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Murray Goulburn FY15 Annual Results

31 August 2015

Disclaimer



Forward looking statements

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This presentation makes reference to certain non-IFRS financial information. Management uses this information to measure the operating performance of the business and it has been presented as this may be useful for investors. This information has not been reviewed by the MG group's auditor. Forecast information has been estimated on the same measurement basis as actual results.



Highlights

Key business, financial and strategic highlights during FY15

Safety

- ✓ Continued improvement in group safety performance with TRIFR¹ reduced by a further 33.8% to 14 per million hours worked

Profitability

- ✓ Third highest farmgate milk price (FMP)² on record of \$6.02 per kgms and second successive year of \$6.00+ per kgms FMP
- ✓ FY15 pro forma NPAT attributable to shareholders and unitholders of \$73.3 million, 0.7% higher than PDS forecast
- ✓ FY15 statutory NPAT of \$21.2 million compared to \$29.3 million in FY14; above PDS forecast of \$20.1 million
- ✓ Successfully re-positioned as stable dairy foods business in the face of volatile commodity prices

Growth

- ✓ Milk intake up 5.5% to 3.58 billion litres vs. industry growth of 2.6%
- ✓ Revenue of \$2.87 billion, 1.5% lower than FY14 despite ~30% commodity price decline
- ✓ Strong growth in the strategic 'ready-to-consume' Dairy Foods segment with revenue of \$1.13 billion, up 28.9% on FY14

Strategy

- ✓ Capital restructure and IPO of the MG Unit Trust achieved, raising \$500 million, with 92% shareholder approval
- ✓ Strong balance sheet to support growth strategy
- ✓ \$126 million spent on Dairy Foods capacity and capability

Outlook

- ✓ Foreign exchange has moved favourably, commodity prices unfavourably
- ✓ Global supply response (contraction) starting to emerge
- ✓ Product mix being optimised and cost savings pursued
- ✓ FY16 PDS forecast of Available Southern Milk Region of \$6.05 per kgms maintained. Meeting the FY16 forecast remains subject to certain assumptions including a material strengthening of commodity prices during the balance of FY16, foreign exchange and other risk factors as outlined in the PDS



Australia's largest dairy foods company at a glance

FY15 key statistics

Total milk intake
3.6 billion litres



Share of Australian milk pool



Available Southern Milk Region FMP²



Revenue
A\$2.9 billion



Domestic revenue
A\$1.6 billion



Export revenue
A\$1.3 billion



Processing sites
Victoria – 7
NSW – 1
Tasmania – 2³
Qingdao (China) – 1

Employees
2,400+



Farmers
2,600+



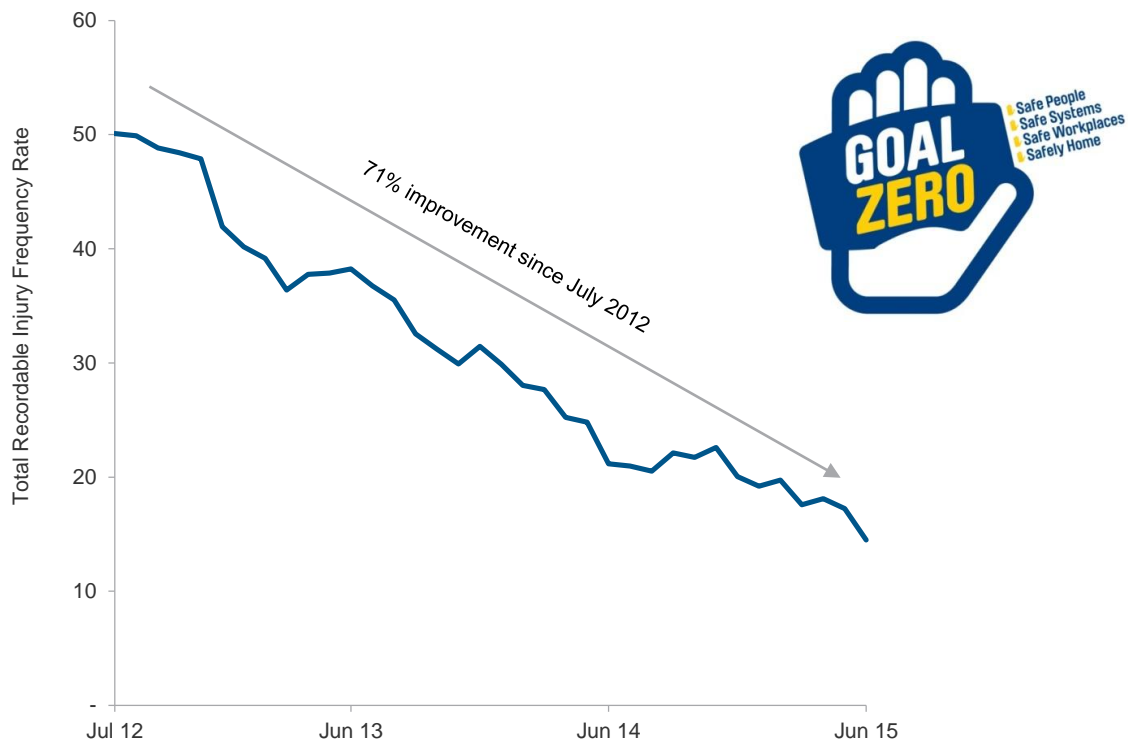
Notes: 1. Sourced from Dairy Australia 2. Available Southern Milk Region FMP paid to suppliers before pro forma application of Profit Sharing Mechanism. 3. Includes Tasmanian Dairy Product's (TDP) Smithton processing facility, TDP is majority owned by Murray Goulburn.

Improving safety



Total Recordable Injury Frequency Rate (TRIFR) reduced by more than 30% in FY15

Total Recordable Injury Frequency Rate (FY12A – FY15A)



