

Wools of New Zealand Shareholder Communication No. 44
28 November 2014

From the Chief Executive

Annual Meeting and Roadshow

We held our annual meeting early this week in Masterton in conjunction with the final of 18 roadshow meetings from Wellsford to Gore. Thank you to the approximate 300 who attended the meetings and heard about the progress of your company and the outlook for the new programmes that we are introducing such as Stable Price Mechanism (SPM) and the Staple Commitment programme. We also reported on the highly successful Direct to Scour (D2S) programme.

We are encouraged by your interest in the SPM as a mechanism to moderate wool price volatility and also in the accompanying Staple commitment programme, with a steady supply of forms being returned. Feel free to approach your local Supplier Liaison Officer with any questions or if you require assistance.

I encourage you to talk to your neighbours, friends and colleagues about the progress of Wools of New Zealand as we need increased participation in our new initiatives. Your word-of-mouth support for the company is especially valuable to us as we seek stronger relationships with growers.

Progress in Market

1. We have just committed to the joint funding of an important new launch called the Faroe Collection, by the Gaskell Division of Headlam PLC. Wools of New Zealand is the design and styling force behind the product concept, the supplier of wool and

now the launch partner to see this exciting new range launched in 4,000 stores in Great Britain.

2. We have just concluded some initial wool sales into a very smart export focused new carpet plant in South East China. This wool will be "market-pulled" through this new plant to some of our brand partner customers in the UK.

New Laneve Contracts – Second Shear for delivery December, January, February

We are offering new second shear contracts for wool to be received into scour December 2014, January and February 2015. It is very important to ensure we have your "best guess" delivery date to ensure we can meet our delivery commitments to your International customers.

Contract A – 2-3" Shears

**(1 Dec 2014 – 27 Feb 2015)*

Length	2-3 inch
Micron Range	35.0-39.0
Y-Z	2.5 max
VM	0.1 max
Price (Dec)	\$4.90/kg (clean)

Contract B – 2-4" Shears

**(1 Dec 2014 – 27 Feb 2015)*

Length	2-4 inch
Micron Range	35.0-39.0
Y-Z	2.5 max
VM	0.1 max
Price (Dec)	\$5.15/kg (clean)

If you are producing these wool types please contact WNZ via your Shareholder Liaison Officer (SLO) by phone or email to arrange a contract to be issued as early as possible to ensure you don't miss out. The signed contract needs to be returned to WNZ within 48 hours of issuance.

- * Once the required volumes are met – the current contract will be classified as filled. If you miss out on the December contract we can place you on a waiting list for the new January 2015 contract and contact you early January with the new pricing.

Camira Lamb's Wool Contract

Contracts still available for the supply of compliant lamb's wool. Please refer to our website or contact us directly for terms of the contract.

Camira Contract – 2-3" Lamb's Wool

Length	2-3 inch
Micron Range	28.0-30.0
Y-Z	1.0 Max
VM	0.0 Max
Delivery	Dec 2014 - May 2015
Price	\$6.25/Kg (clean)

Light Bales

Finally, another reminder to please ensure your wool bales are at least 100 kg as a minimum. Going forward light fadges will be discounted to reflect the extra handling involved.

Ross Townshend

Market Report

Subdued overseas interest leading into shipping requirements over the coming Christmas vacation period saw targeted buying with most types easing. Of the 6,200 bales on offer 90% sold as most growers met the market.

Compared to the last North Island sale on 13 November the softer end of the Fine Crossbreds fared the best ranging from firm to 5% dearer.

Other types in this category were generally 1-3% easier.

Full length Coarse Crossbred Fleece and longer shears were 2.5% softer with short shears firm. Long Oddments were generally 3% cheaper. Good colour short oddments also fared well lifting 6-8% with poorer styles firm to 3% dearer. Compared to last week's South Island sale, all categories were generally 2-3% cheaper.

Next sale on 4 December comprises approximately 5,000 bales from the North Island and 4,300 bales from the South Island.



Contact Us

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

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