market shares of 17% of Tasmanian fresh milk sales and 37% of branded milk sales.
- In FY19*, Betta Milk is expected to deliver net sales revenue of approximately \$16.7 million and a normalised EBITDA of approximately \$0.8 million before synergy benefits and growth opportunities are realised, excluding one-off integration costs.
- Acquisition includes Betta Milk's export-accredited processing facility in Burnie, and distribution centres in Launceston and Hobart.
- Acquisition is expected to complete in late July 2019.

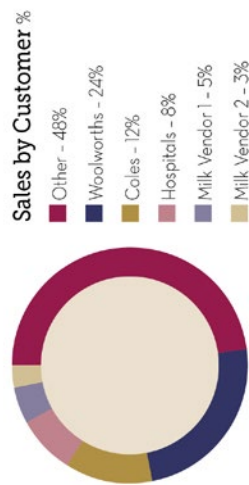
**Betta Milk completes its FY19 financial year on 30 June 2019.
TasFoods completes its FY19 financial year on 31 December 2019.*



Betta Milk Customer and Product Mix for FY19

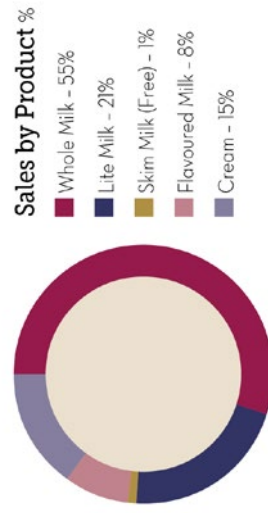
Betta Milk has a diversified customer mix, all located in Tasmania, with the top 10 customers representing 60% of sales. No individual customer represents more than 24% of total sales.
Major customers include:

- Woolworth and Coles stores in Tasmania, which combined represent 36% of sales.
- State-wide contracts with Tasmanian Department of Health and Human Services.
- Vendor network of 17 independent businesses purchasing milk to resell to customers.
- Independent retail stores in Tasmania.
- Fast food restaurant chains.



Betta Milk has a simple product mix derived from whole milk with a range of product sizes including:

- 10 litre bulk bladders.
- 4 litre, 3 litre, 2 litre, 1 litre, 600ml, 300ml, 200ml bottles.
- 1 litre, 600ml, 300ml, 200ml cartons.



Betta Milk Assets

Key assets included in the Betta Milk purchase are:

- Export accredited processing facility located at 147 Old Surrey Road, Burnie, which includes:
 - High speed volumetric filler and associated equipment installed in 2018.
 - 1 refrigerated delivery vehicle.
- Refrigerated distribution centre located at 9-11 Montague Street Invermay, Launceston, which has:
 - 3 refrigerated rooms and office.
 - 8 refrigerated delivery vehicles.
- Refrigerated distribution centre located at 10 Sunmont Street Derwent Park, Hobart, which includes:
 - 3 refrigerated rooms and office.
 - 6 refrigerated delivery vehicles.
- Coolroom and land located at 22 Emmett St, Smithton.



Key Attributes of the Betta Milk Assets

Processing Plant Upgrade

Betta Milk has invested in equipment to support business growth.

In 2018, Betta Milk invested in a new high speed volumetric filler and associated equipment. This capital upgrade has provided a number of advantages to the business, including:

- Increase in processing capacity of more than 50%.
- Increase in shelf life by up to 7 days enabling supply of milk to interstate and export markets.
- Reduction in give-away through volumetric filling.
- Capacity to fill both PET and HDPE bottles which provides flexibility to meet robust packaging requirements for export and interstate customers.

Distribution Network

The Betta Milk distribution network provides a refrigerated delivery service that covers all of Tasmania.

- Betta Milk owns refrigerated distribution centres in Hobart and Launceston. Each facility has excess storage capacity of approximately 40%. Each facility runs a number of company owned refrigerated trucks servicing retail, route trade markets and food service customers.
- Betta Milk owns or leases small coolroom facilities in the townships of Ulverstone, Smithton and Zeehan to provide local storage of products for collection by milk vendors.
- A network of 17 milk vendors complement the company owned delivery service, supplying product to customers across regions which are not supplied directly.

Betta Milk Complements and Strengthens TasFoods Dairy Business

The acquisition of Betta Milk is another step in TasFoods' strategy to build a successful premium food business leveraging Tasmania's unique environmental and marketing advantages.

Strategic advantages include:

- Existing revenue stream of approx. \$16.7 million (FY18).
- EBITDA positive operations, FY19 forecast of \$0.8 million.
- Leading Tasmanian dairy brand with loyal customer base.
- Tasmanian customer profile complementary to TasFoods' existing brands and business divisions.
- Significant excess processing capacity presenting multiple opportunities for growth within Tasmania, other states and export markets.
- Facility in Burnie recently upgraded to include high-speed volumetric bottle filling system which has doubled production capacity and increased shelf-life of products.

Synergies with existing operations include:

- Complements existing dairy brands – Pyengana Dairy, Meander Valley Dairy and Robur Farm.
- Expands present distribution network whilst enabling freight and logistics cost savings.
- Improved buying power for raw materials and packaging through increased volume.
- Streamlining of milk bottling operations into the one location – export-accredited Burnie facility.
- Provides greater scale and market presence for the combined dairy business and leverages present resources and facilities.

Growth Opportunities from Betta Milk Acquisition

Significant merger benefits and growth opportunities over the short and medium term are expected from the Betta Milk acquisition. The combination of Betta Milk's processing assets and TasFoods' strong market offering will create a scalable dairy business.

- Excess processing capacity at Betta Milk's Burnie facility provides opportunities to tender for future contracted milk business to increase revenue streams.
- Opportunities to leverage TasFoods' recently registered Van Diemen's Land Dairy brand in mainland and Asian markets.
- Processing efficiencies and extended fresh milk shelf life capabilities provides opportunities for expansion into interstate and international markets.
- Further enhances the opportunity to showcase the State's finest produce whilst retaining a solid focused market position in Tasmania.
- TasFoods will continue to support the Betta Milk brand in the Tasmanian market where it has a strong and loyal following.
- A number of incremental new product opportunities have been identified which can be brought to market.

Pro Forma Balance Sheet Post Acquisition

	31 Dec 2018 \$'000	Capital Raising Impact** \$'000	Betta Milk Acquisition Impact** \$'000	Pro Forma Post Capital Raising and Acquisition \$'000
Current Assets				
- Cash and cash equivalents	6658	7500	(1115)	3043
- Receivables	2609	-	-	2609
- Biological Assets	2432	-	-	2432
- Inventory	2572	-	376	2948
- Prepayments	542	-	-	542
Total Current Assets	14,814	7500	(10,199)	11,575
Non-Current Assets				
- Property, Plant and Equipment	17458	-	5046	23,074
- Intangibles (including brands)	8,673	-	5,576	14,249
- Other	275	-	-	275
Total Non-Current Assets	26,406	-	11,192	37,598
Total Assets	41,220	7500	453	49,173
Current Liabilities				
- Payables	3976	-	-	3976
- Borrowings	1,470	-	-	1,470
- Provisions	623	-	453	1,076
Total Current Liabilities	6,069	-	453	6,522
Non-Current Liabilities				
- Borrowings	777	-	-	777
- Provisions	156	-	-	156
Total Non-Current Liabilities	883	-	-	883
Total Liabilities	6,952	-	453	7,405
Net Assets	34,267	7500	-	41,767
Equity				
- Contributed Equity	46,354	7500	-	53,854
- Reserves	390	-	-	390
- Accumulated Losses	(12,477)	-	-	(12,477)
Total Equity	34,267	7500	-	41,767

* Net costs of the Offer

** Balance as per Betta Milk Cooperative Society Limited unaudited 31 March 2019 financial statements.

Set out in the table is the Company's; (i) statement of financial position as at 31 December 2018 (audited), and; (ii) pro forma statement of financial position as at 31 December 2018 (unaudited), giving effect to the Acquisition and Rights Issue as though these transactions had occurred as at 31 December 2018 (Pro Forma Balance Sheet).

