



COMMERCE COMMISSION

29 April 2011

Mr Derek Kirke
Chairman
New Zealand Wool Service International Limited
P O Box 29 383
Fendalton
CHRISTCHURCH 8540

Dear Mr Kirke

Re: Cavalier Wool Holdings Limited / New Zealand Wool Services International Limited

1. Thank you for your letter dated 28 April 2011 reiterating your views on the Commission's timetable in respect of the above application for authorisation.
2. The Commission is very conscious of the timeframes for considering the application for authorisation and all relevant dates have been made publicly available as soon as they were determined.
3. On 28 February 2011 you advised Commission staff that WSI would do its best to meet the Commission's indicative timetable (which was then 11-12 April) and your concerns in relation to this initial timetable were noted.
4. This indicative timetable was later extended (to the proposed dates of 4-5 May) and all parties were advised of these revised dates on 1 April. Peter Taylor, on behalf of WSI, advised the Commission on 4 April that there were difficulties with Dr Layton attending both days of the conference, notably the 4th of May, but he would be available on at least 5 May. The Commission has proceeded on the basis that Dr Layton would attend the conference on 5 May since this time. It was not until we received your letter on 26 April that we were made aware that Dr Layton was not able to attend the conference at all.
5. In addition, the Commission only became aware on 26 April that Dr Carnaby and David Goddard QC were unable to attend the conference on 4 and 5 May.
6. There are commercial imperatives associated with the proposed acquisition and in the Commission's view, all parties have been given adequate time to consider the competitive implications of the application for authorisation. In fact, the Commission has agreed to accept a late submission from WSI on issues raised by its independent accountant.

7. The Commission has agreed with the Applicant an extension to the decision date until 31 May 2011. Section 67(3) of the Commerce Act 1986 (the Act) specifies that the Commission is required to make a decision on an Authorisation application within 60 working days after the date of registration, or such longer period as the Commission and the Applicant agree. The Commission has acted in accordance with the legislation and adhered to the principles of natural justice.
8. The Commissioners working on this authorisation have other commitments during May, June and July. Any delay in holding the conference could potentially delay proceedings into July and August. The Commission considers such a delay would be inappropriate given its statutory duties under the Act and detrimental to the business community.
9. Thank you for your contribution to the process. We look forward to your participation at the Conference next week.
10. A copy of your letter and this response will be placed on the Commission website today.

Yours sincerely

A handwritten signature in black ink that reads "Mark Berry". The signature is written in a cursive style with a horizontal line under the name.

Dr Mark Berry
Chair