

Devondale Murray Goulburn Announcement



18 December 2014

MG invests \$57 million in an integrated business platform to support strategy to grow farmgate milk price

Devondale Murray Goulburn (MG), Australia's largest dairy foods company, has announced as part of its business transformation, a \$57 million investment to integrate and simplify its business processes and systems.

The project, titled Program Evolution, will integrate and streamline a number of existing systems, as well as simplify and optimise business processes through the implementation of a full suite Enterprise Resource Planning system. The system will build on from the current SAP base module and include a fully integrated rollout that will deliver significant operating benefits across the entire value chain. Once complete, Program Evolution will reduce complexity and operating costs across the business.

"Program Evolution is a key enabler for the co-op to achieve our primary goal of increasing the farmgate price for our supplier/shareholders, by ensuring our systems and processes are efficient and cost effective, our data is accurate and timely, and that it meets the needs of the business as we transform now and grow in the coming years," said Gary Helou, MG Managing Director.

"Our Vision is to become the first choice dairy foods company for our farmers, customers and consumers. We have two strategic pillars, Operational Excellence and Innovation and the activities that sit underneath these pillars, like Program Evolution, aim to recalibrate the business to the high growth, high value markets of Asia and the Middle East, to ensure we deliver on our farmgate price goal for shareholders," he said.

Planning for Program Evolution has already commenced with a staged implementation over 18 months, which will be fully funded from MG's existing capital expenditure budget.

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About Devondale Murray Goulburn (Murray Goulburn Co-operative Co. Limited - ABN 23 004 277 089)

Devondale Murray Goulburn is Australia's largest dairy foods company. In 2013/14 the company received approximately 3.4 billion litres or 37% of Australia's milk and generated sales revenue in excess of \$2.9 billion. Devondale Murray Goulburn was formed in 1950 and remains 100% dairy farmer controlled, with more than 2,500 farmer/shareholders and more than 2,400 employees. Devondale Murray Goulburn is also Australia's largest dairy food exporter to the major markets of Asia, the Middle East and North Africa, and the Americas. Devondale Murray Goulburn produces and markets a range of consumer and food service brands, including its flagship Devondale brand, as well as a range of dairy ingredient and nutritional products.