ASX ANNOUNCEMENT

Half Year 2013 Results Highlights Presentation

I have pleasure in enclosing the Half Year 2014 Results Highlights Presentation to be discussed on the Half Year Result 2014 Conference Call scheduled for 2pm, 19 February 2014, as announced 14 February 2014.

B. G. Kelly

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19 February 2014

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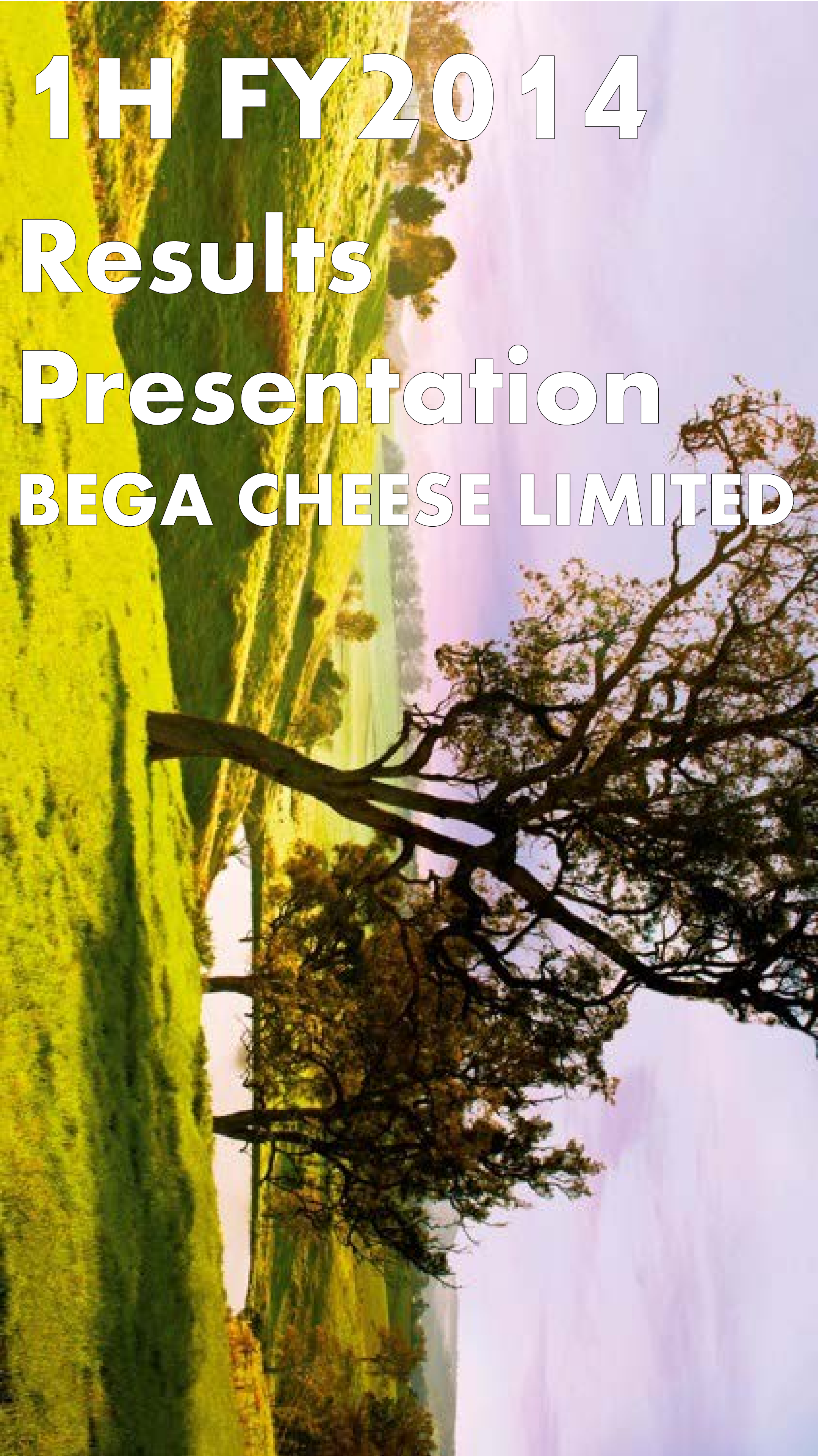

