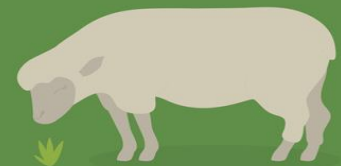


# WOOL TREND

*from*  
2000 - 2016

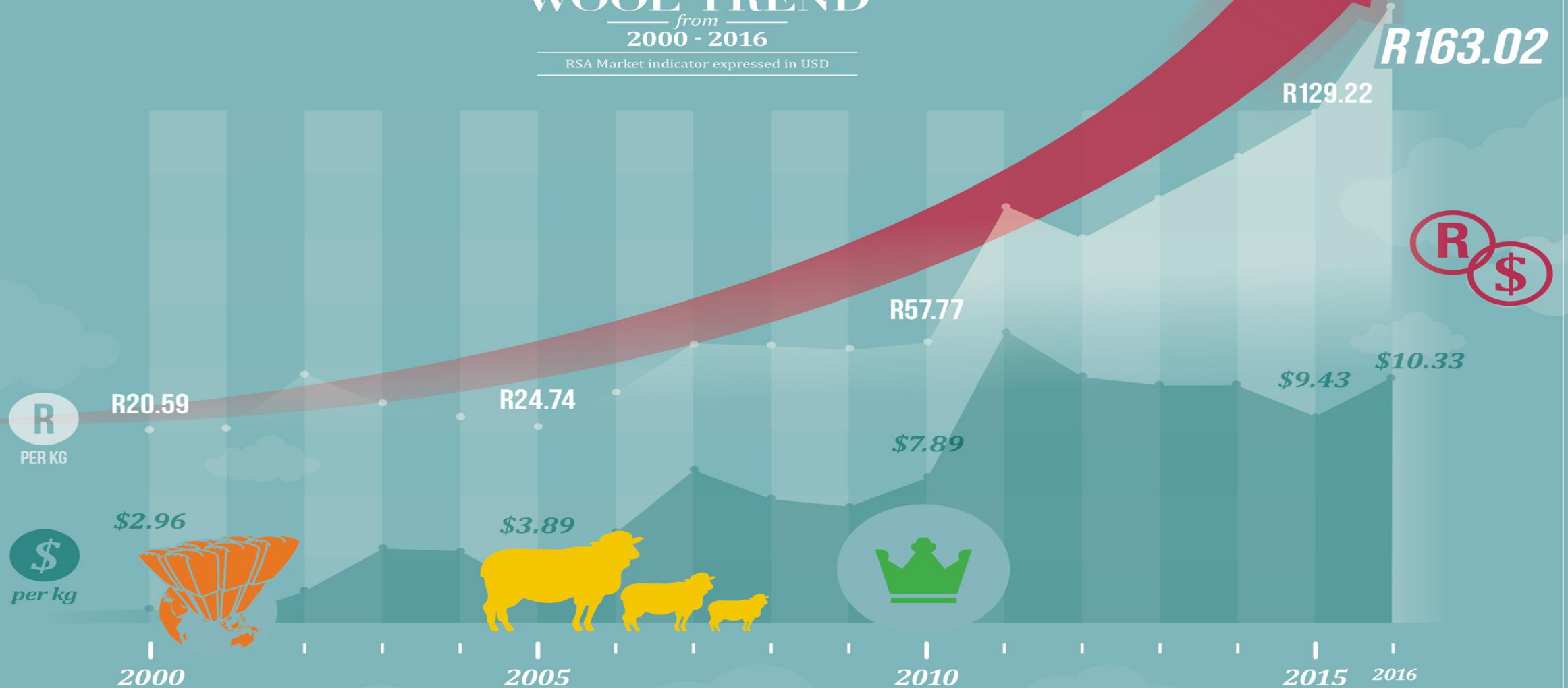


CAPE WOOLS SA

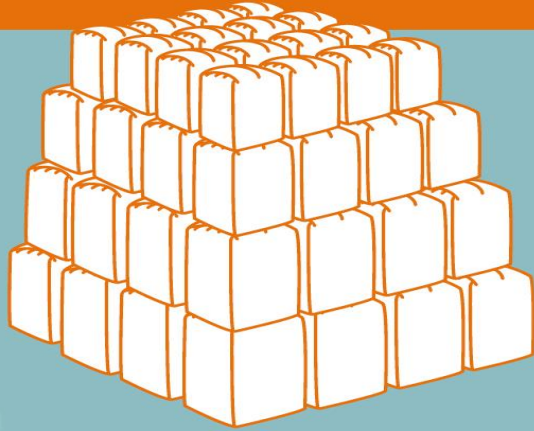
# WOOL TREND

from  
2000 - 2016

RSA Market indicator expressed in USD



# WOOL STOCK PILE



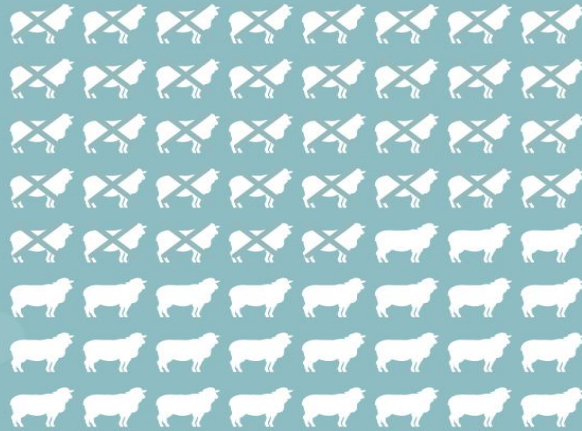
**4.7 MILLION BALES IN STOCK**



- In 1970 Australia introduced a wool deficiency payment scheme
- Intention to protect wool growers from severe short term price fluctuations
- In 1974 a minimum reserve was introduced
- All wool left unsold, below reserve price was purchased by the Australian Wool Corporation
- Wool was to be sold at a later stage when prices had increased
- After 20 years, a combination of reduced demand for wool and unrealistically high reserve price resulted in market ambivalence
- Suspension of wool deficiency payment scheme in February 1991
- Stockpile of wool had reached 4.7 million bales
- In December 1993 the disposal of the stockpile started
- Ten years later, on 9 August 2001, the stockpile was eventually completely sold out!