The Pro Forma Balance Sheet is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in the Company's annual report (Annual Report) (which is prepared in accordance with the accounting standards) and cannot be expected to provide as full an understanding of the Company's financial position as a statement of financial position in the Annual Report.¹

The Pro Forma Balance Sheet is indicative only and is not intended to be a statement of the Company's current financial position.

The financial information "as at" 31 December 2018 is from TasFoods' 2018 Annual Report lodged with the ASX on 27 February 2019.

The Pro Forma Balance Sheet has not been audited, has been prepared for illustrative purposes only and gives effect to the following transactions as if they had occurred on 31 December 2018:

- the Acquisition; and
- the Rights Issue.

Investors should be aware that a number of transactions have occurred post-31 December 2018 that have not been reflected in the pro forma balance sheet. These omitted transactions will be included in the Company's financial statements prepared for the half year ending 30 June 2019.

¹ The Pro Forma Balance Sheet is indicative only and is not intended to be a statement of the Company's current financial position.

Non-Renounceable Rights Issue Overview

- Rights Issue to raise \$8 million, comprising:
 - A 1 for 3.099 non-renounceable rights issue.
- The Issue Price for the Rights Issue is \$0.12 per New Share. This represents a:
 - 25% discount to the last trading price of the Company's shares on ASX on Wednesday, 19 June 2019 (the last trading day immediately before TasFoods announced it would be proceeding with the Rights Issue).
- Rights Issue is expected to open on 1 July 2019 and close at 5pm (Sydney time) on 12 July 2019.
- The Record Date for the Rights Issue is 7pm (Sydney time) on 25 June 2019.
- The Rights Issue is fully underwritten by Wentworth Global Capital Partners.
- The Rights Issue is non-renounceable. This means that shareholders' rights to subscribe for New Shares under the Rights Issue are not transferable.

Rights Issue Timetable

Indicative Timetable

The anticipated timetable for the Rights Issue is as follows:

Event	Date
Lodgement of Appendix 3B and cleansing notice including Offer Booklet and Investor Presentation with ASX	Thursday, 20 June 2019
"Ex" date (date from which Shares trade without an Entitlement)	Monday, 24 June 2019
Record date for the Rights Issue (Record Date)	7pm, Tuesday, 25 June 2019
Mailing of Offer Booklet and Entitlement and Acceptance Forms	Friday, 28 June 2019
Rights Issue opens	Monday, 1 July 2019
Rights Issue closes (Closing Date)	5pm, Friday, 12 July 2019
Trading in New Shares (on a deferred settlement basis) starts	Monday, 15 July 2019
Announcement of shortfall (if any) under the Rights Issue	Wednesday, 17 July 2019
Issue of New Shares under the Rights Issue	Friday, 19 July 2019
Trading of New Shares (on a normal settlement basis) starts	Monday, 22 July 2019

Note: Times and dates shown above are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, the Listing Rules and the Underwriter's consent, to vary the dates of the Rights Issue without prior notice, including by extending the Rights Issue or accepting late Applications, either generally or in particular cases, or to withdraw the Rights Issue. The commencement of quotation of New Shares is subject to confirmation from ASX. References in the above noted Rights Issue timetable to "New Shares" includes a reference to "Additional New Shares" if the context requires.

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TASFOODS LTD

Key Risks - Corporate

A number of risks and uncertainties, which are both specific to TasFoods and of a more general nature, may affect the future operating and financial performance of TasFoods and the value of its shares.

While some common risk factors are set out below, it is not possible to produce an exhaustive list. You should carefully consider the following risk factors, as well as the other information provided by TasFoods in connection with the Rights Issue, and consult your financial and legal advisers before deciding whether to invest.

The risks and uncertainties described below are not the only ones facing TasFoods. Additional risks and uncertainties that TasFoods is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect TasFoods' operating and financial performance.

Share Price Volatility

The value of securities can be expected to fluctuate depending on various factors including the general condition of the Australian economy, general worldwide economic and political conditions, changes in government policies, taxation changes and legislative or regulatory changes, investor sentiment, inflation levels, movements in the price of shares, movements in interest rates and stock markets, commodity prices, industrial disruption, environmental impacts, international competition, and other factors which may affect the Company's financial performance and position. Many of these factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company. Accordingly, assuming that the New Shares (and if applicable, the Additional New Shares) are granted official quotation by ASX, they may trade on ASX at higher or lower prices than the Issue Price.

Dividend Payment

Neither the New Shares (nor the Additional New Shares, if applicable) carry a guarantee with respect to the payment of dividends, returns of capital or the market value or liquidity of those Shares.

Key Risks - Operational

Supply Risk

Ensuring our input supply is secure, stable and reliable.

TasFoods is reliant on a number of key suppliers for inputs such as hatchlings, milk, cream and animal feed. We have strong relationships and contracts with our suppliers to ensure that quality, quantity and price are stable. Where appropriate and able, TasFoods is diversifying supply channels to reduce risk levels and dependence on key suppliers.

Market Risk

Delivering on our customer promises and growing our customer base.

TasFoods has a number of large key customers and the loss of one or more would have a detrimental impact on TasFoods as a whole. TasFoods mitigates this risk by investing in its relationships, ensuring it delivers product in accordance with our customer's specifications, growing our customer base and entering into contracts for supply. In addition, TasFoods responds to changing customer compliance requirements via upgrading facilities and processes. TasFoods has also developed a point of difference in our products which reduces the risk of substitution.

Safety Risk

Ensuring our products are safe for customers and our staff are safe at work.

Food safety and workplace health and safety are risks (the occurrence of which could be materially detrimental to TasFoods) that must be managed by TasFoods at all times. We have built strong quality and safety assurance systems which are externally audited against relevant standards, are overseen by highly skilled staff and a culture committed to food and people safety. In addition, TasFoods holds relevant insurances to further mitigate food safety and workplace health and safety risks.

Biosecurity Risk

Minimising the risk of disease and infection impacting our animals, plants and inputs.

Careful site management, biosecurity measures and good husbandry and agricultural management are used to manage TasFoods risk of exposure to disease, infection and contamination. Significant disease outbreaks may result in mass mortality of livestock or loss of plants, having a significant impact on saleable goods. Such an event could have a materially adverse impact on TasFoods. Suppliers undergo an approval process to ensure inputs comply with product specifications. These are internally and where appropriate externally audited and monitored for compliance.

