



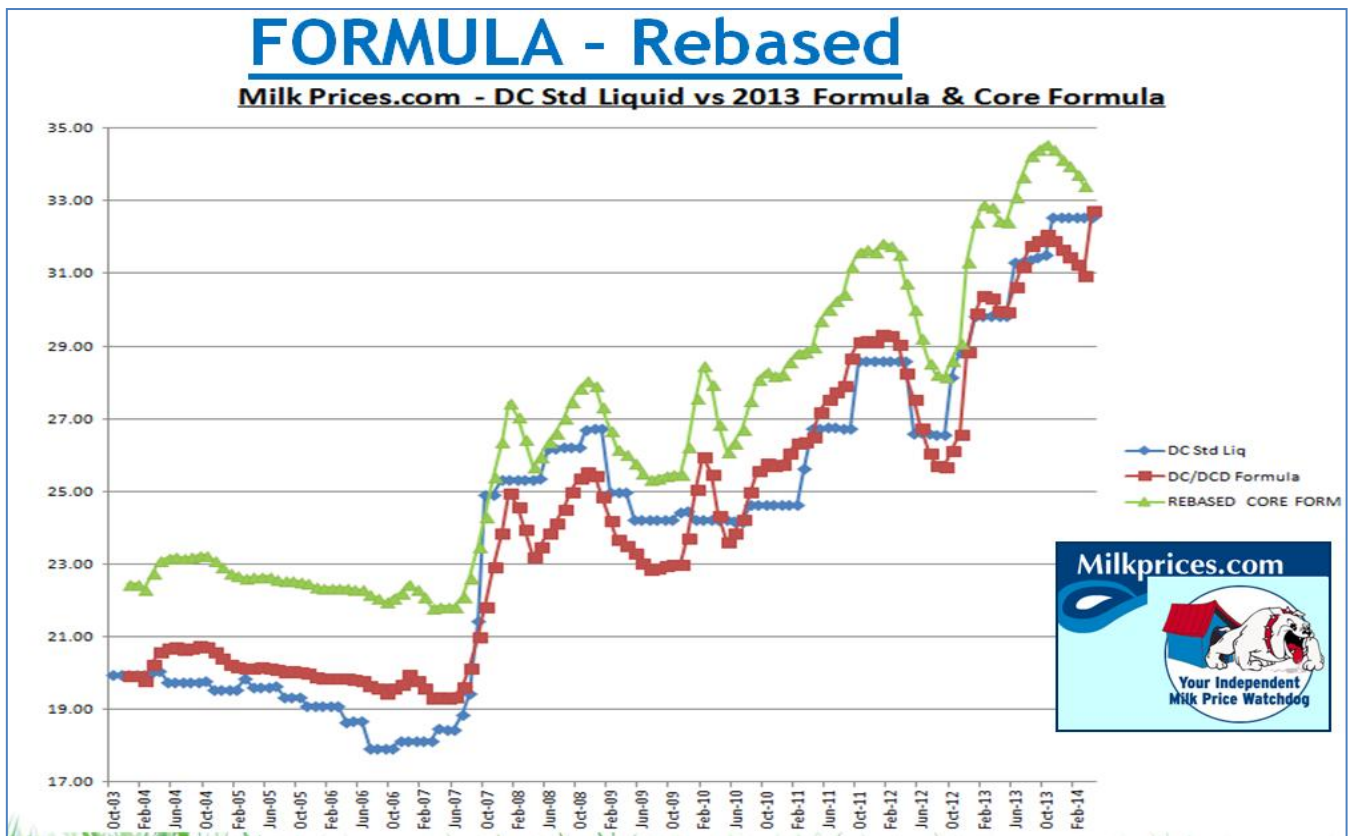
LIQUID FORMULA OPTIONS - FROM APRIL 2014

During the recent Liquid Member Meetings the following slides and scenarios were presented at the sessions, demonstrating how the Rebased Formula works in practice, and set against the scenarios discussed and outlined.

