

Thank you to all of our customers for your support throughout the year, we look forward to another year of business with you.

Wishing you and your families a safe and wonderful Christmas holidays

MERRY Christmas from Preservation COMPASS

In this issue:

- What a year - full of challenges and rewards!
- Osmose sponsored events advanced industry issues
- Gippsland Treated Pine opens new facility
- Parkside sawmilling expansion captures Wondai
- Impressive anti-sapstain range covers all needs
- Want to promote an interesting indoor or outdoor treated timber structure?, so do we!
- Process Manager - very versatile stand-alone or fully automated!

What a Year full of challenges and rewards!



John Taylor - Senior Vice President of Osmose Inc.

Osmose feels extremely fortunate to end the year with such a strong and loyal customer base and we look forward to seeing in the New Year together.

For Osmose, we are looking forward to the New Year, we have many plans and product developments that we believe will be of benefit to our customers and the wider industry. The changes in the Australian market, requiring an alternative preservation system to traditionally treated timber for a few applications has provided a challenge to local producers, wholesalers and retailers as well as exporters from New Zealand.

We would like to think we have done all we can to reduce the impact of this new legislation and to provide the best solutions available such as *NatureWood® ACQ®* and *PROTIM® Optimum*, that will take us forward in 2006 and beyond.

So until next year we wish you a great and enjoyable Christmas, and sincerely hope you enjoy your time with family and friends and return after the holiday season as excited as we are about the coming year.

From myself and Osmose globally, please accept our best wishes.

John Taylor
Senior Vice President
Osmose Inc

Osmose®

Preservation Technology at Work

Osmose Australia

Customer Support
1 800 088 809

www.osmose.com.au

Osmose New Zealand

Customer Support
0800 78 70 70

www.osmose.co.nz



Osmose sponsored events advance industry issues

Recent industry events in Australia, supported by Osmose, have helped to highlight some of the issues facing the industry over the past few months, and to take some positive steps forward.

Wholesalers, merchants, plantation pine companies, timber preservation experts and importers attending the seminar "CCA - Where to next?", agreed that the industry needs to improve its understanding about CCA (chromated copper arsenate) as a timber preservative, its use, its long history in the global market place and education of end users.

The seminar, held in Sydney, examined the Australian Pesticides & Veterinary Medicines Authority (APVMA) decision on CCA treated timber products and assessed the implications, consequences and implementation of the decision. It also focused on future markets for CCA treated products, alternative treated products and discussed timber preservation technology and market perceptions.

In his welcoming address, Timber and Building Materials Association's chief executive Kevin Collison said the seminar was looking for positive outcomes that would assist the treated timber industry to maintain and enhance its commercial prospects.

David's Timber managing director David Efron asserted that one of the biggest issues facing the industry is not the APVMA report on CCA, but the ability of the industry to cooperatively and strongly support the very important outdoor treated timber product category.

He urged the industry to consider appropriate levels of staff training; user-friendly information; point-of-sale support and positive promotion. "Education is the key at all levels of the industry and it's equally important at both the wholesale and retail end of the market."

Dr Harry Greaves of the Timber Preservers Association of Australia said that although the APVMA had not recommended removal of existing treated structures, the ambiguity in their final report had led to some concern, particularly by local authorities.

Dr Greaves stressed the importance of complying with all of the APVMA recommendations. "Improvements to plant operations, especially holding requirements for freshly-treated timber, improved public and local government education and providing alternative preservatives. All are positive strategies that the industry must embrace."

The more than 150 delegates at the seminar unanimously supported the need for "a clear and positive" public message from industry about treated wood products and improved education and training for merchants and others across the supply chain about the properties of the various categories of treated timber.

Osmose also supported the historic summit meeting of New Zealand and Australian timber traders held on Queensland's Sunshine Coast as a gold sponsor. Australasian markets – threats and opportunities was the first time the New Zealand Pine Manufacturers Association and the Australian Timber Importers Federation had joined forces to explore how the two countries might work together to change industry perceptions and raise the profile of wood-based products across Australasia.

Delegates agreed that while several wood product promotional campaigns are underway in Australia, overall the industry on both sides of the Tasman, had faced difficulties regarding its ability to develop, fund and progress ongoing programs and activities that demonstrated the value and many benefits of timber products.

Sydney-based New Zealand trade commissioner Penelope Lawry, said what was lacking was programs that educated specifiers and consumers. "While there has been some activity in this area, presentations at this conference demonstrate that more is needed."

New Zealand Pine Manufacturers Association chief executive Lawrie Halkett, said the industry would benefit from a generic trans-Tasman promotional message to targeted audiences – not only that wood is good, but that wood is better.

“not only that wood is good, but that wood is better.”

