

Wools of New Zealand Shareholder Communication No. 36
5 August 2014

From the Chief Executive

Success of D2S

We can report some excellent volumes of wool through our Laneve contracts and direct-to-scour (D2S) for July. Support of this system is playing a part in recent improvements in wool prices. We thank our shareholders and supporters for their continued support. A reminder that all relevant information in relation to D2S or contracts can be found on our website, www.ourwool.co.nz including:

1. The WNZ weekly market indicator, updated after every Thursday auction so you can follow the spot market price
2. Latest contract pricing and specifications
3. Information on registering with the WNZ Integrity Program – mandatory to fit into a WNZ contract.

Direct to Scour – Payment terms for D2S is 10 days from acceptance.

New Laneve 2/S Wool Contract

On the back of good demand into our international markets for Laneve carpet wool, the following contract has just opened up:

Spec E 2" to 3" γ -z <2.5 VM0.1% max
35 to 38 micron \$5.10/kg clean

For delivery to scour from 1 August until 31 August.

Existing Contracts

Spec A Filled

Spec B 3" to 5" γ -z <2.5 VM0.1% max 35 to 39
micron \$5.75/kg clean

Spec C 3" to 5" γ -z <7 VM0.1% max 35 to 39
micron \$5.40/kg clean

Spec D 4" to 6" γ -z <2.5 VM0.1% max 35 to 39
micron \$5.75/kg clean

Note that volumes are limited so contracts will be processed on a "first-come-first-served basis" for delivery to scour until 31 August. Payment terms remain as 60 days from receipt of wool.

Lower South Island SLO Role

We are recruiting a new SLO for the Lower South Island. This is a part time position (approx. 12 hours per week) involving dealing with shareholder and supporter enquiry, encouraging contract and Direct to Scour supply and representing WNZ in the Lower South Island.

This role covers the lower South Island and it is envisaged that the successful candidate will live south of the Waitaki River. WNZ will provide training and support.

For more information or to register your interest, please contact our Shareholder Relations Manager Brent Melville at 021 876 636 or email a covering note and your CV to brent.melville@woolsnz.com

Ross Townshend

Market Report

Last week's South Island offering of 8,600 bales saw a 96% clearance with some extreme price lifts.

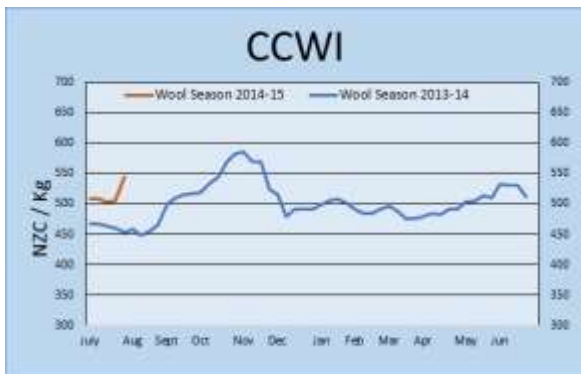
These large price lifts are supply and demand driven with urgent shipping requirements against export contracts and limited volumes available, putting pressure on the market. A smaller than expected volume at this coming week's auction, also contributed to the higher prices. Limited volumes over the next few weeks are expected to underpin the market.

Mid micron fleeces were 7-11% dearer. Fine crossbred fleeces were 5-7% dearer with fine crossbred shears 7-10% stronger while coarse crossbred full fleeces were 4.5-6% dearer.

Longer coarse shears lifted 7.5-8.5% with 3 to 4 and 2 to 4 inch shears gaining 10-12%. The shorter shears only firmed by 2%.

All oddments increased by 6- 0%.

Next sale on 7 August comprises 5,300 bales from the South Island, down 38% on the rostered volume.



Contact Us

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

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