

20 December 2013

The Manager Companies Announcements Office ASX Limited

Dear Sir

WCB's Supplementary Target's Statement in relation to Final Saputo Offer

Warrnambool Cheese and Butter Factory Company Holdings Limited (**WCB**) attaches in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of its Supplementary Target's Statement in relation to the off market takeover offer from Saputo Dairy Australia Pty Ltd.

Yours faithfully

Paul Moloney

Company Secretary

Pant Moraner



SUPPLEMENTARY TARGET'S STATEMENT

In response to the Final Saputo Offer

YOUR DIRECTORS UNANIMOUSLY

RECOMMEND THAT YOU

ACCEPT

THE FINAL SAPUTO OFFER

in the absence of a Superior Proposal

This Supplementary Target's Statement supplements and is to be read together with the Target's Statement issued by Warrnambool Cheese and Butter Factory Company Holdings Limited ACN 071 945 232 dated 12 November 2013 in response to the recommended off-market takeover bid made by Saputo Inc. through its wholly owned subsidiary Saputo Dairy Australia Pty Ltd ACN 166 135 486.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to how to deal with this document, please contact your legal, financial, taxation or other professional adviser. If you have any questions about the offer or this document please call the WCB Information Line on 1300 880 732 (toll free for callers within Australia) or +61 1300 880 732 (for callers outside Australia) Monday to Friday between 9.00am and 5.30pm (AEDT).

Financial Adviser Legal Adviser





Supplementary Target's Statement

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Important dates

Saputo's Offer announced	8 October 2013
Date of Saputo's Bidder's Statement	25 October 2013
Saputo' Offer Period commenced	30 October 2013
Date of Target's Statement in response to Saputo's Offer	12 November 2013
Date of Saputo's First Supplementary Bidder's Statement	21 November 2013
Date of Saputo's Second Supplementary Bidder's Statement	25 November 2013
Date of Saputo's Third Supplementary Bidder's Statement	17 December 2013
Date of this Supplementary Target's Statement	20 December 2013
Saputo's Offer Period closes (unless the Offer is extended in accordance with the Corporations Act)	7.00pm (Melbourne time) on 10 January 2014

Important notices

Supplementary Target's Statement

This document is a supplementary target's statement (**Supplementary Target's Statement**) issued by Warrnambool Cheese and Butter Factory Company Holdings Limited ACN 071 945 232 (**WCB**) in response to the offer made by Saputo Inc. through its wholly owned subsidiary Saputo Dairy Australia Pty Ltd ACN 166 135 486 (**Saputo**) in its Bidder's Statement dated 25 October 2013, as varied by the First Supplementary Bidder's Statement dated 21 November 2013, the Second Supplementary Bidder's Statement dated 25 November 2013 and the Third Supplementary Bidder's Statement dated 17 December 2013.

This Supplementary Target's Statement supplements the Target's Statement dated 12 November 2013. This Supplementary Target's Statement is to be read together with the Target's Statement.

ASIC and ASX disclaimer

A copy of this Supplementary Target's Statement was lodged with ASIC and given to ASX on 20 December 2013. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the content of this Supplementary Target's Statement.

Shareholder enquiries

WCB has established a Shareholder Information Line which Shareholders may call if they have any queries in relation to the Revised Saputo Offer.

The telephone number for the Shareholder Information Line is:

- 1300 880 732 (toll free for calls made from within Australia); or
- +61 1300 880 732 (for calls made from outside Australia).

The Shareholder Information Line is available Monday to Friday between 9.00am and 5.30pm (AEDT).

Defined terms

Unless the context requires otherwise defined terms in the Target's Statement have the same meaning in this Supplementary Target's Statement. This Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

1. Saputo Offer – recent developments

1.1 Chronology

The following table summarises the key events in relation to the Saputo Offer since WCB released its Target's Statement on 12 November 2013.

