

## Fonterra Australia strengthens cheese business

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### Signed an agreement to purchase Dairy Country

Fonterra Australia has signed an agreement to purchase Dairy Country to help drive efficiencies in its leading Australian cheese business.

The acquisition will support Fonterra's core strengths in the AU\$2.6 billion Australian retail cheese category, where it holds a 23 per cent market share with key brands including Perfect Italiano™, Mainland™ and Bega™.

Fonterra Australia Managing Director René Dedoncker said Fonterra has a long successful history with Dairy Country.

"This acquisition is a logical choice and further supports our strategy to be customer and consumer led, while ensuring we keep pace with the fast-growing cheese category in Australia.

"Dairy Country has two well-equipped secondary processing sites with capability across grating, shredding and block, as well as an experienced workforce.

"For some time we have been looking to bring more of our secondary cheese processing in-house to gain greater end-to-end control over a range of different cheese products and further strengthen our integrated supply chain.

"Having this kind of capability in-house will enable efficiencies and allow us to make the most of opportunities for value creation and product innovation," said Mr Dedoncker.

The acquisition, from food and beverage company Retail Food Group, includes Dairy Country's processing and packing facilities at Campbellfield and Tullamarine in Victoria, along with related services, intellectual property and the trademark for the Dairy Country brand.

The majority of Dairy Country's permanent employees will transfer over to Fonterra and will continue to work at the Campbellfield and Tullamarine facilities.

The acquisition price is A\$19.23 million and is subject to regulatory approvals and standard closing conditions.