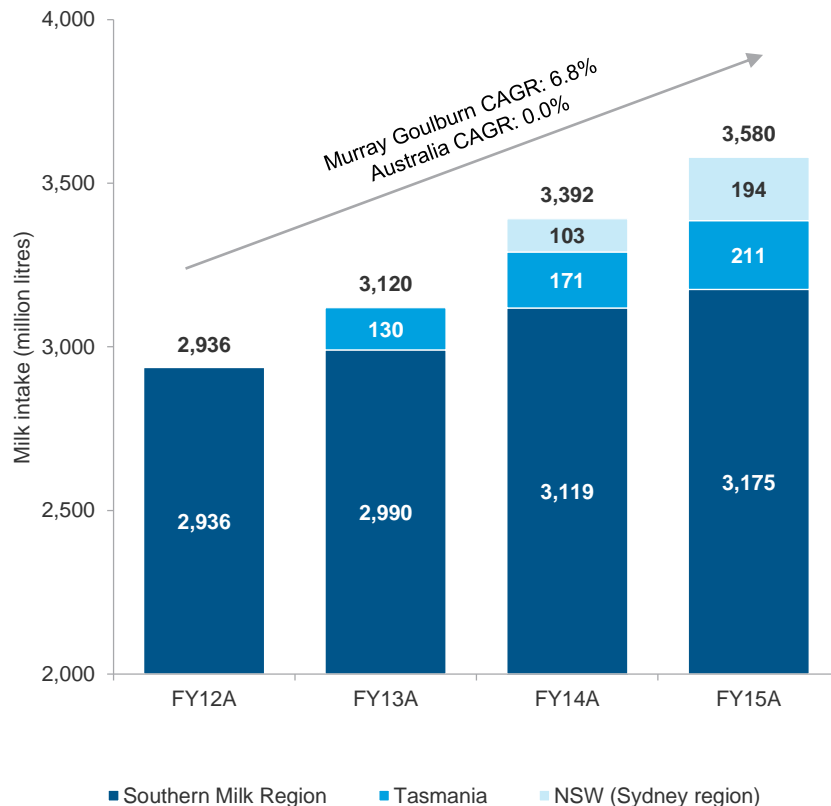
- Achieving Goal Zero – eliminating injury from our workplaces – is our key focus
- 33.8% compound annual improvement rate in TRIFR
- Key safety initiatives during FY15 included:
 - Annual company-wide 'Stop for Safety' program
 - Deployment of new incident management system
 - Achieving AS4801 (Safety) certification at Leongatha and head office
 - Rollout of 25 compliance safety training programs covering safety issues ranging from working at heights to spills management.



5.5% growth in milk intake

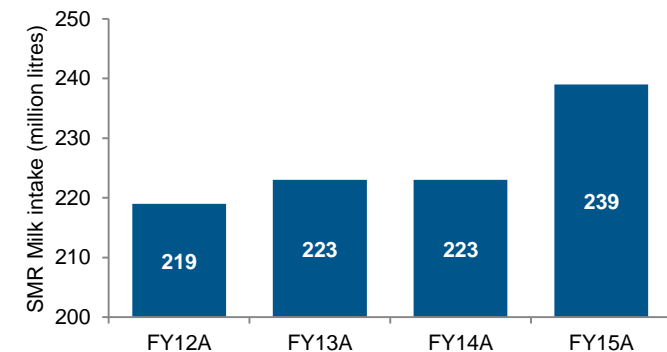
Driven by sustainably higher FMPs and improved supplier sentiment

Murray Goulburn total annual milk intake (million litres)



- Total milk intake of 3.58 billion litres, up 0.3% on the PDS forecast and 5.5% on FY14
- Milk supply grew across all regions: Southern Milk Region, Tasmania and New South Wales
- FY15 Southern Milk Region milk intake (kgms) up 0.4% on PDS and 1.8% on FY14

SMR milk intake (million litres)



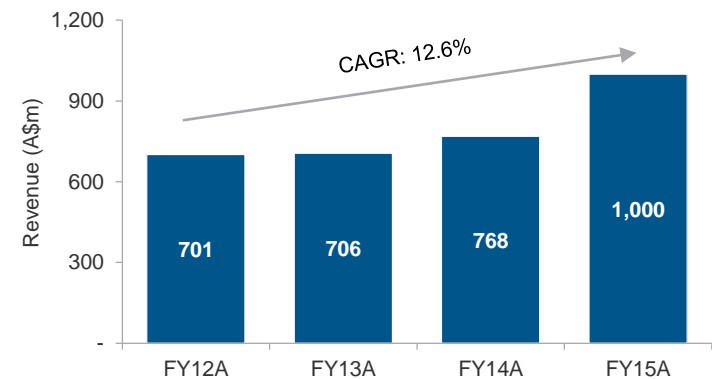
Dairy Foods



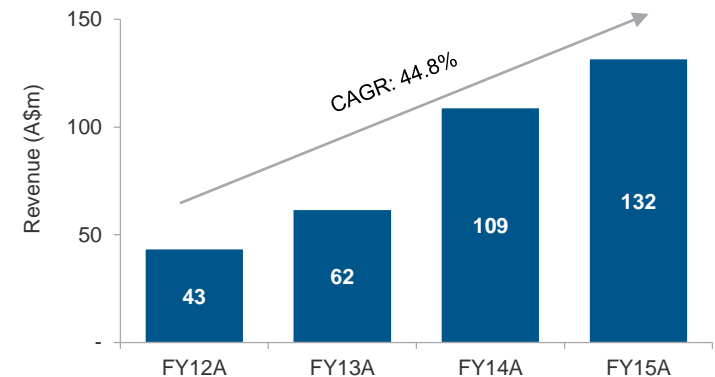
Strong revenue growth in domestic and international Dairy Foods businesses

- Dairy Foods revenue up 28.9% to \$1.13 billion compared to \$0.88 billion in FY14
- Domestic Dairy Foods revenue up 30.1% on FY14 to \$1.0 billion, driven by:
 - Entry into fresh milk segment
 - Strong growth in the food service channel, particularly cheese
- International Dairy Foods revenue continues to experience significant growth, up 20.9% on FY14 to \$132 million, driven by:
 - New consumer packaging launched in China and Vietnam
 - Export product portfolio expansion includes cream cheese, UHT cream and butter
 - Expansion into new geographic markets

Domestic Dairy Foods revenue (FY12A–FY15A)



International Dairy Foods revenue (FY12A–FY15A)





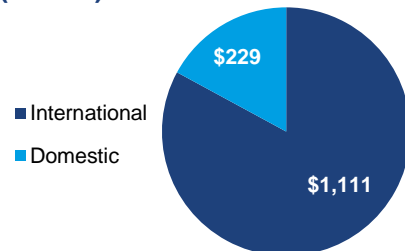
Ingredients and Nutritionals

Continued strong growth in nutritionals revenue (up 33.5%) reducing reliance on dairy ingredients

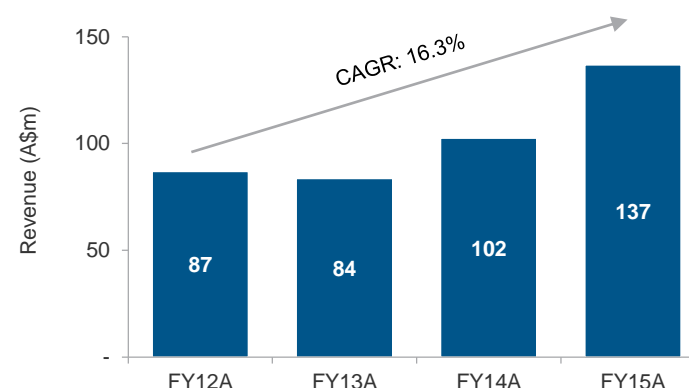
- Ingredients and Nutritionals revenue was \$1.34 billion compared to FY14 revenue of \$1.63 billion, down 17.6%
 - Ingredients and Nutritionals revenue is largely benchmarked against global dairy commodity prices, which have experienced significant declines over the course of FY15, with the aggregate Oceania FOB commodity price down 32.4%¹
- Murray Goulburn remains on strategy with solid growth in nutritionals revenue, up 33.5% on FY14 to \$137 million, driven by:
 - Development of new nutritional products / formulations
 - Murray Goulburn continues to reduce its reliance on ingredients products, while maintaining the operational flexibility to capitalise on increased commodity prices should markets recover



