

Industry Profile: Willmott Forests Limited

Willmott Forests' vision is for a quality focused, vertically integrated company that plants, manages, harvests, processes and replants softwood resource for a commercial benefit in a sustainable manner.

Introduction

Willmott Forests is a quality endorsed, fully integrated forestry company producing a wide range of landscape and structural timber products from its softwood processing operations in Bombala, south eastern NSW. The company has 120 permanent employees and manages in excess of 16,000 hectares of softwood plantations, ranging from new plantings to mature trees, in the Bombala Supply Zone.

Willmott Forests has been operating in this region since 1982 and has total assets as at 30 June 2003 in excess of \$118 million. In recent years, Willmott Forests has been responsible, on average, for around 74% of all newly established softwood plantations in NSW and 15% Australia wide.

Willmott's target is to provide the market with an effective suite of softwood forestry investment products, with a clear focus on growing structural grade timber. Willmott intend to achieve this through quality offerings to retail, professional and wholesale investment markets.

History of Willmott Forests

In 1979 the late Hector Willmott founded the business now named after him. Willmott Forests continues to develop the vision of its founder by providing future generations of Australians with a sustainable supply of softwood timber products. Willmott Forests has been involved in forest management since 1980, and the longevity and success of Willmott Forests' business is particularly significant given the long life cycle of forestry products. The company has reached this position by being adaptable and innovative through a number of legislative, industry, market and environmental changes over the years.

Over its many years of experience, Willmott Forests has established long-standing and strong Government and community links, and remains an industry leader with an exemplary reputation in establishing and providing ongoing management of *Pinus radiata* plantations.

Vertical Integration

Willmott Forests has recently become a fully integrated forestry company with its purchase and development of downstream processing activities in Bombala NSW, through its wholly owned subsidiaries Willmott Timbers Pty Ltd and Willmott Forest Products Pty Ltd.

- Willmott Forests sawmill - This facility is owned by Willmott Forest Products Pty Ltd (a wholly owned subsidiary of Willmott Forests Limited) and is actively involved with both the wholesale market and the transferring of product for further value adding at Willmott Timbers Pty Ltd. The softwood timber products being produced include structural and visual grade timber, stress board, lining board, decking, sleepers and palings; and
- Willmott Forests landscape products plant - This facility is owned by Willmott Timbers Pty Ltd (a wholly owned subsidiary of Willmott Forests Limited) and is involved in the three primary facets of milling operations; processing, refinement and treatment. The softwood timber products currently produced by this mill include both treated and untreated structural and visual grade timber, stress board, decking, sleepers and palings.

Willmott's softwood processing operations, following the recent opening of their Bombala Sawmill and the acquisition of the Prime Pine business, is aimed at adding positive cashflow and profit to the bottom line whilst enhancing security for the company's many Growers.



Willmott Forests has been committed to the establishment of *Pinus radiata* for over 20 years, choosing to establish the company as a market leader in the proven and recognisable long-term softwood plantation industry. Willmott believes the growing need for sustainable timber resource, both domestically and internationally, will drive a positive longer-term outlook for the forest industry.

Positioning in the Bombala region

The majority of Willmott Forests' plantations are located in the region known as the Bombala Supply Zone. Willmott Forests has been operating in the region since 1982, and is dedicated to creating a sustainable and revolving land base. The region has a number of attractive qualities:

- Established softwood region - there are in excess of 45,000 hectares of softwood plantations currently growing in the region;
- Significant land resource - there are over 113,000 hectares of land suitable for growing softwood plantations within the region;
- Existing harvesting and haulage capabilities - there are sufficient softwood plantation harvesting and haulage capabilities established within the region;
- Established domestic markets - Willmott Forests enjoys a vibrant market for plantation timber within the region. The company's softwood processing operations produce a wide range of end products including treated and untreated structural and visual grade timber, stress board, lining board, decking, sleeper and paling; and
- Export potential - Hardwood chips have been exported from Eden for many years, and a softwood chip operation has been successfully trialled, with a view to the establishment of a long-term export market. The potential for export is also rapidly becoming a reality with the multi-purpose wharf facility at Eden NSW expected to be operational by the end of this calendar year.

Environmental Management and Social Responsibility

Willmott Forests takes into account environmental, social and ethical considerations as it conducts its' business. Willmott Forests' environmental management policies operate in concert with the company's timber plantations practices code and plantation establishment plans.

Willmott Forests is accredited under Quality System AS/NZS ISO 9001 and has an extensive planning procedure. Additionally the company is involved with many industry associations and has in recent years become a recognised key stakeholder in the development and implementation of the Code of Practice under the NSW Plantation and Reafforestation Act 1999 affecting the plantation timber industry.

Willmott encourages investors to examine the company values on environmental impacts, social engagement and corporate governance, and in doing so, compare Willmott's performance against others through such organizations as the Ethical Investor – Corporate Monitor SRI Funds Ratings.

The operations of Willmott Forests include a wide range of environmental activities in regard to control of salinity, erosion and applications of herbicides and fertilisers. Willmott Forests adopts best practice in all plantation activities with a view to ensuring conformance with relevant Acts. Timber processing and treatment activities are conducted in accord with EPA guidelines. The company continues to be widely regarded as a leader in this field due to its commitment to maintain responsible forestry practices and sustainable resource management.