

New Forests' fund raises over AU\$700 million for investment in Australian and New Zealand timber assets

SYDNEY (17 March 2014) – Australian fund manager New Forests today announced the final close of the New Forests Australia New Zealand Forest Fund 2 (“ANZFF2”), with total capital commitments of AU\$707 million. ANZFF2 is a closed-end fund that builds on the success of New Forests’ first regional timberland fund which completed its acquisitions program in 2013.

New Forests was established in 2005 as a specialist sustainable forestry investment manager and now manages AU\$2.3 billion in forestry, rural land, and environmental markets investments. The ANZFF2 investment mandate targets acquisition of both hardwood and softwood timber plantation investments in Australia and New Zealand, and the fund can also acquire infrastructure or processing assets associated with the plantation investments.

“We are delighted with the support we have received from our clients in this fundraising,” said the company’s CEO David Brand. He explained, “New Forests has been focused on satisfying the increasing demand for real assets from institutional investors. The timber plantation base of Australia and New Zealand has been steadily evolving over the past 15 years from government, corporate, and retail managed investment scheme ownership to largely institutional ownership. This transition reflects increasing recognition that forestry assets have relatively low correlation with other financial assets, have low volatility, and generate perpetual cash flows when managed sustainably. The hardwood and softwood plantations of Australia and New Zealand are world class assets, with low technical risk and well developed infrastructure, and provide our clients with market exposure to growing Asian demand for timber, panels, pulp and paper, and other bio-materials.”

New Forests’ first Australia New Zealand Forest Fund established a portfolio of high quality hardwood and softwood plantations, and the company also manages the US\$170 million Tropical Asia Forest Fund from its Singapore office. “New Forests is now a leading timberland investment manager across Australasia and has the capacity to manage extensive timber plantations and trade a variety of timber products in domestic and international markets. We focus our efforts on buying well and then steadily adding value to our investments by productivity enhancements, market development, and a focus on commercial management,” said Brand.

New Forests is committed to sustainable forestry management including third-party certification of its investments, good community relations, and support for local business. The company is not only a timberland manager but also manages commercial investments in forest conservation and wetland and stream restoration. David Brand noted, “We see intensively managed timber plantations and forest conservation as two sides of the same coin. We believe that private investment can derive excellent returns from both timber production and conservation finance.”

About New Forests

New Forests (www.newforests.com.au) manages investments in sustainable forestry 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\$2.3 billion (approximately US\$2.1 billion) in committed capital and assets and more than 450,000 hectares of land in Australia, the United States, and Asia.

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