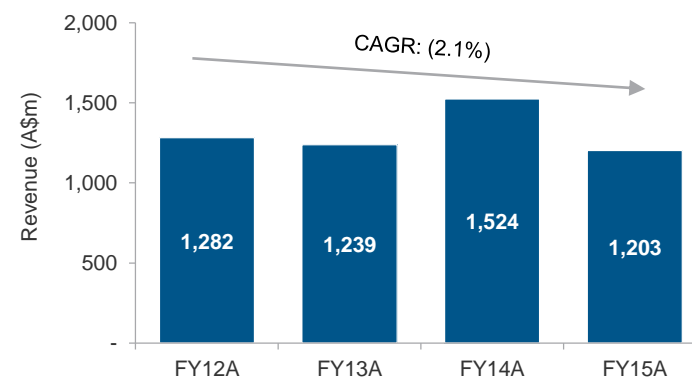
Domestic v international revenue (A\$m) (FY15A)



Nutritionals revenue (FY12A–FY15A)



Ingredients revenue (FY12A–FY15A)



Note: 1. Aggregate of Oceania FOB nominal commodity prices being sum of butter, cheddar cheese, whole milk powder and skim milk powder prices as reported by the US Department of Agriculture on 4 July 2014 and 26 June 2015.

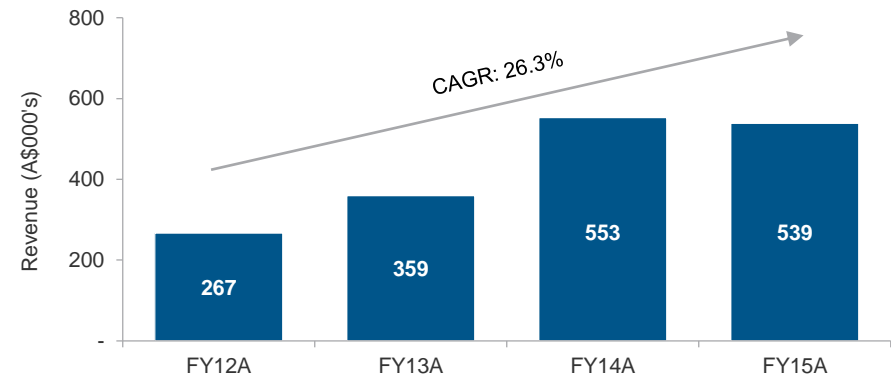
Other



Slight decline in revenue driven by lower milk broking revenue and partially offset by increased revenue from MG Trading

- Revenue of \$539 million (down 2.6% on FY14) driven largely by reduced demand in Murray Goulburn's milk broking business
- Revenue of \$246 million from MG Trading (up 3.8% on FY14), with stronger sales driven by increased on-farm operating cash flows and the acquisition of a further two trading stores in Tasmania
- Revenue from milk broking down 11.2% on FY14 to \$154 million, due to stronger domestic milk production resulting in MG customers requiring less brokered milk

Other segment revenue (FY12–FY15)



MG Trading



Strategic capital projects progressed or completed in FY15



Murray Goulburn invested \$126 million in strategic capital projects in FY15

Koroit – Nutritionals

- Completed first phase of \$38 million investment in nutritionals production at Koroit
- Increased capacity to meet growing international demand for nutritional powders such as infant and follow-on formula
- New capability at Koroit supported development of new nutritional products and formulations to meet customer specifications



Edith Creek – Dairy beverages

- \$14 million investment at Edith Creek to build a small format cup and bottle filling line is almost complete
- Investment will support NPD for ready-to-consume dairy beverage products
- Dairy beverage product launches planned for FY16



Cobram - Cheese

- Commenced a \$74 million investment to build the first stage of a world-class cut and wrap consumer cheese processing facility at Cobram
- Project is progressing well and is expected to be completed in 2016





Supplier initiatives

Ensuring suppliers' on-farm balance sheets remain strong despite falling commodity prices

Murray Goulburn's core focus remains on its suppliers

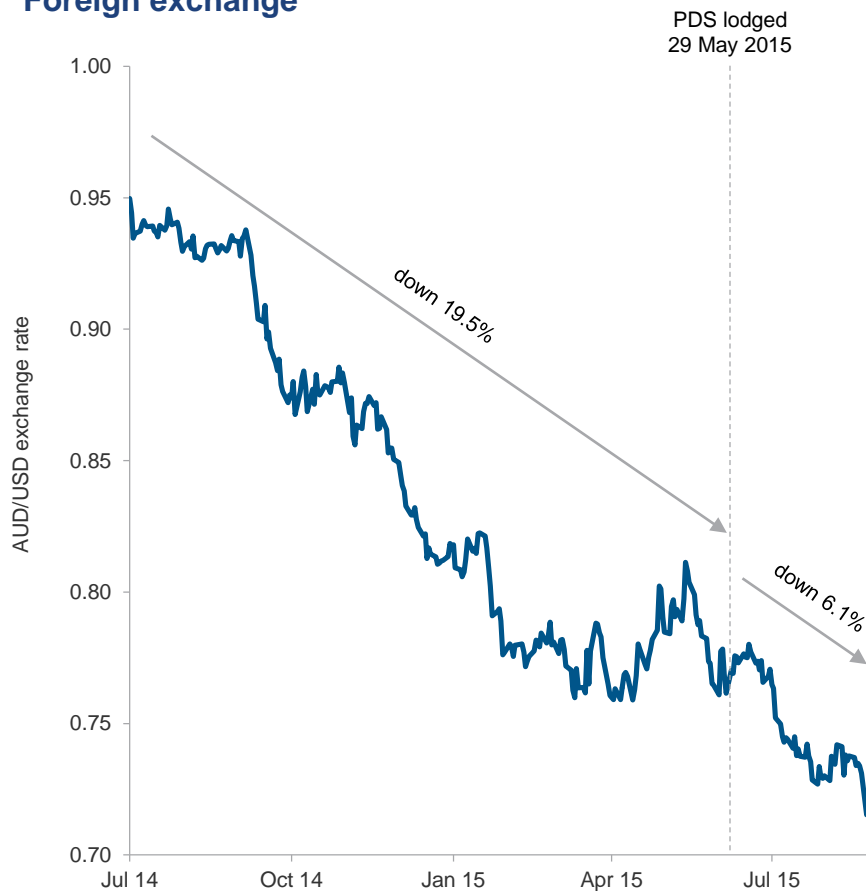
- ✓ Second successive year of the Available Southern Milk Region FMP being above \$6.00 per kgms
- ✓ IPO has provided farmers with access to capital to grow
 - Recognition of the value of Murray Goulburn shares by financial institutions
 - Suppliers now able to trade shares at market price (previously \$1.00 nominal value)¹
- ✓ Capital restructure and IPO of the MG Unit Trust has provided opportunity for suppliers to accelerate the process of sharing-up to the Share Standard
 - More than 80% of suppliers now meet or exceed the Share Standard
- ✓ Established a private Murray Goulburn share market, the Shareholder Trading Platform (STP), providing suppliers with the flexibility to trade shares held above their Share Standard¹
- ✓ Expanded the MG Trading store footprint to Tasmania with the acquisition of two stores, allowing Tasmanian suppliers to access the store network

