



24 February 2017

Market Announcements Office
Australian Securities Exchange

ELECTRONIC LODGEMENT

Dear Sir or Madam

MG Unit Trust – Interim financial report for period ended 31 December 2016

In accordance with the Listing Rules, attached is a copy of the Appendix 4D, together with MG Unit Trust's financial statements and reports for the period ended 31 December 2016, for immediate release to the market.

An Appendix 3A.1 containing information regarding the interim distribution for financial year 2017 will also be released in accordance with the Listing Rules.

Further, given that unitholders have an economic exposure to Murray Goulburn Co-operative Co. Limited (Murray Goulburn), the financial statements and reports of Murray Goulburn for the half-year ended 31 December 2016 will be released to the market.

A presentation of Murray Goulburn's financial results for the half-year ended 31 December 2016 will be held at 11.00am AEDT today. A webcast of the presentation will be available at <http://edge.media-server.com/m/p/7o2hpkop> and an archived version will be available on Murray Goulburn's website www.mgc.com.au for viewing after the webcast.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Amy Alston'.

Amy Alston
Company Secretary

APPENDIX 4D Rule 4.2A.3

Preliminary interim report

MG Unit Trust

ARSN 606 103 637

1. Details of the reporting period

Reporting Period: The reporting period is from 1 July 2016 to 31 December 2016. The comparative reporting period is from 28 May 2015 to 31 December 2015. 28 May 2015 was the date of registration of the MG Unit Trust (Scheme) as a managed investment scheme.

2. Results for announcement to the market

		31 December 2016	31 December 2015	Up/Down	Movement
		\$m	\$m	\$m	%
2.1	Investment (expense) income – net fair value (loss) gain on revaluation of loan to MG Sub Trust	(33)	81	(113)	(141%)
2.2	Profit (loss) from ordinary activities after tax attributable to unitholders	-	-	N/A	N/A
2.3	Net profit (loss) for the period attributable to unitholders	-	-	N/A	N/A

Distributions	Amount per security ¢	Franked amount per security ¢
Current Period 2.4 Interim Distribution	1.70	1.70

2.5 Record date for determining entitlements for the interim distribution is 6 March 2017.

2.6 Brief explanation of figures in 2.1 to 2.4 - :

- i) Revenue is down 141% and represents net fair value loss on revaluation of loan to MG Sub Trust (\$32.672m), the comparative period reported a gain of \$80.628m.
- ii) The Scheme reported nil profit after income tax for the period ended 31 December 2016 (comparative period, \$nil).
- iii) The interim distribution will be 100% franked. The interim distribution will be paid on 30 March 2017.

3. Net tangible asset backing per unit at 31 December 2016 – A\$0.925 (2015, A\$2.49).

4. Control gained over entities having a material effect – None

5. Details of individual distributions and payment dates:

Details	Date paid/payable	Distribution ¢ per unit
Interim Distribution	30 March 2017	1.70

The amount per unit of foreign sourced distributions or dividends is nil.

6. Details of Distribution Reinvestment Plan

The Distribution Reinvestment Plan is in operation.

Distribution Reinvestment Plan (DRP)

Under the rules of the DRP, eligible unitholders may elect to participate in the DRP in respect of all or part of their unitholding, subject to any maximum and/or minimum number of units to participate in the DRP that the directors may specify. There is currently no minimum number of units which a unitholder may designate as participating in the DRP. The maximum number of units which a unitholder may designate as participating in the DRP is 250,000.

Further, participation in the DRP is restricted to those unitholders who, at the Record Date, have an address in Australia or New Zealand recorded in the unit register.

The last date for receipt of election notices for the DRP – 7 March 2017

7. Details of associates and joint venture entities – None

8. **For foreign entities, which set of accounting standards is used in compiling the report** – not applicable
9. **Commentary on results for the period** – refer to attached Directors' Report – review of operations.
10. **This report is based on accounts which have been reviewed** – refer page 14 of attached financial statements.

A handwritten signature in blue ink, appearing to read 'Philip Tracy', with a long horizontal flourish extending to the right.

Philip Tracy
Director

Date: 24 February 2017

MG Unit Trust
(ARSN 606 103 637)

Interim Financial Report for the half year ended
31 December 2016

Directors' Report

The Directors of MG Responsible Entity Limited, the Responsible Entity of MG Unit Trust (the 'Scheme'), present the following report for the half year ended 31 December 2016.

Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Scheme is Level 15, Freshwater Place, 2 Southbank Boulevard, Southbank, VIC 3006.

Directors

The Directors of MG Responsible Entity Limited listed below held office as a Director of the Responsible Entity at all times during or since the end of the half year.

PW Tracy (Chairman of Parent)	LM Dwyer (appointed 28 October 2016)
KW Jones	MF Ihlein (Responsible Manager)
N Akers	KD Jackson (appointed 28 October 2016)
WT Bodman	GH Kilpatrick (appointed 28 October 2016)
M Clark (appointed 23 November 2016)	A Mervis (appointed 13 February 2017)
CJ Dwyer (appointed 28 October 2016)	GN Munzel

PJO Hawkins (retired 23 November 2016), JP Pye (retired 28 October 2016), and MJ Van de Wouw (resigned 28 October 2016) ceased to be directors during the period.

Company Secretaries

The Company Secretaries below have acted as Company Secretaries of MG Responsible Entity Limited during or since the end of the half year.

Amy Alston (appointed 23 November 2016)
Fiona Smith (resigned 23 November 2016)
Natalie McKaig (resigned 6 January 2017)

Principal Activities

The principal activity of the Scheme during the half year ended 31 December 2016 has been to act as a special purpose, passive funding vehicle holding only an interest in subordinated Notes and Convertible Preference Shares (CPS) issued by Murray Goulburn Co-operative Co. Limited. The Notes and CPS are held by the trustee of the Murray Goulburn Sub Trust on trust for MG Responsible Entity Limited as responsible entity of the Scheme. Murray Goulburn Co-operative Co. Limited is the ultimate parent of each of MG Responsible Entity Limited and the trustee of the Murray Goulburn Sub Trust.

The Scheme did not have any employees during the half year ended 31 December 2016.

No significant change in the nature of these activities occurred during the half year ended 31 December 2016.

Review of Operations

The Scheme reported nil profit after income tax for the half year ended 31 December 2016. The Scheme paid a final distribution in relation to the period ended 30 June 2016 on 29 September 2016 of 3.91 cents per unit. The value of Scheme assets at 31 December 2016 was \$188,540,236. Scheme assets are valued at fair value through profit or loss. Given that the Scheme provides unitholders with an economic exposure to Murray Goulburn Co-operative Co. Limited, this financial report should be read in conjunction with the financial report of Murray Goulburn Co-operative Co. Limited (the parent entity) for the half year ended 31 December 2016. That financial report is available on the parent entity's web site and has been released to the ASX in conjunction with this report.

Likely developments and expected results of operations

The Scheme will continue to act as a special purpose, passive funding vehicle within the consolidated group comprising Murray Goulburn Co-operative Co. Limited as the parent entity and its controlled entities. The results of the Scheme's operations will be affected by a number of factors, including the performance of the Australian Stock Exchange and specifically the performance of the consolidated group comprising Murray Goulburn Co-operative Co. Limited and its controlled entities. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Scheme during the half year ended 31 December 2016.

Directors' Report (continued)

Events Subsequent to Balance Date

Subsequent to the half year ended 31 December 2016, the MG Sub Trust recognised distributions which were payable by Murray Goulburn Co-Operative Co. Limited, being the ultimate parent entity of both the Scheme and MG Sub Trust. In turn, the MG Sub Trust declared a distribution in favour of the Scheme. The Scheme's Responsible entity then declared a distribution in favour of the Scheme's unit holders in the amount of 1.70 cents per unit, fully franked. This distribution has not been recognised as a liability as at 31 December 2016. The distribution is expected to be paid on 30 March 2017.

Other than as noted above in the preceding paragraph, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme in financial years subsequent to the half year ended 31 December 2016.

Fees paid to and investments held by the Responsible Entity or its associates

There were no fees paid to MG Responsible Entity Limited by the Scheme and no investments were held by MG Responsible Entity Limited in the Scheme throughout the half year ended 31 December 2016.

Indemnity and insurance of officers

During the half year ended 31 December 2016, MG Responsible Entity Limited insured its Directors and Officers against liability to third parties and for costs incurred in defending any civil or criminal proceedings that may be brought against them in their capacity as Directors or Officers of that entity. This excludes a liability that arises out of wilful breach of duty or improper use of inside information. The premium also insures MG Responsible Entity Limited for any indemnity payments it may make to its Directors and Officers in respect of costs and liabilities incurred. Disclosure of the premium payable is prohibited under the conditions of the policy. The cost of the premium was borne by Murray Goulburn Co-operative Co. Limited (the ultimate parent of MG Responsible Entity Limited).

