

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 "DMN42" now produced and shown to David Michael Noonan at the time of signing his statement on 28 November 2013.

Annexure DMN42
Saputo announcement of a revised offer for WCB

Filed on behalf of Murray Goulburn Co-Operative Co Limited
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PRESS RELEASE
For immediate release

ASX ANNOUNCEMENT

***SAPUTO ANNOUNCES INCREASED OFFER FOR WARRNAMBOOL
OF \$9.00 CASH PER SHARE AND RELEASE OF ALL OFFER CONDITIONS.
WARRNAMBOOL BOARD UNANIMOUSLY REAFFIRMS RECOMMENDATION TO ACCEPT
IN THE ABSENCE OF A SUPERIOR PROPOSAL.***

(15 November 2013) – Saputo Inc. (“Saputo”) today announced that it has increased its all-cash off-market takeover offer for all the issued shares in Warrnambool Cheese and Butter Factory Company Holdings Limited (“Warrnambool”) to \$9.00 cash per share (the “Offer”) and that it intends to declare its Offer UNCONDITIONAL.

Highlights:

- Saputo is offering \$9.00 cash per share and intends to declare its Offer unconditional;
- Saputo will shorten its payment terms to 5 business days;
- Warrnambool shareholders may also benefit from franking credits associated with the special dividends which can deliver additional value of up to \$0.56 per share depending upon the individual tax circumstances of each Warrnambool shareholder;
- the Warrnambool Board has today announced that it intends to declare the special dividends with a record date of 26 November 2013, allowing Saputo’s Offer to become unconditional by no later than 28 November 2013;
- Saputo’s Offer is superior to all other proposals for Warrnambool and provides greater certainty to Warrnambool shareholders;
- the Warrnambool Board reaffirms its unanimous recommendation of Saputo’s Offer; and
- Saputo remains best placed to accelerate the growth in Warrnambool’s business.

Saputo intends to declare Saputo’s Offer unconditional by no later than 28 November 2013, following the record date of 26 November 2013 set by the Warrnambool Board for the special dividends announced today. Saputo will also shorten its payment terms to 5 business days after your valid Acceptance and Transfer Form is processed and Saputo’s Offer is unconditional. Warrnambool shareholders who ACCEPT Saputo’s Offer NOW, will receive the \$9.00 cash per share (the “Offer Consideration”) on 5 December 2013. Saputo encourages Warrnambool shareholders to ACCEPT its Offer NOW, with the certainty of receiving the consideration payable to accepting Warrnambool shareholders within this accelerated timeframe.

The Warrnambool Board reaffirms its unanimous recommendation of Saputo’s Offer:

In response to the offer price increase by Saputo and its intention to declare its offer unconditional, the Board of Warrnambool has reaffirmed its unanimous recommendation that Warrnambool shareholders accept the Offer in the absence of a superior proposal. Each Warrnambool director and executive¹ has also reaffirmed his or her intention to accept the Offer for all of the Warrnambool shares he or she holds or otherwise controls in the absence of a superior proposal.

¹ The members of the executive team as set out in Warrnambool’s 2013 Annual Report.

Saputo's Offer is superior to all other proposals for Warrnambool:

Excluding any additional benefit related to the distribution of franking credits associated with the special dividends, Saputo's Offer of \$9.00 cash per share is superior to all other proposals made for Warrnambool:

- higher than the \$8.675 implied value of the final cash and scrip offer of Bega Cheese Limited (the "**Final Bega Offer**") announced on 14 November 2013 based on Bega's closing price on 14 November 2013;
- equal to the value of \$9.00 cash per share proposal announced by Murray Goulburn Co-operative Co. Limited (the "**Murray Goulburn Proposal**") on 13 November 2013, which remains highly conditional, in particular as it is subject to no objection by the ACCC or to granting of authorisation by the Australian Competition Tribunal.

