

Wools of New Zealand Shareholder Communication No. 41
10 October 2014

From the Chief Executive

Last week we updated our pricing on our current Laneve contracts to \$6.00/kg for all wool received up to the end October 2014, following increases to spot market prices on the back of a rerating of the NZ dollar exchange rate.

We continue to monitor the market and in particular the forex rate and will adjust our pricing accordingly in line with the spot market.

We are also currently talking to customers in Europe and are hoping to launch "Stable Price Mechanism" contracts in the New Year, which will enable us to consistently offer contracts and premiums to growers above the spot market.

Current Laneve forward contract wool specifications and price (valid to 31 October 2014)

Spec B	3" to 5" y-z	<2.5 VM 0.1% max 35 to 39 micron \$6.00/kg clean
Spec D	4" to 6" y-z	<2.5 VM 0.1% max 35 to 39 micron \$6.00/kg clean

Note: volumes are limited and offered on a first come first served basis for delivery to scour.

Lamb's Wool Contract – bonus deadline looming!

If you haven't yet committed to the current Camira Lamb's Wool Contract we would urge you to contact your local SLO next week to ensure you qualify for the bonus of 10 c/kg clean for committed supply by 31 October 2014.

A reminder that the wool to be supplied is to the same standards and specifications and prices as 2014, with prices as follows:

- \$6.25/kg clean for 0.0% VM
- \$6.10/kg clean for 0.1% VM (limited quantities)
- \$5.85/kg clean for 0.2% VM (limited quantities)
- Commitment bonus of 10c/kg for committed supply by 31 October 2014.

Easier terms:

- 40% paid at 30 days (twice as much twice as fast, to cover shearing and other costs)
- 40% paid at 30th November 2015
- 20% paid at 28th February 2016

Roadshow and AGM

The North Island roadshow starts on Monday 20 October in Wellsford. Dates and venues for both the North Island and South Island meetings are listed below and are also available at www.ourwool.co.nz

These meetings represent an excellent opportunity for us to discuss any issues with you, look at upcoming supply opportunities and provide examples of our wool innovation. Each meeting will take approximately 90 minutes including refreshments. Bring your partner, neighbours and anyone with an interest in the future of strong wool. The roadshow culminates with our AGM in Masterton.

To confirm your attendance at any of these presentations please contact Avril Jordan via email on avril.jordan@woolsnz.com, phone 0800 ourwool (0800687 9665) or talk to your local SLO.

The **AGM** will be held on Monday, 24 November at 11:00 am at the The Horseshoe Room, Farriers Bar & Eatery, Masterton (AGM and Lunch).

NORTH ISLAND ROAD SHOW		
MONDAY 20 OCTOBER 2014		
Wellsford	St John Wellsford Hall 98A Rodney Street	11:00am
Tirau	Tirau Memorial Hall Cnr Station Rd & State Highway 1	5:00pm
TUESDAY 21 OCTOBER 2014		
Taumarunui	Central Park Motor Inn 5-7 Maata Street	11:00am
Stratford	Shakee Pear Café Pioneer Village 3912 Mountain Road	5:00pm
WEDNESDAY 22 OCTOBER 2014		
Huntermville	Huntermville Town Hall Bruce Street	11:00am
Hastings	Vidal Winery 913 Aubyn St East	5:00pm
FRIDAY 24 OCTOBER 2014		
Gisborne	Cosmopolitan Club 190 Derby Street	11:00am

SOUTH ISLAND ROAD SHOW		
MONDAY 17 NOVEMBER 2014		
Tapawera	Kohatu Flat Rock Café 5087 Motueka Highway	11:00am
Blenheim	Scenic Circle Hotel 65 Alfred Street	5:00pm
TUESDAY 18 NOVEMBER 2014		
Cheviot	Cheviot Trust Hotel State Highway 1	11:00am
Mt Somers	Mt Somers Tavern 70 Hoods Road	5:00pm
WEDNESDAY 19 NOVEMBER 2014		
Waimate	Waihao Forks Hotel State Highway 8 Hakataramea Highway	11:00am
Palmerston	Waihemo Lodge Hotel 13 Runbrake Street	5:00pm
THURSDAY 20 NOVEMBER 2014		
Outram	Outram Rugby Club 102 Formby Street Outram	11:00am
Gore	Heartland Hotel Croyden 100 Waimea Street	5:00pm
FRIDAY 21 NOVEMBER 2014		
Mossburn	Mossburn Community Sport Centre Devon Street	9:00am

Market Report

This week's South Island wool sale saw prices remain firm overall. The higher than normal pass rate reflected mainly Merino types not meeting grower reserves.

Compared to 11 September 2014 Merino fleece 17-18 micron were 3-4% dearer, 18.5-21 micron seller's favour and 22-23 micron were 2-3% cheaper.

Compared to the South Island sale on the 2nd October 2014 Fine Crossbred fleece 32-36 micron was firm to 2.5% dearer while Coarse Crossbred Fleece remained firm. Fine Crossbred Early Shorn and Second Shear 32-36 micron 3-5 inch were generally firm to buyers favour, while 3-4 and 2-4 inch were 2% cheaper. Coarse Crossbred Early Shorn and Second Shear 3-5 inch remained firm while 2-4 inch and 2-3 inch were 3-5% more expensive.

A limited offering of Crossbred Combing Oddments were 2% dearer while Crossbred Clothing Oddments were 1-2% dearer.

Next sale on the 16th October comprises approximately 6,600 bales from the North Island.



Contact Us

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

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