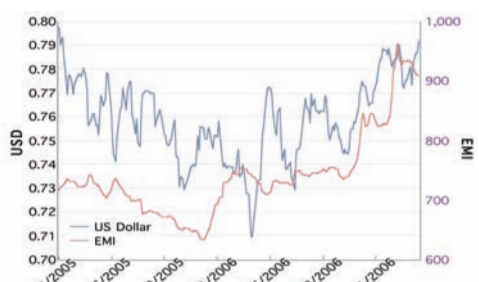


Auction Action February 2007

Analysis and Commentary by Jonathon Linn, Market Analyst, AWEX

AWEX - EMI v USD Last Two Years

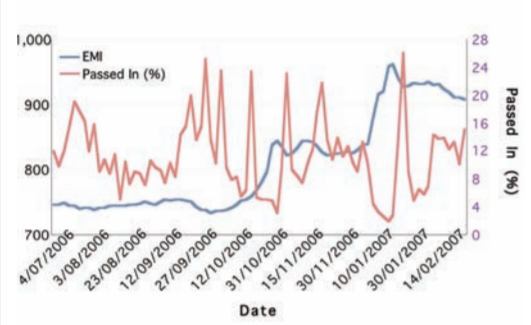


Over the past 12 months the AWEX-EMI has increased in two big 'steps'. Since the release of a revalued EMI there have been steep increases in early November and then again in January. Meanwhile, the relationship between the EMI and USD, previously a generally consistent inverse trend, has not been seen during the period of November to January. Instead the EMI has even mimicked the USD movements as both the EMI and USD reached 12 month highs in January. These 'jumps' in the EMI value are possibly attributable to the seriousness of the drought and shearing consequential decreased wool supply. However, the recent increased demand appears to have leveled off in the last couple of weeks as the EMI has retreated since hitting a peak on the 18th of January.

Current Eastern Market Indicator (EMI)

EMI	Last 2 Years	Last 12 months
Average	740	563
High	962	784
Low	632	476
Current	908	719

AWEX - EMI v Passed in Rate



- FREE Online pricing tool
- Relevant, up to date wool market information
- Independently assess prices and trends
- It's quick and easy
- Simple charts and graphs

www.woolcheque.com.au

New Woolclasser's Market Report

Registered Woolclassers are now able to subscribe to an AWEX market report tailored specifically to their needs. The report contains information on how the market is performing relative to historic prices, the amount of wool on the market, clip inspection queries recorded for the week, the major buyers and the average price per bale. All of this valuable information is available to registered Woolclassers for just \$77 per annum via email or \$88 via fax, inc. GST. The report is available as a weekly email subscription and will be emailed at midday on Friday for approximately 44 weeks of the year.

Contact AWEX Market Reporting Services on (02) 9428 6130 or email reports@awex.com.au for more information or to subscribe.

