



New Forests Invests in Sustainable Rubber Plantation in West Kalimantan
Joint venture with Sampoerna Agro foreshadows potential for further institutional forestry investment in Indonesia

JAKARTA and SINGAPORE, 18 December 2015 – Forestry investment manager New Forests today announced a joint venture partnership with Indonesian firm Sampoerna Agro (JSX: SGRO) to invest in a large-scale rubber plantation in Indonesia.

The New Forests Tropical Asia Forest Fund LP (“TAFF”) has purchased a 35% stake in PT Hutan Ketapang Industri (“HKI”), which manages a 100,150 hectare plantation forestry concession area in Ketapang regency, West Kalimantan province. The investment will enable HKI to expand the rubber plantation on the estate from the current 9,000 hectares to more than 30,000 hectares and will introduce additional conservation management areas throughout the concession.

New Forests’ investment comes as the Government of Indonesia strengthens efforts to attract foreign investment as well as to improve forest management and to protect peatlands.

“This investment is among the first institutional investments in large-scale, sustainable forestry in Indonesia,” said New Forests’ CEO, David Brand. “We are excited to be part of the shift in Indonesia’s forest sector toward more productive and responsible operations.”

Brand continued, “We believe the HKI business will demonstrate how responsible forestry investment can produce better results for everyone involved, creating shared value for investors and local communities. The TAFF investment will improve the capital structure of HKI and fund plantation expansion. The agreement between New Forests and Sampoerna Agro will also ensure that local communities are consulted and positively engaged in the project and that important ecosystem services are not only maintained but enhanced.”

New Forests and Sampoerna Agro will develop a landscape approach to managing the estate with a combination of productive rubber plantation, conservation set asides, community forestry zones, and restoration of degraded areas. HKI is committed to conserving all remaining forest cover, including degraded and remnant natural forest. HKI will also adhere to the Forest Stewardship Council Principles & Criteria and follow the International Finance Corporation’s Environmental and Social Performance Standards.

TAFF is a USD170 million investment fund backed by institutional investors, including European pension funds, development banks, and European and American funds of funds. TAFF is managed by New Forests with a mandate to invest in and establish a portfolio of high-quality sustainable timber plantations in tropical Asia and a focus on increasing asset value through improved technical, operational, environmental, social, and corporate governance management.

“This partnership with New Forests is not only a positive development for HKI and Sampoerna Agro, but also for the broader forest sector and investment community in Indonesia,” remarked Marc Louette, CEO of Sampoerna Agro. “New Forests brings extensive international forestry experience and the community and environmental management expertise that will help advance HKI’s business objectives while ensuring its operations meet high standards for responsible business conduct and sustainability.”

Geoffrey Seeto, Managing Director for New Forests’ Asian business noted, “Throughout Southeast Asia there is a large opportunity for strategic partnerships where forestry investors



like New Forests bring capital as well as technical forestry know-how and experience to implement best practice standards for social and environmental management. As we continue to invest TAFF capital, we are looking for more partnerships like the one we have established with Sampoerna Agro. We aim for this investment to set a template for further institutional forestry investment in the region.”

About New Forests

New Forests (www.newforests.com.au) is a sustainable real assets investment manager offering leading-edge strategies in forestry, timber processing and infrastructure, land management, and conservation. Founded in 2005, the company offers institutional investors targeted opportunities in the Asia-Pacific region and the United States and has more than AUD 2.75 billion in assets under management. New Forests’ clients include pension funds, superannuation funds, and other institutional investors. The company is headquartered in Sydney, Australia with offices in Singapore and San Francisco.

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