



Press release – immediate

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NEW ERA IN AUSTRALIA

A quantum shift in Australia's artificial dairy breeding industry unfolded this week when former competitors Genetics Australia (GA) and World Wide Sires (WWS) announced an aggressive joint venture.

The two businesses have blended their Australian and United States resources, business models and staff within the extension of a third business arm in Australia, *Global Sires Pty Ltd.*

Global Sires will trade as WWS in Australia and it will be jointly owned by the two (with the majority holding in GA's court). The alliance offers Australian dairy farmers unprecedented access to the best home-grown and North American genetics within a single business that promises to rock the industry on its axis and re-align the balance of power.

While GA supplies 60% of Australia's artificial breeding needs with a strong focus on Australian pedigrees for the Australian environment, WWS represents the majority of the US artificial insemination cooperatives (with strong European alliances) and it brings depth, power and international credibility to the union.

Because the two companies have historically worshipped at different temples of philosophical views on breeding ideals, the announcement has blindsided many of the country's industry players in a shrinking and intensely competitive domain.

However, both GA and WWS (US) are farmer-owned co-operatives at their core and GAs expanding retail network has highlighted the need to offer a wide product range to meet its customers diverse breeding needs.

GA chairman Colin Gardner expects the partnership will take both companies to the next level.

"We now have more geographical reach with more people on the ground, greater expertise and a greater sire range for every dairyman's needs," Mr Gardner said.

"No-one has a mortgage on the best genetics, but this combination, we believe, is unmatched."

Mr Gardner said the decision also signified a quite different paradigm from the initial trial business model which *Global Sires* had operated under during the last two years as the two companies learned more about one another.

During that time GA marketed a limited number of US bulls from the WWS team that had to either have a baseline APR (Australian Profit Ranking) and type minimum or sexed semen availability. Bulls with higher converted breeding values will continue to be offered in the GA product line-up.

The new joint venture will fully reflect WWS' extensive bull team with a formal blending of staff and resources. Its managing director will be GA's chief executive officer Dr Ray Johnson, while WWS' former Australian head Peter Semmens has remained as Global Sire's sales and marketing manager. The rest of the WWS sales team is unchanged.

"Meeting the market is the hallmark of a successful business and the market has emphatically said that this is the product range that it wants," Mr Gardner said.

"GA has responded and while the transition will not be without its challenges we have been thrilled by the positive reaction from our staff and customers. It is a very exciting time for both companies."

In addition to WWS' US bull team the European contacts that it brings to the mix include Masterrind (Germany's biggest AB co-operative), Semenzoo (which represents all Italian AB co-operatives) and Xentica Fontao and Aberekin (Spain's two biggest AB companies).

World Wide Sires chief executive officer in the US John Schouten said combining the businesses in Australia made sense.

"We're very pleased to be able to cooperate with GA to give better services and contact to Australian dairy farmers," he said. "To be able to continue on with most of the staff from both businesses will give *Global Sires* a very high profile in the Australian dairy and beef markets.

"WWS here in the US is the collaboration of two co-operatives (Select Sires and Accelerated Genetics) and when you look at the globalisation of genetics around the world, it is great news that co-operatives are working together. I think the collaboration and the spirit of co-operation within the industry is at the highest level that I've seen in my 20 years at WWS and I think you will see more of these alliances in the future."

One ideal GA and WWS have always been in step with is genomics*.

Most experts in the field believe genomic values will not replace progeny testing in the short to medium term because its 70% reliability so far lines up against the more solid 85% to 95% progeny testing offers.

However, genomics delivers results faster and more inexpensively than progeny testing and everyone knows that life today is all about the fast lane.

GA is Australia's co-licensee for genomic technology together with Dairy Australia and ADHIS (Australian Dairy Herd Improvement Scheme) and was the first artificial breeding company to use the marker technology for profit improvement (APR). It also holds the Gene Marker licence for the beef industry within Australia.

WWS, in turn, is part of a powerful US industry syndication that holds critical mass information on thousands of bulls.

"Genomics is sweeping the world and there are something like 10,000 bulls listed in the US database that WWS is part of. We are very pleased to gain access to that information for our clients because it will strengthen our predictors," Mr Gardner said.

GA will continue to also operate as its own entity within Australia and while WWS' international brand will be acknowledged, its bull team will now be available exclusively through the *Global Sires* network.

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*Genomics = the study of genes on an animal's chromosome, which influences how traits are expressed in individuals.