

**AUSTRALIAN WOOL INNOVATION
ANNUAL GENERAL MEETING
14 NOVEMBER 2006**

LEN STEPHENS: Thank you, Ian, and good afternoon, ladies and gentlemen. I am very glad that you all could be here today because I think your company, AWI, has a great story to tell. Sure, we haven't solved every problem you've got, but there is a great story. The forum this morning was designed to show you a lot of the exciting things that are coming on in the future, both on-farm and off-farm.

Let's think about what things would be like with mulesing alternatives in place, upright shearing platforms available and a single company conducting product development and product marketing with retailers across all of the main apparel sectors of the world. That is the future we are building for the Australian wool industry today. I am very, very optimistic about this industry. I think there are some really exciting things happening. Of course my optimism is, I have to say, considerably boosted by the WoolPoll result of 2 per cent. That is what the company needs to ensure a continued financial momentum to drive our programs into the future and I would like to begin by considering the company's financial position with you.

This is the income statement, which shows that revenue in 05-06 was \$57 million composed of your levies, the Government contribution and interest and royalties. Revenue was \$8 million down from last year and expenditure at \$82.6 million was an increase of \$4 million over the last year. Some more detail of that expenditure is shown in the following slide. You can see that \$70 million was invested in the R&D programs and the overheads shown there all relate to costs that cannot be directly related to the programs, such as, travel, legal and professional and so on.

Looking at the cash flow, as you are aware, we are fortunate to have significant reserves of cash. The Board's policy over the past years has been to reduce those reserves by investing in new projects with funds over and above those of our earnings, therefore, the statement of cash flow shows that we began the year with \$101 million in the bank and closed with \$77 million, a net decrease of \$24 million. A significant amount but consistent with our plan. The balance sheet at 30 June 2006 shows the same picture and the liabilities there are equally split between debts and accruals.

Moving on to the current year, 2006-2007, we budgeted this year, as you've been told, for an increase in expenditure in product development and product marketing, which you can see there. Five months into the year we are right on budget and we probably will tighten our belts a little in anticipation of reduced income due to the drought and so the expenditure is likely to be slightly less than the \$81 million you see there. An impact of the income and expenditure that I have just outlined shows that, by the end of this financial year, we estimate our cash on hand will be \$54 million. Overall, your company is in a very sound financial position.

I said at the start of this talk that I think there are some very exciting opportunities for the wool industry in the future and with the WoolPoll result now decided, an updated strategic plan can now be prepared to make sure those opportunities are captured. The plan will be developed with input from all sectors of the industry. We will start the process now and it needs to be completed by the first quarter of next year. I really think this plan provides the Australian wool industry and AWI with an unprecedented opportunity to put down a plan that really fulfils the industry's aspirations in the coming three years. It should do three major things. Obviously it should explain how we are going to integrate the AWI and AWS businesses. It should identify those areas of on-farm R&D that are crucial to what you need and, of course, it should outline a top quality product development and marketing approach to continue building global demand for Australian Merino wool.

I would like to add a little bit more, if I could, to what the Chairman said about product development and marketing. In particular, I would like to give you just a little more detail about how we do it and how we measure results. For us, very simply, product development and marketing amounts to helping apparel businesses sell more Australian Merino wool products. To do this we form direct business relationships with apparel designers, manufacturers and retailers because they are the people who sell the products - the Australian Merino wool garments. I know you think we have taken a long time to do this but it takes time to develop these direct business relationships. They are based on having the right people in place, the credibility of the individuals, and you don't just turn that on like a tap. Just 18 months ago we had an office in Sydney and one person in Shanghai. We now have six offices around the world. We have marketing and product development staff in each of those countries - staff working with our customers on the ground, in their offices, in their companies.

Over the past two months I have had the opportunity to travel with Pascal, Jimmy and others, on some of their visits to the retailers that we work with to show them our innovation collection - the garments that you saw this morning with Merino Visual, Merino Care, and the Merino Soft. We talked to 85 companies in Shanghai, Hong Kong, Tokyo, Europe, New Delhi and the US. Nearly every one of those companies we visited showed interest in the products we had to offer and, as a result, we already have agreements with a number of those companies to offer Australian Merino wool garments in

their retail offering in the latter part of 2007, that is, the northern Autumn-Winter selling season.

