

15 December 2006

COMPANY ANNOUNCEMENT**Cabinet decision to provide 100% deduction for forestry MIS**

Willmott Forests Limited is encouraged by the reports in today's media of the recent Federal Government Cabinet decision in relation to the intended changes to the taxation arrangements for forestry managed investment schemes.

CEO of Willmott Forests Limited, Marcus Derham, said "...subject to analysing the finer details when available, 100% deductibility for plantation forestry investment is encouraging and it indicates the Government's continued commitment to plantation forestry."

"Willmott Forests is an integrated forestry business that owns and operates downstream processing facilities. As a significant regional employer with over 75% of our work force living and working in plantation zones, we expect to be able to continue to establish new long-rotation softwood plantations to meet Australia's wood and paper needs."

"As well as providing supportive taxation arrangements for plantation forestry investment, we anticipate this decision will provide much-needed resource security for regional timber processing companies and exporters, and in turn benefit the many timber communities around regional Australia who depend on expanding plantations for their employment and social infrastructure."

"We look forward to working through the detail of this decision with Government when appropriate in the near future" Mr Derham said.

About Willmott Forests

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

A Quality Endorsed Company, with total assets in excess of \$290 million Willmott Forests manages 30,000 hectares of commercial softwood plantations on behalf of more than 3,400 individual growers. The majority of these plantations are located in south-east New South Wales and north-east Victoria.

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