

News release



18 April 2016

ASX Announcement

Divestment of interest in Dairy Technical Services Limited

Murray Goulburn Co-operative Co. Limited (MG) has today announced that it has signed an agreement to divest its 25.26 percent stake in food testing business, Dairy Technical Services Limited (DTS), to a consortium comprising Bureau Veritas Group and AsureQuality Limited (Consortium).

Founded in 1954 in Melbourne to provide independent, analytical services to the food industry, DTS has four major shareholders including MG. The other shareholders are The Warrnambool Cheese and Butter Group, The Fonterra Group and AsureQuality.

Following completion of the acquisition, DTS will be operated by the Consortium who bring extensive international food testing experience to DTS to provide best-in-class testing capabilities to Australian food manufacturers, including MG.

The sale, which is conditional on regulatory approvals, is expected to be completed by the end of May 2016.

The divestment of MG's interest in DTS is expected to result in a one-off profit before tax on sale of \$18 million in the financial year ending 30 June 2016. The full impact of the sale was factored into MG's forecast Available Weighted Average Southern Milk Region Farmgate Milk Price advised as part of its half year results release on 29 February 2016, given discussions regarding the DTS divestment were well advanced at that stage. Going forward, the earnings impact of the divestment is immaterial.

ENDS

Contacts:

Media

Nicole Devlin
+61 (0) 408 147 350

Analysts

Jonathan Denby
+61 (0) 411 684 617

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.