There are many, many companies that we are currently working with in this way and you can see a series of logos today, and there is another collection there, that just shows you the range of business partners that we are working with. Having worked with those customers on product innovation and product development, it is just a natural consequence of the relationship you have with them that the conversation turns to marketing support. This slide shows the range of the marketing support tools that our customers have talked to us about, and told us they need, for us to support them in their marketing efforts. We have been delivering most of those services for the past year to a large number of retailers.

The Chairman mentioned our goal of 30 million kilograms of new demand by 2010. That is not an easy goal, that is a stretch, but it is the kind of goal we need to achieve. In shearing terms it is a little bit like getting 200 sheep a day; if they are big sheep and conditions are tough that's a hard call; smaller sheep maybe a little bit easier but you've got to be prepared, you've got to be organised, you've got to have the right team, everything has got to be in place. That is the size of the goal that we are driving for and we measure that goal in conjunction with our retail partners by measuring really the only thing that counts and that is sales of garments out the door.

This graph shows the new demand resulting from our direct business relationships to date. To measure the demand we convert sales of garments into kilograms of clean wool and we then show the cumulative sales each month as the products here on the market. Of course, we have only just started this method of measuring our impact, so the sales figures are low, but they are heading in the right direction and I am very confident that, as a result of the interactions we have had with retailers over the past year, that next year that slide will have significantly large numbers on it.

As has been mentioned, if we create this demand it will put pressure on you to supply it, so what have we done to help you produce wool more effectively? These tools and products on this list are available to you right now. Ian Rogan mentioned many of them this morning and a brochure outlining them was sent to all shareholders last week. In addition, some of the significant other programs we are running of course are the mulesing and the upright posture shearing program. Both of those products and projects are now in the commercialisation phase.

Land, Water and Wool is wrapping up its final year. It has provided ideas to over 6000 woolgrowers over the past five years and to me one of the most significant achievements of that program was the extent of collaboration that it achieved with other research providers all across Australia. That collaboration has resulted in technology now available to farmers, across Australia, which allows them to restore productivity on 50 per cent of the saline affected land across Australia. This is a paddock I visited on a tour just recently near Hamilton and it was literally a saline swamp before the

program began. Here in the Armidale region I know there have been some equally impressive results in the native vegetation area.

The woolgrower networks that we support in each State add significantly to our ability to get new ideas out to growers. These networks have involved over 2000 growers across Australia. In New South Wales, Wool 4 Wealth has 160 farm businesses involved in it at the moment, with well over 300 individuals involved in that. Col Scrivener is here today for those of you who want to know more about that program.

There are also projects we run on behalf of the whole industry. Supply chains, for example, where we support woolgrowers and companies working together to develop supply chains. Examples are, the work we are doing with Roberts to increase the demand for Tasmanian wool in Japan; a little bit of marketing support work we did for Ausfine; work we've done with E-Wool; and of course the consulting assistance we gave to the Australian Superfine Wool Growers Association. There is increasing retail demand for eco and organic wool. It is a small niche market but an important one that needs to be serviced and so we are working with companies and growers in that area to make sure they are aware of what is needed. The work with the Australian and the Chinese governments on the Chinese free trade agreement is continuing under the leadership of Brian van Rooyen and is an important part of our operations in Asia.

I am actually very pleased that we have supported 91 graduate students to work in the wool industry across the world - they are an investment in our future. In response to very solid and strong demanding requests from topmakers in Europe we instigated, in conjunction with the rest of the Australian industry, the dark and medullated fibre testing system and accreditation system, and I think it is very pleasing to see that over a third of the lots at auction in Australia show that accreditation on their lots.

Moving to corporate affairs. I really think our corporate affairs team has done some fabulous work during the year. As well as making all this happen, managing WoolPoll, managing the review of performance, running forums throughout the year, they also work with Australia's fashion designers to keep Australian Merino wool in the minds of the fashion industry. We do greatly value the support that we get from Australia's fashion designers. You will see a lot more of this image as we work together with Australia's very famous designers to continue to position Australian Merino wool in the fashion industry around the world.

One of the more exciting things that was done last year was the back to back photographic exhibition which we conducted right in the middle of Mercedes Australian Fashion Week, right there in Circular Quay in Sydney, where we were able to show some really innovative uses of Australian Merino wool to 300 of the world's apparel buyers that had been visiting Sydney for Australian Fashion Week. We also ran a great trade show at Spin Expo in Shanghai for the second year in a row and received a tremendous response - an enormous response from the industry - that stand

was flat out for three days. We took five wool industry leaders with us to see our work there and to get a feel for the astounding Chinese market. I still think that AWI has one of the best websites in agriculture. It was updated just last week to make the information even more accessible to woolgrowers, designers, garment makers and manufacturers. I would really encourage you to take a look at that when you get home.

