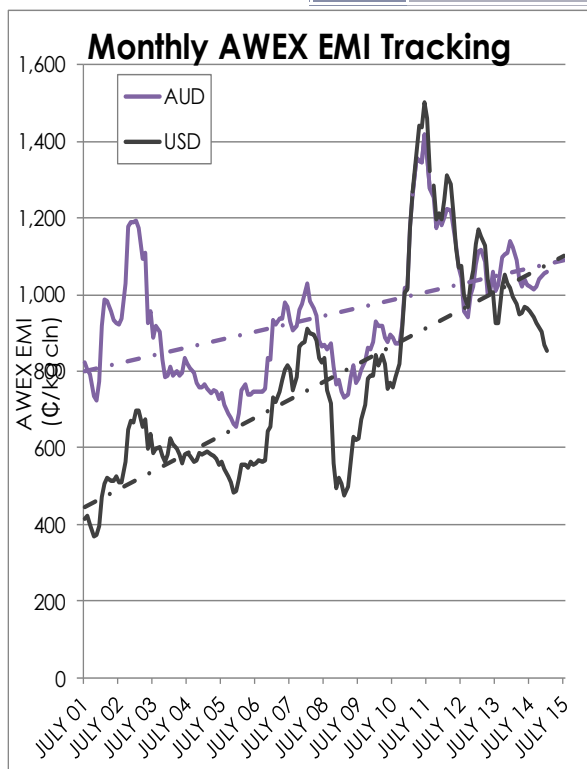




| Offering | |
|---------------|---------------|
| Bales offered | 45,398 |
| Passed-In (%) | 3.8 % |
| Bales Sold | 43,680 |

| AWEX EMI | | | |
|----------|----------------|-------------------|---------------|
| AUD | 1101 c/kg cln | +31 c/kg | +2.90% |
| USD | 855 c/kg cln | +13 c/kg | +1.59% |
| CNY | 53.49 ¥/kg cln | +0.87 ¥/kg | +1.66% |
| EUR | 7.53 €/kg cln | +0.06 €/kg | +0.83% |

| Currency movements | | |
|--------------------|---------------|---------------|
| AU:USD | 0.7769 | -1.27% |
| AU:CNY | 4.8584 | -1.21% |
| AU:EUR | 0.6842 | -2.01% |



| Sale days | Wed, Thu | | | |
|-----------|----------|------------------|------------------|------------------|
| | MPG | North | South | West |
| 17 | | 1388 +38 | 1357 +46 | - |
| 18 | | 1371 +53 | 1346 +45 | 1253n +56 |
| 19 | | 1247 +38 | 1243 +35 | 1221 +40 |
| 20 | | 1186 +31 | 1188 +32 | 1191 +38 |
| 21 | | 1177 +38 | 1187 +41 | 1176 +30 |
| 22 | | 1167n +45 | 1175 +48 | 1156n +35 |
| 23 | | 1157n +47 | 1161n +48 | - |
| 24 | | - | 1117n | - |
| 25 | | 962n +32 | 958n +22 | - |
| 26 | | 870n +25 | 863n +28 | - |
| 28 | | 809 +26 | 802 +15 | - |
| 30 | | 765 +20 | 770 +30 | - |
| 32 | | 678n +33 | 668n +20 | - |
| MC | | 888 +35 | 891 +26 | 872n +35 |

MPG and indicator data in AU cents and sourced from AWEX

| Riemann Wool Forwards | | | |
|-----------------------|----------------|--------|-------|
| 21 Micron | | Values | |
| Maturity month | Sum of kgs | Low | High |
| Feb - 2015 | 5,000 | 1,170 | 1,170 |
| Jun - 2015 | 2,000 | 1,132 | 1,132 |
| Jul - 2015 | 5,000 | 1,132 | 1,132 |
| Aug - 2015 | 2,500 | 1,150 | 1,150 |
| Sep - 2017 | 17,000 | 1,150 | 1,155 |
| Oct - 2015 | 5,000 | 1,135 | 1,135 |
| Nov - 2015 | 7,000 | 1,150 | 1,150 |
| Dec - 2015 | 27,000 | 1,150 | 1,150 |
| Jan - 2016 | 20,000 | 1,137 | 1,157 |
| Mar - 2016 | 10,000 | 1,140 | 1,140 |
| Total | 102,500 | - | - |

| Sale week | 2014/15 forecast | 2013/14 actual |
|-----------|------------------|----------------|
| Week 33 | 51,888 | 50,790 |
| Week 34 | 45,570 | 45,893 |
| Week 35 | 44,200 | 39,833 |

