
Bega
Bega Cheese Limited
AGM - 2012

2012 Annual General Meeting

Executive Chairman

Barry Irvin AM

Agenda

- 2012 Annual Report
  – Executive Chairman’s Report
  – Chief Executive Officer’s Report
- Questions
- Approval of Remuneration Report
- Election of Directors

Welcome

- Shareholders
- Suppliers
- Pricewaterhouse Coopers
- Addisons
- Bega Cheese Staff

- Apologies

2012 Annual Report

Executive Chairman's Report

Barry Irvin AM

2012 – A Year of Achievement

- Successful ASX listing of Bega Cheese
- Tatura Milk merger completed
- Long term supply partnership with Coles for Australian origin cheese products
- Creation of new management team
  - Maintaining existing knowledge and experience
  - Adding new skills and approach
- Solid financial outcomes

2012 Results Highlights*

- Group revenue $927m
- EBITDA growth 9%
- PBT growth 23%
- EPS 12.81 cps
- Total dividend 6.5 cps

- EBITDA increase 9% to $57m
- PBT increase 23% to $27m
- EPS down 18% - reflects issues of new share capital and changed tax status of TMI
- Final dividend of 3.5 cents per share fully franked
  (Total dividend attributable to 2012 6.5cps)
- Increase in total production of 9% to 203,765t
- Milk intake increase 23% to 638m litres

**Comparison to prior corresponding period*

Customer Relationships

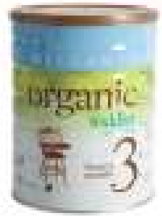
Group Balance Sheet Extract

	2012 $ m	2011 $ m
Trade and other receivables	95.8	83.3
Inventories	162.7	104.6
Investments	30.9	37.0
Property, plant & equipment	204.6	197.9
Total Assets	**516.0**	**462.1**
Trade and other payables	130.9	117.9
Borrowings *	114.8	116.3
Total Liabilities	**269.5**	**256.6**
Net Assets	**246.4**	**205.5**

*Net debt 2012 actual $108.8m (2011 - $95.7m)

Milk Supply

Infrastructure and Product Range



Bega

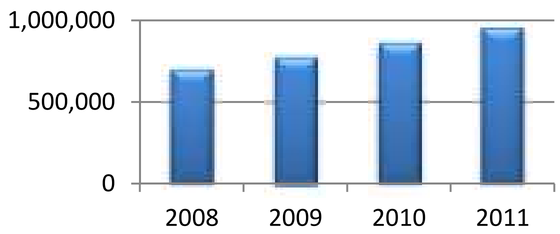
Tatura

Strathmerton

Coburg

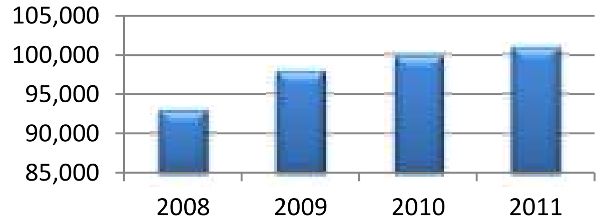
Market Profile

Asian infant formula demand



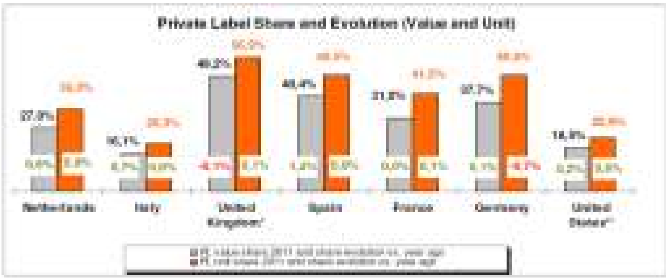
Source: Euromonitor International 2011

Asian cream cheese demand (tonnes)

