OUR WOOL
OUR BRAND
OUR FUTURE

Wools of New Zealand Shareholder Communication No. 52
3 May 2015

From the Chairman

2015/16 Staple Programme

Shareholders will be receiving the new, simplified 2015/16 Staple® commitment programme later this month. Last year's Staple® pilot attracted a great deal of interest and this year our target is to get commitments from all of our shareholders.

Staple® is a critical planning tool for the company, allowing us to gain an insight into total volumes, spec and supply dates grower by grower. With a greater understanding of your individual clips we can then match brand partners for specific wool types with individual growers in an efficient and cost effective way. We would urge you to fill it in and return promptly.

Those who sign up to STAPLE® will benefit from:

- Preferential access to WNZ and Laneve supply contracts.
- Immediate communication on contract supply options and specifications as they become available.

Participation in the WNZ 'Grower of the Year' Award.

'Shed Meetings'

These informal 'mud on boots' discussions are designed to keep you up to speed on WNZ progress with contracts, D2S, in market opportunities and our longer term strategy. We are also keen to get feedback on what we can do to improve things for you as a grower.

The first meetings held this week in Martinborough, Tinui and Marton provided good feedback on a wide range of issues, including:

- A request to roll out contracts over a broader selection of wool types.
- More information on exactly how D2S operates and what can be done to streamline the process to allow for greater volumes.
- A better understanding in shed around clip preparation and the price difference for various wool qualities.
- Concern over the number of non-transacting shareholders and the impact on future shareholder returns and how active shareholders can assist the company to engage the non-suppliers.
- Need for WNZ engagement with shearers, shed hands and contractors who influence clip quality and presentation.
- Better understanding of why payment terms are set as they are on contract basis (eg, Camira).

With discussion there is a greater understanding that the price for wool is set at the consumer end of the supply chain not by the trader end within NZ.

We are pleased with the interaction and feedback and have taken comments on board. This coming week Bridget Russell and I are in Otago/Southland, at the following times and venues.

When	Where	Time
Wednesday, 6 May	Waitahuna, Garry and Julene McCorkindale's woolshed – 1842 Manuka Gorge Highway, State Highway 8 (3 km south of Waitahuna)	3:00 pm
	Balclutha, Rosebank Lodge, meeting room	5:30 pm
Thursday, 7 May	Tapanui, Nelson and Fiona Hancox's Kowai Downs woolshed, 651 Captains Bridge Road	10:00 am
	Gore, Croydon Lodge, meeting room	4:30 pm
Friday, 8 May	Lumsden, Laurie and David Selbie's woolshed, 874 Lumsden/Queenstown Highway	9:00 am
	Otautau, Courthouse building, Otautau township	4:30 pm

Please endeavour to attend if you can. Allow about 90 minutes for the discussion.

We are arranging additional shed meetings in Canterbury and Hawke's Bay from 9 June. If you are interested in hosting a shed meeting please contact your SLO directly to arrange details.

Wool Contract Options

Following a review of the contract price and the current market, WNZ has increased both Fixed and Flexi-Forward contracts for 2-3" second shear wool to $5.00/kg clean. That is currently a benefit of about $0.25/kg above spot market levels.

We encourage you to lock into some price certainty now before the required volumes are filled before the end of May, in particular for quarters 3 and 4 for Flexi-Forward.

Laneve FLEXI-Forward Contract

Length	2-3"
Micron	35-39
Y-Z Colour	2.5 max
VM%	0.1 max
Delivery	Q3 – July-September 2015*
	Q4 – October-December 2015*
Price/kg clean	$5.00
* Plus 1 Quarterly Price Review	
** Plus 2 Quarterly Price Reviews	

New Supplier Liaison Officer for Upper South Island

Welcome to Julie Graham who has joined WNZ as our SLO for the upper South Island covering from the Waimakariri River north and including Nelson and Marlborough. Julie has lived in Cheviot for the past 22 years with her family. She has been involved in sheep, beef and dairy grazing farming with her husband and also works in the area as a real estate agent. We are certain she will be a valuable asset to the team and you can look forward to meeting her at one of the upcoming 'shed meetings' in her area coming up in June. Her contact details are provided below.

Mark Shadbolt

Market Report

The 4,700 bales of North Island wool, compared to the more stylish offering of the South Island wools on 23 April saw mixed price movements with a generally steady market overall.

Despite dramatic currency movements in some sectors week-on-week, the weighted indicator for the main trading currencies eased only 1.53% having limited impact on local prices.

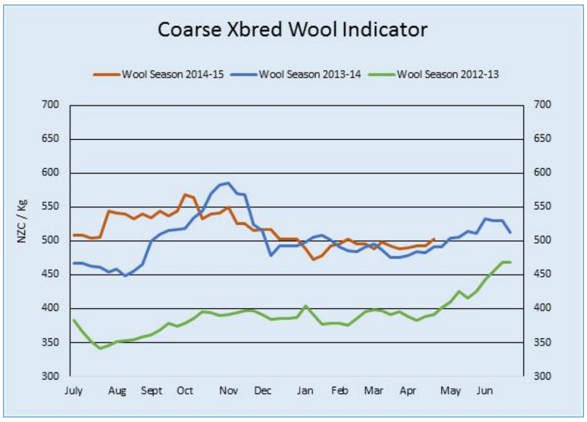
Hand to mouth customer buying activity and limited seasonal wool volumes combined with current exporter shipping requirements are underpinning the market.

Fine Crossbred Full Fleece and shorter shears were firm to 2.5% easier with longer shears up to 2% dearer.

Good style full Crossbred Fleece were 1% easier, average 1% firmer and poor firm to 1% cheaper. Coarse Shears were firm to 2% easier with shorter types affected the most.

Long Lambs Fleece were firm to 1% dearer, with shorter types 1-3% cheaper. Long Oddments lifted by up to 3% with good colour Short Oddments 1-2 % easier and poor styles firm.

Next sale on 7 May comprises approximately 6,700 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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