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Joint Media Release from PGG Wrightson and Wool Partners International

Structural Changes at Wool Partners International

Wool Partners International (WPI) and PGG Wrightson (PGW) announced today that they have reached agreement on the future direction of WPI.

Following the conclusion of the Wool Partners Co-operative capital raise WPI will soon revert to being 100% owned by PGW. However, given the strong desire shown by growers to take a greater role in their industry, PGW has agreed to support the development of an alternative to the Wool Partners Co-operative (WPC) proposal. This work has been colloquially termed "WPC Plan B".

"While the WPC proposal ultimately did not achieve the level of support that it was targeting, 30% of growers clearly believe that grower ownership of the wool industry is important. In conjunction with WPI, we remain committed to helping growers achieve this goal," said George Gould, Managing Director of PGW.

"In committing to this outcome we do have to recognise that WPI will be a PGW owned business and we have consequently agreed a number of changes to the Board which reflect the balance between our ownership and our commitment to future grower ownership."

These changes will see George Gould appointed as Chairman of WPI, Bill Thomas and Jeff Grant appointed as new directors to the WPI Board and Mark Shadbolt continuing as a director. The remaining WPI directors, Theresa Gattung and Keith Sutton, have stepped down from the Board, while Craig Norgate resigned from the board last month.

As a further reflection of PGW's commitment to advance grower involvement in WPI, Mark Shadbolt will also remain a director of WPI's wholly-owned marketing subsidiary, Wools of New Zealand.

Mr Shadbolt welcomed PGW's support. "We've said that we need grower ownership in the wool industry if we are to create a structure that will allow us to secure sustainably better wool prices for growers. We're busy working up details on what a WPC Plan B might look like and have begun consulting with growers on this. We are delighted with the commitment shown by PGW and their willingness to continue to allow grower involvement in the running of WPI."

WPI Chief Executive Officer Iain Abercrombie has also announced that he will be stepping down from the business at this time to pursue other opportunities. During his tenure, WPI has succeeded in pulling together an integrated value chain for wool including the wool brokering business of PGW, the exporting business of Bloch & Behrens and the Wools of New Zealand marketing arm and has overseen the launch of Laneve™ into the US and European markets. The success of these strategies has become evident in recent months as WPI has secured brand royalties from manufacturing partners internationally and has started offering added-value contracts to growers in New Zealand.

Mr Gould acknowledged the outstanding work Theresa Gattung, Keith Sutton, Craig Norgate and Iain Abercrombie have done on behalf of WPI and growers alike.

A new Chief Operating Officer, Craig Osborne, has been appointed to lead the WPI business. Having been raised on a Manawatu sheep farm, Mr Osborne comes to the role with a 20-year career in agriculture and agricultural co-operatives. "It's a privilege to be asked to lead this business and an exciting time to be joining it," said Mr Osborne. "WPI has a very good business which I think others in the industry are now starting to recognise. There are a lot of opportunities in front of us and I look forward to pursuing those and working with growers to help facilitate WPC Plan B."

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