



Company Announcement
Tuesday, 13 September 2005

QPFL Announces Year End Results

A leading timber plantation investment company, Queensland Paulownia Forests Ltd (QPFL), has announced a record turnover of \$22 million for the year ended 30 June 2005. This is after normalising sales by excluding an extraordinary transaction of \$9.74 million.

Actual retail sales increased by \$10 million, a 200% increase on last years result from the managed investment scheme sector reducing the need for the underwrite facility compared with the previous financial year.

Net profit after tax and extraordinary items was \$3.86 million. This follows non-cash adjustments for Self Generating and Regenerating of Assets (SGARA) of \$3.07 million. The ongoing drought has resulted in the review of QPFL plantation investments and the Board believed it was appropriate to make this adjustment to its plantation assets.

[These results are still subject to final audit](#)

Chief Executive Mr Ian Sandeman said the record increase in turnover without requiring substantial underwriting, reflected the long term strength of the company's business model. QPFL has made significant progress with regard to increased sales through the financial planner and accountant networks and this bodes extremely well for the future of the company. He also said that the write-down was prudent and provided a strong balance sheet in preparation for the next phase of the company's development.

Mr Sandeman also noted the company has invested substantially in the development of new assets in the Forbes region and costs associated with these developments are reflected in the results, while the full potential of the properties developed have not yet been realised in sales.

QPFL recently acquired its first timber mill at Kogan in South East Queensland to process timber from its seven Paulownia plantations throughout Queensland and NSW.

The planned expansion, worth an estimated \$8 million, will also include upgraded milling technology and a new downstream timber processing facility.

QPFL is also preparing for a major new planting program, beginning in October, with more than a million seedlings being planted at its Forbes plantation and further infrastructure developments to take place.

"This tremendous result indicates a strong investor demand for QPFL's MIS projects, and forms a solid indicator that further successful sales growth will be achieved for the next financial year," said Mr Sandeman.

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