



«Member_Name»
«Address_1_»
«Address_2_»
«Address_3»
«Address_4»
«Post_Code»

17 July 2009

Our ref: SO/CA/«Producer_Number»

Dear «Salutation»

Dairy Farmers of Britain Limited (Receivers and Managers Appointed) (known as the "Company" or "DFB").

I write further to my letter of 18 June 2009 in which I explained the calculation and timing of the payment in respect of the milk supplied between the date of my appointment 3pm 3rd June 2009 and midnight 16th June 2009 – the initial two week period.

As you know, since my appointment, the principle has always been to margin manage the business and return any surplus funds to members after deducting DFB's trading costs from trading receipts. To date we have paid all members who have supplied milk 10ppl for milk supplied during the initial period.

Current Payment

I am pleased to announce that I am now in a position to make a further payment to all members who have supplied milk for this initial 2 week period. As part of this payment we will also be processing any pay adjustments necessary, to correct any underpayments or overpayments made, that have now been highlighted due to previous litreage errors used in the first 10ppl payment. Any adjustments are detailed on the enclosed statement showing the litreage supplied by your farm during the initial period.

This additional payment, subject to the pay adjustments mentioned above, will represent a further 2ppl for each litre of milk supplied. This will reach your bank account by 21 July 2009.

For your information, the payment will be made after deducting the 0.06ppl Dairy Co. levy, (formerly the MDC levy).

Final Calculation

This current payment does not represent the final calculation of the account. As you know the process for completing the calculation is complex and time consuming and there a number of matters still to finalise for this 2 week period which include:

- Collection of all debtor balances
- Finalisation and payment of all trading costs
- Reconciliation of haulage costs and collection of recharges

We continue to work hard to finalise the above matters. Once these are completed there may be some further monies due to members for the initial 2 week period although at this stage it is uncertain whether any further payment can be made.

We have always promised to return all surplus funds to members and as such on completion of the above matters we will calculate whether any additional payments can be made and will also provide details of the calculation. I have provided a table below that summarises the quantum and timing of payments made to date or due to be made under the Two Week Contract and the Monthly Contract.

I am very grateful for your continued patience and support during this difficult time.

Yours faithfully

For and on behalf of the Company as its agent and without personal liability



David Kelly
Joint Receiver and Manager
Dairy Farmers of Britain Limited

Table of payment arrangements

| Two Week Contract (period 3-16 June 2009) | Monthly Contract (period 17 June 2009 – 16 July 2009) |
|--|--|
| 5p on account paid 19 June 2009 | On account Base Price, paid 7 July 2009 for the period 17 June to 30 June |
| 5p on account paid 22 June 2009 | On account Base Price, due 23 July 2009 for the period 1 July to 16 July |
| 2p on account payment due 21 July 2009 | |
| Final account calculation – estimated to be paid if funds are available during August 2009 | Final account calculation – estimated to be paid if funds are available during August 2009 |

Messrs Ian Green, David Kelly and Stephen Oldfield are all licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and were appointed as Receivers and Managers and in their capacity as agents of Dairy Farmers of Britain Limited at 3pm on the 3rd of June 2009. Neither they nor their partners, firm, employees or agents shall incur any personal liability howsoever arising from their actions or under or in connection with any deed or other document or agreement entered into on behalf of Dairy Farmers of Britain Limited pursuant to or in connection with their appointment or the performance of their duties as Receivers and Managers. In particular (but without prejudice to the generality of the foregoing) no such personal liability shall arise by virtue of either Sections 37(1)(a) or 44(1)(b) Insolvency Act 1986 or otherwise.