# GLOBAL WOOL PRODUCTION DECREASE



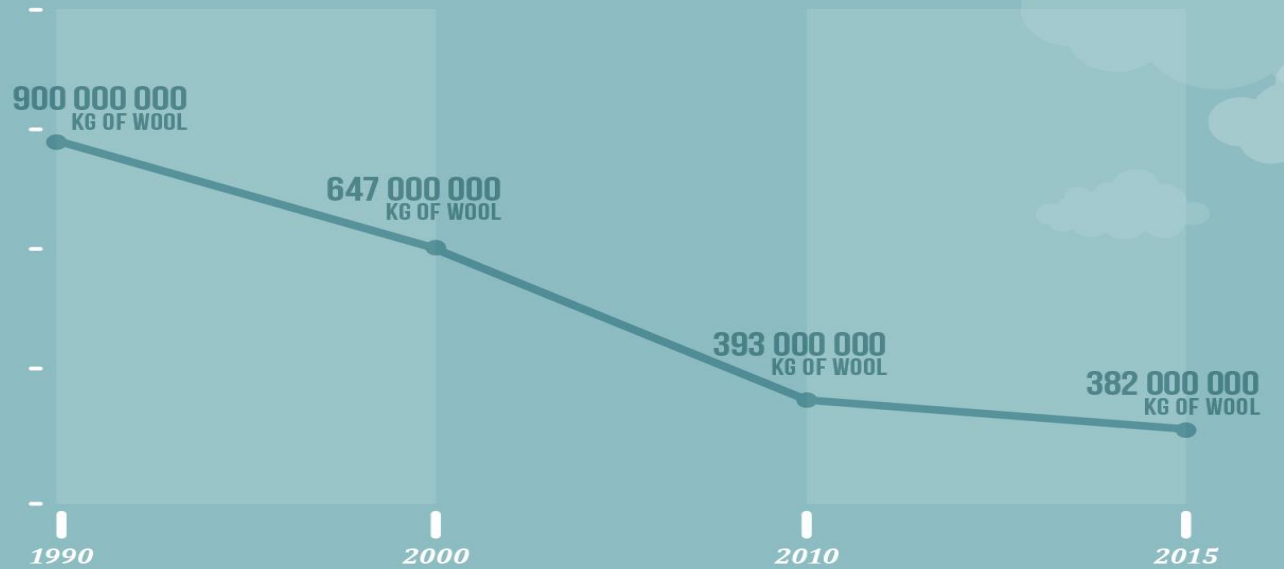
IN THE YEAR 1990 WE PRODUCED

**900 000 000**  
KG OF WOOL

**58%**  
*less*

IN THE YEAR 2015 WE PRODUCED

**380 000 000**  
KG OF WOOL



CAPE WOOLS SA

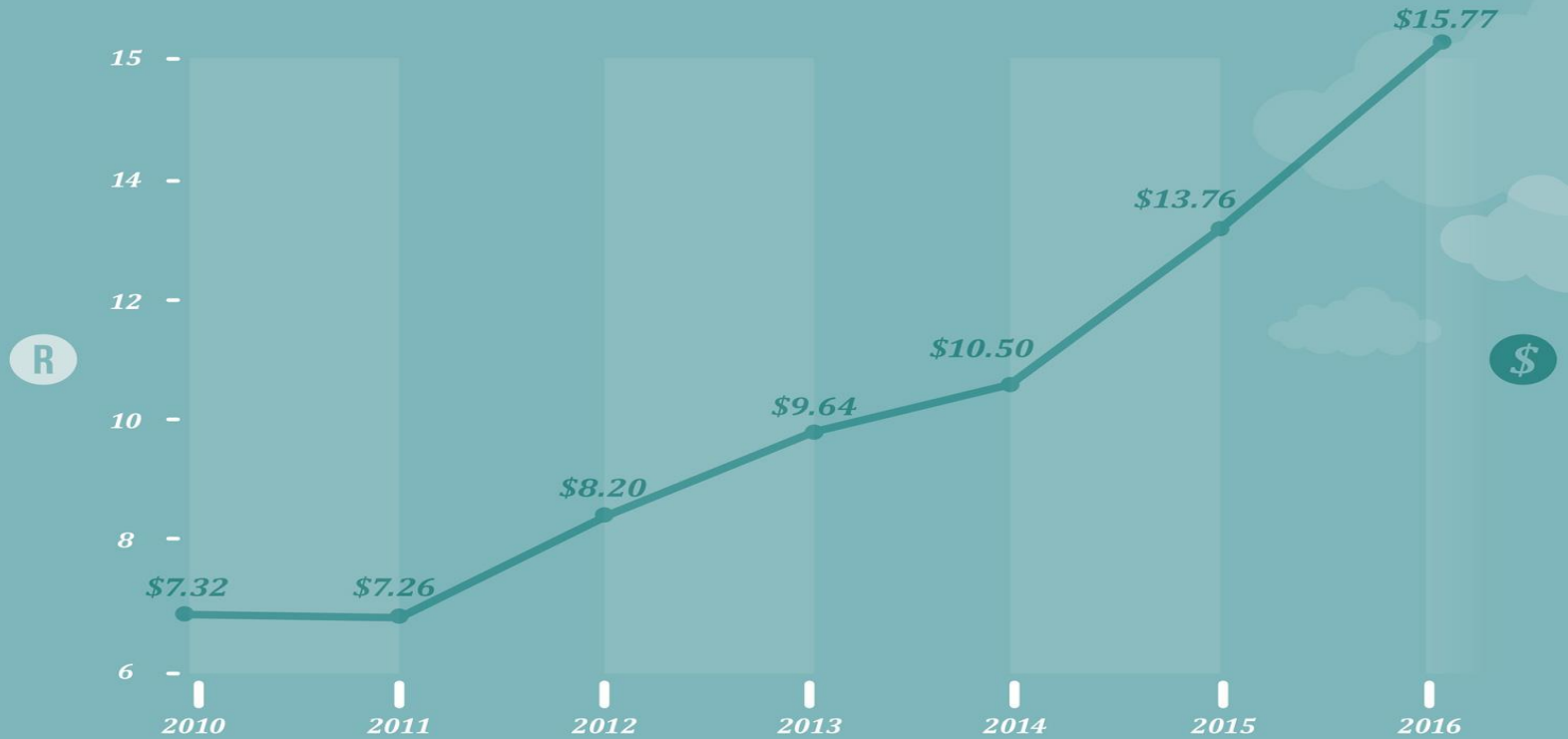


# ZAR RAND / DOLLAR USD

IN THE YEAR  
**2000**  
\$1  
= EQUALLED =  
**R 6.95**

IN THE YEAR  
**2016**  
\$1  
= EQUALLED =  
**R 15.77**

Almost 100%  
increase in turnover

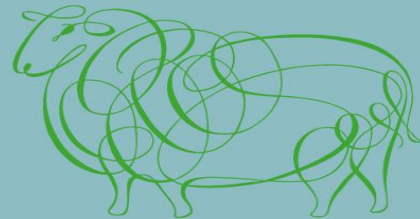


CAPE WOOLS SA





# CAMPAIGN FOR WOOL



**THE CAMPAIGN FOR WOOL**  
Patron: HRH The Prince of Wales



**OFFICIAL  
LAUNCH**

