

Weddel Crown is born

A TOP POSITION in the North Island's huge meat processing and exporting industry will be firmly occupied by the recently formed Weddel Crown Corporation Ltd.

The new company, announced on 10 February, brings together the marketing expertise of the Union group of companies with the assured supply stock and processing capacity provided by companies in the Crown Corporation group.

By integrating these activities under the umbrella of the new Corporation, the move strengthens the companies' positions in a number of domestic and overseas markets for meat and associated products.

The two companies were already partners in Monarch Marketing.

Among the new Corporation's subsidiaries are several freezing works as well as stockfood, animal by-product, pig farming and canning companies.



Managing Director Spencer Hagen

Combined, the Corporation's output is equivalent to around 11 percent of the national sheepmeat kill and 18 percent of beef.

Two thousand people will be permanently employed throughout the group, with up to 5000 at the height of the season.

"Setting up the Corporation greatly strengthens the position of both of the groups involved," says Spencer Hagen,

Weddel Crown Corporation's new Managing Director.

"We have joined the Crown Corporation's stock supply, killing and processing operations with the Union group's worldwide marketing activities. This gives us access to 1500 butcher shops in England alone, and we expect demand from both overseas and domestic markets to keep all of our freezing works very busy indeed.

Promotion prospects

"For the company, the outlook for profitable operation appears to be bright.

"And for employees the move means the opportunity to be part of an enlarged operation whose prospects for growth look very promising.

"Re-organisation into a larger group brings with it promotion prospects for staff that couldn't be matched within the previous set-up."

Mr Hagen says the benefits of the new Corporation's dominant role in the market will become obvious in the future as they flow through to both the company and its employees in the form of profitability and employment stability.

'the outlook appears bright'



Lord Vestey, Chairman of the Union International

NEW STRENGTHS

THE REORGANISATION brings us . . .

- 2000 permanent jobs, rising to 5000 at the peak of the season
- Three freezing works — at Westfield (Auckland), Aotearoa (Cambridge), Tomoana (Hastings)
- Ten chains killing 188,000 sheep, lamb and calves, as well as 12,500 cattle each week
- A combined kill of 18 percent of New Zealand's beef and 11 percent of its sheepmeat
- A top position among North Island meat processing and exporting organisations
- Subsidiaries involved in domestic meat sales, canned foods, wool scouring and animal by-product processing

Supply links forged

THE CHAIRMAN of the Union International Ltd and board member of the Weddel Crown Corporation, Lord Samuel Vestey, visited New Zealand last week to join in the announcement of the new company.

While here he spoke about the reasons for setting it up.

"The emphasis among the Union group of companies is largely in marketing. We own 1500 butcher shops in England and sell meat products to many other outlets both in England and elsewhere.

"The retail side of our business is growing rapidly and, combined with our international distribution links, puts pressure on us for reliable suppliers. We want New Zealand to play the vital role of supplying us with the products we need.

Number one supplier

"This is of course essential if the very competitive British market is to be served and we are to retain our position as the number one supplier there and as an important supplier in other markets.

"The logical way to ensure this happens is to involve a company with experience in acquiring and handling livestock.

"The Dalgety Crown interests of the Crown Corporation fit the bill perfectly," Lord Vestey says.

"This means we will now have more strength in stock acquisition, processing and marketing. We can guarantee both quality and supply," he says.

The Union International began looking at the reorganisation of its activities about three years ago.

Position strengthened

"We realised the emerging pattern of mergers meant changes in meat marketing were taking place among competitors. We laid plans to



Lord Vestey

strengthen our position by inviting a company group with similar interests to join us.

"You can't swim against the tide of change so we decided to swim with it."

He says the move also demonstrates the Union group's commitment to New Zealand.



Weddel's Tomoana Meatworks at Hastings

"We want to be a continuing part of the New Zealand meat industry, and setting up a 50/50 joint venture with an established national group was the best way to arrange it.

"Under the Weddel Crown banner we now have seven subsidiaries which, collectively, make us one of the largest

operators in the North Island, and in the top three nationwide.

"By joining our marketing expertise with the processing and livestock interests of the Crown Corporation, we will be able to forge ahead in developing markets," says Lord Vestey.

Staff to benefit

The benefits, he believes, will spin off to staff.

"Investment in plant will continue to be made to meet the requirements of importing countries, and we will work towards retaining our works as profitable operations. Plants like Westfield will, without doubt, remain very active in supplying our diverse markets."