1H FY2014 Results Presentation

BEGA CHEESE LIMITED

KEY MESSAGES

- Consistent financial performance
- Improved product mix
- Improved commodity pricing driving demand for milk
- Significant increase in milk pay rates
- Capacity improvements & investments
  - Milk and whey processing at Coburg and Tatura
  - Blending and canning facilities at Derrimut
- Warrnambool Cheese and Butter outcome

1H FY2014 RESULTS HIGHLIGHTS

Group Revenue $511m	EBITDA growth 10.0%	PAT growth 18%	EPS 12.33 cps	Interim dividend 4.0 cps

- Revenue increase 4%
- EBITDA increase 10% to $40.8m
- PAT increase 18% to $18.7m
- EPS up 18% to 12.33 cents
- Interim dividend of 4.0 cents per share fully franked
  (record date 3 March 2014)
- Gross margin maintained with increased milk price

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GROUP BUSINESS PERFORMANCE

	1H FY2014 $ m	1H FY2013 * $ m
Sales Revenue	510.6	490.4
EBITDA	40.8	37.2
EBIT	30.2	26.2
PBT	26.0	21.8
PAT	18.7	15.9

- Increased revenue (4%)
  - Decrease in direct milk intake volumes (8%)
  - Increase value in dairy commodities
- Improved underlying profitability
  - Product mix
  - Optimised milk returns
  - Dairy nutritional performance

* Restated due to change in accounting policy

BALANCE SHEET EXTRACT

	29 Dec 2013 $ m	30 June 2013 * $ m
Cash and cash equivaents	14.6	22.7
Trade and other receivables	113.2	103.5
Inventories	181.9	163.0
Other financial assets	97.5	39.0
Property, plant & equipment	215.5	209.1
Other Assets	8.1	11.9
Total Assets	**630.8**	**549.2**
Trade and other payables	144.1	142.7
Borrowings	121.4	110.9
Deferred tax liability	13.6	0.0
Other liabilities	34.3	33.7
Total Liabilities	**313.4**	**287.3**
Net Assets	**317.4**	**261.9**

- Inventory – increase principally due to seasonal peak and product value
- Other financial assets – WCB share price increase and share acquisition
- Net debt – at 29 Dec 2013: $106.8m, at 30 June 2013: $88.2m

