

IN THE AUSTRALIAN COMPETITION TRIBUNAL

of 2013

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 RAP31 now produced and shown to Robert Arthur Poole at the time of signing his statement on 28 November 2013.

Annexure RAP31

Extract from IBIS World report titled 'Dairy Produce
Wholesaling in Australia', July 2013

Filed on behalf of Murray Goulburn Co-Operative Co Limited

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Major Companies

Player Performance continued

reliability. Aside from its strong focus in international markets, the company has continued to undertake major capital investments in its logistics centre to meet increased domestic demand. The ongoing development of a high-density storage system is expected to improve utilisation, productivity and working conditions, as well as reduce turnaround times and inventory damage.

Financial performance

In the five years through 2012-13, the fate of company revenue has been closely tied to the company's strong focus on export markets. As a result, company revenue has experienced a relatively high degree of volatility. IBISWorld anticipates that close to half of Murray Goulburn's revenue is

attributable to its exporting business, with approximately a third of exports going to Asian markets. This high concentration in Asian markets has been caused by economic turmoil throughout many key international dairy markets such as the US and the UK.

In terms of industry segment revenue, domestic wholesale activity is projected to decline over the five years through 2012-13 at an annualised rate of 1.0%. This result lags behind the industry as a whole and is likely to be due to the focus of market expansion into Asia. However, it is expected that Murray-Goulburn will re-focus on efforts on expansion of its domestic markets, especially as the Australian dollar depreciates in value, making exports cheaper for foreign markets.

Murray Goulburn Co-operative Co Limited – financial performance

Year	Revenue (\$ billion)	(% change)	EBIT (\$ million)	(% change)
2007-08	2.64	N/C	131.9	N/C
2008-09	2.45	-7.2	2.1	-98.4
2009-10	2.17	-11.4	46.3	2,104.8
2010-11	2.29	5.5	59.2	27.9
2011-12	2.37	3.5	34.9	-41.0

SOURCE: ANNUAL REPORT AND IBISWORLD

Player Performance

Fonterra Co-operative Group Limited
Market share: 10.2%

Fonterra Co-operative Group was formed in October 2001 and is owned by about 11,000 dairy farmers in New Zealand. The group is the largest exporter of dairy products in the world and is responsible for one-third of global dairy trade. The group has three core businesses including Fonterra ingredients, Fonterra consumer products and Fonterra foodservices. The parent entity owns Fonterra Australia Pty Ltd, the Australian operations of the group, which came about as Fonterra Co-operative Group acquired a number of Australian dairy companies, including Bonlac Foods Ltd, Peter & Brownes, Bonland Dairies and Murrumbidgee

Dairy Products. Its Australian operations include ice cream production and milk supply and manufacturing.

Fonterra has 11 processing sites in Australia and collects 21.0% of Australia's milk. It manufactures and distributes milk, yoghurt, cheese, butter and ice cream under brands such as Bega, Mainland, Western Star, Brownes, Perfect Italiano and Cadbury. In 2007, the company purchased Norco Milks' sales, marketing and distribution centres. In 2008, Fonterra bought Nestle Australia's yoghurt and dairy dessert business for an undisclosed sum. The purchase included a factory in Victoria