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ASX Announcement

17 December 2018

Proposal to delist the MG Unit Trust

As noted at the 2018 Annual General Meeting of Murray Goulburn Co-operative Co. Limited (MG), MG has been undertaking further work in relation to better understanding the ongoing operational costs of MG, in particular insurance premiums in the current tightened insurance market.

Based on its enquiries with insurance advisors, MG anticipates that it could significantly reduce its future insurance premiums by delisting the MG Unit Trust from the ASX. On this basis, the Board of MG Responsible Entity Limited (MGRE) has determined to seek approval from Unitholders for the delisting of the MG Unit Trust.

MG and MGRE's annual insurance program will include directors and officers insurance for current and former directors and officers of the MG group and insurance required in connection with MGRE's Australian Financial Services Licence. MG and MGRE are contractually required to maintain insurance for current and former directors and officers.

MG's enquiries have indicated that ongoing annual insurance premiums and the final insurance premium for run off insurance when MG is eventually wound up (following the conclusion of the Retained Litigation) would be expected to be significantly lower if the MG Unit Trust is delisted from ASX.

The actual cost savings will remain uncertain until annual insurances are placed with insurers for the period starting 1 April 2019 and, in the case of run off insurance, until MG is wound up. As run off cover costs are a multiple of base premium, this can be a material amount. Subject to any relevant confidentiality restrictions, MG intends to provide further estimated information about potential costs savings for placement of insurances upon a delisting in the Notice of Meeting.

Any reduction in future insurance premiums is a cost saving for the benefit of Shareholders and Unitholders. For this reason, the Boards of MG and MGRE have determined that continuing the listing of the MG Unit Trust on ASX is not in the best interests of Shareholders or Unitholders respectively having regard to maintaining MG's cash reserves for potential distribution to Shareholders and Unitholders.

The Board of MGRE has determined to seek approval from Unitholders to approve the delisting of the MG Unit Trust and will accordingly convene a meeting of Unitholders to occur sometime in February or March 2019 to seek that approval.

In accordance with the usual delisting requirements of ASX, if Unitholder approval is obtained for delisting the MG Unit Trust it is expected that units will continue to trade on ASX for one month after the Unitholder approval is obtained.

Further information will be provided in the Notice of Meeting to be sent to Unitholders. The delisting of the MG Unit Trust is subject to ASX consultation.

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About the MG Unit Trust

The MG Unit Trust (ASX:MGC) is a special purpose funding vehicle which provides its unitholders with an economic exposure to the business of Murray Goulburn Co-operative Co. Limited (Murray Goulburn). The Responsible Entity of the MG Unit Trust is MG Responsible Entity Limited, a wholly-owned subsidiary of Murray Goulburn.