Date	Event
15 November 2013	WCB announced that it received an increased all cash off market takeover offer from Saputo to acquire all WCB Shares for \$9.00 cash per Share (formerly \$8.00 cash per Share).
25 November 2013	 WCB announced that it had agreed with Saputo to amend the Saputo Offer so that Saputo will increase the Offer Consideration from \$9.00 cash per Share to \$9.20 cash per Share if Saputo achieves a relevant interest in WCB Shares of greater than 50% during the Offer Period.
	 Saputo declared its Offer unconditional and announced accelerated payment terms under which WCB Shareholders who accept the Saputo Offer will be paid their offer consideration within 5 Business Days after their valid Acceptance and Transfer Form is processed.
	 WCB and Saputo respectively announced that WCB was no longer proceeding with the Permitted Dividends.
26 November 2013	Murray Goulburn Co-operative Co Limited (Murray Goulburn) applied to the Takeovers Panel alleging that unacceptable circumstances had arisen as a result of the 25 November 2013 announcements by Saputo and WCB.
17 December 2013	The Takeovers Panel proceedings concluded with undertakings being provided by Saputo and WCB. The nature and effect of these undertakings are described in Section 1.2 below.
17 December 2013	Saputo announced further amendments to its Offer and declared its Offer last and final as to price. See further Section 1.2 below.

1.2 Final Saputo Offer

On 17 December 2013 Saputo issued its Third Supplementary Bidder's Statement giving effect to the terms set out below as part of the undertaking given by Saputo to the Takeovers Panel. The Saputo Offer now involves the following principal terms which taken together are referred to in this Supplementary Target's Statement as the **Final Saputo Offer**:

- an unconditional offer of \$9.00 cash per WCB share payable within 5 Business Days of processing of acceptances by Saputo;
- Saputo will increase its Offer Consideration by \$0.20 cash per Share (\$9.00 to \$9.20) if Saputo acquires a relevant interest in greater than 50% of WCB Shares during its offer period;
- Saputo will increase its Offer Consideration by a further \$0.20 cash per Share (\$9.20 to \$9.40) if Saputo acquires a relevant interest in greater than 75% of WCB Shares during its offer period;

- Saputo will increase its Offer Consideration by a further \$0.20 cash per Share (\$9.40 to \$9.60) if Saputo acquires a relevant interest in greater than 90% of WCB Shares during its offer period;
- the offer period will end at 7.00pm (Melbourne time) on **10 January 2014**, unless extended further in accordance with the Corporations Act;
- withdrawal rights will be offered to and confirmations sought from all WCB shareholders who accepted the Saputo Offer on or before 17 December 2013 (**Affected Shareholders**). If the withdrawal right is not exercised by 3 January 2014, the acceptance will be deemed to be confirmed and payment will be made by 10 January 2014. If an Affected Shareholder confirms their acceptance before 3 January 2014 they will receive their payment within 5 Business Days of receipt of their confirmation; and
- all acceptances dated and received by Saputo after 17 December 2013 will be paid within 5 Business Days of Saputo processing them.

Each of the three potential additional increases of \$0.20 cash per Share in the Offer Consideration will be available to all WCB Shareholders who accept the Final Saputo Offer regardless of when they accept including:

- those who have already accepted the Saputo Offer;
- those who accept the Final Saputo Offer before the 50%, 75% and 90% relevant interest thresholds are met; or
- those who accept the Final Saputo Offer after any of these relevant thresholds are met.

Saputo has declared that the Final Saputo Offer is its **LAST** and **FINAL** offer and that there will be no further increases in the Offer Consideration (other than the potential additional increases described above). However Saputo has not declared as final the closing date of 10 January 2014 for its Offer Period. Accordingly Saputo may at its discretion further extend this closing date. In certain circumstances the closing date may be required by law to be extended. ¹

1.3 Revocation of intention to declare Permitted Dividends

As announced by WCB on 25 November 2013 WCB has revoked its previously announced intention to declare the Initial Permitted Dividend of \$0.46 per share and the Additional Permitted Dividend of \$0.85 per share and the applicable record date.

