

PLANT

MANAGE

HARVEST

PROCESS

SUPPLY

**Willmott Forests - delivering...****STRATEGIC GROWTH  
SOUND SHAREHOLDER RETURNS  
DIVERSIFIED REVENUE STREAMS  
FOCUS ON CORE BUSINESS****Disclaimer**

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# Annual General Meeting 2004

15 November 2004

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**450,000 hectares of new trees  
needed to meet projected  
Australian population by 2040.**

11 November 2004

at the Future Forests and Timber 2004 Conference in Sydney

Speaker: Nick Roberts, Chairman of A3P

Plantation Products and Paper Industry Council.

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# The Company an Overview...

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## Our Story...

- **Established business - since 1980**
- **Vertically integrated forestry company**
  - **Australia's largest developer of softwood plantations**
  - **Owners of softwood in our own right**
  - **Plantations in premier locations**
  - **Timber processing operations**
- **Track record of growth**
- **Accredited under AS/NZS ISO 9001\***

*\* excluding timber processing operations*

## Management

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Board of Directors

CEO  
Marcus Derham

### Senior Executives

Forestry

David Smith

Sales & Marketing

Antony Spielvogel

Timber Processing

James Hochroth

Financial Controller

Stephen Arrowsmith

## Plantation Resource

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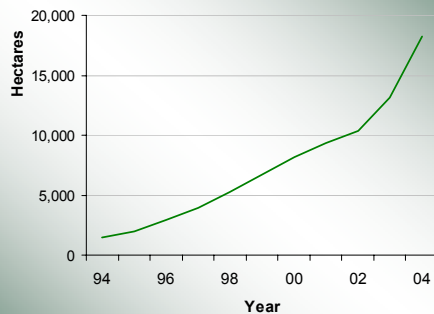
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### Plantations Under Management Continue to Expand



In recent years, WFL has been responsible for 74% of all newly established softwood plantations in NSW and 15% Australia wide.

## Managed Investments

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- **Products**

- **Woodlot PDS (retail \$4K - \$500K)**
- **PIO Offer (wholesale \$350K - \$5m)**
- **Woodlot Project received top ratings from independent research groups**
- **Woodlot Project accredited under AFG Disclosure Code**
- **Dealer network expanded nationally**
- **Woodlot sales up 85% to \$35.7 million**



## Timber Processing

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- **Integrated processing operations**

- **Structural sawmill**
- **Landscape products plant**
- **Long-term Wood Supply secured from SFNSW**
- **Certainty for Willmott Forest Growers**
- **Has captured greater than 50% market share of landscape pine products (NSW and ACT)**
- **Enhanced management expertise**
- **Continuing to upgrade structural sawmill**
- **Further capital expenditure for Landscape Plant**



## The Regions...

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**WFL is dedicated to creating a sustainable and revolving land base.**

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# PINES Capital Raising

## Overview of Capital Raising

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- **WFL is seeking to raise up to \$40 million through the issue of up to 400,000 Preferred INcome Exchangeable Securities (PINES) at \$100.00 each**
- **The underwritten offer will comprise**
  - **\$35 million placement; and**
  - **\$5 million in oversubscriptions**

### Note:

- **Issue subject to approval of WFL shareholders**

## Overview of Equity Raising

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- **The purpose of this issue is to strengthen the balance sheet to fund WFL's continued growth**
  - **Fund the capital requirements of new MIS projects (principally land requirements)**
  - **Extend range of products to be sold through existing distribution network**
  - **General corporate opportunities in forestry industry**

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# Results 2004

## 2004 Results

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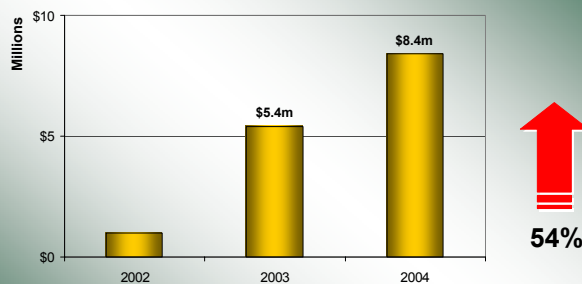
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- NPAT \$8.4 million



