



**HD** **FED:Asia's appetite for Aust dairy grows**

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**LP**

BEGA By Paul Purcell

SYDNEY, Aug 22 AAP - Asia's appetite for Australian **dairy** is showing no signs of being satisfied as Bega **Cheese** outlines plans to up its exports to the orient.

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Asian demand for Bega's **dairy** products already accounts for 28 per cent of sales, which the **company** says will be a platform for future expansion.

Domestic customers made up 65 per cent of sales revenue.

As a part of its marketing, the **company** initiated a "chef-led-selling program" in **China** and South East Asia which helps teach local pastry chefs how to bake with cream **cheese**.

Bega chief executive Aidan Coleman said despite Australian wholesale **milk** prices being driven up due to intense competition, the Asian market remains ripe for the long term.

"There does remain a strong underlying demand for **dairy** products in Asia," Mr Coleman said.

"There is a very good base for expansion."

Bega said it will spend \$25 **million** to increase its **milk** supply by 25 per cent in the next three years to contend with the forecast growth.

But other geopolitical factors also clouds the **company's** future.

Mr Coleman said it was still too early to analyse how Russia's trade sanctions on Australia produce would impact Bega's **business**, but it would continue to monitor the situation.

The outlook came as Bega unveiled its full year results, reporting a \$66 **million** profit in 2013/14, up by 160 per cent on last year.

Net profit was inflated by the **sale** of Bega's holdings in Warrnambool **Cheese** and **Butter** which was eventually **sold** to Canadian **company** Saputo following a three way takeover tussle.

Bega's **stake** in Warrnambool **Cheese** and **Butter** was worth around \$66 **million** after tax and transaction costs.

**BEGA CHEESE REPORTS MASSIVE NET PROFIT JUMP**

\* Net profit of \$66m, up 160 pct from \$25.4m in 2012/13

\* Revenue of \$1.06bn, up six pct from \$1.00bn

\* Final dividend of 4.5 cents a share, up from 4 cents

AAP pp/gfr

**CO** becoop : Bega Cheese Ltd

**IN** i413 : Dairy Products | i41 : Food/Beverages/Tobacco | icnp : Consumer Goods | ifood : Food Products  
| i4131 : Non-frozen Dairy Products

**RE** austr : Australia | sydney : Sydney | apacz : Asia Pacific | ausnz : Australia/Oceania | nswals : New  
South Wales

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