

IN THE AUSTRALIAN COMPETITION TRIBUNAL

of 2013

MURRAY GOULBURN CO-OPERATIVE CO LIMITED

**RE: PROPOSED ACQUISITION OF WARRNAMBOOL CHEESE
AND BUTTER FACTORY COMPANY HOLDINGS LIMITED**

Certificate identifying annexure

This is the annexure marked "DMN17" now produced and shown to David Michael Noonan at the time of signing his statement on 28 November 2013.

**Annexure DMN17
WCB results presentation**

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Warrnambool Cheese & Butter Factory Company Holdings Limited (ASX:WCB)

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FY2013 - 12 months to 30 June 2013 - Results Presentation
September 2013

Agenda

- Overview
- Results Discussion & Analysis (“RD&A”)
- Strategy & Initiatives
- Outlook
- Summary
- Appendices



FY2013 Overview

• Key performance factors

- ❑ Total revenues maintained through product mix adjustment to maximise returns
- ❑ Profitability impacted by depressed international prices, high \$AUD v \$USD, high raw milk costs
- ❑ Reduced milk intake due to climatic conditions. Lower milk to manufacture, less product availability

• NPAT – \$7.5 million, down 50.7% on FY2012

- ❑ Margin squeeze; lower prices and higher cost base due to fierce competition for raw milk

• WCB Milk Intake - 890 million litres, down 3.1% on FY2012

- ❑ **WCB milk from dairy farmer suppliers - 846 million litres, up 2.1%, in an environment of production decline**
 - Australia down 3.0%
 - Vic down 2.8%,
 - Western Vic down 3.9%
 - SA down 3.0%
- ❑ **WCB supplier numbers – Up 2.3%, positioned well for future**
- ❑ **Milk intake from other sources down 44 million litres due to low availability of surpluses from other processors**

• WCB Production – down 4.5% to 142,908 tonnes

- ❑ Production down due to lower milk intake and less milk directed to manufacture
- ❑ WCB used its manufacturing flexibility to adjust product mix to maximise returns

WCB performed serviceably in a very competitive and difficult market



FY2013 Overview

- **Prices** – across the year, International prices down, although rebounded in Q4FY13
 - ❑ International market prices for Q1 to Q3 of FY2013 down 12.0%, late Q4 surge in prices insufficient to offset YTD impact
 - ❑ Depressed USD prices further exacerbated by high AUD
- **Strategic Initiatives & Alliances** – WCB continues to invest in new & innovative dairy products & markets on behalf of customers, shareholders and suppliers:
 - ❑ Kraft Manufactured Cream Cheese - exported under Sungold & Warrnambool brands - exclusive agreement with WCB
 - ❑ Kraft Livefree Low fat cheese – WCB IP formulation, launched under Kraft Livefree brand, lowest fat cheese on market
 - ❑ Lactoferrin Plant – licence agreement with Tatua Co-op of N,Z. New plant under construction at WCB
 - ❑ Premium powder agreement signed with Mitsubishi Corporation, Japan
 - ❑ Instantised Whey Protein Concentrate (IWPC) – WPC plant capability upgrade completed
 - ❑ Great Ocean Road (“GOR”) – agreement with Coles on branded Cheese underpinned 95% increase in Spec. Cheese vol.
 - ❑ Great Ocean Ingredients (“GOI”) – j.v. with Friesland Campina. ~25% capacity upgrade to meet demand growth for GOS
- **Net Debt & Gearing** – Net Debt \$75.4 million. Gearing - Debt / (Debt + Equity) 31.8%
 - ❑ Net Debt increased from \$50.3 million to \$75.5 million
 - ❑ Trade and other receivables temporarily increased by \$19.6 million with June 2013 revenues up \$20.5m
 - ❑ Excluding the receivables increase, Net Debt would be \$55.9 million and gearing would 25.8%
- **Dividend** – 11 cents per share (cps) fully franked – 81% payout ratio reflects confidence in outlook
 - ❑ Record Date - 9 September 2013
 - ❑ Payment Date - 27 September 2013

WCB in good shape - continuing to secure & invest in long term value creating initiatives



RD&A – Income statement

Year ended 30 June	2012	2013
Revenue	497.8	496.5
Earnings before Interest, Tax, Depn. & Amort. (EBITDA) - A\$m	35.5	25.5
Earnings before Interest & Tax (EBIT) - A\$m	22.8	13.7
Profit before Tax (PBT) - A\$m	19.7	9.6
Net Profit after Tax (NPAT) - A\$m	15.2	7.5
Return on Invested Capital (ROIC) - %	14.6%	10.4%
Return on Equity (ROE) - %	9.4%	4.6%
Earnings per share (EPS) - cents per share	27.8	13.6
Dividend per share (DPS) - cents per share	15.0	11.0

Highly competitive market

- lower international commodity prices, high Australian dollar & raw milk prices, reduced milk intake – lower production
- EBITDA decline by 28.0%



Income Statement - Discussion

• Overview

- ❑ Total revenues maintained through product mix adjustment to maximise returns
- ❑ Profitability impacted by depressed international prices, high \$AUD v \$USD, high raw milk costs
- ❑ Reduced milk intake due to climatic conditions. Lower milk to manufacture, less product availability

• Raw milk costs

- ❑ Lower absolute cost versus previous year however high milk cost relative to the market conditions
- ❑ Milk cost to commodity revenue ratio increased from 83.6% LY to 85.9% in FY2013, an impact of \$8.4 million

• International market prices

- ❑ Prices achieved in the export market in FY13 were depressed (down 12.0%) until Q4FY2013.
- ❑ WCB is investing in a higher value product mix to deliver price/margin premiums and reduced volatility relative to commodity products

• Foreign exchange

- ❑ AUD remained at elevated levels for majority FY2013
- ❑ Q4FY2013 AUD devaluation came too late to materially impact full year results

• Sales volume & revenue

- ❑ Sales equivalent volumes (tonnes) and revenues flat versus previous year. Product mix changed significantly
- ❑ Commodities -4.6%, Consumer goods +16.2%, closing inventory -8.0%
- ❑ Milk to manufacture -10.2%, direct milk sales to fresh milk market customers +72.5%



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Joint Venture Contributions FY2013

A\$m	GOI ¹	WCBJ ²	Total
Operating Profit before translation and tax	4.5	4.2	8.7
Translation	(3.4)		
Tax	(0.3)	(1.7)	(2.0)
JV NPAT	0.9	2.5	3.4
WCB Equity Component	0.4	1.2	1.7

