



# Australian Dairy Farms Group

ASX Code: AHF

3 March 2015

Market Announcement Platform  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

## VESTING OF UNQUOTED OPTIONS

Australian Dairy Farms Group (Group) is pleased to announce that 23,561,307 of the 29,350,479 Loyalty Options over stapled securities allotted pursuant to its bonus issue on 8 December 2014 have vested on the holders on 27 February 2015 in accordance with their terms of issue.

The Loyalty Options have an exercise price of \$0.25 and are exercisable on or before 31 March 2016. Each Loyalty Option vested is able to be exercised for one fully paid Stapled Security.

The Loyalty Options are issued subject to the terms and conditions as set in the Offer Document dated 17 November 2014. An extract of the Terms and conditions of the Loyalty Options as set out in the Offer Document is attached to this announcement.

A copy of the Offer Document may be obtained from the ASX Announcements Platform (Lodgement Date 17 November 2014) or from the Group's website at [www.adfl.com.au](http://www.adfl.com.au) on the announcements page.

Notices of Forfeiture will be issued to Option Holders in respect of all or part of the holding which were not eligible to vest in accordance with the terms of issue. If applicable amended Holding Statements for the Loyalty options will be dispatched by Link Market Services shortly.

An updated Appendix 3B has been lodged with ASX to reflect the amended Loyalty Option holdings at the vesting date.

Yours faithfully

## AUSTRALIAN DAIRY FARMS GROUP

*Jerome Jones*

**JEROME JONES**

Company Secretary Loyalty Options

For further information regarding this announcement please contact:

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**Extract from the Offer Document dated 17 November 2014**

**Terms and conditions of Loyalty Options**

The terms of the issue of the Loyalty Options are:

**Issue price**

The Loyalty Options will be issued for no consideration.

**(1) Entitlement to be issued Stapled Securities and vesting**

Upon vesting and subject to paragraph (f) below, each Loyalty Option entitles the holder to be issued one Stapled Security for each Loyalty Option vested.

The number of Loyalty Options to vest will be the lesser of:

- (a) the number of Loyalty Options held on the Vesting Date; and
- (b) the number of Stapled Securities held on the Vesting Date divided by 2,

where the Vesting Date is 27 February 2015.

Loyalty Options which do not vest on the Vesting Date will immediately lapse.

**(2) Exercise Price**

The exercise price of the Loyalty Options is 25 cents each.

**(3) Expiry Date**

The expiry date of the Loyalty Options is 31 March 2016 (Expiry Date).

The Loyalty Options may be exercised at any time after vesting and prior to the Expiry Date, in whole or in part, upon payment of the exercise price per Loyalty Option.

**(4) Transferable**

The Loyalty Options will not be quoted and are not transferable.

**(5) Exercise**

The Group will provide to each Loyalty Option holder a notice that is to be completed when exercising the Loyalty Options (Notice of Exercise). Loyalty Options may be exercised by the Loyalty Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Group to be received prior to the Expiry Date. The Notice of Exercise must state the number of Loyalty Options exercised, the consequent number of Stapled Securities to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Loyalty Option holder must be accompanied by payment in full for the relevant number of Stapled Securities being subscribed, being an amount of the exercise price per Stapled Securities.

**(6) Ranking of Stapled Securities**

All Stapled Securities issued upon the exercise of the Loyalty Options will rank equally in all respects with the Group's then issued Stapled Securities. The Group will apply to the ASX for quotation of all Stapled Securities issued upon exercise of Loyalty Options.

**(7) Participating rights**

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There are no participating rights or entitlements inherent in the Loyalty Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Stapled Securityholders during the term of the Loyalty Options. Thereby, the Loyalty Option holder has no rights to a change in the exercise price of the Loyalty Option or a change to the number of underlying securities over which the Loyalty Option can be exercised except in the event of a bonus issue. The Group will ensure, for the purposes of determining entitlements to any issue, that Loyalty Option holder will be notified of a proposed issue after the issue is announced. This will give Loyalty Option holders the opportunity to exercise their Loyalty Options prior to the date for determining entitlements to participate in such issues.

(8) Bonus issue

If from time to time on or prior to the Expiry Date the Group makes a bonus issue of securities to holders of Stapled Securities in the Group (Bonus Issue), then upon exercise of his or her Loyalty Options a holder will be entitled to have issued to him or her (in addition to the Stapled Securities which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Loyalty Options had been exercised before the record date for the Bonus Issue.

(9) Reconstructions

In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Group, all rights of the Loyalty Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.