27 February 2019

Market Announcements Office
Australian Securities Exchange

ELECTRONIC LODGEMENT

Dear Sir or Madam

Murray Goulburn Co-operative Co. Limited (Murray Goulburn) – Interim financial statements and reports for the half year ended 31 December 2018

In accordance with the Listing Rules, attached is a copy of Murray Goulburn's interim financial statements and reports for the half year ended 31 December 2018, for immediate release to the market.

This information is being released given that unitholders of the MG Unit Trust have an economic exposure to Murray Goulburn.

Yours faithfully

Richa Puri
Company Secretary

Murray Goulburn Co-operative Co. Limited

ACN 004 277 089

Interim Financial Report
for the half-year ended 31 December 2018

TABLE OF CONTENTS

Director's report

The Directors of Murray Goulburn Co-operative Co. Limited ('Murray Goulburn' or 'the Company'), present their report together with the financial report of the Company and its controlled entities (the Group) for the half-year ended 31 December 2018.

Murray Goulburn

The registered office and principal place of business of Murray Goulburn is Level 15, Freshwater Place, 2 Southbank Boulevard, Southbank, VIC 3006.

Directors

The Directors of the Company at any time during or since the half-year up to the date of this report are:

Name	Directorship period
J Spark (Chairman)	Director since 24 March 2017
LM Dwyer	Director since 28 October 2016
I Goodin	Director since 27 October 2017
DC Grant	Director since 27 October 2017
BA Williams	Director since 27 October 2017

Company Secretary

The Company Secretary of Murray Goulburn during the half-year was Richa Puri.

Principal activities

On 1 May 2018 the operating assets of the Group were sold to Saputo Dairy Australia Pty Ltd (the Saputo transaction). As part of the Saputo transaction, Murray Goulburn agreed to retain liabilities associated with the Australian Competition and Consumer Commission (ACCC) proceeding and Webster unitholder class action and any claim or dispute which is based on the same or substantially similar facts or circumstances together, the 'Retained Litigation'. On 20 August 2018, a second unit holder class action was commenced (see below for details under the section titled 'Status of the Retained Litigation').

Murray Goulburn has retained part of the sale proceeds to appropriately manage any potential exposure it has under the Retained Litigation.

The principal activities of the Group during the half-year have been the finalisation and settlement of the Saputo transaction price, the management of funds retained from the Saputo transaction and legal activities associated with the Retained Litigation.

Review of operations

The Group reported a net loss after income tax of $17.6 million for the half-year ended 31 December 2018 (2017: $27.5 million). The net loss after tax includes a loss of $16.7 million from discontinued operations (see Note 2 of the financial statements) and a loss from ongoing operations of $0.8 million which include the costs of Retained Litigation.

The going concern status of the Group is addressed in Note 1.3 of the financial statements and the auditor has noted an Emphasis of Matter in respect to the basis of preparation in their Independent Review Report.

Future developments

After the conclusion of the Retained Litigation it is anticipated that the Group will be wound up and a final distribution of the balance of the Saputo transaction proceeds (if any) will be made to all Shareholders and Unitholders. The timing and amount of subsequent distributions (if any) is not certain given the outcome of the Retained Litigation is uncertain.

Significant changes in the state of affairs

Other than the finalisation and settlement of the Saputo transaction price, a portion of which had remained subject to negotiation as at the last reporting date, 30 June 2018, and the commencement of the second unitholder class action, as referred to in Status of the Retained Litigation, there have been no other significant changes in the state of affairs of the Group during the half-year.

Director's report

Status of the Retained Litigation

First unitholder class action – Webster

On 17 May 2016, a class action proceeding was commenced against Murray Goulburn, MG Responsible Entity Limited (Responsible Entity) and a number of former directors. 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 and through continuous disclosure contraventions. It is also claimed that the Responsible Entity breached fiduciary and statutory duties to Unitholders.

The Webster proceeding is brought by the lead plaintiff on behalf of the Unitholders who purchased units pursuant to the PDS and/or in the period from 3 July 2015 to 2 May 2017. Murray Goulburn and the Responsible Entity filed a defence to the proceeding on 22 December 2017.

The Webster proceeding is ongoing and a trial date has been set for February 2020 with an estimated trial time of four weeks.

