



24 June 2015

Opening Price Circular 2015/16: NSW-Sydney Milk Region Murray Goulburn Co-operative Co. Limited (MG)

Key points:

- MG announces an average opening price of 53.2 cents per litre for the NSW-Sydney region based on the NSW reference composition of 4.0 percent butterfat and 3.2 percent protein.
- MG has established itself as a strong participant in the NSW-Sydney market and the new Erskine Park daily pasturised facility.
- In addition to the Farmgate Milk Price (FMP), MG has also forecast a dividend to be paid to MG shareholders in relation to financial year 2015/16 of between 15.5 and 18.1 cents per share depending on the outcome of the capital raising.
- Updated milk supply Terms and Conditions are available on our website. They will be emailed to suppliers and are available via Field Services. They will be mailed to new suppliers. The Terms and Conditions are similar to last year but have been updated to reflect matters such as the new capital structure and share standards.

Please ensure you consider important forms for completion as part of the opening of the new financial year.

- Firstly, if you are an overshaired supplier you can opt to suspend your share offtake and receive this payment as cash instead of shares – please complete the form if you wish to take up this option (due 31 July 2015).
- If you are part of the offtake scheme you can choose to increase your level of offtake from the base \$0.09 per kilogram milk solids (equivalent to 0.65 cents per litre) to \$0.13 per kilogram milk solids (equivalent to approximately 1 cent per litre) or \$0.27 per kilogram milk solids (equivalent to approximately 2 cents per litre). Please refer to the share offtake Q and A for more detail.

Dear NSW-Sydney Supplier/Shareholder

Please find outlined below details of Murray Goulburn Co-operative Co. Limited's (MG) opening price for the NSW-Sydney Region 2015/16 season commencing 1 July 2015. This average available opening price is 53.2 cents per litre based on the NSW reference composition of 4.0 percent butterfat and 3.2 percent protein.

In the NSW-Sydney market zone this is a full paid price for the supply period and is subject to the NSW-Sydney market zone terms and conditions, and not subject to step-ups.

The structure of the pricing is the same as that established in 2014/15.

In addition to the FMP, MG has also forecast a dividend to be paid to MG shareholders in relation to financial year 2015/16 of between 15.5 and 18.1 cents per share depending on the outcome of the capital raising. This amount is substantially higher than the dividend historically paid to MG's shareholders. Subject to franking credits being available, the dividend is expected to be fully franked.

For the past three years MG has been executing a growth and value creation strategy. This has seen us shift MG's product mix away from commodity products to less volatile premium quality ready to consume dairy foods. Combined with our continuing focus on reducing cost in the business and driving efficiencies, the execution of this strategy has supported MG's ability to pay a strong FMP

With the capital restructure nearing completion, we are well on track for the funding to be in place to build world-leading manufacturing capacity and capability in the key growth categories of dairy beverages, consumer cheese and nutritional powders to advance the next phase of our strategy. These capital projects, once operational, will produce value-added, dairy foods which will help to further enhance the value of MG's milk pool.

While commodity dairy markets remain subdued and exchange rates unpredictable, we are confident that demand growth for dairy foods will remain strong over the medium to long term. Many Asian countries are not self-sufficient in dairy and will need to import dairy foods to meet growing consumer demand for premium quality, ready to consume, dairy food products.

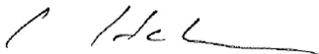
MG is well-placed to capitalise on these trends as we have an established reputation as a trusted and reliable source of premium dairy foods. Combined with our close geographic proximity to the growth dairy markets of Asia, this places us in good stead to grow revenue and value and continue delivering sustainably higher farmgate returns to shareholders.

2014/15 Dividend Payments

The dividend on ordinary shares for 2014/15 will be considered by the Board following the finalisation of the 2014/15 financial statements with any declared dividend to be paid in September. This is the last time that the Board will consider the declaration of a dividend under the "old" MG capital structure with dividends paid on ordinary shares held by shareholders on 27 April 2015. Shares acquired as part of the Supplier Share Offer or Supplier Priority Offer (SPO) will not be included in the consideration of the 2014/15 dividend allocation.

Thank you for your continued support of MG and I wish you all the best for the year ahead.

Yours sincerely,



Gary Helou
Managing Director



Appendix 1 Sydney-NSW Milk Payment Terms and Conditions

Summary of Milk Supply Arrangements for 2015/16

It is important that you carefully read this letter in conjunction with the *MG Supplier Handbook: NSW-Sydney Region* to be mailed to you in the coming days.

Month	Butterfat kg MS	Protein kg MS
July	\$6.24	\$9.35
August	\$6.08	\$9.11
September	\$5.92	\$8.87
October	\$5.92	\$8.87
November	\$5.92	\$8.87
December	\$6.08	\$9.11
January	\$6.24	\$9.35
February	\$6.40	\$9.59
March	\$6.56	\$9.83
April	\$6.56	\$9.83
May	\$6.56	\$9.83
June	\$6.40	\$9.59

With respect to the above table you should note the following:

Note 1: The opening monthly milk prices are based on the supply of milk that qualifies as “**Premium 1**”. Adjustments will apply for milk quality as explained in the *MG Supplier Handbook*.

Note 2: The monthly price quoted is the single base price and the seasonal incentive combined. Productivity Incentive is added to this price and the Milk handling charges are deducted from these prices.