64th Annual General Meeting
27 November 2014
Board of Directors

Gary Helou
Managing Director

Kenneth W. Jones
Deputy Chairman
Compliance,
Remuneration and Nominations
and Supplier Relations Committees
Board of Directors

Natalie Akers  
Compliance and Supplier Relations Committees

William T. Bodman  
Finance, Risk and Audit and Supplier Relations Committees

Peter J.O. Hawkins  
Finance, Risk and Audit Committee (Chairman) and Remuneration and Nominations Committee

Michael F. Ihlein  
Compliance Committee (Chairman) and Remuneration and Nominations Committee

Max Jelbart  
Compliance and Supplier Relations Committees

Duncan Morris  
Finance, Risk and Audit and Supplier Relations Committees
Board of Directors

Graham N. Munzel
Finance, Risk and Audit and Supplier Relations Committees

John P. Pye
Supplier Relations Committee (Chairman), Finance, Risk and Audit and Remuneration and Nominations Committees

Martin J. Van de Wouw
Compliance and Supplier Relations Committees
Executive leadership team

Brad Hingle
Chief Financial Officer

Fiona Smith
Company Secretary and General Counsel
Executive leadership team

David Mallinson
Executive General Manager
Business Operations

Robert Poole
Executive General Manager
Shareholder Relations

Betsy Harrington
Executive General Manager
Business Transformation and People

Aditya Swarup
Executive General Manager
Strategy
Agenda

- Chairman’s address
- Managing Director’s presentation
- Items of business
- General questions
Philip Tracy, Chairman
Overview
Outline

- Full year results
- Market update
- Board developments
- Capital structure
GoalZERO a core priority

MG continues to improve its safety performance
Financial year 2013/14: MG delivered a record high farmgate milk price

- **Milk price**: $6.81 Kg/MS (+37%)
- **Ordinary dividend**: 8 cents (-)
- **Net profit**: $29.3 million (-16%)
MG’s milk supply is now 3.4 billion litres - 37% of Australia’s milk pool

- **Western**: +8%
- **Northern & Southern Riverina**: +1.8%
- **Gippsland**: +3.3%
- **Tasmania**: +21%
- **NSW**: 100m litres collected in year one
Farmgate milk price

• MG opens at $6.00 kg/MS
• The highest milk price paid to suppliers at the start of the financial year

Russian trade ban
WMP falls

MG Board maintains opening price of $6.00 kg/MS
Rabobank forecast suggests that dairy deficit regions would import an additional 25 billion litres by 2020 (CAGR 5.1% pa)
Australia – China Free Trade Agreement (FTA)

- A big win for Australian dairy
- Improves Australia’s competitive position
Board developments

- A Class Preference shares cancelled and holders paid $1.25 per share
- Buy-backs of B and C Class Preference shares recommended
- Northern region Director elections
- Voluntary system to assess Director candidates
- Third Special Director
- 2015 AGM to be held in October
Capital structure update
A strategy to grow Australian milk supply

- Increase competitiveness of Australian dairy farming
- Preserve a positive image of Australian dairy
- Facilitate on-farm investment to grow milk supply

$1.00/kg ms* (equivalent to incremental EBIT of ~$300m pa by FY2017 from FY2012)

>3% pa Australian Milk supply growth

*In order to measure an increase in underlying milk price, rather than use the available milk price paid to suppliers each year, an implied milk price is used which is based on forecasted available milk price from FY12 plus the value of annual dividends. The available milk price targets are normalised for the movements in dairy commodity prices, foreign exchange and impacts of inflation as well as other one off items such as opening inventory.
Capital structure… the journey so far

- Strategic review undertaken
- Funding options considered
- Supplier feedback considered
- Supplier meetings held (x3)
- Initial capital structure proposal developed
- Capital structure proposal finalised
Next steps

