

# Willmott Forests Limited

ABN 17 063 263 650

## ASX Preliminary final report – 30 June 2003

Previous corresponding period – twelve months ended 30 June 2002

### Results for announcement to the market

				\$ '000
<b>Revenue</b> from ordinary activities	Up	102%	To	19,938
<b>Profit/(loss)</b> from ordinary activities after tax attributable to members	Up	454%	To	5,435
<b>Net profit/(loss)</b> for the period attributable to members	Up	454%	To	5,435

<b>Dividends/distributions</b>	Amount per security	Franked amount per security
Final dividend 2002 paid 31 July 2002	2.68 cents	2.68 cents
Final dividend 2003 paid 1 July 2003	3.255cents	3.255 cents

**Record date** for determining entitlements to the final dividend

Paid 1 July 2003

### Explanation of Result

Woodlot sales up to 30 June 2003 equate to \$19,285,000 (2002 \$6,433,000). Of this, \$4,620,700 (2002 \$NIL) has been recognised as revenue at 30 June 2003 and the balance of \$14,664,300 (2002 \$6,433,000) has been carried forward to the 2004 financial year.

For further explanation of the result refer to the profit announcement.

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**Consolidated Statement of Financial Performance**  
For the year ended 30 June 2003

	Consolidated	
	2003	2002
	\$'000	\$'000
<b>Revenue from ordinary activities</b>	19,938	9,848
<b>Other expenses from ordinary activities</b>		
Employee Costs	3,494	2,571
Borrowing Costs	850	795
Depreciation and Amortization	244	227
Other expenses from ordinary activities	7,599	4,924
<b>Profit from ordinary activities before income tax expense</b>	7,751	1,331
Income tax expense	2,370	350
<b>Profit from ordinary activities after income tax expense</b>	5,381	981
Net loss attributable to outside equity	54	-
<b>Net profit attributable to members of Willmott Forests Limited</b>	5,435	981
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>	5,435	981

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**Consolidated Statement of Financial Position**  
As at 30 June 2003

	Consolidated	
	2003	2002
	\$'000	\$'000
<b>Current Assets</b>		
Cash assets	6,030	5,069
Receivables	7,270	4,395
Inventory	5,033	464
Other	4,523	1,908
Total Current Assets	22,856	11,836
<b>Non-current Assets</b>		
Receivables	71,786	60,989
Investments	5,057	4,885
Self-generating and regenerating assets	4,354	3,763
Property, plant and equipment	14,638	13,694
Other	201	100
Total Non-Current Assets	96,036	83,431
<b>Total Assets</b>	118,892	95,267
<b>Current Liabilities</b>		
Payables	4,941	2,686
Borrowings	407	175
Provisions	27,216	10,400
Total Current Liabilities	32,564	13,261
<b>Non-Current Liabilities</b>		
Borrowings	14,410	12,813
Provisions	25,229	26,741
Total Non-Current Liabilities	39,639	39,554
<b>Total Liabilities</b>	72,203	52,815
<b>Net Assets</b>	46,689	42,452
<b>Equity</b>		
Contributed Equity	27,679	27,565
Retained profits	19,006	14,887
Outside Equity Interest	4	-
Total Equity	46,689	42,452

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Notes to and forming part of the Statement of Consolidated Financial Position

**Retained Earnings**

	2003	2002
	\$'000	\$'000
Retained earnings at the beginning of the financial year	14,887	15,794
Net profit attributable to members of Willmott Forests Limited	5,435	981
Dividends provided for or paid	(1,316)	(1,888)
Retained profits at the end of the financial year	<u>19,006</u>	<u>14,887</u>

**Net Tangible Asset Backing**

	2003	2002
Net tangible asset backing per ordinary share	\$1.15	\$1.06

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**Consolidated statement of cash flows**  
**For the year ended 30 June 2003**

