

Employee announcement

To be displayed on all unit notice boards

February 12, 2009

Dairy Farmers of Britain explores strategic options

Following our announcement in November 2008 of significant business restructuring, the Board of Dairy Farmers of Britain ('DFB') can confirm that it has received an unsolicited serious approach from a third party business.

We are committed to achieving the best outcome for the long-term benefit for our farmer members and will therefore explore any opportunity that will enhance member value.

As a result, DFB has engaged leading corporate mergers and acquisitions advisers from PricewaterhouseCoopers ('PwC') to help us review this approach.

Discussions are at a preliminary stage and there can be no certainty that any offer will be forthcoming. You may, however, see an increase in the number of visitors to your site in the coming weeks. I realise that this is an unsettling time for all of us but it remains business as usual and I know I can count on your professionalism and support.

Whilst a process like this inevitably leads to a large number of questions, I ask you to bear with us as, due to the commercially sensitive nature of such discussions, we will be unable to make any further comment on this issue until the outcome of this process is known.

Please rest assured, however, that we will communicate fully with you once we are in a position to do so.

Andrew Cooksey
Chief Executive