

IN THE AUSTRALIAN COMPETITION TRIBUNAL

**MURRAY GOULBURN CO-OPERATIVE CO LIMITED**

**RE: PROPOSED ACQUISITION OF WARRNAMBOOL CHEESE AND BUTTER FACTORY  
COMPANY HOLDINGS LIMITED**

### **Certificate identifying annexure**

This is the annexure marked **KM1** now produced and shown to Keith Mentiplay at the time of signing his statement on 29 November 2013.

Annexure KM1  
Resume of Keith Mentiplay

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Filed on behalf of Murray Goulburn Co-Operative Co Limited  
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## Executive Summary

*June  
2013*

**Keith Mentiplay**

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### Profile:

A highly successful leader who takes a strategic and “total systems” perspective on corporate direction and intent. Who engages thoroughly with the Board, and involves people at all levels with what is required to deliver business success.

### Career Summary:

Murray Goulburn Cooperative	General Manager Operations	Dec 2011 – current
Mentiplay Management	Business Advisor	Jul 2011 – Dec 2011
Lion Nathan National Foods	Director Technical & Business Development	Jul 2010 – Jul 2011
Lion Nathan National Foods	Group Executive One Company Integration/Operational Excellence	Mar 2008 – Jul 2010
National Foods	Group Executive, Operations & International	Jun 2005 – Mar 2008
National Foods	Group Executive, Supply Chain	Jun 2002 – Jun 2005
National Foods	Executive General Manager, Group Operations	May 1999 – Jun 2002
National Foods	Regional General Manager, Victoria	Mar 1997 – May 1999
Pacific Dunlop/Nestle	Director of Operations	Oct 1993 – Mar 1997
Bulmer Australia	Manufacturing Director	Feb 1992 – Oct 1993
Dairy Farmers Cooperative	Sydney Operations Manager et. al.	Aug 1984 – Feb 1992

### Achievements:

- For Murray Goulburn identified and structured a program to deliver \$100m cost savings by significantly restructuring and reducing overhead headcount, deploying simple but effective automation and driving a strategic procurement program.
- For Murray Goulburn introduced a strategy to grow into new product category (new to MG) and partnered with a key customer to realise \$250m+ revenue with above average margins.
- As a Business Advisor directed both the PACT Group and Bega Cheese to make significant changes to their business strategy or operating practices.
- At Lion Nathan National Foods (LNNF) Australia’s largest FMCG Company, during 2010-11 have re-shaped the National Foods agricultural procurement and Supply Chain strategy, to rebuild the profits. For example, redesigned and re-negotiated legacy contractual agreements from the earlier acquisition of Dairy Farmers, which had resulted in substantial milk over-supply. The successful resolution of this has re-balanced supply which has reduced costs by tens of millions dollars.

- During 2008 – 10, worked with Kirin Japan (the parent of LNNF) to shape the offer for the Dairy Farmers acquisition, then negotiated and managed the ACCC requirements, and acted as Dairy Farmers' CEO throughout the successful integration. Saved Kirin \$100 million in the acquisition process. Central role to achieve the \$201 million of synergies relative to the \$98 million target, and the high 74% post integration employee engagement score with the resultant retention of the key talent.
- During 2005 – 08, under San Miguel ownership, effectively the COO of National Foods while the CEO pursued acquisition targets for San Miguel. Integrated Australia and overseas business and developed the end to end supply chain to enable the rapid growth planned.
- During 2002 – 05, faced a difficult trading period through a lack of top line market opportunity. Through this, sustained National Foods 12%-15% EPS growth rate through dramatic innovation to deliver efficiencies and reduce waste.
- Prior – took National Foods through deregulation to emerge with real competitive advantage. Also, as General Manager, took the underperforming Victoria business to high performance through a "Clean Sheet" approach to look at earning by category, by channel, by customer, then developed appropriate strategies to focus on the high profit areas, to remove other SKU's and to close the Geelong plant.