Second unitholder class action – Endeavour River

On 20 August 2018, a second unitholder class action proceeding was commenced against Murray Goulburn and the Responsible Entity. The allegations in the Endeavour River class action, whilst pleaded differently to the Webster class action, also arise from substantially the same series of events.

The management of the Endeavour River class action has been synchronised with the Webster class action, including that the trial date for the Endeavour River class action has also been scheduled for February 2020 with an estimated trial time of four weeks.

ACCC proceeding

On 28 April 2017, the ACCC commenced legal proceedings against Murray Goulburn and two former officers in the Federal Court in relation to potential breaches of the Competition and Consumer Act 2010 (Cth).

In December 2018, the Federal Court of Australia approved the settlement of the terms sought by the ACCC, Murray Goulburn and former managing director Mr Gary Helou, and imposed a pecuniary penalty of $200,000 on Mr Helou. The ACCC did not seek a pecuniary penalty against Murray Goulburn.

The Court also made costs orders in relation to the proceeding. Murray Goulburn has contributed $200,000 to the ACCC's costs of the proceeding, and Mr Helou has contributed $50,000 to the ACCC's costs of the proceeding.

Proposal to delist the Unit Trust

On 17 December 2018, the Board of the Responsible Entity announced its proposal to seek the approval of Unitholders to delist the Unit Trust from the Australian Securities Exchange (ASX), and to convene a meeting of Unitholders sometime in February or March 2019 to seek that approval. Based on initial enquiries with the insurance market, Murray Goulburn and the Responsible Entity anticipated that they could reduce the Group's operating costs, including the cost of future insurance premiums, by delisting the Unit Trust from the ASX.

Murray Goulburn continues to make enquiries of the insurance market in relation to its annual insurance premiums for the period starting 1 April 2019 and the cost of final run off insurance when Murray Goulburn is eventually wound up (following the conclusion of the Retained Litigation). As part of these enquiries, Murray Goulburn is seeking clarity with respect to the potential cost savings for ongoing insurance premiums if the Unit Trust is delisted from the ASX.

As these enquiries are continuing, the Board has determined to delay convening a meeting of Unitholders to seek approval for the proposed delisting at this time. The Board expects to be in a position to announce further information about the proposed delisting in April 2019.

Events subsequent to balance date

There have been no other matters or circumstances which have arisen between 31 December 2018 and the date of this report that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditor's independence declaration

Our auditors have provided the Board of Directors with a signed Independence Declaration in accordance with section 307C of the Corporations Act 2001. This declaration is included at page 16 of this financial report.

Rounding of amounts to the nearest thousand dollars

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($000), unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Director's report

This report is made on 27 February 2019 in accordance with a resolution of the Directors.

J Spark

Chairman

D.C. Grant

DC Grant

Director

Melbourne

Consolidated statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2018

	Note	December 2018 $'000	December 2017 $'000
Loss for the period			
Continuing operations			
Interest income		3,559	-
Other income		6	-
Revenue	3	**3,565**	**-**
Administrative expenses		(2,411)	(1,990)
Other expenses		(1,909)	(3,896)
Loss from continuing operations before tax	3	**(755)**	**(5,886)**
Income tax expense		-	-
Loss from continuing operations		**(755)**	**(5,886)**
Discontinued operations			
Loss for the period from discontinued operations, net of tax	2	(16,888)	(21,649)
Loss for the period		**(17,643)**	**(27,535)**
Other comprehensive income			
Continuing operations			
Other comprehensive income for the period from continuing operations, net of tax		-	-
Discontinued operations			
Other comprehensive income for the period from discontinued operations, net of tax	2	**-**	38,931
Total comprehensive (loss)/income for the period		**(17,643)**	**11,396**

The accompanying notes form an integral part of these financial statements.