	Consolidated	
	2003	2002
	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	8,165	10,444
Payments to suppliers and employees	(9,317)	(8,936)
Interest received	6,246	5,878
Borrowing costs	(850)	(794)
Income taxes paid	(1,534)	(2,957)
<b>Net cash inflow from operating activities</b>	<b>2,710</b>	<b>3,635</b>
<b>Cash Flows from Investing Activities</b>		
Payments for property, plant & equipment	(1,151)	(918)
Payments for investments	(1,461)	(2,136)
<b>Net cash outflow from investing activities</b>	<b>(2,612)</b>	<b>(3,054)</b>
<b>Cash Flows from Financing Activities</b>		
Dividends paid	(1,078)	(810)
Proceeds from (repayment of) borrowings	1,827	(1,631)
Proceeds from Issue of shares	114	2,909
<b>Net cash inflow from financing activities</b>	<b>863</b>	<b>468</b>
<b>Net increase in Cash Held</b>	<b>961</b>	<b>1049</b>
Cash at the beginning of the financial year	5,069	4,020
<b>Cash at the End of the Financial Year</b>	<b>6,030</b>	<b>5,069</b>

**Supplementary Appendix 4E information**

**Basis of Preparation of the Preliminary Final Report**

The preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in an accounting policy, are consistent with those of the previous year. There has been no change in accounting policies from the previous year.

**Dividends**

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2003 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend \$'000	Franked amount per security
17 July 2002	31 July 2002	Final 2002	2.68 cents	1,078	2.68 cents
17 June 2003	1 July 2003	Final 2003	3.255cents	1,316	3.225 cents

**Franked dividends**

	Consolidated 2003 \$'000	2002 \$'000
Franking credits available for subsequent financial years at 30%	8,145	7,112

The above amounts represent the balance of the franking accounts on a tax paid basis as at the end of the financial year, adjusted for;

- (a) Franking credits that will arise from the payment of the current tax liability;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- (d) Franking credits that may be prevented from being distributed in subsequent financial years.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of controlled entities were paid as dividends.

**Dividend reinvestment plans**

The company has in place a dividend reinvestment plan, a copy of which can be obtained from the company.

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Supplementary Appendix 4E information

**Earnings per share**

	Consolidated 2003	2002
Basic earnings per share - cents	13.5	2.6
Diluted earnings per share - cents	13.1	2.5
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	40,363,570	32,975,198
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	41,552,882	39,235,647

**Information Concerning the Classification of Securities**

**Options**

Diluted earnings per share is calculated after classifying all options on issue and all ownership based remuneration scheme shares remaining unconverted at 30 June 2003 as potential ordinary shares.

**Issued and quoted securities at end of current period**

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Ordinary securities	40,436,226	40,436,226		
Changes during current period				
Options exercised	26,528	26,528	56c	56c
DRP	120,528	120,528	54c	54c
Employee Share Scheme	67,762	67,762	- c	- c
Options (description and conversion factor)			Exercise price	Expiry date (if any)
Dealer options	60,857	0	56c	29/01/2004
Dealer options	52,687	0	56c	30/06/2004
Dealer options	89,747	0	56c	30/06/2005
Dealer options	29,784	0	78c	31/07/2004
Employee options	625,000	0	\$1.00	8/12/2010
Dealer options	425,000	0	\$1.10	31/07/2007
Dealer options	350,000	0	\$1.40	31/07/2007
Exercised during current period	26,258	0	.56c	

**Events occurring after reporting date**

On 25<sup>th</sup> July 2003, Willmott Timbers Pty Ltd. settled a contract to purchase the assets and goodwill of Prime Pine Pty Ltd for \$8.3 million. This contract was funded by the groups Bank Bill Facilities and Chattel Mortgages and the issue of 1,818,182 ordinary shares in Willmott Forests Ltd.

Willmott Forest Products Pty Ltd has committed to capital expenditure of \$225,000 for the Bright Street, Bombala

**Supplementary Appendix 4E information**

sawmill.

Willmott Forests Ltd is in the process of securitisation of receivables to the value of \$4,439,050 with N M Rothschild and Son Ltd.

**Segment Information**

The company operates solely in the forestry industry in the Bombala and surrounding regions of South East New South Wales and Victoria.

**Annual meeting**

The annual meeting will be held as follows:

Place

335 Ferrars Street, Albert Park Victoria

Date

14 October 2003

Time

10.30am

Approximate date the annual report will be available

15 September 2003

**Audit**

This report is based on accounts, which are in the process of being audited.