

By email

Commerce Commission

The Chairman
Wellington

FROM **Phil Taylor**
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Dear Sir

Cavalier Wool Holdings Limited: Application for Authorisation - Variation

As the Commission is aware, Cavalier Wool Holdings Limited (**CWH**) is the Applicant for an Authorisation under section 67(1) of the Commerce Act 1986, in the following terms¹:

Accordingly, CWH or any interconnected body corporate of CWH seeks authorisation to acquire up to 100% of:

- (a) NZWSI's wool scouring assets² or any interconnected body corporate of NZWSI; and/or
- (b) the shares in NZWSI.

CWH has now concluded that it is sufficient for its commercial purposes if it is authorised to acquire from New Zealand Wool Services International Limited (**NZWSI**) and/or any interconnected body corporate of NZWSI, the wool scouring assets and stock located at Whakatu and Kaputone and the 50% of the shares in Lanolin Trading Company Limited.

Accordingly, CWH applies to the Commission to vary the Application for Authorisation by amending paragraph 4.5 to read as follows:

- 4.5 Accordingly, CWH or any interconnected body corporate of CWH seeks authorisation to acquire all of NZWSI's wool scouring assets³ and/or any interconnected body corporate of NZWSI that holds any of those wool scouring assets.

While the variation removes from the application the request for authorisation to acquire up to 100% of the shares in NZWSI, it does not change the nature of the analysis as the competitive detriments and the public benefits remain exactly the same whether the authorisation is for shares in and/or scouring assets owned by NZWSI or merely the underlying scouring assets owned by NZWSI.

Of more importance, the authorisation of the Application as varied removes any doubt or uncertainty that the benefits claimed will be available at the same time as any detriments might be said to arise.

¹ See paragraph 4.5 of the Application for Authorisation filed by CWH.

² Being the wool scouring assets and stock located at Whakatu and Kaputone and 50% of the shares in Lanolin Trading.

³ Being the wool scouring assets and stock located at Whakatu and Kaputone and 50% of the shares in Lanolin Trading.

For the sake of completeness the draft divestment undertaking provided to the Commission is withdrawn.

Yours faithfully
Bell Gully

[Sgd: Phil Taylor]
Phil Taylor
Partner