

News release



29 July 2016

ASX Announcement

Murray Goulburn Announcement

Murray Goulburn Co-operative Co. Limited (MG) has today announced that following a competitive tender process Woolworths has selected a new supplier to manufacture and pack a range of its private label products including cheese, UHT, adult milk powder and cream.

MG retains the contract to supply private label mozzarella shred cheese as well as the contract to supply private label butter, which has been expanded to include additional products and increased ranging.

Annualised revenue loss will be approximately \$108 million, however the financial impact on MG in FY17 will be limited given timing of existing contracts completing. MG will adjust future manufacturing planning to redirect this capacity to other markets, limiting future revenue and earnings impacts.

MG's interim Chief Executive Officer, David Mallinson said "MG continues to enjoy a strong ongoing relationship with Woolworths and they remain a valued partner for our co-operative. We believe our tender to retain this business was competitive, whilst balancing acceptable returns for our products given the current environment for our farmer/suppliers and investors. I can also re-assure our valued consumers that ranging of MG's Devondale and Liddells products are not impacted by this decision and continue to be available at Woolworths nationally."

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About the MG Unit Trust

The MG Unit Trust is a special purpose funding vehicle which provides its unitholders with an economic exposure to the business of Murray Goulburn Co-operative Co. Limited (**Murray Goulburn**). The MG Unit Trust invests in notes and convertible preference shares issued by Murray Goulburn. The Responsible Entity of the MG Unit Trust is MG Responsible Entity Limited, a wholly-owned subsidiary of Murray Goulburn. Unitholders are entitled to receive distributions equivalent to any dividends paid to the ordinary shareholders of Murray Goulburn. Dividends paid on ordinary shares will be determined by Murray Goulburn in accordance with the Profit Sharing Mechanism described in Section 6 of the Product Disclosure Statement dated 29 May 2015. Units do not confer a direct interest in Murray Goulburn.

Murray Goulburn is Australia's largest dairy foods company and one of Australia's largest food and beverage companies with annual turnover of approximately \$2.9 billion. Through its co-operative structure, Murray Goulburn has more than 2,500 supplier shareholders. Murray Goulburn manufactures and markets a full range of dairy and nutritional products such as cheese, milk powder, butter and fat, drinking milk and liquid milk products, nutritionals and value-added products, such as infant formula. Murray Goulburn supplies the grocery, foodservice and ingredients channels domestically and around the world, particularly in Asia, with its flagship Devondale, Liddells and Murray Goulburn Ingredients brands.