WCB will not declare any dividends during the Offer Period.

Your Directors have taken the above steps after it became aware of potential confusion among WCB shareholders regarding the operation of the Permitted Dividends proposal and that some shareholders were having difficulties fully understanding certain of its features such as the single record date for the two special dividends, the ability of Saputo to declare the Saputo Offer unconditional, the deduction of any Permitted Dividends from the Saputo Offer consideration and the adjustment mechanism to deal with potential overpayments.

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There will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period, the Offer Consideration is increased because Saputo achieves either the 50%, the 75% or the 90% relevant interest thresholds that respectively trigger a \$0.20 increase in the Offer Consideration or if, within the last 7 days of the Offer Period, Saputo's voting power in WCB increases to more than 50%. If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

Your Directors consider that the Final Saputo Offer is a simpler, more certain and more valuable offer than the earlier Saputo Offer when it incorporated the Permitted Dividends. This is because the potential price increases described above under the Final Saputo Offer are available to **ALL** WCB Shareholders who accept the Final Saputo Offer and are subject only to Saputo achieving a relevant interest of greater than 50%, 75% or 90% (as applicable) in WCB Shares during the Offer Period.

In contrast when the Saputo Offer incorporated the Permitted Dividends:

- the availability of potential additional value through the utilisation of franking credits attached to any Permitted Dividends depended on various matters, including the tax residency and tax position of individual shareholders and the length of time shareholders have held their shares having regard to the 45 day tax rule;
- the franking credit benefit of up to \$0.20 per share on the Initial Permitted Dividend would only be received after WCB shareholders lodged their relevant year tax returns and those returns were processed;
- if Saputo emerged with a controlling shareholding at the conclusion of its Offer and if Lion-Dairy & Drinks (an Australian subsidiary of a Japanese company) remains as a WCB Shareholder this increased the risk that WCB would become an *exempting entity* under the tax law at the time the Additional Permitted Dividend was paid i.e. at that time non-residents effectively own at least 95% of WCB. In those circumstances the Australian resident WCB shareholders would not be entitled to the benefit of any franking credits attached to the Additional Permitted Dividend; and
- the tax outcomes relating to the Permitted Dividends were uncertain and WCB was seeking clarity from the ATO in the form of a Class Ruling. The matters to be considered by the ATO in the class ruling request were complex meaning that the eligibility to benefit from franking benefits on either dividend was uncertain.

2. Your Directors' unanimous recommendation and intentions

Your Directors unanimously recommend that you **ACCEPT** the Final Saputo Offer in the absence of a Superior Proposal. The reasons for your Directors' unanimous recommendation to **ACCEPT** the Final Saputo Offer are set out in Section 3 below.

All Directors and Senior Executives have accepted the Final Saputo Offer in respect of all WCB Shares held by them or which they otherwise controlled and have also confirmed that they do not wish to exercise their respective withdrawal rights. These WCB Shares represent approximately 1.95% of all WCB Shares on issue as at the date of this Target's Statement.

3. Reasons for your Directors' unanimous recommendation

1. The Final Saputo Offer is superior to the Murray Goulburn Offer announced to ASX on 28 November 2013 (Murray Goulburn Offer) based on an overall comparative assessment of value, certainty and timing

Value

Murray Goulburn's Offer is \$9.50 cash per Share.² Although this is \$0.50 (or 5.55%) higher than Saputo's base offer price of \$9.00 cash per Share, the potential exists under the Final Saputo Offer for WCB Shareholders to receive:

- an additional \$0.20 cash per Share (\$9.00 to \$9.20) if Saputo achieves a relevant interest in WCB Shares of greater than 50% during the Offer Period;
- an additional \$0.20 cash per Share (\$9.20 to \$9.40) if Saputo achieves a relevant interest in WCB Shares of greater than 75% during the Offer Period; and
- an additional \$0.20 cash per Share (\$9.40 to \$9.60) if Saputo achieves a relevant interest in WCB Shares of greater than 90% during the Offer Period.