* Restated due to change in accounting policy

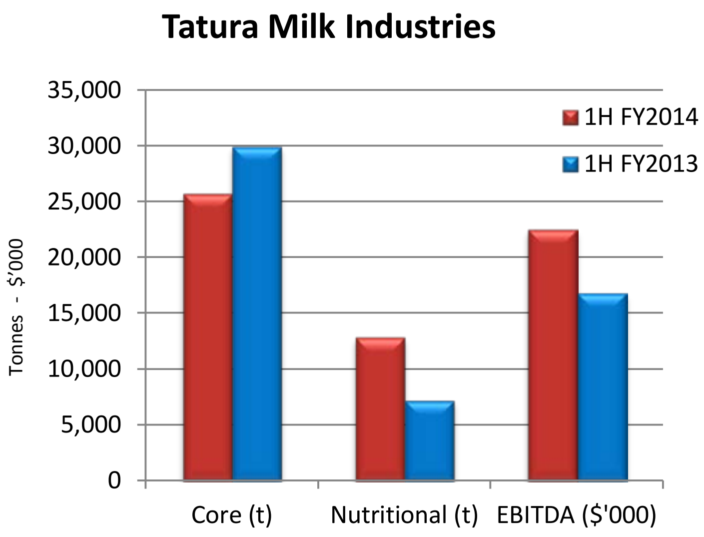
GROUP CASH FLOWS

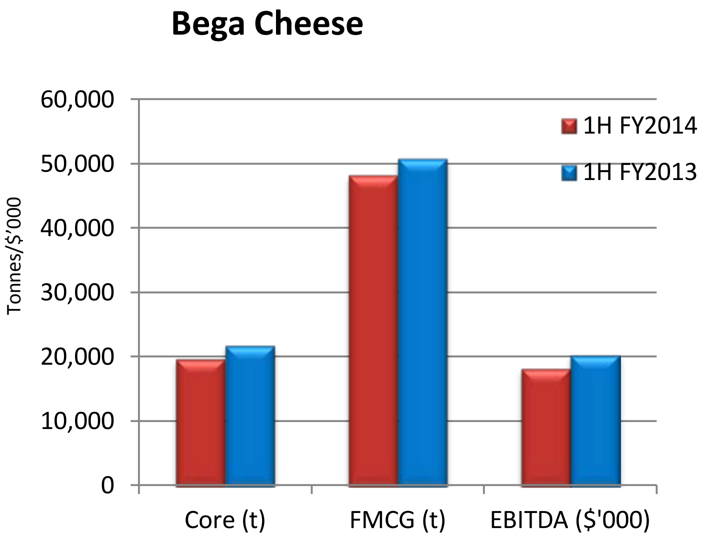
	1H FY2014 $ m	1H FY2013 * $ m
Receipts from customers	521.3	497.8
Payments to suppliers	(509.2)	(492.1)
Interest and other costs of financing paid	(3.4)	(3.8)
Income taxes paid	(2.7)	(1.8)
Operating activities	**6.0**	**0.1**
Investing activities	(18.5)	(9.6)
Financing activities	4.4	18.3
Net cash and cash equivalents	(8.1)	8.8

- Operating activities – Strong operating cash flow
- Investing activities – Capex $16.8m
- Financing activities – Dividend payment $6.1m
  – Net proceeds from borrowings $10.5m

* Restated due to change in accounting policy

SEGMENT VOLUMES & EBITDA

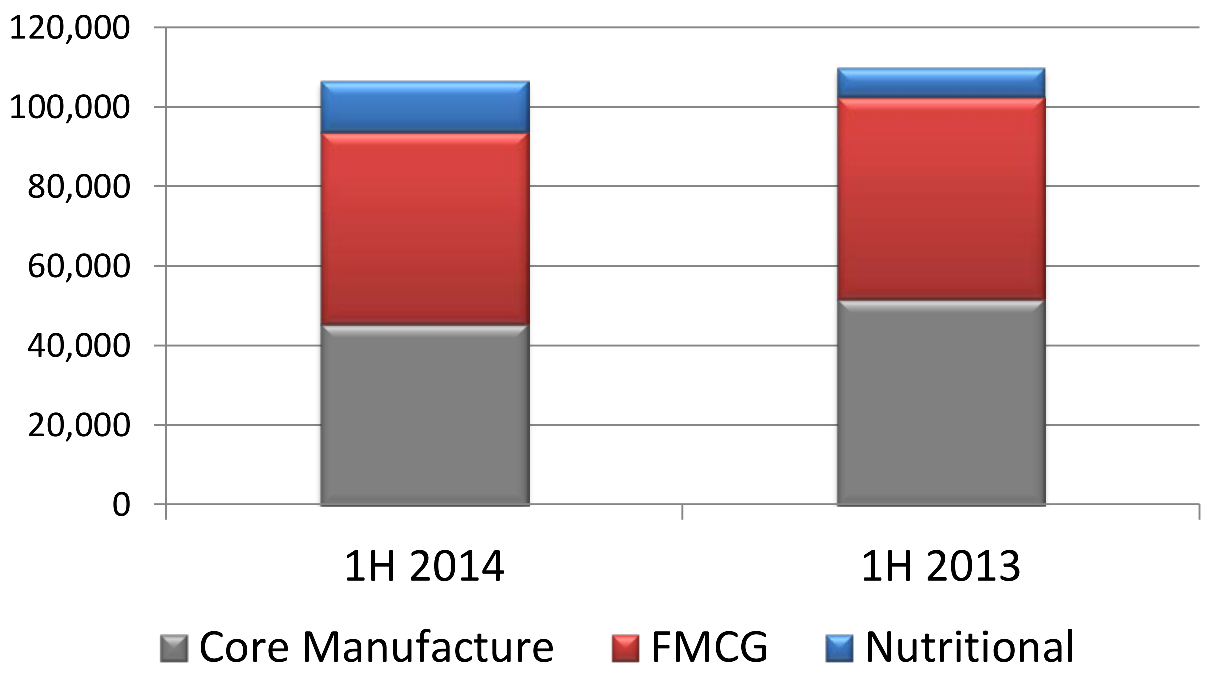




- Product mix increased into Nutritionals to improve margin
- EBITDA increase influenced by high commodity prices

