



15 December 2017

Federal Court declaration regarding ASIC settlement

Dear Suppliers

I previously wrote to you on 16 November 2017 regarding a settlement agreed between Murray Goulburn Co-operative Co. Ltd and MG Responsible Entity Limited (together Murray Goulburn) with the Australian Securities and Investments Commission (ASIC), in relation to its investigation into Murray Goulburn's conduct over the period prior to the ASX announcement on 27 April 2016. The settlement was subject to Federal Court approval.

The Federal Court of Australia has today made a declaration in the terms sought by ASIC and Murray Goulburn and has imposed the agreed penalty of \$650,000. It was not alleged by ASIC that Murray Goulburn deliberately contravened its continuous disclosure obligations.

As I wrote in my previous letter, the Board considers that the settlement is in the best interests of MG as we continue to focus on our objective of supporting our farmer suppliers, including through the proposed Saputo sale process announced on 27 October 2017.

Suppliers have questioned whether this settlement with ASIC will affect the funds set aside for legal liabilities as part of the Saputo transaction. As previously announced, if the Saputo transaction is completed MG will retain part of the transaction proceeds to ensure the company is able to manage appropriately any potential exposure under the ASIC and Australian Competition & Consumer Commission (ACCC) regulatory actions and class action. The settlement with ASIC clarifies MG's exposure in relation to the ASIC investigation, which is only one aspect of the potential exposures.

Kind regards

Ari Mervis
Chief Executive Officer