



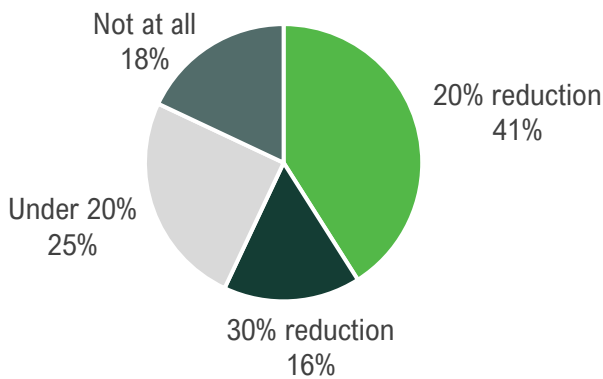
Forestry contractors state of the nation survey results

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Top four similarly ranked issues for contractors

- Increased operational costs
- Staffing – employment
- Market instability
- Contractual issues

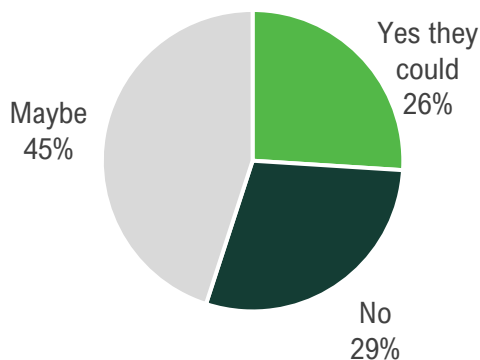
Average reduction in production over the year



What's happening here?

57% of our respondents indicated they had been reduced by 20% or more and 16% were more than 30%. 25% were under 20% while 18% had not had it reduced at all.

Business survival at an 80% production level for a year

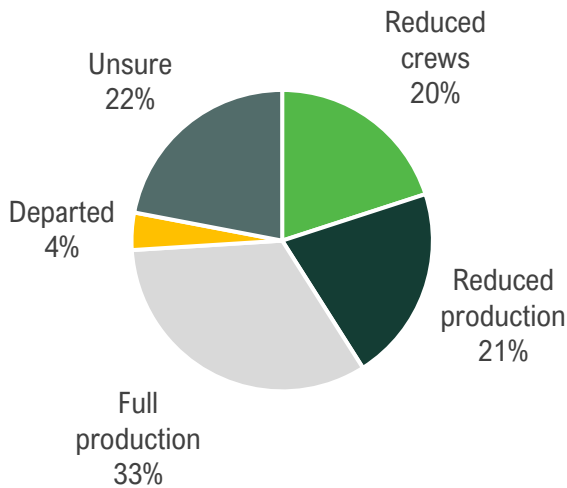


What's happening here?

26% said YES they could survive for a year at 80% production while 29% said NO and 45% said MAYBE.



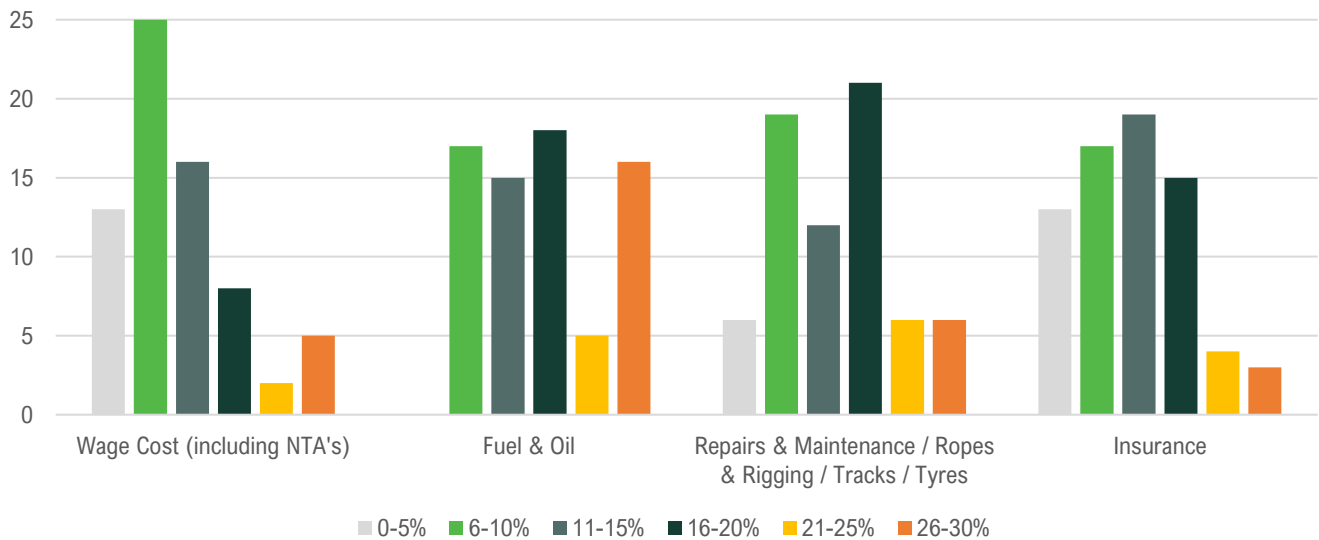
Where will you be in 12 months?



What's happening here?

For those that were asked where they would be in 12 months, 20% thought they'd have reduced crews, 21% thought reduced production, 33% would have full production while with the balance 4% departed and the rest were unsure. They would like to be positive but see themselves with reduced crews if nothing else.

As a percentage of turnover, increases experienced in the last year include:

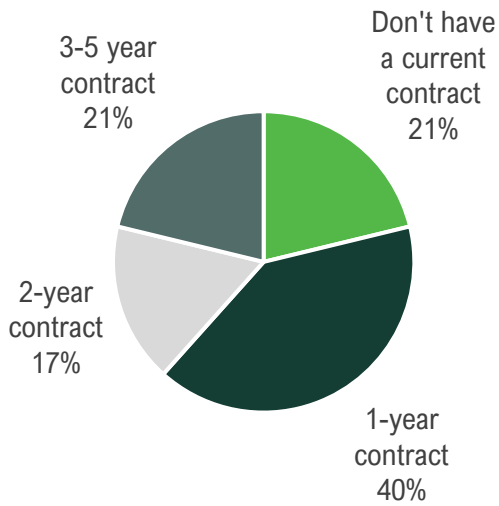


What's happening here?

Costs have increased across the board, with median increases of wages being 6-10%, repairs and maintenance and insurance median being 11-15%, fuel and oil being the highest increases at a median of 16-20%.



Status of current contracts held



What's happening here?

Most surveyed don't have long term contracts. 21% have not got a current contract at all, while 40% have a one-year contract and 17% have a two-year contract. Only 21% have 3-5yr contact.