

Wools of New Zealand Shareholder Communication No. 46
21 December 2014

From the Chief Executive

Wools of New Zealand wish you a Merry Christmas and a Happy and Prosperous New Year. We thank you for your patronage and support through the last year. We hope that you enjoy the festive season.

We completed the year with some great new contract wool sales to UK and Italian customers. Of major note, we have sold a 12 month wool supply contract, on Stable Price Mechanism (SPM) terms, to Lawton Yarns. Lawton will spin and dye this wool, and supply yarn to Gtuft, a contract carpet tufter. Gtuft then supply carpet to the Gaskell Woolrich and Kersaint Cobb divisions of Headlam PLC, who will be launching a new Faroës carpet range in 4,500 retail stores throughout the United Kingdom in the first quarter of 2015. The new Faroës range was designed, styled and sampled at our Ilkley Wool Centre of Excellence, and Wools of New Zealand is providing assistance with point-of-sale and promotional material to support this very large and important new product launch.

This exactly the sort of opportunity that we seek to pursue as we look for better markets and better returns for your wool. This is uniquely Wools of New Zealand – no other wool entity operates like this.

New Contracts on Offer

1. Lawton SPM Contract

This contract is to supply wool throughout the full 2015 year on a quarter by quarter basis. The first quarter Q1 supply is at \$5.00/kg clean, and Q2, Q3 and Q4 supply prices will be

adjusted by our Stable Pricing Mechanism (SPM) that we presented at the recent spring roadshows.

Wool specification is 2" to 3" length, VM 0.1% max, colour Y-Z 2.5 max, micron 35-39

2. Laneve Contract

We seek wool to fill a range of contracts for India, Italy, and Belgium, for supply to WNZ until 31 January 2015.

Price: \$5.00/kg clean

Wool specification: 2" to 4" length, VM 0.1% max, colour Y-Z 2.5 max, micron 35-39
We will look to expanding the contract volumes and supply into February and subsequent months as we make more sales over the next few weeks, especially at the Domotex (Germany) and Surfaces (USA) Tradeshow in January.

December Contract

The December Laneve contract volumes have been filled and this contract is now closed. We thank those growers who signed and returned contracts within the required timeframe. We look forward to receiving your wool at the time you indicated on the contract.

Stolen Wool Activity on the Rise

We are hearing of more recent activity of significant numbers of bales being stolen from woolsheds. We remind everyone to be extra vigilant, lock your sheds and ensure your bales are clearly marked.

Wool Scour Christmas Shutdown

Please note the wooldscours shutdown over the festive season. They both re-open Monday 5 January 2015. Please do not send any wool directly to scour until this time.

Christchurch Office

Our Christchurch office will operate limited hours between Christmas and New Year. However, we expect all emails and phone calls will still be responded to within a timely manner.

Merry Christmas from everyone at Wools of New Zealand.

Ross Townshend

Contact Us

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

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