

# News release



12 April 2016

ASX Announcement

## Impact of regulatory change in China – media speculation

Murray Goulburn (MG) notes the recent media speculation regarding the release by Chinese Authorities of a 'Positive List' for imported consumer products through the 'cross-border' channel. We also understand that further clarification is expected from Chinese Authorities around the application and content of the 'Positive List' in the coming weeks.

MG has been aware of this Chinese regulatory development for some time, and is well progressed in preparing for any changes which includes using the more traditional off-line distribution arrangements as well as domestic on-line arrangements.

In terms of the reaction from our commercial partners in China, MG cannot comment on their operations, except to say the regulation is very new and is likely to evolve. We note that Devondale consumer milk powder and UHT have been temporarily removed from some sites for immediate sale.

MG's traditional import channels are already well developed, and currently distribute a significant volume of product. MG assures Chinese consumers that Devondale's wide range of products remain available through traditional channels.

Based on the information currently available to us we do not believe there will be any material impact to our business, and we will keep the market informed in the event that this changes.

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### 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 Murray Goulburn Co-operative Co. Limited (**Murray Goulburn**). The MG Unit Trust invests in notes and convertible preference shares issued by Murray Goulburn. The Responsible Entity of the MG Unit Trust is MG Responsible Entity Limited, a wholly-owned subsidiary of Murray Goulburn. Unitholders are entitled to receive distributions equivalent to any dividends paid to the ordinary shareholders of Murray Goulburn. 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 Murray Goulburn.

Murray Goulburn is Australia's largest dairy foods company and one of Australia's largest food and beverage companies with annual turnover of approximately \$2.9 billion. Through its co-operative structure, Murray Goulburn has more than 2,500 supplier shareholders. Murray Goulburn 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. Murray Goulburn 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.