



28 July 2003

COMPANY ANNOUNCEMENT

Prime Pine acquisition completed

Willmott Forests becomes a fully integrated forestry company

Willmott Forests Limited (ASX: WFL) is pleased to announce that it has completed the acquisition of the Prime Pine softwood processing operation.

Prime Pine is a successful value-added timber processing business that has been operating in Bombala NSW for over 20 years and will now be incorporated into the Company's own sawmilling business.

Prime Pine was purchased for consideration totalling \$8.3 million on an EBITDA multiple of 4.8 times. The consideration has been satisfied by the issue of \$2.0 million shares in Willmott Forests Limited with the balance paid in cash.

The purchase price includes stock purchases of raw material and finished goods, all plant and equipment and goodwill including the consent by State Forests NSW for the transfer of two 10-year wood supply agreements to Willmott Forests. The acquisition of Prime Pine will add to Willmott Forests' Earnings Per Share (EPS) from day one.

Willmott Forests' Managing Director, Mr Marcus Derham said "by combining the region's sawmill and processing operations, Willmott Forests will be able to increase its timber processing capacity, improve operating efficiency and increase market presence for a wide range of landscape and structural products."

"With State Forests delivering a long-term supply of sawlogs to our milling operations and the acquisition of the Prime Pine business now finalised, Willmott Forests has become a fully integrated forestry company," he said.

By 2005, Willmott Forests expects its sawmilling and processing operations to generate between 40% and 50% of total revenues.

About Willmott Forests

Willmott Forests Limited is an integrated forestry company that produces a wide range of landscape and structural timber products from its sawmill and softwood processing operations in Bombala NSW.



Willmott Forests

Forestry Investment and
Management Services

A Quality Endorsed Company with net assets in excess of \$46 million, WFL manages over 14,000 hectares of commercial plantations on behalf of more than 1,000 individual growers. The majority of these plantations are located in south-east NSW and north-east Victoria in an area known as the Bombala Supply Zone. WFL has been operating in this region since 1982.

For the year ending 30 June 2003, it achieved \$19.3 million in sales, a 176% increase on the previous year's results. WFL declared a fully franked dividend of 3.255 cents per share, paid on 1 July 2003.

For further information please contact:

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