



Murray Goulburn Co-operative Co. Limited
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ASX Announcement

28 February 2020

Murray Goulburn releases FY19 Half-Year Accounts

Murray Goulburn Co-operative Co. Limited (MG) today released its Interim Financial Report for the half-year ended 31 December 2019 (FY20).

Consolidated financial information (\$million)	31 Dec '19	31 Dec '18
Revenue from continuing operations	2.18	3.57
Loss from continuing operations	(2.64)	(0.75)
Loss from discontinued operations	(0.01)	(16.89)
Loss for the period	(2.65)	(17.64)
	31 Dec '19	30 Jun '19
Net Assets	261.87	264.52
Shares & Units on issue	554,665,638	554,665,638

Financial overview

The Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Cash Flows distinguish between, and show separately, discontinued and continuing operations for the six months ended 31 December 2019.

The results of continuing operations during the half-year include a charge for \$0.7 million in respect of Retained Litigation settlement expense, net of insurance recoveries, for the Webster class action, subject to Federal Court approval.

Dividends/distributions

No dividends have been paid or declared by MG since the suspension of dividend payments announced on 2 May 2017.

Status of Retained Litigation

First unitholder class action – Webster

On 17 May 2016, a class action proceeding was commenced against MG, MG Responsible Entity Limited (MGRE) and a number of former directors. The statement of claim alleged 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 also claimed that MGRE breached fiduciary and statutory duties to Unitholders.

The Webster proceeding was 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. MG and MGRE filed a defence to the proceeding on 22 December 2017.

On 1 November 2019, MG, MGRE and the other defendants agreed with the plaintiff to settle the Webster class action. The settlement of the Webster class action, which is without admission of liability, is subject to Federal Court approval. The application for approval of the settlement is presently scheduled for hearing on 12 March 2020.

The settlement amount is \$37.5 million inclusive of interest and costs, approximately 98% of which is funded by insurance. On 19 December 2019, MG contributed the remaining portion of the settlement amount.

The Boards of MG and MGRE determined that the agreement to settle the Webster class action was a commercial decision made in the best interests of Shareholders in MG and Unitholders in the MG Unit Trust.

Second unitholder class action – Endeavour River

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

On 24 June 2019, MG and MGRE agreed with the plaintiff to settle the Endeavour River class action. The settlement of the Endeavour River class action, which is without admission of liability, was subject to Federal Court approval. On 20 December 2019, the Federal Court made orders approving the settlement and a revised proposed settlement distribution scheme with effect from that date. The approved settlement was conditional on an appeal or application for leave to appeal not being filed on or before 24 February 2020. On 24 February 2020, the period for appeal or application for leave to appeal the settlement of the Endeavour River class action expired without challenge.

The settlement amount was \$42 million inclusive of interest and costs, approximately 80% of which was funded by insurance. On 6 August 2019, MG contributed the remaining portion of the settlement amount. MG intends to recover this amount from an insurer third party.

The Boards of MG and MGRE determined that the agreement to settle the Endeavour River class action was a commercial decision made in the best interests of Shareholders in MG and Unitholders in the MG Unit Trust.

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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.