**Career Background:**  
**Murray Goulburn Cooperative**  
 General Manager Operations

Dec 2011 – current

Murray Goulburn Cooperative (MGC) is a dairy farmer cooperative owned by around 2400 farmers operating in Victoria & South Australia. MGC is Australia's largest dairy business processing over one third (3+ billion litres) of the nations milk production through 7 factories. Net sales turnover is \$2.2bn with a balanced structure of 50:50 domestic and export sales. The company employs around 2400 people and services its customers around the world with high quality dairy products both for direct consumer consumption and for use in other products. The Devondale Brand is well known throughout Australia and the SE Asian region particularly within the long life milk and dairy spreads categories.

Achievements:

- Developed, identified and implemented \$100m cost savings program across the operational supply chain – focus areas are strategic procurement, manufacturing rationalisation and excellence program, logistics infrastructure and overhead support structures.
- Redesigned, restructured and implemented a contemporary S&OP process aligned to the growing needs of the business. Reduced FG inventory by 40%, increased value generated from every litre of milk and optimised the manufacturing footprint. Continuous Improvement modifications are all trending to plan.
- Introduced a new product category, initiated and drove the strategy that resulted in a major business development with a key customer driving \$250m+ revenue at >10% EBIT :Sales
- Other initiatives rolling through 2013 are:
  - “Zero Harm” safety drive across the organisation targeting best practice safety KPI's, culture and behaviour
  - In bound milk logistics reorganisation through collaboration with other Industry participants
  - Comprehensive Manufacturing Footprint strategy aligned to growth / business aspirations recognising the business's ability to fund and manage change.

**Mentiplay Management**  
 Business Advisor

Jul 2011 – Dec2011

Mentiplay Management – my own Company, a vehicle to use my experience to assist other businesses to build strategy and drive better out comes. Two key assignments during this short period.

Achievements:

- 1) Prepare a comprehensive report - “Australian Dairy Industry Value Chain” – for PACT Group, covering Industry overview, farming & milk supply, markets, participants, domestic market in detail and fresh milk market detail with implications for PACT. Used as background / input to “Making Milk Grow” strategy for the group, in which I was asked to participate.
- 2) Bega Cheese – Supply Chain review – specifically focussing on
  - a. Organisational Review - Current and potential structure, people capability and development. Level of teamwork, interdependencies.
  - b. Product quality issues – comprehensive root cause analysis of recent incidents, escalation process, change management processes and governance.

Both assignments were very well received by the respective CEO's with each asking me to join their organisations and implement key findings / outcomes.

### **Lion Nathan National Foods (LNNF)**

National Foods - Director, Technical & Business Development

Jul 2010 – July2011

LNNF is a wholly owned subsidiary of the Japanese Kirin Corporation and is comprised of three operating divisions – Lion Nathan Australia, Lion Nathan New Zealand and National Foods. LNNF has a turnover of \$5bn and employs around 8000 people.

National Foods is Australia's largest FMCG entity with a turnover in excess of \$3.5bn. It employs 3500 people, supplies the market from 28 manufacturing sites and services in excess of 70,000 customers daily through an elaborate chilled distribution network. National Foods is Coles' and Woolworth's largest single supplier.

#### Achievements:

- Rebuilt National Foods' reputation as the responsible corporate citizen in the Agri political area by active participation with all Industry forums and stakeholders
- Developed and implemented arrangements to secure sustainable agricultural inputs to National Foods - October 2010 - >2bn litres milk & milk ingredients, >500K tonnes oranges & apples
- Built close working relationships with direct suppliers and supplier representative groups. Implemented a new milk supply strategy which delivered savings of > \$30M p.a.
- Engaged all stakeholders, in particular Coles, Woolworths and Metcash, to deliver best practice end to end supply chain capability – DIF moved from consistently <95% to >97.5%
- Reorganised and realigned National Foods International businesses. Worked with and had full knowledge of, and input into broader Kirin aspirations – Revenue >\$100m
- Reshaped International activities to focus on core branded activities and closed down non-core / loss making activities – benefit - \$4M p.a. EBIT
- Focussed National Foods / LNNF technical support services into single support unit across LNNF
- Determined the benefit and “fit” of all major JV's –, Chairman of Capitol Chilled Foods Australia, Queensland Butter Board and Blowflex plastics. Board Member of Vitasoy Australia.(Chairman R&N Committee) Vitasoy GM reports in directly. - All four are profitable separate operating entities