¹ GOI (Great Ocean Ingredients JV) ² WCBJ (Warrnambool Cheese & Butter Japan JV)

- Before translation and taxation both joint ventures performed as expected
- In accordance with accounting standards, at 30/6/13 GOI recognised an unrealised loss on translation due to the late depreciation in the AUD versus the Euro
- A low AUD against the Euro benefits GOI's revenues; all sales made in Euro's
- Strong cash flow from operations applied to debt reduction; GOI gearing down from 48.9% to 41.6%
- WCBJ operations expanded to include exclusive agency's for non competing products from NZ & EU



Consumer Goods Contributions FY2013

	Packaged Milk	Retail Cheese	Prime Nutrition
Sales Volumes	29.3 ml	2,117 mt	62 mt
Growth %	13.2	90.6	(2.7)
EBIT \$' million	(1.0)	(0.9)	(0.2)

- ❑ Packaged Milk achieved strong growth in market where pricing constrained due to highly competitive supermarket channel
 - ❑ In the difficult fresh milk pricing environment additional volume is being sought to achieve a positive EBIT
- ❑ Retail Cheese grew volumes significantly and is meeting WCB's margin expectations
 - ❑ The strong margin supported by further volume growth will provide a positive EBIT outcome
- ❑ Prime Nutrition volumes and pricing flat in very competitive nutritional market



RD&A – Balance Sheet

As at 30 June	2012	2013
Trade Working Capital - A\$m	109.2	129.3
Total Assets - A\$m	276.5	306.6
Total Equity - A\$m	160.7	161.8
Net Debt - A\$m	50.3	75.5
Gearing (net debt/net debt + equity) - %	23.8	31.8
Gearing (net debt/equity) - %	31.3	46.7

- **Balance sheet strength maintained**
 - ❑ Working capital and total asset increase reflects an increase in trade receivables following a high June sales month (\$20.5m)
 - ❑ Working capital and debt will decrease as debtors fall back to more traditional level
- **Capex**
 - ❑ FY2013 - \$15.4 million
 - ❑ FY2014 - \$22.6 million (includes sustaining and new project expenditure)

Gearing within WCB long term target range



RD&A - Cash Flow

Year ended 30 June - A\$m	2012	2013
Operating cash flow	(6.5)	0.9
Investing net cash flow	(5.1)	(22.2)
Proceeds from issue of shares	2.3	1.9
Net proceeds from borrowings	3.3	2.6
Dividends paid	(8.1)	(6.0)
Net Cash Flow	(14.1)	(22.8)

• Receivables build up and capital investment impacts cash flows

- ❑ Low international prices, higher Australian dollar and a temporary trade debtors build up is reflected in net operating cash flow
- ❑ Trade debtors build up reflects June 2013 sales being \$20.5 million higher than June 2012
- ❑ Investing net cash flow reflects capital spend on growth initiatives (specialised powders \$0.6m, instantised WPC \$1.1m, lactoferrin \$2.7m, flow meters for tanker fleet \$5.9m) and sustaining capital \$12.3m
- ❑ Operating cash flow will improve in H1 of FY2013 with reduced trade debtors and improved market conditions

Cash flow impacted by project capex & temporary Trade debtors build up (\$20.5m)



Milk Supply & Market Share – WCB

	1H12	2H12	FY12	1H13	2H13	FY13
WCB MILK FLOWS						
WCB - Victoria (litres million)	415	286	701	423	255	678
WCB - South Australia (litres million)	63	65	128	88	80	168
WCB - Milk from suppliers (litres million)	478	351	829	510	336	846
WCB - Other milk intake purchase and conversion (litres million)	46	44	90	19	25	44
WCB - Total milk intake (litres million)	524	395	919	529	361	890
INDUSTRY MILK FLOWS & WCB MARKET SHARES						
Western Victoria (litres million)	1,355	849	2,204	1,359	760	2,119
WCB Market Share - Western VIC (%)	30.6%	33.7%	31.8%	31.1%	33.6%	32.0%
South Australia (litres million)	299	271	570	291	245	536
WCB Market Share - SA (%)	21.1%	24.0%	22.5%	30.2%	32.7%	31.3%
Victoria (litres million)	3,580	2,633	6,213	3,625	2,414	6,039
WCB Market Share - VIC (%)	11.6%	10.9%	11.3%	11.7%	10.6%	11.2%
Australia (litres million)	5,322	4,158	9,480	5,350	3,850	9,200
WCB Market Share - AUST (%)	9.0%	8.4%	8.7%	9.5%	8.7%	9.2%

Var (%) 1H13 vs 1H12	Var (%) 2H13 vs 1H12	Var (%) FY13 vs FY12
1.9%	(10.8%)	(3.3%)
39.7%	23.1%	31.3%
6.7%	(4.3%)	2.1%
(58.7%)	(43.2%)	(51.1%)
1.0%	(8.6%)	(3.2%)
0.3%	(10.5%)	(3.9%)
(2.7%)	(9.6%)	(6.0%)
1.3%	(8.3%)	(2.8%)
0.5%	(7.4%)	(3.0%)

WCB holding intake levels despite declining production in all regions













Production Summary

	FY12	FY13	Variance (FY13 vs FY12) - %
Milk Handled			
Milk to Manufacture (litres million)	841.1	755.5	(10.2%)
Milk Traded (litres million)	78.2	134.9	72.5%
Milk Handled - Total (litres million)	919.3	890.4	(3.1%)
Products Manufactured			
Cheese (tonnes)	44,441	41,107	(7.5%)
Whey powder (tonnes)	3,337	3,075	(7.9%)
Milk powder (tonnes)	37,430	31,892	(14.8%)
Butter/blends/frozen cream (tonnes)	14,236	12,702	(10.8%)
Cream (tonnes)	6,071	6,187	1.9%
Milk - Sungold (litres million)	25.9	29.5	13.9%
Specialty Cheese (tonnes)	1,000	1,953	95.3%
GOS (tonnes)	17,162	16,431	(4.3%)
Enprocal (tonnes)	63	61	(3.2%)
Products Manufactured - Total	149,637	142,908	(4.5%)

WCB manufacturing flexibility allowed adjustments to product mix to maximise profitability



