



## MEDIA RELEASE

### ITC ACQUIRES ASSETS OF JL GOULD SAWMILLS

**MELBOURNE, 4 September 2006**

ITC Limited, a wholly owned subsidiary of Futuris Corporation, today announced the acquisition of the assets of JL Gould Sawmills (Goulds) in Alexandra, Victoria, subject to the satisfaction of a number of regulatory and due diligence conditions precedent.

ITC Chief Executive Officer, Vince Erasmus, said the purchase, which includes Goulds' green and dry mill operations, was a significant development for the Company that would deliver supply, logistics and scale benefits to ITC Timber's Victorian operations.

"The acquisition will expand our log intake by approximately 40,000m<sup>3</sup> per annum whilst also optimising ITC Timber's solidwood processing facilities on the northern side of the Great Dividing Range for the first time," Mr Erasmus noted.

"This means we can better maximise the value of our extensive mainland resource base through the logistics advantage of being able to process and value-add timber in various Victorian locations, with resulting input cost efficiencies," he continued.

Mr Erasmus said that Goulds has a long-standing and loyal customer base who will continue to be serviced well by ITC Timber. "Goulds has developed a strong market presence in Victoria and Queensland, as well as a successful export strategy, which will complement ITC Timber's existing sales and distribution activities."

Mr Erasmus confirmed that post-acquisition, JL Gould Sawmills would remain a standalone operation for a defined period before integration into the existing Victorian operations of ITC Timber. "We are delighted to acquire the considerable skills base and assets built up at Goulds since it was founded by Lloyd Gould almost 60 years ago," he said.

"Given the challenging dynamics of timber supply in the region and rising input costs, it is necessary for companies such as ITC Timber to invest in and consolidate processing infrastructure in Victoria to enhance our competitiveness in the global environment," Mr Erasmus observed.

"The State Government has been actively targeting the rationalisation of our industry to ensure a sustainable future – moves that have now seen Victoria's native timber industry reduce in size by 30% since February 2002."

"The acquisition consolidates ITC Timber as the largest sawmiller and timber value-adder in this State, and demonstrates the Company's commitment to the long-term sustainable development of Victoria's timber industry. Most importantly, the acquisition provides ITC Timber with sufficient economy of scale to better serve our customer base," Mr Erasmus concluded.

Subject to satisfaction of the conditions precedent, the acquisition will become effective on 1 October 2006.

For further comment:

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## **BACKGROUND INFORMATION**

### About ITC Timber

ITC Timber (formerly Neville Smith Timber) is a division of ITC Limited, one of Australia's leading integrated forest and forest products companies, producing quality timber for domestic and export markets. With existing production capacity to receive more than 250,000m<sup>3</sup> of logs in Victoria, Tasmania and New South Wales, ITC Timber specialises in the processing of native regrowth eucalypts and has experience in harvesting, processing and marketing woodchips to paper and pulp mills in the Asia Pacific region. ITC Limited is a wholly owned subsidiary of Futuris Corporation Limited, a Top 100 company listed on the Australian Stock Exchange (ASX code: FCL).

### About JL Gould Sawmills

JL Gould Sawmills is a long-standing family-owned Victorian sawmiller and the second largest sawmiller in that state. Operating green and dry mill processing facilities in Alexandra, Victoria, JL Gould Sawmills produces in excess 10,000m<sup>3</sup> of predominantly high quality appearance grade finished product per annum, converted from high quality logs.

