



28 April 2010

MEDIA RELEASE

National Foods outlines its plan to consolidate its Booval volume into an expanded Crestmead site

National Foods today announced it intends to consolidate the product volume it manufactures at Booval into an expanded Crestmead site to remove unnecessary duplication in its network and create capacity for future growth.

The company will invest \$55 million into its Crestmead manufacturing facility to expand its operations at this site taking it from 140 million litres capacity to 250 million litres.

This decision follows an extensive review of the National Foods manufacturing sites in Booval and Crestmead in Queensland.

National Foods Supply Chain Director, Arthur Murphy, said the company was excited about further expanding its Crestmead facility and providing long-term commitment to South-East Queensland.

"We have a great business at Booval and great people however when we take into account the duplication in our network and potential for future growth it makes sense to consolidate our volume into the Crestmead site," Mr Murphy said.

"This is a strategic decision and in no way a reflection on the people who are doing a great job producing quality products at Booval every day.

"There will be no impact on local farmers as National Foods will continue to require the milk it buys locally."

The expansion at Crestmead will involve additional processing and packing capability and will ensure the site can manage all distribution requirements for south east Queensland. The site also has the space for future growth.

It is anticipated that the expansion of the Crestmead site and integration of the National Foods South East Queensland (SEQ) manufacturing operations will be completed in early 2011 with the distribution operations to be fully integrated in early 2012.

No firm date has been set for production to cease at the Booval site.

National Foods has 100 people working at its Booval manufacturing site.

All National Foods people working at the Booval site will have the opportunity to express their interests in moving across to the Crestmead site. At this time National Foods will also consider redeployment opportunities across its Australian network for anyone willing to relocate interstate.

Everyone whose job is impacted will be fully supported and receive their full entitlements. National Foods will also consider redeployment opportunities along with interstate relocation assistance where appropriate.

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