Key Risks - Acquisition

Integration

Achieving the synergies available from the acquisition of the Betta Milk assets.

Successful integration of the Betta Milk operations into the TasFoods structure will be complex. To manage this complexity there will be a dedicated Integration Manager and Integration Team to lead the process. TasFoods employs a number of people with extensive dairy processing experience who will form part of the integration team. The TasFoods dairy and sales teams have existing relationships with the key customers of Betta Milk and major suppliers of ingredients and packaging. To the extent that Betta Milk's milk assets and brands are not able to be integrated as expected, additional costs may be incurred by TasFoods.

Finished Goods and Raw Material Price Changes

Managing pricing risk.

The majority of company products are derived from raw materials that are subject to fluctuating market conditions. The business will continue to focus on generating savings from cost of production and review customer pricing to manage margins.

Experienced Food and Dairy Team Leading Integration



Shane Noble
Executive Chairman

Shane has over 20 years experience operating at either the CEO or Executive Chair level in a diverse range of businesses across the consumer foods and agribusiness sectors. Appointed as a Non Executive Director on 30 November 2017, Shane became Executive Chair as of 1 February 2018. In his most recent role Shane was Executive Chairman and CEO of Green Foods Holding for 8 years.



Jane Bennett
Managing Director & CEO

Jane has over 20 years of experience as a senior executive in vertically integrated dairy businesses in Tasmania and the UK. She has extensive past experience in regional provenance branding as Chair of the Tasmanian Food Industry Council, Board Member of the Brand Tasmania Council and Nuffield Scholar studying Place of Origin Branding. Jane has previously served on the Boards of Australian Broadcasting Corporation, CSIRO, and Food Innovation Australia Ltd. She is a Fellow of the Australian Institute of Company Directors. Jane was named 2010 Tasmanian Telstra Business Woman of the Year and 1997 Australian ABC Rural Woman of the Year.



Donna Wilson
CFO

Donna is a qualified finance executive with over 18 years of experience working within public practice at KPMG, ASX listed companies and at an executive level in statutory government authorities. Donna holds a Masters of Business Administration in Corporate Governance and a Bachelor of Commerce. She is a member of the Chartered Accountants Australia and New Zealand.



Tom Woolley
COO

Tom Woolley is an experienced investment manager with over 11 years of private equity and investment banking experience. Tom worked at Credit Suisse for 3 years followed by 8 years as a Director at Ironbridge Capital, an Australian private equity company focused on growth investments. He holds a Bachelor of Commerce (Honours) and a Bachelor of Science. Tom is a graduate of the Tasmanian Leaders program.



David Bennett
Chief Sales and Marketing Officer

David has extensive experience in national sales, distribution and marketing of fast moving consumer goods, specialising in premium dairy products. David holds a Bachelor of Laws (Honours) and Bachelor of Commerce and has completed a Graduate Diploma in Legal practice. He previously served as Inaugural Chair of the North West Tasmanian Tourism, Cradle to Coast Tasting Trail



Leigh Austin
Dairy Operations Manager

Leigh has over 30 years of experience in the dairy processing industry working for large dairy companies in a variety of production and quality management roles. Leigh has also worked as a food safety auditor conducting audits on behalf of the Tasmanian Dairy Industry Authority and AQIS. Leigh holds a Bachelor of Applied Science in Dairy Technology. He has previously worked with TasFoods for 3 years in the position of Operational Compliance Manager

Further Shareholder Information

For further information on the Rights Issue, shareholders can use the following contacts:

- TasFoods Shareholder Information Line;
 - During office hours (Monday to Friday 9am to 5pm Sydney time) on 1300 407 677 (or internationally on +61 1300 407 677).
- Dedicated website address www.tasfoods.com.au/rightsissue
- If you require advice on the Rights Issue contact your stockbroker or professional adviser.

Disclaimer

This presentation is provided by TasFoods Ltd ACN 084 800 902 (TasFoods) to provide summary information about TasFoods and its subsidiaries and their activities as at the date of this presentation. In addition, summary information relating to Betta Milk has been provided based on due diligence enquiries made by TasFoods as part of its acquisition of Betta Milk. TasFoods is not able to verify any statements regarding Betta Milk or its activities but is not aware of any information regarding Betta Milk or its activities that would render these statements misleading or deceptive. The information in this presentation is of a general nature and does not purport to be complete and may change without notice. Undue reliance should not be placed on the information contained within this presentation for investment purposes as it does not take into account personal investment objectives, financial position, circumstances or needs. These factors should be considered, with professional advice, when deciding if an investment is appropriate.

The financial information includes non-IFRS information which has not been specifically audited in accordance with Australia Accounting Standards but has been extracted from the 2018 annual report and other available financial information.

This presentation contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. No representation, warranty or assurance (express or implied) is given or made by TasFoods that the forward looking statements contained within this presentation are accurate, complete, reliable or adequate, or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, TasFoods and its respective officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered from any person as a consequence of any information in this presentation or any error or omission from it.

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Introduction

20 June 2019

NON-RENOUNCEABLE RIGHTS ISSUE

The directors (**Directors**) of TasFoods Limited ACN 084 800 902 (**Company**) are pleased to offer you the opportunity to participate in the fully underwritten 1 for 3.099 pro rata non-renounceable rights issue as set out in this Offer Booklet.

The offer is available to all Shareholders who are, as at 7pm (Sydney time) on Tuesday, 25 June 2019 (**Record Date**), registered (in accordance with the records of the Company's share registry) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

1. Introduction

1.1 Key Details

As announced on Thursday, 20 June 2019, the Company invites all Eligible Shareholders to participate in a fully underwritten non-renounceable rights issue on the basis of 1 new fully paid ordinary share in the Company (each, a **New Share**) for every 3.099 existing shares in the Company (each, a **Share**) held at an issue price of \$0.12 per New Share (**Issue Price**) (**Rights Issue**).

Under the Rights Issue, the Company is seeking to raise \$8.0 million (before costs).

The Issue Price represents a 25% discount to the last trading price of the Company's Shares on ASX on Wednesday, 19 June 2019 (ie the trading day immediately before the Company announced that it would be proceeding with the Rights Issue) and a discount of approximately 20% to the theoretical ex-rights price¹ of \$0.15 per Share.

Under the Rights Issue, Eligible Shareholders are also able to apply for Additional New Shares (ie New Shares in excess of their Entitlement²). The allocation of Additional New Shares and any scale back will be subject to the availability of Additional New Shares and the Company's absolute discretion³.

The gross proceeds of the Rights Issue will be used by the Company to partially fund⁴ the acquisition of the milk processing assets and brands of Betta Milk Co-operative Society Limited ACN 009 501 268 (**Betta Milk**) (**Acquisition**⁵) as first announced by the Company on Monday, 13 May 2019 and to pay the costs of the Rights Issue.

As the Rights Issue is non-renounceable, Entitlements will not be tradeable on ASX or otherwise transferrable to third-parties.

The Rights Issue is fully underwritten by Wentworth Global Capital Partners Pty Ltd (**Underwriter**).