Consolidated statement of financial position

as at 31 December 2018

	Note	December 2018 $'000	June 2018 $'000
Current assets			
Cash and cash equivalents		195,479	222,066
Receivables		930	8,839
Other assets	5	75,649	60,654
Total current assets		**272,058**	**291,559**
Non-current assets			
Investments accounted for using the equity method		-	50
Total non-current assets		**-**	**50**
Total assets		**272,058**	**291,609**
Current liabilities			
Payables		758	2,683
Provisions		27	10
Total current liabilities		**785**	**2,693**
Total non-current liabilities		**-**	**-**
Total liabilities		**785**	**2,693**
Net assets		**271,273**	**288,916**
Equity			
Issued capital		287,436	287,436
(Accumulated losses)/Retained Earnings		(16,163)	1,480
Total equity		**271,273**	**288,916**

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity

for the half-year ended 31 December 2018

	Issued capital	Capital reserve	Asset revaluation reserve	General reserve	Cash flow hedging reserve	Foreign currency translation reserve	Retained earnings	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2017	730,116	36,916	97,846	5,257	(8,429)	8,002	(134,317)	**735,391**
Loss for the period	-	-	-	-	-	-	(27,535)	**(27,535)**
Other comprehensive income for the period	-	-	40,727	-	(1,799)	4	-	**38,932**
Balance as at 31 December 2017	**730,116**	**36,916**	**138,573**	**5,257**	**(10,228)**	**8,006**	**(161,852)**	**746,788**
Balance as at 1 July 2018	287,436	-	-	-	-	-	1,480	**288,916**
Loss for the period	-	-	-	-	-	-	(17,643)	**(17,643)**
Other comprehensive income for the period	-	-	-	-	-	-	-	**-**
Balance as at 31 December 2018	**287,436**	**-**	**-**	**-**	**-**	**-**	**(16,163)**	**271,273**

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows

for the half-year ended 31 December 2018

	Note	December 2018 $'000	December 2017 $'000
Cash flow from operating activities			
Receipts from customers		-	1,191,340
Payments to suppliers and employees		(5,563)	(1,194,812)
Interest received		3,484	829
Interest paid		-	(12,324)
Dividends received		58	550
Net cash used in operating activities		**(2,021)**	**(14,417)**
Cash flow from investing activities			
Payments for deposits		(14,856)	-
Payment to Saputo to finalise sale of operating assets and liabilities	2	(9,702)	-
Payments for computer equipment		(14)	(17,766)
Payments for intangible assets		-	(1,491)
Proceeds from sale of property, plant and equipment		-	1,901
Net cash used in investing activities		**(24,572)**	**(17,356)**
Cash flow from financing activities			
Proceeds from borrowings		-	260,000
Repayment of borrowings		-	(220,000)
Net cash provided by financing activities		**-**	**40,000**
Net (decrease) increase in cash held		**(26,593)**	**8,227**
Cash at beginning of the half-year		222,066	19,368
Effect of exchange rate fluctuations on cash held		6	(1,000)
Cash at end of half-year		**195,479**	**26,596**
Reconciliation to cash and cash equivalents			
Restricted cash at bank		5,000	5,000
Cash on hand and at bank		15,479	30,374
Cash on deposit with maturities of less than 3 months		175,000	-
Bank overdraft		-	(8,778)
Cash at end of half-year		**195,479**	**26,596**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

for the half-year ended 31 December 2018

Note 1: Significant accounting policies and corporate information

1.1 Basis of preparation

Murray Goulburn Co-operative Co. Limited is a for-profit entity for the purposes of preparing this financial report and is domiciled in Australia. These condensed consolidated interim financial statements ("interim financial report") as at and for the half-year ended 31 December 2018 comprise the financial statements for Company and its subsidiaries (together referred to as the "Group").

These interim financial statements for the Group for the half-year ended 31 December 2018 were authorised for issue by the Directors on 27 February 2019. The Directors have the power to amend and reissue the interim financial report. The Annual Report of the Group as at and for the year ended 30 June 2018 is available at www.mgcl.com.au.

This interim 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*;
- does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 2018 annual financial report of the Group and any public announcements made by the Group during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001;
- has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments if applicable. Cost is based on the fair values of the consideration given in exchange for assets;
- is presented in Australian dollars with values rounded to the nearest thousand dollars ($000), unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- presents reclassified comparative information where required for consistency with current period presentation; and
- has applied the Group accounting policies consistently to all periods presented.

1.2 New and revised accounting standards

These interim financial statements adopt all new and amended Accounting Standards and Interpretations issued by the AASB to the extent they are relevant to the continuing operations of the Group and effective for reporting periods beginning on or after 1 July 2018:

There are two new accounting standards that became effective 1 July 2018 –AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*.

