

# News release



5 December 2016

ASX Announcement

## Update on Mead Johnson Nutrition partnership

Murray Goulburn Co-operative Co Limited (MG) announces today that Mead Johnson Nutrition (MJN) and MG have mutually agreed that they intend to terminate the March 2016 framework agreement pursuant to which the parties were negotiating a strategic supply alliance for the supply of nutritional products.

MG remains committed to a B2B nutritionals strategy and MG and MJN will continue to explore new ways to work together. Interim CEO David Mallinson announced that MG will now review its strategy for its nutritionals investment to ensure MG is maximising value for its suppliers and owners, whilst exercising discipline with MG's capital. This is consistent with MG's announced approach to its beverages investment. Approximately 90% of MG's existing nutritional sales are destined for markets outside of China and MG's supply agreement with Indonesia's Kalbe Nutritionals remains in place.

David said: "MJN views MG as a valued partner and we continue to have an excellent relationship with them. As part of this relationship, we intend to continue to explore new ways to work together. MG remains committed to developing a leading B2B nutritionals business for all export markets and we will continue to assess the best possible way to invest for future growth in this business."

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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 \$2.8 billion. Through its co-operative structure, Murray Goulburn has approximately 2,200 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.