

Wools of New Zealand Shareholder Communication No. 32
18 June 2014

From the Chief Executive

Some extreme weather last week so hopefully you've managed to come through it unscathed.

While on the subject of poor weather, our wool depots are reporting delivery of uncovered bales, so just a reminder to ensure your bales are covered as scours cannot accept wet wool.

Ilkley Wool Centre of Excellence

As I mentioned in the last e-bulletin, I am spending some time at our Centre of Wool Excellence in Ilkley and meeting key customers in the UK and the wider European Union, both key high returning markets for WNZ. We have a number of key staff based at Ilkley, carrying out some unique and very smart functions:

David Hammond is Market Manager for UK, EU and USA and heads the Ilkley team.

Steven Parsons heads up new innovations, sustainability, market extensions, (for example: pharmaceutical packaging), social media and how we relate to the wider design community (with WNZ recently being accredited as providers of Continuous Professional Development courses for the Society of British Interior Design – which gets our wool and our brands, especially Laneve, in front of architects and designers, helping enhance understanding of wool, especially in carpets and textiles).

Joanna Ramsden manages our Creative Team, influencing styling, colours, textures and design for customers who buy our wool, which **John Bentham** turns into market samples on our workshop full of carpet sampling machines.

Adrian Goodrich keeps track of the "Pounds" and reports financial performance back to Christchurch. He also provides sound advice around trading terms, and risk management.

The service that our people provide to customers and potential customers is absolutely unique and is very well respected by all the customers that I am meeting with. Shareholders travelling through West Yorkshire are most welcome to visit this impressive facility.



Above: The M-tuft carpet sampling machine with carpet technician Rick Martin at the helm and some of our yarn bank in the background.

Laneve Contract Extension

The current Laneve contracts on offer end at 30 June. We now offer new contracts for supply from 1 July to 31 August.

Spec A	2" to 4" y-z<2.5	VM0.1%max 35 to 39 micron \$5.30/kg clean
Spec B	3" to 5" y-z<2.5	VM0.1%max 35 to 39 micron \$5.75/kg clean
Spec C	3" to 5" y-z<7	VM0.1%max 35 to 39 micron \$5.40/kg clean
Spec D	4" to 6" y-z<2.5	VM0.1%max 35 to 39 micron \$5.75/kg clean

Note that volumes are limited (eg, 3" to 5" 100,000 kg total), so contracts will be processed on a "first-come-first-served basis" for delivery to scour from 1 July to 31 August. Payment terms remain as 60 days from receipt of wool.

Camira Lamb's Wool Contract

We are prepared to mop up the last of any lamb's wool that might still be in your wool sheds (or on your lambs) on the original terms: \$6.25/kg clean for 0.0%VM.

Share Trading

A reminder to our supporters and shareholders that you are now able to register to buy or sell WNZ shares with Cooper Aitken via the website at www.cooperaitken.co.nz/Services/Wools-of-NZ-Shareholders. This share trading platform 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.

Wool Market Development Commitment

You will have received an invoice and statement of account for the first half of 2014 reflecting WMDC net of WMDC paid when you transacted your wool through the company either through contracts or Direct-to-Scour spot market sales. We appreciate your prompt payment of these invoices as this is critical funding for the company as we work to build new sales options for our shareholders and supporters.

Finally, you will shortly receive in the mail a Wools of New Zealand tally book, spec book and Direct to Scour process wall-chart to help you manage your wool business with us.

Ross Townshend

Market Report

A stronger New Zealand dollar had little effect in dampening prices as exporters bought to cover

close in contractual obligations. Recent poor weather and reduced wool supplies contributed to the strong demand.

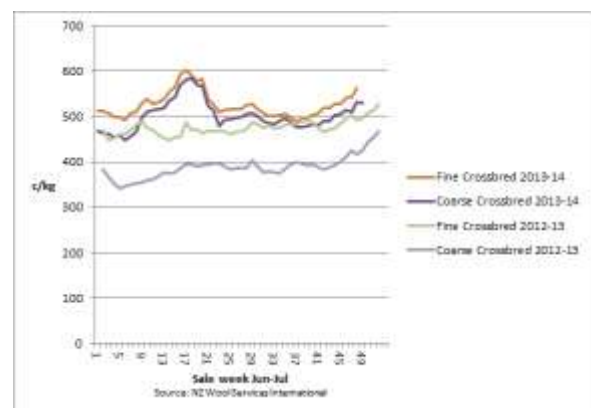
The 9,800 bales on offer last week comprised mainly woollen types 3/4 inch and shorter and saw a clearance level of 96%.

Compared with the similar offering in Napier on the 29 May, second shear all styles 3/4 inch and shorter and related oddments were up to 3% dearer. These categories made up 80% of the offering.

Longer wools all styles compared with the previous South Island sale were generally unchanged.

This week's South Island sale has been cancelled. The next sales, the final sales for the 2013/14 season, will be held in both the North and South Island on the 26 June, comprising 10,500 and 14,000 bales respectively.

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Contact Us

Please contact your regional Supplier Liaison Officer (SLO) directly if you wish to discuss your wool supply options.

Upper North Island – Hannah Coop 027 390 0483
Lower North Island – Wayne Baxter 021 529 506
Upper South Island – Brent Melville 021 876 636
Lower South Island – George Affleck 021 876 393

Telephone: 0800 OURWOOL
0800 687 9665

Email: info.nz@woolsnz.com