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CHANGE THE GAME

Strength through innovation

Vision

To be the leading innovative sales and marketing company for New Zealand strongwool.



From the
Chief Executive

Launch of On-Line Natural Fibre Exchange

Those of you who attended the grower meetings last September would have heard about our plans to transition to an online platform as an improved selling option for commodity wools.

Today, Wools of New Zealand and other wool industry entities, have announced the launch of the Natural Fibre Exchange (NFX), as part of a commitment to develop better routes to market for your wool. Check out the press release at <http://www.ourwool.co.nz/more-information/media-releases/>

The NFX is an independent online trading platform established to connect buyers and sellers, providing transparent market-based reference prices and an efficient selling mechanism for wool. The launch follows over nine months of significant work and engagement with wool buyers and sellers, contributing to positive collaboration within the industry.

NFX's aim is to reduce transaction costs between sellers and buyers, increase the number of potential purchasers, enhance information flow and provide objective reference pricing.

The first live trading event will commence on 22 May 2018 at 2pm (NZ Time) and thereafter fortnightly on Tuesdays at 2pm (NZ Time).

While the NFX draws on other international models, notably the Global Dairy Trade Events (GDT) platform for the wool sector it represents an 'open access', independently structured entity bringing together buyers and sellers.

NFX Ltd shareholders currently include WNZ and Alliance Group, though it is expected to bring on other shareholders as the platform gains traction.

We are also pleased to have teamed up with CRA International to manage the NFX and its information site. CRA is an economics, financial and management consulting services firm listed on the NASDAQ and based in Boston USA. CRA is known globally for its specialist knowledge and expertise in the design of auctions and other trading systems including the GDT.

NFX has strong commitments for the first 12-months from sellers, who at this stage are confirmed as WNZ, Alliance, AFFCO, ANZCO, Lowe Corporation (on behalf of Silver Fern Farms and Taylor Preston) and Progressive Leathers. Initially the focus will be on marketing greasy wool with the potential to develop other offerings in the future.

The level of industry support has been encouraging and reflects its importance and the timing of the initiative. Discussions are progressing with other key wool sellers and buyers. We are looking forward to the first trading event and to reporting back to you as the NFX establishes and builds momentum.

We will be in regular contact with you over the coming weeks to provide you with more information regarding selling your wool on the NFX.

How it works

NFX will operate bi-weekly trading events on Tuesdays. All products in a trading event will be on offer simultaneously over multiple rounds of bidding starting at 2:00pm New Zealand Time and continuing until there is a round with no new bids. The highest bidder from the prior round will have purchased the lot

NFX is open to all industry parties and service providers who meet the requirements of the NFX Participation Agreement to be a seller and/or a buyer.

For more information go to the NFX information site at:
www.naturalfibreexchange.com

While we envisage that the NFX will play a significant role in discovering market prices via an efficient and convenient sales platform, we continue to focus on customer led contracts and points of difference through innovations and technologies to create longer-term value for your wool.

Rosstan Mazey
Chief Executive



**From the
Chairman**

Share Offer to Growers

Last week we mailed our grower shareholders an information pack relating to the offer of additional ordinary shares in Wools of New Zealand Limited.

The pack follows the registration of a Product Disclosure Statement (PDS) on 26 March 2018 for an offer of shares in the company. This offer will give eligible grower shareholders an ability to increase their shareholding in the company.

You can get a copy of the PDS by going to <https://disclose-register.companiesoffice.govt.nz/> and searching "Wools of New Zealand". The purpose of the offer under the PDS is to provide shareholders with additional shares in the company.

We're not asking for more money. Eligible shareholders will be automatically issued one share for every dollar committed to the Wool Market Development Commitment from capitalisation through to 30 June 2018.

In line with the examples included in the information flyer, it is important to note that only grower shareholders who are up to date with their WMDC payments will be eligible for new shares in the company.

If you are up to date with your Wool Market Development Commitment (WMDC) you don't need to do anything. If you would like to discuss the WMDC, the PDS share offer or transacting your wool please contact us directly at 0800 687 9665

Mark Shadbolt
Chairman
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Please contact your regional Grower Liaison (GL) directly if you wish to discuss anything.

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