

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 RAP54 now produced and shown to Robert Arthur Poole at the time of signing his statement on 28 November 2013.

Annexure RAP54

Article published in The Age dated 5 August 2005

Filed on behalf of Murray Goulburn Co-Operative Co Limited

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Bonlac suppliers back Fonterra deal

By Philip Hopkins
 Agribusiness Reporter
 August 5, 2005

Bonlac's 1500 dairy farmer suppliers have overwhelmingly backed a full takeover by New Zealand dairy giant Fonterra Co-operative Group.

Bonlac Supply Company shareholders yesterday voted 94 per cent in favour of Fonterra's offer to restructure Bonlac Foods. Fonterra chairman Henry van der Heyden said ownership of Bonlac Foods would enable it to expand the company's milk supply, improve its balance sheet and create greater manufacturing scale and efficiencies.

"Now it is up to Fonterra to go ahead with plans to build more efficient production, a stronger domestic branded business, and contribute further to a globally competitive sector," he said.

BSC chairman Noel Campbell said the vote reflected that Fonterra had put a fair offer on the table. "BSC shareholders have recognised that Fonterra's offer will provide them with greater security and better returns and help to achieve growth and investment," he said.

Fonterra chief executive Andrew Ferrier said the priorities would be to optimise capacity at Bonlac Foods' plants and expand milk supply. Further strengthening of Fonterra's position in Australia remained a key focus.

"We still believe there is further consolidation to come in the industry here. We see this as a key local market for Fonterra and we will be part of any further industry changes," he said.

Mr Campbell said suppliers would vote on changes to the structure of the BSC board at the annual meeting later in the year. The completion date for the transaction is September 1.

Fonterra will issue about 85 million \$1 unsecured capital notes for BSC's 67.1 million shares in Bonlac Foods.

Fonterra will pay a milk price as high as Murray Goulburn, Victoria's leading milk processor and Bonlac's chief rival. Bonlac farmers' overall return — milk price, dividends, franking credits and other amounts — will also be as high as Murray Goulburn's.

The caveat is that Bonlac must supply a minimum 1.2 billion litres of milk each year. If supplies fall below 1 billion litres, no interest will be paid.

Fonterra has subjected Bonlac Foods to a tough restructuring in the past two years, with staff numbers cut by 300 to 700.

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