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FACT SHEET

Ingham's expands national network and closes a NSW plant

Inghams Enterprises Pty Limited	<ul style="list-style-type: none"> • Leading integrated poultry producer across Australia and NZ • Produces more than 4 million birds per week • Employs around 8,000 people across its network.
Ingham's growth plans	<ul style="list-style-type: none"> • Ingham's is investing in its network to expand capacity, upgrade technology and improve productivity in order to continue to deliver the highest quality products and service to customers at a competitive cost.
Ingham's investment plan	<ul style="list-style-type: none"> • A total of more than \$400 million will be invested across the network by Ingham's and its supply partners primarily in South Australia and Qld with smaller investment in other states.
South Australian expansion	<ul style="list-style-type: none"> • \$275 million being invested in South Australia • The investment by Ingham's and its supply partners is across the integrated supply chain and includes breeder and broiler farms, hatcheries, a feed mill and processing plants • ~750 jobs will be generated over the next 2 years including 385 new jobs directly employed by Ingham's in SA, plus contractors and those employed in the construction phase.
Queensland expansion	<ul style="list-style-type: none"> • Over \$100 million investment in Queensland • The investment by Ingham's and its supply partners is in increased capacity, automation and technology at the Murarrie processing plant, breeder and broiler farms in Qld • Qld processing volumes have already ramped up with employment expanded at Murarrie.
New South Wales plant closure	<p>Background</p> <ul style="list-style-type: none"> • Ingham's Cardiff processing plant is located in the city of Lake Macquarie, NSW • One of Ingham's 6 primary processing plants in Australia • Operating for 40 years • Expected to close by end of August 2016 • Production volumes to continue to ramp down over a 3 month period. <p>Reason for closure</p> <ul style="list-style-type: none"> • Cardiff is Ingham's highest cost plant • Cardiff weekly volume is less than 15 percent of the weekly volume of other Ingham's plants • Cardiff accounts for approx. 5% of total Ingham's national volume • Investment in state of the art equipment cannot be justified given the small scale of the Cardiff plant

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Reason for timing

- Processing volumes at Cardiff have fallen from a typical 200k birds per week (peak) to ~160k, and will continue to fall to around 100k over coming weeks as volumes switch to larger plants
- Therefore Ingham's needs to communicate the reasons and planned closure to employees, suppliers and other stakeholders now, given the drop off in volume in recent weeks.

Our employees

- Ingham's employs 199 permanent staff at Cardiff
- Ingham's also employs a number of casual employees which has ranged between 120-160 people in recent weeks
- Ingham's advised its employees and casual workforce today (Wednesday 8 June) of the closure, and timing
- Ingham's will meet all its financial obligations to staff including redundancy payments under the award and other statutory obligations such as entitlements for leave
- In addition, a completion bonus of 1 week's pay will be paid to all eligible permanent and casual employees
- Redeployment options will be considered for all interested employees to other Ingham's NSW locations or interstate
- Employees will be eligible for up to \$1400 retraining allowance funded by the company to facilitate reskilling and transition
- Support services such as outplacement and counselling will also be funded by the company
- Ingham's will engage with local job agencies and government departments to support employees find alternative employment
- In addition we will work with local community leaders and other employers in the region to source opportunities for Cardiff employees, including other poultry industry employers in the area
- Ingham's will be as flexible as possible in releasing employees early if they have secured alternative employment.

Supply

- Cardiff's supply will be replaced by the other Ingham's facilities with no impact on customers
- The plant closure will not reduce the company's overall production volumes
- Ingham's will engage with all suppliers (including contract growers) to the Cardiff plant and will work through transition arrangements.

About Ingham's

Ingham's is Australia and New Zealand's leading integrated poultry producer supplying leading retail, quick service restaurant and food service customers, processing more than 4 million birds per week and employing around 8,000 people across approximately 260 farms, eight hatcheries, 10 feed mills, seven primary processing and five further processing plants.

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