

Wools of New Zealand Shareholder Communication No. 56
19 July 2015

From the Executive Chairman

WNZ Laneve Integrity Program EU Eco-Label Compliant Lamb's Wool Contract – Act Now

We continue to have a solid uptake to next season's WNZ Laneve Integrity Program EU Eco-Label Compliant Lamb's Wool Contract. Act now and give us your best estimate of supply if you haven't already done so. It's also a good time to start thinking about wool quality to ensure you achieve the best price for your wool, ensuring for example that lambs aren't in paddocks that could cause undue VM or colour issues.

We will be providing some independent advice regarding pesticide use and best practice to our lamb's wool contractors starting in August.

Key features:

- Available to all WNZ shareholders and supporters
- An approximate 15% increase on last season's contract price with improved payment terms
- Recognises the value of our brand partner relationships, our ability to build in-market relationships and our marketing and technical capabilities.
- A real market linked contract.

Specifications:

- EU Eco-Label compliant*
- Micron: 28.0 - 31.5
- Length: 2"-3"
- VM: 0.0-0.2
- Colour: Y-Z 0.0-2.0

Pricing:

- \$7.15/kg** clean (28.0-30.5 Mic + 0.0 VM + 0.0-1.0 Y-Z)
- \$7.00/kg** clean (30.6-31.0 Mic or 0.1 VM or 1.1-1.5 Y-Z)
- \$6.70/kg** clean (31.1-31.5 Mic or 0.2 VM or 1.6-2.0 Y-Z - limited volumes)

**** "Early bird incentive" of 10c/kg for contracts signed up by 31 July 2015, so talk to your local SLO soon!**

Payment terms:

- 50% paid 60 days after acceptance into contract
- 50% paid 240 days after acceptance into contract

*To comply with EU Eco-Label standards all growers entering this contract must be WNZ Integrity Program registered and enter the contract knowing that they must comply with compliant pesticide requirements which will be subject to independent third party verification.

Shed Meetings

I will be with Wayne Baxter in the Wairarapa and Taihape areas this coming Tuesday and Wednesday and with Julie Graham in Blenheim and Nelson on Thursday 30 July and North Canterbury on 31 July.

Final plans are also underway for another round of meetings in the lower South Island and the Hawkes Bay/Gisborne region in early August.

If you have a group of growers (shareholders or not) and would like a face-to-face discussion please contact us on the numbers below. The

shed meetings are proving to be a valuable means of two way communication.

In Brief

Congratulations to:



Dave and Janene Divers, WNZ Shareholders, Winners of the Supreme title in the 2015 Otago Farm Environment Awards (BFEA).

The Divers farm a 1,600 ha sheep and beef operation, 'Table Hill', inland from Milton, in conjunction with Cascade Creek Retreat, a hand crafted eco-friendly 5-star luxury log chalet. Purchased in 2000 by Dave's parents Lindsay and Jill, the farm has been run by Dave and Janene for the past five years. In addition to the supreme title, they collected the Massey University Innovation Award, the Donaghys Farm Stewardship Award and the Ballance Agri-Nutrients Soil Management Award. BFEA judges described the Divers as an "an extraordinarily focused, motivated and enthusiastic couple" who have embedded their philosophy of 'Sustainable Farming, Sustainable Tourism, Sustainable Lifestyle' into their personal and business lives.



William Rolleston, WNZ Shareholder and Federated Farmers president, newly elected vice

president of the World Farmers Organisation (WFO).

Rolleston, a farmer from St Andrews in South Canterbury, was voted into the post while attending the WFOs general assembly in Milan recently. The WFO brings together national producers and farm co-operatives around the world to make policies supporting farmers' causes in developed and developing countries. Fedfarms says his election reflects the high regard New Zealand is held in international talks particularly on trade and the leadership reputation of Kiwis working towards being the best farmers in the world.



Camira Fabrics, WNZ customer and brand partner, winner of the Queen's Award for Enterprise in Sustainable

Development.

The award recognises Camira's outstanding achievements in sustainable product design, supply chain initiatives, waste saving and recycling and people development. It's the fourth Queen's Award accolade for the company, following previous success in both the Innovation and International Trade categories. Camira manufactures over 8 million metres of fabric a year and sells to 70 countries worldwide. It's a world leader in fabrics for commercial interiors and public transport, supplying household names such as London Underground, high street banks and tech firms such as Google, Microsoft, Facebook and LinkedIn. See more at:

<http://www.camirafabrics.com/blog/queens-award-success#sthash.u05i7L5A.dpuf>

Mark Shadbolt

Fixed Price Forward Contract

In addition to our Flexi-Forward contract there are two new Laneve forward contracts available to shareholders, both for European brand partners:

WNZ 062	
Length	2-3" (can accept slightly longer)
Micron	35-39
Y-Z Colour	3.0 max
VM%	0.1 max
Delivery to scour	July to December 2015
Price/kg clean	\$5.20
Limited Volumes	
WNZ 063	
Length	2-4" (can accept slightly longer)
Micron	36-39
Y-Z Colour	3.0 max
VM%	0.1 max
Delivery to scour	June to October 2015
Price/kg clean	\$5.40

Laneve Flexi Forward Contract

Length	2-3"
Micron	35-39
Y-Z Colour	2.5 max
VM%	0.1 max
Delivery	Q4 – October-December 2015*
Price/kg clean	\$5.29
* Plus 1 Quarterly Price Review	

Market Report – 16 July 2015

The weakening New Zealand dollar helped local prices last week with most types increasing by the corresponding currency change.

Of the 7,900 bales on offer from the South Island, 88% sold with types suitable for in the grease shipments coming under strong competition.

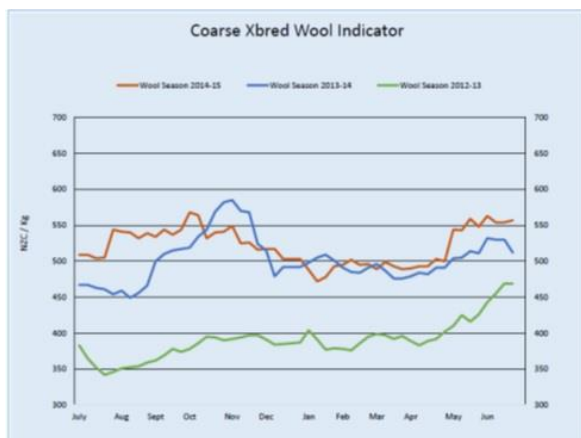
Mid Micron Fleece 24.5 to 27.5 microns were firm to 1.5% dearer with 28 and 29 microns not as well supported, coming down 1 to 4% from the prior South Island sale.

Fine Crossbred Fleece remained firm with longer shear types up to 3% dearer. Coarse Crossbred Fleece was firm to 2% stronger.

Coarse Shears 3 to 5 inches were up 1-2%, 3 to 4 inches 2.5-4.5% dearer and 2 to 4 inch and shorter, 2-3% dearer.

Long Oddments were nominally 2% dearer with short oddments ranging from 1% cheaper to 2% dearer. Widespread interest for the wide cross section of types available with Chinese shippers most active, supported by Australasia, Western Europe, Middle East and India.

Next sale on 23 July comprises approximately 6,000 bales from the North Island, down 32% on anticipated roster due to poor weather delaying shearing.



Contact Us

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

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