He said New Zealand producers recognise that substantial market opportunities remain in Australia for treated pine fascia products, such as hand rails, balustrades and door jams and New Zealand is very competitive in this sector of the market."

"But we shouldn't take any market for granted and should look to growing the complete market share for wood-based products in both New Zealand and Australia."

"We can work together to develop generic programs as an Australasian initiative, rather than invent the wheel on both sides of the Tasman. Working collectively, we can develop programs that are country-specific," said Mr Halkett.

Group marketing manager Dave Airey said conference sponsor Osmose was continuing to actively support broad-based wood product promotion initiatives. He pointed to the increasing prominence of treated timber products in trans-Tasman trade and its now extensive use in the Australian building scene for a wide variety of outdoor applications.

"Promotional campaigns that highlight the economic, aesthetic and other practical benefits of timber products are important, not only to maintain but to grow the market share of what is the only really renewable building product, he said.



Getting together at trans-Tasman conference are, Gerry Gardiner, Chairman, Queensland Timber Importers and Exporters Association, Lawrie Halkett, Chief Executive, NZ Pine Manufacturers Association, Owen Griffiths, Marketing Director, McIntosh Timber Laminates, Kevin Collison, Chief Executive, TABMA, Senator Ian Macdonald, Minister for Forestry and Conservation, Thorry Gunnensen, Executive Chairman, Gunnensen Timbermark and Nick Roberts, Managing Director, Weyerhaeuser Australia.



Keynote speakers at the opening seminar session are Dr Harry Greaves, Chairman Technical Committee, Timber Preservers Association of Australia, Dr David Loschke, Principal Scientist, APVMA, Kevin Collison, Chief Executive, TABMA and Peter Zed, Group General Manager Operations Weyerhaeuser Australia.

Gippsland Treated Pine opens new facility



Liam Mahoney, Peter Hall MLC, John (Ripper) White, Frank Dugdale, Peter Heywood, Jeff Heywood, Valerie Missen & Bruce Heywood, assemble for the official opening.



"Initially, we will be concentrating our ACQ production on decking and related lines, but anticipate expanding into other products as demand increases."

Gippsland Treated Pine (GTP), a family owned business, is one of Victoria's largest treated timber suppliers. The company has just completed a major treatment facility upgrade that now gives GTP the flexibility to supply timber for all external applications including above-ground, in-ground and marine applications. Timber products can now be treated with either Lifewood® CCA or NatureWood® ACQ®.

GTP is a leading, well-established treated timber product supplier to the agricultural industry. The company also supplies products to the horticultural and vineyard industries, and to the landscape and DIY markets.

At the official opening of the new plant, GTP director Valerie Missen, said the project had been a couple of years in the planning. "We wanted to improve our plant due to the demand for agricultural fence posts and other products. In doing that, we thought we would upgrade to a dual plant so that we could provide a more flexible service to part of our market, that was looking for a choice in the preservative system used."

Val indicated that ACQ treated timber products now produced by GTP were very much suited to high use external locations. "NatureWood ACQ is an all purpose wood preservative suitable for use in outdoor above ground and ground contact situations. It offers a similar level of protection from decay fungi, termites and wood borers as does traditional CCA treated timber."

However, she suggested that CCA wood treatment was likely to remain the most widely used preservative system. "It has been used effectively to produce long term, durable and economical products for more than 70 years."

Osmose Group Marketing Manager Dave Airey, indicated that CCA treated timber continued to represent a very viable, and often preferred, alternative to the use of unsustainable products, such as plastic and steel.

The official opening of the upgraded plant was performed by popular local member of the Victorian parliament for Gippsland, Peter Hall MLC. In addition to acknowledging the contribution that the Missen and Heywood families had made to the district, he noted the significant economic and employment benefits the business provided.

He commented on the family's long-standing quarrying business interests in the region and their move into the timber industry. "First off this was in a small way, twelve years ago, when two people were employed. Gippsland Treated Pine now employs about 40 people across its three timber industry sites that now service country Victoria and metropolitan areas."

He acknowledged that the upgraded facility would provide opportunities for related businesses, and generate further indirect employment in activities, such as transport and further value-adding timber processing.

Mrs Missen said she anticipated that the upgraded treatment facility would make a valuable contribution to the GTP's business growth. "We will now have the flexibility to supply timber lines in a choice of treatment types."

"We believe that the demand for ACQ treated products is likely to expand, especially from local councils who are now using ACQ treated products for playground and other public park structures and landscaping applications," she said.

In her remarks Mrs Missen, noted the invaluable assistance from Osmose and others in completing the upgrade work. "We have a strong working relationship with Osmose, both during the upgrade project and over the years."

