



30 April 2018

Completion of Saputo transaction

Dear Suppliers

As you will be aware, Saputo Dairy Australia (SDA) is expected to assume ownership of MG's operating assets and liabilities tomorrow, following the formal completion of the transaction.

I wanted to update you regarding future plans for MG, dates and processes for the payment of proceeds related to the Saputo transaction, as well as provide some general information.

Future of MG post-completion

As detailed in the Explanatory Memorandum and discussed at recent supplier meetings, MG will have limited operations following completion of the transaction. MG will operate with a reduced Board of five Directors comprising Lisa Dwyer, Ian Goodin, David Grant, Brock Williams and myself as Chairman, and a small management team to manage the ongoing litigation and MG's reporting and compliance obligations. We will continue to be known as Murray Goulburn Co-operative Co. Limited.

MG will be focused on reducing costs wherever possible and providing the maximum possible return to shareholders and unitholders from the asset sale proceeds. After the conclusion of the retained litigation, it is anticipated that MG will be wound up and a final distribution of the balance of the asset sale proceeds (if any) will be made to unitholders and shareholders. Until that time, we will provide updates to shareholders and unitholders on any major changes to the status of the retained litigation, in addition to our half yearly and annual reporting obligations.

Payment of Saputo transaction proceeds

On 15 May 2018 you will receive an initial distribution of \$0.80 per share/unit as a capital return from the proceeds of the Saputo transaction. This will be paid directly to you by Computershare.

Qualifying MG Suppliers will also receive two additional payments related to the Saputo transaction with their future milk proceeds. A backpay amount of \$0.40 per kilogram of milk solids (kgms) for all qualifying milk solids supplied between 1 July 2017 and 31 October 2017 will be paid with milk proceeds on 15 May 2018 (MG suppliers who have genuinely retired will also receive this backpay). A retention payment of an additional \$0.40 per kgms for all milk supplied in FY18 will be paid to Qualifying MG Suppliers only with milk proceeds on 15 August 2018. I hope these payments will help to support suppliers particularly affected by the very dry conditions over recent months.

Information regarding trading of shares and units

As previously advised, MG will close the Shareholder Trading Platform (STP) on 30 June 2018. The current trading restrictions on shares will cease to apply from 2 May 2018 and shareholders can continue to sell shares (but not purchase them) through the STP until its closure, subject to any third party security interests. After the closure of the STP, shareholders will only be able to buy and sell shares through off-market transfers arranged directly with another party.

Shareholders will be able to buy and sell units on ASX while the MG Unit Trust continues to be listed on the ASX. Unitholders are expected to be asked to vote on the proposed de-listing of the MG Unit Trust from ASX at the 2018 AGM.

If you have questions related to your shares or units, please call the Shareholder Information Line on 1300 477 596 (available Mondays to Fridays 8.30am and 5.00pm) or go to our new website at www.mgcl.com.au which will launch tomorrow.

Looking to the future

The Saputo transaction received the resounding support of MG suppliers at the Extraordinary General Meeting, as well as the unanimous support of the Board. Saputo has demonstrated itself as a credible and trusted processor in Australia, providing us with confidence that it will honour its commitments to suppliers going forward.

I would like to thank you for your milk supply to MG over the period of your association with the co-operative and your contribution to the development of its operations. In many cases this is a multi-generational relationship and I realise that you may be feeling a mixture of emotions with these developments.

This is undoubtedly a significant day in the history of MG – a time to reflect not only on the achievements and successes of the past, but to look to the future with hope and excitement for the opportunities ahead on joining one of the world's largest and most successful dairy companies.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Spark', with a stylized flourish at the end.

John Spark
Chairman