

**ORGANISATIONAL RESTRUCTURE  
NAMOI COTTON LIMITED (ASX: NAM)**

The Board of Namoi Cotton Limited (Namoi) announces the implementation of an important organisational restructure. This initiative will allow Namoi to be more flexible and adaptive for many years to come as it trades through the climate cycles in the agricultural sector.

After a detailed review of operations, the Board approved the execution of a new organisational structure which builds on Namoi's strong foundations but brings increased focus and accountability in the delivery of services to growers and customers. Implementation of the restructure is expected to be complete by the end of the 2019 calendar year.

The restructure also brings a significant reduction in staffing levels. Approximately 50 employees will be directly impacted, and the initiative will deliver annualised labour savings of more than \$4.5 million. The cash flow impact of implementing the restructure is approximately \$2.0 million which will be incurred entirely in the year ending 29 February 2020 ('FY20').

Although the cash payments required to effect the restructuring are non-recurring, Namoi now updates its market guidance for FY20 cash flows from operating activities to -\$3.0 million as compared to the previous range of +\$2.5 million to -\$2.5 million.

Namoi's full-service capability will continue to be offered to growers and customers in the forthcoming season, despite the forecast sharp decline in cotton crop volumes as a result of the current severe drought in Eastern Australia. The restructure places relatively more grower-facing staff in the regional centres where the company does business and reduces the corporate overheads in this challenging period.

The decision to reduce staffing levels has been a difficult but necessary one, and Namoi acknowledges the personal impact this has had on its people and communities. The Company will continue to do all it can to support its employees and their families while the current extreme drought conditions prevail.

**Approved for release by the Board of Namoi**

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