She singled out Osmose's technical services manager, Ripper White for special mention. "He has worked with us on the project for the past 18 months and made sure that what was put in was exactly what we wanted."

"The technical input from Osmose made the project much easier for us. We are very happy with the final result. We did a lot of investigation before settling on the final plan. We certainly kept Osmose on their toes and they delivered for us."

In paying tribute to staff she said: "We did a fair bit of the work ourselves and the staff put in the hours to make it all possible."

"I would also like to record my appreciation for the efforts of the family. My father, brother and husband were all involved in the project. They gave it a lot of time, much of it outside normal working hours," she said.

**For more information visit:
www.gtpine.com.au.**

Parkside sawmilling expansion captures Wondai

The Parkside Group is the largest hardwood sawmiller in Queensland, processing some 90,000 cubic metres of hardwood sawlogs and salvage logs each year.

The Group specialises in all facets of home construction, from sawmills, to timber and hardware, through to commercial property development, home building and finance.

The Group has five hardwood mills, three situated in western Queensland, at Eidsvold, Theodore and Wandoan, with the other two in the south east of the state at Builyan and Wondai. Collectively, the sawmill operations employ in excess of 150 staff.

Wondai sawmill, the most recent Parkside acquisition, was seen as the next logical step in the Group's sawmilling expansion. According to Human Resources Manager Anita Hagarty, the Wondai purchase gave the Group the opportunity to add to the range of products, particularly treated timber lines for industrial, landscaping and other uses that the Group offers customers.

"A separate dry milling operation at Wondai has also given us the capacity for future expansion because of the mill's proximity to southern markets."

The Group has been using NatureWood® ACQ® in all its mills. Wondai sawmill also produces Lifewood® CCA treated timber products.

Ms Hagarty said the company's relationship with Osmose was important to their evolving business development. "We have had a close working relationship with Osmose over the years. There is a good understanding and working arrangement between their technical people and our staff on-the-ground."

Referring to ACQ treated products; Ms Hagarty noted that they were very much suited to high use outdoor areas. "NatureWood ACQ is an all purpose wood preservative suitable for use in outdoor, above ground and ground contact situations. It offers a similar level of protection from decay fungi, termites and wood borers as does traditional CCA treated timber," she said.

According to Osmose's Australian General Manager Elias Akle, the sawmilling and timber treatment activities of the Parkside Group are significant. "Osmose is delighted to be able to work with the Group and is looking forward to continuing and expanding our business relationship."

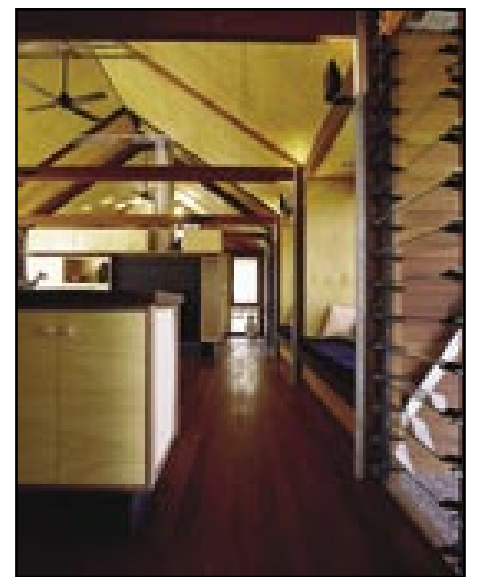
Hardwood scantling products produced by the Parkside Group are used mainly in the housing market for the production of bearers, joists, trusses, framing and plated battens. Value added lines include decking, pencil round products, tongue and groove, end matched flooring, chamfer boards and shiplap cladding.

The Wondai sawmill has five gas assisted solar drying kilns. Three of which have an 80 cubic metre capacity

and the other two 90 cubic metre capacity. A further two gas assisted solar kilns were commissioned in September of this year.

On completion the mill will have the capacity to dry about 560 cubic metres of boards with a daily production of 20,000 lineal metres of finished flooring, decking and chamfer boards.

**For more information,
contact Les at Parkside Group
on: 0400 792 694.**



Tongue and groove, end matched flooring is one of the value added hardwood lines produced by the Parkside Group.



Impressive anti-sapstain range covers all needs

The well known Hylite® range of anti-sapstain products is specially formulated to provide effective protection from sapstain fungi and some surface moulds on both roundwood and sawn timber.

The following information "brief" is designed to help explain what the differences are between some of the most popular Hylite antisapstain formulations and where they are most commonly used. However there are many influencing factors that need to be considered when choosing the right formulation, application method and application rate for your timber. If you believe you need more information on these products our fully trained technical staff will be pleased to help you make the right decision.

