

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 RAP55 now produced and shown to Robert Arthur Poole at the time of signing his statement on 28 November 2013.

**Annexure RAP55
Letter from DFMC to Southern Suppliers
dated 15 November 2013**

Filed on behalf of Murray Goulburn Co-Operative Co Limited
Prepared by:
Herbert Smith Freehills
Tel: +61 3 9288 1234 Fax: +61 3 9288 1567
Email: chris.jose@hsf.com Ref: CJ:ALM:82230139
Address for service
Level 43, 101 Collins Street
MELBOURNE VIC 3000

25375913



ARBN: 108 690 384

Dairy Farmers Milk
Co-operative Limited
PO Box 72
Lidcombe NSW 1825
Tel: 02 8120 4431
Fax: 02 8244 4635

15th November 2013

Dear DFMC Southern Supplier,

Regarding: Guarantee minimum base milk price increase for 2013/14

It gives me great pleasure to announce that our Southern DFMC suppliers will receive a higher than expected price increase for the second half of the 2013-14 financial year, with Lion stepping up the base milk price by 5 cents per litre. This is 1.5cpl higher than what was required to keep ahead of Murray Goulburn (MG) guarantee premium of 6cpl in the 2nd half.

World commodity prices remain strong and Lion anticipates another step up for MG in the second half of the financial year and, therefore, is offering a higher price per litre rise.

This milk price rise is for Southern Suppliers on the variable price option only (it does not apply to those suppliers on the fixed price option) of \$0.48 per kg butter fat and \$0.96 per kg protein for the period 1 January 2014 – 30 June 2014. It effectively provides a 5cpl increase for the 2nd half of the year, which will bring our standard pricing to \$6.38 per kg milk solids.

Murray Goulburn recently announced step up means they are currently paying a price of 41.4cpl based on our Model farm. Our guarantee with Lion entitles DFMC suppliers with a 6cpl premium in the second half of this season, provided the MG price is below 45cpl. It should be noted that if MG increases its price above 45cpl or an extra 3.6cpl, the price guarantee will be recalculated based on a 4cpl premium.

It has been a challenging year for many of our members and we hope this good news will give you certainty for the back end of this financial year.

Yours sincerely on behalf of the Board,

A handwritten signature in black ink, appearing to read "J Macarthur-Stanham".

J Macarthur-Stanham
Chairman
Dairy Farmers Milk Co-operative