



**31 May 2016**

**Restructure and Capital Raising Announcement**

**Restructuring:**

Mercer Group Limited (NZX:MGL) is proposing to restructure its operations across the company. This includes:

- Consolidation of design and engineering to Christchurch
- Consolidation of all machines manufacturing to Christchurch
- Restructuring of New Plymouth operations to be right sized for the current market environment

Any change in staffing levels will be confirmed post the staff consultation process.

This is a further step in the restructuring of Mercer that began last year. The Board remains confident that the proposed changes bring Mercer closer to realising its vision of being a leader in the design and supply of food processing and packaging equipment to the world. If the proposal proceeds, it is the Board's view that by consolidating all design, engineering and manufacturing of its IP driven food processing and packaging equipment in Christchurch, the business will operate more efficiently and effectively.

The total cost of the restructure is estimated to be \$575k with the payback being well under 12 months.

MGL retains an Auckland office where the wider group sales function will operate from.

The S-Clave continues to be a priority for MGL and we continue to make progress towards commercialisation.

**Capital Raising:**

The Board of Mercer is committed to improving the capital structure of the company. It is currently assessing capital raising alternatives and expects to make a further announcement on this within the next two months.

For further information please contact

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