

BELL GULLY

By email

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Public version**David Ainsworth / Hamish Forsyth**

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FROM **Phil Taylor / David Blacktop**
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MATTER NO. 02-341-9209
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Dear David and Hamish

Cavalier Wool Holdings – efficiencies from previous merger

We refer to the telephone discussion between Dave Ainsworth and David Blacktop on 17 March in relation to the efficiencies CWH achieved as a result of the acquisition of Godfrey Hirst's scouring assets in 2009.

1. Benefits from the Godfrey Hirst acquisition

CWH expected to secure additional volumes and create economies of scale through the acquisition of the Godfrey Hirst assets and the closure of Clifton scour line. It expected efficiencies in all areas and an increased in EBITD.

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2. **Comparison to current transaction**

The process CWH went through to assess the benefits of the Godfrey Hirst acquisition is the same as the process it has gone through for the WSI acquisition. The key differences in the cost savings in the current transaction arise from:

- [

]; and

- [

]; and

- [

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Please let us know if you have any questions in relation to this letter.

Yours sincerely

[Sgd: Phil Taylor / David Blacktop]

Phil Taylor / David Blacktop
Partner / Senior Associate