



100% New Zealand Grower Owned



Wools of New Zealand Shareholder Update No. 99, 25 July 2018

FROM THE CHIEF EXECUTIVE



Rosstan Mazey
Chief Executive

2019 Lambswool Contract

I am pleased to announce that the Wools of New Zealand (WNZ) 2019 Lambswool contract is now available to all WNZ shareholders and suppliers.

This is the seventh year in succession that this contract has been offered, again ahead of the average market price which is currently at \$5.10/kg, providing price certainty ahead of the Lambswool season.

This year's contract factored in the points of difference that WNZ and our growers bring to the negotiating table and enabled us to negotiate a two-year contract, acknowledging both the consistency of our delivery and quality of our growers' lambswool.

2019 Lambswool Contract 2-year

Specifications

- Length: 2-3" (50-75mm)
- Micron: 28-31.5
- Colour: 2.0 max
- VM: 0.2 max

Price

Year 1:

- Tier 1 - \$5.50/kg clean (28-30 mic; 0.0 VM; 0.0-1.0 Y-Z)
- Tier 2 - \$5.25/kg clean (30.1-31.0 mic; or 0.1 VM; or 1.1-1.5 Y-Z)
- Tier 3 - \$5.00/kg clean (31.1-31.5 mic; or 0.2 VM; or 1.6-2.0 Y-Z)

Year 2:

- Tier 1 - \$5.65/kg clean (28-30 mic; 0.0 VM; 0.0-1.0 Y-Z)
- Tier 2 - \$5.45/kg clean (30.1-31.0 mic; or 0.1 VM; or 1.1-1.5 Y-Z)
- Tier 3 - \$5.25/kg clean (31.1-31.5 mic; or 0.2 VM; or 1.6-2.0 Y-Z)

Delivery

- Yr 1 - September 2018 – June 2019
- Yr 2 – September 2019 – April 2020

Payment

- 50% 60 days after wool accepted into contract
- 50% 180 days after wool accepted into contract

The Forward Contract Advantage

Those growers who have been rewarded over time by locking in their prices via forward contracts understand that it's not

about being better or worse than the spot price. Rather contracts of this nature are an important part of providing price certainty for our growers' businesses, and in attracting and strengthening relationships with customers.

We have gone through two years of challenging market conditions. Price is important, but as a grower owned company we are focused on building long term value in your wool and your company, underpinned through your delivery of wool that meets the required specifications, volume and timing.

The fact that we are entering the seventh year of our industry leading lambswool contract is testament that we've performed by meeting specification, deliveries and quality.

We expect this contract to fill quickly, so we encourage you to act with **urgency**.

Other Contracts Currently on Offer

2-3" second shear contract

Specifications:

- Length: 2-3" (50-75mm)
- Micron: 35-38.5
- Colour Y-Z : 2.5 max
- VM: 0.1 max

Price: \$3.45/kg clean (\$0.45/kg above current market)

Delivery: September 2018 – May 2019

2-4" second shear contract

Specifications:

- Length: 2-4" (50-100mm)
- Micron: 35-38
- VM: 0.1 max
- Colour Y-Z: 2.5 max

Price: \$3.55/kg clean (\$0.47/kg above current market)

Delivery: November 2018 – April 2019

Please contact your Grower Liaison directly to take advantage of these exciting options and lock in your returns.

Regards
Rosstan

Contact Us

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

Upper & Eastern North Island
Jan Ross 021 897 662
jan.ross@woolsnz.com

Lower North Island
Mandi Bates 021 876 636
mandi.bates@woolsnz.com

Central & Upper South Island
Mandi Bates 021 876 636
mandi.bates@woolsnz.com

Lower South Island
Bridget Russell 027 220 4737
bridget.russell@woolsnz.com

General: 0800 OURWOOL 0800 687 9665
Email: info.nz@woolsnz.com