

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 "DMN49" now produced and shown to David Michael Noonan at the time of signing his statement on 28 November 2013.

**Annexure DMN49
WCB announcement of revised Saputo offer**

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25 November 2013

Improved and simplified Saputo Offer

Warrnambool Cheese and Butter Factory Company Holdings Limited (ASX: WCB) (**WCB**) announces that it has agreed with Saputo Dairy Australia Pty Ltd, a wholly owned subsidiary of Saputo Inc. (TSX: SAP) (**Saputo**), to further amend the terms of the previously announced offer of \$9.00 cash per share.

The amended terms are as follows:

- Offer consideration of **\$9.00** cash per share, subject to a potential increase as described below;
- Saputo will increase the offer consideration to **\$9.20** cash per share if Saputo achieves a relevant interest in WCB shares of greater than 50% during the offer period – this increase will be available to all shareholders regardless of when they accept including those who have already accepted the Saputo offer, those who accept the Saputo offer before the 50% relevant interest threshold is met or those who accept after that threshold is met;
- Saputo declares its Offer unconditional with effect from today – shareholders who accept the Saputo Offer will be paid \$9.00 cash per Share by Saputo within 5 business days after their valid acceptance is processed. If the potential price increase of \$0.20 per share as described above applies this will also be paid within 5 business days of Saputo achieving the greater than 50% relevant interest threshold; and
- WCB revokes its previously announced intention to declare an initial fully franked special dividend of \$0.46 per share and an additional permitted dividend of \$0.85 per share (which intention was subject to Saputo achieving a relevant interest of greater than 50% and 90% respectively and noting that any special dividends paid by WCB would have been deducted from the \$9.00 offer price payable by Saputo).

Accordingly, the previously announced record date of 26 November 2013 for the special dividends is revoked and no longer applies and WCB will now not declare any dividends during the offer period.

Similarly, the previously disclosed deduction and adjustment mechanism to deal with potential overpayments arising from receipt of offer consideration from Saputo and receipt of special dividends from WCB is no longer needed. Likewise the previously disclosed application to the ATO for a tax ruling in relation to the treatment of the special dividends will be withdrawn.

The Board unanimously considers that an unconditional offer of \$9.00 cash per share from Saputo, together with a potential increase of \$0.20 per share for all shareholders as described above, is a simpler, more certain and potentially more valuable offer than the previously recommended Saputo offer. That previous offer was \$9.00 cash with the capacity for WCB to pay two fully franked special dividends totaling \$1.31, noting that:

- if either or both special dividends were paid by WCB they would have been deducted from the \$9.00 offer consideration payable by Saputo;¹
- the availability of potential additional value through the utilisation of franking credits depended on the tax residency and tax position of individual shareholders as well as the receipt of a favourable tax ruling from the ATO (whereas the potential price increase described above is available to all shareholders and is subject only to Saputo achieving a relevant interest of greater than 50% during the Offer period); and

¹ For example, if the first special dividend of \$0.46 was paid by WCB, the offer consideration payable by Saputo would have been reduced from \$9.00 to \$8.54. If both special dividends were paid by WCB, the offer consideration payable by Saputo would have been reduced from \$9.00 to \$7.69.

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- the additional permitted dividend would only have been payable if Saputo achieved a relevant interest in at least 90% of WCB shares during the offer period.

The WCB Board's decision to allow Saputo to declare its Offer unconditional with effect from today and not to declare any dividends during the offer period has been taken in response to various developments in the contest for control of WCB, including the Board's conclusion that Saputo's latest, simplified offer is the most superior offer overall in terms of actual value and potential further value, as well as timing and execution certainty. The Board considers that it is in the best interests of WCB shareholders to permit Saputo to declare its latest Offer unconditional from today so that shareholders who wish to accept this simplified offer will be able to take advantage of the certainty of value and certainty of timing that it provides.

The Bid Implementation Deed between WCB and Saputo has been amended to give effect to Saputo's improved and simplified offer.

Commenting on the improved and simplified Saputo offer, Terry Richardson, Chairman of WCB said:

"Saputo's amended offer is now very straight forward and compelling: from today it is an unconditional offer of \$9.00 cash per share with a further 20 cents cash per share if Saputo achieves an interest in greater than 50% of WCB shares. If this price increase applies, all shareholders will receive the benefit of the price increase regardless of when they accept. Now that the offer is unconditional, all WCB directors and WCB executives intend to accept the amended Saputo offer without delay."

WCB directors' recommendation and intention

WCB's directors unanimously support the amended Saputo Offer and recommend that WCB shareholders ACCEPT the amended Saputo Offer, in the absence of a superior proposal. Each WCB director who has not already accepted the Saputo offer and each WCB executive² intends to ACCEPT the amended Saputo Offer for all WCB shares they hold or otherwise control without delay.

WCB's directors reaffirm their previous recommendation that:

- shareholders REJECT the Bega offer, which has been declared final; and
- shareholders REJECT Murray Goulburn's proposed offer, noting that this proposal is not yet a formal offer capable of acceptance by WCB shareholders, that it is conditional and subject to delays and uncertainties associated with the fulfillment of the condition relating to clearance from the Australian Competition and Consumer Commission or authorisation from the Australian Competition Tribunal.

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² The members of the executive team as set out in WCB's 2013 Annual Report.