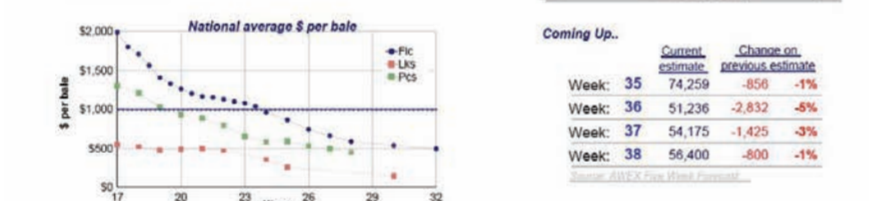
AWEX WOOLCLASSER WEEKLY



The final sale for the season in Newcastle provided a varied selection of superfine types, mainly Best style with a good number of Spinners types on the first two days, while the final day was mainly Best to Good style. On Tuesday the premium types were well supported at levels similar to the Launceston sale 132 two weeks ago, however, the heavier quantity of Best and Good style types were all down compared to last week's Sydney sale, most noticeable in the 15.0 to 18.0 range which fell 10 to 20 cents. 18.0 and finer were not as affected, being around 5 to 10 cents. Wednesday saw some real strength in the 16.0 and finer Best and Spinners style wool, up to 10 cents dearer, but again support in the 15.0 to 18.0 range was patchy, and finished out to minus 10 cents on the day. Thursday a lower styled selection was difficult to line up with the stylish offering on the first two days, however prices generally ended the day lower. Best style types in the 15.5-micron and finer range were 10 to 20 cents cheaper while the lower style and strength types generally held their ground. Clainings were very well supported throughout the sale and consequently showed the lowest passed in rates for the week of 1% to 2%. Away from Newcastle, a highlight was the offering of the finest bale in Western Australian history, a 13.4-micron line branded 'Unleash'.

North MP's	Parcentile rankings (last 2 years)	Offered this week	Sales	Gross	Passed in %
17	1,218	19	21,129	\$35,885,276	8.4%
18	1,204	20	25,463	\$23,217,805	10.9%
19	1,048	21	17,035	\$18,567,859	18.5%
20	1,008	22			
21	965	23			
22	924	24			
23	825	25			
24	478	26			
25	410	27			
26	372	28			

Indicative clean prices (schum dry)	Indicative fleece p'd's (schum dry)	Who is buying this week	Bales
17.0 35skt 1,290 1,058 598	17.0 -20 -10 -30	Superfine NEW ENGLAND WOOL	2,089
18.0 1,000 960 558	18.0 -20 -10 -30	ABB WOOL EXPORT	1,097
19.0 968 858 540	19.0 -10 -5 -20	KATHAYTEX	2,486
20.0 888	20.0 -5 -5 -20	AS GEDDE	2,199
		G SCHNEIDER	2,151
		CHARLESBERG	1,548
		FOX & LILLIE	1,054
		TECHWOOL	857
		RICHELL PTY LTD	815
		H DAVISON (SONS)	664



AWEXreports
Woolclasser market information packages available at: www.online.woolclasser.com.au
Poll fax reports available on 1902 942 070



The world's best practice just got better.

The Australian Wool Exchange Ltd is pleased to announce the release of the 2007-2009 Woolclassers' Code of Practice for the Preparation of Australian Wool Clips (COP).

What's New?

Format
Our aim was to make the 2007 Code of Practice a reference document that each Woolclasser would find easy, interesting and informative to read. The Code is now printed in full colour, with the chapters in chronological work flow order. We have also used Symbols to identify Best Practice, Key Points, Frequently Asked Questions and Don't Forget points. The Code is spiral bound so it is more robust and can lie flat or be folded back.

Woolgrower Responsibilities
At the request of Woolclassers the COP now includes a section on Woolgrower responsibilities. This section highlights areas where woolgrowers assist the Woolclasser and the Shearing team in delivering a product that all parties can be proud of.

Bale Description Template
For the first time the COP includes a Bale Description template that uses a standard methodology across all sectors. This template is structured to reflect the four core woolclassing components. It identifies:
• The classed line,
• The breed group,
• The category of wool, and
• Identification of actual or risk of Pigmented/Medullated fibre contamination.

- The template approach has great strengths:
- It is easy to interpret, and every description tells the customer what is in the bale.
 - It allows wool description components to be displayed on a one-page poster.
 - It communicates to everyone in the shearing shed the key characteristics that must be identified and separated.
 - It assists in training and educating new woolclassers.
 - Bale Descriptions can be added or removed easily (in future Codes) within the template framework.

Describing Wool - key changes
The 2007 COP Bale Description template represents some changes in practice. The key items are:
a) Sheep Breed Group is to be identified on ALL lines of wool.
b) The P suffix (for medullated fibre in the 2004 COP) is now K.
c) The AA descriptor is used to identify secondary lines where the characteristics cannot be measured.
d) Cast line descriptors should be used where the line clearly represents the classed characteristic.
e) The AAA descriptor should be used on Main lines of wool, including those that are classed out for a measured characteristic. The BBB line (made as a broad line) should now be described as AAA (Breed) and indicated on the specification sheet as classed out for broad (and not to be matched). The measured (micron) result will indicate that it is a broad line.
f) Some descriptors have been removed from the 2004 COP.

