



Summary of commonly asked questions at supplier meetings attended by Saputo from 8-16 November 2017

(Meetings held at Mount Gambier, Koroit, Cobden, Smithton, Taree, Gerroa, Kiewa, Cobram, Rochester, Cohuna, Sale and Leongatha)

1. What is the implied value of my MG shares under the Saputo transaction?

\$1.10 - \$1.15 is the implied value to equity holders of Saputo's \$1.31bn offer after taking into account repayment of all MG outstanding debt, any adjustment for working capital movements, costs associated with the transaction, and assumed costs of running MG from completion until winding up. The offer is for MG's operating assets and liabilities, but excludes assets and liabilities associated with the MG Unit Trust and any liability in relation to the current ACCC proceedings, ASIC investigation and unitholder class action which are not included in the transaction and will remain the responsibility of MG. The transaction is a cash offer and does not involve the acquisition of MG shares.

2. Why aren't wet shares worth more than dry shares/ units?

All MG shareholders – wet and dry – and unitholders will receive the same price for each share/ unit. Active MG Suppliers (suppliers who supplied milk to MG as at the date of MG's 2017 AGM and as at the completion of the transaction) will also receive milk price commitments with a value of approximately \$114 million.

3. Will new or returning suppliers be eligible for the step-up and loyalty bonus?

New or returning suppliers are also eligible to receive the step up from 1 November 2017. Only MG suppliers at the date of the AGM on 27 October 2017 and who are supplying at completion of the transaction will be entitled to the loyalty payment and the backpay for the period from July to October. The loyalty payment of \$0.40 per kgMS for all milk supplied in FY18 will be paid to Active MG Suppliers on the later of completion and 15 August 2018.

4. How do we know this was the best deal available?

The Board together with its advisors comprehensively examined the offers received and in its view the Saputo transaction was the best option for all stakeholders and the future of the business, having regard to value, certainty, timeliness of execution and suitability as an ongoing partner to MG suppliers. Saputo is one of the top ten dairy processors in the world and has demonstrated itself as a credible and trusted partner for Australian dairy farmers through its investment in WCB. While the Board's recommendation is unanimous, it will be suppliers who determine the future of MG by voting. An independent expert's report will also be provided to shareholders and unitholders.

5. What will happen to current contracts held with MG?

All current contracts will be transferred to Saputo at completion of the transaction.

6. Is the payout of \$1.10-\$1.15 per share guaranteed?

MG expects to pay an estimated initial distribution of approximately \$0.75 per share/ unit shortly after completion of the transaction. The funds retained by MG will allow the Board to manage appropriately any potential exposure under these actions. The retention amount is not an indication by MG that it has any actual liability in respect of these actions or that such liability is reflected by the total retention amount. Any remaining funds will be distributed to MG shareholders and unitholders once these actions are concluded.

7. What will happen if the proposed transaction is not supported by a majority of MG shareholders or it fails to be approved by the ACCC or FIRB?

The proposed transaction with Saputo is a matter for the ACCC and FIRB to determine. Saputo will be working with the ACCC to obtain the required approvals. Regulatory approval is a key condition for the completion of the transaction and the transaction will not proceed without the required approvals. A Notice of Meeting and Explanatory Memorandum will be sent to shareholders in due course and will set out considerations with respect to the vote, including potential implications if the transaction does not proceed.

8. Is there any chance that Saputo may reverse MG's decision to close processing sites?

Saputo has confirmed that it respects the decisions made by MG relating to announced plant closures and Saputo does not intend to reverse them. MG has announced the sale of its Edith Creek facility, and therefore is not included in the assets to be acquired by Saputo.

9. Is MG Trading included in the assets acquired by Saputo? Is Saputo committed to this business and will MG suppliers still be offered discounts at MG Trading stores by Saputo?

All MG's operating assets are included in the transaction, unless MG has sold MG Trading prior to completion, which MG is entitled to do. The future of MG Trading and related operations if they are transferred on completion is a matter for Saputo. MG does not currently have any formal sale process underway in relation to MG Trading. Upon completion, should Saputo inherit the MG Trading stores, Saputo has confirmed they will remain open and it will manage them accordingly.

10. Who will manage MG after the transaction has completed but before the legal liabilities are settled and the company is wound up?

MG will continue as an entity until there is an outcome of the pending litigation and regulatory matters. This will ensure that MG, after the Saputo transaction is concluded, is able to handle the legal proceedings and any associated exposure. MG intends to retain a small Board of Directors and limited staff to manage its ongoing obligations until those matters are resolved.

11. On the completion of this deal, will anyone on MG's Board or leadership team receive any financial benefit?

There is no remuneration or incentivisation for MG Directors related to the transaction with Saputo. As in past years, MG intends to continue to provide a mixture of short term and very limited long term incentives to reward senior management for achieving performance related targets during the year. The performance requirements and level of incentive are approved by the Board and will be detailed in the 2018 annual report.