Strategy & Initiatives

Current alliances/j.v.'s	Short Term (Consolidate recent initiatives)	Medium Term (Execute new business initiatives)	Longer Term (Continued delivery of strategy)
<p>1/ Great Ocean Ingredients (GOI)</p> <ul style="list-style-type: none"> JV with Friesland Campina (Netherlands) \$75 million functional ingredient plant at Allansford Functional ingredients used in global infant formula Currently producing galacto-oligosaccharide (GOS) 	<p>1/ Premium & custom products</p> <ul style="list-style-type: none"> Lift premium specification powder sales Lift customer specific applications at improved margins 	<p>1/ Cream cheese manufacture agreement with Kraft</p> <ul style="list-style-type: none"> Exclusive agreement Kraft produce up to 5KT of cream cheese WCB export under Sungold brand First production in Q2FY2014. 	<p>1/ Higher margin commodities</p> <ul style="list-style-type: none"> Customer specific applications Higher value product mix Reduced price volatility
<p>2/ Lion - Cheese</p> <p>1. WCB toll manufacture up to 7KT p.a. cheese (Lion milk)</p> <p>2. WCB supply 12KT cheese for Coon & Cracker Barrel brands</p> 	<p>2/ Formulation Extension</p> <ul style="list-style-type: none"> Extend customer specific cheese formulations (cheddar/reduced fat) 	<p>2/ Kraft Livefree premium, low fat cheese</p> <ul style="list-style-type: none"> WCB's proprietary formulation Launched under the Kraft Livefree brand. Lowest fat cheese on the market, 80% less fat 	<p>2/ Expand retail business</p> <ul style="list-style-type: none"> Great Ocean Road cheese Other premium cheese opportunities
<p>3/ Lion - Lease</p> <ul style="list-style-type: none"> Lion Cut/wrap facility (land/building) @ Allansford is leased from WCB Lion production facility (land/building) @ Simpson is leased from WCB 	<p>3/ Mitsubishi Corporation Milk Powder Supply</p> <ul style="list-style-type: none"> Premium powder supply agreement Targeting high end consumer product applications Canned coffee market 	<p>3/ Lactoferrin agreement with Tatua Cooperative, NZ</p> <ul style="list-style-type: none"> WCB and Tatua have signed a Technology & Services Agreement Lactoferrin plant at WCB's Allansford site Commissioning in Q2FY2014 	<p>3/ Corporate development</p> <ul style="list-style-type: none"> Proactive in industry opportunities Extensive industry dialogue
<p>4/ Great Ocean Road (GOR) Products</p> <ul style="list-style-type: none"> Exc. 5 year contract with Coles Branded cheese/fresh milk in Coles 4KT cheese p.a. Milk sold throughout Vic 	<p>4/ Great Ocean Road Products</p> <ul style="list-style-type: none"> Roll out growth plans 	<p>4/ Instantised Whey Protein Concentrate ("WPC")</p> <ul style="list-style-type: none"> Plant upgrade to produce instantised WPC Premium use - sport nutrition/infant formula. Commissioning complete 	<p>4/ Maintain lowest cost business status</p> <ul style="list-style-type: none"> High utilisation & Efficiency Continuous improvement
<p>5/ WCB Japan (WCBJ)</p> <ul style="list-style-type: none"> JV with Mori (Japan) Exc. distribution of WCB product in Japan 			<p>5/ Progressive milk procurement package</p> <ul style="list-style-type: none"> Achieve optimum intake levels

WCB continues to invest in & execute growth focused, productivity enhancing initiatives



International Market Outlook

Supply

- ❑ Milk production lower than expected across most major supply regions in contrast to 12 months ago
- ❑ No carry over inventory
- ❑ High feed cost and low milk prices have squeezed margins on farm
- ❑ Heat stress in US
- ❑ Cold and wet winter in EU
- ❑ Flooding in Argentina
- ❑ NZ and Australia seasonal conditions improved and looking positive

Demand

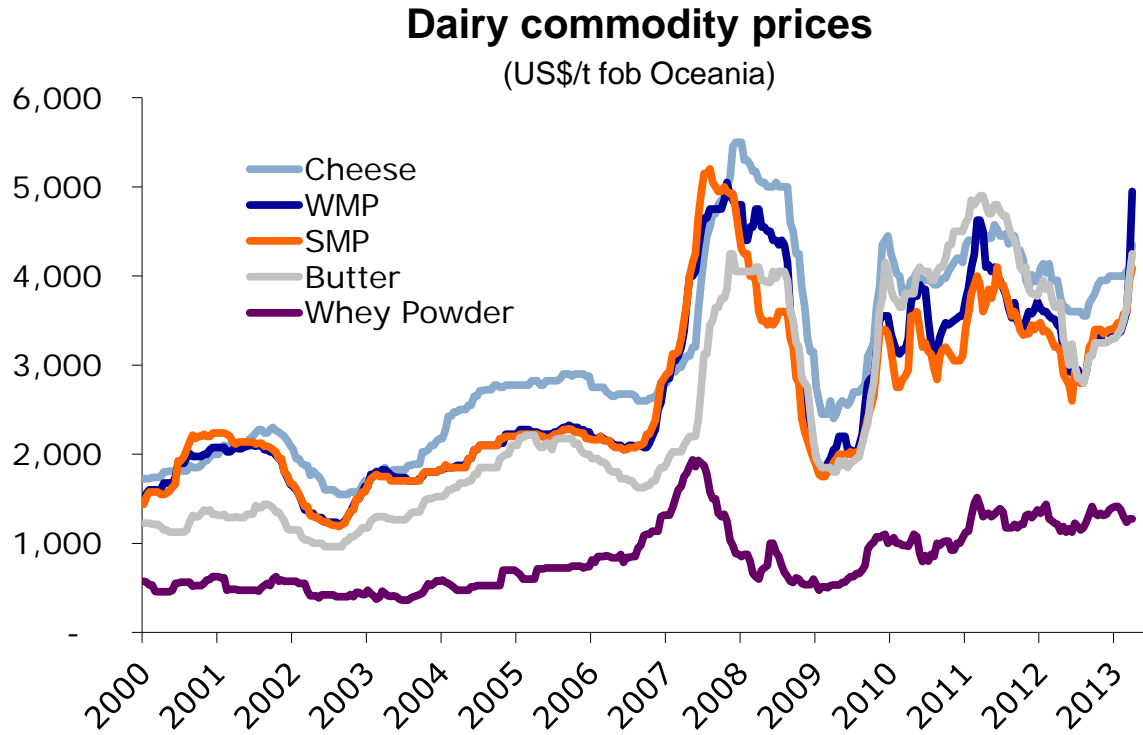
- ❑ Stable demand supported by strength in Asia
- ❑ China continues to set new and significantly higher import records for milk powders
- ❑ India demand growing and outstripping local production
- ❑ Indonesia and Vietnam mirroring China in demand for quality dairy ingredients
- ❑ US domestic market recovering means less product available for export
- ❑ EU still depressed