Cutrol 375® is a well proven copper based liquid anti-sapstain formulation that provides reliable performance against sapstain fungi. It is based on the proven effectiveness of oxine copper (Cu-8). It is formulated to control sapstain fungi for up to four months, depending on the concentration used, the wood species treated and climatic conditions. Cutrol is very popular with roundwood producers and exporters.

Hylite® Clear™ is a non-copper based anti-sapstain formulation, that provides a cost competitive reliable performance against mould and sapstain fungi. This antisapstain liquid fungicide is based on Ortho phenylphenate (OPP) and carbendazim and it has the ability to

penetrate into wood to provide superior protection. It is particularly popular with manufacturers of visual grade sawn timber.

Applied at the recommended strength, Hylite Clear™ provides protection from sapstain fungi and moulds that can devalue timber products.

Hylite® Extra™ is a well proven oxine copper and carbendazim based anti-sapstain formulation, providing effective and reliable performance against sapstain fungi. It provides protection from sapstain fungi in the most challenging environments.

Hylite Extra™ is designed to control sapstain fungi for up to four months depending on the concentration used, the wood species treated and the climatic conditions. It also has excellent resistance to wash-off on timber, providing extended protection periods when applied at appropriate concentrations.

Hylite® Antimould can be added to any of our anti-sapstain formulations to give longer term protection for more challenging environments such as timber packed for export.

Director, Business Development Steve Crimp says the Osmose range of anti-sapstain formulations is a market leader in New Zealand and Australia.

"The products are also sold internationally, in Malaysia, South America, China, Korea, Vietnam and Papua New Guinea."

He adds that the product range is suitable for application by spraying, dipping or pressure treatment and designed to protect timber when exported green or when stored green for long periods. "They are consistent performers against all commonly encountered sapstain fungi."

"The products demonstrate excellent resistance to wash-off on timber and roundwood, providing extended protection periods when applied at recommended concentrations," he says.

Steve stresses that Osmose works with customers to establish the ideal solution strength and application method for the Hylite® anti-sapstain product to meet particular needs of customers. "Osmose has a highly qualified and experienced technical team to support its anti-sapstain products."

"Our combination of business, technical and engineering expertise means we can help our customers use the most practical and cost effective anti-sapstain technology available," he concludes.

Osmose®
Cutrol 375®
Anti
Sapstain

Osmose®
Hylite® Extra™
Anti
Sapstain

Osmose®
Hylite® Clear™
Anti
Sapstain



Want to promote an interesting indoor or outdoor treated timber structure? so do we!

Osmose is on the lookout for interesting, unusual, functional and well designed indoor & outdoor treated timber structures. So, if you have been involved with the planning, design, supply of the treated timber or the construction of such a structure, we would like to hear from you.

Send us a few basic details with a digital picture, and if your structure is amongst those selected, we will give it, and you, some promotional exposure.

Please send brief details about the location, plus a short description of your chosen outdoor treated timber structure to Amanda Thompson at: amanda@osmose.com.au



Process Manager - very versatile Stand-alone or fully automated!



Osmose Regional Manager Ian Clarke: Versatile state-of-the-art process managing system for timber treatment plants now available.



A versatile new process management system for timber treatment plants is now available from Osmose®. This system can operate either as a stand alone process manager for data management or fully automated control of the treatment facility.

The fully automated version has on-screen simulation capacity. The process manager can make significant improvements to plant performance. Valuable reports on plant efficiency are generated and operators can be freed to carry out other tasks. Plant performance is tracked and maintenance reminders that assist in controlling costs and down-time are produced. Real time information is generated and all process information is retained – charge by charge.

According to Osmose Regional Manager Ian Clarke, the process manager stand alone mode is particularly versatile.

“Charge sheets are generated for all charges under multiple headings, such as customer, date and Hazard Class. Stand alone systems can be upgraded to full automation systems if required.”

The Osmose Process Manager has been designed to run on a computer utilising Microsoft® Windows® XP and can be updated from a stand-alone charge sheet system to a fully automated system without losing any records.

Mr Clarke said that on-site training in the application and operation of the Osmose Process Manager can be provided by local Osmose regional managers. “Technical back-up and support is just a call away. Most questions should be able to be dealt with over the phone, however, our representatives will be able to provide on-site assistance during regular service calls or at other times if required,”.

Osmose®

*For further information see separate guarantee documents.

© Osmose Australia/New Zealand 12/2005

Osmose®, Lifewood®, NatureWood®, ACQ®, PROTIM®, Determite® and MoistureGuard™ are trademarks of Osmose, Inc. or its subsidiaries.

Microsoft® and Windows® are registered trademarks of Microsoft Corporation.

Lifewood, NatureWood, PROTIM and Determite treated timber products are produced by independently owned and operated wood preserving facilities.

OSNLAUNZ002-1205