DC/DCD Formula Contract - Rebasing - Historical Price Analysis

The following chart details the historical 2003/2013 position of the Dairy Crest standard liquid contract (blue) vs the initial Formula launched April 2013 (red). This updated to April 2014, and also overlaid with the +2.5p/l rebasing (green) - this demonstrating the context of the rebasing set against the last ten years of equivalent standard litre milk pricing.

source milkprices.com

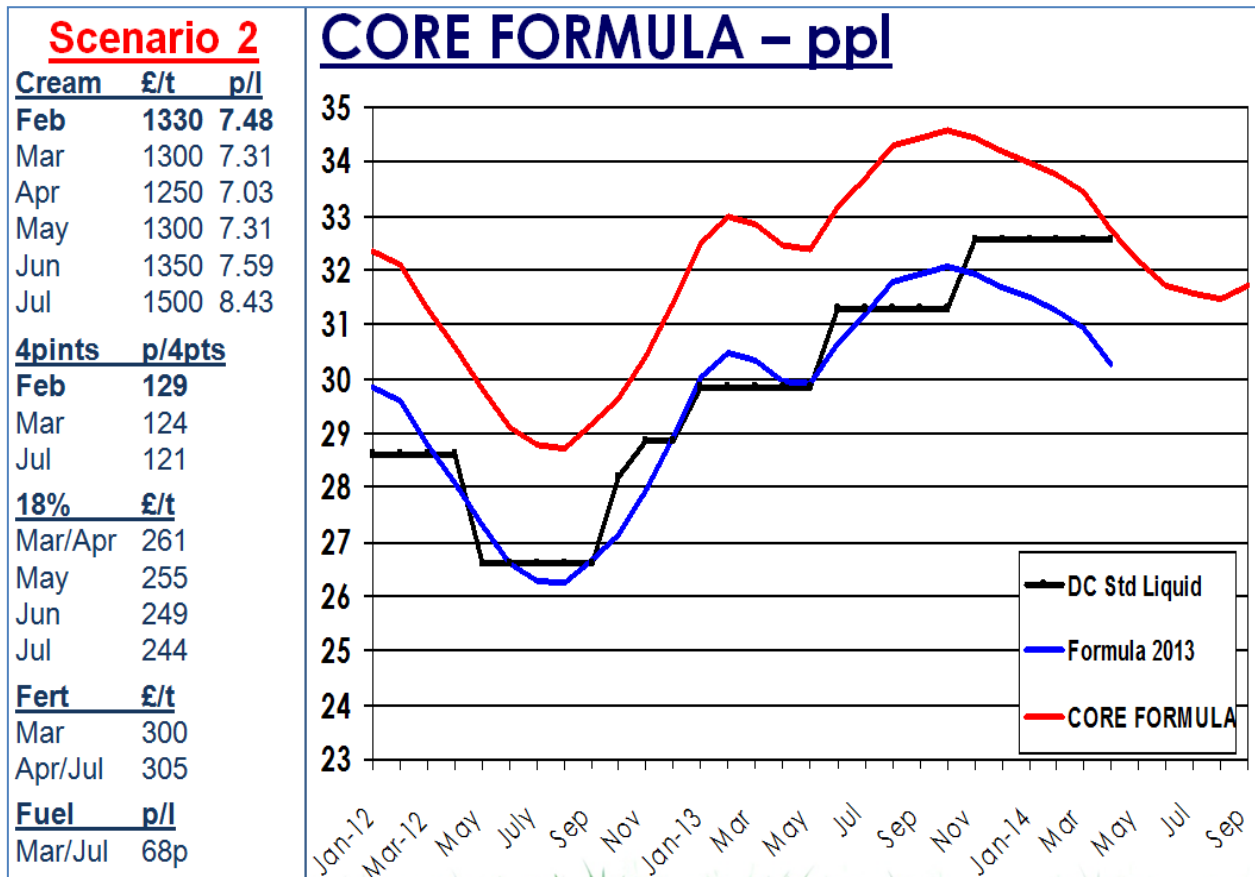


DC/DCD Liquid Formula - milk price mechanism - how it works

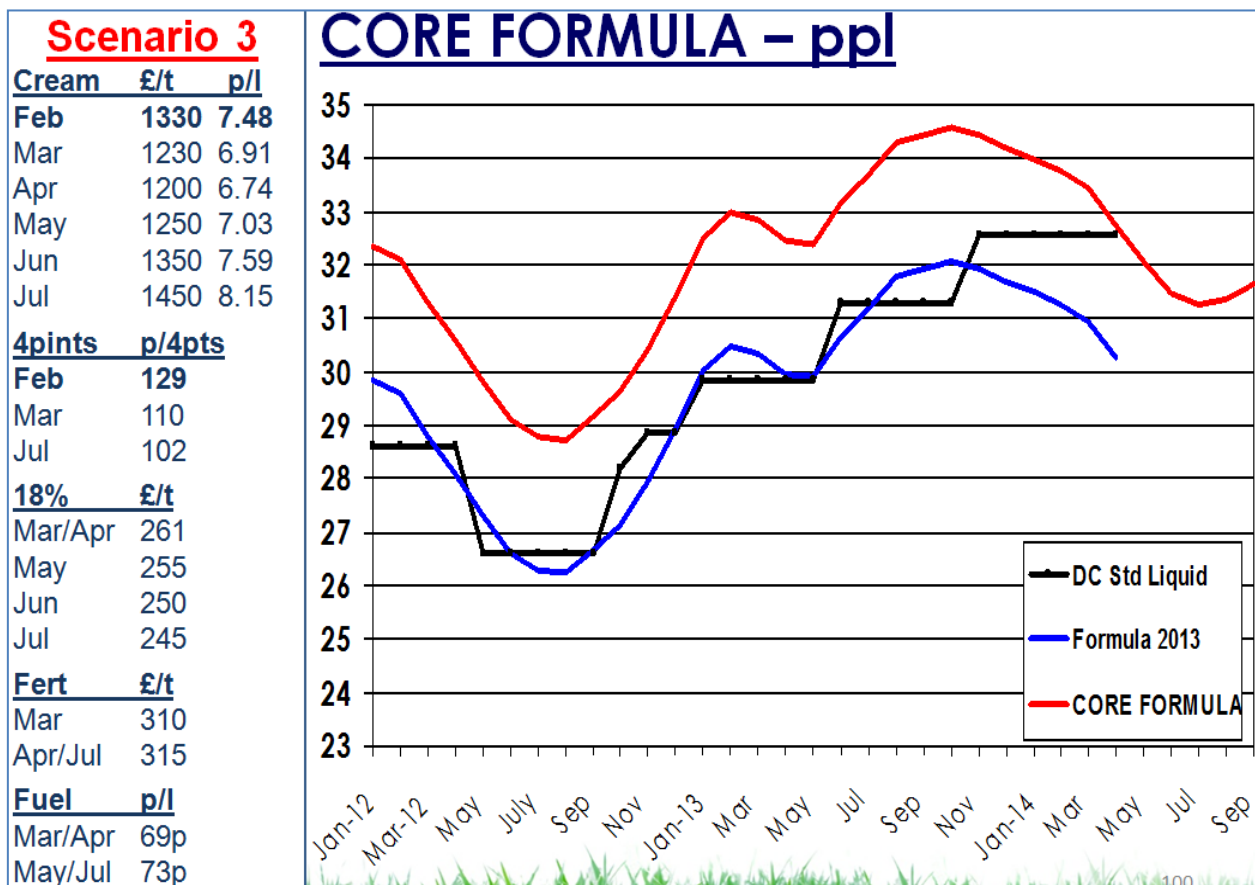
Each month, the data from the five parameters (cream, four pint retail, 18% high energy concentrates, AN fertilizer and red diesel) are sourced from Dairy Co.

The five parameter values are then combined each month to drive the monthly Formula price movement. This data is also validated by independent milk price analyst Stephen Bradley before milk price declarations are made, on "a month after next basis". Therefore the next movement to be applied to the rebased formula contracts will be using March 2014 Dairy Co parameters, impacting on the May Formula milk price, and so on.

