



17 December 2014

Dear Supplier/Shareholders

**RE: UPDATE FROM MG REGARDING FARMGATE MILK PRICE
(SOUTHERN MILK POOL)**

I'm writing to you with MG's December forecast farmgate milk price, as per our previous commitment to updating supplier/shareholders on a monthly basis.

Having considered the latest market settings, MG is maintaining its current farmgate price at the opening price and forecast level - at a weighted-average available milk price of \$6.00 per kilogram milk solids in its southern milk pool.

As always, this forecast is subject to changes in external factors such as global dairy prices and the Australian dollar.

Market conditions for key dairy ingredients have not significantly changed since the last update and remain weak due to growth in supply across major exporting countries and softening demand by the leading importers, namely China and Russia.

MG continues to optimise its sales and marketing mix and reduce costs throughout the business to protect the opening price and our suppliers' interests. We will provide our next update to you in early 2015.

On behalf of the Board and staff of MG, I'd like to take this opportunity to wish you a happy and safe Christmas. We look forward to working with you all in 2015 in what will be another very important year for MG and the Australian dairy industry.

Yours sincerely

Gary Helou
Managing Director