He also says that the wider interests of the new company — which include fruit canning, pig farming, animal by-product manufacture and pet food production — will provide opportunities for promotion not previously possible.



Crown's Aotearoa Meats at Cambridge

Subsidiaries

THESE UNION GROUP companies will become part of Weddel Crown Limited:

- Nelsons (NZ) Limited — Tomoana Meatworks
- New Zealand Stockfoods Company Limited — Manufacturer of formulated products for all types of livestock at Westfield and Matura
- Westfield Freezing Company based in Auckland

THESE CROWN CORPORATION group companies will become part of Weddel Crown Limited:

- Aotearoa Meats Limited — freezing works based in Cambridge
- Riverside Piggeries Limited — adjoins Aotearoa Meats and utilises work wastes in an innovative feeding programme.

The new Corporation...

MAIN FEATURES of the new Corporation will include:

Access to stock

Through Crown Corporation's subsidiary, Dalgety Crown, Weddel Crown will have easy access to livestock for slaughtering at Aotearoa Meats Ltd (Cambridge), Nelsons NZ Ltd (Tomoana) and Westfield Freezing Company Ltd (Auckland).

The steady supply of livestock will make stable planning for marketing easier to achieve and ensure customer confidence in the Corporation's ability to supply.

Use of new technology

Investment in plant has already raised the Weddel Crown's three freezing works to the highest standard. Computerised production control and automatic pelting systems are used at Aotearoa and Westfield, ensuring efficient operation.

Computerised stock recording systems are operated at Tomoana for farmer clients, improving breeding techniques and, ultimately, the quality of stock coming into the works for slaughter.

Stock farms used for out-of-season holding of stock ensure continuous operations at Aotearoa. Halal slaughtering is also undertaken for Middle Eastern markets.

Investment has also been extensive in facilities for further processing, a vital activity in the search for products which suit individual markets and maximise the return to the country.

Sophisticated marketing

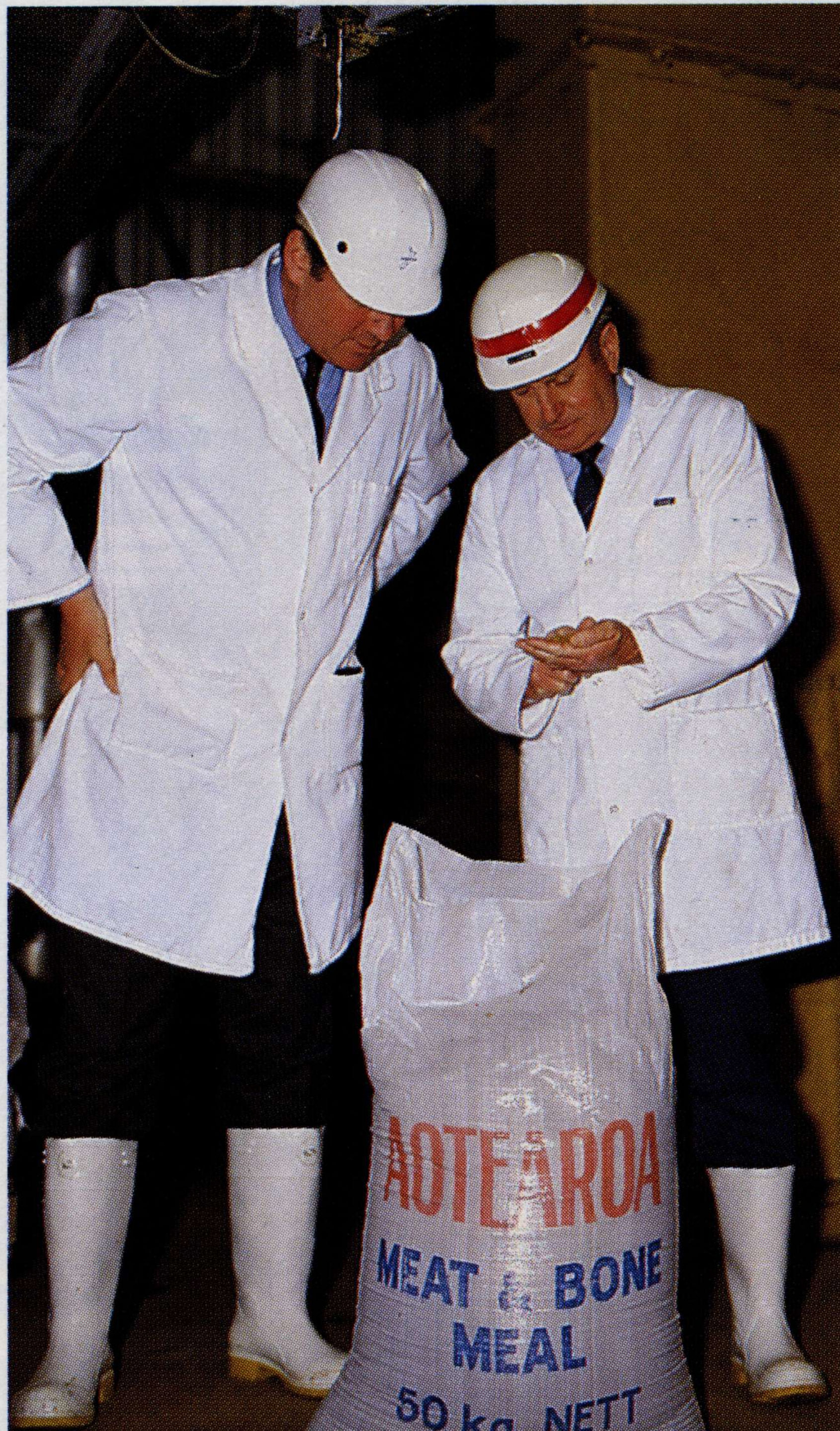
The Union group has sophisticated marketing systems in Europe, North and South America, Asia and Australasia, and owns importing, retail and wholesale distribution operations in a wide range of locations. As a result, the Weddel brand name is respected world-wide as a market leader.