Saputo's Offer provides greater certainty to Warrnambool shareholders:

In addition to offering a premium to the implied value of the Final Bega Offer, Saputo's all-cash Offer provides greater certainty for Warrnambool shareholders in relation to value in contrast to the Final Bega Offer, which is largely scrip-based. Saputo is offering Warrnambool shareholders the certainty of 100% cash for their shares whereas the value of the Final Bega Offer is based on the value of Bega shares which is uncertain and subject to market volatility.

The Saputo Offer also provides greater certainty for Warrnambool shareholders in contrast to the Murray Goulburn Proposal, which is subject to no objection by the ACCC or granting of authorisation by the Australian Competition Tribunal in relation to the proposed transaction. Both the timing and outcome of that process are uncertain and likely to take several months.

Warrnambool shareholders may also benefit from franking credits associated with the special dividends:

As previously agreed with Warrnambool, the Offer also allows for Warrnambool to declare and pay fully franked special dividends (the "**Permitted Dividends**") of up to a maximum of \$1.31 per Warrnambool share, with a corresponding reduction in the Offer Consideration otherwise due to Warrnambool shareholders, upon Saputo reaching specified relevant interest thresholds in Warrnambool, to enable the distribution of franking credits estimated by Warrnambool to deliver additional value of up to \$0.56 per share depending upon the individual tax circumstances of each Warrnambool shareholder.

In response to Saputo's revised offer, Warrnambool has today announced the following special dividends:

- \$0.46 per Warrnambool share, which will be payable upon Saputo reaching a relevant interest in Warrnambool of greater than 50% (the "**Initial Permitted Dividend**"); and
- \$0.85 per Warrnambool share, which will be payable upon Saputo reaching a relevant interest in Warrnambool of 90% (the "**Additional Permitted Dividend**").

Warrnambool shares will trade ex-dividend from 20 November 2013 (**Ex-Dividend Date**), with the record date for each Permitted Dividend being 26 November 2013 (**Record Date**). All registered and eligible holders of Warrnambool shares on the Record Date will be entitled to the Permitted Dividends should they become payable.

Saputo will shorten payment terms for Warrnambool shareholders who ACCEPT the Offer:

Saputo intends to declare Saputo's Offer unconditional by no later than 28 November 2013, being two business days after the Record Date for the Permitted Dividends.

Once Saputo's Offer is unconditional, Warrnambool shareholders who ACCEPT will be paid the Offer Consideration within 5 business days after your valid Acceptance and Transfer Form is processed.

If you are a Warrnambool shareholder on the Record Date, and you are otherwise entitled to the Permitted Dividend (i.e. you acquired your Warrnambool shares before the Ex-Dividend Date), you will be paid the full amount of the \$9.00 cash per share at that time. The terms of Saputo's Offer provide that each Warrnambool Shareholder who is entitled to receive a Permitted Dividend and who has accepted Saputo's Offer authorises

and directs Warrnambool to pay to Saputo a sum equal to the amount of the Permitted Dividend payable to that shareholder.

If you become a Warrnambool shareholder on or after the Ex-Dividend Date, you will not be entitled to any Permitted Dividend. If you subsequently accept Saputo's Offer, or your shares are subsequently compulsorily acquired by Saputo, under the terms of Saputo's Offer you will receive the Offer Consideration less \$1.31 per share, being the total amount of any Permitted Dividends. However, to the extent that any Permitted Dividend is subsequently not declared and paid by Warrnambool because Saputo does not achieve the specified relevant interest thresholds in Warrnambool (**Undeclared Dividend Amount**), Saputo will pay you the Undeclared Dividend Amount within the time period required by law.

Saputo will pay broker handling fees:

As previously disclosed, Saputo will pay a handling fee to brokers in respect of valid acceptances received from retail Warrnambool shareholders, on the terms set out in the Bidder's Statement of 25 October 2013. The handling fee will be 0.50% of the Offer Consideration payable by Saputo (i.e. the \$9.00 cash per share), with the maximum handling fee in respect of any acceptance being \$750.

Saputo remains best placed to accelerate the growth in Warrnambool's business:

Saputo has the strategic intent and financial capacity to invest further in Warrnambool. The funding for its proposed acquisition of Warrnambool will not impose any financial constraints limiting Saputo's ability to make further investments to expand Warrnambool's operations by increasing existing capacity or building additional capacity.

