

Wools of New Zealand Shareholder Communication No. 67
17 April 2016

From the Chief Executive

Lamb's Wool Contract

Wools of New Zealand has successfully filled its 2015/2016 EU Lamb's Wool Contract, with the majority of wool supplied coming from WNZ shareholders. A big thank you to those of you who took up the opportunity. It's the fifth year in succession that we've been able to offer the contract and every year the volumes increase along with demand for the exceptional products that your lamb's wool produces. Aligned with the volume growth we've continued to build value in the contract offering our growers price certainty and returns that are well ahead of the market.

There remain a handful of growers who've not yet sent in their contracted wool. Our SLOs will likely be calling just as a reminder as we ensure the full contract is sent on time and on spec.

Woolly Thinking at IWTO Conference

Wools of New Zealand Operations Manager Jason Everson attended the 85th congress of the International Wool Textile Organisation (IWTO) held last week in Sydney. The event was an excellent opportunity to learn first-hand about current issues in the wool industry, while connecting with wool industry participants from New Zealand, Australia and other parts of the world.

There were about 500 people from 28 countries representing everyone from wool growers to retailers. The congress had a positive tone in terms of the future marketability of wool products with global wool production forecasts expected to sit around current levels but with increased demand

from a global marketplace where people are living and working longer than ever, better educated, more connected and are conscious about the origins and of products they buy.

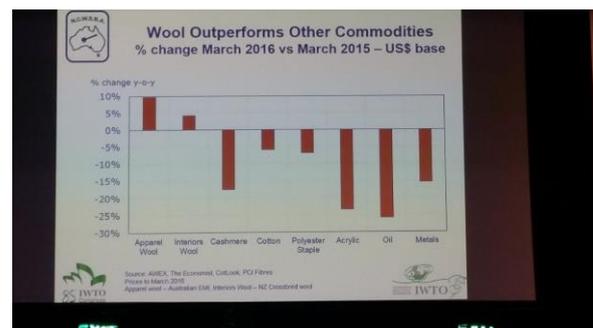
There was a welcome from Prince Charles via video link. The Prince is a very passionate "wool man" who is doing his bit to promote our precious, natural, sustainable, ethically produced, bio-degradable and renewable fibre. We now just need to get his son and daughter-in-law (Will and Kate) on the bandwagon and announce that they would not let baby George and Charlotte crawl around on anything else apart from a natural fibre carpet!

An interesting new use for wool currently being trialled is breaking the fibre down into powder which is being used as a key ingredient in the continued evolution of "3D" printing.

It was mentioned that there is a looming "micro plastic" crisis for man-made fibres, which our natural and precious fibre could well benefit from.

One guest speaker suggested a radical change to wool marketing – stop using sheep imagery and just focus on all the unique things that wool products can do.

A telling slide from the IWTO congress.



New Financial Manager for WNZ



Fiona McIlraith, WNZ's new Financial Manager, celebrated her first month with Wools of New Zealand this past week. Based in our Christchurch office, this role is fundamental in supporting the future success of our company. Fiona, who was

brought up on a sheep and beef farm in the Waitaki Valley of the South Island, recently relocated back to Christchurch with her family after spending a number of years working and travelling abroad.

A Chartered Accountant with almost 10 years of experience in multinational commercial and financial services organisations, Fiona was most recently employed by MMG Limited in Melbourne in their corporate Treasury Team. She has also worked in London and was employed for six years with the European Bank for Reconstruction and Development (EBRD). In addition, she has international experience with KPMG covering agriculture, retail and financial services clients.

Fiona's partner Tim works for ASB in Rural Corporate and they have a busy two year old, Jackson, who is very at home on the tractor at the farm. We're very pleased to have Fiona join us and look forward to her supporting our company as we continue to grow.

Rosstan Mazezy

Market Report

The 5,500 bales of North Island wools on offer this week attracted mixed interest with 85% selling.

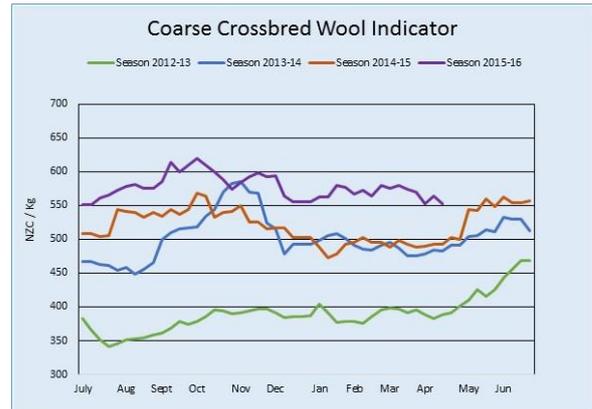
Compared to the last North Island sale on 31 March where similar wools were on offer.

- Fine Crossbred Shears were generally firm
- Coarse Crossbred Full Fleece of average style were 1.5-3.5% cheaper with poorer wools lifting 1-2%
- Coarse Crossbred Shears saw targeted buying with varied results across lengths and styles with prices ranging from 3.5% cheaper to firm and some types up to 2% dearer
- Preparation and vegetable matter content are affecting price ranges significantly within each type presently

- Fine First Lambs were up to 1% easier with coarser Lambs firm to 2.5% dearer
- Oddments were 3-6% cheaper.

North Island prices overall are below the more stylish South Island levels compared to the last sale on 7 April.

Next sale on 21 April will comprise approximately 9,900 bales from the South Island.



Contact Us

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

Upper North Island – Jan Ross 021 897 662.
jan.ross@woolsnz.com

Easter North Island – Hannah Coop
027 390 0483. hannah.coop@woolsnz.com

Lower North Island – Wayne Baxter
021 529 506. wayne.baxter@woolsnz.com

Upper South Island – Brent Melville
021 876 636. brent.melville@woolsnz.com

Upper South Island – Julie Graham
021 876 393. julie.graham@woolsnz.com

Lower South Island – Bridget Russell
027 220 4737. bridget.russell@woolsnz.com

General: 0800 OURWOOL 0800 687 9665

Email: info.nz@woolsnz.com

www.ourwool.co.nz