- Supplier consultative workshops: Completed
- Strategy & funding options review: Completed
- Initial structure options considered: Completed
- Supplier roadshows / feedback May / June: Completed
- Supplier roadshows / feedback Septembers: Completed
- If passed by suppliers implemented: To be completed
- EGM for suppliers to vote: To be completed
- Formal documents for supplier approval: To be completed
- Board in principle approval of structure: To be completed
- Further consultation with suppliers: To be completed
MG’s performance
GoalZERO

- Another year of significant progress in our group safety performance
- MG’s most important asset is its people and our top priority must always be to keep our people safe
Record year of growth for MG

- **Milk price**: $6.81 Kg/MS, + 37%
- **Milk pool**: 3.4 billion litres, + 8%
- **Revenues**: $2.9 billion, + 22%
- **Equity**: + $59 million (includes $36m gain from sale of WCB shares)
- **Net profit**: $29.3 million, 8c per share dividend

MG is 37% of Australia’s milk pool
Optimising our business portfolio
Revenue up 22%, Exports up 26%, Nutritional Powders up 19% and MG Trading up 25%

Total revenue: $2.9 billion
Strong revenue growth of 22%
Payments to suppliers were $1.7 billion or 61%* of MG’s sales, up from 50% last year

Dairy Foods
- **Australia**: double-digit net sales growth
- Devondale, Liddells, increased private label volumes and food service growth all contributed
- **International**: 77% net sales growth
- Devondale UHT launch in Vietnam combined with strong sales in China and launch of butter and cheese products in Singapore, Malaysia and Hong Kong contributed

Ingredients and Nutritionals
- Nutritionals net sales growth of 19%
- Increased demand across all commodity groups
- Strong prices achieved across all categories
- Benefited from increased demand for milk powder from China and butter from Russia

MG Trading
- Sales growth of 20%
- Improved store layouts, expanded offering and pricing all contributed
- Six stores refurbished
- Two new stores opened – Warragul and Colac

*includes Tasmanian Dairy Products Co Ltd
Cost management remains a core focus

$50 million in additional cost savings delivered in 2013/14 thanks to:

- Significant reductions in cost and quality issues
- MG’s drive for greater automation and process control
- Focus on safety has led to significant reductions in LTIFR and LTI’s
MG invests for future growth

**Milk powders**
- $38 million investment at Koroit and Cobram (Victoria) to increase capacity for nutritional powders for growing international infant nutritional markets

**Fats/creams**
- $5 million investment in butter capability at Koroit (Victoria) to service Australian and international consumer markets

**Cheese**
- $76 million to increase cheese capacity and capability at Cobram (Victoria) to service Australian and Asian food service and consumer markets

**Dairy Beverages**
- Building and commissioning two $160 million state-of-the-art chilled milk facilities in Melbourne and Sydney
- $19 million to increase international UHT capacity at Leongatha (Victoria)
- $14 million at Edith Creek (Tasmania) to customise dairy beverages for Asian markets
In order to measure an increase in underlying milk price, rather than use the available milk price paid to suppliers each year, an implied milk price is used which is based on forecasted available milk price from FY12 plus the value of annual dividends. The available milk price targets are normalised for the movements in dairy commodity prices, foreign exchange and impacts of inflation as well as other one off items such as opening inventory.
MG needs to build a world class dairy foods manufacturing footprint that will connect us to the Asian growth markets.

$500 million required over next 3 to 5 years to invest in world-leading technology and automation for the efficient manufacture and supply of customised dairy foods designed for Asian consumers.
### Looking ahead