AASB 9 *Financial Instruments*

The Group early adopted the classification, measurement and hedge accounting components of AASB 9 in previous financial years. In this financial year, the Group has updated its accounting policies to include the impairment component of AASB 9, which introduced an expected-loss impairment model that requires the Group to account for expected credit losses at the time of recognising financial assets. There was no impact on the Group's financial assets upon adoption.

AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and Interpretation 13 Customer Loyalty Programs. The core principle of AASB 15 is that revenue is recognised when control of a good or service transfers to a customer at the transaction price. There was no impact on the Group's financial statements upon adoption.

Other elements of these standards have been considered with reference to the continuing operations of the Group and have been found to have no impact on the continuing operations. The revised standards may have had an impact on the prior year comparative financial results of the discontinued operations. As the Group is not preparing these interim financial statements on a going concern basis (refer to 1.3 below), the impact of AASB 9 and AASB 15 on the prior period comparative results for the discontinued operations has not been assessed and previously reported financial results for the discontinued operations have not been revised.

New and amended accounting standards and interpretations issued by the AASB effective for reporting periods beginning on or after 1 January 2019:

AASB 16 replaces the current dual operating/finance lease accounting model for lessees under AASB 117 Leases and the guidance contained in Interpretation 4 Determining whether an Arrangement contains a Lease. The new standard introduces a single, on-balance sheet accounting model, similar to the current finance lease accounting. The standard becomes applicable for the financial year ending 30 June 2020. As the Group has no leases there is no impact expected in relation to AASB 16.

1.3 Going concern

These interim financial statements are prepared on a basis consistent with the 30 June 2018 financial statements. On 1 May 2018, the sale of the Group's operating assets and liabilities to Saputo (the Saputo transaction) was completed and the transaction was disclosed as a discontinued operation in the 30 June 2018 financial statements. As previously announced by the Board, the proceeds from that transaction have been and will be used to repay the Group's debt obligations, to fund the ongoing operating costs of the Group, to fund any potential obligations arising from the Retained Litigation, to return capital (if any) to Shareholders and Unitholders, and to wind up the Group companies.

As at 31 December 2018, the Group has limited operations with a reduced Board and has retained staff only to manage Retained Litigation and meet the Group's corporate and financial reporting obligations. At the conclusion of the Retained Litigation it is anticipated that the Group will be wound up and a final distribution (if any) made to all Shareholders and Unitholders.

As at the date of approval of these interim financial statements, the Board is of the view that the Group can and will be able to pay its debts as and when they fall due. However as the winding up of the Group is intended to occur at an as yet undetermined point in the future, these financial statements are not prepared on a going concern basis.

The basis of preparation of these interim financial statements is that of an orderly realisation of the assets and liabilities of the Group. To the extent this affects the remaining assets and liabilities of the Group, the presentation and valuation thereof has been adjusted accordingly and disclosed as such in the applicable note to the financial statements.

1.4 Critical accounting estimates and judgements

Retained Litigation

Certain litigation liabilities associated with the Webster and Endeavour River class actions and any claim or dispute which is based on the same or substantially similar facts or circumstances, were excluded from the sale of the Group's operating assets and liabilities to Saputo. These are referred to as 'Retained Litigation'.

As stated in Note 7 Contingent matters, assessing the status of these matters requires significant judgement and the Group has concluded that the amount of any possible obligation cannot be measured with sufficient reliability and thus these matters have been disclosed as contingent liabilities.

Note 2: Discontinued operations

2.1 Description

On 1 May 2018, the sale of the Group's operating assets and liabilities to Saputo (the Saputo transaction) was completed. As described in the 30 June 2018 full year financial statements, the proceeds from that transaction were used and will be used to repay the Group's debt obligations, to fund the ongoing operating costs of the Group, to fund any potential obligations arising from the Retained Litigation, to return capital (if any) to Shareholders and Unitholders, and to wind up the Group companies. The results of the discontinued operation for the half-year period to 31 December 2018 and 31 December 2017 are presented below.

Included in the December 2018 results is the finalisation of the value of the working capital sold as part of the Saputo transaction. In the 30 June 2018 financial report, this amount remained subject to negotiation and the final result of the sale remained provisional. The negotiations have now concluded and the final adjustment in accordance with the terms of the Sale and Purchase Agreement is included below.

