

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 "DMN7" now produced and shown to David Michael Noonan at the time of signing his statement on 28 November 2013.

Annexure DMN7
ASX announcement of Saputo revised offer

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
TO \$8.00 CASH PER SHARE
WARRNAMBOOL BOARD UNANIMOUSLY REAFFIRMS RECOMMENDATION TO ACCEPT
IN THE ABSENCE OF A SUPERIOR PROPOSAL***

(25 October 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 \$8.00 cash per share (the “Offer”).

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

In response to the offer price increase by Saputo, the Board of Warrnambool has reaffirmed their unanimous recommendation that Warrnambool shareholders accept the Offer in the absence of a superior proposal. Each Warrnambool director and executive¹ has also reaffirmed their intention to accept the Offer for all of the Warrnambool shares they hold or otherwise control in the absence of a superior proposal.

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

Excluding any additional benefit related to the distribution of franking credits, Saputo’s Offer of \$8.00 cash per share is superior to all other proposals made for Warrnambool:

- a 7% premium to the \$7.50 cash per share proposal announced by Murray Goulburn Co-operative Co. Limited (the “**Murray Goulburn Proposal**”) on 18 October 2013;
- a 20% premium to the implied value of the cash and scrip offer announced by Bega Cheese Limited (the “**Bega Offer**”) on 12 September 2013 based on Bega’s closing price on 18 October 2013.

As previously agreed with Warrnambool, the Offer also allows for Warrnambool to declare and pay fully franked special dividends of up to a maximum of \$1.31 per Warrnambool share, with a corresponding reduction in the 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 addition, there is less uncertainty for Warrnambool shareholders with Saputo’s Offer. Saputo’s Offer is subject to minimal conditions including FIRB approval and a minimum acceptance condition of greater than 50% of Warrnambool shares. Saputo has already submitted its application to FIRB and believes that it will receive this approval in due course.

In contrast, the Murray Goulburn Proposal is subject to no objection by the ACCC or granting of authorization 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.

In contrast to the Bega Offer for cash and scrip, Saputo is offering Warrnambool shareholders the certainty of 100% cash for their shares. The Bega Offer is also subject to ACCC approval.

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

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.

Saputo Bidder's Statement:

Full details of Saputo's Offer will be set out in its Bidder's Statement, available from the announcements posted on the Australian Securities Exchange for Warrnambool at www.asx.com.au once lodged.

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*, *Frijo Cheese Heads*, *Great Midwest*, *King's Choice*, *Kingsey*, *La Paulina*, *Milk2Go*, *Neilson*, *Nutrilait*, *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).

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.

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).

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