Forward wool prices in the above table are in AU cents and supplied by Riemann, www.riemann.com.au

AWI Commentary

An extraordinary Australian wool market this week with at least 3% of value being added to all wool types on offer. Nothing was missed, as every description recorded strong gains. Renewed forward buying interest from most global Australian wool user destinations and advantageous foreign exchange rates ensured the positivity of last week continued throughout the selling series. New record levels on most carding types was the highlight of the sale series across the 3 national wool selling centres, with Merino locks shooting well into the 900's ac/clean kg and Merino sale lots suitable for carbonizing going well over the 1000 ac/clean kg mark.

As a result of the quickly firming market, the EMI (Eastern Market Indicator) improved by a further 3% or 29ac/clean kg to close the week at 1101ac/clean kg, a level not achieved for just under 12 months. The past fortnight has seen a general appreciation of wool prices of 5%, but some individual types have seen quotes and forward offers rise by up to 10% in some cases when expressed in AUD.

Forward selling exporters were fully expectant of the market being dearer again, which was validated by their strong sale room operations. In nearly all sectors away from the Crossbred fleece, these buyers were dominate over the Chinese indent order buying companies. Whilst decent orders had been booked up since the previous Friday, it was the overnight activity on Wednesday that really solidified the demand upswing was there. Most noticeably was that new orders were for prompt or March shipment, indicating low stock levels globally.

A significant downturn in the EURO:AUD of over 2% week on week also allowed the strong European interest on the super fine Merino fleece area to extend by a further 3 to 5%. The better types of 18.5 micron and finer were chased hard throughout in a selection of far greater volumes than has been seen the past month or so. Most of the offering of these wools were sold in the Sydney centre, which was a

designated super fine sale of mainly better style wools sourced from the NSW Southern Tablelands and New England districts. The typical Italian types appreciated by 40 to 60ac/kg clean, whilst all other types gained a very respectable 30 to 40ac/clean kg. Buyer concentration on these wools will be around the Melbourne selling centre next week, with a very nice offering from Tasmania to be sold first up on Tuesday, backed up by some quality Victorian clips to follow.

Fine and medium (19 to 23 micron) Merino fleece wools rapidly gained demand over the week and all types and descriptions were 35 to 50ac/clean kg dearer for the week. The Western Australian centre at Fremantle was the last to sell for the week, and it is worthwhile noting that their wools finished at stronger levels than the other regions.

Whilst Merino skirtings met with strong support and gained a solid 20 to 25ac/clean kg for the week, it was this area of the offering that was possibly the most subdued. Wools suitable for Open/broken top production and lambs types were very well sought once more and gained a further 30 to 40ac/clean kg for the sales series.

Cardings of all types, faults and descriptions met extreme competition throughout, and became 40ac/clean kg dearer. The strength of demand within this segment remains intense and buying interest from overseas continues.

Crossbred & Comeback (25 to 32 micron) wools were back in the sights of the large Chinese indent operator, and with support from forward sellers, this sector again managed handy 20 to 30ac/clean kg gains. Prices for all these types continue their march towards record levels.

Increasing offering in volumes over the next few weeks, as growers commit more wool to auction, will test the resolve of the market. If the strong bull market extends, the reducing volumes post February should see a bright outlook for wool markets in the immediate to mid term.

Industry News

According to a new report from just-style.com, new outdoor performance and lifestyle brands have been emerging into the market in extremely high volumes, with record breaking numbers. More retailers have been introducing fresh innovations and technologies to differentiate themselves within the market and make a strong impact on consumers.

According to the report entitled 'Outdoor performance apparel: peaks, valleys, and green fields', global sales reached over US\$25bn in 2013, driven by double-digit growth in emerging markets.

Cooling technologies that adopt unique moisture and temperature regulation properties (such as Merino wool blended fabrics) have generated profound interest within the active-wear industry.

Commentary from Riemann

Supported by a strong rebound in physical wool prices, trading activity picked up considerably on the Riemann Forward market. Buyers lifted bids across the board for the 21MPG contracts to secure 65,000kg at different maturities, varying from February 2015 up until January 2016. Most trades with settlement in spring and early 2016 were executed at 1150¢ on average (varying from 1145¢ to 1157¢/kg clean). The highest price for the week was achieved on a 21MPG contract maturing on February 18th 2015 at 1170¢/kg clean.

www.wool.com