

Tatura shareholders whey up merger

By **SIMONE SMITH**

CONFIRMATION that Tatura Milk Industries will fully merge with Bega Cheese did not affect its share price last week.

Its shares hovered between \$1.66-\$1.69 and the volumes traded ranged from 23,700 to 134,327.

Bega Cheese adviser David Williams, director of Kidder

Williams, predicted an "upward consolidation" of the share price as a result of the synergies created by the full merger of the processors.

TMI farmers/shareholders will receive two Bega Cheese shares for every one TMI share on Friday as a result of the merger.

Mr Williams said it was inevitable that some TMI shareholders would sell their allocation after

years of drought, but history suggests most keep their shares.

"What we have seen from the Bega float, AWB . . . farmers are surprisingly sticky. They get their shares and they stay with the company," he said.

"(They) want to support their local organisation."

TMI farmers/shareholders voted overwhelmingly in favour of the merger last week. Later in the

week it was approved by the Victorian Supreme Court.

Bega Cheese bought 70 per cent of TMI in 2007.

Bega Cheese will now issue 24 million new shares to 300 new shareholders.

At the current share price Bega Cheese's market capitalisation will be \$250 million.

Group revenue in 2012 will be about \$1 billion.

Litres/cow/day
Fat %
Protein %
Grazing and Supp
Pellet @ 39.56 ckg
Pasture* (kg DM)
Area in Rotation (ha)
Rotation length (days)
Grazing area (ha per cow)
Daily Income over
Milk Price (\$/kg milk)
**Income/cow
Supplementary Feeds
IOSFC/cow
IOSFC/ha