



New Forests launches Tasmanian forestry company Forico **New company to manage 175,000 hectare forestry estate and export business**

SYDNEY, 5 September 2014 – New Forests today announced the launch of Forico Pty Limited, an integrated timber plantation, forest management and timber export business based in Launceston, Tasmania. The announcement comes as New Forests and KordaMentha, Receivers of Gunns Ltd, have now completed the sale of the ex-Gunns Tasmanian forestry estate.

Forico has been established to manage the 175,000 hectare freehold forestry estate as well as affiliated operations. Forico's plantation estate includes 100,000 hectares of sustainable timber plantation, primarily *Eucalyptus nitens* located across Tasmania, and also includes a nursery, two woodchip mills and a wood fibre technology laboratory. Forico will initially have 35 staff and will manage an integrated operation from nursery production of seedlings to plantation establishment and management and ultimately to woodchip production and sales.

"Forico will be a leading Tasmanian business in plantation forestry," said David Brand, CEO of New Forests. "We see the opportunity for the Tasmanian plantation forestry sector to be a sustainable, internationally competitive industry, and we will invest in the business to increase productivity and efficiency and to support innovation."

Forico will be led by CEO Bryan Hayes, who brings a wealth of experience in hardwood plantation management and in the hardwood woodchip export markets. Mr Hayes commented, "Today is a day for celebration, and we believe Forico's launch and business model will be a step change for plantation forestry in Tasmania. Forico brings a focus on privately-owned, high-quality plantation forests and is fully capitalised without debt. Our focus will be on value creation for our owners and the communities in which we operate – to support this we will seek to meet the highest environmental standards and certification."

New Forests now manages over AU\$2.5 billion in institutional capital invested across more than 500,000 hectares of forests, rural land, and conservation investments. The company's investments comprise the largest Australian timberland investment portfolio as well as the Timberlink Australia processing business and timberland and conservation investments in Southeast Asia and the United States.

"Our clients are attracted to owning timber plantations because these assets offer attractive total returns from a combination of cash yield from timber sales and capital appreciation from biological growth," explained Dr Brand. "As long-term investors our clients seek not only financial returns, but also want to support companies that establish positive community relations as well as being a good employer and having strong relationships with contractors and other local businesses."

About New Forests

New Forests (www.newforests.com.au) is a sustainable real assets investment manager offering leading-edge strategies in forestry, 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 over AU\$2.5 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.

For further information, please contact:

MaryKate Hanlon

mhanlon@newforests.com.au

Mobile: +65 9661 2799 – Direct: +61 (02) 9406 4180