Short term outlook is for strong demand in a supply constrained but improving environment



Global Dairy Commodity Prices

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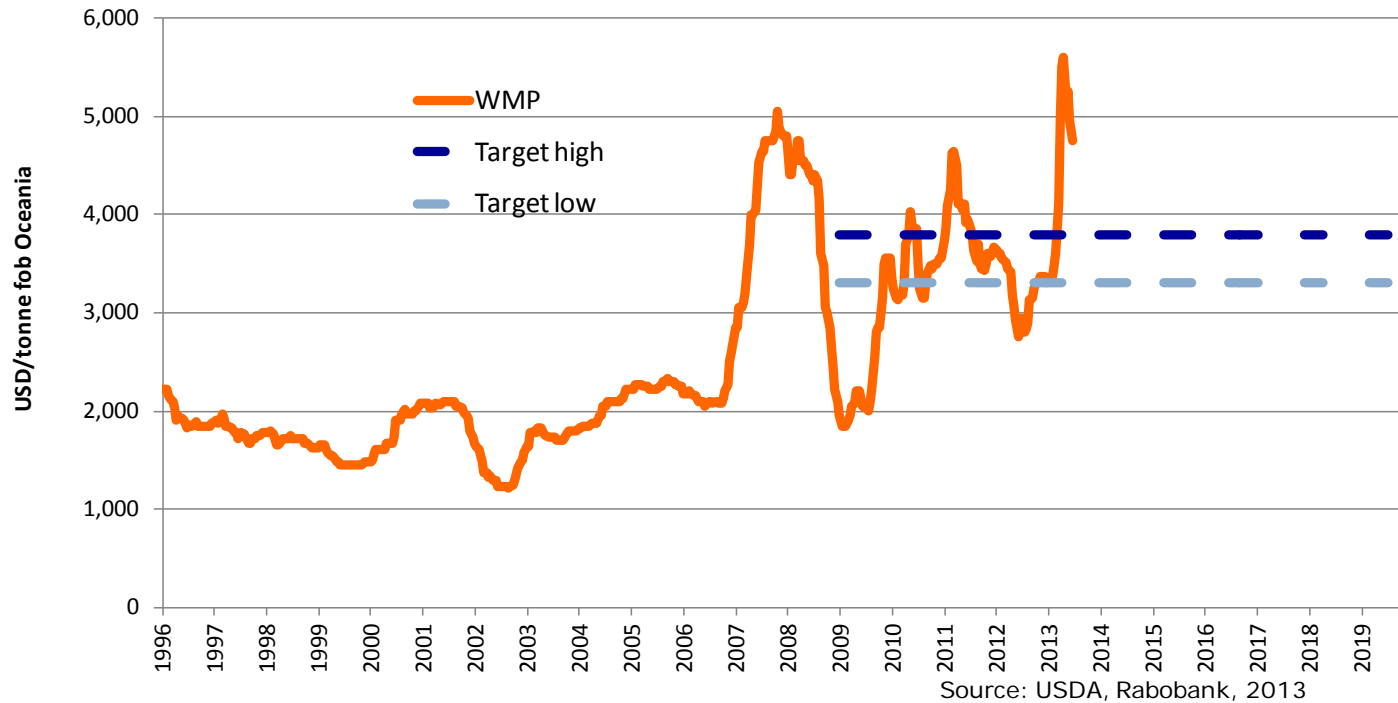


Source: USDA, Rabobank

Global dairy product prices are more encouraging than this time last year



Forecast price range for FY14



Powder prices holding higher than forecast median



FY2014 Outlook

Dairy export index

Index lifts on weaker dollar – The index rose this week, supported by a weaker dollar, and a \$100/t recovery in butter price, while other products were unchanged. The \$A ended the week at \$US0.896, as the index edged up by 2 points to 213.7.

Australasian export index from Jan 2011



Take note: The index is an indicator of spot trends in gross export returns to the industry based on quoted Australasian export prices, movements in currency and the total milk usage in exports by the Australian industry. It was set at 100 on 1 January 2000.

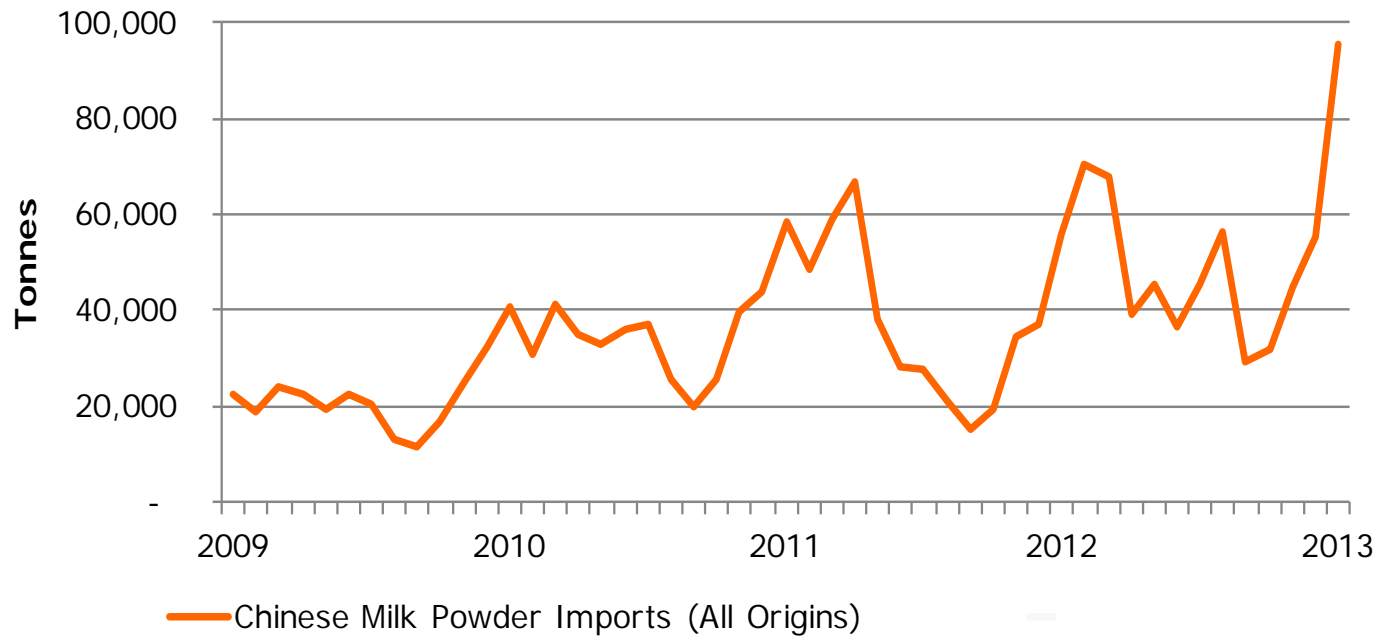
Dairyglobe 3 Sept. 2013

- **FY2014 Outlook promising**
 - ❑ Index demonstrating an upward trend following an extended period of downward trend
 - ❑ Commodity prices remaining stable for H1 FY2014
 - ❑ Lower Australian dollar contributing to the positive trend



