



Australian Dairy Farms completes settlement of Camperdown Dairy Company acquisition

Australian Dairy Farms Group (AHF) is pleased to announce it has today completed settlement for its acquisition of 100% of the issued capital in Camperdown Dairy Company Pty Ltd (CDC).

AHF entered into a binding agreement to acquire the CDC dairy processing business from Aussie Farmers Direct Pty Ltd for an all-cash consideration of \$11 million in December 2015 (ASX announcement 29 December 2015).

Completion of the acquisition was subject to the satisfaction of a number of conditions precedent standard for a transaction of this type, which have now all been completed (ASX announcement, 8 April 2016).

The Company takes this opportunity to thank investors for their patience and understanding during what was a longer than initially anticipated acquisition process, and now looks forward to delivering on the range of opportunities that the synergies of the combined CDC and AHF business creates.

The acquisition represents a transformational transaction for AHF and creates the only ASX-listed vertically integrated dairy company with fully-owned and controlled paddock-to-table-top and supermarket shelf operations.

AHF is focused on growing its business by producing a full range of high quality dairy products and delivering them into expanding domestic and international markets.

The Company will provide a detailed update to market shortly on its business and growth plans for the combined CDC and AHF business.

About CDC

CDC is an established, profitable, dairy processing business located in Camperdown, South West Victoria. Its plant has capacity to process 36 million litres of raw milk per annum into a full range of dairy products, and has capacity for significant production expansion.

CDC has a blue-chip customer base which includes Woolworths and Aussie Farmers Direct. It also processes Woolworth's "Farmers Own" brand of premium milk, and produces a range of dairy products under its own Camperdown Dairy brand. CDC also has a growing export business, and is one of only a small number of Australian dairy companies with China Inspection Quarantine (CIQ) certification for the rapid clearance of fresh milk into China.

CDC has a highly experienced management team, led by Director and CEO Peter Skene and General Manager Chris Melville, which will continue to operate and manage CDC plant and drive the expansion of the business moving forward in conjunction with the existing dairy farming operations.

Ends

Further Details

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About Australian Dairy Farms Group

Australian Dairy Farms Group (AHF) is Australia's first ASX listed dairy farmer. Its focus is on aggregating high quality dairy farms in Victoria, initially in the South Western region with particular emphasis initially, on the famous Dairy Golden Triangle region of South West Victoria between Warrnambool and Colac south of the Princes Highway to the coast around Port Campbell.

On 29 December 2015, AHF announced to ASX that it had entered into a contract to acquire Camperdown Dairy Company Pty Ltd - ACN 140 640 606 (CDC) – see announcement on <http://www.adfl.com.au/announcements>. This transaction has now settled in accordance with the contract terms and CDC is a wholly owned subsidiary of AHF.

Australian Dairy Farms Group is listed as a stapled security comprising one fully paid share in **Australian Dairy Farms Limited** (the Company) and one fully paid unit in **Australian Dairy Farms Trust** (the Trust). Within the structure, the Company is the operator and manager of the dairy farm properties, which are leased from the Trust as the registered owner.

Camperdown Dairy International Pty Ltd ACN 168 442 206 Clarification for Investors

The company acquired by AHF is Camperdown Dairy Company Pty Ltd - ACN 140 640 606 (CDC), which is not associated with a company with a similar name involved in the dairy industry called Camperdown Dairy International Pty Ltd ACN 168 442 206 or CDIC. There are no common directors or shareholders and the two companies do not have any customer / supplier relationship. The only substantive connection is that the two companies are each lessees of separate but adjoining land parcels at Camperdown owned by the same third party property owner. The directors and personnel of the two companies are on friendly terms as next-door neighbours and cooperate with each other in that context but otherwise have no financial or legal interaction.

Disclaimer

This announcement may include "forward looking statements" within the meaning of securities laws of applicable jurisdictions. These forward-looking statements are not historical facts but are based on AHF's current expectation, estimates and projections about the industry in which it operates, and beliefs and assumptions. Forward Looking Statements may include indications of, and guidance on, future earnings or distributions and financial position and performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of AHF, and its officers, employees, agents, or associates, that may cause actual results to differ materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and AHF assumes no obligation to update such information.