2.2 Financial performance and cash flow information

	December 2018 $'000	December 2017 $'000
Profit/(Loss) of discontinued operations		
Revenue	-	1,115,579
Other income	-	2,425
Share of profit of associates	8	75
Expenses	(127)	(1,077,068)
Finalisation of working capital at sale date (previously contingent)	(16,769)	-
(Loss)/profit before income tax	(16,888)	41,011
Income tax benefit/(expense)	-	(62,660)
Loss after income tax of discontinued operation	(16,888)	(21,649)
Other comprehensive income of discontinued operations		
Revaluation of land and buildings	-	(1,208)
De-recognition of deferred tax liability relating to asset revaluation reserve	-	41,934
Cash flow hedges transferred to statement of profit or loss	-	(3,102)
Cash flow hedges taken to equity	-	4,915
De-recognition of deferred tax asset relating to cash flow hedge reserve	-	(3,612)
Exchange differences arising on translation of foreign operations	-	4
Other comprehensive income for the period of discontinued operations	-	38,931
Total comprehensive income for the period of discontinued operations	-	17,282
Cash flows of discontinued operations		
Net cash outflow from operating activities	(89)	(8,937)
Net cash outflow from investing activities	(9,702)	(17,356)
Net cash inflow from financing activities	-	40,000
Net decrease in cash generated by discontinued operations	(9,791)	13,707

Note 3: Profit and loss information

	December 2018 $'000	December 2017 $'000
Continuing operations		
Interest income	3,559	-
Unrealised foreign exchange gain	6	-
	3,565	-

Continuing operations		
Cost of ongoing litigation, net of insurance recoveries	1,909	3,896
Insurance expenses	866	704

Note 4: Income tax expense

The prima facie income tax benefit/(expense) on the pre-tax accounting (loss)/profit reconciles to the income tax expense in the financial statements as follows:

	December 2018 $'000	December 2017 $'000
Loss from continuing operations before tax	(755)	(5,886)
(Loss)/Profit from discontinued operations before tax	(16,888)	41,011
(Loss)/Profit before income tax expense	(17,643)	35,125
Income tax calculated at the Australian statutory rate of 30%	(5,293)	10,538
Non-deductible items and effect of tax rates in foreign jurisdictions	-	3
Under provision for income tax in prior year	-	(2,092)
Recognition of tax losses to reduce current tax expense	-	(8,449)
Deferred tax asset on losses not recognised	5,293	-
Net underlying tax expense for the half-year	-	-
De-recognition of tax balances due to the Saputo transaction		
Deferred tax assets derecognised	-	62,660
Income tax expense	-	62,660

As at 31 December 2018, the Group has retained unused tax losses of $220.2 million (Australian tax benefit at effective tax rate of 30% of $66.1 million) for which no deferred tax asset had been recognised. In 2017, the group derecognised certain tax assets.

Note 5: Other assets

	December 2018 $'000	June 2018 $'000
Computer equipment	13	-
Prepayments	636	510
Current financial assets	75,000	60,144
	75,649	60,654

Current financial assets relate amounts on deposit with financial institutions with maturities greater than 3 months. Applicable interest rates at 31 December 2018 range between 2.59% and 2.87%.

Note 6: Movement in equity instruments

	Number of Ordinary Shares	Number of Units	Total
Balance as at 30 June 2017	349,525,238	205,140,400	554,665,638
Ordinary shares created using convertible preference shares	(582,254)	582,254	-
Balance as at 31 December 2017	348,942,984	205,722,654	554,665,638
Balance as at 30 June 2018	337,758,366	216,907,272	554,665,638
Ordinary shares created using convertible preference shares	-	-	-
Balance as at 31 December 2018	337,758,366	216,907,272	554,665,638

Note 7: Contingent matters

7.1 Contingent liabilities

7.1.1 ACCC Proceeding

On 28 April 2017, the ACCC commenced legal proceedings against Murray Goulburn and two former officers in the Federal Court in relation to potential breaches of the Competition and Consumer Act 2010 (Cth).

In December 2018, the Federal Court of Australia approved the settlement of the terms sought by the ACCC, Murray Goulburn and former managing director Mr Gary Helou, and imposed a pecuniary penalty of $200,000 on Mr Helou. The ACCC did not seek a pecuniary penalty against Murray Goulburn.

