

New Forests' proposed purchase of ex-Great Southern MIS plantations to bring stability to the Australian forestry sector

Sydney, 7 November 2013: Timberland investment manager New Forests today confirmed that the Forestry Investment Trust, an Australian-domiciled fund managed by New Forests, has signed an agreement to purchase timber plantation assets related to the Great Southern Plantations Schemes 1998 to 2006, subject to court approval. This follows the sale process undertaken by PPB Advisory, who act as liquidators of the Responsible Entity of the Great Southern Plantations Schemes. The liquidators have submitted an application to the Supreme Court of Victoria to approve the sale.

Under the agreement, New Forests' Forestry Investment Trust will purchase approximately 80,000 hectares of Eucalyptus plantations in six Australian states, primarily Victoria, South Australia and Western Australia. This will unify ownership and management of Great Southern Plantations' MIS plantations with the underlying land, which the Forestry Investment Trust purchased in 2011.

David Brand, managing director of New Forests, said that unified ownership of the land and timber plantations would strengthen Australia's timber industry. The transaction, if approved by the court, would form one of the final phases in the restructure of the now defunct managed investment scheme industry and be part of a transition to long-term institutional ownership of Australian timber plantations.

"The consolidation of trees and land management under institutional ownership would be very positive for the forestry industry, and would let us focus on market development, management improvements and international competitiveness," said Mr Brand.

"It has taken nearly four years to resolve the restructuring of the MIS land and plantations. During that time the high dollar has impacted Australia's competitiveness as a hardwood timber exporter, creating uncertainty that has been a source of concern in many rural communities. Our goal now is to build a sustainable forestry business, create jobs and, where forestry is not viable in the long term, return the land to agriculture."

Since 2010, New Forests' funds have invested more than \$1 billion in Australian hardwood and softwood plantation forestry assets, participating in significant restructuring of the sector's ownership. Mr Brand noted that, "With the continuing exit of governments from timber plantation ownership and the restructure of the former MIS industry, Australia's forest sector is effectively being recapitalised. Under institutional ownership, the industry will be financially strong, able to invest in new opportunities, and able to implement strategies to increase productivity and efficiency and thus to improve future competitiveness.

"Active professional management of the former Great Southern plantations would ensure best-practice maintenance and harvesting, benefiting local communities and the environment. Our sustainable approach has helped New Forests become a leading timberland manager in Australia."

About New Forests

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 forestry and environmental markets investment in the United States. The company has offices in Sydney, Singapore, and San Francisco and currently manages over AU\$1.9B in funds and assets and over 415,000 hectares of land in Australia, the United States, and Asia.

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