

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

25 June 2014

Devondale Murray Goulburn announces record opening price for 2014/15 dairy season

Murray Goulburn Co-operative Co. Limited (Devondale Murray Goulburn) today announced an opening milk price of \$6.00 per kilogram milk solids (weighted-average available) for its Southern milk pool - a 7 percent increase on the previous year's opening price.

The forecast end-of-season milk price for 2014/15 is a range of \$6.15 to \$6.30 per kilogram milk solids (approximately 47 cents per litre). This forecast is subject to external factors such as international dairy market prices and currency movements.

"Devondale Murray Goulburn's opening price reflects the ongoing positive impacts of our strategy focused on operational excellence and innovation," Mr Helou said.

"We have driven efficiencies in our supply chain and created more innovative dairy foods in domestic and international markets. In addition we have built two state-of-the-art daily pasteurised liquid milk plants in Melbourne and Sydney which commence supplying consumers from July this year."

"We have also grown our milk supply during 2013/14 from both our existing supply base and new members and we expect to finish the year up approximately 8 percent on 2012/13 milk volumes."

Mr Helou said demand for dairy foods remained relatively strong in key markets in Asia and the Middle East.

"Strong demand in the world dairy ingredients market led to high prices during the year but these prices have now softened due to increased milk supply from New Zealand, USA and Europe."

"Despite this softening we have been able to deliver the highest opening milk price on record and one of the highest year-end forecasts on record. This is due to our balanced portfolio of ingredients and retail products and our hard work towards improving business performance and growth."

"We have also increased the farmgate milk price in our NSW-Sydney pool by 6 percent as we prepare to process daily pasteurised milk at our Sydney facility. We are very excited about our expansion into the NSW-Sydney market and the move will deliver benefits to all shareholders."

Mr Helou said Devondale Murray Goulburn's dairy farmer shareholders have indicated that 2013/14 has been a year of strong recovery for their farm businesses.

"Record high farmgate prices and excellent seasonal conditions have supported a strong recovery in cash and fodder positions of Devondale Murray Goulburn dairy farms. This augurs well for another strong milk production year in 2014/15."

"We have outlined a very clear strategy to improve farmgate returns and we believe the Co-operative is the best vehicle for Australian dairy farmers to determine their own future success."

-Ends-

Media Contact:

Lynn Semjaniv 0481 004 797

About Devondale Murray Goulburn

Devondale Murray Goulburn is Australia's largest dairy food company. In 2012/13 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 2,500 farmer-shareholders and more than 2,000 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.