

AUSTRALIAN WOOL INNOVATION LIMITED: ABN 12 095 165 558

NOTICE OF ANNUAL GENERAL MEETING

Program Outline

AWI'S FORUM AND ANNUAL GENERAL MEETING 2007

Wednesday 14 November 2007

Kardinia Heights Centre
Cnr Anakie and Ballarat Roads
Bell Post Hill (4km north-west of Geelong)
Victoria

8.30AM REGISTRATION COMMENCES

9.00AM FORUM – 'WOOL UNLIMITED'

Featuring

- Keynote address: Opportunities and challenges for wool
- Update on AWI's global marketing strategy
- Australian Merino fashion and retail showcase
- Shear\$marker: prepare your clip for profit
- Update on AWI's on-farm R&D – including mulesing alternatives and the Land, Water & Wool program

Lunch provided

2.00PM AGM COMMENCES

Following the AGM, all attendees are invited to join the AWI Board and staff for refreshments.

For more information about the Forum visit www.woolinnovation.com.au/2007agm or call 1800 070 099.

For more information about the AGM contact:

Link Market Services on 1800 113 373

AWI Company Secretaries Les Targ and Chris Chapman on (02) 8295 3100

LETTER FROM THE AWI CHAIRMAN

Dear shareholder

I am pleased to provide you with this notice and strongly encourage you to attend the AWI Annual General Meeting (AGM) at 2.00pm on 14 November at Geelong, Victoria.

The AGM is an opportunity for you to vote for Directors of the Board of the Company and to hear an update on all AWI activities, including the current situation regarding the integration with The Woolmark Company.

In the textiles area AWI's core business has been to provide knowledge, innovation and marketing support to business-to-business partners with the aim of increasing the demand for Australian Merino wool. The AWI Board's strategy involves working closely with key decision makers in global clothing markets and targeting innovations towards the end consumer.

In the past year the AWI Board has also invested in on-farm research aimed at increasing productivity and reducing costs, measures to maintain healthy and productive animals, enhancing growers' natural resources, and initiatives to improve the numbers, quality and productivity of shearers and wool handlers.

Immediately before the AGM, starting at 8.30am, there will be an AWI innovation showcase, to enable you to get a hands-on look at a showcase of AWI's apparel product development and international activities in retail, trade and fashion, and the latest developments in on-farm research.

Following the success of Shear\$marter in Dubbo in June, a feature of the morning program will be an opportunity for you to hear from shearing and wool handling experts on how to prepare your clip for maximum profit as well as to see a top Australian team perform a one hour run. This event will give you a new insight into wool handling best practice and offer a great opportunity to meet and network with local shearing contractors.

AWI is the company that invests your levies to build demand for Australian Merino wool and improve on-farm productivity. I encourage you to attend the AGM to see how your levy is being invested and have your say on the future direction of the Company. If you can't attend then I encourage you to complete and return your proxy voting form to **Link Market Services** before 2pm Monday 12 November 2007.

Yours sincerely,



Ian McLachlan AO
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the Company is to be held at the Kardinia Heights Centre, Cnr Anakie & Ballarat Roads, Bell Post Hill (4km north-west of Geelong), Victoria on Wednesday 14 November 2007, commencing at 2.00pm.

Annual General Meeting Agenda

Ordinary business to be transacted

1. CONSIDERATION OF REPORTS

To receive and discuss the Financial Report of the Company, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2007.

2. ELECTION AND RE-ELECTION OF DIRECTORS

- 2.1 To re-elect as a Director Dr Kevin Bell, who retires as a Director in accordance with Rule 13.3(a) of the Company's Constitution and, being eligible, offers himself for re-election.
- 2.2 To elect as a Director Mr Robert Pietsch, who has been nominated in accordance with Rule 13.3(d) of the Company's Constitution and, having consented, offers himself for election.
- 2.3 To elect as a Director Mr Charles (Chick) Olsson, who has been nominated in accordance with Rule 13.3(d) of the Company's Constitution and, having consented, offers himself for election.
- 2.4 To re-elect as a Director Mr Peter Sykes, who retires as a Director in accordance with Rule 13.3(a) of the Company's Constitution and, being eligible, offers himself for re-election.
- 2.5 To elect as a Director Mr Roger J Fletcher, who has been nominated in accordance with Rule 13.3(d) of the Company's Constitution and, having consented, offers himself for election.
- 2.6 To re-elect as a Director Mr Hugh Nivison, who retires as a Director in accordance with Rule 13.3(a) of the Company's Constitution and, being eligible, offers himself for re-election.

Note – Item 2

The order in which the candidates appear in this notice of meeting has been independently determined by Link Market Services Limited by means of a random number generation tool.