Note: 1. Trading of supplier shares on the STP is subject to a number of rules outlined in the Shareholder Trading Platform Rules published on Murray Goulburn's website.

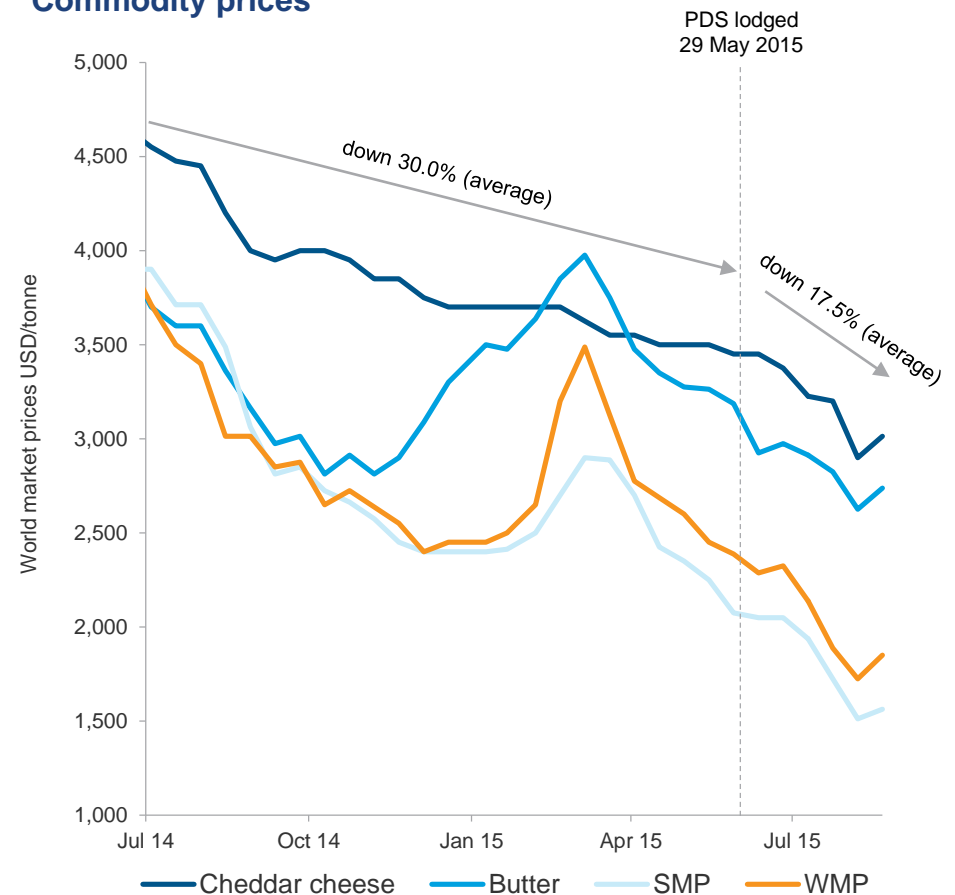
Global markets

While foreign exchange movements are a significant positive, commodity prices are a significant negative. Sensitivity analysis is included in the PDS.

Foreign exchange



Commodity prices



Source: US Department of Agriculture, IRESS as at 25 August 2015.

Note: Average Oceania FOB nominal commodity prices movement refers to changes in the sum of butter, cheddar cheese, whole milk powder and skim milk powder prices as reported by the US Department of Agriculture.

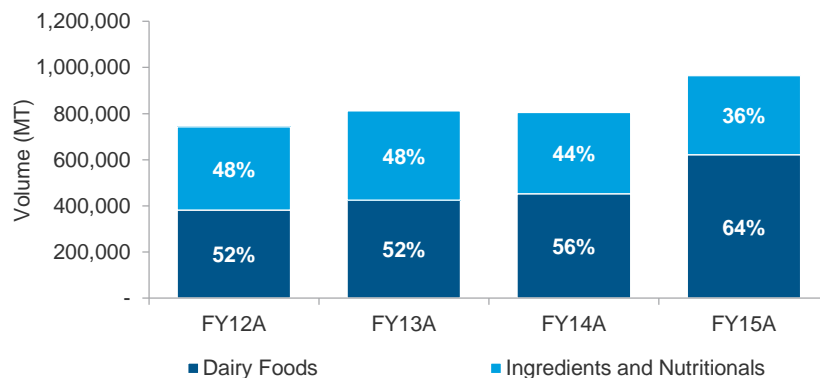


Dairy commodity market

The dairy commodity environment continues to be challenging, but its impact is somewhat mitigated by MG's strategic sales mix shift to ready to consume dairy foods, cost savings and favourable foreign exchange

- Average commodity prices down 17.5% since PDS lodgement
 - Commodity powder prices at 13 year lows
- However, evidence of supply response starting to emerge
 - 2% milk supply reduction in NZ ¹
 - Lower supply growth in the US and EU ²
 - US exports decreased 10% in the year Jan-May 2015 ³
- MG's strategic shift to Dairy Foods markets insulates prices and profits from volatile commodities
 - MG does not sell any product on GDT platform ⁴
 - Ready to consume dairy foods product mix increased from 52% to 64% during the FY12 to FY15 period. Commodities are now less than 30% of total sales mix.

Strong growth in Dairy Foods



Globally traded dairy commodity prices (Oceania FOB nominal prices)



Source: US Department of Agriculture.

Notes: 1. Global Dairy Update, August 2015, Fonterra 2. Rabobank Industry Note #503 August 2015 3. GTIS trade data 4. Last MG sale on GDT platform was in 2013



Financials



Pro forma FY15 vs. PDS forecasts

Increase in distributable milk pool contributing to an increase in NPAT. This is despite lower revenues from weaker commodity prices.