### **National Foods (NF)**

Group Executive, Dairy Farmers Integration/Operational Excellence

Mar 2008 - Jul 2010

The successful acquisition and integration of Dairy Farmers (DF) enabled industry consolidation and equilibrium positioning National Foods as a strong market leader with a strong number two.

#### Achievements

- Read the market environment and acted to achieve the DF acquisition with National Foods positioned as the primary player.
- Convinced Kirin to reduce their offer price for DF by \$100 million. Ultimately the first bid was the successful bid, so saved Kirin AUS\$100 million.
- Negotiated and subsequently managed ACCC requirements for the merger – sold assets to Parmalat at 1.5 times enterprise value.
- Identified the financial benefits of the proposed acquisition, including the synergies available. Target \$98m

- Developed and implemented an holistic integration plan. This included:
  - An end to end benefits realisation plan
  - A savings and revenue generation program, which doubled the acquisition synergies achieved from target \$98 million to \$201 million achieved. Tracked every dollar saved or generated through the general ledger and into the P&L to enable accurate verification of achieved performance. - Road mapping tool
  - Designed and implemented a new organisational structure – realigned and motivated leadership to deliver a successful cultural integration of the business as measured by a strong engagement survey score of 74%. Retained key talent.
  - Drove both the integration and the ‘hand-back’ to the responsible new ongoing management team.
  - Led the IT/Systems integration - \$14 million investment delivered \$14 million p.a savings, in addition to the savings and revenue generation program.
- Post integration, identified and drove the Business Process Improvement team for further value creation opportunities. Worked with the MD to exploit learning from the integration. – Customer returns from >\$1m / month to < \$250K / month, debtor days reduction of 15%, customer order accuracy from 96% to 99%

NF Group Executive, Operations & International

Jun 2005 – Mar 2008

San Miguel Group acquired National Foods and then further grew the business through acquisition to pursue a SE Asian expansion strategy.

Took responsibility for Australian operations - total \$2.4 billion revenue and 2,600 people.

Led all international businesses – offshore, export, JV’s - \$85 million revenue

#### Achievements

- Ensured the delivery of the Australian domestic P&L – effectively COO, while MD sought acquisition opportunities
- Successfully integrated the Berri business. Delivered on-target synergies - \$24 million.
- Drove an end to end assessment / review of Berri Business to grow EBIT – increased by \$13.5 million pa
- Successfully integrated Lactos business – delivered target \$14 million synergies.
- Integrated Kings Ice Cream business (Malaysia) and delivered \$3.5 million procurement benefits
- Developed 10 year Supply Chain plan (SAlign) aligned to and reshaping the business strategy providing capability and capacity to deliver defined growth expectations. In addition presented a long term capital investment requirement inclusive of ROI projections

NF Group Executive Supply Chain

Jun 2002 – Jun 2005

Promoted to the NF Executive Team who had the challenge to grow earnings per share at a rate of 15% p.a.; in the face of limited revenue growth opportunities. Led procurement, manufacturing, logistics, technical and engineering with 1400 people and costs of \$900 million.

#### Achievements

- Took an active role in the development and execution of corporate strategy, particularly:
  - Drove and implemented the development, technical and market acceptance of milk processing technology that today is worth > \$40 million p.a. to National Foods
  - Led the end to end review of the WA business which delivered increased EBIT from negative earnings to \$10 million in year one.