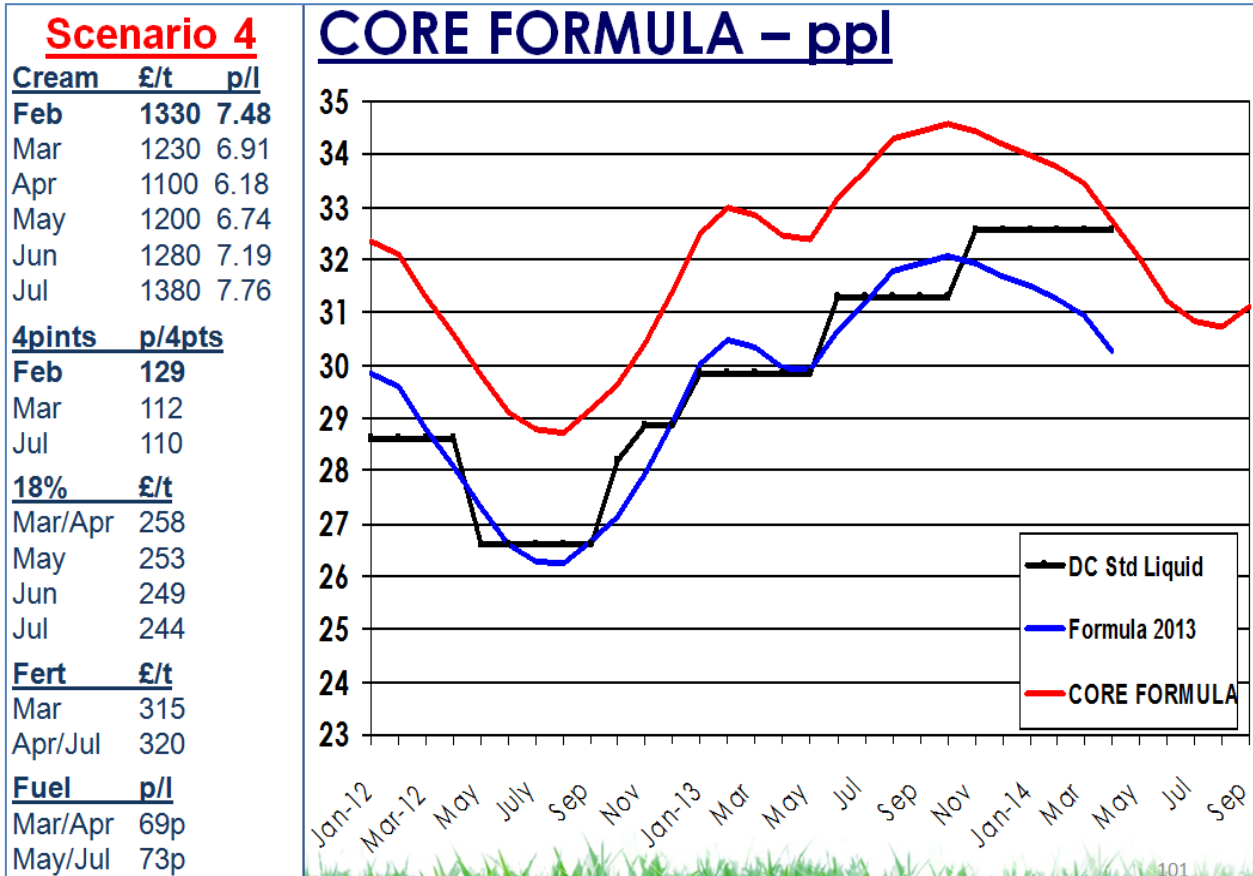
Scenario Two



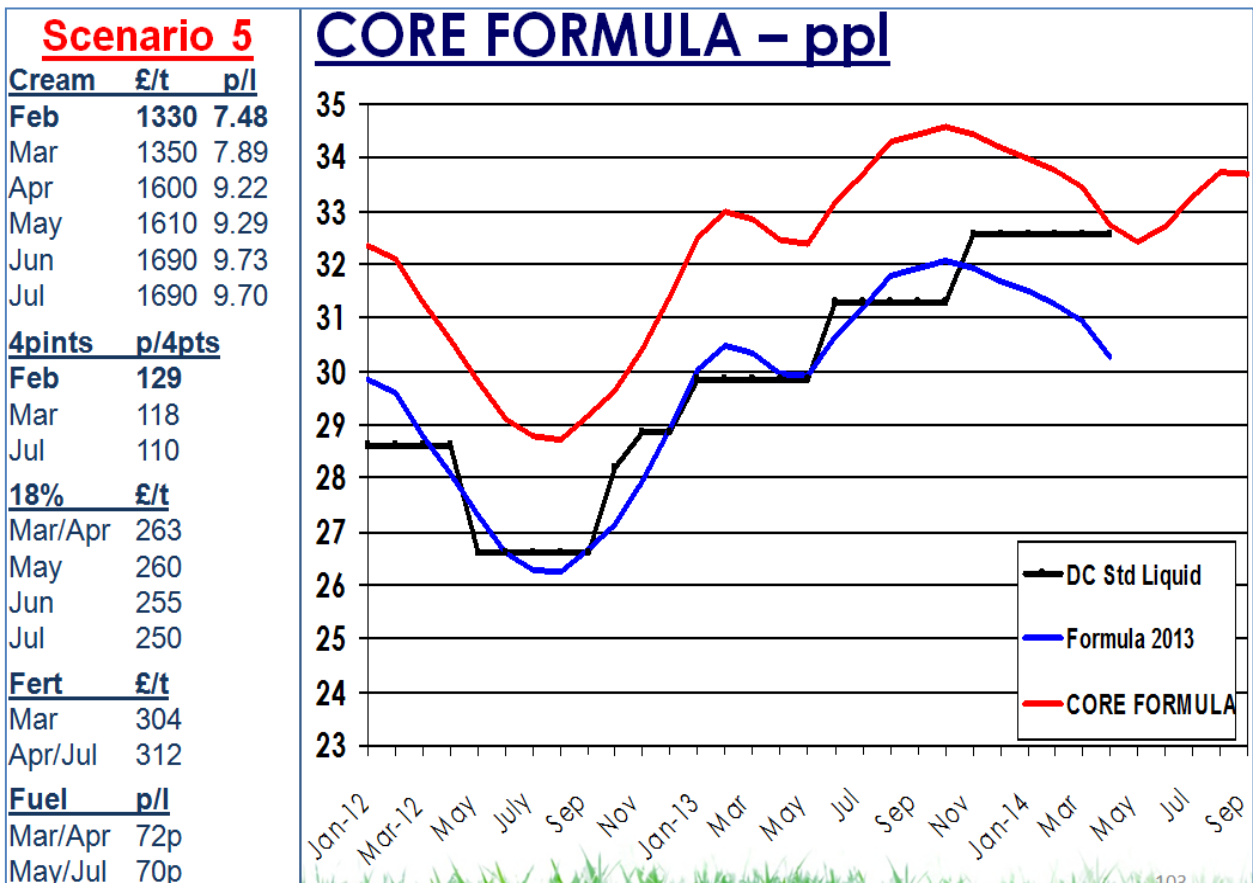
Scenario Three