- **2010** - October - His Royal Highness the Prince of Wales officially launches the Campaign for Wool as its patron.

- **Funders** : South Africa - Cape Wools  
Australia - Woolmark

United Kingdom - BWMB  
New Zealand - NZ Wool  
United States of America -

American Wool

- **2011** - HRH The Prince of Wales launches Wool Modern including Saint Laurent, Alexander McQueen & Vivienne Westwood.

works from Yves

- **2012** - Wool House, a collection of interior designer, fashion & textile.

- Wool School introduced and rolled out to Australia, Spain, Germany, Norway & Japan.

Netherlands,

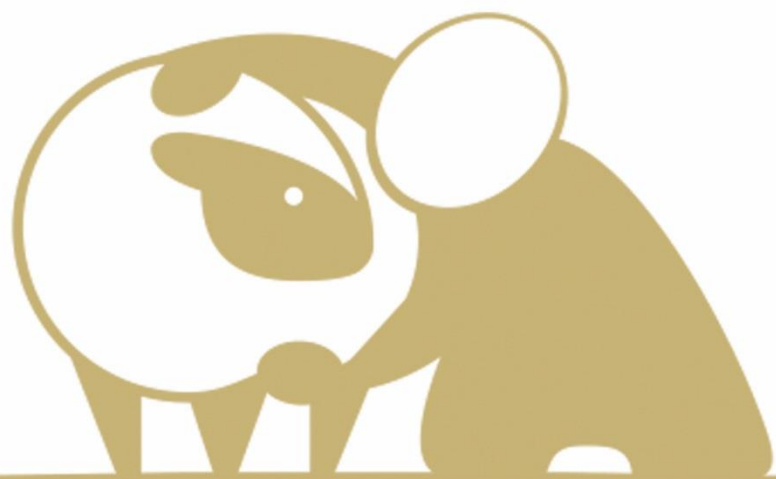
- **2013** - China, Italy on board
- **2014** - Korea, UK, USA on board
- **2015** - Canada on board

