



30 June 2016

Dear Supplier-Shareholders

Following my correspondence earlier in the week in relation to the full year FY17 milk price, I made a commitment that our management team was working on a targeted efficiency program to reduce costs across the business.

I would like to provide an update on the first initiative that we have introduced as part of this process, that will see the numbers in the senior leadership team reduce.

Following the recent decision of Supply & Logistics Executive General Manager Betsy Harrington to resign due to ill health, we have reviewed accountabilities of the ELT and have decided not to replace this EGM role, but rather reallocate responsibilities into existing portfolios.

I would also like to announce today the resignation of Executive General Manager Dairy Foods & Ingredients, Albert Moncau, effective 30 June 2016.

On behalf of the ELT, I would like to thank Betsy and Albert for their significant contributions to MG and I wish them both well in their future endeavors.

Russell Abotomey has been appointed from within the business as Executive General Manager Dairy Foods & Ingredients. With extensive experience in senior management roles in the dairy industry nationally and internationally, Russell has excellent credentials to assume this role. Since joining MG in 2014, Russell has made an outstanding contribution to our expansive supply chain and more recently in leading the international sales team. Russell will play an invaluable role in leading our Dairy Foods & Ingredients business and I would like to welcome him to the ELT.

Russell's existing role within the business will not be replaced, therefore driving a headcount reduction of two within the senior management team.

As I outlined earlier in the week, the ELT are focused on reducing costs and improving efficiencies to maximise the farmgate milk price. I will continue to update you about this progress.

Yours sincerely

David Mallinson
Chief Executive Officer (Interim)