Indemnity of auditors

The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with the Instrument, unless otherwise indicated.

Auditor's Independence Declaration

Our auditors have provided the Board of Directors of MG Responsible Entity Limited with a signed Independence Declaration in accordance with section 307C of the Corporations Act 2001. This declaration is included at page 13 of this financial report.

Signed in accordance with a resolution of the Board of Directors.



PW Tracy
Director

Melbourne, 24 February 2017

Statement of Comprehensive Income

for the period ended 31 December 2016

	Note	December 2016 \$000	December 2015 \$000
Finance income / (costs)			
Net change in fair value of liability to unitholders	4	32,672	(80,628)
Distributions to unitholders	4	(8,013)	-
Investment (expense) / income			
Net fair value (loss)/gain on revaluation of loan to MG Sub Trust	5	(32,672)	80,628
Distribution income	5	8,013	-
Profit (loss) before income tax		-	-
Income tax expense		-	-
Profit (loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the period		-	-

The accompanying notes form part of these financial statements.

Balance Sheet

as at 31 December 2016

	Note	December 2016 \$000	June 2016 \$000	December 2015 \$000
Assets				
Financial asset held at fair value through profit or loss - loan to MG Sub Trust	6	188,540	223,256	514,788
Total assets		188,540	223,256	514,788
Liabilities				
Financial liability at fair value - amounts due to unitholders	7	188,540	223,256	514,788
Total liabilities		188,540	223,256	514,788
Net assets		-	-	-
Total equity		-	-	-

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

as at 31 December 2016

Equity attributable to unitholders
\$000

Profit for the period	-
Other comprehensive income for the period	-
Balance at 31 December 2015	-
Balance at 1 July 2016	-
Profit for the period	-
Other comprehensive income for the period	-
Balance at 31 December 2016	-

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the period ended 31 December 2016

	December 2016 \$000	December 2015 \$000
Cash flows from operating activities		
Net cash inflow (outflow) from operating activities	-	-
Cash flows from investing activities		
Net cash inflow (outflow) from investing activities	-	-
Cash flows from financing activities		
Net cash outflow from financing activities	-	-
Net increase (decrease) in cash	-	-
Cash at the end of the year	-	-
Reconciliation to cash		
Cash at bank and cash on hand	-	-
Cash at the end of the year	-	-

Gross proceeds of \$437.7 million were raised when the MG Unit Trust listed on the Australian Securities Exchange on 3 July 2015. The funds raised were received directly by Murray Goulburn Co-operative Co. Limited (the parent), as such there was nil impact to the Scheme's cash position.

In its role as responsible entity of MG Unit Trust, MG Responsible Entity receipts distributions on behalf of MG Unit Trust, and distributes them to unitholders. There was nil impact to the Scheme's cash position when the final distribution for the period ended 30 June 2016 was received and paid on 29 September 2016.

The accompanying notes form part of these financial statements.

1: General information

These financial statements cover MG Unit Trust (the Scheme) as an individual entity. The Scheme was registered as a Managed Investment Scheme on 28 May 2015.

In 2015, Murray Goulburn Co-operative Co. Limited (Murray Goulburn) undertook a capital restructure that involved the establishment of the Scheme, a special purpose funding vehicle listed on the ASX. The responsible entity of the Scheme is MG Responsible Entity Limited (Responsible Entity), a wholly owned subsidiary of Murray Goulburn. The board of the Responsible Entity is the same as the Board of Murray Goulburn.

The funds raised by the Scheme from external investors in an initial public offering of units undertaken in July 2015 were invested into Murray Goulburn through Notes issued by Murray Goulburn. Subsequent to the Scheme listing on the ASX, the Scheme acquired Convertible Preference Shares (CPS) issued by Murray Goulburn as a consequence of the operation of Murray Goulburn's Shareholder Trading Platform. The Notes and CPS each, as far as possible, carry the same economic rights as Murray Goulburn ordinary shares.

