



Australian Paper

a member of the Nippon Paper Group

307 Ferntree Gully Road Locked Bag 87
Mt Waverley Victoria 3149 Australia
Telephone +61 3 8540 2300
Facsimile +61 3 8540 2280
ABN 63 061 583 533
www.australianpaper.com.au

MEDIA RELEASE

September 8, 2011

Australian Paper Announces Future Fibre Strategy

Australian Paper, the only manufacturer of fine paper in Australia, has announced a strategy that will see the company significantly increase the amount of plantation fibre used in its operations.

CEO Jim Henneberry said the strategy provided a 30 year planning window, helping ensure Australian Paper could continue to manufacture iconic brands, such as Reflex in Australia and continue as the largest private employer in the Latrobe Valley.

“Australian Paper has a 30 year planning window on fibre supply and is undertaking a detailed review of the options for fibre supply over that period. The review has included extensive consultation with stakeholders and expert opinion on the potential for use of plantation timber from Western Victoria, other plantation sources, sustainably managed wood from regrowth state forestry operations and recycled waste paper,” said Mr Jim Henneberry, CEO, Australian Paper.

“Through a combination of maximising usage from existing plantation suppliers, utilising investment plantations in Central Gippsland and accessing some of the closest parts of the Western Victorian plantations, we expect to progressively increase our plantation fibre usage.”

“A detailed independent report was commissioned by Australian Paper and VicForests to examine the viability of a transition to the plantations in Western Victoria. This report from leading global forest industry experts Pöyry, has established that the plantation timber in Western Victoria is an excellent quality pulpwood, however carries significant future risk. It would not be economically viable to harvest and transport this to the Latrobe Valley. The report found that a transition to Western Victoria could not occur without significant long term Government subsidy; otherwise the additional cost would seriously challenge Australian Paper’s future viability. However we still plan to access some of the closest areas of this significant resource,” Mr Henneberry said.

“While this announcement is an important step in our Future Fibre Strategy, we will continue to source our wood from certified fibre sources as well as looking at ways we can adapt our manufacturing processes to maximise efficiency and minimise our environmental footprint,” Mr Henneberry said.

Mr Henneberry noted that although the company is under intense competitive pressure from imported papers with the exceptionally strong Australian dollar, the Future Fibre Strategy would maintain the company’s commitment to getting the economic, social and environmental balance right.

“Australian Paper maintains a high standard in Chain of Custody and fibre sourcing certification and has strict policies that do not allow any old growth wood to be used in our operations. The company is the largest private employer in the Latrobe Valley, directly employing 1,300 people. In 2010 our direct contribution to the Australian economy was around \$517 million.”

“Over 30 interested parties from a wide range of areas have contributed to the Future Fibre Strategy review so far and I would like to thank them for their input. In this complex environment, we understand that there will be a need to constantly review and adapt our plans and we are committed to this process,” Mr Henneberry said.

As part of its ongoing commitment to stakeholder engagement, Australian Paper also understands that there are a wide range of current views regarding forest related environmental issues including biodiversity, water and the effect of fire on sustainable wood supply. Australian Paper is committed to a balanced understanding of all these perspectives and is planning to organise a forum so that these can be collectively reviewed and discussed with a range of expert stakeholders.

More detail on Australian Paper’s Future Fibre Strategy, including the full Pöyry report, can be found at www.australianpaper.com.au

Media enquiries:

Shaun Scallan, Australian Paper: 0408 263 890

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