Even if none of these three potential price increases of \$0.20 cash per Share become payable your Directors unanimously consider that the Final Saputo Offer is still superior to the Murray Goulburn Offer in terms of certainty and timing.

Certainty and timing

The Final Saputo Offer has been unconditional since 25 November 2013 whereas Murray Goulburn's Offer remains highly conditional. Accordingly the Final Saputo Offer does not have any of the delays and execution uncertainties associated with the Murray Goulburn Offer.

WCB Shareholders who accept the Final Saputo Offer will be paid \$9.00 cash per WCB Share within 5 Business Days after their valid Acceptance and Transfer Form is processed. If any one or more of the potential price increases of \$0.20 cash per Share described above applies this will also be paid within 5 Business Days of Saputo achieving the greater than 50%, 75% and 90% relevant interest thresholds.

As previously noted, the Murray Goulburn Offer is subject to eight conditions including the granting of authorisation by the Australian Competition Tribunal (**Tribunal**) and Murray Goulburn achieving a relevant interest of greater than 50% of WCB Shares. Each of these two key conditions is considered further below. WCB Shareholders should note that:

- unless both of these key conditions are satisfied Murray Goulburn's Offer is incapable of being completed; and
- Murray Goulburn cannot unilaterally waive either of these key conditions for the reasons outlined below.

Murray Goulburn stated in its Bidder's Statement that if WCB's Directors unanimously recommend the Murray Goulburn Offer, Murray Goulburn would be willing to match the Permitted Dividend proposal. However as WCB's Directors are not recommending the Murray Goulburn Offer, Murray Goulburn's proposal to match the Permitted Dividend proposal will not proceed. In any event WCB's Directors believe that the introduction of permitted dividends as an element to the Murray Goulburn Offer where there are other competing bids may be problematic and may likely reintroduce confusion and uncertainty among Shareholders.

Tribunal condition

Murray Goulburn filed its authorisation application and supporting materials with the Tribunal on 29 November 2013 (**Application**). At the Tribunal's case management conference on 9 December 2013 WCB was granted leave to become a party to the Application. The Tribunal maintained its previously set provisional date of 10 February 2014 for commencement of a public hearing of the Application with an estimated duration of not more than 5 days. The procedural timetable set by the Tribunal at the case management conference is aimed at determining the application by 28 February 2014, subject to the discretion of the Tribunal to extend that time by up to a further 3 months. Accordingly the earliest date that the Tribunal will determine the Application is 28 February 2014 and the latest date is 30 May 2014. Murray Goulburn has provided an undertaking to the ACCC that it will not make the proposed acquisition of WCB while the Application is being considered by the Tribunal.

Your Directors consider that the outcome of the Tribunal's assessment of the Application is uncertain. Murray Goulburn needs to be able to persuade the Tribunal that the *net public benefit* of its proposed acquisition of WCB outweighs the likely anticompetitive effects of the acquisition. In this regard your Directors note that:

- the likely anticompetitive effects of Murray Goulburn's proposed acquisition of WCB remain broadly similar to those identified by the ACCC in its 2010 *Statement of Issues* following Murray Goulburn's proposed takeover bid for WCB in 2010;
- many of the public benefits asserted by Murray Goulburn in its Application are predicated on Murray Goulburn acquiring 100% control of WCB. For the reasons noted below, WCB considers that it is highly unlikely that Murray Goulburn will achieve 100% control of WCB. Accordingly WCB considers that there is uncertainty as to whether the full extent of the public benefits claimed by Murray Goulburn will materialise and therefore whether Murray Goulburn will be able to satisfy the *net public benefits* test; and
- a large amount of substantive information in the Application surrounding asserted synergies
 is redacted. Requests by WCB for access to that redacted material were declined by Murray
 Goulburn. Consequently WCB is unable to assess whether these asserted synergies are
 achievable.

WCB has filed a submission with the Tribunal providing its view on the questions on which the Tribunal has invited public submissions. A copy of WCB's submission, together with all other relevant documents relating to the Application is available from the Tribunal's website at www.competitiontribunal.gov.au.