## 2004 Results

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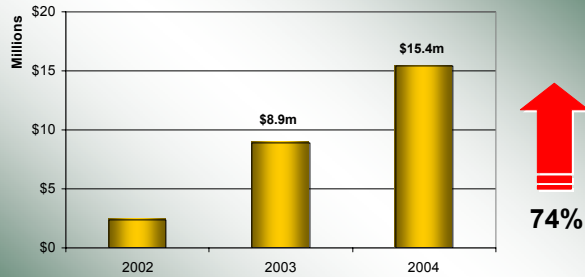
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- **EBITDA \$15.4 million**



## 2004 Results

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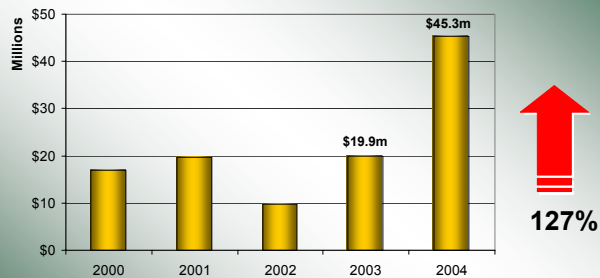
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- **Total Revenue \$45.3 million**



## 2004 Results

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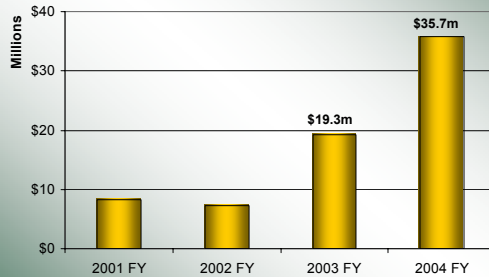
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- **Woodlot Sales \$35.7 million**



  
**85%**

## 2004 Results

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### Revenue Carried Forward

- **\$30.3 million of \$35.7 million Woodlot sales revenue carried forward to FY2005**

**Franking Credits = \$18.19 million**

### Dividends

- **Fully franked dividend - \$0.02 per share paid Sep 2004**
- **Full year dividend - \$0.04 per share**

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# Highlights 2004

## Highlights

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### Corporate

- **Financial Performance**
  - Total Assets up 48% to \$175 million
  - NPAT up 54% to \$8.4 million
  - Total Revenue up 127% to \$45.3 million
  - EBITDA up 74% to \$15.4 million
- **Solid share price performance**
- **Coverage instigated by 6 Broking Houses**
- **Increased Hectares Under Management**

## Highlights

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### Managed Investments

- Woodlot PDS received top ratings
- Woodlot PDS accredited under AFG Disclosure Code
- Dealer network expanded nationally
- Woodlot sales up 85% to \$35.7 million

## Highlights

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### Forestry Operations

- **Advancement in Forestry Management:**
  - in-house capabilities
  - expertise and research
  - seedling development
  - plantation management systems
  - fire protection
- Local Schools Education Program
- Forestry Cadet Program

## Highlights

### Timber Processing

- Integrated processing operations
- Long-term Wood Supply secured from SFNSW
- Enhanced management expertise
- Upgraded structural sawmill
- Operated Landscape Plant at capacity

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## Outlook

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## MIS Outlook

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- **Robust and Growing Market**
- **Expanding Dealer Network**
- **Products Rated Highly**
- **Forestry accepted as Alternative Asset Class**
- **Opportunities to acquire Mature Forests**

**WFL holds 80% market share  
of long rotation MIS market**

## Timber Processing Outlook

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- **Capital expenditure to enhance Profitability**
- **Greater Management Expertise**
- **Better Efficiencies**
- **Long term sustainable Wood Supply**
- **Products in Demand**

**WFL expects 50% growth  
in timber sales - next 5 yrs**

## Summary

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- **Financial Performance – very sound**
- **Strong Balance Sheet**
- **Quality Management Team**
- **Opportunities to increase Market Share**
- **Strategic approach**
- **Focused on Core Business**

**A platform for future growth**

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**Willmott Forests Limited exists....**

**‘To create wealth for  
Shareholders and Growers  
through sustainable forest  
management’.**

**[www.willmottforests.com.au](http://www.willmottforests.com.au)**