



**Graziers' Investment Company Limited**  
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## **Chairman's Statement**

25 February 2011

### **Graziers' Investment Company Limited Concludes its Payment Obligations to the IWS Retirement Benefit Plan**

I am pleased to announce that Graziers' Investment Company Limited ('GIC') has concluded its payment obligations to the IWS Retirement Benefit Plan ('IWS Pension Fund'), enabling the 'clean break' process with the Trustees to proceed on 31 March 2012 in accordance with the compromise agreed between GIC and the Trustees in late 2007.

This is a momentous achievement and a long way forward from the origins of the legacy inherited from its predecessor organisation, International Wool Secretariat ('IWS'), in the 1960's.

The IWS Pension Fund, established as a defined benefit fund – *a type that has all but phased out of existence in Australia*, supported at times up to 800 employees in the UK. With no portability of pensions in the UK, it meant that all of the 800 employees remained members of the IWS Pension Fund until death and GIC remained obligated to pay pensions to all employees by covering any shortfall in the fund which, in September 2007, grew to £43.8 million (AU\$100 million), far exceeding shareholders wealth of AU\$9 million.

In the event the company was liquidated the obligations to the IWS Pension Fund would have ranked in precedence over the interest of shareholders. However, to avoid this from occurring GIC reached an agreement with the IWS Pension Fund Trustees for the future management of the fund which crystallised GIC's ongoing exposure to the Fund and retained shareholders value.

Both GIC and the IWS Pension Fund Trustees entered into negotiations in good faith and, with the approval of shareholders and financial assistance from the Federal Government, which enabled AWI to acquire the iconic Woolmark certification trademark, agreed to a payment plan over a three year period which has now come to an end.

At all times both parties have acted openly, honourably and within the spirit and substance of the agreement and remain committed to attaining a 'clean break' and freeing GIC to deal with the remaining assets of the company.

**Ends**

***For further information contact:***

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