As noted throughout the Offer Booklet, two of the Company's substantial shareholders, being CVC Limited⁶ (**CVC**) and Tasplan Superannuation Fund⁷ (**Tasplan**), have each committed to take up their Entitlement in full.

- ¹ The theoretical ex-rights price (**TERP**) is a theoretical weighted average price at which Shares should trade immediately after the "ex" date of the Rights Issue. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the "ex" date for the Rights Issue will depend on a number of factors and may not be equal to TERP.
- ² **Entitlement** means the number of New Shares that an Eligible Shareholder is entitled to subscribe for under the Rights Issue, as determined by the number of Shares held by that Eligible Shareholder on the Record Date
- ³ Please note that Additional New Shares will only be allocated to you if there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlement or from New Shares that would have been offered to Ineligible Shareholders had they been eligible to participate in the Rights Issue.
- ⁴ As noted in the Company's ASX announcement dated 13 May 2019, the total price payable by the Company for the Acquisition is expected to be approximately \$11.5 million. This total amount will be funded by the Company from internal and external sources (including the \$8 million to be raised under the Rights Issue).
- ⁵ For further information in relation to Betta Milk and the Acquisition, please see the Company's investor presentation included in pages 6 to 25 of this Offer Booklet (**Investor Presentation**).
- ⁶ CVC is potentially "related party" (as that term is defined in the Corporations Act) of the Company. This is because Mr Alexander Beard (one of the Company's four Directors) is also the Managing Director of CVC. As at the date of this Offer Booklet, CVC holds 13,348,795 Shares. CVC's total financial commitment under the Rights Issue (ie its commitment to subscribe for its Entitlement in full and to sub-underwrite a further approximately \$6.5 million worth of any Shortfall) amounts to \$7.0 million.
- ⁷ As at the date of this Offer Booklet, Tasplan holds 25,538,693 Shares.

In addition to its commitment to take up its Entitlement in full, CVC has also agreed to subscribe for up to approximately \$6.5 million worth of any New Shares which are not subscribed for by Eligible Shareholders by the Closing Date (with any such remaining New Shares referred to as “**Shortfall**”).

The pro forma consolidated balance sheet in Section 2.4 illustrates the expected effect of the Acquisition and Rights Issue on the financial position of the Company.

1.2 Rights Issue pursuant to section 708AA of the Corporations Act

The Rights Issue is being conducted by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**), without the issue of a prospectus or disclosure document under Chapter 6D of the Corporations Act. Accordingly, this Offer Booklet is not a prospectus, disclosure document or other offering document under the Corporations Act (or any other Australian or foreign law) and has not been (and will not be) lodged with the Australian Securities and Investments Commission (**ASIC**).

The Company is a “disclosing entity” for the purposes of section 111AC of the Corporations Act and as such it is subject to regular reporting and disclosure obligations under section 674 of the Corporations Act and the ASX Listing Rules (**Listing Rules**). These obligations require the Company to notify ASX Limited (**ASX**) of information about specified events and matters as they arise for the purpose of ASX making that information available to the financial market it operates. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately once it is or becomes aware of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act, the Company is required to lodge a “cleansing notice” under section 708AA(2)(f) of the Corporations Act. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

Introduction

1.3 Timetable

The Rights Issue is being conducted in accordance with the following timetable:

Event	Date
Lodgement of Appendix 3B and cleansing notice including Offer Booklet and Investor Presentation with ASX	Thursday, 20 June 2019
"Ex" date (date from which Shares trade without an Entitlement)	Monday, 24 June 2019
Record date for the Rights Issue (Record Date)	7pm, Tuesday, 25 June 2019
Mailing of Offer Booklet and Entitlement and Acceptance Forms	Friday, 28 June 2019
Rights Issue opens	Monday, 1 July 2019
Rights Issue closes (Closing Date)	5pm, Friday, 12 July 2019
Trading in New Shares (on a deferred settlement basis) starts	Monday, 15 July 2019
Announcement of shortfall (if any) under the Rights Issue	Wednesday, 17 July 2019
Issue of New Shares under the Rights Issue	Friday, 19 July 2019
Trading of New Shares (on a normal settlement basis) starts	Monday, 22 July 2019

Note: Times and dates shown above are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act, the Listing Rules and the Underwriter's consent, to vary the dates of the Rights Issue without prior notice, including by extending the Rights Issue or accepting late **Applications**⁸, either generally or in particular cases, or to withdraw the Rights Issue. The commencement of quotation of New Shares is subject to confirmation from ASX. References in the above noted Rights Issue timetable to "New Shares" includes a reference to "Additional New Shares" if the context requires.

⁸ **Application** means an application for New Shares (and Additional New Shares, if applicable to you) under the Rights Issue using a personalised Entitlement and Acceptance Form (accompanied by Application Money) or the payment of Application Money by BPAY®.

Details of the Rights Issue

2. Details of the Rights Issue

2.1 The Rights Issue

The Company is conducting a fully underwritten pro rata non-renounceable offer to Eligible Shareholders to subscribe for 1 New Share at the Issue Price per New Share for every (approximately) 3.099 Shares held at the Record Date. Fractional entitlements to New Shares will be rounded up to the nearest whole New Share.

Your precise pro rata Entitlement to New Shares under the Rights Issue is shown on your personalised entitlement and acceptance form (**Entitlement and Acceptance Form**). Details on how to accept your Entitlement (or part of it) are set out in Section 3. This Offer Booklet will be sent to Eligible Shareholders on or about Friday, 28 June 2019 together with a personalised Entitlement and Acceptance Form.

Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement. Additional New Shares will only be allocated to you if there are sufficient New Shares from Eligible Shareholders who do not take up their Entitlement in full together with any New Shares that would have been offered to Ineligible Shareholders had they been eligible to participate in the Rights Issue, subject to any scale back that the Company might apply (in its absolute discretion⁹). Accordingly, if you apply for Additional New Shares, there is no guarantee you will be allocated with any. You should note that if you do not take up all of your Entitlement, then your percentage holding in the Company will be diluted.

2.2 Size of the Rights Issue

Because the Rights Issue is fully underwritten, it is expected that approximately 66,666,667 New Shares will be issued by the Company under the Rights Issue (noting that the exact number will depend on the rounding of individual holdings and whether any option and/or performance right holders exercise their options and/or performance rights for the issue of Shares prior to the Record Date). The table below sets out, for illustrative purposes only, the expected impact of the Rights Issue on the Company's equity capital structure:

Shares	Number
Existing Shares as at 10am on 20 June 2019	206,599,073
New Shares expected to be issued under Rights Issue	66,666,667
Shares expected to be on issue on completion of Rights Issue	273,265,740

Note: The above table assumes that none of the Company's unquoted options or performance rights are exercised before the Record Date. The Company has on issue 23,500,000 unlisted options (ie 10,000,000 with an exercise price of \$0.21 per option and an expiry date of 3 September 2019, 8,500,000 with an exercise price of \$0.42 per option and an expiry date of 3 September 2019 and 5,000,000 with an exercise price of \$0.20 per option and an expiry date of 30 November 2021). The Company has also granted performance rights to its key management personnel with these performance rights having various exercise prices, expiry dates and vesting hurdles (which primarily relate to the Company's Share price performance). Although unlikely, if any of these unquoted options or performance rights are exercised before the Record Date, the number of Shares on issue on completion of the Rights Issue will increase and the number of New Shares that may be issued under the Rights Issue will also increase.

