

Murray Goulburn Co-operative Co. Limited
ABN 23 004 277 089

Freshwater Place, Level 15, 2 Southbank Boulevard,
Southbank VIC 3006
T: +61 3 9040 5000 F: +61 3 9040 5100
GPO Box 4307 Melbourne 3001



MEDIA RELEASE

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Devondale Murray Goulburn announces sixth step-up in farmgate milk price

Australia's largest farmer-owned dairy company, Devondale Murray Goulburn (MG) has today announced its sixth step-up in the farmgate price for the 2013/14 season of \$0.09 per kilogram butterfat and \$0.19 per kilogram protein. This step-up takes MG's weighted-average available price to \$6.81 per kilogram milk solids.

Any further increase in milk price will be advised in the coming weeks as MG finalises the 2013/14 year end accounts. External factors including fluctuating international commodity prices and currency movements will continue to be key factors in determining the final price.

This step-up will deliver an additional \$31 million to MG dairy farmers to support business cash flow. When this is combined with the five previously advised step-ups, MG has added \$247 million to farmgate returns since announcing a record opening price for the 2013/14 season last July.

MG Managing Director, Gary Helou said: "The continued focus on improving performance through reducing costs and investing to support innovation and value growth contributed to this step-up."

"Market demand for key dairy ingredients remains strong but increased milk supply from New Zealand, Europe and USA has led to recent declines in prices. Nevertheless dairy ingredients prices remain above historical average levels. The Australian dollar continues to be stubbornly higher than we expect it to be and remains a source of risk to next year's farmgate milk prices," Mr Helou said.

MG will continue to focus on internal efficiency and innovation to maintain farmgate prices as high as possible into 2014/15.

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Media Contact:

Lynn Semjaniv 0481 004 797

About Devondale Murray Goulburn

Devondale Murray Goulburn is Australia's largest dairy food company. In 2012/3 the company received and manufactured approximately 3.2 billion litres or one third of Australia's milk and generated sales revenue in excess of \$2.4 billion. Devondale Murray Goulburn was formed in 1950 and remains 100% dairy farmer controlled, with over 2500 farmer-shareholders and more than 2000 employees. Devondale Murray Goulburn is also Australia's largest dairy food exporter to the major markets of Asia, the Middle East and North Africa, and the Americas. Devondale Murray Goulburn produces a range of ingredient and nutritional products, supplies the food service industries globally and its flagship Devondale brand is sold nationally.