

Media Release



Murray Goulburn builds foundations for future growth

23 September 2013

Full year results for the financial year ended 30 June 2013:

- Net profit after tax of \$34.9 million up from \$14.5 million
- A final dividend of 8% on ordinary shares
- Milk supply growth of 2% to 2.990 billion litres
- Sales revenue growth of 1% to \$2.385 billion

Murray Goulburn Co-operative Co. Limited (MG) today announced to supplier/shareholders a net profit after tax of \$34.9 million and full year dividend of 8% on ordinary shares for the financial year ended 30 June 2013.

Net profit after tax was \$34.9 million, up from \$14.5 million, with the prior year being impacted by significant one-off costs associated with business restructuring. A dividend of 8% has been declared, representing payments of \$21 million. On average, this equates to nine cents per kilogram of milk solids, in addition to the farm-gate milk price.

MG increased its milk intake in 2012/13 by 2% in contrast to total Australian milk production which fell by 3%. Despite lower ingredients prices and a high Australian dollar, MG sales revenue grew by 1%, demonstrating improved sales in value-added products.

The final weighted-average farm-gate milk price for the financial year was \$4.97 per kilogram of milk solids, 9% lower than the prior year, reflecting a challenging year characterised by low average export commodity prices and a high Australian dollar for most of the financial year. When combining the final milk price of \$4.97 with the dividend of nine cents, the total return to supplier shareholders on average is \$5.06.

Commenting on the financial results, MG Managing Director, Gary Helou, said:

“MG delivered a solid performance in 2012/13 despite tough seasonal conditions, lower dairy ingredients prices and a high Australian dollar – all factors which were beyond our control.”

“The dramatic improvement in world dairy prices and a lower Australian dollar came too late in the year to impact 2012/13, but they did support MG’s decision to open the 2013/14 season with a record high opening price of \$5.73, a 27% increase in the price available to suppliers at the start of the previous financial year.

“We have continued our focus on balancing our business portfolio, lowering costs, simplifying our organisation’s structure, building our supplier/shareholder base and delivering a higher farm-gate milk price.



“In 2012/13, MG achieved a number of strategic milestones including announcing a landmark 10-year entry into the daily pasteurised milk market, relaunching the Devondale brand across all categories, establishing offices in Dubai, Ho Chi Minh City and Singapore, moving to 100% ownership of our China nutritionals business and delivering \$100 million in cost savings which are now flowing through to support a higher farm-gate milk price.

“These changes demonstrate that we are delivering on our promises and making good progress towards becoming a ‘First Choice Dairy Foods’ company.

“Australian dairy is well placed to capitalise on the enormous growth opportunities that lie on our doorstep and as the largest Australian-owned food business, MG is uniquely placed to lead the Australian dairy industry back to profitable growth” Gary said.

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Murray Goulburn Co-operative Co. Limited (MG) is Australia’s largest dairy food company receiving and manufacturing approximately three billion litres per annum or one third of Australia’s milk. MG was formed in 1950 and remains 100% dairy farmer owned. MG is Australia’s largest dairy food exporter and its flagship Devondale brand is sold nationally.