- Lower milk intake influencing production levels
- EBITDA includes corporate activity costs
- PBT $8.4m (includes $2.0m in corporate costs) 1H FY2013 $9.6m

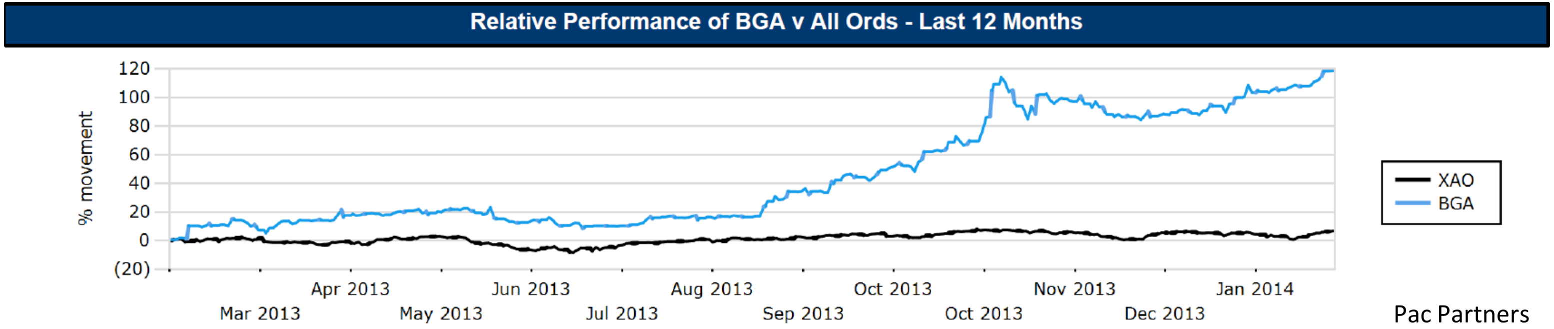
PRODUCTION



- Total production 106,638 tonnes decrease of 3%

CORPORATE ACTIVITY

- Bega Cheese initiated WCB bid September 2013
- WCB bid precipitated a re-rating of Australian dairy industry value
- Significant uplift in Bega Cheese share price
- WCB offer concluded,
  - Sell price $9.40
  - Total sale value $99m
  - PAT approximately $44m



STRATEGIC PRIORITIES

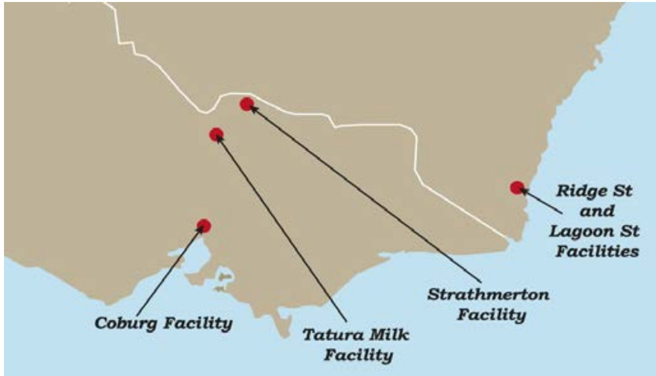
- Optimise the value of milk
- Invest in value added dairy products and infrastructure
- Company of choice for milk supply
- Enhanced customer relationships
- Invest in organic business growth opportunities
- Well positioned for further consolidation and acquisition in the dairy industry
- Continue to deliver stable and improving returns to shareholders

STRATEGIC FOCUS AREAS

INFRASTRUCTURE

- Capital expenditure $16.8m(1H FY2014)
- Investment in capacities
- Integrated infrastructure
- Process improvement
- Risk management capability

Map of facilities



Bega

Tatura

Strathmerton

Coburg

HIGH QUALITY VALUE ADDED PRODUCT RANGE

- Cheddar and Processed Cheese
- Mozzarella
- Cream cheese
- Nutritional Powders
- Milk Protein Concentrate

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OUTLOOK

- Dairy commodity pricing stable
- Currency relativity improved and stable
- Strong international demand for dairy products
- Continued growth in nutritionals business
- Significant competition for milk
- Expect continued EBITDA growth for FY2014

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