

2013 RESULTS

CONFERENCE

BEGA CHEESE LIMITED



KEY MESSAGES

- Improved financial performance
- Strong cash flow
- Enhanced customer relationships
- Targeted capital expenditure
- Improved outlook

FY2013 RESULTS HIGHLIGHTS

Revenue
Growth
8.3%

EBITDA
growth
13.2%

PBT
growth
30.5%

EPS
16.76
cps

Total
dividend
7.5 cps

- Revenue increase to \$1,010m
- EBITDA increase 13.2% to \$64.3m
- PAT increase 24.6% to \$25.4m
- EPS up 30.8%
- Total FY2013 dividend 7.5 cps
- Net debt down to \$86.7m

BUSINESS PERFORMANCE

	FY2013 \$m	FY2012 \$m
Sales Revenue	1,010.1	932.9
EBITDA	64.3	56.8
EBIT	43.5	35.9
PBT	35.3	27.1
PAT	25.4	20.4

- Strong revenue growth in all business areas, particularly contract pack and nutritionals
- Increase in gross margin driving EBITDA and profit growth
- Prior year included one-off expenses associated with listing

BALANCE SHEET EXTRACT

	FY2013 \$m	FY2012 \$m
Trade and other receivables	104.3	95.8
Inventories	163.3	162.7
Investments	39.0	30.9
Property, plant & equipment	210.9	204.6
Total Assets	551.5	516.0
Trade and other payables	144.9	130.5
Borrowings	110.9	114.8
Total Liabilities	289.5	269.5
Net Assets	262.0	246.4
Net debt	86.7	108.7



CASH FLOW EXTRACT

	FY2013 \$m	FY2012 \$m
Receipts from customers	1,041.0	945.6
Payments to suppliers	(966.9)	(944.4)
Interest and other costs of financing paid	(8.1)	(8.8)
Income tax paid	(4.0)	(3.0)
Operating activities	62.0	(10.6)
Investing activities	(29.3)	(30.1)
Financing activities	(11.4)	23.0
Net increase/(decrease) in cash and cash equivalents	21.3	(17.7)

- Cash flow benefiting from working capital control, with inventory build up complete
- Investing activity includes \$27.8m on capital expenditure

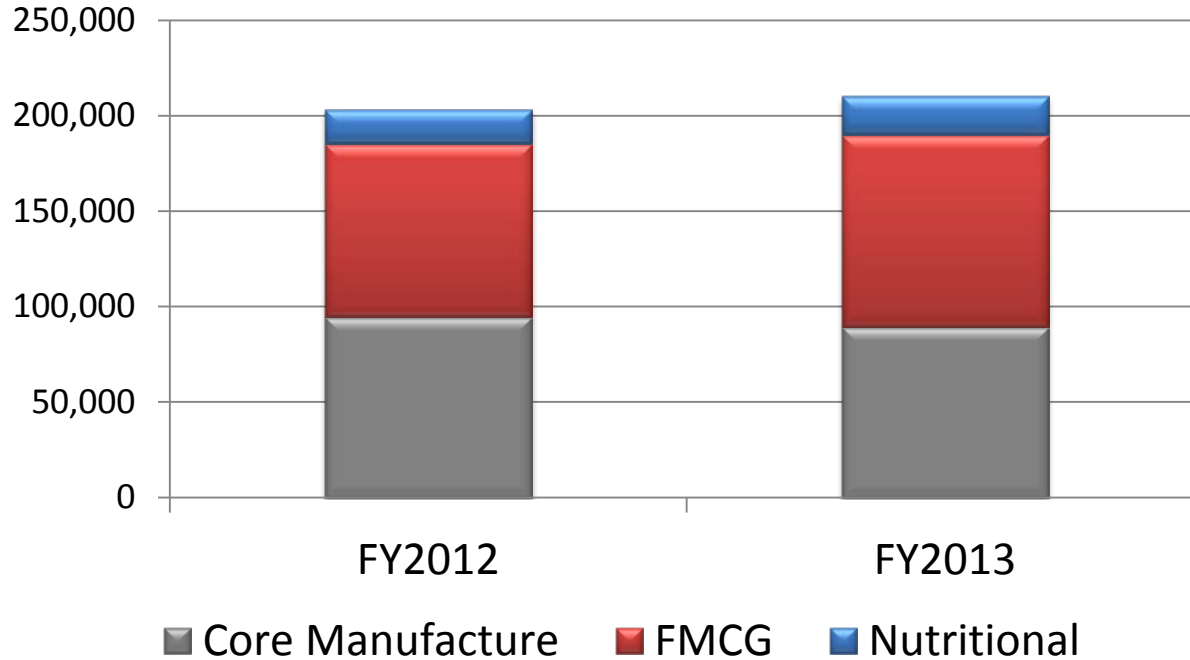


MILK INTAKE

	FY2013 million litres	FY2012 million litres
Bega	191	182
Coburg	107	100
Tatura	343	401
Contract	54	42
Total	695	725

