



Supplier information update

21 November, 2017

Dear Suppliers,

As part of our commitment to reduce costs and drive business improvement, we are making changes to our product manufacturing operations. This continues our efforts to address our cost base, improve efficiencies and ultimately increase earnings and the farmgate milk price.

Over the last 18 months we have managed a lower milk intake through a reduction in our contractor workforce, changes to rosters and the use of annual leave and accumulated hours. However, more decisive action is now required.

Today we advised our manufacturing teams that there will be a reduction in approximately 70 roles across our Koroit, Cobram, Maffra and Leongatha sites. Voluntary redundancies will be offered for the majority of impacted roles.

These changes will significantly increase operational efficiency, while enabling us to meet demand for MG dairy products.

This decision is regrettable but necessary. These actions have been taken to ensure MG can deliver sustainable and competitive returns.

Yours sincerely,

Craig McRae
General Manager, Milk Supply and Field Services