2.3 Use of funds of the Rights Issue

The Company will raise \$8.0 million (before fees and costs) under the Rights Issue. These funds will be used by the Company as follows:

Use	Amount
Partial funding for the Acquisition	\$7,500,000
Cost of the Rights Issue	\$500,000
Total	\$8,000,000

⁹ The Company intends to allocate any Shortfall as follows: (i) firstly, pro rata to Eligible Shareholders who apply for Additional New Shares, (ii) secondly, to any third-party sophisticated or professional investors who are introduced to the Company by the Underwriter and who apply for New Shares and (iii) thirdly, to CVC.

Details of the Rights Issue

Acquisition Agreement

As announced by the Company on 13 May 2019, the Company (and its wholly owned subsidiary, Van Diemen's Land Dairy Pty Ltd ACN 608 847 016 (**Van Diemen's Land Dairy**)) has entered into a business and asset sale agreement with Betta Milk in relation to the acquisition, by Van Diemen's Land Dairy (and therefore, the Company), of Betta Milk's milk processing assets and brands (**Acquisition Agreement**).

While Van Diemen's Land Dairy is the entity actually acquiring the Betta Milk assets and brands, the Company, as Van Diemen's Land Dairy's corporate parent, is acting as guarantor for all of Van Diemen's Land Dairy's obligations (including in relation to the payment of the purchase price) under and in connection with the Acquisition Agreement.

Subject to completion of the Acquisition Agreement (**Completion**), the purchase price payable by Van Diemen's Land Dairy to Betta Milk is \$11.5 million (subject to a number of customary adjustments in accordance with the Acquisition Agreement¹⁰). As such, the net proceeds of the \$8 million raised under the Rights Issue will be used by the Company to enable Van Diemen's Land Dairy to fund the Acquisition.

The balance of the funds required by Van Diemen's Land Dairy to fund the Acquisition will come from the Company's existing cash reserves. There are no contingent (or other) payments (such as an "earn out" payment based on the assets' and brands' post-Completion operational and/or financial performance) or payments to Betta Milk in the form of securities (whether in the Company or Van Diemen's Land Dairy).

As noted above, Completion is conditional on any remaining conditions precedent being fulfilled or waived by the parties on or before 31 August 2019 (or such other date as is agreed in writing between the parties). However, if the Acquisition does not complete for whatever reason, the Rights Issue will be withdrawn by the Company and any funds raised will be returned to investors (without interest).

Further information in relation to the Acquisition Agreement, the assets and brands the subject of the Acquisition Agreement and the Acquisition's expected impact on the Company's financial position and performance and the Rights Issue is set out in the Investor Presentation.

2.4 Pro Forma Balance Sheet

Set out on the next page is the Company's (i) statement of financial position as at 31 December 2018 (audited) and (ii) pro forma statement of financial position as at 31 December 2018 (unaudited), giving effect to the Acquisition and Rights Issue as though these transactions had occurred as at 31 December 2018 (**Pro Forma Balance Sheet**).

The Pro Forma Balance Sheet is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in the Company's annual report (**Annual Report**) (which is prepared in accordance with the accounting standards) and therefore cannot be expected to provide as full an understanding of the Company's financial position as a statement of financial position in the Annual Report would¹¹.

The financial information "as at" 31 December 2018 has been derived from the Annual Report given to ASX by the Company on 27 February 2019.

The Pro Forma Balance Sheet has not been audited, has been prepared for illustrative purposes only and gives effect to the following transactions as if they had occurred on 31 December 2018:

- (a) the Acquisition; and
- (b) the Rights Issue.

Investors should be aware that a number of transactions have occurred after 31 December 2018 which have not been reflected in the pro forma balance sheet. These omitted transactions will be included in the Company's financial statements prepared for the half year ending 30 June 2019.

¹⁰ Customary adjustments included in the Acquisition Agreement include reimbursement for employee entitlements associated with employees transferring to Van Diemen's Land Dairy from Betta Milk and any shortfall in inventory balances on Completion.

¹¹ The Pro Forma Balance Sheet is indicative only and is not intended to be a statement of the Company's current financial position.

	31 Dec 2018 \$'000	Capital Raising Impact* \$'000	Betta Milk Acquisition Impact** \$'000	Proforma Post Capital Raising and Acquisition \$'000
Current Assets				
- Cash and cash equivalents	6,658	7,500	(11,115)	3,043
- Receivables	2,609	-	-	2,609
- Biological Assets	2,432	-	-	2,432
- Inventory	2,572	-	376	2,948
- Prepayments	542	-	-	542
Total Current Assets	14,814	7,500	(10,739)	11,575
Non-Current Assets				
- Property, Plant and Equipment	17,458	-	5,616	23,074
- Intangibles (including brands)	8,673	-	5,576	14,249
- Other	275	-	-	275
Total Non-Current Assets	26,406	-	11,192	37,598
Total Assets	41,220	7,500	453	49,173
Current Liabilities				
- Payables	3,976	-	-	3,976
- Borrowings	1,470	-	-	1,470
- Provisions	623	-	453	1,076
Total Current Liabilities	6,069	-	453	6,522
Non-Current Liabilities				
- Borrowings	727	-	-	727
- Provisions	156	-	-	156
Total Non-Current Liabilities	883	-	-	883
Total Liabilities	6,952	-	453	7,405
Net Assets	34,267	7,500	-	41,767
Equity				
Contributed Equity	46,354	7,500	-	53,854
Reserves	390	-	-	390
Accumulated Losses	(12,477)	-	-	(12,477)
Total Equity	34,267	7,500	-	41,767

* Net costs of the Offer.

** Balance as per Betta Milk Co-operative Society Limited unaudited 31 March 2019 financial statements.

Details of the Rights Issue

2.5 No rights trading

The Rights Issue is non-renounceable. Accordingly, Entitlements will not be tradeable on ASX or otherwise transferrable.

2.6 Underwriting

The Company has agreed to pay the Underwriter an underwriting fee of approximately \$400,000 (exclusive of GST) in consideration of the Underwriter performing its obligations under the Underwriting Agreement.

