



New Forests Announces Final Close of the Tropical Asia Forest Fund with \$170 million of Capital Commitments and Completes Fund's First Transaction

SYDNEY and SINGAPORE (3 July 2013) – New Forests today announced the final close of the New Forests Tropical Asia Forest Fund (“TAFF”). TAFF has closed with a total of US\$170 million in capital commitments, which will be invested in sustainable plantation forestry investments in Southeast Asia, with a primary focus on Malaysia, Indonesia, and Vietnam.

New Forests also announced the completion of the fund's first investment, the acquisition of a majority interest in the Hijauan group, which includes the wholly-owned Hijauan Bengkoka Plantations and a 50% shareholding in Acacia Forest Industries. Together, these two companies are responsible for management, harvest, and future rotations of an *Acacia mangium* plantation in northern Sabah, Malaysia. The plantation area currently includes approximately 11,000 hectares of acacia plantation, producing saw logs and pulpwood for domestic and regional export markets.

“The Hijauan plantation estate is an excellent first exposure for TAFF into the high-growth timber markets of Southeast Asia,” said David Brand, Managing Director of New Forests. “The asset is a strong fit for TAFF as it will generate immediate cash flow from mature timber and have exposure to export markets offering a premium for the asset's FSC-certified timber. The investment also provides opportunities for TAFF to make management, governance, technical, and operational improvements that will increase the value of the estate.”

As timber supply from natural forests in Southeast Asia declines, there is an increasing need for investment in high quality, sustainably managed plantation forests. TAFF is the first private investment vehicle dedicated to sustainable plantation timber production in Southeast Asia using long-term, institutional capital. TAFF will establish a portfolio of assets producing high value sawlogs and veneer logs. The fund's investments are overseen by New Forests Asia (Singapore) Pte Ltd and managed by co-portfolio managers Darius Sarshar and Paul Speed, supported by a team of specialist forestry and investment professionals.

“TAFF will participate in the development of Southeast Asia's plantation forest industry,” said Paul Speed. “The fund offers the scale and resources to provide our clients with a regional forestry portfolio diversified across species, countries, and market exposures within Asia. Forestry investment in emerging markets requires the disciplined approach of traditional timberland investment but also demands a high standard for managing environmental, social, and governance aspects of investments.”

New Forests is a signatory to the UN-backed Principles for Responsible Investment and operates a corporate Social and Environmental Management System. These commitments support New Forests' risk management systems using third-party forest certification and performance standards.

“A sustainable investment approach is necessary in Southeast Asia, in order to balance a growing wood demand with positive community relations and environmental stewardship,” remarked Darius Sarshar.

About New Forests

New Forests Pty Limited (“New Forests”) (www.newforests.com.au) manages investments in sustainable forestry and associated environmental markets for institutional and other qualified wholesale investors. New Forests executes three investment strategies that provide clients with diversity and choice around risk-adjusted returns, geography, and market exposure: sustainable timberland investment in Australia and New Zealand; forestry investment in high-growth markets of the Asia Pacific region; and conservation real estate and environmental markets investment in the United States. The company has offices in Sydney, Singapore, and San Francisco and currently manages AU\$1.8 billion in funds and assets and over 415,000 hectares of land in Australia, the United States, and Asia.

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