Growth - China

Monthly Milk Powder Shipments



Source: BOABC, Rabobank 2013

Milk powder imports to China are increasing rapidly to fill its own milk production deficit



Medium Term Outlook - Supply

- **Stronger prices driven by supply side factors**
 - ❑ China: Milk production down 5.9% yoy
 - ❑ EU and US: lower than expected seasons
 - ❑ NZ and Australia: dry autumn and slower start to new season
- **Strong farmgate prices and retreat in feed costs will drive milk production**
 - ❑ NZ – 6%
 - ❑ Australia – 2%
 - ❑ EU and US - 2%



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Medium Term Outlook - Demand

- **Import numbers still look strong**
 - ❑ Stronger demand driven by China, however slowing of milk production may be masking true demand trends
 - ❑ US domestic demand looking a little more positive
- **Some reasons for caution exist**
 - ❑ South East Asia: buyers cautious longer term against current prices
 - ❑ Africa: demand has slowed
 - ❑ Egypt : turmoil has also slowed demand
 - ❑ General global economic concerns especially in emerging economies may place a medium term limit on demand

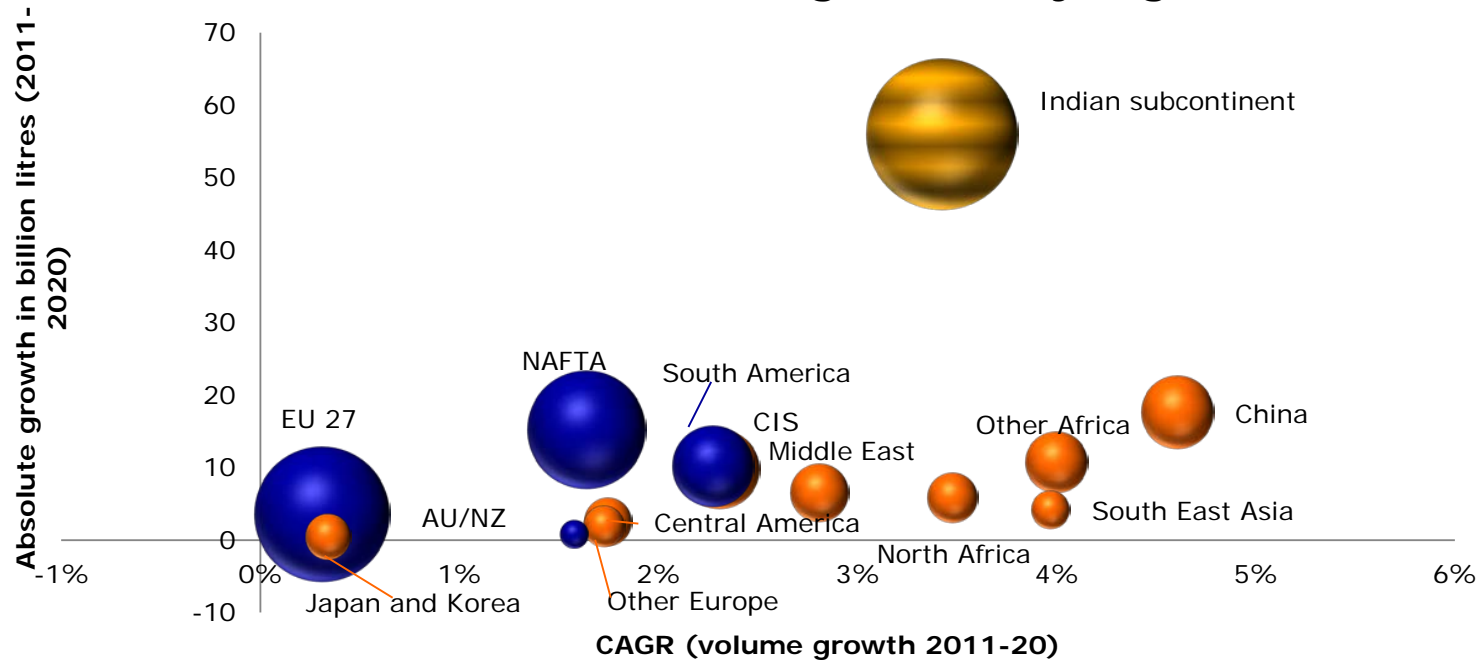


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Market size and forecast growth

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Market size and forecast growth - by region



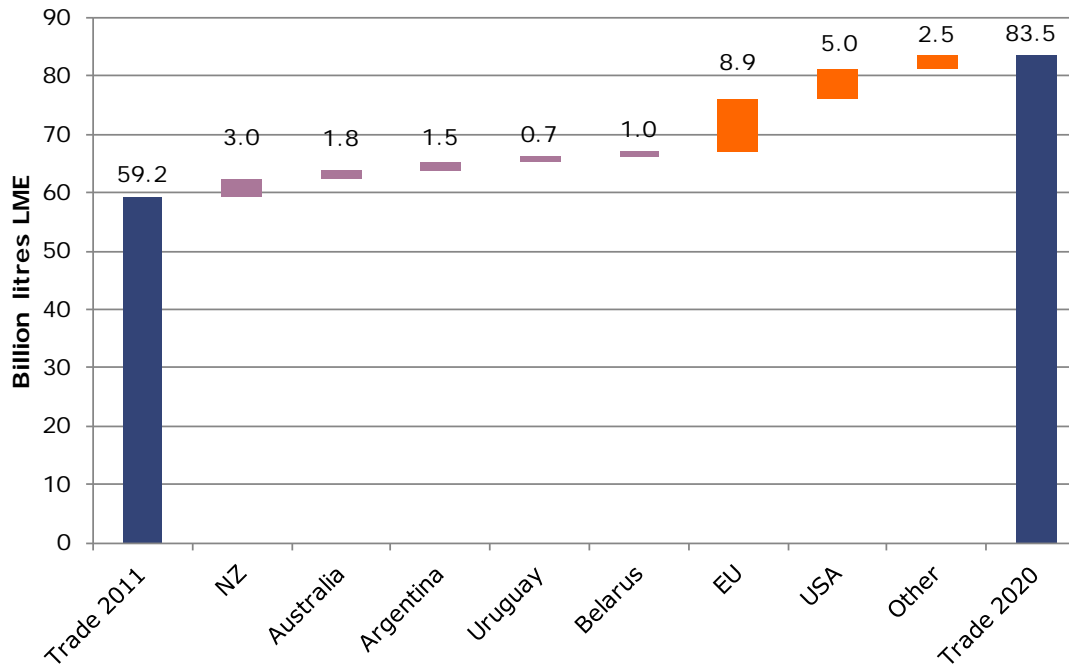
Source: Rabobank 2013

Australian dairy export markets growing 1-5% CAGR (2011-20)



