

Wools of New Zealand Shareholder Communication No. 9
20 June 2013

Making Progress - from the Chairman

Appointment of New CEO

Last week's appointment of Ross Townshend as CEO of Wools of New Zealand was the culmination of a rigorous selection process over several months. Ross, a Waikato sheep farmer and a Wools of New Zealand shareholder, boasts a solid background across the primary sector spanning dairy, meat, and timber - all connecting supply chains across international markets. Ross formally takes up the role on 1 August. Ahead of that he will be involved with a strategic planning session with the Board and senior management including a visit to China. Ross is looking forward to meeting as many of our shareholders as possible in the near future.

What Do I Do With My Wool?

Many growers are in the middle of pre-lamb shearing (in between downpours and snow!) and are naturally looking at options for the sale of their clip. Since the close of the capital raise process in February, Wools of New Zealand have pursued all opportunities around wool supply, sales process, technical, innovation and marketing. Although we have a number of irons in the fire there is little that we can convey to you at present. This may come as a frustration to some shareholders but we hope to be in a position soon to present options to you that are attractive but best talked about once we have achieved a result. We appreciate your patience. In the meantime please continue to trade with your preferred procurer or merchant.

Wool Market Development Fee Commitment

All shareholders should have received an invoice related to payment of the Wool Market Development Commitment (WMDC) for the period January 2013 to June 2013. Where information is available we have credited any payments received on behalf of shareholders from a third party in this period as collected at point of sale.

As outlined throughout the Prospectus and discussed at roadshow presentations the WMDC is a five year commitment based on your annual strong wool production as prescribed in the application form. That commitment is appreciated by your Directors. I cannot over emphasize the importance of this contribution to the financial viability of Wools of New Zealand as it strives to become commercially self-sufficient – a process likely to take up to five years.

We therefore acknowledge those shareholders who have already made payment and we look forward to payments by all shareholders in a timely manner.

Shareholders will also be pleased to know that there a number of growers outside of the shareholder base who wish to continue voluntarily supporting Wools of New Zealand. This not only provides additional funding but illustrates the groundswell of support from the wider industry.

Wool Supply Questionnaire

You will have all received the wool supply questionnaire a few weeks ago. The information gathered from this exercise is very important in developing a comprehensive database of individual grower information so that we can match inquiry to specific growers as we move forward. We appreciate the responses received to date and would urge you to please complete the form soonest if you haven't done so already, or contact us at 0800 OURWOOL if you require assistance in completing the form.

PGG Wrightson

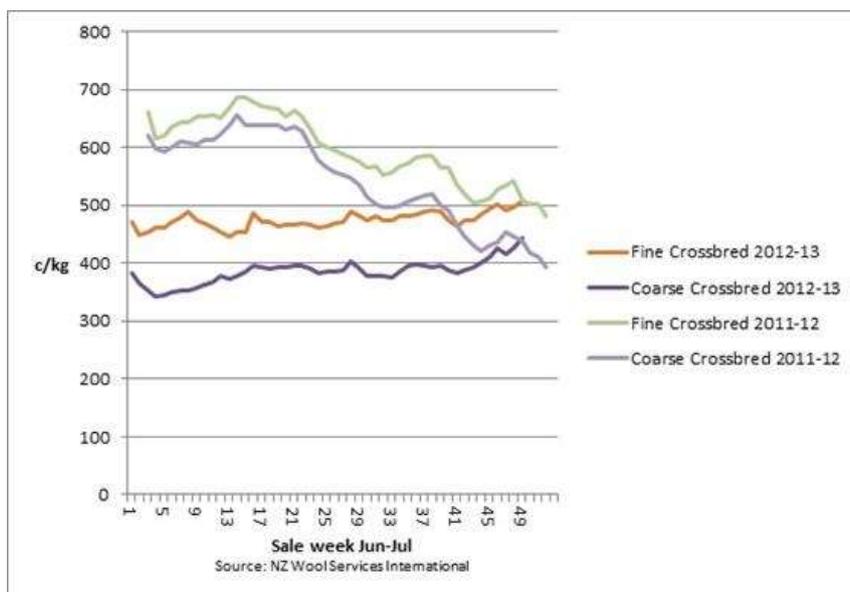
Please note that as of 30 June 2013, the current restraints and formal agreements that have been in place with PGG Wrightson (PGW) will be removed by mutual agreement. This will allow Wools of New Zealand a clear and open path forward to pursue a range of opportunities. These agreements were originally in place until end October 2013 and we thank PGW for their co-operation in this matter. What this also means is that PGW will be under no obligation to collect the WMDC going forward. On that basis we are pursuing new options for growers for WMDC collection at point of sale.

Market Intelligence

New Zealand Wool Services International reported the following from last week's wool sale:

The national sale last week saw 7,240 bales sold of 7,456 bales on offer, a 97% clearance on the back of recent drought and wet weather on the South Island which delayed shearing.

A reasonable offering of Fine Crossbred Early Shorn and Second Shear 3 to 5 inch and 3 to 4 inch wool of 35 and 36 microns were 4% dearer while the shorter 2 to 4 and 2 to 3 inch were 1% up. Coarse Crossbred Fleece, Early Shorn and Second Shear were generally 3-4% stronger. A limited offering of Lamb's Wool showed a 2.5% improvement with a limited offering of combing oddments attracting a 5% increase. The next sale on 27 June will comprise approximately 13,000 bales from the North Island and 9,500 bales from the South Island. *(Reproduced with permission).*



Promoting 'Intelligent Design'



And finally, Wools of New Zealand is proud to be sponsoring the “Intelligent Design” category of the Society of British Interior Design’s (SBID) International Design Awards as part of a wider campaign to place our Laneve® wool textiles in front of influential interior designers. Held in London on 29 November, the awards are one of the most prestigious and enjoyable events in the design industry calendar, serving to recognise, reward and celebrate design excellence across a broad range of categories.

As a premium brand from Wools of New Zealand, Laneve® carpets and textiles are manufactured to strict quality and environmental standards by licensed partners. The Laneve® integrity programme not only gives assurance of product traceability to identifiable farmers, but also the confidence of responsibly sourced materials.

Mark Shadbolt
Chairman, Wools of New Zealand

Wools of New Zealand sends out the majority of its communications with growers via email, which is both cost effective and faster.

If you would like to receive our regular e-bulletin please advise us by sending an email to ask@ourwool.co.nz.