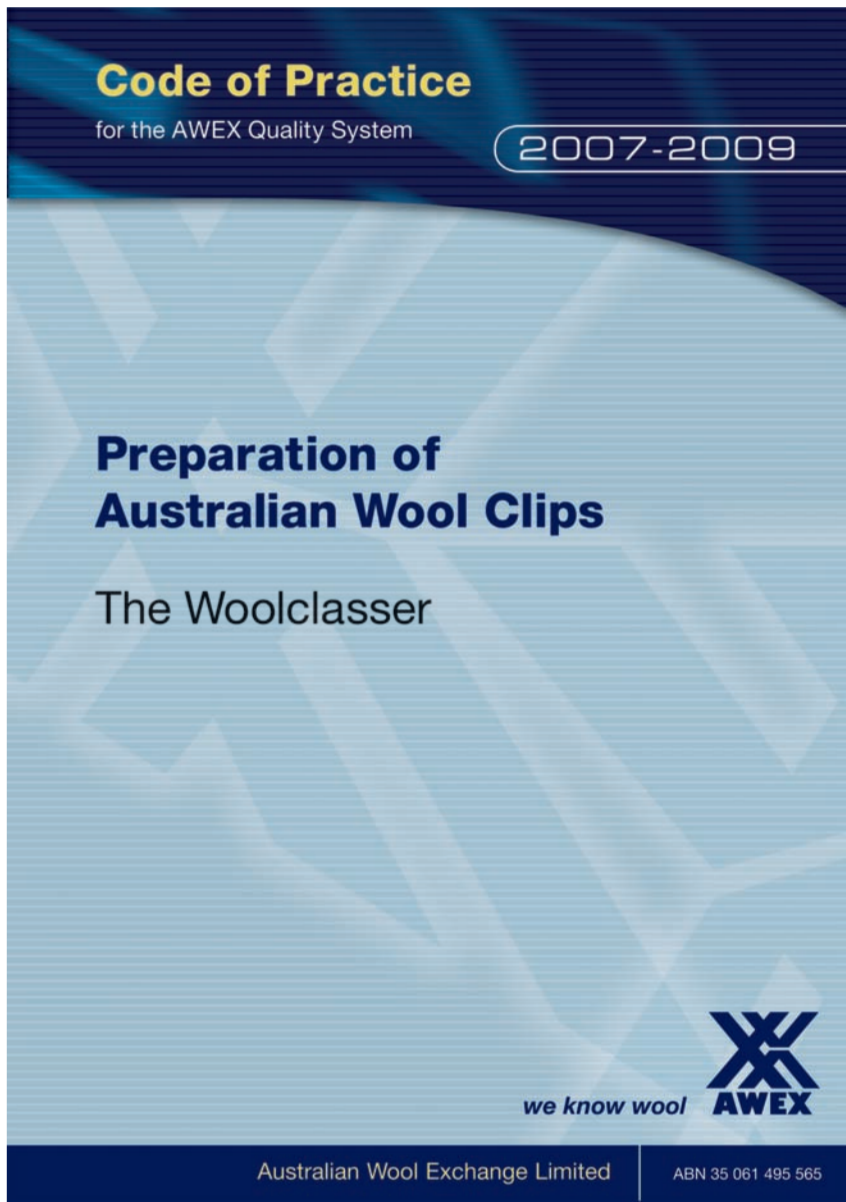
The 2007 Bale Description system requires the Woolclasser to manage the wool book, specification sheet and wool presser to avoid incorrect allocation of bales.

Sheep Breed Characteristics
The characteristics of Sheep Breeds were first published in the 2004 Code of Practice. This included a (Pigmented and Medullated) Risk Rating from 1 to 5. To avoid confusion with the recently introduced Merino Dark and Medullated Risk (DMFR) scheme, the Woolclassers' Code of Practice now uses a rating of Very Low to Very High.