Greater than 50% minimum acceptance condition

Even if Murray Goulburn receives Tribunal authorisation, Murray Goulburn's Offer will only be able to proceed to completion if Murray Goulburn receives acceptances of its offer that give it a relevant interest of greater than 50% in WCB shares (50% Minimum Acceptance Condition). At present Murray Goulburn has a relevant interest in 17.26% of WCB Shares. Murray Goulburn has stated in its Bidder's Statement that it will not waive the 50% Minimum Acceptance Condition without the consent of its financiers.

As at the date of this Target's Statement, in addition to Murray Goulburn's holding of 17.26% of WCB Shares, there are another three key blocks of WCB Shares that are relevant in determining whether Murray Goulburn will achieve a relevant interest in greater than 50% of WCB Shares under its Offer:

Bega has a relevant interest in 18.71% of WCB Shares;

- Saputo has a relevant interest in 17.00% of WCB Shares; and
- Lion has a relevant interest in 9.99% of WCB Shares.

Collectively these three shareholders hold approximately 45.70% of WCB Shares.

Accordingly the satisfaction of Murray Goulburn's 50% Minimum Acceptance Condition may be difficult but is not necessarily precluded.

In contrast the Final Saputo Offer is not subject to any conditions. Accordingly if you accept the Final Saputo Offer and there is a *stalemate* (i.e. neither Saputo, Murray Goulburn or Bega acquire a relevant interest in greater than 50% of WCB), you will still receive minimum consideration of \$9.00 cash per Share from Saputo.

The table below compares what WCB Shareholders will receive under the Final Saputo Offer and the Murray Goulburn Offer under different ownership thresholds.

Saputo/Murray Goulburn ownership threshold	What you will receive if you accept the Final Saputo Offer	What you will receive if you accept the Murray Goulburn Offer
Less than 50%	\$9.00 cash per Share within 5 Business Days of your acceptance being processed	Nothing ⁴
More than 50% but less than 75%	\$9.20 cash per Share within 5 Business Days of your acceptance being processed	\$9.50 cash per Share no earlier than 28 February 2014 and potentially after 30 May 2014
	Note: this potential additional	OR
	\$0.20 will be payable to all Shareholders irrespective of when they accept the Final Saputo Offer including those who have already accepted it.	Nothing if Murray Goulburn's application to the Tribunal is unsuccessful and if all other conditions are not satisfied or waived
More than 75% but less than 90%	\$9.40 cash per Share within 5 Business Days of your acceptance being processed	\$9.50 cash per Share no earlier than 28 February 2014 and potentially after 30 May 2014
	Note: this potential additional	OR
	\$0.20 will be payable to all Shareholders (as above)	Nothing (as above)
More than 90%	\$9.60 cash per Share within 5 Business Days of your acceptance being processed	\$9.50 cash per Share no earlier than 28 February 2014 and potentially after 30 May 2014
	Note: this potential additional \$0.20 will be payable to all	OR

Subject to withdrawal rights and confirmation until 3 January 2014.

Even if Murray Goulburn's application to the Tribunal is successful. In that circumstance the only basis on which you would receive payment of \$9.50 cash from Murray Goulburn is if Murray Goulburn's and its financiers waive their current Condition that Murray Goulburn achieve a relevant interest of greater than 50% in WCB and if all other conditions are satisfied or waived.

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Saputo/Murray Goulburn ownership threshold	What you will receive if you accept the Final Saputo Offer	What you will receive if you accept the Murray Goulburn Offer
	Shareholders (as above).	Nothing (as above)
	Note: This potential additional \$0.20 would require Murray Goulburn, Bega and Lion to accept the Final Saputo Offer	

Note: Murray Goulburn's payment terms are broadly the earlier of 1 month after Murray Goulburn's Offer becomes unconditional and 21 days after the end of its offer period.

