



MEDIA RELEASE

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\$20 million WA export woodchip terminal open for business

Leading plantation forestry companies Timbercorp Limited and Integrated Tree Cropping Limited (ITC) today launched their \$20 million export woodchip facility at Albany in Western Australia.

The Albany Chip Terminal – built, owned and operated by the Timbercorp/ITC joint venture, Plantation Pulpwood Terminals Pty Ltd (PPT) – has the capacity to export one million tonnes of eucalypt woodchips a year from the companies' plantations in the Great Southern region of WA.

The terminal significantly enhances Australia's export capability in eucalypt wood fibre. Exports through the facility to Japanese pulp and paper manufacturers will be worth up to \$2 billion over the next decade.

Senior executives of Japan's largest pulp and paper companies, Oji Paper and Nippon Paper Industries, and of major trading houses, Marubeni and Sojitz, attended the chip terminal launch.

Timbercorp, ITC and their joint venture marketing company, Plantation Pulpwood Exports (PPE), have woodchip supply agreements with Marubeni and Sojitz which, in turn, have supply arrangements with Oji and Nippon.

PPE markets export woodchips from ITC and Timbercorp's combined 210,000 hectares of plantation in WA, in the Green Triangle of south-west Victoria and south-east South Australia. In addition, ITC has an expanding plantation base in Queensland.

ITC chief executive James Neville Smith says the Albany port investment shows ITC's commitment to developing strategic infrastructure to underpin its plantation business across Australia.

"With plantation-grown woodchips from Australia having distinct advantages in Asian markets, ITC's strategy is to ensure our investors are provided the best opportunity to capitalise on the quality and market proximity of our plantations to those markets," Mr Neville Smith said.

Timbercorp chief executive Robert Hance said: "For Timbercorp, this facility is the culmination of an enterprise started more than 15 years ago. The export flowthrough represents tangible evidence of the returns to investors in our plantation projects, of the foresight of the Federal Government in making the investment possible and of the faith and patience of Timbercorp's shareholders and client-growers."

Woodchip shipments started from Albany last July, with PPT using a temporary unloading and screening plant while the new facility was built. The first shipment using the new configuration sailed last week and another is scheduled for next week. There have been five

shipments since July, totalling 208,000 tonnes of high quality eucalypt woodchip, with more than 1 million tonnes to be shipped annually within two to three years.

For further information:

John Vaughan, Chairman, Plantation Pulpwood Terminals Pty Ltd, and Executive Director, Timbercorp Limited, (03) 8615 1200

Michael Clark, Group Marketing & Communications Manager, Integrated Tree Cropping Limited, (08) 9483 0200, michael.clark@treecrop.com.au

or visit

www.timbercorp.com.au

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About Timbercorp (ASX: TIM - ABN 87 055 185 067)

Timbercorp creates wealth through high quality agricultural projects developed on a world scale to meet global demand. With fully integrated operations, Timbercorp actively manages the entire agricultural project cycle on behalf of its grower-investors. This encompasses the establishment, financing and marketing of projects through to harvesting processing and end-sales.

Since establishment in 1992, Timbercorp has raised more than \$800 million from sales of projects in forestry and horticulture to investors seeking long term income streams and attractive after-tax returns. The company's portfolio of managed agribusiness assets consists of 85,194 hectares of eucalypt plantations, 3287 hectares of olive groves, 5137 hectares of almond orchards, 959 hectares of citrus orchards, 412 hectares of table grape vineyards, 452 hectares of mango orchards and 720 hectares of avocado orchards. With net assets of \$426 million, Timbercorp generates a mix of strong recurrent revenue streams.

About Integrated Tree Cropping (ASX: ITF - ABN 79 069 762)

Integrated Tree Cropping (ITC) is one of Australia's leading vertically integrated forestry companies. It is one of Australia's largest hardwood plantation forestry managers, with more than 140,000 plantation hectares under management across all mainland states. ITC is also the country's largest hardwood timber processor, and the second largest integrated forestry company listed on ASX. ITC has a policy to manage all of its activities in a safe, responsible manner which respects the environment. ITC believes in monitoring and continually improving its environmental outcomes and in supporting conservation projects relevant to its business.

In December 2005, ITC and WWF-Australia, the conservation organisation, launched a new partnership to encourage Australian business to support responsible forest and plantation management through the choice of timber and paper they buy.