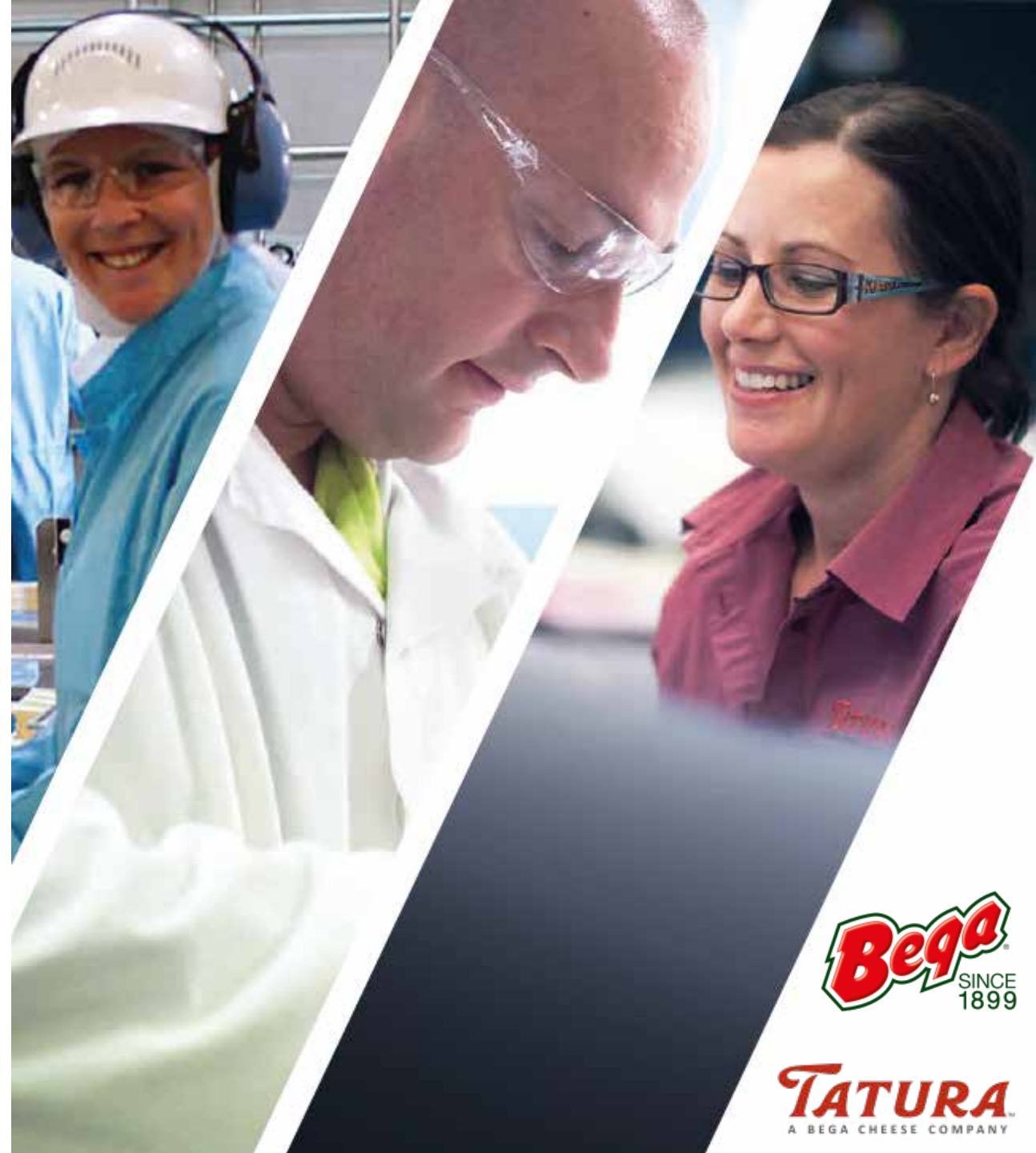


1H FY2017 Half Year Results

Barry Irvin – Executive Chairman

Paul van Heerwaarden – CEO

Colin Griffin – CFO



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A BEGA CHEESE COMPANY

Strategic Overview

- Revenue growth
- Profit growth
- Acquisition execution
- Strong core business
- Expanded business base
- Business resilience and agility



