



- **AHF appoints Executive Director and Group CEO**
- **Group positions itself for growth**
- **Focus on value adding products and markets**

**On 1 July 2016, the directors of AHF appointed Peter Skene as a director and formally confirmed his position as Group Chief Executive.**

The board is pleased to welcome Peter to the Board and looks forward to working together with him in the further development of its business following the acquisition and successful integration of Camperdown Dairy Company (CDC).

## **About Peter Skene**

Peter joined the AHF Group with the acquisition as Director and CEO of CDC. The Board recognised Peter's depth of experience and knowledge and believes he is very well positioned from both academic qualifications and front line experience to be able to lead the future growth and development of AHF as it continues its path of vertical integration in the dairy industry. His past experience reflects a vertical experience path starting on the factory floor and moving through positions from factory hand to Managing Director in food and dairy and other "fast moving consumer goods" (FMCG) industries with over 25 years in the areas of sales, global supply chain, manufacturing, quality management, research and development and general management.

**At board level**, Peter has also had extensive experience in both the private and ASX listed environment and was formerly the General Manager - Operations of King Island Company, one of Australia's fastest growing food companies for many years. He has been a long-term member of the Australian Institute of Company Directors.

**On the academic side**, Peter has separate bachelor degrees in Commerce and Applied Science, specialising in Dairy with several additional certifications in dairy technology, as well as post-graduate participation in separate Executive Management programs at Harvard, Stanford and Melbourne Universities

**Operationally**, Peter's experience and achievements include successful leadership roles in:

- sales and market development brand and product positioning for market leadership;
- complete supply chain and procurement reconfigurations;
- extensive mergers and acquisition including deal procurement, negotiations, completions and integrations.
- capital raising including both debt and equity.

## Goals for the new CEO

The Board's decision in December 2015 to seek to acquire CDC was based on a recognition that the Group needed to be in a position of greater control of the sales pricing for the milk produced on its farms and to move away from producing a global market priced commodity. At the time, the Board was already exploring options for converting farms to produce organic milk and other specialty milk possibilities.

At the time, the Board saw the CDC acquisition as an opportunity to significantly change the dynamic of AHF to focus on the production of value added milk products and the relatively "boutique" CDC factory, in close proximity to the existing Group farms provided the solution. A significant consideration in the decision to acquire CDC was the high quality of management already in place and committed to the continued development of the business in a listed company environment.

During the six months since signing acquisition agreements for the purchase of CDC, the Australian milk price changes that have occurred have vindicated the Board's decision in making the CDC acquisition.

Peter Skene's experience and skills combined with those of the CDC General Manager Chris Melville and other senior personnel at CDC provide a very strong team who are fully capable of taking AHF to a high level of efficiency and profitability.

Since the contract signing in December 2015, considerable effort and time has been devoted by management and the Board to develop a strategy to transform the combined Group to being a successful, vertically integrated, dairy production, processing and marketing entity with a focus on high value added product lines.

At the extraordinary general meeting of AHF on 29 July 2016, the Board and newly appointed CEO, Peter Skene will outline the Group's plans for the 2017 financial year.

End

## 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.