Wool Weeks are hosted globally starting in the United Kingdom



CAPE WOOLS SA





W E A L T H

I N W O O L

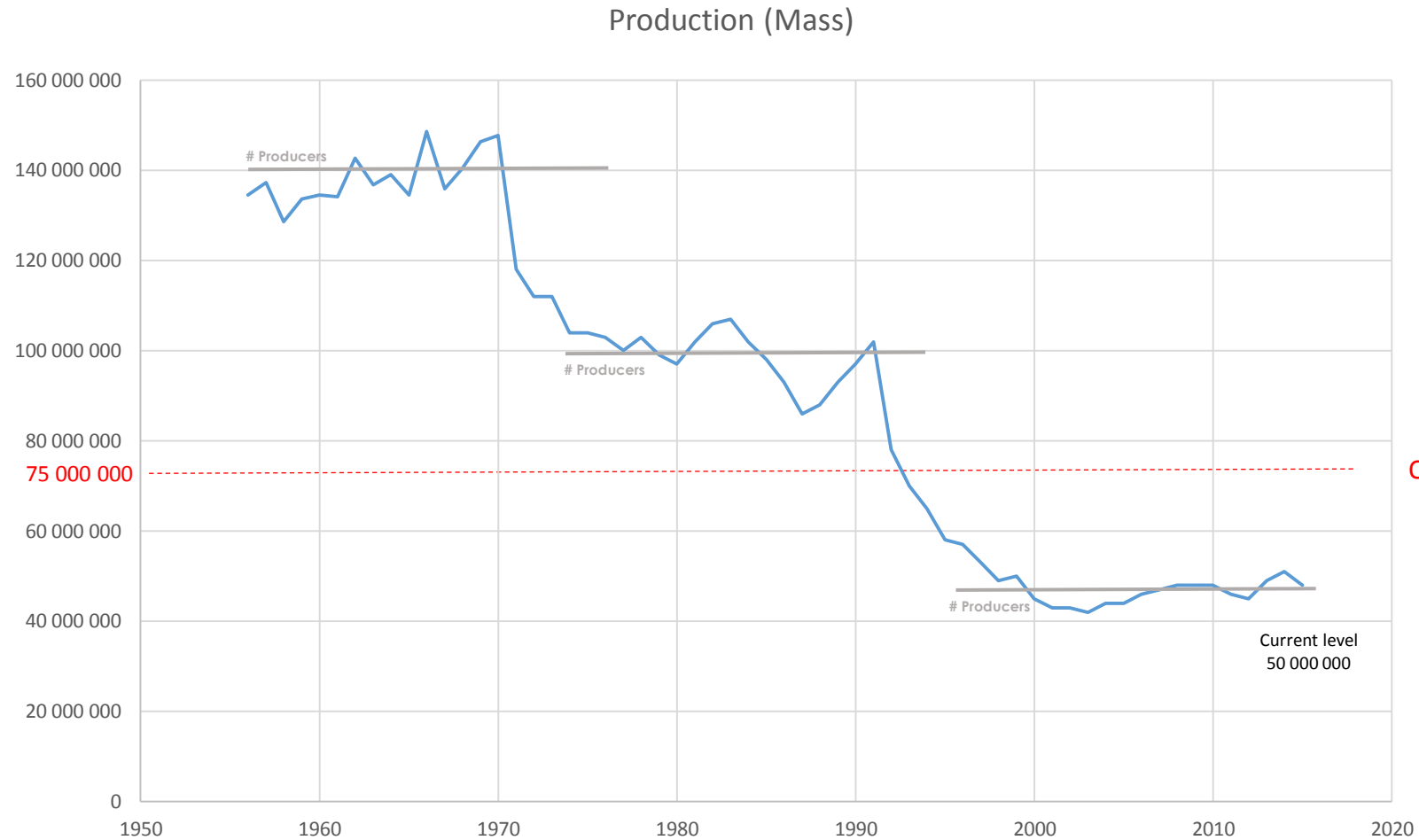
# INDUSTRY VISION FOR GROWTH OPPORTUNITIES

- A market gap of 25 million kg for wool
- Favourable market conditions support the initiative:
  - The price of wool is projected to continue its good run
  - Prices for meat are good and also projected to continue





