

11 May 2005

COMPANY ANNOUNCEMENT

Government reaffirms support for plantation timber industry

The Australian Government announced in yesterday's Federal Budget that it will extend the 12 month prepayment rule for forestry managed investments until 30 June 2008.

Willmott Forests welcomes this extension to 12-month prepayment rule for managed timber investments which reaffirms the Government's support for the continued growth of the plantation timber industry.

Marcus Derham, Willmott Forests' Chief Executive Officer said "...this extension will provide certainty for the industry and investors in forest-managed investment schemes while a review is conducted and options to assist the industry over the longer term are examined. The review will include examination of tax impediments to long-term investment in plantations."

"The 12-month rule is a sensible measure that recognises the seasonal nature of plantation establishment. It allows project managers to carry out establishment work within 12 months of the growers' subscription to a managed plantation timber investment project; while the growers' tax deductions for that expenditure remain available in the same tax year they commence the business and incur the expense".

"We at Willmott Forests see this is an important decision that will allow the company to continue to plan land acquisitions and plantation establishment works with optimum efficiency" Mr Derham said.

About Willmott Forests

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

A Quality Endorsed Company, with a market capitalisation in excess of \$140 million, Willmott Forests manages its commercial softwood plantations on behalf of more than 1,500 individual growers. The majority of these plantations are located in south-east NSW and north-east Victoria.

Over the last 10 years Willmott Forests has delivered sustained growth in excess of 15% per annum in the key areas of Woodlot sales, plantation resources, assets and profit.

PLANT

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