Key Messages

- Strong performance in challenging market
- Highly competitive environment in cheese cut, pack and processing
- Volatility and uncertainty remains in nutritionals
- Impact of the above will be seen H2
(lower volume in nutritionals and cheese cut, pack and processing)
- Dairy commodity prices significantly strengthened enhancing our ingredients business performance
- Milk procurement is highly competitive, Bega Cheese successful in acquiring additional milk
- Acquisition transition commenced
- Full year guidance remains as stated at FY2016 AGM



Result Highlights – Statutory

Revenue
Growth
10.6%

EBITDA
Growth
9.7%

PAT
Growth
8.2%

EPS
Growth
8.2%

Interim
Dividend
5cps

- Revenue increase to \$621m
- EBITDA increase to \$35.5m
- PAT increase to \$15.7m
- EPS increase to 10.3cps
- Interim dividend 5cps



Result Highlights – Normalised*



- Revenue increase to \$621m
- EBITDA increase to \$42.6m
- PAT increase to \$20.7m
- EPS increase to 13.5cps
- Interim dividend 5cps

*Normalised for inventory impairment 1H FY2017



1H FY2017 Results Normalised*

Consolidated Period Ending 25 December 2016	Per Financial Statements \$'000	Inventory impairment \$'000	Normalised Result \$'000	Change from prior period \$'000	%
Revenue	621,131	-	621,131	59,758	10.6
Cost of sales	(556,077)	7,100	(548,977)	(46,797)	9.3
Gross profit	65,054	7,100	72,154	12,961	21.9
Other income and expenses	(29,558)	-	(29,558)	(3,224)	12.2
EBITDA	35,496	7,100	42,596	9,737	29.6
EBIT	22,948	7,100	30,048	7,890	35.6
Finance costs	(1,414)	-	(1,414)	512	26.6
Profit before income tax	21,534	7,100	28,634	8,402	41.5
Profit for the half year	15,689	4,970	20,659	5,818	39.2
Basic earnings per share - cents	10.3		13.5	3.8	39.2

*Normalised for inventory impairment 1H FY2017



Balance Sheet (extract)

	1H FY2017 Dec \$m	1H FY2016 Dec \$m	FY2016 Jun \$m
Trade and other receivables	160.5	122.9	143.7
Inventories	194.3	206.5	192.4
Property, plant & equipment	222.7	213.7	219.9
Total Assets	621.3	577.9	586.7
Trade and other payables	157.9	128.9	156.0
Borrowings	85.1	92.4	62.7
Total Liabilities	286.3	257.1	258.8
Net Assets	335.0	320.8	327.9
Net Debt	(70.6)	(75.0)	(53.0)



Working Capital

	1H FY2017 Dec \$m	1H FY2016 Dec \$m	FY2016 Jun \$m
Trade Receivables	160.5	122.9	143.7
Inventories	194.3	206.5	192.4
Trade Payables	(157.9)	(128.9)	(156.0)
Working Capital	196.9	200.5	180.1

- Working capital in line with 1H FY2016
- Increase \$17 million from June 2016 as result of Woolworths contract commencing earlier than anticipated and strong sales Q4 2016
- Managed seasonal inventory build