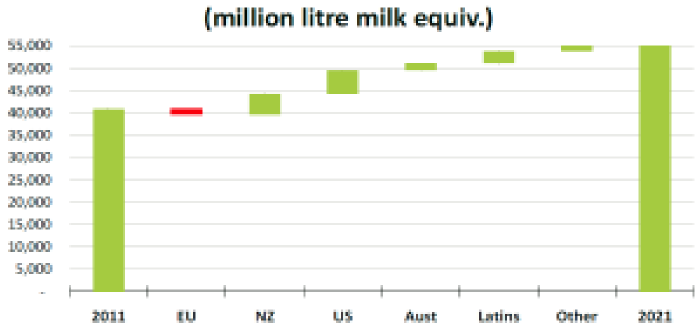


Source: Proteus Insight Ltd./Dairy Australia

International private label developments



Global dairy demand



Source: Dairy Australia

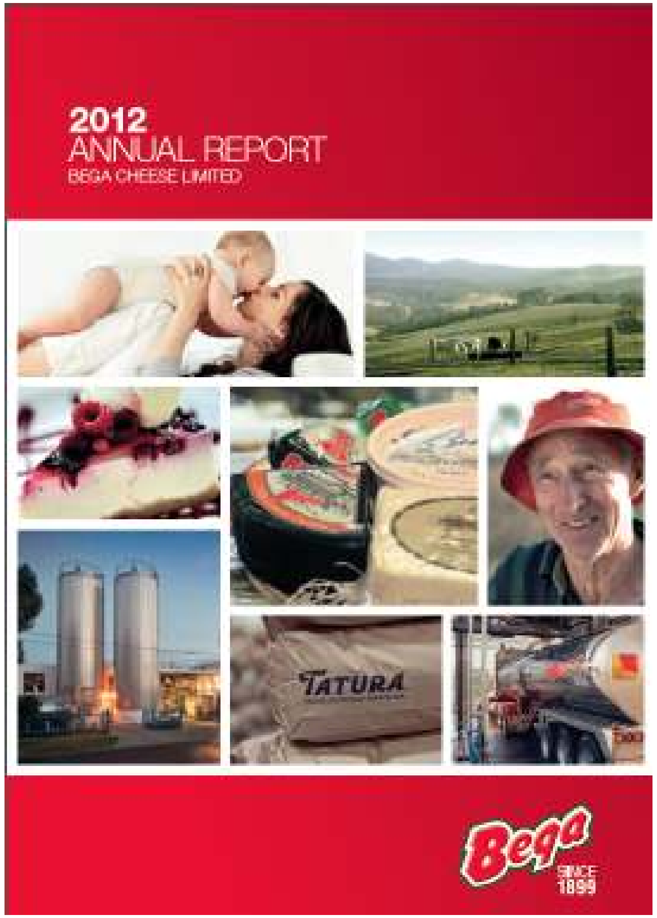
Rationalisation and Non-Core Assets

WARRNAMBOOL
EST'D 1888
CHEESE & BUTTER

CAPITOL
CHILLED FOODS
(AUSTRALIA) PTY. LIMITED

Strategic Priorities

- Maximise utilisation of current asset base and customer opportunity
- Optimise value of milk components
- Protect and improve pre-eminent position in packaging of Australian retail cheese
- Increase global presence in cream cheese and dairy nutritionals