(\$ million)	Pro forma FY15F PDS	Pro forma FY15A	Variance (%)
Revenue	2,994.1	2,871.9	↓ 4.1%
Distributable Milk Pool	1,455.5	1,472.8	↑ 1.2%
EBITDA	171.6	173.0	↑ 0.8%
EBIT	114.5	120.2	↑ 5.0%
NPAT	68.5	69.4	↑ 1.3%
NPAT attributable to unitholders and shareholders	72.8	73.3	↑ 0.7%
Actual Weighted Average Southern Milk Region FMP (\$/kgms)	5.67	5.69	↑ 0.3%

Revenue
Slightly down despite a strong downturn in global dairy commodity prices. See segment performance for further detail.

Distributable Milk Pool
Increase in total milk supply plus slightly improved margins supported by effective cost control

NPAT
Improved Distributable Milk Pool

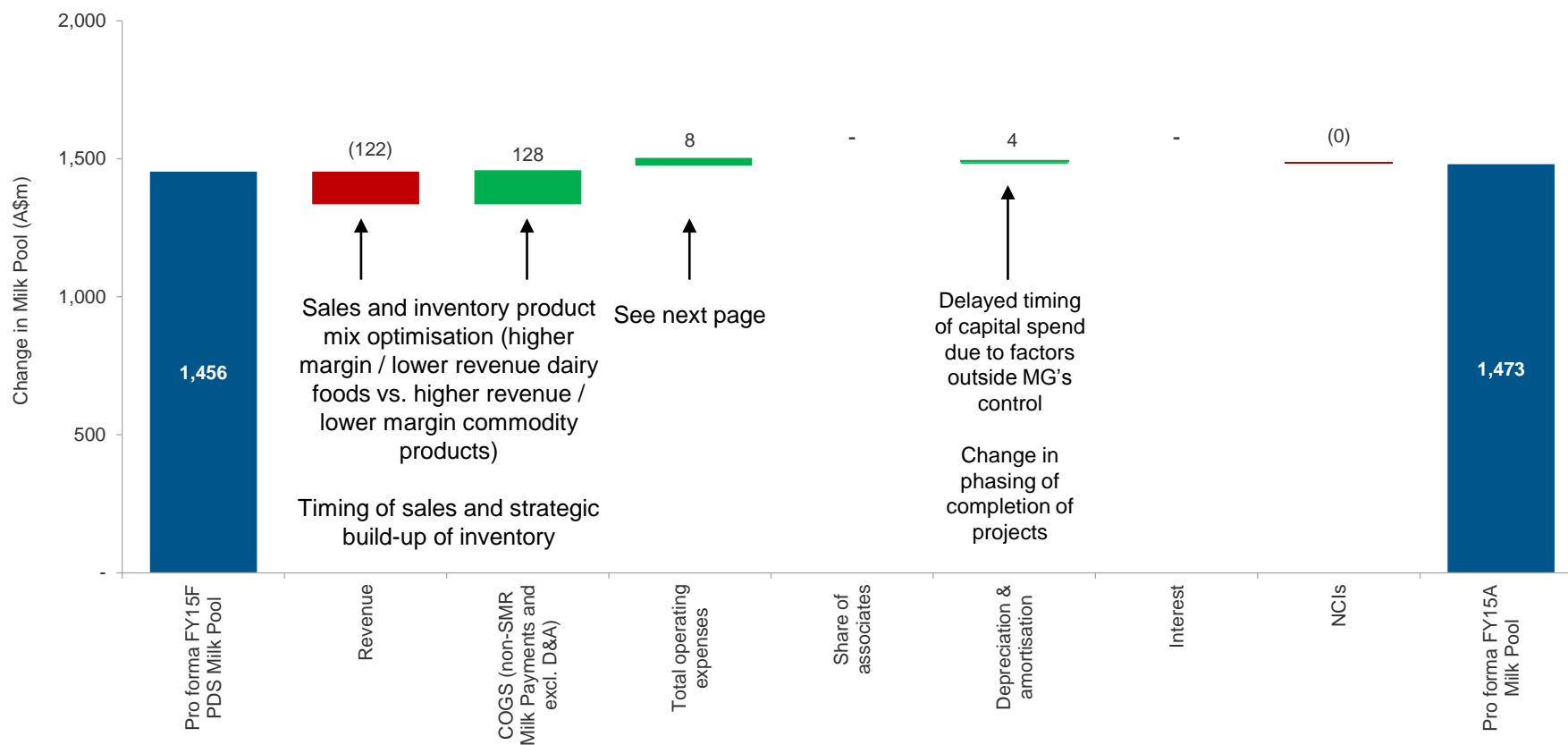
Actual Southern Milk Region FMP
Slightly higher margin compared to PDS forecast

Key drivers of movement in pro forma Milk Pool (EBTMP)¹



Product mix optimisation and timing of sales led to a strategic build-up of inventory

Pro forma FY15A Milk Pool vs. pro forma FY15F PDS Milk Pool



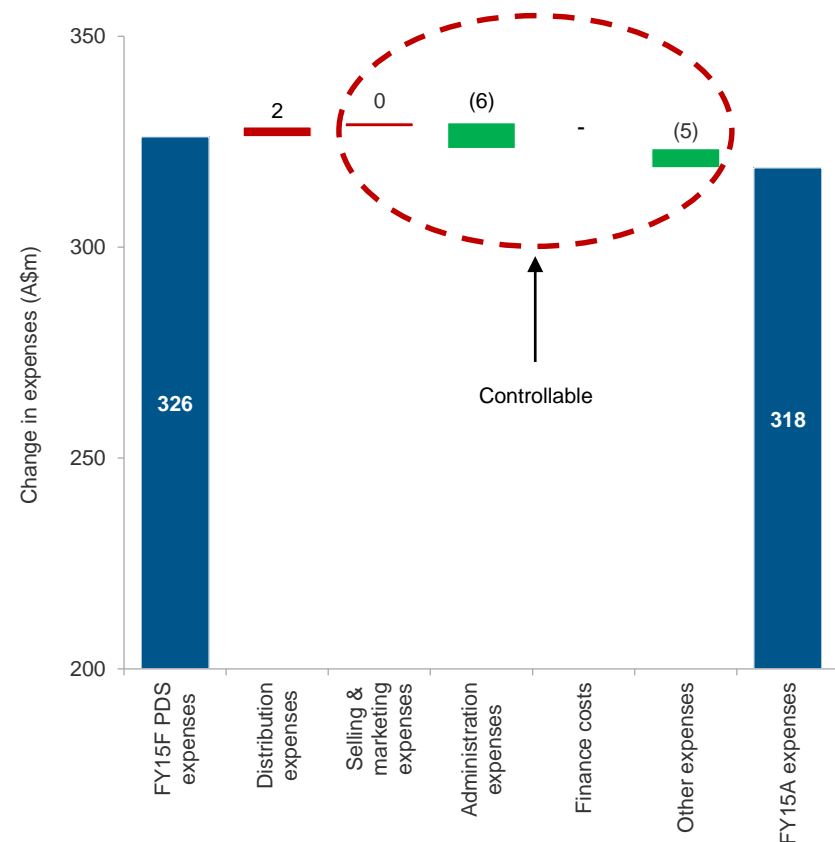
Note: 1. Earnings before tax and milk payments.

