



Press Release

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Murray Goulburn announces changes to strengthen its operations

Murray Goulburn Co-operative today announced changes to its Northern Victoria operations following a detailed review which considered a range of factors including available processing capacity and the significant reduction in local milk production in Northern Victoria and Southern Riverina in recent years.

The company today advised staff, suppliers and shareholders that the milk powder drying operation at its Rochester facility will be closed and placed into a “care and maintenance” program until higher milk production levels return to the region. In addition, while cheese and whey processing operations will continue on-site, the plant will now be managed as a satellite of the company’s Cobram operation. Other Rochester based services, including milk transport and field services, will continue as normal.

Gary Helou, Managing Director, Murray Goulburn, said the changes were difficult, but necessary to improve manufacturing efficiencies, increase Murray Goulburn’s global competitiveness and deliver higher farmgate prices.

Mr Helou said the changes will be implemented by 30 April 2012 and, regrettably, will reduce the number of employees at the Rochester site from 144 to 80 – a reduction of 64 positions, including 10 external contractors. Murray Goulburn staff whose positions are made redundant will also receive full entitlements and severance pay.

“It is difficult to lose good people who have worked hard for the company. We will be doing all we can to support affected staff over the coming months, including arranging counselling, financial advice and job transitioning services,” he said.

Mr Helou added that the changes to Murray Goulburn’s Northern Victoria operations will not affect the company’s ability to supply its domestic and international customers.

“This was a difficult decision and one made following an extensive internal review, which took into account the impact of recent milk production conditions in Northern Victoria and the Southern Riverina,” he said.

“Although there are encouraging signs of a recovery in milk production in the region, unfortunately it will not be sufficient to justify the continued full operation of the Rochester site at this time. It is in the interest of our suppliers, shareholders, employees, communities, customers and consumers that we ensure that MG remains a strong business into the future. We will continue to invest in programs and initiatives to significantly lower our operating costs and strengthen our dairy foods portfolio,” he said.

Murray Goulburn, Australia’s largest dairy foods processor and marketer, continues to employ more than 2,000 people, mostly in rural and regional Australia, and contributes an estimated \$6 billion to the Australian economy.

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