Crown Corporation has distribution links for the domestic market under the names of Crown Meats Ltd (Tawa), Westfield and Tomoana.

Activities

Among Weddel Crown's activities will be:

- Slaughtering and processing meat for the export market — from three freezing works.
- Marketing and trading meat products on world markets — through Fletcher Marketing and Aotearoa Meats Ltd.



- New Zealand distribution and retailing — for the local market.
- Annual by-products manufacture — a full range.
- Stock food manufacture — through NZ Stockfoods Ltd under the 'Denkavit' and 'Tomoana' brands.
- Pig farming — through the Riverside Piggeries at the Aotearoa Freezing Works.
- Wool scouring — through Nelsons Wool Scour Ltd at Tomoana.
- Fruit and vegetable canning — through Crown Foods Ltd, formed by Aotearoa Meats Ltd with McCallum Industries.
- Asparagus and kiwifruit processing.



Management Line Up

WEDDEL CROWN CORPORATION senior management will be as follows:

Executive Chairman: Peter Johnston
Managing Director: Spencer Hagen
Group General Manager: Brian Browne

There will be three head office divisions:

OPERATIONS

Group General Manager: Brian Browne

FINANCE/ COMMERCIAL

General Manager: John Prendergast

MARKETING

General Manager: Bruce Bishop
Marketing Manager: Duncan Evans

Senior plant general managers will be the same as at present:

Aotearoa: Michael Ford
Tomoana: Michael Sanders
Westfield: Alan Parker
Stock Foods Ltd: Munro McLennan
Livestock supplies co-ordinated by Gordon Ansford

How will you be affected?



SOME QUESTIONS and answers to explain how you will be affected by recent changes.

Are we being taken over?

No. It is an equal partnership between a New Zealand company and an overseas company. The capital of the Corporation is \$80m. Each partner has put up half. Total assets are valued at \$400m and turnover is \$550m. Neither company will have control over the other, the partnership will be run with the co-operation of both.

Will any works be closed?

No. Some adjustments will be made to make operations more efficient, but no works will be closed. The creation of Weddel Crown is intended to strengthen the operations of the

Corporation's freezing works, and allied businesses, not close them down.

What will happen to freezing works drafters?

Weddel Crown will continue to use its own drafters. It will not put itself in the hands of another company for the procurement of stock, though it will continue to offer space for other companies and clients.

How is the new company made up?

Weddel Crown has bought seven companies which were previously subsidiaries of either the Crown Corporation or the Union group. Head Office, which will be staffed by executives from both partners, will be W & R Fletcher's premises in

Wellington.

Overall operations, policy and marketing will be controlled from head office. However, little difference will be felt within the subsidiary companies.

Will my record of service be affected?

No. Employees continue to work for the same subsidiary as before, the only difference is that it has a new owning company.

Will other stock companies refuse to co-operate with us?

This is unlikely. We have made it clear that although we have an association with Dalgety Crown we will only buy at the best price for the best quality. Our dealings will be at arms length.