That is the mission of AWI and the presentations that we have made today have outlined some real and significant achievements that are aimed at improving the profitability of the wool industry. You have a very dedicated staff at AWI working on your behalf and the way in which we do business, I believe, has reached a level of sophistication where we really are ideally placed to capture the benefits and the interest that the global retailers have in your product. I am confident that next year, 2007, and beyond you will see the results of the work we have done this year and in past years having an impact on demand for your product. It really is going to be an exciting time for the Australian wool industry.

It only remains now for me to say goodbye. I have had three and a half very memorable years in the wool industry and I have had the great pleasure to lead a great group of staff. I would really like to thank the staff for the tremendous support they have given me and the endless work that they have done on your behalf too. I would sincerely like to thank the Chairman, Ian McLachlan, and the members of the Board who have supported me over the past three and a half years and have helped us develop AWI into a company that you can be proud of. I would also like to thank you for the privilege of working for Australian woolgrowers. You really have a fabulous wonderful product and I know it is going to prosper in the global apparel industry for a long time and I really do wish all of you well for the future. Thank you.

IAN McLACHLAN: Thank you, Len. I now invite your questions and comments on Dr Len Stephens' report. Again, those people holding yellow and green cards may ask questions or make comments at this point. Please proceed to the microphone nearest to you and show your card to the AWI staff member. When he picks up your signal, please introduce yourself to the meeting by clearly stating your name and direct your question or comment to Len Stephens.

LEN STEPHENS: Chairman, we didn't rehearse this quite perfectly I'm sorry. What I need to do, first of all, if I may with your permission is to answer the questions that we have received on notice, which I think I should do in view of the fact that a number of organisations, WoolProducers and Superfine Woolgrowers, have submitted questions to us on notice which I will deal with first of all. The questions are there on the screen for you to see and I will give brief answers to each of them and, of course, we will answer the questions in writing to the relevant organisations after the Annual General Meeting.

The first question: How much was spent on direct legal costs on the PETA case during the reporting year? The answer to that was: \$1.75 million.

The second question: How much is budgeted for the current year? The answer to that question is: \$2 million but it is impossible really to judge that with the complexity of the legal case.

There were a large series of questions on the merger from WoolProducers. I'm going to assume that the Chairman covered all of the questions that WoolProducers had on the merger between AWI and AWS. I will assume they were covered by the Chairman in his address but if Robert Pietsch, president of WoolProducers, does not believe that's the case then I'm sure he will ask additional questions.

The next questions relate to staff and management: A request to provide more details to shareholders about the operation of the executive reward framework referred to in the Annual Report. This is a popular question at AGMs these days. In AWI there is no executive bonus scheme. Remuneration is calculated on base pay plus superannuation. There is, of course, an annual performance review of all staff, including the executive members, and that is conducted at the end of each financial year.

For the executive team, I assess the executive against their objectives and I provide salary recommendations to the Remuneration and Appointments Committee of the Board and that committee either accepts or rejects those recommendations. The figures in the Annual Report show that the total salaries paid to the executive team in 2004-2005 increased by 7 per cent in 05-06. The reason for that 7 per cent increase was not a 7 per cent increase in actual salaries, it was simply that during the earlier year, 04-05, we did not have a full executive team in place, so the base was lower. When you then recruit a full executive team obviously the salary increases. The actual average salary increase for individual executives that were eligible for a salary review was 1.4 per cent.

The next question asks: Was there an increase in productivity within AWI to reflect that increase in executive remuneration? In answer to that I will say that the executive salaries, of course, are established on the basis of what is known as the Hays group annual Australian salary benchmarking process. In relation to productivity, what I will say is that, the outputs of the company have increased enormously over the past 12 months and at the same time, while costs have increased marginally, they have been kept under control. We do have all sorts of measures like salary costs per project managed, and so on and so forth, but they are very detailed and they are really internal monitoring programs.

The next question: Of the 85 staff that AWI currently has please break these down between domestic and international? The answer is: Of those 85 staff 11 of them are overseas and overseas we tend to use more part-time consultants as well.

