



22 May 2003

COMPANY ANNOUNCEMENT

Willmott Forests sign 10 year wood supply agreement with State Forests of New South Wales

Company to become a fully integrated forestry company in July 2003

Willmott Forests Limited (ASX: WFL) has signed a wood supply agreement with State Forests of New South Wales (NSW) for a period of 10 years.

The agreement, which is subject to ministerial approval, will allow Willmott Forests to source 320,000 tonnes of pine plantation timber from State Forests' softwood resource in the Bombala region.

The timber will be used to supply Willmott Forests' sawmill and processing operations, while its own growing resource matures.

Willmott Forests' Managing Director, Mr Marcus Derham said "the wood supply agreement is the final component in the Company's plans to become a fully integrated forestry company.

"By combining the region's sawmill and processing operations under one owner, we will be able to increase local timber capacity, operating efficiency and market presence for a wide range of landscape and structural timber products".

"Securing an immediate feed of sawlogs for our mills will allow us to start processing operations in July 2003".

"The addition of an integrated processing operation to the Company's existing forestry management business will significantly increase the company's annual turnover and add value for both grower and shareholder".

"By 2005, we expect our milling and processing operation to generate between 40% and 50% of the Company's total revenues," Mr Derham said.



Willmott Forests

Forestry Investment and
Management Services

About Willmott Forests

For the six months to 31 December 2002, Willmott Forests reported a net profit after tax of \$3.528 million (up 413% on F01/02) on revenue of \$10.861 million (up 113%). On May 6, the company announced it had passed the previous year's sale result of \$7 million, well before the traditional June end-of-financial-year rush.

Willmott Forests is a Quality Endorsed Company with net assets in excess of \$46 million (Net Tangible Assets of \$1.10 per share) that 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 New South Wales and north-east Victoria in an area known as the Bombala Supply Zone. Willmott Forests has been operating in this region since 1982.

In July 2003 the company will become a fully integrated forestry company and produce a wide range of landscape and structural timber products from its sawmill and softwood processing operation in Bombala NSW.

For further information please contact:

Marcus Derham
Managing Director
Willmott Forests Limited
Phone: (03) 9696 1355
Mobile: 0418 315 914