2012
ANNUAL REPORT
BEGA CHEESE LIMITED
TATURA
Bega
SINCE
1899

2012 Annual Report

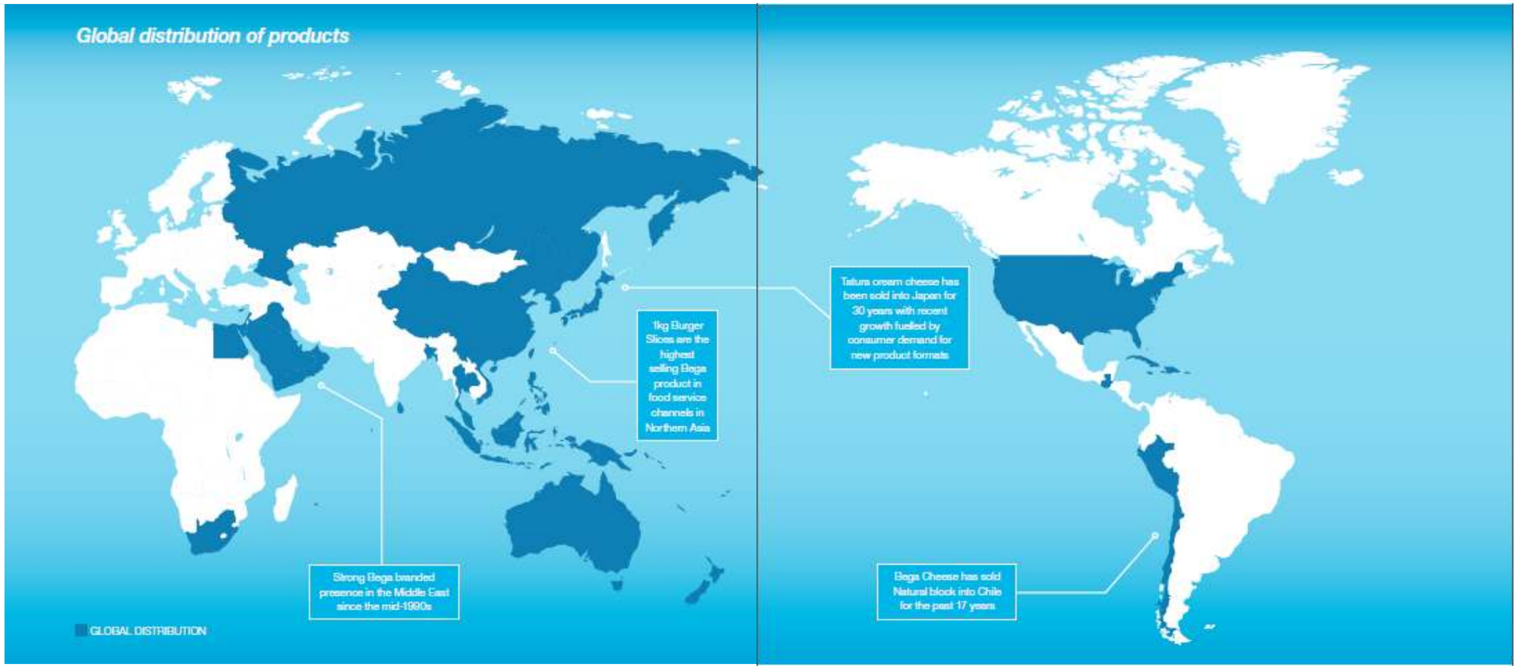
Chief Executive Officer's Report

Aidan Coleman

Group Business Performance

	2012 $ m	2011 $ m	%
Sales Revenue	927	932	↓ 0.5
EBITDA	57	52	↑ 9.0
EBIT	36	31	↑ 15.0
NPBT	27.1	22.1	↑ 23.0
Tax	(0.4)	(6.7)	
NPAT	20.4	21.7	↓ 6.0

Market Reach



Bega Brand


Bega
FARMERS' TASTY
20% FREE
TASTY
FARMERS' TASTY STICKS
Bega
FARMERS' TASTY
STRONG & BITEY
COUNTRY LIGHT TASTY
25% LESS FAT
COUNTRY LIGHT VINTAGE
25% LESS FAT
COUNTRY LIGHT TASTY
50%

Production & Milk Supply

Direct supplier intake	2011/2012 million litres
Bega & Southern NSW	161
Gippsland & Western VIC	120
Tatura & Northern VIC	357
Total	**638**

Group Cash Flows

	2012 $ m	2011 $ m
Receipts from customers	945.6	980.2
Payments to suppliers	(944.3)	(893.9)
	1.3	86.3
Interest and other costs of financing paid	(8.8)	(8.9)
Income taxes paid	(3.0)	(3.6)
Operating activities	**(10.5)**	**73.8**
Investing activities	**(30.1)**	**(46.2)**
Financing activities	**23.0**	**(25.2)**
Net (decrease)/increase in cash and cash equivalents	**(17.7)**	**2.4**

Capital Expenditure

Work Place Safety

Best Workplace Health and Safety Management System
at the 2012 New South Wales Worksafe Awards

Pictured with the Award from left to right are, Matthew Mason -Cox, Parliamentary Secretary for Treasury and Finance; John Gardner, Health and Safety Manager, David McKinnon, General Manager Human Resources, Claire Tandy, OHS Co-ordinator; Wendy Abraham, OHS Support Officer; and John Watson, General Manager Work Health and Safety, Workcover NSW.

Bega Environmental Management System

Strategic Focus Areas

Thank You

Chief Executive Officer's Report

Aidan Coleman

Formalities and Voting

Barry Irvin AM

Executive Chairman

Remuneration Report

- Pages 18 – 28 of Annual Report
- Board, Executive and key management personnel
- Market data and external advisors
- No change to Director's fees

Resolution

Adopt remuneration report for the year ended 30 June 2012

Remuneration Report

Proxies

- Total votes – 27,508,472 (18.11%)
- For – 24,061,045 (87.47%)
- Open – 3,198,894 (11.63%)
- Against – 248,533 (0.9%)

Election of Directors

- Barry Irvin
- Rick Cross
- Jeff Odgers

Election of Directors

Barry Irvin

- Total votes – 28,195,775 (18.57%)
- For – 25,029,143 (88.77%)
- Open – 2,851,321 (10.11%)
- Against – 315,311 (1.12%)

Election of Directors

Rick Cross

- Total votes – 28,181,003 (18.56%)
- For – 24,733,696 (87.77%)
- Open – 3,321,807 (11.79%)
- Against – 125,500 (0.45%)

Election of Directors

Jeff Odgers

- Total votes – 28,195,275 (18.57%)
- For – 24,656,287 (87.45%)
- Open – 3,321,557 (11.78%)
- Against – 217,431 (0.77%)


Thank you

Disclaimer

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