



Weekly-Market-Report

for week ending 27 February 2009

| AUCTIONS | | | | |
|----------|-----------|---------------|---------------|----------------|
| Region | Auction | Bales offered | Bales sold | Passed in rate |
| NORTH: | Sydney | 17.040 | 16.259 | 4, 4% |
| SOUTH: | Melbourne | 18.987 | 17.154 | 9,7 % |
| WEST: | Fremantle | 13.548 | 11.495 | 15,2 % |
| | | 49.575 | 44.908 | 14,9 % |

| MAIN BUYERS (bales purchased) | | | | | |
|-------------------------------|-------|--------------------|-------|----------------------|-------|
| TECHWOOL TRADING: | 5.023 | ABB WOOL EXPORTER: | 4.568 | FOX & LILLIE (AUST): | 3.521 |
| LEMPRIÈRE AUST.: | 2.366 | KATHAYTEX: | 2.322 | MICHELL AUST.: | 2.116 |
| PJ MORRIS WOOL: | 2.060 | CHARGEURS WOOL: | 1.996 | WILLIAMS WOOL: | 1.904 |

| AWEX EASTERN MI: | per 20.02.09 | Mon. | Tue. | Wed. | Thu. | Fri. | per 27.02.09 |
|------------------|--------------|--------|------|-------|--------|--------|--------------|
| | 725 | ↘ (-5) | - | → (0) | ↘ (-4) | ↗ (+1) | 722 |
| | | | | | | | ↘ (-3) |

| AWEX REGIONAL INDICATORS (as per week ending in AC) | | | | |
|---|-------|--------|------|--------|
| REGION: | NORTH | SOUTH | WEST | |
| INDICATOR: | 752 | ↗ (+2) | 700 | ↘ (-4) |
| | | | 694 | ↘ (-2) |

AWEX-ID CLOSING QUOTATIONS FOR GOOD STYLE TOPMAKING WOOLS (in AC per kg clean, Quotes are based on Eastern average)

| AWEX-ID | | | | | Quotation as per: 27.02.2009 in AC | Change against | |
|---------|-------|-----|--------|-----|--|--------------------|---------------------|
| Micron | Style | mm | N/ktex | VM% | | last week in AC | 1 year ago in AC |
| 19 | MF5 | 80 | 35 | 1 | 885 | - 1 | - 308 |
| 20 | MF5 | 90 | 35 | 1 | 733 | - 10 | - 307 |
| 21 | MF5 | 90 | 35 | 1 | 720 | + 6 | - 265 |
| 22 | MF5 | 90 | 35 | 1 | 702 | - 1 | - 237 |
| 23 | MF5 | 90 | 35 | 1 | 690 | 0 | - 208 |
| 26 | XF5 | 110 | 35 | 1 | 567 | + 8 | - 37 |

MF = Merino Fleeces; XF = Crossbred Fleece; N = Nominal, Type only sold as single lot
P = Provisional, Type only sold in one Eastern centre; NQ = No Quote

| Currency | AWEX EMI per | | Change of EMI compared to | | Change of AUD compared to | |
|----------|--------------|------------|---------------------------|----------------|---------------------------|----------------|
| | 26.02.2009 | 28.02.2008 | last week in % | last year in % | last week in % | last year in % |
| AUD | 7,22 | 9,63 | -0,41 | -25,03 | - | - |
| USD | 4,67 | 8,85 | +0,37 | -47,20 | +0,79 | -29,58 |
| GBP | 4,11 | 4,55 | -1,98 | -9,59 | -1,57 | +20,59 |
| EURO | 3,68 | 6,01 | -0,65 | -38,81 | -0,24 | -18,39 |

INFO: You can also find our market reports on our Internet site <http://www.bwk-bremen.de>

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Bremer Woll-Kämmerei AG · P.O. Box 71 01 80 · D-28761 Bremen · Germany · Tel.: (49) 04 21/60 91-0
Fax: (49) 04 21/60 91-600 · e-mail: info@bwk-bremen.de · internet: <http://www.bwk-bremen.de>

NATIONAL WEEKLY WOOL SELLING PROGRAM UPDATE

(Source: AWEX)

| Week | Auction | Days | Dates | M | T | W | T | as per Roster | Previous Update | Current Estimate | Change |
|---------------|-----------|------|-------|---|---|----|----|---------------|-----------------|------------------|-----------------|
| 36 | Sydney | WT | Mar | | | 4 | 5 | | 13.337 | 20.060 | + 6.723 |
| | Melbourne | WT | Mar | | | 4 | 5 | | 21.220 | 18.760 | - 2.460 |
| | Fremantle | WT | Mar | | | 4 | 5 | | 14.050 | 12.498 | - 1.552 |
| Total: | | | | | | | | | 48.607 | 51.318 | + 2.711 |
| 37 | Sydney | WT | Mar | | | 11 | 12 | | 12.300 | 12.510 | + 210 |
| | Melbourne | WT | Mar | | | 11 | 12 | | 18.400 | 17.500 | - 900 |
| | Fremantle | WT | Mar | | | 11 | 12 | | 13.900 | 14.100 | + 200 |
| Total: | | | | | | | | | 44.600 | 44.110 | - 490 |
| 38 | Sydney | WT | Mar | | | 18 | 19 | | | 13.100 | + 13.100 |
| | Melbourne | WT | Mar | | | 18 | 19 | | | 19.800 | + 19.800 |
| | Fremantle | WT | Mar | | | 18 | 19 | | | 14.000 | + 14.000 |
| Total: | | | | | | | | | | 46.900 | + 46.900 |

MARKET OVERVIEW

The Wool market in Australia this week continued to meander along at hopefully the bottom of its current price cycle. Whilst wool is always one of the most volatile and cyclical products the current economic woes are providing more resistance than normal to the up-trend. Finer wools still had trouble finding support even with a Newcastle selection, and most fine wool indicators finished around 10ac lower for the week. Medium merino wools enjoyed much "better" support with this category more or less unchanged for the week. Crossbreds continued to slowly climb and Cardings are doing better still.

There was only a subdued amount of Italian enquiry this week, which is disappointing for those specialist fine wool growers offering their clips in Newcastle this week, and the end users of these wools are definitely wondering which direction to take at present. However as supply numbers indicate, superfine wools will be harder to source in coming months/years and so when the demand does return price premiums will widen. Mainstream Chinese activity was evident again this week with exporters at time frantic to fill these types. Wools with specifications outside of tolerance as usual in a soft market were discounted. It is only when a market is moving up strongly that the Chinese mills in particular will look to purchase wools outside of normal types.

Among all the negative sentiment in the daily media, if you search deeply enough there are some positive retail numbers indicating a recovery for wool is on the way. Whilst profit margins are almost non-existent, retailers are actually selling goods, and they will need to restock by Sept/Oct for the Northern Hemisphere winter clothing season. To deliver goods by this point, garment makers must have fabric in July, Spinners must have wooldrops in

May/June and so topmakers need to have greasy wool in process one or two months before that.