Market size and forecast growth

Trade growth: 2011 to 2020
(assuming 3.9% CAGR)



Source: Rabobank 2013

Australian share of 2011-2020 global dairy trade growth – additional 1.8 billion litres



FY2014 Outlook

- **Short-term outlook is sound**
 - ❑ Supply has slowed down
 - ❑ Stocks at historically low levels
 - ❑ Strong Chinese demand for Australian origin product
- **Medium-term fundamentals very positive**
 - ❑ Slower start to the Southern Hemisphere season
 - ❑ Global demand growing at 2.4% p.a.
 - ❑ Major export markets are in milk production deficit
- **But there are some challenges**
 - ❑ Economic uncertainty is still pressuring long term decisions
 - ❑ Strong farmgate prices and retreat in feed costs will drive milk production
 - ❑ Exchange rates will continue to play an important part
 - ❑ Volatility remains a key feature



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WCB Outlook Summary

High level drivers look positive

- ❑ International prices improved significantly
- ❑ AUD forecast to remain weaker against the USD

Raw milk

- ❑ Raw milk prices higher in FY2014 but potentially more aligned with trading conditions
- ❑ Strong competition among processors likely to continue

Manufactured product

- ❑ Climatic conditions improving leading to production growth on farm
- ❑ Increased intake, more milk to manufacture

Product Mix

- ❑ Benefits to flow from strategic investments and business improvement projects
- ❑ Higher margin less volatile product mix

Consumer goods

- ❑ Continued volume growth will improve cost recovery
- ❑ Higher raw milk input costs but potential for retail price relief from the market

Joint ventures performing well

- ❑ Improved demand for GOS globally, expanded capacity at Allansford GOI plant
- ❑ Expanding WCB Japan product portfolio under exclusive distribution agreements

Corporate

- ❑ Balance sheet strength maintained
- ❑ Gearing increased but comfortable



Why WCB?

- **Location** – plant located adjacent to Australia’s best dairy region (rain fed, low cost)
- **Asset quality** - One of Australia’s largest, most diverse & efficient dairy plants
- **Efficiency** – Single site & diversity of operations enables milk to flow to optimise product mix
- **Utilisation** – One of the highest utilised dairy manufacturing plants in the country
- **Innovation** – History of innovating (stand alone or with partners) – most recently with GOI’s world leading technology
- **Growth** – Grown supplier numbers, milk volumes, product range & volume over an extended timeframe, including since ASX listing
- **Structure** - ASX listed structure provides ready access to capital to fund growth initiatives
- **Peer recognition** –
 - Some of the worlds largest and most successful dairy businesses are WCB partners
 - Two of Australia’s leading dairy companies would rather invest in WCB than their own businesses – approx. 35% shareholding
- **Proven Performer** – WCB has successfully collected milk from high quality suppliers and processed it into an increasing array of valued and high quality dairy products for customers and consumers on behalf of its owners for 125 years.



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Appendix

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Any queries can be directed to:

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Bill Hannah
Chief Financial Officer
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WCB - Board



Terry Richardson
Chairman
Supplier Director



Andrew Anderson
Supplier Director



Kay Antony
Supplier Director



Michael Carroll
Director



John Gall
Supplier Director



Neville Fielke
Director



David Lord
Managing Director
& Chief Executive Officer



John McLean
Associate Director



Bruce Morley
Associate Director



Ray Smith
Director



Bruce Vallance
Supplier Director

Balanced and experienced board with specific dairy industry expertise & relationships



WCB - Executive



David Lord
Managing Director
& Chief Executive Officer



William Hannah
Chief Financial Officer



Ross Martin
General Manager -
ICT/PMO



Bill Slater
General Manager -
Retail Dairy



John Williams
General Manager -
Sales, Marketing
& Innovation



Anthony Cook
General Manager -
Milk Supply



Bernard Kavanagh
General Manager -
Corporate Development



Paul Moloney
Company Secretary



Richard Wallace
General Manager -
Operations

Capable team with broad industry background - delivering innovation & growth for WCB



WCB - Snapshot

- Continuously operated since 28 May 1888 - 125 years old
- 570 suppliers
- 424 employees
- 890 million litres milk received
- **Products**
 - **Direct Milk Sales** **135 million litres**
 - **Manufactured Product** **142,908 tonnes**
 - Cheese 41,107 tonnes
 - SMP 31,892 tonnes
 - Butter/Cream 18,889 tonnes
 - Whey Protein Concentrate 3,075 tonnes
 - Specialty Cheese 1,953 tonnes
 - Prime Nutrition 61 tonnes
 - Packaged Milk 29.5 million litres
 - GOS (Galacto-oligosaccharides) 16,431 tonnes

