



Australian Dairy Nutritionals Group

8 April 2019
ASX Code: AHF

The Collective contract extended to 6-year agreement

- **Sales and production volumes steadily increasing and now above initial expectations.**
- **Term of the Production Agreement extended by a further 2 years. Sales now expected to be in the range of \$60 to \$70 million for the contracted period (previous estimate \$30 million over 4 years)**
- **Production of an additional 7 new products for The Collective commenced in March 2019.**
- **Camperdown to invest in high speed pouch machine to advance production capability.**

The Board of Australian Dairy Nutritionals Group (the **Group** or **AHF**) is pleased to provide an update in relation to Camperdown Dairy Company's (**CDC**) major production contract with New Zealand based yoghurt brand, The Collective. As previously announced to the market on the 23 April 2018, CDC entered into a 4-year contract with the Collective. Production commenced of 10 products for The Collective in late July 2018 ranged in Woolworths stores nationally.

The Board are pleased with sales and production volumes which have been increasing steadily since the beginning of 2019. In addition, CDC recently commenced manufacture of 7 new products for The Collective.

To further advance CDC's production capabilities and support current and future production capacity for The Collective, CDC has agreed to invest in a high speed pouch machine expected to be operational in late 2019. In return for the additional capital investment by CDC, The Collective has agreed to extend the term of the Production Agreement by 2 years, taking the initial term from 4 years to 6 years.

Based on volume projections for the existing product range and current ranging, CDC now expects sales revenues to exceed \$70 million over the extended term of the agreement.

The Board is happy with the extension of CDC's relationship with The Collective and is pleased to support The Collective's ongoing product innovation initiatives whilst at the same time advancing CDC's production capabilities.

AUSTRALIAN DAIRY NUTRITIONALS GROUP.

Ends.

Further Details

For additional company information or media enquiry matters please contact:

Peter Skene

Group CEO/ Director

Australian Dairy Nutritionals Limited

Email: peterskene@adfl.com.au

Communications Policy

As a policy, because of the heavy demands on limited management resources and to ensure compliance with continuous disclosure requirements, 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. For further information regarding our shareholder communications policy, please refer to AHF's website: www.adfl.com.au.

About Australian Dairy Nutritionals Group

Australian Dairy Nutritionals 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 of Victoria with particular emphasis on the famous Dairy Golden Triangle region between Warrnambool and Colac south of the Princes Highway.

In April 2016 the Group completed the acquisition of its processing facility Camperdown Dairy Company Pty Ltd. 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 released to market on 11 July 2017 for additional information about AHF's immediate and longer term strategic planning.

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.