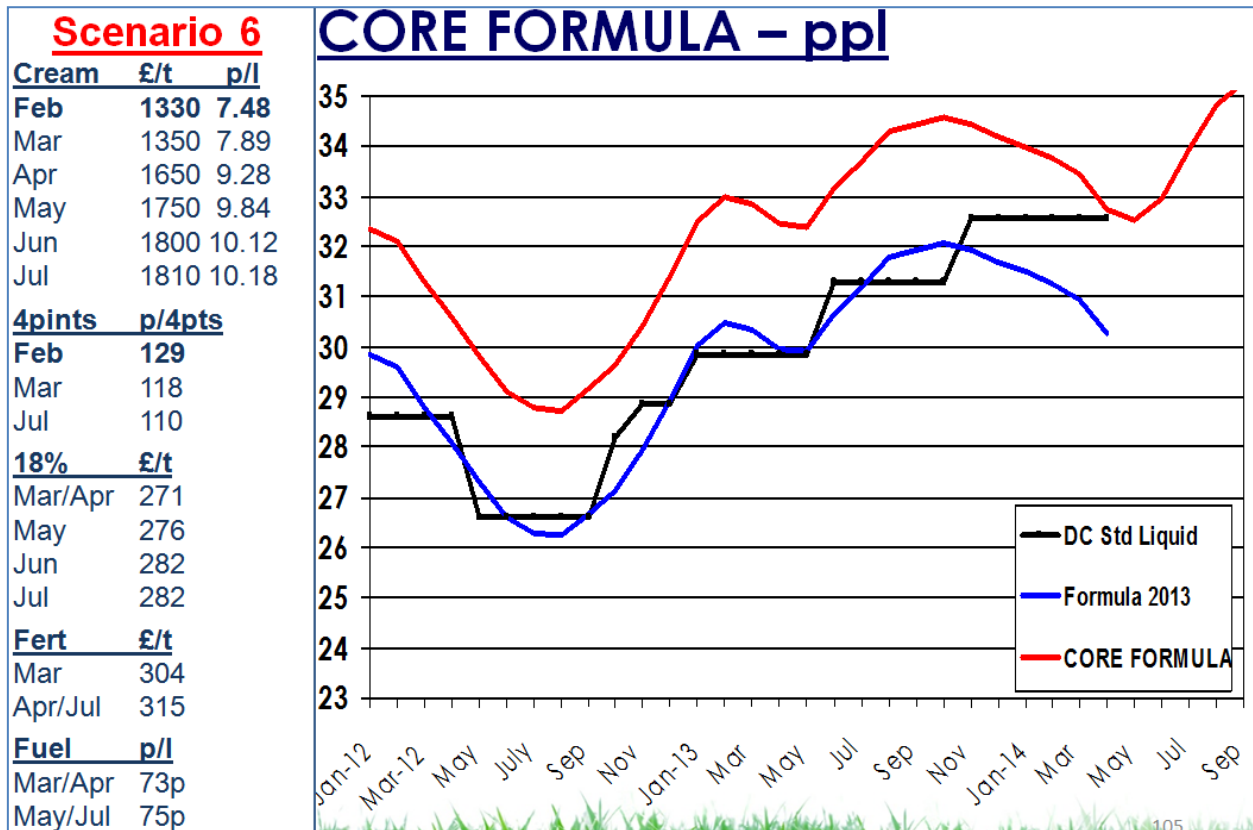
Scenario Four



Scenario Five



Scenario Six



Scenario Seven

