

Murray Goulburn Co-operative Co. Limited
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27 May 2014

Dear Supplier/Shareholders

RE: OPERATIONAL CHANGES

Devondale Murray Goulburn's primary goal is to deliver a sustainable increase in the farmgate milk price via our strategy of delivering operational excellence and innovation.

We continually review our operations to improve efficiency, productivity and cost competitiveness, including investing in new technologies, redesigning workflow and work patterns, improving line efficiencies and cross-skilling.

As a result of changes within our operational processes and activities, today we have informed staff that 54 positions from across the business will no longer be required. The removal of roles is never a decision taken lightly and where possible the company has sought to minimise the impact on our people by looking first to contract and casual positions, and then voluntary redundancies for permanent roles. All impacted staff will receive full entitlements, be offered counselling and career transitioning services.

The reduction in permanent roles is made up of 13 positions at Kiewa; 4 at Cobram; 23 at Leongatha; 3 at Rochester; and 11 at Maffra.

We continue to employ more than 2000 people at MG, mainly in rural and regional Australia and contribute an estimated \$6 billion to the Australian economy.

These difficult changes are necessary as it is in the best interest of all our supplier/shareholders, staff, communities, customers and consumers that we are a strong, viable business, able to compete globally and deliver higher farmgate prices.

Yours sincerely

A handwritten signature in black ink, appearing to read "Gary Helou".

Gary Helou
Managing Director