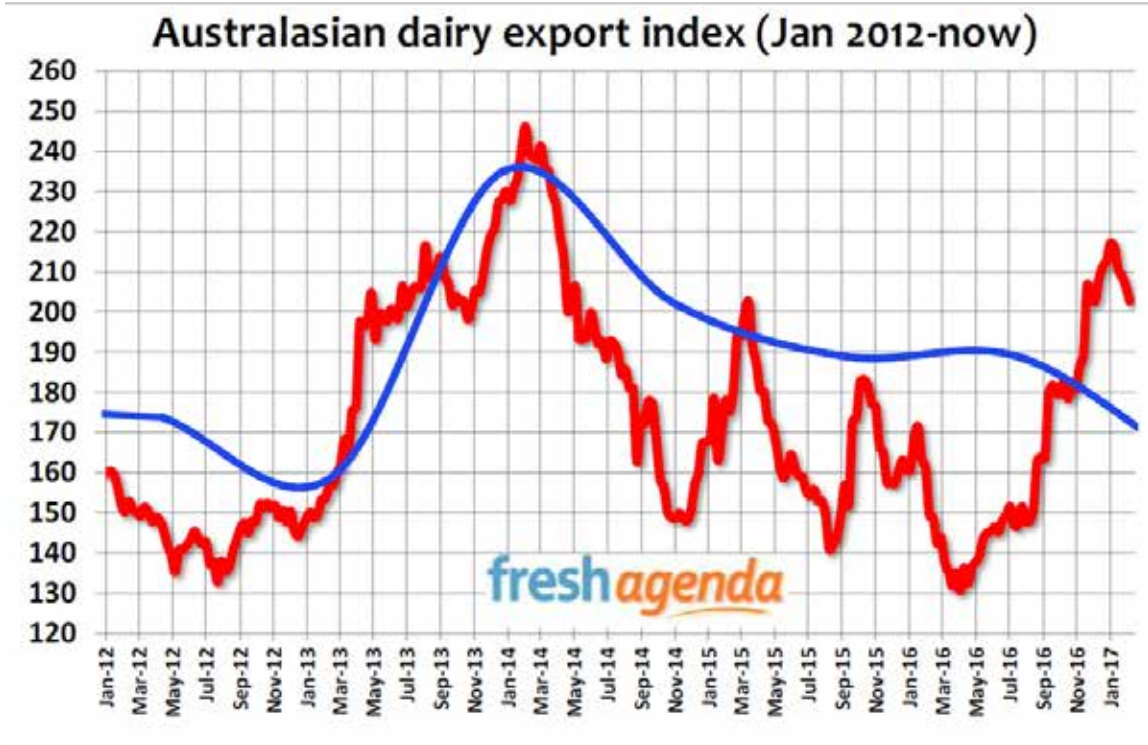
Net Debt

	1H FY2017 Dec \$m	1H FY2016 Dec \$m	FY2016 Jun \$m
Cash	14.5	17.3	9.7
Debt	85.1	92.4	62.7
Net Debt	70.6	75.0	53.0
Interest Coverage > 2.5 times	14.5	8.5	12.1
Debt Leverage < 3.0 times	1.0	1.4	0.8

- Balance sheet does not reflect recent acquisition



Dairy Commodity Prices and Farm Gate Milk Price



- Farm gate milk price now aligned to global dairy commodity price
- Global supply more aligned with demand
- EU intervention stock a concern
- Russian sanctions continue
- Stronger demand particularly from China
- Volatility remains

— Export trend index - global commodity prices/Australian currency impact source freshagenda

— Farm gate milk price trend

FY2015 Milk price \$6.00 per Kg MS

FY2016 Opening milk price \$5.60 per Kg MS

FY2017 Milk price \$5.13 per Kg MS

Investing in Infrastructure

Cheese cutting and packaging

- New natural cheese shred and slice lines
- Efficiency and capacity improvements

Cream cheese

- Increased capacity in value added packaging

Enterprise resource planning

- Streamline business processes
- Facilitate growth strategy



Sales and Marketing

Bega Brand

- Number one Australian cheese brand
- Continued international growth

Food service

- Chef lead selling program continues to be very successful throughout Asia
- Increased mozzarella capacity generating strong sales

Nutritionals

- Nutritionals changes and impact well documented
- Reviewing business profile and exposure to infant formula
- Demand and enquiry remain strong



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

Mondelez Australian Grocery Acquisition

- \$460 million acquisition
 - Vegemite, peanut butter, salad dressings and cheese
- \$40-45 million EBITDA* in first full year of operations
- Strong positive reaction to announcement
- Transition in progress
- Continue to target completion by end of FY2017



*Prior to one off transactional costs, implementation costs and any impact arising from a purchase price allocation.



Strategic Priorities



- Finalise Mondelez Australian grocery business acquisition
- Build on opportunities from acquisition
- Grow international business in dairy goods and nutritionals
- Respond to dairy ingredient opportunities
- Execute near term corporate opportunity
- Strengthen balance sheet

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