Inclusion of the Merino Dark and Medullated Fibre Risk (DMFR) Scheme
The recently introduced Industry DMFR scheme is included in the 2007 Code of Practice in Section 7. We have also included easy to understand definitions of Dark, Medullated and Pigmented fibres (page 23).

Pre Shearing Checklist
A pre shearing Woolclasser's checklist is included. This is one page only and is a handy summary reference for woolclassers to ensure the major points have been covered pre shearing.

Bulk Class Bale Tear Off Sheets
Rehandling establishments need to know the exact contents of all Bulk Class bales. To help to get this information from the Woolclasser to the person assessing the Bulk Class components, it is helpful to have more than one way of getting the message across.



Australian Wool Exchange Limited | ABN 35 061 495 565

2007 - 2009 Woolclassers' Code of Practice

Useful Reference Pages

- Woolclassers have asked for a number of useful reference pages to be included in the new Code of Practice. We have included:
- A sample catalogue page
 - Catalogue Symbols
 - Brief definition of most common test certificate types
 - Chemical Log
 - Quality Count table and ruler
- Questions?
Please call AWEX on 02 9428 6100.

Northern Region Yemora Wool Centre
Southern Region Victoria Wool Centre
Western Region Western Wool Centre

AWEX logo

Change of address details -
Please fill in below and post or fax this coupon to AWEX Head Office or email us

For Owner Classers
Registered Bale Brands

1. _____
2. _____
3. _____

Auction Stats (Year To Date)

Merino Fleece

	Nth	Sth	Wst
Avg Micron	19.6	20.7	20.4
Avg VMB (%)	2.0	1.3	1.0
Avg Strength (Nkt)	37	35	32
Avg Length (mm)	85	90	86



From the Registrar

Greg Sawyer
Phone: 02 9428 6140
Email: greg_sawyer@awex.com.au

Welcome to the 2007 - 2009 Woolclasser Registration period.
The world's best practice just got better.

Woolclasser Re-registration
Unfortunately, there was a delay in the completion and printing of the Code of Practice which held up the delivery of the stencils and stamps. All Woolclassers are reminded that they must now retire their 06 expiry Woolclasser stencil and use their 09 expiry stencil.

Over 20,000 woolclassers have re-registered at time of print. If you have not received a notice or a reminder, please contact us immediately.

Registration Review Committee
Woolclassers are advised that the Registration Review Committee will meet on Friday 16th March 2007. 28 Woolclassers have been referred to the Committee for consideration.

Another 26 woolclassers have been advised that they will be tabled at a subsequent RRC meeting, unless their performance improves.

Classing House Code of Practice
Woolclassers are advised that the Industry Services Advisory Committee (ISAC) is reviewing the Classing House Code of Practice and its associated Rules of Registration. Interested parties should contact me for more detail.

BOARDtalk Seminars
AWEX is pleased to advise that the BOARDtalk seminar series for Woolclassers will continue over the next 12 months. These will be conducted to give woolclassers an opportunity to discuss the new Code of Practice and other items of interest.

Locations of BOARDtalk seminars to be held between March and June 2007 include: Dubbo, Dunkeld, Naracoorte, Horsham, Wagin, Gnowangerup, Bendigo, Armidale, Kellerberin and Perth.

Invitations will be mailed to registered woolclassers in their respective areas advising dates and locations.

Clip Preparation - Overseas customer concerns increase
AWEX auditors are auditing more lots that;
• are poorly skirted or unskirted,
• contain stain or
• show increasing lack of uniformity.

Confirming AWEX clip inspection audit results, an open letter from Chinese processors expressing concern about the standard of Australia's wool clip preparation has been sent to the Federation of Australian Wool Organisations (FAWO).

