



New Forests completes purchase of ex-Great Southern MIS plantations

Sydney, 23 December 2013: Timberland investment manager New Forests today announced the completion of the purchase of the hardwood timber plantations originally established by Great Southern Plantations. The acquisition follows the decision by the Supreme Court of Victoria allowing the purchase of approximately 80,000 hectares of eucalyptus plantations by the Forestry Investment Trust, an Australian-domiciled fund managed by New Forests.

The acquisition includes the plantation trees of the 1998 to 2006 Great Southern Plantations managed investment schemes in six Australian states, primarily Victoria, South Australia and Western Australia. The purchase follows the 2011 acquisition by the Forestry Investment Trust of the 270,000 hectare land estate on which the trees are located, after the collapse of Great Southern Plantations in 2009.

New Forests' Managing Director David Brand explained, "This transaction creates a world-class hardwood plantation estate on freehold land. Our objective is to ensure that the estate is actively managed and fully resourced as a sustainably managed forestry business."

Australia's hardwood sector has been challenged by difficult export conditions over the past two to three years, with the high Australian dollar lowering competitiveness while supply has increased from other countries, such as Vietnam and Thailand. At the same time, institutional investment in Australian plantations has risen with the exit of government organisations, corporations and retail investment schemes from the industry. Today, nearly half of the country's plantations are under institutional ownership.

"With an increasing area of Australia's hardwood plantation estate now under institutional ownership we expect to see a renewed and disciplined approach to building the Australian plantation forestry sector," said Mr Brand. "New Forests looks to continue developing markets for the timber, with initial sales to existing Japanese clients as well as new clients in China and India. We will also focus on market development for veneer logs, as well as exploring opportunities for domestic energy, bio-fuels or other processing."

Over the past three years, New Forests has undertaken a significant investment program into Australia's plantation forestry sector and now controls more than \$1.5 billion in forestry and timber processing assets. Mr Brand remarked, "Our goal is to implement forward-looking management strategies in a sector of the economy that requires long-term investment."

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\$2B in funds and assets and over 415,000 hectares of land in Australia, the United States and Asia.

For further information, please contact:

Ashley Rambukwella
Financial & Corporate Relations
T: (02) 8264 1004
M: 0407 231 282
E: a.rambukwella@fcr.com.au