Unitholders are entitled to receive distributions equivalent to any dividends paid to shareholders in Murray Goulburn. Dividends on shares, and therefore distributions on units, are determined by the Board of Murray Goulburn in accordance with the Profit Sharing Mechanism outlined in Section 6 of the Product Disclosure Statement (PDS) dated 29 May 2015.

The Responsible Entity's registered office is Freshwater Place, Level 15, 2 Southbank Boulevard, Southbank VIC 3006. The financial statements are presented in the Australian currency. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements were authorised for issue by the directors of the Responsible Entity on 24 February 2017.

2: Summary of Significant Accounting Policies

A) BASIS OF PREPARATION

This financial report has been prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. This financial report does not include all of the notes that might normally be included in an annual financial report.

The financial statements have been prepared on a going concern basis and they have also been prepared on the basis of historical cost, except for the revaluation of certain loans receivable and financial liabilities which are stated at fair value in accordance with the policies set out below. All amounts are presented in Australian dollars.

The reporting period is the six months ended 31 December 2016. The comparative period is from 28 May 2015 (date of registration as Managed Investment Scheme) to 31 December 2015.

The Scheme is a wholly owned and controlled subsidiary of its ultimate parent entity, Murray Goulburn Co-Operative Co. Limited. As a subsidiary the Scheme adopts those accounting policies adopted by its ultimate parent which are relevant to the Scheme's operations. The parent's accounting policies are set out in Murray Goulburn Co-Operative Co. Limited's annual financial report for the year ended 30 June 2016 which is available on that entity's web site.

B) FINANCIAL ASSETS

With respect to the classification of financial assets, the Notes and Convertible Preference Shares (CPS) do not meet the requirements of AASB 9.4.1.2(b) as the contractual terms of the Notes do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. As such the Notes and CPS are measured at fair value through profit or loss.

The fair value of receivables is intrinsically linked to the fair value of amounts owed to unit holders, and in turn, to the value of MG Unit Trust's units as at balance date, as listed on the Australian Securities Exchange. Gains arising on the revaluation of financial assets to fair value are recorded as investment income in the Statement of Comprehensive Income.

C) FINANCIAL LIABILITIES

The Scheme is contractually obligated to pay out distributions to unitholders equal to the distributions the Scheme receives from Murray Goulburn Co-operative Co. Limited on the Notes and Convertible Preference Shares held via MG Sub Trust. The Scheme is required to redeem the units upon a change of control of Murray Goulburn Co-operative Co. Limited. Additionally, neither the distributions nor the redemption are within the Scheme's control. Based on these facts the units are classified as financial liabilities for the Scheme.

The amount due to unitholders is recorded at fair value through profit or loss and is revalued to reflect the current fair value of the MG Unit Trust's units as listed on the Australian Securities Exchange at balance date. Losses arising on the revaluation of financial liabilities to fair value are recorded as finance costs in the Statement of Comprehensive Income.

2: Summary of Significant Accounting Policies (continued)

D) INVESTMENT INCOME

Distributions received by the Scheme from Murray Goulburn Co-operative Co. Limited on the Notes and Convertible Preference Shares (CPS) held by MG Sub Trust are recognised in the profit or loss as distribution income.

E) DISTRIBUTIONS

The Scheme is contractually obligated to distribute to unitholders any distribution it receives from Murray Goulburn Co-operative Co. Limited on the Notes and Convertible Preference Shares (CPS) held by MG Sub Trust. The distributions are recognised in profit or loss as finance costs attributable to unitholders.

F) SEGMENT INFORMATION

The Scheme is a special purpose funding vehicle and it operates as a single segment entity. As a special purpose funding vehicle it has raised funds on the Australian Securities Exchange and all funds raised have been lent by the Scheme's Responsible Entity to MG Sub Trust, an entity which, like the Scheme, is a wholly owned subsidiary of Murray Goulburn Co-operative Co. Limited. The relationship between these entities and nature of the transactions which are likely to occur between them is more fully set out in the Scheme's Product Disclosure Statement, dated 29 May 2015 which is available on Murray Goulburn Co-Operative Co. Limited's web site. The Scheme's financial performance is evaluated on an overall basis. Upon the revaluation of the loan receivable from MG Sub Trust and amounts due to unitholders to fair value, resultant gains or losses are reflected in the statement of comprehensive income and in the ordinary course each fair value adjustment offsets the other such that the result of the Scheme's operations is expected to be nil. The Scheme's financial performance is assessed on this basis. The chief operating decision-makers monitor the operating results of the Scheme on an overall basis. Therefore the Scheme is a single-segment entity.

G) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

AASB 9 Financial Instruments

AASB 9, issued by the Australian Accounting Standards Board (AASB), applicable from 1 January 2018 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors have elected to early adopt AASB 9, however this decision does not impact on the recognition and measurement of the Scheme's financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Scheme does not apply hedge accounting. AASB 9 introduces a new impairment model, however, as the Scheme's investments are all held at fair value through profit or loss, the change in impairment rules does not impact the Scheme.

AASB 15 Revenue from Contracts with Customers

AASB 15, issued by the Australian Accounting Standards Board (AASB) is applicable from 1 January 2018 with early adoption permitted. The introduction of this standard is currently not expected to have any material impact upon the preparation of the Scheme's financial reports. The scheme has not elected to early adopt this standard.

3: Earnings per unit

	December 2016	December 2015
Basic and diluted earnings per unit attributable to unitholders of the Scheme (\$)	-	-
Earnings attributable to unitholders of the Scheme (\$ million)	-	-
Weighted average number of units (thousands of units)	204,632	207,970

Basic earnings per unit is calculated by dividing the profit or loss attributable to unitholders of the Scheme by the weighted average number of units outstanding during the period.

Diluted earnings per unit is determined by adjusting the profit or loss attributable to unitholders of the Scheme and the weighted average number of Scheme units outstanding for the effects of all Scheme units with dilutive potential. There were no Scheme units with dilutive potential for the period presented.

4: Finance income / (costs)

	December 2016 \$000	December 2015 \$000
Net change in fair value of liability to unitholders	32,672	(80,628)
Distributions to unitholders	(8,013)	-
Total finance income / (costs)	24,659	(80,628)

Net change in fair value of liability to unitholders

The related party loan receivable is recorded at fair value through profit or loss. An unrealised gain was recognised when the amount receivable was fair valued as at balance date.

5: Investment (expense) / income

	December 2016 \$000	December 2015 \$000
Net fair value (loss)/gain on revaluation of loan to MG Sub Trust	(32,672)	80,628
Distribution income	8,013	-
Total investment (expense) / income	(24,659)	80,628

Net fair value (loss)/gain on revaluation of loan to MG Sub Trust

Amounts owed to unitholders are recorded at fair value through profit or loss. An unrealised loss was recognised when the amount owed was fair valued as at balance date.

6: Financial asset held at fair value through profit or loss - loan to MG Sub Trust

	December 2016 \$000	June 2016 \$000	December 2015 \$000
Financial asset held at fair value through profit or loss - loan to MG Sub Trust	188,540	223,256	514,788

The related party loan is receivable from the MG Sub Trust. The ultimate parent of both the Scheme and MG Sub Trust is Murray Goulburn Co-operative Co. Limited.

7: Financial liabilities at fair value through profit or loss - amounts due to unitholders

	December 2016 \$000	June 2016 \$000	December 2015 \$000
Financial liability at fair value - amounts due to unitholders	188,540	223,256	514,788

8: Fair value measurement of financial instruments

AASB 13 requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices in active markets for identical assets and liabilities (Level 1).
- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).
- inputs for the asset or liability that are not based on observable market data (Level 3).

The following table presents financial assets and liabilities at fair value:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 31 December 2016				
Assets				
Financial asset held at fair value through profit or loss:				
- loan to MG Sub Trust	-	188,540	-	188,540
Liabilities				
Financial liabilities at fair value through profit or loss:				
- amounts due to unitholders	-	188,540	-	188,540
At 30 June 2016				
Assets				
Financial asset held at fair value through profit or loss:				
- loan to MG Sub Trust	-	223,256	-	223,256
Liabilities				
Financial liabilities at fair value through profit or loss:				
- amounts due to unitholders	-	223,256	-	223,256
At 31 December 2015				
Assets				
Financial asset held at fair value through profit or loss:				
- loan to MG Sub Trust	-	514,788	-	514,788
Liabilities				
Financial liabilities at fair value through profit or loss:				
- amounts due to unitholders	-	514,788	-	514,788

There were no transfers between Levels 1, 2 and 3 during the period ended 31 December 2016.