Although six (6) candidates are standing for election to the office of director, a maximum of three (3) candidates may be elected in accordance with the Company's constitution. As the number of candidates exceeds the number of positions

available this item cannot be decided on a show of hands. Accordingly, pursuant to AWT's Rules, the Chairman will call a poll (secret ballot) in relation to this item at the meeting.

Each shareholder may vote in favour of the appointment of as many candidates as they approve of up to and including the number of vacancies. You may only vote for a maximum of three candidates. Voting for more than three candidates will render your vote invalid.

PROXIES

A shareholder of the Company entitled to attend and vote at the Annual General Meeting has the right to appoint a proxy.

A proxy need not be a shareholder of the Company.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is to exercise.

If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise half of the votes.

A Form of Proxy accompanies this Notice of Annual General Meeting. For the appointment of a proxy to be effective for a meeting, the following documents must be received by Link Market Services Limited, by post (using the reply-paid envelope enclosed) or fax to (02) 9287 0309 or by delivery to its offices at Level 12, 680 George Street, Sydney, New South Wales 2000, by 2.00pm Australian Eastern Daylight Saving Time on Monday 12 November 2007:

- (i) the Appointment of Proxy form properly completed and signed; and
- (ii) if the Appointment of Proxy form is signed by the appointor's attorney, the authority under which the Proxy form was signed or a certified copy of the authority.

Shareholders may alternatively submit their proxy instructions electronically via the Share Registry Service at www.linkmarketservices.com.au. Once on the website, shareholders should click on 'Proxy Voting' from the left hand menu bar and then choose 'Australian Wool Innovation' from the 'Company Name' drop down list.

Enquiries should be directed to Link Market Services on 1800 113 373.

Les Targ and Chris Chapman
Company Secretaries
as authorised by the Board of Directors

Dated 5 October 2007

EXPLANATORY NOTES

Item 1 – Consideration of Reports

To receive and discuss the Financial Report of the Company, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2007.

Item 2 – Election and re-election of Directors

In accordance with the Constitution (Rule 13.3(a)) three Directors, **Dr Kevin Bell**, **Mr Hugh Nivison** and **Mr Peter Sykes** will retire. Each of the directors has satisfied the requirements to be eligible for, and is seeking re-election.

Nominations to the office of Director have been received from **Mr Roger J Fletcher**, **Mr Charles (Chick) Olsson** and **Mr Robert Pietsch**. These nominations have been certified by the Company Secretaries as satisfying the AWI Constitution and "Rules and Procedures governing the election of Directors" ("the Rules").

Short biographical details for each of the candidates follows. The respective biographies and notes were provided by the candidates; Australian Wool Innovation Limited has not sought to verify the accuracy of or edit these statements.

Candidates' biographies and notes

DR KEVIN BELL BV.SC. (HONS), PH.D.

Sheep Management and Production Consultants, Kojonup, Western Australia.
Professor of Animal Production Systems, Murdoch University.

I stand for election again because of support from committed and far-thinking wool growers throughout Australia – three times now in the last five years. As one member of your board I have been able to contribute with my understanding of sheep and wool production in the context of a diverse farming business with the challenges facing all farmers.

As a long-standing sheep farm consultant, together with my sheep farming friends, I have the privilege of seeing time and time again first hand the results of applying well-conducted research at the farm level. I believe and know that any industry which is to prosper must have an on-going investment in research and innovation at all levels to maintain and improve its competitiveness, and to address issues which inevitably emerge. Without this it will surely die.

I support attempts to bring the attributes of wool to global markets; as a scientist, I demand rigor in all AWI investments be they within Australia or together with international customers. The ultimate aim of such global investments is to sustainably and profitably improve the price paid to all growers for their wool.

Over the past five years the company has grown in strength, at the same time making some very important and courageous decisions on behalf of growers. I am proud of this record, and congratulate the staff for their diligence. Together let us continue without distraction.

MR ROBERT PIETSCH

As part of the woolgrowing enterprises I have operated with my wife and two sons in Queensland and NSW, we have invested in downstream operations from farm through to retail.

So I understand on-farm innovation and adoption, processing, retailing and marketing of merino wool.

I therefore believe AWI must invest in a sustainable balance between innovation and demand creation.

A re-invigorated Woolmark, greater trade access into China and affordable, targeted marketing are essential – but do not need to be at the expense of parasite control, harvesting technology or mulesing alternatives.

I believe in a unified wool growing industry that is free of the politics and dis-unity that so often derails our ambitions.

I have extensive board experience and am in my final terms as director of AWEX and AWTA. However, as an everyday woolgrower, I also understand first hand, the hardships faced by growers today.