WCB processes 10% of Australia's milk and up to 34% of Western Victoria's milk



WCB - Financial History

Summary Since Listing

Financial	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
For the Year (\$'000)										
Sales Revenue	285,078	327,252	352,620	371,718	525,333	441,095	416,252	504,148	497,750	496,504
Profit Before Interest and Tax	19,506	12,648	14,156	16,942	36,810	(24,559)	16,870	30,582	22,801	13,733
Profit Before Tax	17,306	10,988	11,063	13,889	33,098	(30,051)	9,689	24,798	19,683	9,591
Profit After Tax	13,471	7,498	7,579	9,626	24,509	(19,934)	8,804	18,492	15,184	7,490
Dividend	2,355	3,079	3,102	4,336	12,198	797	3,995	8,087	8,190	6,075
At Year End (\$'000)										
Total Assets	144,356	173,015	177,158	185,965	241,159	234,106	246,201	251,746	276,476	306,564
Total Liabilities	60,689	80,081	82,181	83,333	117,056	137,373	144,226	100,146	115,731	144,761
Equity	83,667	92,934	94,977	102,632	124,103	96,733	101,975	151,600	160,745	161,803
General										
Number of Milk Suppliers	606	584	610	572	573	495	565	556	580	570
Number of Employees	289	288	312	309	342	397	396	405	419	424
Key Measures										
Return on Assets (%)	9.3	4.3	4.3	5.2	10.2	-8.5	3.6	7.4	5.5	2.4
Return on Equity (%)	16.1	8.1	8.0	9.4	19.7	-20.6	8.6	12.2	9.4	4.6
Dividend per Share (cents)	6.2	8.0	8.0	11.1	31.0	2.0	10.0	15.0	15.0	11.0
Gearing Ratio (%)	19.0	29.4	27.7	22.5	29.9	51.3	49.9	17.6	23.8	31.8

WCB has achieved growth, profitability and paid \$51 million of dividends since ASX listing



WCB – Production History

Operations	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
For the Year (Litres million)										
Milk to Manufacture	629	669	677	683	706	808	845	822	841	756
Milk Traded	73	88	127	122	147	121	51	57	78	135
Milk Handled - Total	702	757	804	805	853	928	896	879	919	890
Products Manufactured										
Cheese (tonnes)	34,712	36,710	35,375	34,545	38,020	41,859	43,023	42,612	44,441	41,107
Whey Powder (tonnes)	2,484	2,534	2,490	2,571	2,925	3,039	3,164	3,162	3,337	3,075
Milk Powder (tonnes)	24,478	28,128	28,433	31,723	30,127	38,004	39,107	38,438	37,430	31,892
Butter/blends/frozen cream (tonnes)	7,639	7,320	6,638	7,558	9,494	13,530	14,186	13,643	14,236	12,702
Cream (tonnes)	9,220	11,750	10,413	11,508	10,187	8,240	6,488	7,006	6,071	6,187
Milk - Sungold (Litres million)	5.3	5.7	9.2	13.7	18.8	23.1	28.3	29.0	25.9	29.5
Specialty Cheese (tonnes)	-	-	-	63	112	254	258	665	1,000	1,953
GOS (tonnes)	-	-	-	-	-	-	-	14,406	17,162	16,431
Enprocal (tonnes)	-	-	-	-	13	30	42	53	63	61
Products Manufactured - Total Equivalent	83,833	92,142	92,549	101,668	109,678	128,056	134,568	148,985	149,640	142,908

WCB increased market share and nearly doubled production since listing on ASX in 2004



WCB – Partners

- Joint Venture Partners

- Kraft (Livefree Low Fat Cheese)
- Tatua (Lactoferrin)
- Lion
- FrieslandCampina (Great Ocean Ingredients)
- Coles (Great Ocean Road brand)
- Mori International (WCB Japan)



- Shareholders

- Bega Cheese
- Murray Goulburn

WCB has a wide range of productive, value-creating, long term business relationships



Dairy Industry - Australia

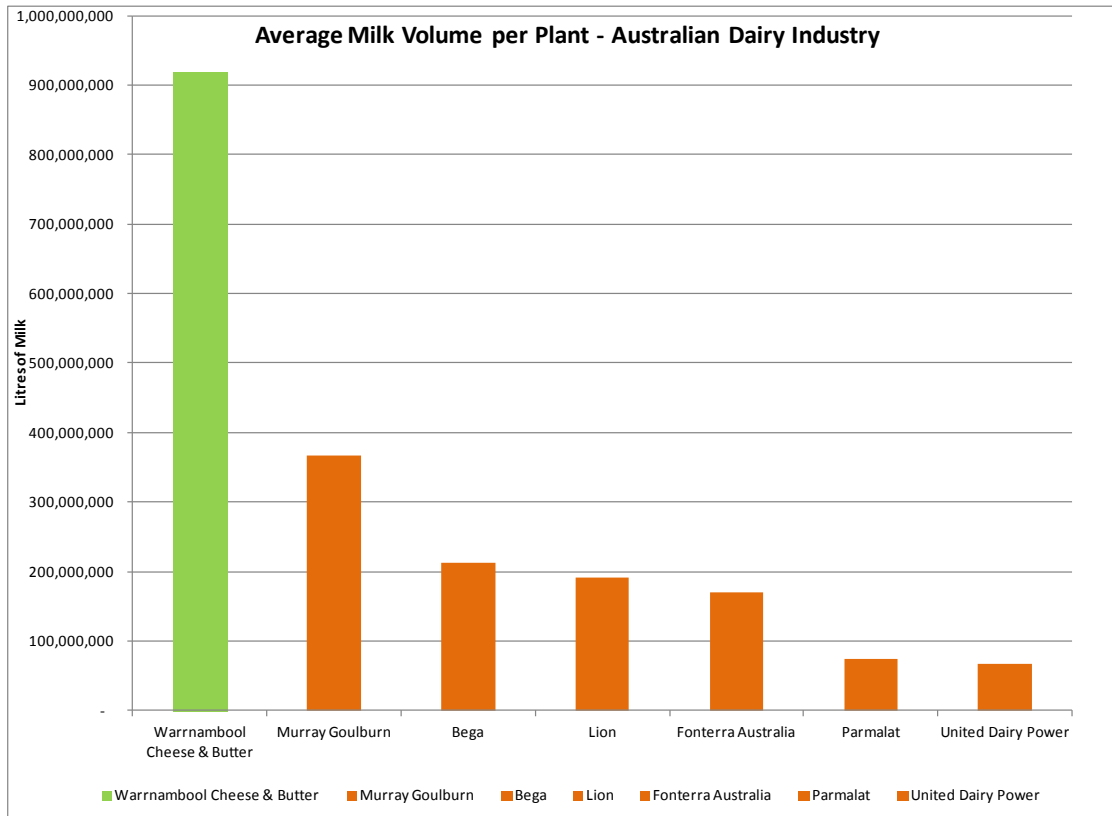


Source: Company Data

1 in every 10 litres of milk produced in Australia is processed by WCB through 1 facility



Dairy Industry - Australia



Source: Company Data

WCB has the highest average milk volume per plant of any Australian dairy company



