

Wools of New Zealand Shareholder Communication No. 26  
4 March 2014

## From the Chief Executive

### Grower Advisory Panel

Wools of New Zealand has approached a number of shareholders about joining its Grower Advisory Panel (GAP), as a “sounding board” and to improve our communications with shareholders and supporters.

16 people have joined the GAP, on a reasonably representative geographic spread. We have had two productive teleconferences so far and we will be meeting face to face in early April.

A list of GAP members can be found on our website at [www.ourwool.co.nz/grower-news/](http://www.ourwool.co.nz/grower-news/). The GAP has been modelled on other proven primary industry communication examples, most notably the Fonterra Shareholders Council and Fonterra Networkers. In addition, we are looking to boost our communication with you in other ways, including:

### Appointment of Shareholder Relations Manager and Supplier Liaison Officers

We are calling for applications for these positions, the SRM to be 50% full time and the three SLO's to be ~30% full time. We think that we are overdue to have some staff able to assist you with access to contracts, direct to scour and other shareholder matters.

I would encourage you to look at the position descriptions on our website and forward them to potential candidates.

### Autumn Roadshow

We are planning a round of autumn roadshow meetings starting Tuesday 1 April in the North

Island and ending Wednesday 9 April in the South Island.

Venues and timing are still being worked through. We will send these to you and will also post the dates and venues on the website as soon as we are able.

This is a shorter round of meetings (12 vs 17 last spring) with some compromise around travel. We will seek to rotate through some regions for the Spring roadshows.

We have several significant matters to discuss with you and we seek a wider attendance please. You are all welcome, especially partners and bring your neighbours etc. Our “message” is for everyone.

### Hazlett Rural Engagement

We have agreed to trial the engagement of Hazlett Rural (HRL). HRL are a “new generation” stock and station company, operating between the Hurunui and Rangitata rivers in Canterbury. While we have no intention of building an “old style” wool agent field force, we think HRL can bring value, as an extension of the stock work that they do for many Canterbury shareholders, supporters and others that we want to include and at minimal cost to WNZ. If this pilot programme works, we may seek to extend it to other areas in 2015.

### Direct to Scour a Success with Month on Month Growth

The volume of wool is doubling every month, with 25,000 kg in November, 63,000 kg in December, 132,000 kg in January and 290,000 kg in February.

We still have some work to do on “user-friendliness” but the process is generally working very well with lots of repeat customers. The vast majority of you are accepting the prices on offer by NZ Wool Services International and we’re keeping an eye on the prices to ensure that they are fair and reasonable and transparent.

We thank you for your patronage.

## Progress with Camira and Grentex Contracts

We are making some better progress with Camira contracts and we still seek more volume for Camira. We get several new inquiries every day and it seems that yards full of woolly lambs or sheds full of bales of lamb's wool is spurring you into action.

Grentex contracts are very slow, mostly because of the very tight colour spec, in a year with very high colour wool being produced. For more information on Direct to Scour or contract options please go to [www.ourwool.co.nz/sales](http://www.ourwool.co.nz/sales), contact us directly at 0800 687 9665 or email us at [info.nz@woolsnz.com](mailto:info.nz@woolsnz.com).

## Share Trading

We have engaged Cooper Aitken, a Waikato based accountancy firm, to act as facilitators for WNZ share sales and purchase. The WNZ board needs to be arms-length from share trading, and Cooper Aitken provide this service for another primary industry company.

We are setting up two email addresses, one for buyers and one for sellers. Cooper Aitken will seek to match buyers and sellers from the web addresses. Once we have the addresses established, we will create a web link for you to transact.

Cooper Aitken will act only as a facilitator, not as an advisor. You will need to do your own due diligence and set your own buying or selling price. You can seek some guidance from our prospectus and our last annual report.

Both parties will pay a modest commission on sale. In addition, buyers will need to sign a deed committing them to pay WMDC. We expect to

have this process up and running before 31 March 2014.

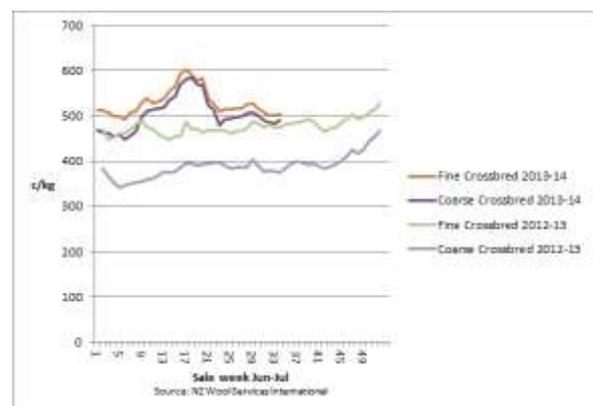
Ross Townshend

## Market Report

New Zealand Wool Services International reported the following from last week’s wool sale:

The 7,300 bales on offer saw a firm to dearer market with an 86% clearance rate. A steady flow of buying interest recently and limited volumes of desirable wool types has combined to steady the market after the recent downward pressure. Fine Crossbred Full Fleece remained firm. Longer shears ranged from firm to 3.5% dearer with shorter types also firm. Good Colour Coarse Crossbred Full Fleece held steady with poorer styles recovering ground, lifting by 2-3.5%.

Longer Coarse Crossbred Shears were firm to 3.5% stronger while shorter types were generally firmer. First Lambs Fleece were firm to 1% dearer and coarse long oddments were 3-4% stronger with short types 1-5% dearer. Next sale on 6 March comprises approximately 11,700 bales from the North Island and 6,900 bales from the South Island.



## Contact Us

As always, please feel free to contact us if you wish to discuss anything.

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