The next question relates to contractors. Under previous management, the company had a significant number of staff, who were full-time employees in a legal sense, even though they were remunerated under a contractual basis. The tax office does not like that one little bit and the Board determined that they would gradually eliminate those contracts as they became due, so there are none of those now in place, but last year there was one which was reported.

The next one probably involves just a little bit of explanation. Why we do not believe the Australian wool industry needs a strategic plan for the future? That is, we do believe that the Australian wool industry needs a strategic plan for the future and, as I outlined, AWI will work very hard to put that in place. The question really refers also though to, will AWI assist the industry in establishing an industry plan? Our view on that is that the time to do that was certainly after the AWI-AWS integration was complete and, from our point of view, if the industry wishes to lead the development of an industry plan it is up to them to entirely do that. We believe that we have a very important role as a management team, and the Board of directors obviously has a very important role, to be very clear about what AWI will do on behalf of the Australian wool industry.

The next question talks about our long-term forecasts. We all know that our Forecasting Committee forecast a reduction in wool supply, again just recently, and the question really asks us how are we dealing with that. Every month at the Board meeting we track sales - we track the wool bales going to auction and the sales. We can't wait until we get the levy revenue from the Government because that's several months later so of course every month we track, cumulatively, the sales of wool and the prices, so we are predicting our own income. That is done every Board meeting and we monitor it throughout the year. As I said during my presentation, if we detect that revenue is going down then we will change our expenditure pattern. Interestingly, as you know, although supply is going down prices have recently gone up and we will keep tracking that to see what that does to our total revenue.

The next question is really asking: Are we abandoning long-term research in favour of short-term close-to-market research? It is true that we have focused very deliberately on short-term R&D conducted in the market or in countries where the retailers and the manufacturers have their operations. There is no doubt about that. We need to do that to meet the fashion cycle and to meet the timing that is needed by retailers to deliver garments to the shelf. If we don't do that then we're not going to achieve any increase in demand so, yes, we are redirecting funds into that area, absolutely, but we are not completely throwing away future long-term research. About 10 per cent of our portfolio is still invested in long-term research. Two examples are the genomics program, which is a collaborative program run with a large number of organisations across Australia and the world, and of course some fundamental textile research.

That concludes the answers to the questions from WoolProducers. There was one question from the Australian Superfine Wool Growers Association and that is: Will AWI recommend to the Minister the necessary legislative amendments to extend the period of WoolPoll from three years to five years? What happens after WoolPoll is, John Keniry and his committee will provide a report to the AWI Board with their recommendations about how WoolPoll was conducted and what recommendations they believe the Board should consider to then forward onto the Minister. If John Keniry's report has a recommendation to that effect in it the Board will certainly consider it and then any recommendation would need to go forward to the Minister. It is a parliamentary requirement to change that period from three to five years. It is a regulatory legislative item and it is something the Government would have to do formally in Parliament. It is not something we can just write a letter and ask them to do.

Chairman, that concludes my responses to the questions on notice.

IAN McLACHLAN: Thank you, Len. I might just add something to that last question about WoolPoll. It became patently obvious to us that a lot of people confused their voting in WoolPoll with their voting at AWI and they have said so to us, so there is the possibility that we should be changing the time, in three years time or whenever the next WoolPoll comes up, to do it at a time of the year when it is patently clear what that is, as opposed to being patently clear what the AWI Annual General Meeting voting is about. That is the first point. The second point that many people have made to us, look, we were busy, you had these road shows and John Keniry went all around the country for that with a lot of us, and so forth, but wouldn't it be better to have forum such as we had today in, say, one in Western Australia and one in some part of Victoria and one in South Australia and two in New South Wales; one up near the border, would that be a better proposal, would people see more before they were voting in WoolPoll. All of those things will be part of the discussion that comes forward.

Now would you please do what I said before and address your questions to Len Stephens.

ROBERT PIETSCH: Robert Pietsch, president of WoolProducers. Thanks for those detailed answers, Len, but just one I may have missed that effectively in 2.2, have you actually provided any funding potentially for the integration? I didn't actually pick up whether or not you'd actually mentioned that.

LEN STEPHENS: Sorry, I did skip that I'm sorry, Robert. At this stage there has not been a specific amount of money allocated to the integration. The Board is obviously aware that there may be some cost but until they are further down the track at the moment we haven't, as an executive team, been asked to allocate a specific amount of funds available to that.