Disciplined cost control in prevailing commodity price environment



- Higher distribution expenses due to product mix optimisation, reflecting higher domestic Dairy Foods sales
- Lower administration expenses comprising:
 - Reduced labour and employee related expenses over the last quarter; and
 - Labour costs attributed to capital projects
- Lower other expenses reflecting:
 - Higher unanticipated profit on milk swaps
 - Higher rebates received from vendors in MG Trading business
 - Lower P&L related costs associated to capital restructure and IPO

Pro forma FY15A cost base vs. pro forma FY15F PDS cost base



Pro forma application of the Profit Sharing Mechanism



Increase in distributable milk pool positively impacting NPAT and Actual FMP

FY15F pro forma Milk Pool PDS vs. FY15A pro forma Milk Pool

	Pro forma FY15F PDS	Pro forma FY15A	
Distributable Milk Pool (A\$m)	1,455.5	1,472.8	↑
Southern Milk Region milk intake (kgms)	237.0	238.6	↑
Pro forma Actual Weighted Average Southern Milk Region FMP (per kgms)	5.67	5.69	↑
Applicable FMP band	\$5.50 - \$6.00	\$5.50 - \$6.00	
NPAT allocation percentage under the Profit Sharing Mechanism	5.00%	5.00%	
Allocation of Distributable Milk Pool:			
Distributable Milk Pool (A\$m)	1,455.5	1,472.8	↑
Milk payments (Southern Milk Region) (A\$m)	(1,345.2)	(1,357.2)	↑
Non-controlling interests (NCI) (A\$m)	(4.2)	(3.9)	
Profit before tax (A\$m)	106.0	111.7	↑
Income tax (A\$m)	(37.5)	(42.3)	↑
Add back: Non-controlling interests (NCI) (A\$m)	4.2	3.9	
NPAT attributable to shareholders and unitholders (A\$m)	72.8	73.3	↑

- Distributable Milk Pool positively impacted by improved margins and slightly higher milk intake
- Higher milk payments reflects alignment to higher FMP and volume supplied
- Increase tax associated with permanent difference in subsidiaries
- NPAT improvement reflects alignment to increased FMP and Southern Milk Pool volumes



Segment performance

Growth in Dairy Foods was a key driver in minimising the impact of weaker commodity prices in FY15

(\$ million)	Pro forma FY14A	Pro forma FY15F PDS	Pro forma FY15A
Revenue			
Dairy Foods	877.4	1,140.9	1,131.3
Ingredients and Nutritionals	1,626.6	1,431.3	1,339.8
Other	552.7	560.2	538.5
Inter segment revenue	(140.3)	(138.2)	(137.8)
Total revenue	2,916.5	2,994.1	2,871.9
Segment contribution			
Dairy Foods	5.2	68.8	70.3
Ingredients and Nutritionals	183.7	72.0	71.9
Other	10.3	14.6	13.1
Total segment contribution	199.2	155.4	155.3
Corporate costs	(40.6)	(40.0)	(34.1)
Share of profit/(loss) of associates	(9.7)	(1.0)	(1.0)
EBIT	148.9	114.4	120.2

Note: Pro forma for the PDS restated to reflect Danone Joint Venture being included with Associates rather than the Other segment.

Dairy Foods

28.9% increase in Revenue vs FY14 as business continues to grow Dairy Foods business. Significant increase in segment contribution.

Ingredients and Nutritionals

Weaker commodity prices key driver of lower revenue and segment contribution

Other

Lower commodity prices impacted TDP business, coupled with lower volumes in the milk broking business. Positive improvement against FY14 driven largely by MG trading business

Corporate

Lower legal and advisory related expenses

Conservative debt position and disciplined control of working capital



Statutory balance sheet

(\$ million)	30 Jun 2014	30 Jun 2015
Total assets	1,763.4	1,840.6
Current interest bearing liabilities	149.9	195.3
Non-current interest bearing liabilities	380.9	454.1
Total debt	530.8	649.4
Cash and cash equivalents	13.9	14.5
Net debt	516.9	634.9
Gearing (debt / (debt + equity))	40.9%	48.3%
Debt / equity	69.3%	93.3%
Post-Offers net debt / FY15 pro forma EBITDA (PDS)	1.8x	

- Increased debt associated with strategic capex and acquisitions (\$60m) plus FX impact on USPP borrowings (\$20m) and dividends/redemption of preference shares (\$46m)
- Debt excludes capital raised from the Offers
- Applying net Offers proceeds reduces gearing to 11.9%
- During 2014 entered into long term USPP facility maturing between six to nine years and an uncommitted receivables purchase facility
- A\$264m in facilities with tenure greater than three years

Statutory cash flows

(\$ million)	FY14A	FY15A
EBITDA before share of associates' NPAT	119.1	103.2
Changes in working capital	(121.4)	(5.1)
Non-cash items in EBITDA	(26.6)	34.3
Operating cash flow before capital expenditure	(28.9)	132.4
Capital expenditure		
Strategic / project capital projects	(36.8)	(59.3)
Other capital expenditure	(48.3)	(62.0)
Net proceeds from sale / (proceeds) of PPE / other assets	186.5	19.0
Net cash flow before financing, tax and dividends	72.5	30.1

- Inventory increased at 30 June 15 mainly associated with Dairy Foods and nutritionals volumes
- Improved receivables position resulting from use of receivables purchase facility
- Higher payables associated with timing of payments and terms
- Capex associated with strategic projects (dairy beverages, nutritionals and cheese)
- \$39m in cash outflows associated with share buy-backs and capital raising



Dividend in respect of FY15 full year results

The Board of Murray Goulburn declared a fully franked dividend of nine cents per share to be paid to eligible shareholders in respect of FY15

- As outlined in the PDS, dividend with respect to FY15 to be paid to pre-capital restructure shareholders
- Dividend to be fully franked. Franking credit balance of \$1.3m post dividend.
- Record date for shareholders is 27 April 2015
- As per the PDS, shareholders who acquired shares after 27 April will not be entitled to receive a distribution in respect of FY15
- As per the PDS, unitholders will not receive a dividend in respect of FY15. Should the Board decide to declare a dividend / distribution in respect of the first half of FY16, unitholders will receive their first distribution in March 2016.