- Worked cooperatively with trade unions and site employees to align EBA's to business needs - \$8 million savings p.a.
- Increased manufacturing efficiency in milk manufacturing sites to deliver waste reduction 1.0% to 0.5% or \$750K pa per major plant
- Increased manufacturing productivity in milk manufacturing sites, measured in litres per man hour 740 to 1020, enabling a reduction in days of production from 6 to 5, saving \$950K pa per major plant

NF Executive General Manager, Group Operations

May 1999 – Jun 2002

As primarily a milk and dairy foods company, National Foods saw impending farm gate deregulation as both a threat and an opportunity to become "Australia's dominant Dairy Company." Successfully led development and implementation of strategies to minimise the impact and take advantage of the opportunities of deregulation while structuring the Supply Chain to achieve innovation and customer requirements.

#### Achievements

- Developed the strategy and implementation plan to re-organise the business post farm gate de-regulation – initiated farm services teams
- Set up direct sourcing of milk ex farm. Delivered savings of \$25 million p.a.
- Convinced National Foods to buy the Big M brand – brand valued today at \$105 million
- Represented National Foods in the re-organisation of key industry structures. Built NF reputation with core Agri-Political interfaces.
- A central player in industry restructuring:
  - Abolished Victorian Dairy Industry Authority
  - Wind up of Australian Milk Marketing
  - Sold Victoria "Industry Brands", including Big M
  - Set up the Gardiner Foundation
  - Established Dairy Food Safety Victoria

NF Regional General Manager, Victoria

Mar 1997 – May 1999

P&L Leadership of the Victorian independent business unit. Then \$250 million revenue with earnings of < 10% EBIT to sales. Eagerly seized the opportunity to develop and grow the business in a rapidly changing environment.

#### Achievements

- Inherited a portfolio of high overhead and underperforming categories. Sales and Marketing activities supported the wrong brands with an unfocused "just operating" mindset. Achieved:
  - Realigned the business strategy to focus specifically on customers, channels and categories
  - Developed financial models to provide a clear understanding of the earning capacity by channel, customer and product. This provided the foundation to deliver increased EBIT in year one from a budget/running rate of \$19 million to a full year \$29 million.
  - Negotiated price increases in all channels to achieve a further 21% YOY profit growth, year two.
  - Deleted 25% of SKU's to reduce complexity.
  - Redesigned and "transformed" the "go to market" strategies, with the new Distributor agreements subsequently adopted nationally.
  - Closed the Geelong plant to consolidate manufacturing into a single plant.

**Nestle, Chilled and Frozen (Previously Pacific Dunlop Food Group)**

Director of Operations

Oct 1993 – Mar 1997

Originally with the Pacific Dunlop Foods Group and joined Nestle with the acquisition by Nestle in 1995. The iconic food brands included Peters and Yoplait. Responsible for 950 people and all elements of Supply Chain including manufacturing, logistics, technical, engineering.

Achievements

Innovation and productivity gains included:

- Ice cream production consolidation \$8 million p.a.
- Outsourced Warehousing and Distribution \$4.5 million p.a.
- Outsourced maintenance and engineering resolved draconian work practices for higher performance and a benefit of \$4.0 million p.a.
- Built business case and had \$85m capex approved for greenfield ice-cream plant
- Doubled yoghurt manufacturing capacity to provide for the stellar growth of the Yoplait and Nestle brands. 20K tonnes to 40K tonnes - \$36m capex

**Bulmer Australia**

Manufacturing Manager

1992 – Oct 1993

The maker of “Strongbow” cider experienced rapid growth and required a comprehensive supply chain strategy which maintained EBIT margin of 50% +.

Achievement

- Doubled capacity and also deferred the need for significant capital spend for 5 years.

**Dairy Farmers Co-operative****Oct 1981 – Feb 1992**

Sydney Operations Manager

1989 – 1992

Plant Manager, Lidcombe

1984 – 1989

Production Superintendent

1981 - 1984

**Education:**

Master of Business Administration

Macquarie University

1990 – 1992

London Business School

Senior Executive Program

2007

Australian Rural Leadership Program

2000 - 2002

Diploma of Dairy Technology

Melbourne University

1978 - 1980