



Australian Dairy Nutritionals Group

18 June 2019
ASX Code: AHF

Material increase in contracted FY20 Milk Prices and Organic Market update

FY2020 Milk Prices

The Board of AHF is pleased to announce that the Group has secured a material increase in milk prices for the 2020 financial year. The milk supply agreement with Australian Consolidated Milk (ACM) will commence on 1 July 2019 for a period of 12 months. The new pricing will apply to all milk (both organic and non-organic) supplied to ACM that is over and above the Group's own processing requirements.

These new milk prices are estimated to increase Group EBITDA by between \$1.1 and \$1.3 million in FY20. The milk supply agreement combined with other favourable opportunities provides expectations of positive operating EBITDA for the Group in the FY20 financial year.

Organic Milk and Products Update

The Group's Yaringa farm remains on track to reach full organic certification by 20th November 2019. All organic milk produced by this farm in excess of that used by our own Camperdown Dairy Company (CDC) is contracted to ACM and will be sold at a significant premium above conventional milk.

With the organic certification in place, CDC plans to commence roll out of its Camperdown Dairy branded organic range in FY2020 and is in discussions with a number of potential distribution partners.

The Group's Infant formula plant also remains on track to arrive in Australia in July 2019.

CDC will also launch a new brand, Echlin South targeted at national distribution in FY2020.

Ends

AUSTRALIAN DAIRY NUTRITIONALS GROUP.

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 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.