- Milk pool well balanced to meet production requirements
- Difficult dairy farming circumstances
- Leading milk price paid, compared with other large manufacturing companies

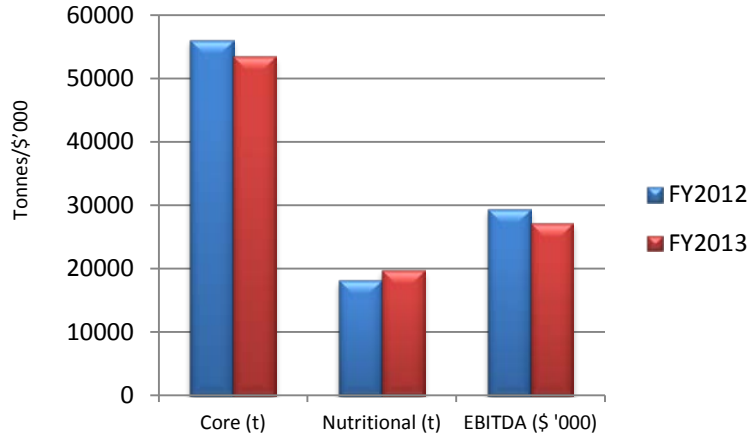
PRODUCTION



- Total production 210,052 tonnes increase of 3%

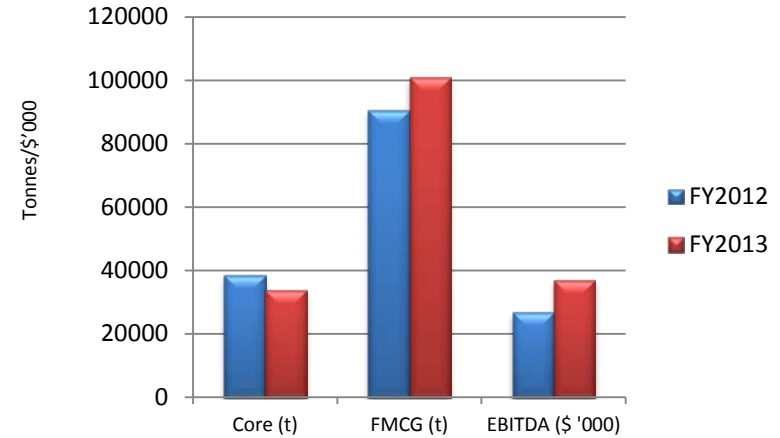
SEGMENTS VOLUME & EBITDA

Tatura



- Nutritional volume up 9%
- Core manufacturing volumes reducing as milk diverted to higher value products
- Increase in cream cheese production
- Decrease in EBITDA reflects more difficult trading conditions

Bega

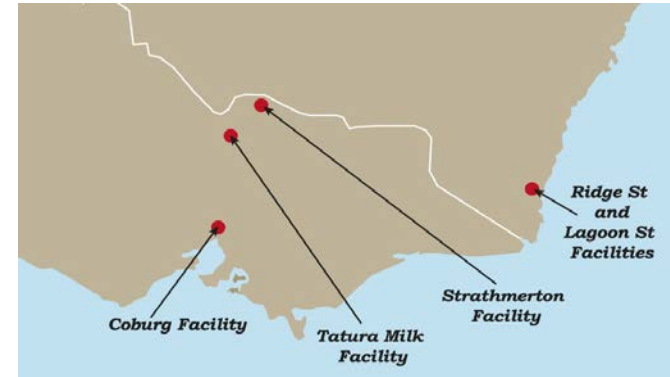


- Focus on increasing FMCG volumes at Ridge St and Strathmerton sites – up 11%
- Less milk used in cheese production, with supplier volumes holding well
- Increase in EBITDA, with no costs associated with listing and strong gross margins

INFRASTRUCTURE

- Capital expenditure \$27.8m
- Investment in capacities
- Integrated infrastructure
- Process improvement
- Risk management capability