Among my achievements, in my 4 year term as President of WoolProducers Australia, I successfully lobbied to bring sustainable marketing to AWI, signed agreements with retailers to lock-in support for Australian wool and helped secure \$15m of funding for the AWS/AWI merger.

I am confident about the future and I hope you share my vision of a unified, profitable and sustainable Australian wool industry.

MR CHARLES (CHICK) OLSSON

Born 15.02.63
Business Profile:

Charles (Chick) Olsson is part of the well respected and highly successful Olsson family group of companies, known for their agricultural and salt mining interests throughout Australia. For 60 years, and three generations, the Olsson family has been heavily involved in the Australian sheep industry.

His business career has essentially been involved in business management and marketing roles in the following fields.

- Australian supermarket and retail grocery sectors marketing.
- National animal health product R&D and manufacturing.
- Aquaculture R&D advisory roles, QLD.
- South East Asian live beef and horse export consultancy.
- NSW Egg industry organic management and marketing.

EXPLANATORY NOTES (CONTINUED)

- National pet food industry management.
- Large animal pharmaceutical R&D innovative product development.
- National drought relief program advisor with Channels 7 and 9 respectively.
- Company accounting and auditing functions.

He is a wool patriot, and is passionate about wool's potential. He believes that wool has not been marketed or promoted properly, and the world will embrace our story and product once the wool industry has a fresh change of management and direction.

Degree in Economics and Accounting, Macquarie University. Currently sits on three Australian Company boards. Runs fine wool merinos at 'Royal Oak' Goulburn NSW. Past Chairman, Australian Wool Growers Association. Currently lives in Sydney.

MR PETER SYKES

Peter Sykes is the founder and Managing Director of Woolaby Australia Investments Pty Ltd, a brand developed to deliver new Merino products into traditional non wool markets.

Its products focus on meeting key consumer preferences for clothing that is lightweight, easy care, soft and comfortable against the skin, while still value for money.

The Woolaby range is available throughout Australia and developing export markets.

He is also a director of Sykes Holdings Pty Ltd producing fine wool and beef cattle in southern NSW. Mr Sykes has nine years' experience in financial markets with Westpac Banking Corporation in money market trading, risk management, marketing and distribution.

Mr Sykes's experiences with Woolaby Australia has him well placed to continue to provide strategic input for developing measurable and cost effective textile marketing and demand creation for AWI. This has been by the development of the Business to Business model for demand creation where decision makers in the fashion trade are targeted.

It is important to note Peter Sykes is an independent director and will pursue what is best for AWI and will not be pressured by Agri-Political groups.

MR ROGER J FLETCHER

Understanding the market – knowing the product – the Fletcher Advantage

From scratch I've built up a successful farming, sheep meat and wool processing export business across Australia and export to 95 countries all over the world.

During my time in the industry, I have also been privy to research and development projects. My assistance in streamlining production processes have later been adopted

by the industry as a whole and have opened access into many markets. It is these experiences that will be most beneficial to help improve the sustainability of the wool industry.

My active and continued involvement in the sheep industry is evidenced by my presence in the following industry bodies:

- Chairman of the Australian Industry Processors Council (National and NSW State Export Lamb, Sheep and Goat Industries Council)
- Australian Meat Processor Council
- Australian Sheep Industries CRC
- Australian Meat Industry Council.

I am also a past member of:

- Australian Quarantine Advisory Council
- National Food Council, and
- Australian Export Access Committee, as Chairman.

I am not interested in playing politics, or time-wasting. If you put me on the board, I will take every step I can to ensure the Australian Wool Industry is back to being one of the top industries in this country.

MR HUGH NIVISON

Mr Nivison is a current AWI Board Member, Chair of the Intellectual Property and Commercialisation Committee and member of the Finance and Audit Committee.

As a woolgrower from Walcha NSW, Mr Nivison is acutely aware of the issues facing AWI shareholders. Balanced investment focussed on increasing the price of wool and decreasing the cost of producing it is essential to keep Australian woolgrowers in business.

Since election to the AWI Board in 2002, Mr Nivison has been actively involved in changing the strategic direction of the company. Marketing of Australian Merino wool, developing strong commercial relationships with retailers, and creating innovative products to meet consumer demands have become priorities. Developing solutions for on-farm issues has continued in a more focussed way.

With a highly skilled executive team in place, markedly improved corporate governance standards, and a focus on delivering results to shareholders, AWI is a radically different company from 2002. Mr Nivison has helped focus AWI on delivering outcomes that improve the bottom line of Australian wool producers and he is keen to continue this effort on behalf of shareholders.

LM Targ and CM Chapman
Company Secretaries

Dated 5 October 2007

AUSTRALIAN WOOL INNOVATION LIMITED

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ABN 12 095 165 558

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SHARE REGISTRY

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