As is typical for agreements of this nature, the Underwriter may terminate its obligations under the Underwriting Agreement if certain circumstances (some of which must, in the reasonable opinion of the Underwriter, have or be likely to have, a materially adverse effect on the Rights Issue to permit the Underwriter to terminate) arise in relation to the Rights Issue. These circumstances include:

- (a) the S&P/ASX 300 Index is at any time up to and including the settlement date for the Rights Issue at a level that is 10% or more below its level as at 5pm (Sydney time) on the trading day immediately preceding the date of the Underwriting Agreement (and remains below that level for a period of three consecutive trading days or until the close of business on the day prior to the Closing Date);
- (b) the Offer Booklet (or any of the other documents issued by the Company in connection with the Rights Issue) is or becomes false, misleading or deceptive (including by way of omission);
- (c) the Offer Booklet (or any of the other documents issued by the Company in connection with the Rights Issue) does not contain all information required to comply with the Corporations Act and all other applicable laws;
- (d) the Offer Booklet (or any of the other documents issued by the Company in connection with the Rights Issue) or any aspect of the Rights Issue does not or ceases to comply in any respect with the Corporations Act or the Listing Rules;
- (e) there is a material adverse change, or any development involving or that may result in a prospective material adverse change, in the condition, financial or otherwise, or in the assets, liabilities, earnings, business, results of operations, management or prospects of the Company or any of its subsidiaries, or affecting or relating to the industry in which the Company or any of its subsidiaries operate, from that known or disclosed to the Underwriter prior to the date of the Underwriting Agreement or disclosed in the Offer Booklet (or any of the other documents issued by the Company in connection with the Rights Issue);
- (f) ASX does not approve the granting of official quotation to the New Shares unconditionally (or grants official quotation to the New Shares subject to conditions that are unacceptable to the Underwriter (acting reasonably)) before 10am on the date on which the New Shares are expected to be issued or if granted by ASX, any such approval is subsequently withdrawn or qualified (other than by conditions acceptable to the Underwriter (acting reasonably));
- (g) an event specified in the timetable set out in the Underwriting Agreement is delayed for more than five business days without the prior written consent of the Underwriter;
- (h) the Company fails to perform or observe any of its material obligations under the Underwriting Agreement or there is a breach of any material representation or warranty given by the Company under the Underwriting Agreement; and
- (i) the Company or any of its subsidiaries contravenes:
 - (i) any law, regulation, authorisation, ruling, consent, judgment, order or decree of any applicable government agency (including any legally binding requirement of ASIC or ASX);
 - (ii) the Company's constitution (**Constitution**) or another constituent document;
 - (iii) the ASX Listing Rules;
 - (iv) any contract which is material to the business of the Company or any of its subsidiaries (as applicable).

2.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application under your Entitlement and Acceptance Form once it has been received by the Company.

2.8 Potential effect on control

Given the Issue Price (ie relative to the Share price immediately prior to the commencement of the Rights Issue, being \$0.16), the relatively small number of large Shareholders, the fact that the Rights Issue is fully underwritten and because Eligible Shareholders are able to apply for Additional New Shares, the Company does not expect the Rights Issue to have a material effect on the control of the Company. Furthermore, Eligible Shareholders who take up their Entitlements in full will not have their proportionate interest in the Company diluted by the Rights Issue¹² (subject to immaterial movements which may arise as a result of the rounding of Entitlements).

The Company notes however that CVC (potentially a “related party” of the Company because its (ie CVC’s) Managing Director is also a Director of the Company) has, in addition to its commitment to apply for all of its Entitlement also committed to apply for up to an additional approximately \$6.5 million¹³ worth of New Shares in the event of a Shortfall¹⁴.

The table below sets out each of the Company’s substantial Shareholders’ (ie those Shareholders who hold at least 5% of the Shares) relevant interest in Shares and also their expected relevant interest in Shares following completion of the Rights Issue (assuming that there is no Shortfall (ie assuming that all Eligible Shareholders apply for their full Entitlement under the Rights Issue)):

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Janet H Cameron	38,008,741	18.40%	12,264,896	50,273,637	18.40%
Tasplan	25,538,692	12.36%	8,240,983	33,779,675	12.36%
Ellerston Capital	15,312,126	7.41%	4,941,012	20,253,138	7.41%
CVC	13,348,795	6.46%	4,307,472	17,656,267	6.46%
All other existing Shareholders	114,390,719	55.37%	29,754,362	121,962,716	55.37%
Totals	206,599,073	100%	66,666,667	273,265,740	100%

As far as the Company is aware and based on substantial holding notices that have been lodged prior to the date of this Offer Booklet, there are no Shareholders with voting power of 20% or more in the Company.

The potential effect of the issue of New Shares under the Rights Issue on the control of the Company is as follows:

- If an Eligible Shareholder does not take up all of their Entitlement, then the proportionate interest of that Eligible Shareholder will be diluted.
- The proportionate interests of Shareholders with registered addresses outside of Australia or New Zealand will be diluted because such Shareholders are not entitled to participate in the Rights Issue.
- If no Eligible Shareholders (other than Tasplan and CVC) participate in the Rights Issue and therefore CVC is required to subscribe for its total sub-underwriting commitment, then the expected relevant interests of the Company’s substantial holders on completion of the Rights Issue would likely be as follows, as shown on the next page:

¹² However, if an Eligible Shareholder does not take up all of their Entitlement, then the proportionate interest of that Eligible Shareholder will be diluted. The proportionate interests of Ineligible Shareholders will also be diluted as such persons are not eligible to participate in the Rights Issue.

¹³ CVC’s total financial commitment under the Rights Issue (ie its commitment to subscribe for its Entitlement in full and to sub-underwrite a further approximately \$6.5 million worth of any Shortfall) amounts to \$7.0 million. The Underwriter has agreed to pay CVC a sub-underwriting fee in relation to this commitment.

¹⁴ The Company intends to allocate any Shortfall as follows: (i) firstly, pro rata to Eligible Shareholders who apply for Additional New Shares, (ii) secondly, to any third-party sophisticated or professional investors who are introduced to the Company by the Underwriter and who apply for New Shares and (iii) thirdly, to CVC.

Details of the Rights Issue

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Janet H Cameron	38,008,741	18.40%	0	38,008,741	13.91%
Tasplan	25,538,692	12.36%	8,240,983	33,779,675	12.36%
Ellerston Capital	15,312,126	7.41%	0	15,312,126	5.60%
CVC	13,348,795	6.46%	58,333,333	71,682,128	26.23%
All other existing Shareholders	114,390,719	55.37%	92,351 ¹⁵	114,483,070	41.89%
Totals	206,599,073	100%	66,666,667	273,265,740	100%

(d) If all Eligible Shareholders (other than CVC and Tasplan, each of whom have committed to take up their Entitlement in full) take up half (ie 50%) of their Entitlement, then the expected relevant interests of the Company's substantial holders on completion of the Rights Issue would likely be as follows:

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Janet H Cameron	38,008,741	18.40%	6,132,448	44,141,189	16.15%
Tasplan	25,538,692	12.36%	8,240,983	33,779,675	12.36%
Ellerston Capital	15,312,126	7.41%	2,470,506	17,782,632	6.51%
CVC	13,348,795	6.46%	31,366,578	44,715,373	16.36%
All other existing Shareholders	114,390,719	55.37%	18,456,152	132,846,871	48.61%
Totals	206,599,073	100%	66,666,667	273,265,740	100%

It is not known the extent to which (or if at all) Janet Cameron or Ellerston Capital will participate in the Rights Issue.

2.9 ASX quotation of New Shares

The Company has made an application to ASX for all of the New Shares that expected to be issued under the Rights Issue to be granted quotation on ASX. If that permission is not granted by ASX, the Company will not issue any New Shares and all Application Monies¹⁶ received will be refunded (without interest) in full to Applicants¹⁷. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Neither ASX nor ASIC takes any responsibility for the content of this Offer Booklet.

