

Wools of New Zealand Shareholder Communication No. 29
17 April 2014

From the Chief Executive

Autumn Roadshow

Thank you to the 266 people who attended one of the 12 roadshow meetings over the last fortnight. Mark and I enjoyed the meetings and the opportunity to report back to you on the progress of YOUR COMPANY.

We received plenty of positive feedback about the commercial approach we are taking and some constructive advice about how we might do some things better. We discussed how our Direct to Scour model (D2S) and Direct to Market Contracts can add to your bottom line. We showed you a clear \$1.00 advantage with our Camira contract and explained why the deferred payments were important to WNZ and you.

We are keen for our shareholders to aim for our customer determined contract specifications and if necessary, drop back to D2S, so that we maximise your wool income.

For those of you that did not attend the roadshow, the presentations by Mark and myself are posted on www.ourwool.co.nz. We will be back with another roadshow in the spring, this time with some in-market presenters and we would like to see many more of you and your partners, friends and neighbours.

The winners of the Ice Breaker jerseys were Ross Cleveland of Oamaru and Blair Nelson of Aria.

Grower Advisory Panel (GAP)

Our GAP is up and running and providing valuable input about our communications with you. GAP met in Wellington during our autumn roadshow and GAP members are providing good input into our Wool Specification Book, Shearing Tally books and "How to" guides for D2S, Contracts etc. We expect to post out these new publications in mid May.

The GAP members are:

Robyn Williamson, Waikato/King Country
Dan Jex Blake, Gisborne/Poverty Bay
Tony O'Boyle, Wairarapa
Diana Baird, Manawatu/Wanganui
Duncan Menzies, Taranaki/King Country
Dave Hobson, Nelson/Golden Bay
Hugh Robinson, North Canterbury
Ian Richardson, Canterbury/Banks Peninsula
Simon Croft, Otago
David Gardner, South Canterbury/North Otago
Peter Baker, W Southland
Nelson Hancox, South Otago/Southland
Raymond Gunn, South Otago/Southland
Marty Westenra, Marlborough
Greg Anderson, South Canterbury
David Hildreth, Hastings

Shareholder Relations Manager (SRM) and Supplier Liaison Officers (SLO)

We are in the late stages of recruiting a 50% full time SRM and three 33% full time SLO's. With geographic responsibility for the Upper North Island, Lower North Island, Upper South Island and Lower South Island, these appointments will become your "first port of call".

I would expect this initiative to cost approximately \$150k/year compared to a conventional full field force costing more than \$4M/year.

Share Buying and Selling

You are now able to register to buy or sell WNZ shares with Cooper Aitken via the website at <http://www.cooperaitken.co.nz/Services/Wools-of-NZ-Shareholders>. This mechanism has been set up to keep the company at "full arms-length" from share trading.

You will need to draw on your own advice on share buying and selling prices. Cooper Aitken will seek to match willing buyers and sellers. Once approved by the Board of WNZ, share transactions will then be recorded by Link Market Services who manage the WNZ share registry. Buyers will need to sign a deed committing them to pay the Wool Market Development Commitment (WMDC).

Ross Townshend

Market Report

This week's offering of 7,800 bales from the North Island saw an 88% clearance with varied fortunes for different categories of wool types. Tight shipment demands for specific wool types has been the main market driver with the harder to place wools not so well supported.

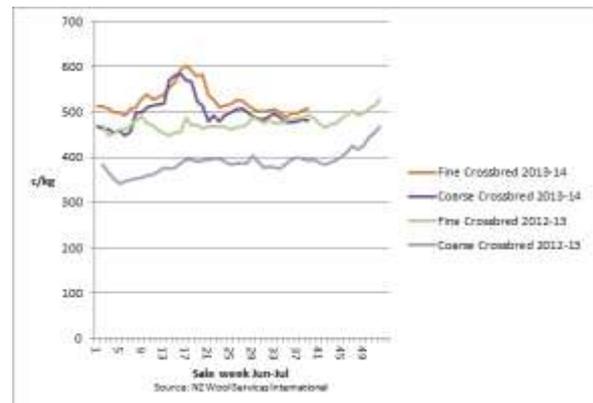
A limited offering of Fine Crossbred Fleece and shears ranged from firm to 4% dearer.

A small offering of better style Coarse Crossbred Fleece were firm to 2% stronger with a higher volume of poorer style fleece up to 1% easier. Longer Coarse Shears were 1% firmer with shorter shears which made up the bulk of the offering, firm to 2% cheaper.

Long First Lambs remained firm with shorter types 1-2% easier.

Oddments were generally unchanged. Next sale on 24 April comprises approximately 12,550 bales from the South Island. The sale rostered for 1 May in the North Island has been cancelled due to insufficient wool available as a result of poor weather restricting shearing.

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Contact Us

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

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