



9 May 2014

ASX ANNOUNCEMENT

Warrnambool Cheese and Butter Factory Company Holdings Limited Chairman's General Meeting Speech

While this meeting has been called for a specific purpose, it also marks a significant and defining milestone in the history of Warrnambool Cheese and Butter Factory Company Holdings Limited (**WCB**). Today, subject to shareholder approval, representatives of Saputo will take a role in the governance of WCB, thereby formalising their position as majority owner of the assets of the company.

What is fresh in our minds leading up to today's meeting is a spirited bidding process which began on 12 September 2013 with an unsolicited takeover bid. By 21 January 2014 more than 50% of shareholders had accepted an offer by Saputo Inc. to acquire their shares at more than double the price they would have received for their shares just four months previously.

What occurred between these two dates is a story which will be recalled by students of corporate history as one of the most contested takeover battles Australia has seen. It comprised elements of commercial consideration, political, legal and regulatory argument, vocal public commentary, along with town hall debates in southwest Victoria and South Australia - all played out through local and global media. It seemed that everyone had an opinion on the ownership of WCB. Very few corporate transactions have been given such prominence and subjected to so much scrutiny and debate by so many and varied parties as the one we have just been involved in.

For many shareholders the decision to sell was not easy. The bonds spanning generations of associations with WCB were strong, the spirit of independence was deeply ingrained, and the sense of ownership was held with great pride. For 125 years WCB has been an integral part of the lives and livelihoods of southwest Victorian farmers and, for many of our shareholders, value was not defined by price alone. To be successful the intentions of the winning bidder needed to be aligned with the heritage, the values, and the culture of WCB, and had to recognize the important role WCB held in the community. The WCB Board was also very aware of this sentiment throughout their considerations of the various bids for the company.

Saputo was successful with their offer because of their ability to deliver credible assurances to shareholders about the future management and direction of WCB. The intentions to continue the business in its current form with the same people and increased investment were important. Just as important were the assurances that the way the business of WCB was conducted would not change - the values and culture of WCB were aligned with Saputo.

With this in mind, and after careful and rigorous consideration of all the offers they had in front of them, the Board of WCB was able to recommend with complete confidence the final offer made by Saputo. Present were the elements of price, certainty, and clearly defined intentions for WCB and the community. Also implicit in the recommendation was an

acknowledgement of Saputo's respect for the heritage of WCB and the people of WCB, but most importantly, the future opportunities for all associated with WCB.

And so, on behalf of the Board, I pay my respects to the Saputo family and company for their patient, long standing interest in WCB, for their commitment to the stakeholders of WCB, and for the manner in which they conducted their approach to this transaction. We extend our wish for success in your endeavours as the new owners of WCB.

For this transaction the Board required guidance based on experience in such matters. I would like to place on record our appreciation of the services provided by Minter Ellison, CIMB, PricewaterhouseCoopers, KPMG, Kreab Gavin Anderson and Link Market Services. Whilst providing separate professional services to the Board, they contributed to the successful outcome together, based on the personal commitment of the individuals involved.

Most importantly our own people at WCB were an integral part of the work undertaken throughout the process. The significant demands on their time were met without hesitation and they were available at all times to assist the Board. I would like to make particular mention of the executive group, led by our CEO David Lord. I know they are looking forward to making an equally valuable contribution to the ongoing success of WCB on behalf of the new owners and we wish them every success.

This is also the final occasion on which the current Board will meet. There are a number of Directors retiring at the conclusion of the meeting and I want to record my personal thanks and the appreciation of all at WCB, for their part in this transaction and for the service they have given as shareholder representatives. The last few months have been hectic and challenging at times, but the counsel and experience these Directors brought to the discussions was vindicated by the overwhelming majority of shareholders who accepted your recommendation to accept the Saputo offer.

To our retiring Directors: Andrew Anderson; Kay Antony; Michael Carroll; Robert Lane; Ray Smith; Bruce Morley and John McLean. Your legacy is the service you have given the company and the community and the manner in which you upheld the high standards of governance. However there will always be a tangible reminder that you were leaders of a company who delivered an outstanding result to shareholders - as Directors there was no better outcome that you could have achieved. We wish you well and look forward to your continuing support of WCB.

Terry Richardson