Strategy update

Murray Goulburn has been pursuing its vision to be a 'first choice dairy foods' company since 2012



Shift to value-added products is supporting higher FMPs



Ready-to-consume dairy foods

Commodity ingredients



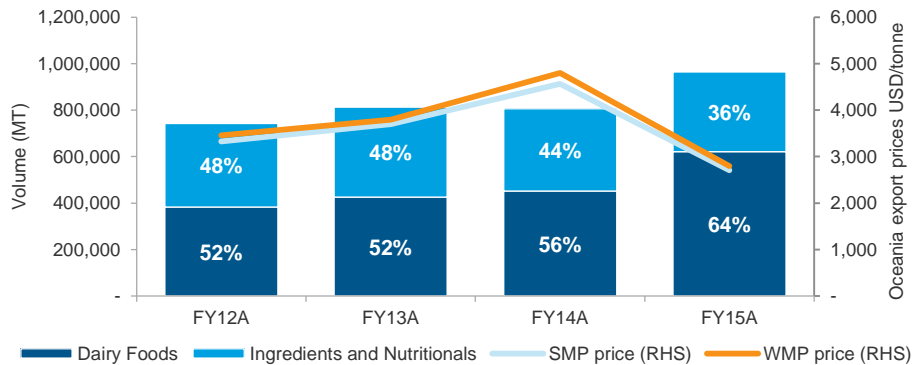
Retail and food service products: drinking milk, cheese, powder, cream and butter



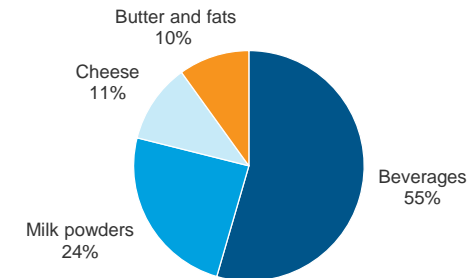
Strategy in action

Continued growth in Dairy Foods and Nutritionals production volumes and revenue, with less reliance on dairy commodities and ingredients while prices are low

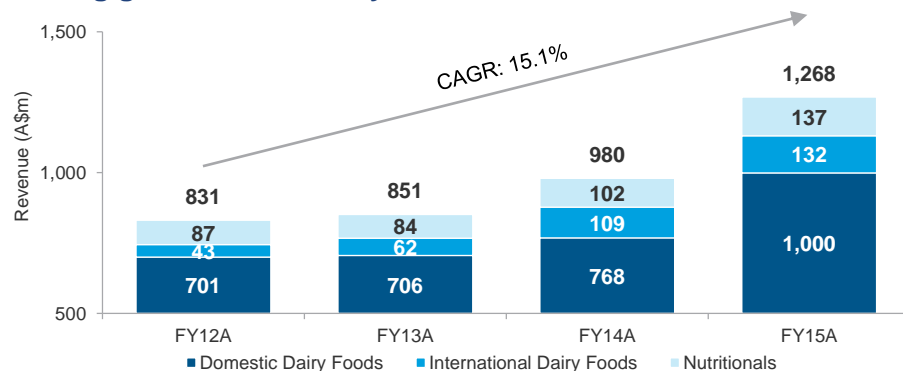
Strong growth in Dairy Foods highlights operational flexibility to respond to movements in commodity prices¹



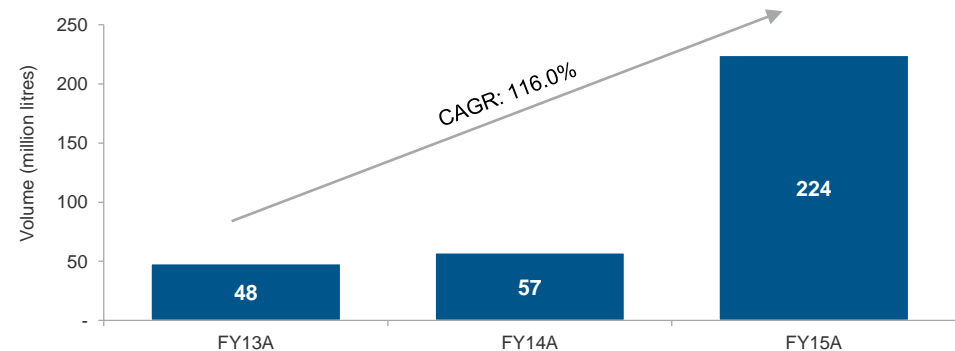
Achieved through increased focus on value-added ready-to-consume dairy products, rather than milk powders²



Strong growth in three key value-added businesses



Continued growth in chilled milk sales



Notes: 1. Calculated as the percentage of Murray Goulburn's saleable volumes from the Dairy Foods and Ingredients and Nutritionals segments. Oceania FOB nominal commodity prices are the average for the relevant financial year. 2. Nutritionals and value-added products are not presented as a separate group. Calculated as the percentage of Murray Goulburn's saleable volumes from the Dairy Foods and Ingredients and Nutritionals segments.

Key capital projects – update

Nutritional powders

- The \$260m – \$300m nutritional investment involves the construction of a new facility at Koroit to expand production capacity in the nutritional category by 63,000 metric tonnes per annum
- The facility is expected to be designed to produce “growing-up” milk powders, “follow-on” powders, infant formula, nutritional base powders, plus a range of premium whole and skim milk powders, primarily for export markets in Asian countries
- Expected to commence within the next 12 months assuming sufficient off-take commitments from global customers



Dairy beverages

- The \$165m – \$190m dairy beverages investment will create a highly automated UHT dairy beverages production and packaging capability to cater for growing Asian demand and evolving domestic and international consumer preferences
- The investment will significantly upgrade Murray Goulburn’s production capacity and flexibility
- Planned to commence in FY16



Cheese

- The \$51m – \$71m cheese investment involves further development of Murray Goulburn’s world-class cut and wrap consumer cheese processing facility at Cobram
- Phase one expected to be completed in FY16





New product and brand development

- Acquired Caboolture, the market leading food service shredded cheese brand
- Il Migliore cooking cheese range launched late May
- Cobram cheese premium brand extensions launched June
- Investment in dairy beverages supporting new product launches planned for second quarter of FY16
- Product innovation and brand excellence acknowledged through prestigious awards
 - Devondale 250g Salted Butter crowned Australia's Champion Butter at the 2015 Australian Grand Dairy Awards
 - Devondale Cream won the Best Dairy Packaging Innovation award at the 2015 World Dairy Innovation Awards for its new 'easy pour and seal' lid
 - Devondale Colby Cheese 1kg won the best tasting semi-hard cheese at the National Dairy Awards





Outlook

Outlook



What is Murray Goulburn doing in this environment to achieve its PDS forecast?

