



1 May 2015

Dear Supplier/Shareholder

Re: Murray Goulburn releases prospectus for Supplier Share Offer and forecasts a Full Year 2015/16 Available Weighted Average Southern Milk Region Farmgate Milk Price of \$6.05¹ per kilogram milk solids

Murray Goulburn Co-operative Co. Limited (MG) today released the prospectus for the Supplier Share Offer (SSO) and Supplier Priority Offer (the Offers). The prospectus is an invitation to acquire fully paid ordinary shares in MG under each of these Offers. The Offers are only open to MG suppliers and not the general public.

Under the SSO, existing suppliers who do not hold sufficient MG shares to meet their Share Standard have the opportunity to buy MG shares for between \$1.00 and \$1.24 per share, subject to various conditions, up to their Share Standard.

Under the Supplier Priority Offer, existing suppliers have the opportunity to buy shares in excess of their individual Share Standard up to the Hard Cap – the 0.5 percent ownership limit set out in MG's constitution. If existing suppliers participate in this offer they will have the opportunity to acquire these shares at the same price at which units are issued to external investors under the Initial Public Offer (IPO). The Supplier Priority Offer will only open following MG issuing a Supplementary Prospectus on or around 29 May 2015.

The prospectus can be found on our website and a copy will be mailed to you in the coming days.

The Offers are subject to the consideration of the proposed capital structure by shareholders at the Extraordinary General Meeting (EGM) on 8 May 2015.

If members approve the new structure, then the SSO will commence immediately and shareholders have until 22 May 2015 to act on any offer under the SSO.

Please read the prospectus carefully before making any decision to purchase shares and contact the dedicated information line on 1300 477 596 (within Australia) or +61 3 9415 4293 (outside Australia) if you have any questions.

MG confirms the 2014/15 Farmgate Milk Price (FMP) and releases FMP full year forecast for 2015/16 for Southern Milk Pool and Tasmania

MG is pleased to reconfirm the 2014/15 weighted-average available FMP of \$6.00 per kilogram milk solids and the prospectus contains a forecast net profit after tax (NPAT) for 2014/15 of \$20.1 million. This is at the low end of the \$20 - \$30 million NPAT range previously provided due to continued volatility of international dairy markets and exchange rates.

MG is also pleased to be announcing a full year forecast 2015/16 Available Weighted Average Southern Milk Region FMP of \$6.05¹ per kilogram milk solids. Achieving this forecast FMP still remains subject to changes in external factors such as global dairy commodity prices and prevailing foreign exchange rates. Furthermore, this forecast assumes that the capital structure is implemented following a vote of shareholders at the upcoming EGM on 8 May 2015 and is based on the assumptions and risk factors set out in the prospectus including an average valuation of the Australian

dollar of US\$0.76 for the duration of the 2015/16 financial year and certain assumptions regarding commodity spot prices.

In addition to the FMP, under the capital structure, supplier/shareholders are also expected to receive a higher dividend than that paid historically. Subject to available franking credits the dividend is also expected to be fully franked. Together with the FMP, this will represent a robust total farmgate return for 2015/16, particularly as we make significant investments across the business to drive growth and support sustainably higher farmgate returns.

Achieving this forecast will also result in the third consecutive year that MG suppliers receive total farmgate returns in excess of \$6.00 per kilogram milk solids. It will also be the first time in MG's history that this result has been achieved and would be made against a backdrop of volatile and low global dairy commodity markets. This is further validation of MG's strategy of shifting its product mix to premium dairy foods in key growth categories, supplemented by a continued focus on reducing cost in the business and driving efficiencies.

Notwithstanding this forecast, the MG board will finalise the Southern Milk Pool and NSW-Sydney opening prices for 2015/16 financial year at the usual time in late June. We will formally advise suppliers at that time.

Please have your say at the EGM – proxy forms must be received by 11 am on 6 May 2015

The EGM is drawing near. If you are not attending the EGM we encourage you to vote via the proxy form that was included in your Notice of Meeting pack. To ensure receipt of your proxy form by 11.00am on 6 May 2015 please email: murraygoulburn@computershare.com.au or fax (03) 9473 2145.

Yours sincerely



Philip Tracy
Chairman



Gary Helou
Managing Director

The Prospectus dated 1 May 2015 which is issued by Murray Goulburn Co-operative Co. Limited (MG) contains detailed information about MG's capital restructure, business activities, the offer of shares and the key risks of an investment in MG. The Prospectus is available in electronic form on the Offer website at www.MGShareOffers.com.au and a copy of the Prospectus may be obtained in hard copy by calling the Murray Goulburn Offer Information Line on 1300 477 596 (toll free within Australia) or +61 3 9415 4293 (outside Australia) from 9:00am until 5:00pm (AEST) Monday to Friday. The Offer to purchase Shares in MG will be contained in or accompanied by the Prospectus. Any person considering an investment in MG should read the Prospectus carefully and in its entirety before making a decision whether or not to purchase Shares in MG.

¹ For the purposes of the Profit Sharing Mechanism the Actual Weighted Average Southern Milk Region FMP is used which is \$6.01 per kilogram milk solids. The Actual Weighted Average Southern Milk Region FMP does not include the add-back of quality adjustments accrued from the supply of non-premium milk.