

**Wools of New Zealand Shareholder Communication No. 61**  
**24 November 2015**

### **From the Chairman**

More than 30 shareholders and supporters attended the Third Annual General Meeting of Wools of New Zealand yesterday in Timaru. Thank you to those shareholders who attended, some from as far afield as the North Island and Southland, to hear about progress for your company and the outlook for the coming financial year.

A highlight of the AGM was the announcement that WNZ has signed a commercial agreement with the Merino Company (TMC), to acquire the exclusive global rights to innovative scouring and dyeing processes. We believe these two innovative technologies will considerably improve the 'white and bright' properties of strong wool, along with colour fastness enhancements, providing a paradigm shift in the demand for end products using strong wool. The ultimate aim is to improve the returns of WNZ shareholders.

The scour process, Glacial XT™, produces whiter and brighter wool and enhances the properties of the fibre. The wool is then dyed using Kiteq™, a process that has been proven to improve colour fastness in finished products such as carpets and rugs whilst providing vibrant and clean colours on a par with synthetics.

Both Glacial XT™ and Kiteq™ add a number of benefits to both manufacturers and consumers, in terms of colour fastness, a broader spectrum of colour opportunities for warranties, all of which open doors into new markets and increased volumes which will ultimately benefit our WNZ shareholders and the wider industry.

It's a tried and tested technology, used within the fine wool sector in high value apparel. It's exciting that we've been able to secure this technology as a collaboration with an aligned wool sector – which of course further supports the NZ Inc story.

We aim to roll out both technologies over the coming year in selected markets via our extensive network of brand partners. We believe there are significant opportunities in hand-tufted rugs and printed broadloom carpets, for example, where clean, white wool is essential and with colour-fastness potentially on par with solution-dyed nylon, allowing New Zealand wool to compete in otherwise very challenging areas for the fibre.

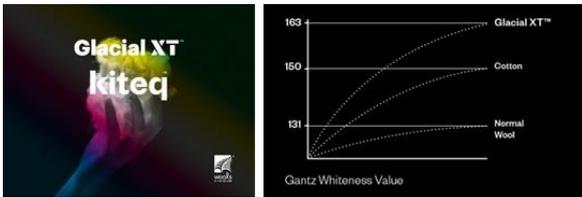
New Zealand Trade & Enterprise (NZTE) have also indicated their support to fund commercialisation and market development, great news for our shareholders and global partners.

Alan Koziarski, NZTE director of coalitions said that through working together, WNZ, our strong wool growers and TMC have increased their capability to deliver a unique solution to the strong wool market.

Ultimately, this is what WNZ was established for, to provide a commercially viable link between our grower shareholders and the consumer.

Finally, I have attached a link to a video we showed at the AGM, outlining the link between WNZ and Oritain. The video was shot at High Peak Station, thank you to the Guilds for being gracious hosts.

<https://www.dropbox.com/s/comt4pxjstm06y5/Oritain%20%26%20Wools%20of%20NZ.mp4?dl=0>



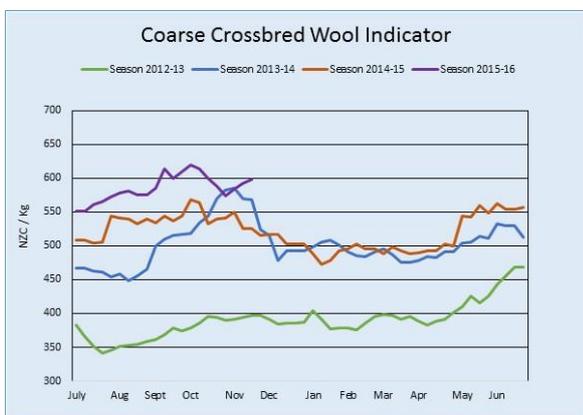
Rosstan Mazey

## Market Report – 24 November 2015

A slightly easier New Zealand dollar and limited wool volumes combined with steadier enquiry saw most categories well supported. Of the 5,700 bales on offer, 92% sold. Compared to the sale on 5 November, Merino Fleece was generally firm to 2% dearer, with mid-micron fleece firm to 3% dearer.

Compared to the 12 November sale, Fine Crossbred Fleece was 1-4% dearer, longer shears firm to 4% dearer and shorter types firm to 2.5% easier. Coarse Crossbred Full Fleece was up to 1.5% dearer.

Long Coarse Shears and very short shears eased 1.5% with 3-4 and 2-4 inch shears firm to 1.5% firmer. Oddments were 3-6% dearer. Next sale on 26 November comprises approximately 5,900 bales from the North Island.



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

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