Murray Goulburn states⁵ that:

.... there is a significant risk that Saputo will not achieve the 50%, 75% or 90% ownership level in WCB required to trigger an increase in total offer price to \$9.20, \$9.40 or \$9.60 cash per WCB share respectively This risk is heightened due to the presence of a number of industry participants on WCB's share register, who currently own approximately 46% of WCB in total.

This statement overlooks the fact that the Murray Goulburn Offer is subject to a 50% Minimum Acceptance Condition that cannot be waived without the consent of its financiers. Therefore unless Murray Goulburn achieves a relevant interest of greater than 50% its offer is incapable of completing, in which case Shareholders who accept the Murray Goulburn Offer would receive nothing. ⁶ As noted above, the current composition of the WCB share register means that the satisfaction of Murray Goulburn's 50% Minimum Acceptance Condition may be difficult but is not precluded.

In contrast, even if Saputo does not achieve a relevant interest of greater than 50%, Shareholders who accept the Final Saputo Offer are at least assured of receiving the minimum base consideration of \$9.00 cash per Share.

Your Directors consider that the certainty of receiving a minimum of \$9.00 cash per Share from Saputo within 5 Business Days of your acceptance being processed represents a superior proposal to the uncertainty of potentially receiving \$9.50 cash per Share from Murray Goulburn in at least 12 weeks or nothing, noting that if the Tribunal Condition and/or the 50% Minimum Acceptance Condition are not satisfied, Murray Goulburn will not be able to pay \$9.50 cash per Share to any Shareholders who accept its offer.

WCB Shareholders should also note the following timing consideration. Even if all of the following occur in line with Murray Goulburn's belief and expectations:

- the Tribunal completes its assessment of Murray Goulburn's Application by 28 February 2014:
- the Tribunal grants Murray Goulburn authorisation to proceed with its offer;

See press release by Murray Goulburn dated 16 December 2013 and Murray Goulburn's Second Supplementary Bidder's Statement dated 19 December 2013.

Assuming Murray Goulburn and its financiers do not waive their current Condition that Murray Goulburn achieve a relevant interest of greater than 50% in WCB.

- Murray Goulburn achieves a relevant interest of greater than 50%;
- the remaining Conditions are waived or satisfied; and
- Saputo does not achieve a relevant interest of greater than 50%,

there will be a time difference of at least 10 weeks between when a WCB Shareholder who accepts the Murray Goulburn Offer now would receive payment of \$9.50 cash per Share from Murray Goulburn compared to when a WCB Shareholder who accepts the Final Saputo Offer now would receive payment of \$9.00 cash from Saputo. Accordingly WCB Shareholders should consider the time value of money as part of their overall comparison of the Final Saputo Offer and the Murray Goulburn Offer. The time value of money benefit also becomes greater to the extent the Tribunal delivers its decision later than 28 February 2014 (again, assuming that that decision is favourable in terms of granting Murray Goulburn authorisation to proceed with its offer).

Further details of your Directors' views on the Murray Goulburn Offer will be set out in the Target's Statement in response to the Murray Goulburn Offer which you should receive shortly.

2. The Final Saputo Offer is superior to the Final Bega Offer announced on 14 November 2013

The offer consideration of \$9.00 cash per Share (and the three potential price increases of \$0.20 cash per Share at relevant interests of greater than 50%, 75% and 90%) under the Final Saputo Offer is higher than the implied value of the Final Bega Offer of \$8.74 per Share based on the \$4.49 closing price of Bega Shares as at 19 December 2013, being the last trading day before the date of this Supplementary Target's Statement.

In addition your Directors consider that the offer consideration under the Final Saputo Offer provides greater certainty of value than the Final Bega Offer. Your Directors note that the Final Bega Offer will close at 7.00pm on 20 December 2013.

Your Directors continue to consider that the current market price of Bega Shares is not an appropriate reference point for measuring the implied value of the Final Bega Offer. This is because, as previously noted in the Supplementary Target's Statement in response to the Final Bega Offer, the price of Bega Shares is being affected by a number of external factors with the result that your Directors do not believe that the current price of Bega Shares is reflective of Bega's current underlying or intrinsic value.

