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## ASX statement 28 June 2018

### Consolidation of the Australian further processing network

Inghams Group Limited (Ingham's) advised today that it plans to consolidate its further processing network from four facilities to three consistent with the Project Accelerate program.

The consolidation includes investment in capacity and capability at three existing further processing plants in South Australia, Victoria and New South Wales and a progressive transition of production volumes from the Queensland plant in Cleveland over the next eight months.

Once complete, volumes currently processed at Cleveland will be absorbed into the other plants, increasing the productivity of those sites and enhancing service for customers.

Restructuring costs of \$5M will be reported in FY18 related to this initiative, offset by profit on sale of surplus properties as previously reported. The consolidation will be progressively implemented across FY19 with full benefits expected to be realized in FY20.

Apart from this initiative, the outlook remains consistent with previous commentary.

This initiative will lead to increased employment across the three plants with increased volumes, especially at Edinburgh Parks in South Australia. Ingham's is confident that redeployment options for the vast majority of Cleveland employees will be available in our other operations in Queensland and a range of resources will be provided to support employees through the transition.

Alternative options for the Cleveland facility will be considered over the next few months and the site is expected to remain within the national network in some capacity.

Queensland remains an important national production hub reflected by Ingham's recent investment in a distribution centre, new laboratories and a second feedmill to support our primary processing and farming operations.

*About Further Processing : Cleveland is one of four Further Processing (FP) plants in the Ingham's Australian network. FP plants produce a range of cooked and frozen products for customers across a range of channels including Retail, QSR and Food Service.*

**Contacts:**

**Julia Seddon**

[jseddon@ingham.com.au](mailto:jseddon@ingham.com.au)

**0416 059 424**