

Wools of New Zealand Shareholder Communication No. 62
31 January 2016

From the Chief Executive

It's been a busy start to the year for the team at Wools of New Zealand, as we work on completing due diligence for the two new innovative scouring and dyeing processes, GlacialXT™ and Kiteq™ respectively.

These two innovations represent potential game changers for our company, our shareholders and our partners alike. As such they prompted significant interest at Domotex 2016, Europe's leading trade fair for floor coverings which we attended earlier this month in Germany.

This year's show attracted 1,441 exhibitors from 59 countries and some 45,000 visitors from 100 nations. For Wools of New Zealand it is the foundation for our sales and marketing activity – and this year was a real collaborative effort with Wools of New Zealand coordinating the biggest ever presence at the Show with eight partner co-exhibitors.

Joanna Ramsden, the creative mastermind of the stand and the rest of the Wools of New Zealand team did a fantastic job, producing a stand that was a real 'show stopper'. Floor styling was the chosen theme and it certainly worked. The showcase carpet on the floor was the Laneve branded Biscayne range.

To highlight the purity and whiteness of our wool, a 3.5 metre high yarn sculpture was the focal point at the front of the stand, which achieved the desired result with many onlookers stopping for photos.

The stand design gave us a great platform from which to engage with customers and general show visitors. Most importantly, our co-exhibitor partners were all very happy with their spaces and the design of their stands.



The WNZ team (from left): John Bentham (UK), Melissa Shen (China), David Hammond (UK), Shirley Slingsby (UK), Rick Martin (UK), Joanna Ramsden (UK), Rosstan Mazey, Mehmet Besparmak (Turkey), Sam Maston (UK), Hannah Duckham (UK), Steven Parsons (UK) and Stephen Tan (China)



Chinese rug company Dome were first time exhibitors and their rug collection, with some designed by Wools of New Zealand, was a huge success. This relationship presents an exciting commercial opportunity for us to assemble a high value supply chain and pull through our wool.

Overall, it was positive to see the focus on commercial outcomes with our customers through the meetings. We have many exciting initiatives in the pipeline and I look forward to working with our people and partners to deliver them.



Wool Delivery

- All South Island wool will be going to Timaru from 9 February 2016. We will communicate directly with you in relation to the process for those growers who have the ability to deliver directly into the Timaru store from farm
- Oritain Samples. There has been an excellent response to date with over 200 wool samples received for the Oritain trace database. Keep them coming please – there is increasing demand in the market for proof of origin and this will help further set us apart from others
- No part deliveries. With the scour running at full capacity during the peak season, they are unable to hold part consignment pending the delivery of further wool. Please deliver consignments in one load. A link to an updated spec sheet can be found on our home page
- Logistics. Please ensure no wool arrives at the scour unannounced direct from farm. Wool Logistics must be informed BEFORE the wool leaves your shed and they need a

copy of the spec sheet. A spec sheet should also accompany the wool

- Stolen wool. With improved returns in recent times a reminder to please remain vigilant and keep your sheds locked!
- Promo gear. We have produced some branded materials for our shareholders in the form of gate plates, stencils and car/window stickers. Please contact your SLO to receive your pack if you haven't already got it.

Wall of Wool. Growers and staff in front of WNZ's first branded commercial consignment of export bales.



Rosstan Mazej

FOCUS on: Joanna Ramsden - setting the colour bar

Based in Ilkley, UK, Joanna heads up the creative team at Wools of New Zealand, providing creative direction and inspiration for new floor design in New Zealand Wool - with the assistance of Shirley and Hannah who develop the concepts and ideas into commercial presentations.

Joanna works with mill partners globally with the aim of introducing creative and cutting edge products in New Zealand wool to stimulate their product offerings. This colour and design consultancy is of commercial benefit to all parties in the supply chain including spinners, manufacturers and WNZ who receive royalty payments.

The Laneve Biscayne stripe carpet laid on the Wools of New Zealand stand at Domotex 2016 is a good commercial example of a range launched two years ago. After colouring and designing the fashionable stripe, Joanna liaised with a

European spinner who supplied the stunning Laneve dyed yarns to a UK commission carpet manufacturer who made the range.

A graduate in Fine Art, Textile Marketing and French, Joanna has been involved in colour and styling trends for both apparel and interior markets for more than 30 years. During that time she has acquired a reputation for steering these trends into the global market.

Market Report – 28 January 2016

The combined North and South Island wool auctions saw targeted buying with some categories firm to slightly dearer and others marginally easier. Of the 19,800 bales on offer 93.7% sold.

A nominal offering of Mid Micron Fleece were 1-3% cheaper. Fine Crossbred Fleece in the South were firm to 5% dearer and in the North firm to 2% cheaper.

Fine Crossbred Shears in both centres were generally firm to 3% cheaper with some targeted buying making the odd type 1.5% firmer.

Full Length Coarse Fleece were generally firm to 2% cheaper except Average/Poor styles in the South which were up to 2% dearer. Coarse Shears were firm to 2% easier.

First Lambs were 1-2% cheaper while Long Coarse Oddments were 1-4 percent softer with good colour oddments 3-7% dearer and poorer styles slightly cheaper.

Next sale on Thursday 4 February comprises approximately 7,100 bales in the North Island and 5,500 bales in the South Island.

Contact Us

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

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