<table>
<thead>
<tr>
<th>Global Demand</th>
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</thead>
<tbody>
<tr>
<td>• Underlying demand remains strong, driven by demand from Asia, Middle East, Russia</td>
</tr>
<tr>
<td>• Full impact of Russian ban still unknown</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Supply</th>
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<tbody>
<tr>
<td>• Falling milk prices (except in US) expected to impact milk flows, particularly in Europe</td>
</tr>
<tr>
<td>• Supply growth is still forecast – NZ +3.5%, US +2.5%, EU +4%</td>
</tr>
<tr>
<td>• Australian milk production in 2013-14 was 9.24bn, up 0.4% on 2012-13. Favourable weather supporting continued growth in early 2014-15.</td>
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<thead>
<tr>
<th>Exchange Rates</th>
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<tbody>
<tr>
<td>• Some relief from Australian dollar dropping below 90 cents</td>
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</table>
Outlook commodity price trends – WMP

WMP price has been falling, but GDT event 126 saw the price up 3.1% on the previous event

WHOLE MILK POWDER (2 July 2008 – 15 October 2014)
Weighted Average Price (USD/MT, FAS)

Source: Global Dairy Trade
China’s dairy import profile will again be central to setting market prices.
Looking ahead

- Underlying dairy foods demand from Asia remains strong, interrupted by short term supply-demand volatility
  - Production growth in exporting countries – NZ, EU
  - Russian trade ban on EU, US and Australian dairy imports

- Full year forecast of $6.00 per kg/MS maintained
  - Step ups unlikely for 2014/15, unless significant improvement

- Mitigate downside risk via factors within MG’s control, such as cost reductions within the business and product mix optimisation

- Given this market volatility we recommend caution in farm budgeting until market directions become clearer
Australia-China FTA is a game-changer

- MG applauds the FTA
- FTA includes full free trade on all dairy lines over next five to ten years
- As tariffs reduce Australian products will become more competitive
- Our China strategy is to grow sales and capture the benefit of lower tariffs by investing in country...sales and distribution reach
- We are on the way... recent relaunch of Devondale brand
Philip Tracy, Chairman
How to vote

- Yellow card – *vote* and ask questions
- Orange, blue, red, green or pink card – ask questions only
Financial statements and reports
Item 2(a)

Re-election of Natalie Akers as a Director
Proxy position for resolution 2(a)

<table>
<thead>
<tr>
<th>For</th>
<th>Open*</th>
<th>Against</th>
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<tbody>
<tr>
<td>20,764,971</td>
<td>8,584,219</td>
<td>437,127</td>
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*Open votes held by the Chairman will be voted in favour of the resolution*
Item 2(b)

Re-election of Ken Jones as a Director
Proxy position for resolution 2(b)

<table>
<thead>
<tr>
<th>For</th>
<th>Open*</th>
<th>Against</th>
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</thead>
<tbody>
<tr>
<td>19,518,463</td>
<td>8,570,665</td>
<td>1,628,936</td>
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*Open votes held by the Chairman will be voted in favour of the resolution*
Item 2(c)

Re-election of Graham Munzel as a Director
Proxy position for resolution 2(c)

<table>
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<tr>
<th>For</th>
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<tbody>
<tr>
<td>19,859,299</td>
<td>8,510,830</td>
<td>1,347,935</td>
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*Open votes held by the Chairman will be voted in favour of the resolution*
Preference share buy-backs

- *Voluntary* selective buy-backs of B and C Class Preference Shares
- $1.25 per B and C Class Preference Share
Item 3

Selective buy-back of B Class Preference Shares

- **Special Resolution:** That, in accordance with section 257D of the Corporations Act and for all other purposes, approval is given for Murray Goulburn Co-operative Co. Limited to conduct a selective share buy-back of the B Class Preference Shares on the terms detailed in the Explanatory Notes to the Notice of Annual General Meeting.
Proxy position for resolution 3

<table>
<thead>
<tr>
<th>For</th>
<th>Open*</th>
<th>Against</th>
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<tbody>
<tr>
<td>20,229,814</td>
<td>8,238,467</td>
<td>1,298,524</td>
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</tbody>
</table>

* Open votes held by the Chairman will be voted in favour of the resolution
Item 4

