

News release



29 October, 2015

MG ACQUIRES TASMANIAN DAIRY PRODUCTS

Murray Goulburn Co-operative Co. Limited (MG) today announced that it has acquired Mitsubishi Corporation's (Mitsubishi) remaining 24.1 percent in Tasmanian Dairy Products Co Pty Ltd (TDP) for a total consideration of \$4.8 million.

As a result of the acquisition, MG assumes 100 percent ownership of TDP – one of Tasmania's largest dairy companies processing approximately 25 percent of Tasmania's milk.

Commenting on the acquisition, MG Managing Director, Gary Helou said, "We thank Mitsubishi for partnering with MG over the past three years as we established a foundation footprint in Tasmania's dairy industry. Mitsubishi will continue to be an important business partner for MG, following the acquisition."

"Over the past decade, the Tasmanian dairy industry has grown strongly. With its rich dairy tradition and favourable climate for pasture based farming, Tasmania is an important, strategic dairy region for MG to have a strong presence in," Gary said.

Earlier this year TDP suppliers were invited to join MG and become MG supplier-shareholders. This invitation was very well received and from the start of 2015/16 season, all milk supplied to TDP has come via MG's Tasmanian suppliers who became members of the co-operative.

"We were pleased to be able to extend the benefits of our dairy co-operative to Tasmanian dairy farmers and we look forward to continuing to grow our supply base and production in this high quality dairy region," Gary said.

MG entered the Tasmanian dairy industry in mid-2000 with the acquisition of Classic Foods (Edith Creek) and in 2011 made a further significant investment to facilitate the construction of an \$80 million state-of-the-art milk processing facility for TDP at Smithton.

TDP Smithton commenced production a year later in 2012 and has capacity to process approximately 250 million litres of milk each year. Last financial year, TDP processed more than 210 million litres of milk.

MG's operations in Tasmania now include 100% ownership of TDP, a packaging facility at Edith Creek and two MG Trading stores located in Smithton and Deloraine.

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Media contact:

Nicole Devlin, Head of External Communications, T: +613 9040 5000 M: +61 408 147 350

About the MG Unit Trust

The MG Unit Trust is a special purpose funding vehicle which provides its unitholders with an economic exposure to the business of MG. The MG Unit Trust invests in notes and convertible preference shares issued by MG. The Responsible Entity of the MG Unit Trust is MG Responsible Entity Limited, a wholly-owned subsidiary of MG. Unitholders are entitled to receive distributions equivalent to any dividends paid to the ordinary shareholders of MG. Dividends paid on ordinary shares will be determined by Murray Goulburn in accordance with the Profit Sharing Mechanism described in Section 6 of the Product Disclosure Statement dated 29 May 2015. Units do not confer a direct interest in MG.

MG is Australia's largest dairy foods company. Through its co-operative structure, MG has more than 2,500 supplier shareholders. MG manufactures and markets a full range of dairy and nutritional products such as cheese, milk powder, butter and fat, drinking milk and liquid milk products, nutritionals and value-added products, such as infant formula. MG supplies the grocery, foodservice and ingredients channels domestically and around the world, particularly in Asia, with its flagship Devondale, Liddells and Murray Goulburn Ingredients brands.