

MEDIA ANNOUNCEMENT

LACTALIS AUSTRALIA: Queensland Manufacturing Changes

Lactalis Australia has completed an analysis of our Qld manufacturing capabilities and is announcing changes to the Lactalis Rockhampton and Lactalis South Brisbane factories, due to a changing milk supply from the Qld region, in particular Rockhampton.

Rockhampton update

We have reached the difficult decision to close the Rockhampton factory, effective 28 February 2020. This decision was not taken lightly, however the factory has not been processing at full capacity for a number of years and is only in operation three to four days per week with redirected milk supplies from SE Qld.

The welfare of the 47 Lactalis Australia employees at the Rockhampton factory is our top priority, and we will be working closely with everyone who is affected by the closure. All forms of support will be available to our employees throughout this transition time. This will include looking for opportunities where we can redeploy our staff to different Lactalis locations.

Lactalis Australia will continue to be a big part of the Qld community through our two other major factories in Nambour and Brisbane. We will continue to purchase milk from our dairy farmers in the Rockhampton region and redirect it to Nambour and Brisbane. Qld fresh milk will continue to be produced in our Qld factories with Qld employees using the milk from Qld family owned farmers.

We're very sorry to be ceasing our factory operation in the tight-knit Rockhampton community. The Rockhampton factory has been part of the Lactalis/Pauls family for 30 years. Lactalis products will still be sold via our local distributor and available in local stores. Community members will still be able to enjoy their favourite dairy products with brands such as Pauls, Ice Break, Vaalia and Breaka still available on shelf as usual.

South Brisbane update

Lactalis Australia will also be scaling back the production of yoghurt at the South Brisbane factory during 2020. Currently, there is insufficient farm milk in Qld to also support yoghurt manufacturing so the factory has relied on transporting milk from other states to meet demand.

Yogurt manufacture will transition to other Lactalis factories in Victoria and Tasmania which will reduce transportation requirements of milk between the states.

The welfare of our employees at the South Brisbane factory is paramount, and the redirection of milk from our Rockhampton farmers to South Brisbane for fresh milk production means we can minimise the effects of ceasing yoghurt manufacturing on permanent employment at South Brisbane.

Proudly committed to Queensland

Lactalis Australia is proud to have made significant contributions to the QLD community and economy since the 1930's and this contribution continues. With major brands of Pauls, Ice Break, Vaalia and Breaka which have been enjoyed by QLD families, dating back to the 1930's.

As the largest buyer of milk from QLD farms, we continue to purchase over 150 million litres of milk from 114 QLD dairy farmers each year. We also continue to employ 600+ people in our QLD factories and our Head Office, which has been based in Qld since the 1960's.

Collectively Lactalis spends over \$250 million each year on local Qld services and supplies to produce dairy products from our Qld factories and this rate of contribution to the Qld economy will continue.

Lactalis will be making no further comments.

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