

# News release



24 July 2017

ASX announcement

## Business update

Murray Goulburn Co-operative Co. Limited (MG) has today provided the following business update:

### Milk intake and FMP range

At this stage, MG's total FY18 milk intake is expected to be approximately 2.3 billion litres, prior to any significant upside or downside from seasonal impact. The reduction in milk intake has not impacted the opening average available Southern Milk Region farmgate milk price (FMP<sup>1</sup>) of \$5.20/kilogram milk solids (kg MS).

The impact of the reduction in milk intake has been offset by various cost and business improvements compared to budget. While maintaining the forecast FY18 FMP range of \$5.20-\$5.50/kg MS, if the recent strengthening of the Australian dollar was to continue over the full financial year, this could create some uncertainty in relation to the achievability of \$5.50/kg MS. MG will continue to consider all avenues to maximise the available FMP.

MG will provide a further business update at the time of the release of the FY17 full year results announcement on 22 August 2017, or earlier as required.

### Sale of Kiewa Country brand and equipment

MG is pleased to announce that it has entered into agreements to sell the Kiewa Country brand and certain associated assets to a local business that is expected to recommence local manufacture in the future. The commercial terms of the transaction are confidential.

### Strategic review

MG has appointed Deutsche Bank AG as financial adviser to MG on the previously announced comprehensive strategic review.

– ENDS –

### Contacts:

#### Media

Alex Evans  
+61 475 409 084

#### Analysts

Jonathan Denby  
+61 411 684 617

### About the MG Unit Trust

The MG Unit Trust (ASX:MGC) 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 Responsible Entity of the MG Unit Trust is MG Responsible Entity Limited, a wholly-owned subsidiary of Murray Goulburn.

<sup>1</sup> All references to FMP refer to average available FMP which includes the add-back of quality adjustments accrued from the supply of non-premium milk.