



## MEDIA RELEASE

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### 2009 EXPORT PRICE SECURED FOR AUSTRALIAN PLANTATION WOODCHIP

Three of Australia's leading forestry companies, ITC Limited (ITC), Timbercorp Limited (ASX:TIM) and Great Southern Limited (ASX:GTP), today announced the conclusion of negotiations for the 2009 benchmark price for Australian plantation grown Tasmanian bluegum woodchip for export to Japan.

Notwithstanding the current global economic conditions, a price of A\$207.40 per bone dry metric tonne (BDMT), free on board (FOB), has been maintained for plantation grown Tasmanian bluegum exported from Australia up to July 1 2009, representing a nil increase on 2008 pricing.

Mr. Vince Erasmus, CEO of ITC, who led the negotiations on behalf of the Australian plantation hardwood producers, said that all Australian exporters recognised commodity prices are under significant pressure due to global economic conditions and that the Japanese economy is in recession with severe curtailments in production but despite these factors Australia expected more from a valued trading partner.

"To retain the 2008 price in these circumstances is a considerable achievement for the Australian hardwood plantation sector and investors, recognising continued demand for Australian premium quality, sustainable forest products in an unprecedented global economic downturn," Mr. Erasmus said.

"However, it is disappointing that the price does not reflect the superior quality and consistency of our product compared to others globally, our proximity to market and, importantly, the positive medium to longer term outlook for plantation woodchip. The price for plantation based hardwood woodchips continues to reflect the premium paid over native forest based woodchips," Mr. Erasmus said.

Mr. Sol Rabinowicz, CEO of Timbercorp Limited, welcomed the conclusion to the negotiations. He said it was disappointing that there was a nil price increase from the previous year but this would allow harvesting to resume providing security for its industrial operations workforce.

Mr Cameron Rhodes, CEO of Great Southern, said while it was disappointing to not receive an increase at this time, the price would affect the first half only rather than the normal full year and a new price would be negotiated for the second half of 2009.

"The quality of our product, the fact that Australian hardwood woodchip is preferred in the Japanese market and our relative cost competitiveness are all factors that we hope will be taken into account when the time comes to set a new price for the second half of the year," he said.

The woodchip price applies to all plantation hardwood woodchip exported from Australia to Japan until July 1, 2009 backdated to January 1. Negotiations with Japan will recommence in the second half of 2009

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## **BACKGROUND INFORMATION**

### **About ITC Limited**

ITC Limited (ITC) is Australia's leader in commercial sustainable forestry products with more than 170,000 plantation hectares under management. ITC is also Australia's largest hardwood timber processor and manages managed investment scheme (MIS) plantations established since 1992 on behalf of investors. ITC is a wholly owned subsidiary of Futuris Corporation Limited. Futuris is listed on the Australian Stock Exchange (ASX code: FCL).

### **About Timbercorp**

Since establishment in 1992, Timbercorp has raised more than \$2 billion in funds for investment in agribusiness. The company's portfolio of managed agribusiness assets (including established and committed plantings) consists of more than 98,000 hectares of eucalypt plantations, 6,530 hectares of olive groves, 11,909 hectares of almond orchards, 1,345 hectares of citrus orchards, 412 hectares of table grape vineyards, 816 hectares of mango orchards, 1,207 hectares of avocado orchards and 8.2 hectares of glasshouse tomatoes. With net assets of \$595 million, Timbercorp generates a mix of strong recurrent revenue streams.

### **About Great Southern**

An investment manager specialising in the agribusiness sector, Great Southern has operations right across Australia including approximately 160,000 hectares of hardwood plantations. These plantations, are located in the Great Southern and south west regions of Western Australia, the Green Triangle region of south west Victoria and south east South Australia, the Northern Territory and several other key growing regions. With forestry its core focus, Great Southern has progressively expanded its product range over the past three years and is listed in the top five commodity managers of beef cattle, wine grapes, olives, almonds and poultry production.

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