



#126 - 27th March 2020



FROM JOHN McWHIRTER, CEO

UPDATE FROM THE CEO/CHAIR - WOOLS OF NEW ZEALAND:

The current environment that New Zealand and the rest of the world are facing due to the Coronavirus pandemic, is an unprecedented global emergency which we are all facing together. New Zealand is currently in Level 4, with a state of emergency declared. This means that our Wools of New Zealand operation has been forced to close. We've moved rapidly to put systems in place enabling our team to work safely from home in their respective bubbles.

The stores and scour have also had to cease operations to ensure the well-being of their people. Applications have been submitted to MPI for industry clearance as an essential service, however we are still awaiting the outcome of this decision. Whilst the economic and business impact is considerable, we also understand that the priority for New Zealand is to slow the spread of the virus. To that end, please refrain from sending any wool to our stores in both Napier and Timaru as previously communicated. We will keep you apprised on further developments as soon as they arise.

We have been working with the industry, our partners and the government to work through the implications for our business and our growers. We have also been in constant contact with our customers overseas to understand the situation they're facing in their respective countries. It will come as no surprise that most of our European customers have been immediately and substantially impacted. We're working with these customers to assess the flow on effect to New Zealand over the coming months and model various options around sales, shipments and forecasts. Our international partners have also been forced to close due to lockdowns across Europe, therefore our international deliveries have been paused too. If this impacts on your contracts, we will contact you on an individual basis in the coming days to discuss a way forward.

We are of course looking at the various support packages available to businesses here in New Zealand, considering various levers we can pull, and as such we thank the Christchurch Chamber of Commerce and NZTE for their support and assistance.

It goes without saying we share the New Zealand wide concern for the health

and wellbeing of our loved ones, and we're playing our part in adhering to the Governments requirements to keep us all safe.

Whilst it's an uncertain time for businesses and growers, we are working hard to position WONZ to weather this storm. In these challenging and difficult times it is important to consider the positives that can come from this. Whether this be a change to our current operations, improved efficiencies, or the opportunity to create more robust business continuity systems whilst in lock down, we remain committed to doing what is best for our people and our shareholders. We do ask that you bear with us as we manage through this difficult and evolving situation. Along with the information you're already receiving from others, we plan to keep you regularly updated with a Friday e-bul and personal phone calls. If you have questions or specific issues, please don't hesitate to call your GL or John McWhirter on 027 332 3049.

In the meantime, stay safe, look after yourself and your families and avoid any unnecessary contact with people outside your bubble.

John McWhirter

CEO

STAY IN TOUCH

Our team are always ready to help. Your best bet is to talk to your local Grower Liaison but you can find all of us at www.woolsnz.com/contact-us
