

## ABOUT US

### **How does WAPRES fit into the Picture?**

WAPRES is a leader in the Western Australian plantation and woodchip export industry, and operates as a vertically integrated business, which is reflected in our motto “From Seed to Sail”

- Our nursery operations have the capacity to produce up to 7 million seedlings per year and we have extensive orchards of genetically improved bluegum created through selective breeding programmes making us self sufficient in genetically improved seed.
- Our plantation establishment and maintenance services are responsible for about 30,000 hectares of bluegum resource around the South West and Great Southern regions, with an annual establishment programme (first and second rotation) of about 3000 hectares. In addition a smaller programme operates on behalf of another Marubeni Subsidiary, Southern Plantation Forests, in the Green Triangle region of South Australia and Victoria.
- Our wood procurement business oversees the harvesting and delivery of around 800,000 tonnes of logs produced from around 4,000 hectares of resource per annum.
- Our Bunbury Port and Manjimup Diamond Chip Mills together with regional contract chipping operations, provide over one million tonnes of woodchip (from both plantation and native forest residue woodchip) to our port export facilities.
- Our Bunbury Port export facility has a reputation for reliability, having never missed a shipment in more than 30 years. Our operations currently supply around one million tonnes of woodchip per annum to the world market for use in quality pulp and paper products.

### **A Long History**

WAPRES was formed by the Marubeni Corporation of Japan to be the holding company for the woodchip and plantation business that it bought from Wesfarmers Ltd in September 2000. Marubeni Corporation is an international commodities trading house dealing in woodchip, pulp, paper and many other global commodities.

The two main operating companies were originally established by the Bunnings Group:

The first, WA Chip & Pulp Co Pty Ltd (WACAP) was formed in 1969 as a result of a WA State Government invitation to utilise residue timber from logging operations in the forests of the southwest of WA. It now has a major role in processing the timber from sustainable bluegum plantations. This entity includes the harvesting, haulage, chipping and port operations. Marubeni had been successfully trading woodchips from Western Australia since the start of the WA Chip & Pulp Co woodchip export programme that commenced in 1976.

The second entity, WACAP Treefarms Pty Ltd, was formed in 1990 as the plantation services business. Its core activity is to establish and maintain sustainable bluegum plantations throughout the South West region of Western Australia. This entity includes the seed orchards, nursery and plantation management services.




For historic reasons, the ownership of WAPRES' bluegum plantations is largely vested in WACAP; with about 15% owned by WACAP Treefarms. WAPRES' small pine plantation estate is owned by another small subsidiary, South West Forest Holdings Pty Ltd. These plantations are gradually being replanted to bluegum, where suitable, after the pine reaches maturity and is harvested.

In 2002, Marubeni sold a 40% stake in WAPRES to Nippon Paper Industries Co Ltd (NPI), a leading Japanese pulp and paper manufacturer, thus strengthening WAPRES position in the

woodchip market. NPI became an equal partner in WAPRES in March 2006 by purchasing a further 10% stake from Marubeni.

WA PLANTATION RESOURCES PTY LTD	
<p><b>WA CHIP &amp; PULP CO PTY LTD</b></p> <ul style="list-style-type: none"> <li>* Woodchipping of plantation timber and native forest residues</li> <li>* Bunbury Port woodchip export operations</li> <li>* Wood procurement</li> <li>* Ownership of <i>Eucalyptus globulus</i> estate</li> </ul>	<p><b>WACAP TREEFARMS PTY LTD</b></p> <ul style="list-style-type: none"> <li>* Plantation establishment and management in Manjimup and Bunbury regions</li> <li>* Estate Management</li> <li>* Treefarm Nursery &amp; tree breeding operations</li> <li>* Green Triangle project in south eastern South Australia and south western Victoria</li> </ul>

*Table 1: Business Components of WA Plantation Resources - WAPRES*

Bluegum Resource & Focus		WAPRES
<p><b>Seed</b> Pollination</p>		<p><b>Orchard</b> Progeny trials, scion collection, grafting, tree growth manipulation, flowering, pollination, seed collection, seed cleaning and grading, research</p>
<p><b>Seedling</b> Establishment, vigour</p>		<p><b>Nursery</b> Seed pre-germination, sowing, transplanting, consolidation, irrigation, fertigation, disease and pest control, grading, sleeving, dispatch, research</p>
<p><b>Tree</b> Establishment, growth</p>		<p><b>Plantation</b> Site selection, site preparation, planting, pest control, fire control, nutrition, weed control, inventory and research</p>



*Flowchart 1: Woodfibre Production Chain Identifying the Development of the Bluegum Resource and How it Relates to the Business Activities of WAPRES*