MARTIN OPPENHEIMER: Martin Oppenheimer, Australian Wool Growers Association. Just on this issue that's come up when the Chairman was taking questions, I just need to point out some of the numbers that we heard this morning from AWI employees, for example, with the production issue we heard that we are looking at three million less sheep for the next three to five years. So the sort of numbers that we heard before about increasing demand, we've got a real issue with supply and everybody knows somebody who is either decreasing their wool production or getting out of wool production, so I just hope that the Board, in particular, really understands the situation that we're in and if you're going to congratulate yourselves for setting up the WoolPoll ballot that it endorses what you're doing, I think you need to be really careful with that because a lot of people voted for 2 per cent for the future but they weren't happy with the mix between on-farm and post-farm and I hope you take that in the right way because the situation is so serious. If you want to dismiss it as doomsayers, so be it, but we heard it from some of your employees this morning and they're coming up with the latest projections, so don't just dismiss it as drought, it's a real issue and we have to address that, number 1.

Just another point, on this duplication issue, again I notice that you've got 11 more employees during the year, most of those overseas in some cases competing directly with AWS or Woolmark offices or employees, so clear duplication there and it's interesting to be doing that in the two years when you were hopefully looking forward to merging or integrating the two companies. But the question I want to ask - and maybe I don't know if Len is the right person - it's part of the issue as to how we go forward. I congratulate AWI for spending our money on the test-marketing project supporting the IWTO and Woolmark to run that campaign. We hear great reports from the US about the test-marketing project. How are we going to fund the main project, assuming that the test marketing is a success? How are we going to fund the next part? Through WoolPoll we were told to ignore the merger and what goes forward. How are we going to do it?

I just have to say on that point I fully support, and Australian Wool Growers Association fully supports, the question that WoolProducers put forward for the future plan for the Australian wool industry because this is one of the issues where we're working in a short time decision-making process, ad hoc decision-making, and we're not looking forward far enough.

LEN STEPHENS: Thanks, Martin. There is quite a lot in there and I may not cover it all but I'll try to cover a few key points and I'm sure, if I go off the path, the Chairman will supplement my answer. The first question about, I think what you really said is, be careful about building demand too much because we may not be able to supply, if I can summarise it that way. Yes, of course, we're very concerned about that, as are staff and as are people all over the world, as are suppliers but do we not do it? Of course not and I'm thoroughly confident in the ability of Australian woolgrowers to respond to price signals as they've done for a long time. Of course it will be an issue. Of course it will be a problem but is the answer to do nothing? I don't think so. We really must try to do that.

In relation to The Woolmark Company and AWI competing or not, let me say this if I could, you have legal responsibilities of companies and boards of directors, which whilst they may not be convenient for shareholders at particular points in time, nonetheless they're laws of the land that have to be followed. The Woolmark Company is a profit-making company established as a profit-making operation and it has a certain method of operation - it sells Woolmark licensees and other services. Our role is completely different.

Our role is to build demand for Australian Merino wool. The type of people we employ, the way you operate, is different. We have already heard the boards of both companies say it should not be so, we should be working as one company and we'd all like to be working together, but the reality of it is that the two companies were established that way and the staff and the boards of directors have responsibilities to deliver against their objectives. We are both out there in the market and we both know that some companies love the Woolmark brand, some don't, some love to use an Australian Merino wool brand, some don't, so we're servicing each operation. Does that answer your question, probably not, but does it cover all the issues you brought today?

MARTIN OPPENHEIMER: Yes, just to make it very clear, I'm not quite saying we should be creating less demand at all.

LEN STEPHENS: Yes, and I think the other thing that you said is, don't regard anything the woolgrowers or the message that the woolgrowers send to us is in any way frivolous or doomsday saying. Honestly, nothing could be further from the truth. You've got a group of staff and Board of directors that I've worked with who are acutely aware of what they believe the industry needs and the industry needs at this point in time to do to achieve prosperity.

ROBERT GORDON: Robert Gordon, I'm a producer from Guyra, Mr Chairman. I have two quick ones if I may. The first might be more appropriate to the president rather than to you but I'll start with the one with you, if I may, and that is to reinforce the emphasis on cost reduction of the operation of the AWI. Nothing impresses shareholders more than corporations being able to contain and reduce costs.