Saputo's strategy in acquiring Warrnambool is to position Warrnambool as the centre of its operations in Australia and its main platform from which to service the demand for dairy products in the Asia Pacific region. As one of the largest international dairy companies, Saputo believes that by working with Warrnambool's management team and investing in Warrnambool's operations, it can greatly assist Warrnambool's future development and accelerate its growth, nationally as well as internationally. This in turn should lead to a greater demand for milk, which should be to the benefit of Warrnambool's suppliers.

Moreover, Saputo does not have any existing operations in Australia, so the acquisition of Warrnambool by Saputo will not reduce the choices available for farmer suppliers. Saputo would seek to develop mutually beneficial relationships with the farmer suppliers of Warrnambool through the payment of a leading competitive milk price to ensure that Warrnambool remains the preferred customer for their milk, and continues to grow its milk intake.

Amended Bid Implementation Deed:

The Bid Implementation Deed has been amended to reflect the revised offer price and record Warrnambool's consent to waiver by Saputo of the minimum acceptance condition and to document the date for notification of intention to waive the outstanding conditions as contemplated in the Bid Implementation Deed.

Saputo Bidder's Statement and Offer Variation:

Details of Saputo's Offer are set out in its Bidder's Statement, available from the announcements posted on the Australian Securities Exchange for Warrnambool at www.asx.com.au. Full details of the changes to the price, conditions and payment terms for Saputo's Offer will be made available to Warrnambool shareholders once lodged.

Indicative timetable:

Warrnambool announces Permitted Dividends	15 November 2013
Warrnambool shares trade ex-dividend	20 November 2013
Saputo lodges and dispatches Supplementary Bidder's Statement	No later than 25 November 2013
Record Date for Permitted Dividends	26 November 2013
Saputo's Offer becomes unconditional	No later than 28 November 2013
Earliest date for payment of Offer Consideration	No later than 5 December 2013
Expected closing date of Offer (unless extended)*	13 December 2013

**The closing date for the Offer may change as permitted by the Australian Corporations Act.*

Rothschild and Rabobank are acting as the financial advisers to Saputo, and Maddocks and Stikeman Elliott are its legal advisers.

For further information:

An Offer Information Line has been established by Saputo for Warrnambool shareholders:

1300 397 230 (toll free) (for callers in Australia)

+61 3 9415 4292 (for callers outside Australia)

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About Saputo

Saputo produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products and dairy ingredients. We are one of the top ten dairy processors in the world, the largest in Canada, the third largest in Argentina and among the top three cheese producers in the United States. Our products are sold in more than 40 countries under well-known brand names such as *Saputo*, *Alexis de Portneuf*, *Armstrong*, *Baxter*, *Dairyland*, *Dragone*, *DuVillage 1860*, *Friendship*, *Friigo Cheese Heads*, *Great Midwest*, *King's Choice*, *Kingsey*, *La Paulina*, *Milk2Go*, *Neilson*, *Nutralait*, *Ricrem*, *Salemville*, *Stella* and *Treasure Cave*. We employ approximately 12,000 people and operate 53 manufacturing facilities. Saputo generates consolidated annual revenues of approximately \$8.7 billion². Saputo Inc. is listed on the Toronto Stock Exchange (TSX Code: SAP).

About Warrnambool

Warrnambool produces a range of dairy products for domestic and export markets. Its products include cheese, butter and butter blends, milk, cream and dairy ingredients. Warrnambool draws milk from some of the most productive dairying regions in Australia, including southwest Victoria, southeast South Australia and the Fleurieu Peninsula. Warrnambool operates two manufacturing sites and has over 420 employees. Warrnambool is a public company listed on the Australian Securities Exchange (ASX Code: WCB).

² Represents Saputo's *pro forma* consolidated revenues for the year ended 31 March 2013, had the acquisition on 3 January 2013 of Morningstar Foods, LLC taken place on 1 April 2012. All amounts in Canadian dollars are translated using an exchange rate of CAD1 = AUD1.01.