WCB – Historical Timeline

- 1888 Company established
- 1929 Third factory built on current site, after fire destroyed two earlier factories
- 1935 Affiliation with Kraft commenced
- 1956 Kraft & WCB purchase Sungold Milk brand and business
- 1986 WCB becomes full owner of Sungold Milk
- 1993 Commissioned new cheese and WPC plant
- 1997 Kraft sale of natural cheese business to Dairy Farmers
- 1998 Built new milk powder plant
- 2002 Established sales office in Tokyo, Japan
- 2004 Built new fresh milk processing plant for Sungold Milk
- 2004 Listed on ASX
- 2005 Cheese capacity upgrade
- 2006 Butter making technology and capacity upgrade
- 2007 Entered into joint venture with FrieslandCampina
- 2008 Established "WCB Japan" as a sales and distribution company
- 2009 Opening of "Great Ocean Ingredients"
- 2012 Capacity upgrade of the processing plant for Sungold Milk

WCB has grown and prospered over 125 years



WCB – Product Range

- Bulk Cheese
- Skim Milk Powder (SMP)
- Whey Protein Concentrate (WPC)
- Butter & Cream Products
- Warrnambool Cheddars
- Sungold Milk
- Great Ocean Road – Cheese & Milk
- Enprocal
- Galacto-oligosacharides
- Lactoferrin *

* plant construction completed in Q4 2013

WCB produces a wide and increasing range of high value-added dairy based products



WCB – Product Range - Cheese

- Bulk cheese manufactured at the site is sold to wholesale customers in Australia and on the international market.
- Range:
 - Cheddar (majority)
 - Low fat cheddar
 - skim milk
 - Gouda
 - Romano
 - Emmental
- Markets
 - Domestic 60%
 - Export 40%
 - Japan
 - Korea
 - Middle East
 - USA
 - Europe
 - South East Asia
- The cheese plant was upgraded in 1993 as part of a major expansion of the manufacturing facilities at the site and its capacity increased further in 2005.



WCB's cheese facility is highly computerised & one of Australia's largest & most modern cheese plants

WCB – Product Range – Skim Milk Powder (SMP)

- Skim Milk Powder (SMP) is used in re-combined milk, bakery products, confectionery, infant formula and dairy desserts such as yoghurts and ice-cream. Almost all of the milk powder manufactured at our site is sold on the international market.
- Range:
 - SMP Low Heat
 - SMP Medium Heat
 - SMP High Heat
- Markets:
 - Middle East
 - Japan
 - China
 - Europe
 - South East Asia
 - South America
- The SMP plant was constructed and commissioned in 1998



WCB – Product Range – Whey Protein Concentrate

- Whey Protein Concentrate (WPC) plant utilises sophisticated membrane technology to extract protein from whey, (generated from WCB's cheese manufacturing process) & transforms it into WPC powder (80% milk protein).
- Uses
 - health products,
 - sports drinks
 - nutritional health bars
 - binding ingredient in food processing
 - meal replacement or supplement.
- Most WPC is exported.
- Markets:
 - Japan
 - China
 - USA
- The WPC plant was commissioned in 1993 and was subsequently upgraded in 2006.



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WCB – Product Range – Galacto-oligosaccharides (GOS)

- Great Ocean Ingredients (GOI) is a 50:50 joint venture company formed by WCB and FrieslandCampina of the Netherlands in 2007.
- GOI combines innovative and patented technology drawn from the expertise of FrieslandCampina with WCB's raw milk and whey ingredients into nutritional and functional ingredients, such as Vivinal GOS.
- Products:
 - Vivinal GOS is a prebiotic ingredient containing galacto-oligosaccharides.
- Uses
 - Used for its beneficial effects on health as well as for fibre enrichment.
 - Plays an important role in the development of a healthy immune system,
 - Used in different products, including infant nutrition, beverages and health products,
- The GOI plant was commissioned in 2010 at a cost of A\$75 million



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WCB – Product Range – Butter & Cream Products

- Butter products are generally sold to wholesalers in Australia and also on the international market while Cream products are either sold as fresh cream to local customers, or frozen to the export market.
- Range
 - salted butter
 - unsalted butter
 - butter blends with sugar, flour and oils for use in bakery products, biscuit making and confectionery
 - fresh cream
 - frozen cream
- Markets:
 - Japan
 - Korea
 - Middle East
 - Russia
 - USA
 - South East Asia
 - Europe



WCB – Product Range – Warrnambool Cheddars

- WCB produces and packages its brand of cheese, named 'Warrnambool Cheddars'
- The bulk cheddar is made at Allansford
- The flavour additions and packaging are completed at WCB's Mil Lel plant in South Australia
- Range:
 - black label vintage cheddar
 - red label matured cheddar
 - flavoured cheddar cheeses (herbs 'n' spice, tomato 'n' chives, garlic 'n' pepper, cracked pepper & chilli cheese)
- Domestic Sales only:
 - IGA stores
 - select Woolworths stores in regional Victoria
 - Thomas Dux grocers
 - Cheese World, Allansford, Victoria.



WCB – Product Range - Sungold Milk

- Sungold Milk is WCB's fresh milk brand
- Sungold comes from one of the cleanest, greenest regions of Australia
- Range:
 - Sungold Full Cream Fresh Milk
 - Sungold Low Fat Milk
 - Sungold No Fat Milk
 - Sungold Liteone
 - Sungold Jersey Milk
 - Sungold FM Flavoured Milk
 - Sungold Xtra Iced Milk
- Website:
 - www.sungoldmilk.com.au



Sungold travels from farm to shelf in less than 24 hours, ensuring that it is the freshest milk available

WCB – Product Range – Great Ocean Road Cheese & Milk

- Great Ocean Road Cheese and Milk is available exclusively through Coles supermarkets.
- Range
 - Cheese
 - 5 block varieties (Vintage, Extra Tasty, Tasty, Light & Colby Cheddar)
 - 2 types of shredded cheese (Tasty & Light Cheddar)
 - Milk
 - Full Cream
 - Low Fat
 - No Fat
 - Flavoured
 - Chocolate
 - Iced Coffee
- Website
 - www.wcbf.com.au



Great Ocean Road is a joint venture with Coles – Milk & Cheese products

WCB – Product Range – Prime Nutrition/Enprocal

- Prime Nutrition is a business focused on nutritional supplements for the aged sector
- Prime Nutrition develops, manufactures and markets functional nutrition products produced from milk proteins and other natural sources.
Enprocal is a high energy, high protein supplement for people experiencing difficulties meeting their nutritional requirements or maintaining weight due to medical conditions, including conditions commonly found in the elderly.
- Enprocal is gluten free and can be added to most foods and beverages.
- Website:
 - www.primenutrition.com.au



Develops, manufactures and markets milk-protein based functional nutrition products

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Thank you

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