Map of facilities



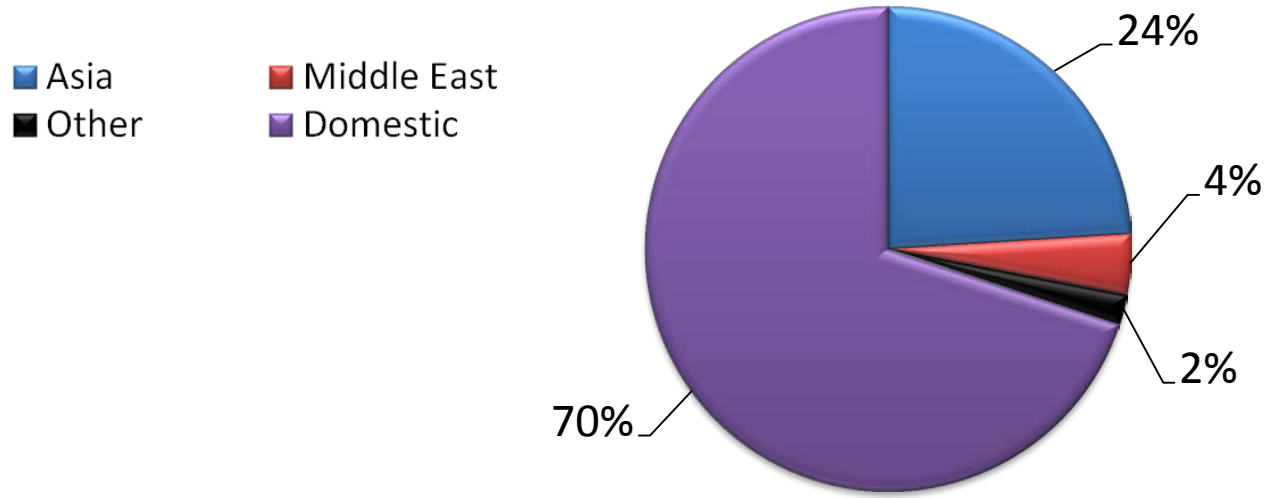
HIGH QUALITY VALUE ADDED PRODUCT RANGE

- Cheddar and Processed Cheese
- Mozzarella
- Cream cheese
- Nutritional Powders
- Milk Protein Concentrate

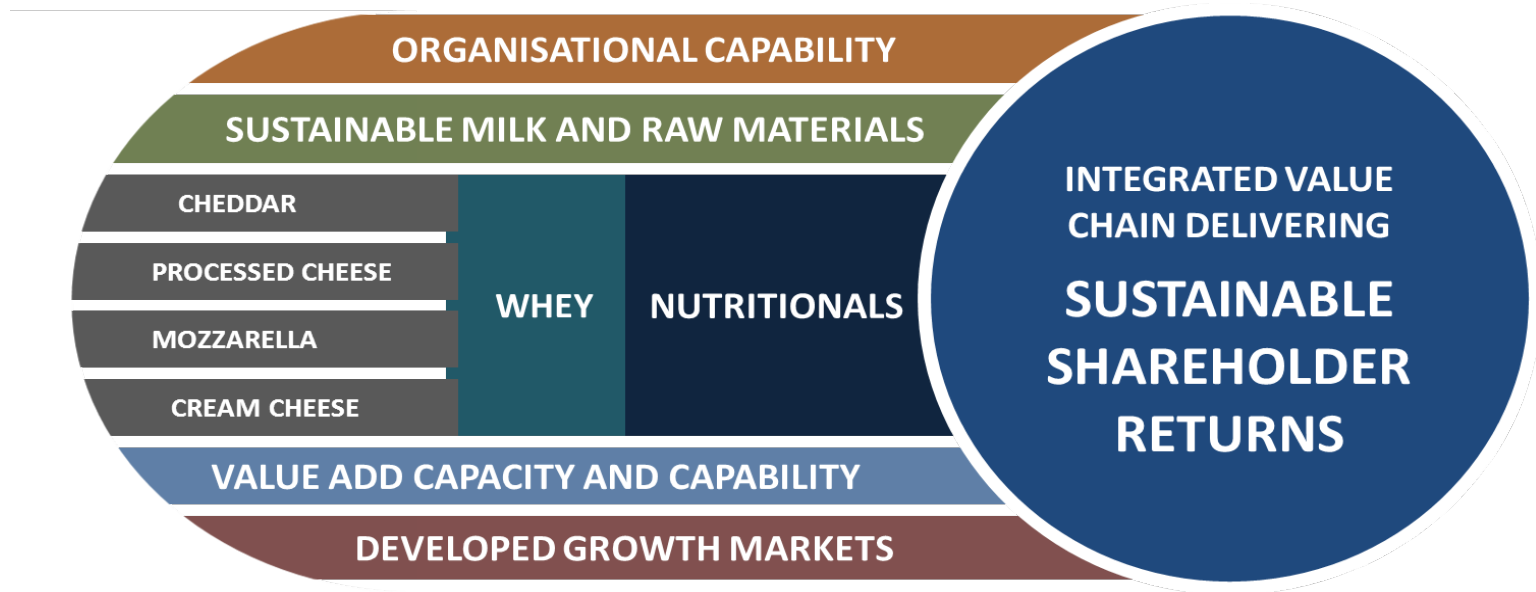


SALES REVENUE BY DESTINATION

Bega Cheese Sales 2013



STRATEGIC FOCUS AREAS



STRATEGIC PRIORITIES

- Infant formula/nutritionals blending and canning capacities
- Manufacturing improvement/integration plan
- High value whey processing
- Ongoing development of international FMCG business
- Customer service/value creation
- Improved milk supplier returns

OUTLOOK

- Improved and stable global dairy commodity prices
- Improved currency relativity
- Business improvement/integration initiatives adding value
- Improved farm gate milk prices
- Global supply/currency/trade relativities continue to create a volatile environment

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