The fair value of the loan receivable represents the cash flows that MG Unit Trust expects to receive in principal and dividend streams from the MG Sub Trust. This fair value that has been used is the value of the MG Unit Trust quoted on the ASX at 31 December 2016. In turn, the value of the liability due to unitholders is driven by the value of the loan receivable as this represents the value that the unitholders are entitled to. Given that both asset and liability reference quoted prices, they have both been classified as level 2.

9: Events Subsequent to Balance Date

Subsequent to the period ended 31 December 2016 and on 24 February 2017, the MG Sub Trust recognised dividends which were payable by Murray Goulburn Co-Operative Co. Limited, being the ultimate parent entity of both the Scheme and MG Sub Trust. In turn, the MG Sub Trust declared a distribution in favour of the Scheme. The Scheme's Responsible Entity then declared a distribution in favour of the Scheme's unit holders in the amount of 1.70 cents per unit, fully franked. This distribution has not been recognised as a liability as at 31 December 2016. The distribution is expected to be paid on 30 March 2017.

Other than as noted above in the preceding paragraph, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme in financial years subsequent to the period ended 31 December 2016.

10: Contingent liabilities

Class Action

On 17 May 2016, Murray Goulburn Co-operative Co. Limited (MG) and MG Responsible Entity Limited, as responsible entity of the MG Unit Trust (MG RE), were notified that a group proceeding had been filed against them and a number of current and former directors in the Supreme Court of Victoria.

The statement of claim alleges contraventions of the Corporations Act through allegedly misleading or deceptive statements made in a Product Disclosure Statement issued on 29 May 2015 (PDS), and in subsequent market announcements. The proceeding is brought by the lead plaintiff on behalf of unitholders who purchased units pursuant to the PDS and/or in the period "on or after 3 July 2015 and prior to the commencement of trading on 29 February 2016" and who held any of those units at the commencement of trading on 27 April 2016. The lead plaintiff has made an application to expand the claim to include unitholders who purchased units on or after 27 April 2016 and who continue to hold any of those units. The Court has yet to determine this application. The information usually required by AASB 137 Provisions, Contingencies and Contingent Liabilities is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation. The companies strongly deny that there is a proper basis for the claim and are vigorously defending the proceedings.

Regulatory Investigations

MG and MG RE are also currently the subject of investigations which are being undertaken by:

- the Australian Securities and Investments Commission in relation to potential breaches of the Corporations Act; and
- the Australian Competition and Consumer Commission (ACCC) in relation to potential breaches of the Competition and Consumer Act.

The companies are fully co-operating with both government agencies to resolve the issues. To date no adverse findings have been notified to either company in relation to these investigations.

The ACCC is conducting an inquiry into the competitiveness of prices, trading practices and the supply chain of the Australian dairy industry. MG is required to participate in this industry wide inquiry and will fully co-operate with the information requests of the ACCC. The inquiry is not expected to be completed until November 2017.

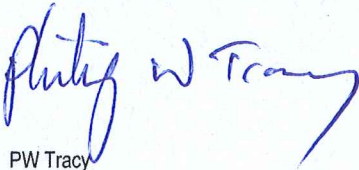
Directors' Declaration

MG Responsible Entity Limited presents the Directors' Declaration in respect of MG Unit Trust (the 'Scheme'):

In accordance with a resolution of the Directors of MG Responsible Entity Limited we state that, in the opinion of the Directors:

- a) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable;
- b) The attached financial statements and Notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards; and
- c) The attached financial statements and Notes thereto give a true and fair view of the Scheme's financial position as at 31 December 2016 and performance for the financial period ended on that date.

This declaration is made in accordance with a resolution of the Directors of MG Responsible Entity Limited.

A handwritten signature in blue ink, appearing to read 'PW Tracy', is written over the printed name and title.

PW Tracy
Director

Melbourne
24 February 2017



Auditor's Independence Declaration

As lead auditor for the review of MG Unit Trust for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

Lisa Harker

Lisa Harker
Partner
PricewaterhouseCoopers

Melbourne
24 February 2017

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Liability limited by a scheme approved under Professional Standards Legislation.



Independent auditor's review report to the members of MG Unit Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of MG Unit Trust (the registered scheme), which comprises the balance sheet as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of MG Responsible Entity Limited (the responsible entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MG Unit Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MG Unit Trust is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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Lisa Harker

Lisa Harker
Partner

Melbourne
24 February 2017