



Australian Dairy Farms Group

7 September 2017

ASX Code: AHF

AHF secures Cornerstone Investor

- **Confirmation of \$5,000,000 Placement to private investor**
- **Priced above recent market at 13.5 cents per Stapled Security**
- **Investing in the future of the AHF Group**
- **In accordance with Group's announced Strategic Overview**

Overview

In accordance with the expectations of the **Strategic Overview** released to ASX on 11 July 2017, the directors of **Australian Dairy Farms Group (AHF)** are pleased to confirm that AHF has agreed to issue **37,037,037 Stapled Securities** with a new cornerstone investor, **Ironbark-Vest Pty Ltd** to raise **\$5,000,000** in capital for the Group. This new investment represents **15.78%** of the expanded capital of the Group which will have a total of **234,670,146** fully paid Stapled Securities on issue.

Ironbark-Vest Pty Ltd is a recently formed company associated with private investor Mr Paul Morrell who is the company's sole director. As part of the agreed terms, Mr Morrell will be offered a position on the board of Australian Dairy Farms Limited on or before 31 October 2017.

Mr Morrell has been in discussions with the directors and has inspected the Group's assets and reviewed in detail the recently published Strategic Overview prior to making a decision to invest. He has also expressed preliminary interest in participation in the proposed joint venture projects being pursued by AHF in the construction and operation of UHT and Specialty Milk Powder facilities, each of which were set out in the Strategic Overview.

The primary purpose of this substantial placement to a single investor is to significantly strengthen the Group's position in prospective negotiations regarding acquisition of or participation in synergistic value adding businesses.

Mr Morrell said, *"While I appreciate that the placement is priced at a small premium to recent trading in the securities of AHF, the acquisition of a material stake in the Group on market would likely have seen the security price at a point considerably higher than our average entry price of 13.5 cents. This investment is made as a long term strategic stake in a relatively small player in the Australian Dairy industry, which has some sensible plans based on what I see as a well-thought out strategy on how to profit from the changing face of the industry by moving to premium and high value added products in domestic and selected export markets and away from globally priced commodities"*.

Issue of Securities

Funds have been received by AHF without any deduction for broker costs or commissions as the transaction was agreed directly between the investor and the directors. The Group's registry will be instructed to issue Securities and ASX and Corporations Act procedures will be completed today

Ends.

Further Details

For additional company information or media enquiry matters please contact AHF by email:

shareholders@adfl.com.au

Communications Policy

As a policy, AHF does not respond to individual security holder communications regarding the management of the business, the company or with respect of any opinion or analysis that is not contained in market releases.

AHF makes ASX market releases at times directors believe it would be helpful or necessary for investors and as required by the Listing Rules. For further information regarding our shareholder communications policy, please refer to AHF's website: www.adfl.com.au

About Australian Dairy Farms Group

Australian Dairy Farms Group (AHF) was Australia's first ASX listed dairy farmer. Its initial focus was 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.

In April 2016 the Group completed the acquisition of Camperdown Dairy Company Pty Ltd - ACN 140 640 606 (CDC) – see announcement on <http://www.adfl.com.au/announcements>.

CDC is a wholly owned subsidiary of AHF. The Group is now a vertically integrated milk producer, processor and product distributor in Australia and for export. Refer to the Group's Strategy Overview release to market on 11 July 2017 for additional information about AHF's immediate and longer term strategic planning. See the above link to ASX announcements or the Group's website for a copy of the Group's Strategy Overview.

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.

Disclaimer – Forward Looking Statements

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.