While it will not be Murray Goulburn's practice to provide detailed first quarter trading updates each year, in light of the dairy commodity movements and PDS forecasts, it confirms:

- Murray Goulburn expects total and Southern Milk Region milk intake to be in-line with its PDS forecast of 3.6 billion litres
- Murray Goulburn has benefited from the depreciation of the AUD
 - PDS forecast of \$0.76
 - Approximately 25% of full year expected sales achieved at an average of \$0.752
 - Further upside expected given current spot rate and outlook for AUD
- Strength of Murray Goulburn Ingredients brand and relationships with customers is providing some protection to falling dairy commodity prices
 - Murray Goulburn's forecast expected slight increases in commodity prices throughout 1HFY16 and a more significant recovery in 2HFY16
 - Since lodging the PDS, commodity prices have fallen 17%
 - YTD contracted sales volumes of commodity products are strong achieving a premium to GDT prices of ~10%
 - In weak commodity price markets Murray Goulburn typically receives a premium to GDT prices as customers seek to lock in longer term contracts
- Product mix optimisation – leveraging Murray Goulburn's ability to shift production
 - Maximise sales in Dairy Foods segment, particularly liquid milk (UHT and fresh), consumer powders and cheese
 - Maximise sales of higher value Ingredients and Nutritionals products
 - Minimise production of WMP and SMP commodity



Outlook

What do these initiatives and this environment mean for Murray Goulburn's FY16F forecasts?

- Murray Goulburn continues to believe in the solid long-term growth prospects and fundamentals of the dairy industry
- Murray Goulburn is confident that a global supply response is starting to emerge as a result of the low dairy commodity price environment
 - US exports down approximately 10% and European and NZ supply reducing
- Murray Goulburn believes dairy commodity prices have bottomed and will commence recovery in Q2FY16 through to the Q4FY16
- FY16F PDS forecasts of a \$6.05 Available Southern Milk Region FMP and NPAT attributable to shareholders and unitholders of \$86 million can be achieved provided dairy commodity prices materially strengthen during the balance of FY16
- In addition, meeting the FY16 forecast is subject to foreign exchange and other risk factors as outlined in the PDS
- If these expectations do not materialise, it is likely that:
 - FY16 Available Southern Milk Region FMP would be in the range of \$5.60 - \$5.90 per kgms;
 - FY16 NPAT attributable to shareholders and unitholders would be in the range of \$66 - \$79 million; and
 - Subject to Board declaration, this would result in dividends and distributions to shareholders and unitholders in relation to FY16 of between 11.9 – 14.4 cents per share / unit, applying the proposed 100% payout ratio



APPENDIX

Additional information

Glossary



Term	Definition
Actual Weighted Average Southern Milk Region FMP	total Milk Payments to Suppliers in the Southern Milk Region in a given financial year divided by the Southern Milk Region milk intake (kilograms of milk solids) for the same period
Available Southern Milk Region FMP	the Actual Weighted Average Southern Milk Region FMP plus the add-back of quality adjustments accrued from the supply of non-premium milk
Dairy Foods	an operating segment of Murray Goulburn which manufactures and supplies dairy products such as fresh milk, UHT milk, cheese, butter, creams and milk powders in markets throughout Australia, China, South East Asia, the Middle East and the Pacific
FMP	the farmgate milk price paid to a supplier for their raw milk
GDT	GlobalDairyTrade, an auction platform for internationally traded dairy commodities
Ingredients and Nutritionals	an operating segment of Murray Goulburn which manufactures and supplies customised dairy ingredients and nutritional milk powders, primarily to the key markets of North Asia, South East Asia, Australia, Sri Lanka and USA
Other	an operating segment of Murray Goulburn which includes various dairy and agricultural businesses
SMP	skim milk powders
Southern Milk Region	includes the following regions: eastern South Australia and western dairy region in Victoria (West); the Gippsland dairy region in Victoria (Gippsland); and the Murray dairy region in central and northern Victoria and southern NSW (North)
TDP	Tasmanian Dairy Products
TRIFR	Total Recordable Injury Frequency Rate
WMP	whole milk powders



FY15 results vs. FY14

Reflecting the fall in commodity prices from during FY15

(\$ million)	Pro forma FY14A	Pro forma FY15A	Variance (%)
Revenue	2,916.5	2,871.9	↓ 1.5%
Distributable Milk Pool	1,609.5	1,472.8	↓ 8.5%
EBITDA	201.6	173.0	↓ 14.2%
EBIT	149.0	120.2	↓ 19.3%
NPAT	97.9	69.4	↓ 29.1%
NPAT attributable to unitholders and shareholders	96.6	73.3	↓ 24.1%
Available Southern Milk Region FMP (\$/kgms)	6.36	5.71	↓ 10.2%

Revenue

Slightly down despite a strong downturn in global dairy commodity prices

Distributable Milk Pool

Lower margins on ingredients products associated with fall in commodity prices
Increased costs due to higher [non-Southern Milk Region milk volume] and distribution costs of Dairy Foods

NPAT

Reflects reduction in FMP associated with strong downturn in commodity prices and application of lower percentage per the Profit Sharing Mechanism

Available Southern Milk Region FMP

Impacted by higher milk intake and downturn in global dairy commodity prices

Statutory to pro forma reconciliation



(\$ million)	FY14A	FY15A
Statutory Distributable Milk Pool	1,601.1	1,458.6
Transaction costs expensed	1.0	1.6
Public company costs	(3.0)	-
Impact of the Capital Structure on historical finance costs	19.2	17.8
Strategic review/business transformation one-off costs	11.3	-
Sale and leaseback transactions	(32.6)	(6.9)
Other non-recurring adjustments	12.5	1.7
Total pro forma adjustments	8.4	14.3
Pro forma Distributable Milk Pool	1,609.5	1,472.8

Key operating and financial metrics



	FY14A	FY15F PDS	FY15A
Total milk intake (million litres)	3,392	3,567	3,580
Southern Milk Region milk intake (million litres)	3,119	3,162	3,175
Southern Milk Region milk intake (million kgms)	232	237	239
Available Southern Milk Region FMP (per kgms)	6.36	5.72	5.71
Actual Weighted Average Southern Milk Region FMP (per kgms)	6.31	5.67	5.69
Ingredients and Nutritionals sales volume ('000 metric tonnes)	353	352	343
Dairy Foods sales volume ('000 metric tonnes)	452	627	621
Average revenue per metric tonne – Ingredients and Nutritionals (\$)	4,604	4,068	3,912
Average revenue per metric tonne – Dairy Foods (\$)	1,940	1,818	1,821
Revenue mix – Ingredients and Nutritionals (%)	56%	48%	46%
Revenue mix – Dairy Foods (%)	30%	38%	39%
Revenue mix – Other (%)	14%	14%	14%
Gross profit margin (%)	16%	14%	15%
Total milk payments as a % of revenue	55%	52%	54%
Operating expenses as a % of revenue	10%	11%	11%