It is expected that trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the timetable in Section 1.3.

¹⁵ In such circumstances, these New Shares (ie the Shortfall remaining after each of CVC and Tasplan have subscribed for the maximum number of New Shares their respective commitments to the Company and the Underwriter require) would be issued to either the Underwriter or to other placees arranged by the Underwriter.

¹⁶ **Application Money** or **Monies** means monies received from the Applicants in respect of their Application.

¹⁷ **Applicant** means a person who has applied for New Shares (and Additional New Shares, if applicable) under the Rights Issue by submitting an Application.

2.10 Issue of New Shares

Subject to the New Shares being granted quotation on ASX, it is expected that New Shares will be issued on Friday, 19 July 2019 and that updated holding statements for the New Shares will be sent on or after Monday, 22 July 2019.

Confirmation of issue is expected to be sent in accordance with the Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in New Shares and Additional New Shares (if applicable to you). Any Applicant who sells any such securities before receiving their confirmation of issue will do so at their own risk. The Company and the Share Registry (defined below) disclaim all liability, in tort (including negligence), statute or otherwise, to any person who trades in their new securities before receiving their confirmation of issue, whether on the basis of a confirmation of issue provided by the Company, the Share Registry or otherwise.

2.11 Eligible Shareholders

The Rights Issue is being made to all Eligible Shareholders who are, as at 7pm (Sydney time) on the Record Date, registered (in accordance with the records of the Company's share registry, Link Market Services Limited (**Share Registry**)) with a registered address in Australia or New Zealand. This Offer Booklet and a personalised Entitlement and Acceptance Form will only be sent to Eligible Shareholders.

The offer contained in this Offer Booklet to Eligible Shareholders with registered addresses in New Zealand is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013. "Retail" members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

The Company reserves the right to reject any Entitlement and Acceptance Form that it believes comes from a person who is not an Eligible Shareholder.

The Rights Issue is not being made to any investor outside of Australia or New Zealand.

Ineligible Shareholders

In accordance with ASX Listing Rule 7.71 and section 9A of the Corporations Act, the Company has decided that it is unreasonable to extend the Rights Issue to any Shareholder with a registered address outside of Australia or New Zealand as at the Record Date (**Ineligible Shareholder**), having regard to:

- (a) the number of Shareholders with addresses outside of Australia or New Zealand;
- (b) the number and value of New Shares that those Shareholders would (if they were eligible to participate) be offered under the Rights Issue; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale by or to, and no New Shares will be issued to, Shareholders who have a registered address outside of Australia or New Zealand. To the extent that there are any Ineligible Shareholders registered at the Record Date, the Company will send details of the Rights Issue to each Ineligible Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares under the Rights Issue.

2.12 Overseas Shareholders

This Offer Booklet does not, and is not intended to, constitute an offer or invitation in the United States, to any U.S. person, to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this Offer Booklet in jurisdictions outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Offer Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken by the Company to register the New Shares or otherwise permit an offering of the New Shares in any jurisdiction other than Australia or New Zealand. Eligible Shareholders holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Rights Issue does not breach the securities law of the relevant overseas jurisdiction.

Details of the Rights Issue

The New Shares have not been and will not be registered under the U.S. Securities Act of 1933 or the securities laws of any state or jurisdiction in the United States and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. The Rights Issue is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where a registered holder that qualifies as an “Eligible Shareholder” is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether the indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Rights Issue and the nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. person. It is the responsibility of a Shareholder to ensure compliance with any laws of a country relevant to their Application. Return of a completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

2.13 Rights and liabilities attaching to New Shares

The New Shares will, from issue, rank equally with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available on the Company’s website www.tasfoods.com.au.

2.14 Costs of the Rights Issue

It is expected that the costs of the Rights Issue will be approximately \$500,000 (excluding GST).

2.15 Privacy Act

If you complete an Application, you will be providing personal information to the Company (directly, or via the Share Registry). The Company collects, holds and uses that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration in accordance with its privacy policy which is available at www.tasfoods.com.au.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry. You can access, correct and update the personal information that we hold about you. Please contact the Share Registry if you wish to do so at the relevant contact numbers set out in the Entitlement and Acceptance Form. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

Action required by Shareholders

3. Action required by Shareholders

3.1 Your choices

If you are an Eligible Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (see Section 3.2 below);
- take up all of your Entitlement and apply for Additional New Shares (ie New Shares in excess of your Entitlement) (see Section 3.3 below); or
- not take up any of your Entitlement and allow your Entitlement to form part of the Shortfall (see Section 3.4 below).

3.2 If you decide to take up all or part of your Entitlement

If you decide to take up all or part of your Entitlement, please:

- if you are within Australia or New Zealand and you have a bank account with an Australian financial institution that supports BPAY® payments, pay your Application Monies via BPAY®; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies by following the instructions set out on the personalised Entitlement and Acceptance Form.

The Company will treat you as applying for as many New Shares as your payment will pay for in full.

If you take up and pay for all or part of your Entitlement before the close of the Rights Issue, it is expected that you will be issued with your New Shares on or about Friday, 19 July 2019.

Any portion of your Entitlement not taken up will form part of the Shortfall.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders or persons claiming to be Eligible Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information (if requested) to substantiate their claims.

To participate in the Rights Issue, your payment must be received by no later than the Closing Date and time, which is 5pm (Sydney time) on Friday, 12 July 2019. Eligible Shareholders who wish to pay via cheque, bank draft or money order will also need to ensure that their completed personalised Entitlement and Acceptance Form is received by that time and date using the reply paid envelope provided with this Offer Booklet.

3.3 If you decide to take up all of your Entitlement and apply for Additional New Shares

If you decide to take up all of your Entitlement and apply for Additional New Shares, please:

- if you are within Australia or New Zealand and you have an account with an Australian financial institution that supports BPAY® payments, pay your Application Monies via BPAY®; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies by following the instructions set out on the personalised Entitlement and Acceptance Form.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your full Entitlement and, in respect of amounts received by the Company in excess of your full Entitlement (**Excess Amount**), will treat your Application as applying for as many Additional New Shares as your Excess Amount will pay for in full, subject any scale back that the Company may determine to implement in its discretion.

3.4 Not take up any of your Entitlement

If you do not wish to accept any part of your Entitlement you do not need to take any action. In this case, your whole Entitlement will lapse and will form part of the Shortfall.

3.5 Allocation of Shortfall

The Company, in consultation with the Underwriter, intends to allocate the Shortfall (if any) in accordance with the following order of priorities:

Action required by Shareholders

- (a) firstly, pro rata to Eligible Shareholders who apply for Additional New Shares; and
- (b) secondly, to any third-party sophisticated or professional investor who is introduced to the Company by the Underwriter and who applies for New Shares; and
- (c) thirdly, to CVC (ie the related sub-underwriter of the Rights Issue as noted throughout the Offer Booklet).

If there is a Shortfall remaining after making these allocations, the Underwriter would be obliged to subscribe (or procure subscriptions for) the remainder of any such Shortfall.

The issue price of any New Shares offered pursuant to the Shortfall will be \$0.12 per New Share, being the same as the Issue Price under the Rights Issue.

