



Mondelēz International Proposes End to Manufacturing Operations in Dunedin in 2018

DUNEDIN, New Zealand – Feb. 16, 2017 – Mondelēz International today briefed its people on a proposal to end manufacturing operations in Dunedin in 2018, with production to move into existing Australian sites.

For more than 80 years, the Dunedin factory has produced *Cadbury* products for consumers in New Zealand and Australia, and the site currently employs 350 people. Over 70 per cent of the products manufactured at the site are exported, with the vast majority being shipped to customers in Australia. If the proposal is adopted, the first phase of redundancies would take place late in 2017, with approximately 100 people remaining with the business until early 2018.

“This is an incredibly difficult announcement, given the factory’s proud history and the outstanding performance of our employees,” said Amanda Banfield, Area Vice-President for Australia, New Zealand and Japan.

“Our people in Dunedin are amongst the best performing teams in the region and, if it weren’t for their dedication and outstanding performance, the factory might have closed some time ago.

“The company’s proposal is the result of extensive consideration of the issues affecting local production. We operate in an increasingly competitive industry and the factory’s distance from its main market, low volume and complex product portfolio, make it an expensive place to manufacture our products.

“We’ve been on a multi-year journey reinventing our global supply chain,” Mrs Banfield continued. “We’re focused on becoming globally cost-competitive through increased production and investment in larger sites, while reducing costs, which allows us to fuel the growth in our brands.

“While the business has absorbed the additional costs associated with Dunedin production for a number of years, there’s existing capacity in our Australia sites which can deliver these production volumes at the same quality our consumers expect.”

While the proposal would see an end to production in Dunedin, it ensures Mondelēz International maintains a significant and sustainable presence in New Zealand with over 130 people continuing to work in the commercial, finance, and human resources teams across the country.

“New Zealand remains an important market for our business, and if the proposal is adopted, we will continue to invest in those things that make us a valued partner to hundreds of businesses throughout the country,” concluded Mrs Banfield.

Mondelēz International has confirmed its intention to support Dunedin’s growing tourism sector through an investment in Cadbury World, which already attracts over 110,000 visitors each year. The company is ready to invest in redevelopment work to make Cadbury World an even better visitor experience, however we won’t impose it on the community.

The company is confident the exciting plans for redevelopment and the prospect of more visitors and jobs at Cadbury World will appeal to the people of Dunedin. A final decision on the proposed redevelopment will be made by April.

Today marks the beginning of a consultation process with employees and their representatives. If the proposal is adopted, Mondelēz International will provide extensive outplacement and career transition training to enhance employees’ opportunities to secure new roles and transition to the next stage in their careers.

The company has also committed to retaining as many of the team as possible and would actively support them in applying for roles that become available in Australia or the region. This support would include relocation assistance for successful applicants and their families.

The Cadbury factory is a historic landmark in the centre of Dunedin, and as such, its future use will be of significant interest to the local community. As part of the consultation process, the Mondelēz International team will engage with interested stakeholders to better understand how the site may be used if the proposal is adopted.

To find out more about the proposal, please visit www.mondeleznz.co.nz