The Court also made costs orders in relation to the proceeding. Murray Goulburn has contributed $200,000 to the ACCC's costs of the proceeding, and Mr Helou has contributed $50,000 to the ACCC's costs of the proceeding.

7.1.2 First unit holder class action – Webster

On 17 May 2016, a class action proceeding was commenced against Murray Goulburn, the Responsible Entity and a number of former directors. 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 and through continuous disclosure contraventions. It is also claimed that the Responsible Entity breached fiduciary and statutory duties to Unitholders.

The Webster proceeding is brought by the lead plaintiff on behalf of the Unitholders who purchased units pursuant to the PDS and/or in the period from 3 July 2015 to 2 May 2017. Murray Goulburn and the Responsible Entity filed a defence to the proceeding on 22 December 2017.

The Webster proceeding is ongoing and a trial date has been set for February 2020 with an estimated trial time of four weeks.

As stated in Note 1.4 Critical accounting estimates and judgements, the Group has concluded that the amount of any possible obligation cannot be measured with sufficient reliability.

7.1.3 Second unit holder class action – Endeavour River

On 20 August 2018, a second unitholder class action proceeding was commenced against Murray Goulburn and the Responsible Entity. The allegations in the Endeavour River class action, whilst pleaded differently to the Webster class action, also arise from substantially the same series of events.

The management of the Endeavour River class action has been synchronised with the Webster class action, including that the trial date for the Endeavour River class action has also been scheduled for February 2020 with an estimated trial time of four weeks.

As stated in Note 1.4 Critical accounting estimates and judgements, the Group has concluded that the amount of any possible obligation cannot be measured with sufficient reliability.

7.2 Future insurance costs

As disclosed in note 1.3 Going concern, at the conclusion of the Retained Litigation, it is anticipated that the Group will be wound up. In accordance with normal business practices, the insurance policies of the Group will be placed into run off at this time. Insurance premiums arising from these policies represent a future expense of the Group. The Group expects the cost of commencing the run off insurance policies to be material however is not presently able to quantify the amount.

7.3 Contingent assets

Insurance recoveries of legal costs

The Group has expensed all legal costs incurred in respect of the Retained Litigation in the Consolidated Statement of Profit or Loss. The Group expects to recover an additional portion of these legal costs from insurers. The value of insurance recoveries is not quantified as it remains uncertain. Given the uncertainty, insurance recoveries are recorded in the profit or loss when received. Insurance recoveries amounting to $958,471, net of GST, were received since balance date and up to the date the financial statements were authorised for issue by Directors.

Note 8: Subsequent events

There have been no matters or circumstances which have arisen subsequent to 31 December 2018 which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in financial years subsequent to the half-year ended 31 December 2018.

Directors' Declaration

The Directors of Murray Goulburn Co-Operative Co. Limited declare that in the opinion of the Directors:

(a) the financial statements and notes for the half-year ended 31 December 2018 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the financial position of the Group as at 31 December 2018 and of its performance for the half-year ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) notwithstanding that the financial statements are not prepared on a going concern basis, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the Directors.

D.C. Grant

J Spark	DC Grant
Chairman	Director

Melbourne

27 February 2019

Auditor's Independence Declaration

As lead auditor for the review of Murray Goulburn Co-operative Co. Limited for the half-year ended 31 December 2018, 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.

This declaration is in respect of Murray Goulburn Co-operative Co. Limited and the entities it controlled during the period.

Lisa Harker

Lisa Harker
Partner
PricewaterhouseCoopers

Melbourne
27 February 2019

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Independent auditor's review report to the members of Murray Goulburn Co-operative Co. Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Murray Goulburn Co-operative Co. Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected other explanatory notes and the directors' declaration for Murray Goulburn Co-operative Co. Limited. The Group comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company 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 Group's financial position as at 31 December 2018 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 Murray Goulburn Co-operative Co. Limited, 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*.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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 Murray Goulburn Co-operative Co. Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2018 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*.

Emphasis of matter – going concern no longer appropriate

We draw attention to Note 1.3: *Significant accounting policies and corporate information, Going Concern* in the financial report, which indicates that at the conclusion of the Retained Litigation it is anticipated that the Group will be wound up and therefore the financial report is not prepared on a going concern basis. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers

PricewaterhouseCoopers

Lisa Harker

Lisa Harker
Partner

Melbourne
27 February 2019