



Australian Dairy Farms Group

8 November 2017

ASX Code: AHF

CAMPERDOWN DAIRY PARK LAND

- **AHF to Settle the Purchase of Camperdown Dairy Park.**
- **Working Group of Consultants to develop Bankable Feasibility Study.**
- **Strong Interest in Joint Venture (JV) Participation.**

AHF Directors confirm that the Camperdown Dairy Park project is on track and on time with settlement of the land purchase scheduled for Thursday, 16 November 2017.

Camperdown Dairy Park land is a 10 acre (4.2 hectares) parcel of industrial zoned land at corner of Depot and Old Geelong Road at Camperdown, Southwest Victoria in the Corangamite Shire. The land is a well-prepared flat site approximately three kilometers from the existing leased processing Camperdown factory site on Princes Highway at Camperdown.

As disclosed in the Strategy Overview released to ASX on 11 July 2017, Camperdown Dairy Park land is proposed to accommodate a significant new end to end processing factory which will received fresh raw milk in multiple segregated milk silos to ensure milk origin and can be traced back to the production farm and specialised milk such as Jersey, Free Range, Organic, Goat and Biodynamic milk can be managed. The separation ensures the integrity of the Camperdown Dairy '*Own Brands*'.

End to end Facility

Camperdown Dairy Park is planned to accommodate milk processing to bottled white and flavoured milks, yoghurts, butter, cheese and other by-products and provide one stop factory for a diverse product range of dairy products packaged ready for direct delivery to consumers, retailers and lucrative export markets.

The Camperdown Dairy Park facility will include UHT capability as well as specialised powder drying facilities again to specifically cater for production of unique '*Own Brands*' with genuine traceability to farm origin, and high value product ingredients. Outputs will be a combination of '*Own Brands*' and a spread of high value added contract packed brands of others.

The Camperdown Dairy facility will not seek to compete with high speed high volume standard retail commodity products which are usually identified by low price and highly competitive market conditions where the farmers bear the brunt of price wars between major retailers.

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Design Feasibility and Business Plan

The preliminary design and high level feasibility of the Camperdown Dairy Park facility has been developed in-house, and shows very positive potential with a preliminary estimated capital cost of circa \$50 million over a 2-3 year timeframe. This is planned to be funded by a combination of joint venture partnerships and a reorganisation of the Group's approximately \$28 million of assets allocated to direct farm and livestock ownership with a view to minimising dilution of existing securityholders.

To progress this project rapidly the AHF board is assembling a compact group of industry experts to develop the detailed structural and financial Business Plan for the Camperdown Dairy Park and the Group's further development into specialty products for domestic and export sale where the emphasis will be on specialised markets with high value '*Own Brand*' products. Target delivery of the first version of the Business Plan is end February 2018. The Business Plan will include more detailed estimates of expected capital costs.

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Further Details

For additional company information or media enquiry matters please contact:

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Communications Policy

As a policy, because of the heavy demands on limited management resources and to ensure compliance with continuous market-wide disclosure regulations, 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 and released financial reports.

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 (Camperdown Dairy) – see announcement on <http://www.adfl.com.au/announcements>.

Camperdown Dairy 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.