Your Directors consider that when assessing the implied value of Bega's Offer, the value of Bega Shares should be determined on the basis of underlying value which excludes any premium for a takeover or speculation of a takeover. Your Directors continue to consider that the current Bega Share price includes a premium to reflect the buying activity of Fonterra and speculation of a potential takeover bid for Bega.

Furthermore since Bega currently holds 18.71% of WCB Shares on issue, the increase in the market price of Bega Shares (and therefore the increase in the implied value of the Final Bega Offer) is also partly attributable to the substantial increase in the market price of WCB Shares. Since the announcement of Bega's Offer on 12 September 2013, the price of Bega Shares has increased by 42.54% to \$4.49 as at the close of trading on 19 December 2013 being the last trading day before the date of this Supplementary Target's Statement.

The maximum number of Bega Shares which would be required to be issued to WCB Shareholders under the Final Bega Offer is approximately 68.7 million. This represents an increase of approximately 45% in Bega's current issued share capital and is almost equivalent to the total volume of Bega Shares traded since listing on ASX in August 2011 (to the close of trading on 11 September 2013). As there is no capacity for WCB Shareholders to elect to receive 100% cash for their WCB Shares under Bega's Offer, there is a risk that some WCB Shareholders who accept Bega's Offer will not hold their Bega Shares in the long term. Those former WCB Shareholders may instead seek to realise the cash value of their Bega Shares by selling them on market. If there is a large number of former WCB Shareholders who seek to sell their Bega Shares within a short period after Bega's Offer closes, this will place downward pressure on the market price of Bega Shares.

Accordingly the value of Bega Shares is uncertain, subject to market volatility and there is no guarantee that the price of Bega Shares will continue to trade at current levels.

Furthermore scrip for scrip rollover relief is highly uncertain under the Final Bega Offer as it is contingent on Bega acquiring at least 80% of WCB Shares by the end of its offer period.

If scrip for scrip roll over relief is not available, this may result in a potential further Capital Gains Tax liability in relation to the scrip component of the Offer Consideration for WCB Shareholders who accept the Final Bega Offer.

4. Taxation consequences

WCB Shareholders should refer to section 7 of the Target's Statement for the taxation consequences of accepting the Final Saputo Offer.

As no Permitted Dividends will be declared by WCB during the Offer Period the taxation implications associated with the potential recept of those dividends, as set out in sections 2.5 and 2.6 of the Target's Statement, no longer apply.

5. Date of Supplementary Target's Statement

This Supplementary Target's Statement is dated 20 December 2013, which is the date on which it was lodged with ASIC.

6. Consents

CIMB Corporate Finance (Australia) Limited has consented to being named in this Supplementary Target's Statement as the financial adviser to WCB and has not withdrawn that consent at the date of this Supplementary Target's Statement.

Minter Ellison has consented to being named in this Supplementary Target's Statement as the legal adviser to WCB and has not withdrawn that consent at the date of this Supplementary Target's Statement.

Based on Final Bega Offer of 1.5 Bega Shares and \$2.00 cash per WCB Share, 56.0 million WCB Shares on issue, 68,627
Performance Rights held by WCB management and 10.3 million WCB Shares currently held by Bega. In section 7.2 of its Bidder's Statement, Bega states that the maximum number of Bega Shares which would be required to be issued to WCB Shareholders under its Offer is approximately 54.4 million, which was based on its Offer of 1.2 Bega Shares and \$2.00 cash per WCB Share, and total WCB Shares on issue excluding those issued on 27 September 2013 under WCB's Dividend Reinvestment Plan.

7. Approval of Supplementary Target's Statement

This Supplementary Target's Statement has been approved by a resolution passed by the Directors. All Directors voted in favour of that resolution.

Signed for and on behalf of WCB by:

Terry Richardson

Chairman

Date: 20 December 2013

If Richardson