3.6 Acceptance of your Entitlement

The method of acceptance of your Entitlement will depend on your method of payment being by cheque, bank draft, BPAY® or money order. By completing and returning your personalised Entitlement and Acceptance Form, you will be deemed to have represented that you are an Eligible Shareholder.

3.7 Payment for New Shares

The Issue Price for each New Share accepted under your Entitlement is payable on Application. Payment by cheque, bank draft, money order or by BPAY® will be accepted.

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it to the address specified on the form accompanied by a cheque, bank draft or money order in Australian dollars for the amount of the Application Monies, payable to “TasFoods Rights Issue” and crossed “Not Negotiable”.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.12 multiplied by the number of New Shares (and, if applicable to you, Additional New Shares) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- you are deemed to have applied for such whole number of New Shares that is covered in full by your Application Monies, whether that number is less than, equal to, or more than your Entitlement.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5pm (Sydney time) on the Closing Date.

You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

All payments must be in Australian dollars. Foreign currency will not be accepted. Cash payments will not be accepted. Other currency or cash payments will be returned to the Applicant and the acceptance will be deemed invalid. The amount payable on

Application will be deemed not to have been received until the Company's receipt of clear funds. Receipts for payment will not be issued.

Application Monies will be held on trust for Applicants until the issue of the New Shares. Any Application Monies received for more than your final allocation of New Shares will be refunded (except when the amount is less than \$2.00, in which case it will be retained by the Company) on or around Monday, 22 July 2019.

No interest will be paid on any Application Monies received or refunded. Interest earned on Application Monies will be for the benefit of the Company and will be retained by it whether or not issue takes place.

3.8 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid Application. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

3.9 Representations by Acceptance

By completing and returning your personalised Entitlement and Acceptance Form or by making a payment by BPAY®, you, and each person on whose account you are acting, will be deemed to have:

- acknowledged that you have fully read and understood both this Offer Booklet and your personalised Entitlement and Acceptance Form;
- acknowledged the matters and made the warranties and representations and agreements contained in this Offer Booklet and in your personalised Entitlement and Acceptance Form;
- agreed to be bound by the terms of the Rights Issue, the provisions of this Offer Booklet and the Constitution;
- authorised the Company to register you as the holder(s) of any New Shares (and Additional New Shares, if applicable) issued to you;
- declared that all details and statements in your personalised Entitlement and Acceptance Form are complete and accurate;
- declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under your personalised Entitlement and Acceptance Form;
- acknowledged that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your Application or Application Monies except as allowed by law;
- agreed to apply for and be issued with up to the number of New Shares (and Additional New Shares, if applicable) specified in your personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, in each case, at the Issue Price;
- authorised the Company and the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares (and Additional New Shares, if applicable) to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declared that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledged that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice or financial product advice and both documents have been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. Furthermore, you will be taken to have acknowledged that this Offer Booklet and your personalised Entitlement and Acceptance Form is not a recommendation that New Shares (and Additional New Shares, if applicable) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledged that none of the Company or any of its related bodies corporate, affiliates, directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of the Company or the repayment of capital;

Action required by Shareholders

- agreed to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Rights Issue and of your holding of Shares on the Record Date;
- authorised the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represented and warranted that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, and nor does it prohibit you from making an Application; and
- represented and warranted that your acceptance of the Rights Issue does not breach any laws in a jurisdiction outside Australia or New Zealand.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an Eligible Shareholder (as defined in this Offer Booklet) or otherwise eligible to participate in the Rights Issue and:

- you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue of Entitlements, New Shares or Additional New Shares (if applicable) under the Rights Issue and under any applicable laws and regulations;
- the Entitlements, New Shares and Additional New Shares (if applicable) have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and, accordingly, the Entitlements may not be taken up, and the securities being offered under this Offer Booklet may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- you and each person on whose account you are acting have not and will not send any materials relating to the Rights Issue to any person in the United States;
- if in the future you decide to sell or otherwise transfer New Shares or Additional New Shares (if applicable) you will only do so in regular way transactions on ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States, and you have not sent this Offer Booklet, the personalised Entitlement and Acceptance Form or any information relating to the Rights Issue to any such person.

3.10 Brokerage

No brokerage is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

3.11 Governing law

This Offer Booklet and the contracts which arise on the acceptance of Applications are governed by the laws applicable in New South Wales and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

General Information regarding the Rights Issue

4. General Information regarding the Rights Issue

4.1 Risks

An investment in New Shares (and, if applicable to you, Additional New Shares) should be regarded as speculative and involves many risks.

Eligible Shareholders intending to participate in the Rights Issue should refer to the announcements made by the Company to ASX. This information is available from the ASX's website, which is: www.asx.com.au (ASX code: TFL). Copies of the announcements are also available from the Company Secretary on request.

Shareholders should consider the investment in the context of their individual risk profile, investment objectives and financial circumstances. Each Eligible Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Shares (and, if applicable to you, Additional New Shares).

Neither the New Shares (nor the Additional New Shares, if applicable) carry a guarantee with respect to the payment of dividends, returns of capital or the market value or liquidity of those Shares.

Eligible Shareholders should be aware that there are risks associated with an investment in shares of companies listed on a stock exchange. The value of securities can be expected to fluctuate depending on various factors including the general condition of the Australian economy, general worldwide economic and political conditions, changes in government policies, taxation changes and legislative or regulatory changes, investor sentiment, inflation levels, movements in the price of shares, movements in interest rates and stock markets, commodity prices, industrial disruption, environmental impacts, international competition, and other factors which may affect the Company's financial performance and position. Many of these factors are beyond the control of the Company and the Company cannot, to any degree of certainty, predict how they will impact on the Company. Accordingly, assuming that the New Shares (and if applicable, the Additional New Shares) are granted official quotation by ASX, they may trade on ASX at higher or lower prices than the Issue Price.

The information in this Offer Booklet does not constitute a recommendation to subscribe for New Shares (or Additional New Shares) and this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible Application. You should make your assessment of what information is relevant to your decision to participate in the Rights Issue.

4.2 Tax consideration for investors

You should be aware that there may be taxation implications associated with participating in the Rights Issue. The Directors consider that it is not appropriate to give advice regarding the taxation consequences of subscribing for New Shares (and if applicable to you, the Additional New Shares) or the subsequent disposal of any such Shares. The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to Shareholders. The Directors recommend that all Shareholders consult their own professional tax advisers in connection with subscribing for, or subsequent disposal of, New Shares (and if applicable, the Additional New Shares).

4.3 Enquiries

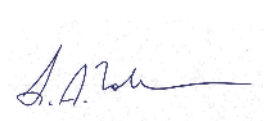
The Company has established a shareholder information line via its Share Registry to receive your enquiries regarding the Rights Issue. Please do not hesitate to phone 1300 407 677 (or on +61 1300 407 677) with any questions.

The Company has also established a website and portal to make it easy for you to quickly review documents on line if you prefer and have not already done so. Please refer to www.tasfoods.com.au/rights issue

The Company cannot provide any advice regarding your decision to participate in the Rights Issue (or not) - this must be sought from your stockbroker or professional adviser.

For and on behalf of

TasFoods Limited



Shane Noble

Executive Chairman