# WOOL PRODUCTION HISTORY BY MASS



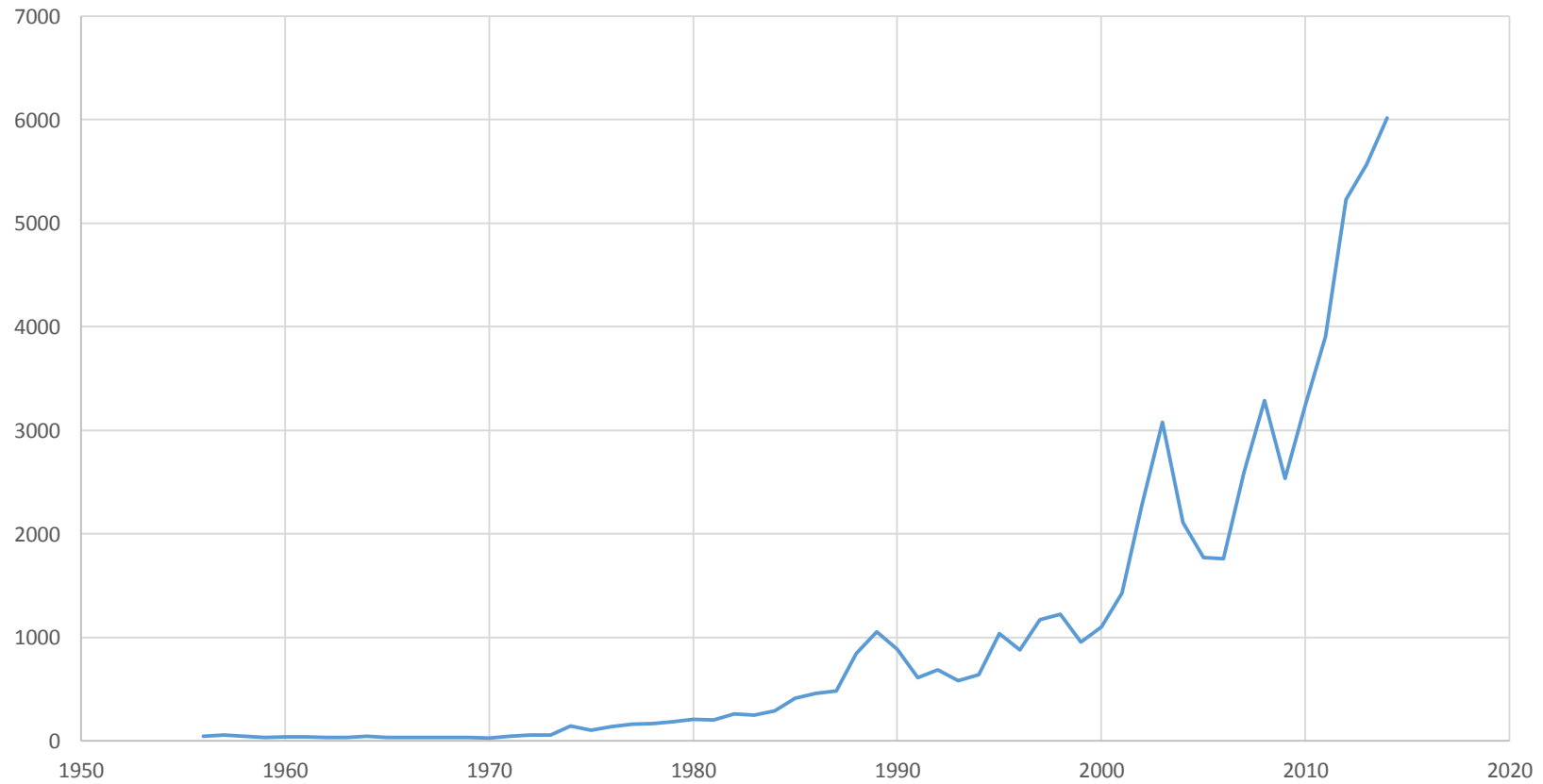
Opportunity level

Current level  
50 000 000



# WOOL PRODUCTION HISTORY BY PRICE

Average Price ( R/kg greasy )



# WOOL INDUSTRY VISION FOR GROWTH

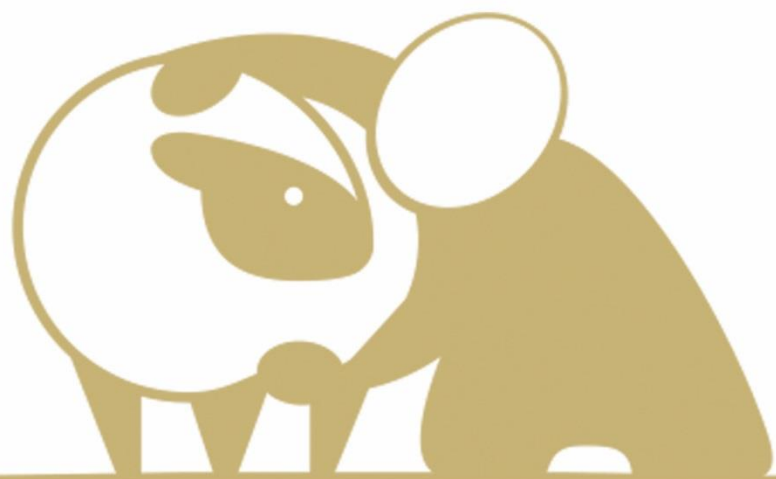
- We can dramatically **step up** wool production with no negative consequences to the wool price or demand
- We can introduce enthusiastic new expertise and **expand** the existing solid producer base
- Our wool interests align to SA's national quest to **eradicate poverty, create jobs, food security and land reform**
- We can create wealth for the entire wool value chain by generating a further **1.5 billion** contribution to the GDP



## WOOL INDUSTRY GROWTH VISION DEFINED

- Ideally we should generate a revived vibrancy and excitement for wool with the aim to expand with:
  - **5 000 000 new** Merino sheep
  - **1 250 000 hectares of** arable pastures
  - **12 500 new** job opportunities





W E A L T H

I N W O O L