It is vitally important that all woolclassers strive to improve the standard of preparation this year.

inside

2007-2009 Bale Description Chart
From The Registrar
Auction Action Feb 2007

- AWEX is a national organisation of brokers, growers, exporters, processors and private treaty merchants which, in the best interests of the entire wool industry, provides:
- Industry standards (wool packs, wool preparation)
 - Clip inspection services
 - Woolclasser registration
 - Independent market reports
 - Wool description and appraisal
 - Wool sale rostering and administration

AWEX WOOL SERVICES
Ground Floor, 318 Burns Bay Road
Lane Cove NSW 2066
PO Box 823 Lane Cove NSW 1595
Telephone (02) 9428 6100
Facsimile (02) 9420 9633
woolclasser@awex.com.au



Use woolsearch.com.au
To find qualified Woolclassers, Shearers and Shed Hands.

- It's free to search and get contact information
- Easy to use, Search by postcode or town
- Download Wool Preparation Standards
- Thousands of listings
- Work wanted section
- Local or interstate



BALE DESCRIPTIONS

Typical Merino Clip - Bale Descriptions

ADULT FLEECE

Main Line(s)	AAA M
Broad line	AAA M*
Secondary line	AA M
Heavy Colour Line	COL M
Window Tender	TDR M
Cotted Fleece	COT M
Run with Shedding Breed	AAA M R

WEANER FLEECE

Main Line(s)	AAA M WNS
Second Line(s)	AA M WNS

PIECES

Main Line(s)	AAA M PCS
Secondary line(s)	AA M PCS
Stain Pieces	STN M PCS
Cotted Pieces	COT M PCS

