



2 June 2017

Update on asset and footprint review

Dear suppliers,

Following our announcement last month, we continue to work through the tough, yet necessary decisions to close Edith Creek, Rochester and Kiewa, as part of our ongoing efforts to improve the operating efficiency of MG. All employees at these sites have now received detailed briefings and we remain committed to assisting them through this challenging time.

Approximately 140 employees will leave MG from the Rochester and Kiewa sites between the end of July and mid-August as production transfers to other sites. Remaining employees will leave in stages prior to the site closures in mid-February 2018 and June 2018 respectively. At Edith Creek production is expected to finish by the end of November this year and the majority of employees will remain until that time.

While we continue to look into options for the supply or production of products at affected sites, we are now commencing the process of updating customers about product impact. In some cases such as Liddells, cream cheese and cheese, production of relevant products will be transferred to other sites. Unfortunately, in other cases, products such as Devondale Milkshakes, 8 Bar, custard, desserts, pet milk, flavoured UHT milk and co-pack products will be discontinued by the end of November 2017.

We continue to engage with all relevant stakeholders and next week our CEO, Ari Mervis will meet with the Victorian Minister for Agriculture and Regional Development, NUW representatives and employee representatives. We are also participating in working groups established by the Shire of Indigo (Kiewa) and the Tasmanian Government (Edith Creek) to help communities through the transition.

MG will also be attending a working group established by the Shire of Campaspe (Rochester) next week.

Our number one focus at this time is doing everything we can to restore your confidence in the co-operative and build the competitiveness of Murray Goulburn once again.

Thank-you for your continued support.

Yours sincerely,

Cameron Smith

Supplier Relations Director