

IN THE AUSTRALIAN COMPETITION TRIBUNAL

MURRAY GOULBURN CO-OPERATIVE CO LIMITED

**RE: PROPOSED ACQUISITION OF WARRNAMBOOL CHEESE AND BUTTER FACTORY
COMPANY HOLDINGS LIMITED**

Certificate identifying annexure

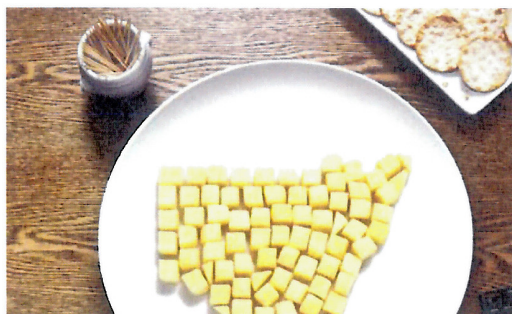
This is the annexure marked **KM8** now produced and shown to Keith Mentiplay at the time of signing his statement on 29 November 2013.

Annexure KM8
Extract of Bega 2012 Annual Report

Filed on behalf of Murray Goulburn Co-Operative Co Limited
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CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS AND ACTIVITIES
YEAR ENDED 30 JUNE 2012



OPERATIONS

Bega Cheese Group continued to operate five production facilities over the year. The cheddar cheese and natural snacks operation at Lagoon Street, Bega was at full production for most of the year due to the requirement for increased cheddar to service our growing domestic and international customer base. Lagoon Street achieved record production volumes of cheddar and of demineralised whey powders in FY2012.

The cheddar facility at Coburg, Melbourne, also achieved record production as the Group built up inventory of maturing cheddar cheese to meet the requirements of the Coles branded contract, under which Bega Cheese commenced delivery to stores in February 2012. Unfortunately production was impacted by a fire in an electrical switchboard in March. However diversification of the Group's manufacturing capability over recent years has created a sound dairy manufacturing network and the business was well placed to mitigate the consequences of the Coburg fire by implementing risk management procedures which redirected milk to other facilities during the temporary shutdown. Whilst some one-off costs of the fire were still incurred, those costs were well contained.

The cheese cut, pack and process operation at Ridge Street, Bega, experienced variable performance throughout the year as a result of a transition of film packaging to alternative suppliers. However, this transition is now largely complete and the facility is returning to its productivity levels of previous years.

The cheese cut, pack and process operation at Strathmerton in northern Victoria met expectations in the year. During FY2012 a significant capital program to establish natural cheese cutting and packaging capacity was completed at Strathmerton, which contributed to increased volume through the Strathmerton facility. We expect utilisation levels at both Ridge Street and Strathmerton to increase over the coming year, driven by strong demand and an increased focus on productivity objectives implemented in FY2012.

The Tatura operation in northern Victoria also had a strong production year as it effectively utilised its available capacity for cream cheese and nutritionals, reflecting continued growth in Asian market demand for these products. A capital program to substantially increase cream cheese production commenced during the year and is expected to be completed by late FY2013. Tatura benefited significantly from its Right First Time productivity improvement program which is making a strong contribution to site performance. The learnings from this program will be rolled out to other sites over the coming year.