Looking at the questions on notice I see that there is other concern that maybe there is not enough emphasis on reporting in this area and I would ask if it could be possible to have more reporting of efforts to reduce costs of your operation. I know we all understand that yours is a cashbox-type operation but nevertheless the operation of that cashbox is subject to costs and I looked at the principles of governance and the closest I can get within those ten is that the corporation must add value but it doesn't say anything about the extent of that value and that of course affects our costs, so could we please have more reporting on costs of your operation but also in terms of contractors and the research projects?

LEN STEPHENS: Okay.

ROBERT GORDON: Secondly, I notice also in the questions on notice reference to the industry strategic plan, not the AWI strategic plan, but the industry strategic plan. I'm a very keen supporter of that having been through the process of formulation of the lamb industry strategic plan and I think the value of having such a plan is very often understated. We have two wool producer organisations, we're divided as usual, but they appear to both agree that the industry desperately needs one. I'm a bit concerned that the signs of delay and mentioning that it will be something which AWI will have a look at following integration of wool marketing and AWI. Function should precede form and we really are desperately overdue for a plan for the industry and I would ask, would AWI who has the expertise and, importantly, the funds which grower bodies don't have through their representative bodies, to hold urgent discussions between AWI, AWS and the grower bodies to initiate an industry strategic plan?

LEN STEPHENS: Thank you very much. I think I understand the two questions. On the issue of cost reduction, I hear your request for more reporting on that. We do an enormous amount of reporting of that internally and if you could see what goes on inside the Finance and Audit Committee meeting I'm sure you wouldn't be concerned but I do understand your desire for reporting and I'm sure that will be looked at by the executive in future. Let me reassure you things like transport, office space, rental, all those things are always examined very closely prior to decisions being made but let us focus on the outcomes as well.

In relation to the industry strategic plan, I've said a couple of times that AWI believes it is incredibly important for AWI to have a strategic plan for what AWI believes needs to be done with and for the industry. I also agree that if an industry has common goals amongst its leaders that is a benefit to the industry and if the other industry leaders, AWTA, AWEX, WoolProducers, and so on, feel the need to have a strategic plan then there is nothing stopping them from doing that. In answer to your question, I'm sure the Board will address that further if you wish.

GEORGE WARD: George Ward, Armidale. Thanks a lot, Len. My question is: What is AWI doing to foster more wool processing in India?

LEN STEPHENS: Good question, George. I can sort of answer it to say that I was sitting in the office of the Secretary of the Department of Textiles in New Delhi about a month or so ago and I can say things have changed. When I've been there before the request has been, "Can you give us aid funds? Will you work with us to develop our industry?" Things have changed now. What they've said to us is, "We've got the money," and there are very few, if any, super-wash plants, for example, in India, and they're now looking at making that investment themselves and they're saying to us, "Can you provide us with technical assistance?" So we have a couple of staff in India and some very active programs there - it's just starting - but

India is our third biggest customer for Australian Merino wool and we're working there and will continue to work there.

IAN McLACHLAN: Thank you all very much indeed. I think we will move on if that's all right. I don't want to chop anybody off but I want to start the process again.

JOHN DAWSON: I didn't want to ask a question I wanted to make a short statement concerning the UPSP program and it was merely to indicate that, as one of the directors of a company involved in that program, I've been impressed by the way in which the program was defined and assisted and supported. It's been quite a remarkable experience in dealing with a funded program to find it so well done.

IAN McLACHLAN: Thank you very much indeed.

JENNY SMITH: My name is Jenny Smith from Kentucky. My question relates to the product development and marketing and I must say I was pretty impressed this morning with what I saw, however I do have a bit of a concern in that, last week I went to the wool sales in Newcastle and the large majority of the catalogue is less than 18 micron wool, yet I walked around this morning and listened to all of the presentations and I looked at the swing tags on pretty much every garment that was here and I was struggling to find anything that had a label on it that said it was less than 18 micron wool. My concern is, and I think there are probably a fair few woolgrowers in this room that also have the same concern, and I guess we're just looking for some reassurance from the Board that some effort in product development and marketing is going towards that sector of the market as well.

IAN McLACHLAN: Thanks, Jenny. I can assure you that we're working very hard in those areas and it coincides with the emphasis of Martin Oppenheimer's previous question that, what happened at the end of the nineties with the boost in prices and everybody saying you've got to grow 19 micron wool and what-have-you, the clips got finer and we've got a lot of it and we're really focused on how to deal with it. Of course, luckily, that focus is on the high quality end and you haven't refocused it on 18 but I can tell you it's very much in my mind.