



# Australian Dairy Farms Group

03 July 2018  
ASX Code: AHF

- **CEO Peter Skene achieves all FY2018 hurdles**
- **FY2018 3,000,000 Stapled Securities issued as approved 02 July 2018**
- **New processing contract announced 24 April 2018 on time, on budget**

The Board is pleased to confirm that CEO, Peter Skene has achieved the significant business development hurdles for the 2018 Financial Year and has received the incentive payment approved by Securityholders on 12 February 2018.

Details of the performance hurdles remain confidential for commercial reasons so as to not disclose Group commercial targets to competitors. However, the key elements centred on:

- (a) replacing the declining dairy processing turnover inherited on the acquisition of the Camperdown Dairy business in March 2016 with new growth customers with value added innovative products and achieving new and substantial term supply contracts which will significantly improve profit margins and volumes.
- (b) materially implementing the initial stages of the Group's strategy to convert to organic milk production and ultimately the production of organic infant formula (subject to finalisation of the Board's feasibility study)

As announced to ASX on 24 April 2018, a material new processing contract has been executed with an international company contracted to supply its on trend, market leading dairy products nationwide to a major national retailer.

This contract has required a doubling of one of the Company's line product's manufacturing capacity, and the Board is happy to report that this expansion and product launch is running both on time, and within budget. This project, combined with several smaller contracts under negotiation with other established producers is projected to positively impact total plant utilisation at the Camperdown Dairy factory, while also utilising the specialist milk produced on Group farms.

More details of the major contract referred to in the 24 April 2018 ASX release will be announced later in July when the products commence their national rollout in one of Australia's largest retail supermarkets.

## AUSTRALIAN DAIRY FARMS GROUP

Ends.

## 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](http://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.*