

Wools of New Zealand Shareholder Communication No. 63
14 February 2016

From the Chief Executive

WNZ Growers of the Year 2015 – Ambassadors to the US and The International Surface Event

Wools of New Zealand 2015 Growers of the Year David Hobson and Janet Morgan of NgaRua attended The International Surface Event (TISE) in Las Vegas from January 20-22.

This provided a great opportunity for two of our leading growers to connect with customers in the market and for both parties to understand the important role that each plays in creating value from strong wool. There is nothing more powerful than our customers hearing about the supply end of the business and gaining an appreciation for the dedication and commitment of our growers to produce the best strong wool in the world.

What happened in Vega\$

We broke the rule and asked David and Janet to tell us what actually happened in Vegas.

“Wow! It was a great trip and a real eye opener, not only for us but also for the WNZ brand partners who I think now have a much better idea of what happens on a New Zealand sheep farm! But everybody we met – from the WNZ team to the many brand partners – share a passion for wool and they are interested in learning about and visualising the story of New Zealand farming and wool production in particular.

After the visit to Surfaces we are now totally convinced that the WNZ supply line/market pull strategy is the only one that can deliver increased prices for Crossbred wool to New

Zealand farmers. We need to get away from the status quo. Wool contracts such as the Euro Lambswool contract are a major reason for improved prices in this market.



Above: David Hobson and Janet Morgan

A huge vote of thanks to WNZ for hosting us and for their hospitality – the glitz and glamour of the Vegas strip exceeded expectations. Surfaces was great but Elton John and the Grand Canyon were the highlights!”

Once again an extremely well organized and important event for WNZ, coordinated and managed by Hallie Cobb and Sandy Fincher of our US office and David Hammond, our European and North American Market Manager.

Below: Janet, David and Hallie Cobb, Marketing Manager WNZ USA



New Wool Store – South Island

Most of the South Island growers will now be aware of the closure of the wool store operated by Kaputone Wool Scour in Belfast. A new store has now been commissioned in Timaru by our service provider, NZWSI.

While the scour merger is still unresolved, Timaru is a strategically important location, particularly as the majority of wool in the South Island is produced south of the city. The new store address is:

226 Evans Street, Timaru (between PGG Wrightson and Harvey Norman)

Growers, particularly in the North Canterbury/Banks Peninsula region, who have previously delivered direct from farm to Kaputone/Belfast will now be required to deliver wool to the following depot in Christchurch (those of you near Ashburton/Mt Somers would probably opt to send to Timaru in any case).

Regardless, this will not create any undue delays and your wool will be sent onto Timaru daily and processed in a timely fashion. Wool Logistics will direct to you to the right place but the new Christchurch depot location is as follows:

TRANSWORLD
9 Sir James Wattie Drive
Hornby South
Christchurch 8042

Hours of operation: 8.00am to 3.00pm Monday to Friday

All other processes regarding the movement of wool remain the same.

Procedure as follows – which applies to ALL growers.

1. Wool Logistics to be contacted before wool leaves shed. Phone or email is suffice to Wool Logistics
2. Wool Logistics will advise the preferred drop off point for your wool
3. A copy of the spec sheet must accompany the truck and ideally be sent to Wool

Logistics (this is a backup for when spec sheets go missing and cartage companies forget to pass it onto the next person). Wool turning up with no paperwork is a common problem. However we recognise emailing a spec sheet is hard for some, so at a minimum please ensure Wool Logistics know how many bales are coming (phone, fax, email details below).

General:

- We have communicated that we have been unable to hold part deliveries – pending delivery of further wool. This is a peak season problem and not a permanent change
- Ensure bales weights are a minimum of 100 kgs. Any light weight bales are considered fadges and these are not as commercially viable as bales
- If wool is self-delivered direct from farm, the spec sheet must clearly note this.

Wool Logistics details:

Email: wool@fourdfreight.co.nz

Phone: 03 3118044

Fax: 03 313 6199

Rosstan Mazey



Market Report – 28 January 2016

Prices between the North and South Island sales varied, however the market for most types had a firm tone. The only sector to ease was Lamb's fleece after weeks of continual pressure. Of the 12,000 bales on offer, 83.3% sold.

Given the currency strength, the quiet Chinese sector due to their New Year vacations and the peak season volumes, the market is holding well. Fine Crossbred Full Fleece were firm to 1.5% dearer in the South and firm to 2% easier in the North. Fine Shears were generally firm to 1% easier with shorter types in the North 2-4% cheaper.

Coarse Crossbred Full Fleece were firm to 1% dearer in the South and firm to 2% cheaper in the North. Coarse Shears were 1-3% dearer in the South and ranged from 2% dearer to 2% cheaper in the North.

Fine First Lambs Fleece were firm to 2% cheaper with coarser lambs 2-4% easier. Coarse Oddments were 1-4% dearer.

Well spread interest with covering for Chinese orders, supported by Australasia, Western Europe, Middle East and India.

Next sale on 18 February comprises approximately 5,750 bales from the North Island and 5,400 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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