BELLIES

Main Line(s)	AAA M BLS
Secondary line(s)	AA M BLS
Stain Bellies	STN M BLS

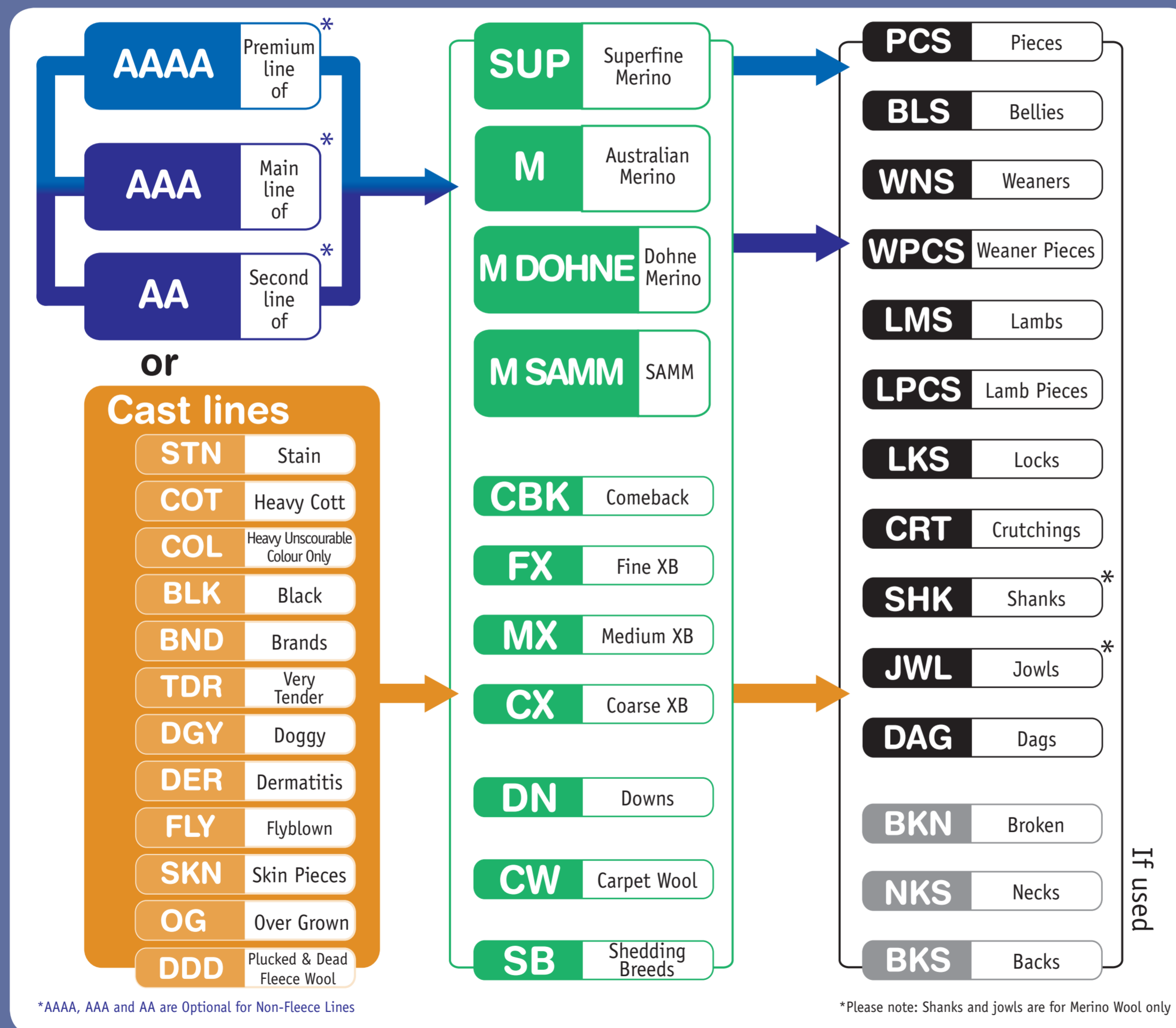
LAMBS

Main Line(s)	AAA M LMS
Second line(s)	AA M LMS
Lambs Pieces	AA M LPCS

LOCKS

Main Line(s)	AAA M LKS
Secondary line(s)	AA M LKS
Stain Locks	STN M LKS

NOTE: Identify this line as broad on specification sheet and that it will not match main line.



*AAAA, AAA and AA are Optional for Non-Fleece Lines

*Please note: Shanks and jowls are for Merino Wool only

Medium Crossbred Clip - Bale Descriptions

ADULT FLEECE

Main Line(s)	AAA MX
Broad line	AAA CX
Secondary line	AA MX
Heavy Colour Line	COL MX
Window Tender	TDR MX
Cotted Fleece	COT MX
Run with Shedding Breed	AAA MX R

WEANER FLEECE

Main Line(s)	AAA MX WNS
Second Line(s)	AA MX WNS

PIECES

Main Line(s)	AAA MX PCS
Secondary line(s)	AA MX PCS
Stain Pieces	STN MX PCS
Cotted Pieces	COT MX PCS

BELLIES

Main Line(s)	AAA MX BLS
Secondary line(s)	AA MX BLS
Stain Bellies	STN MX BLS

LAMBS

Main Line(s)	AAA MX LMS
Second line(s)	AA MX LMS
Lambs Pieces	AA MX LPCS

LOCKS

Main Line(s)	AAA MX LKS
Secondary line(s)	AA MX LKS
Stain Locks	STN MX LKS

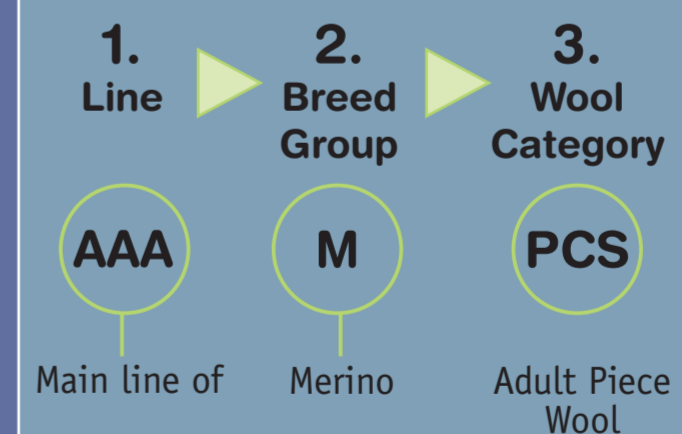
Can be used in Combination

Y Visible Black Fibres

K Visible Medullated Fibres

R Run with Shedding Breeds

Example



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