Selective buy-back of C Class Preference Shares

- **Special Resolution:** That, in accordance with section 257D of the Corporations Act and for all other purposes, approval is given for Murray Goulburn Co-operative Co. Limited to conduct a selective share buy-back of the C Class Preference Shares on the terms detailed in the Explanatory Notes to the Notice of Annual General Meeting
Proxy position for resolution 4

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*Open votes held by the Chairman will be voted in favour of the resolution*
Amendments to constitution

• All proposed changes are of a general nature and, if approved, will apply regardless of whether the capital restructure occurs

• Five categories of amendments:
  a) operation of minimum shareholding requirement
  b) addressing breaches of maximum shareholding limit
  c) removal of references to A Class Preference Shares
  d) removal or amendment of certain references to ‘paid up capital’
  e) amendment of share transfer provisions
Item 5(a)

Amendment to constitution - operation of minimum shareholding requirement

- **Special Resolution:** That the Constitution of Murray Goulburn Co-operative Co. Limited be amended, with effect from the close of the 2014 Annual General Meeting of Murray Goulburn Co-operative Co. Limited, in the manner outlined in paragraph 5(a) of the Explanatory Notes to the Notice of Annual General Meeting.
Proxy position for resolution 5(a)

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<tr>
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<td>18,621,515</td>
<td>9,702,229</td>
<td>950,415</td>
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*Open votes held by the Chairman will be voted in favour of the resolution*
Item 5(b)

Amendments to constitution – addressing breaches of the maximum shareholding limit

- **Special Resolution:** That the Constitution of Murray Goulburn Co-operative Co. Limited be amended, with effect from the close of the 2014 Annual General Meeting of Murray Goulburn Co-operative Co. Limited, in the manner outlined in paragraph 5(b) of the Explanatory Notes to the Notice of Annual General Meeting.
Proxy position for resolution 5(b)

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<td>18,024,999</td>
<td>9,702,229</td>
<td>1,011,832</td>
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*Open votes held by the Chairman will be voted in favour of the resolution*
Amendments to constitution – removal of references to A Class Preference Shares

- **Special Resolution:** That the Constitution of Murray Goulburn Co-operative Co. Limited be amended, with effect from the close of the 2014 Annual General Meeting of Murray Goulburn Co-operative Co. Limited, in the manner outlined in paragraph 5(c) of the Explanatory Notes to the Notice of Annual General Meeting.
Proxy position for resolution 5(c)

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<td>18,645,922</td>
<td>9,702,229</td>
<td>926,008</td>
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</table>

* Open votes held by the Chairman will be voted in favour of the resolution
Item 5(d)

Amendments to constitution – removal/amendment of certain references to paid up capital

- **Special Resolution:** That, subject to the approval by special resolution of a variation of B and C Class Preference Share rights at meetings of each of the B and C Class Preference Shareholders (respectively), the Constitution of Murray Goulburn Co-operative Co. Limited be amended, with effect from the close of the meeting of C Class Preference Shareholders of Murray Goulburn Co-operative Co. Limited to be held on Thursday 27 November 2014, in the manner outlined in paragraph 5(d) of the Explanatory Notes to the Notice of Annual General Meeting.
Proxy position for resolution 5(d)

*Open votes held by the Chairman will be voted in favour of the resolution*

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<tr>
<td>18,059,780</td>
<td>9,702,229</td>
<td>1,045,304</td>
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Item 5(e)

Amendments to constitution – amendments to share transfer provisions

• **Special Resolution:** That the Constitution of Murray Goulburn Co-operative Co. Limited be amended, with effect from the close of the 2014 Annual General Meeting of Murray Goulburn Co-operative Co. Limited, in the manner outlined in paragraph 5(e) of the Explanatory Notes to the Notice of Annual General Meeting.
Proxy position for resolution 5(e)

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<tr>
<th>For</th>
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<tbody>
<tr>
<td>18,211,032</td>
<td>9,766,701</td>
<td>1,296,426</td>
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*Open votes held by the Chairman will be voted in favour of the resolution*
Questions