



FORESTRY INVESTMENTS IN AFRICA

8 October 2013

INDUSTRY OVERVIEW

Strong underlying fundamentals in the global fiber and biomass market

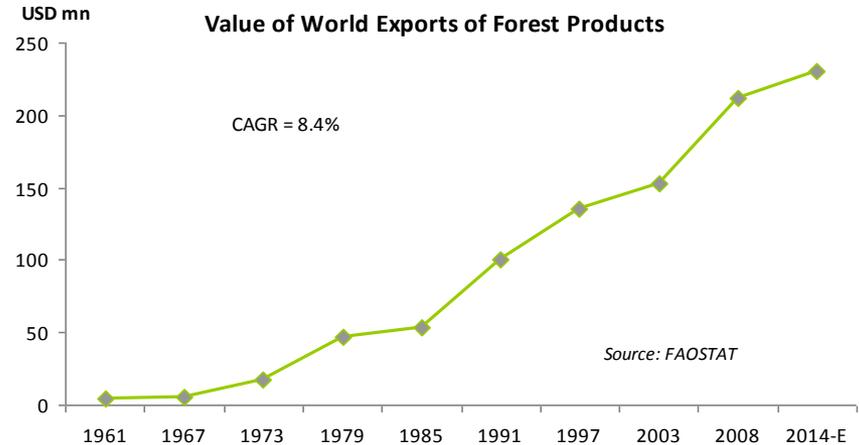
Demand	Good demand in traditional Markets	<ul style="list-style-type: none">▲ Pulp and paper demand is growing fast in Asia, offsetting decline in the Western demand▲ Solid wood products grow well and are gaining share in the building sector. Domestic panel board consumption has grown 8% pa in Brazil during the last decade, reflecting rapid emerging market growth for panel▲ The markets for fuel-wood and charcoal are still growing fast in Africa
	Growth of bio-energy and chemicals	<ul style="list-style-type: none">▲ Global dissolving pulp demand has doubled during the last decade, to about 7 mn tons▲ Wood based chemicals R&D has 'exploded', but account for a small part of the markets for wood▲ The EU, United States and China all provide strong government support to their domestic bio-energy sectors<ul style="list-style-type: none">▫ The EU will need to import over 200mn m³/yr biomass to achieve 20% of energy from renewable sources▫ China's NDRC announced a wood pellet target raising from 2mn/t in 2009 to 50mn/t per year in 2020
Supply	Alternative Energy Problems	<ul style="list-style-type: none">▲ Wind power has proven to be more expensive than expected, and large subsidies required for solar power under threat due to fiscal austerity adopted in many key end-markets (the EU in particular)▲ Large expansion of nuclear expansion unlikely following the nuclear disaster in Japan
	Reduction in illegal logging	<ul style="list-style-type: none">▲ Wind power has proven to be more expensive than expected, and large subsidies required for solar power under threat due to fiscal austerity adopted in many key end-markets (the EU in particular)▲ Large expansion of nuclear expansion unlikely following the nuclear disaster in Japan
	Insect infestation	<ul style="list-style-type: none">▲ Significant insect infestations in both Western North America and Russia▲ Up to 1bn m³ of biomass has been infested in British Columbia by the Mountain Pine Beetle▲ It is expected significant declines in sustainable harvests in both N.W. Russia and the Russian Far East/Siberia
	Competing land use	<ul style="list-style-type: none">▲ Higher land prices from greater land-use pressure in many regions due to rising demand▲ Uruguay has experienced land price increases of 4-500% over the past decade▲ In Brazil, land prices in Parana and Santa Catarina, the two main pine states, have grown 22% and 33% per annum, respectively, since 2003

INDUSTRY OVERVIEW

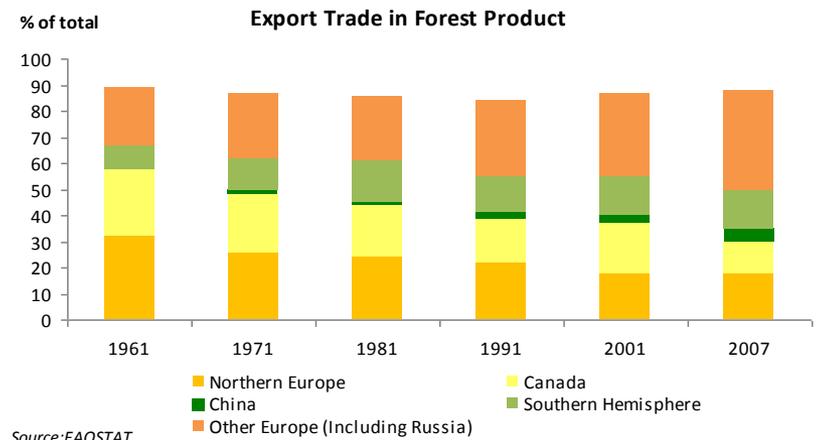
Rapid rise in global trade in forest products; Emerging markets take share

- ▲ The global trade in forest products have grown at 8.4% pa during the last 40 years in USD terms, according to FAOSTAT, or more than 5% pa in real terms
- ▲ Canada and Northern Europe held 60% of the market 40 years ago, a market share that has fallen to about 30% at the moment
- ▲ Instead, Other Europe, Southern Hemisphere and China has taken market share and exports from these regions is estimated to have grown more than 10% pa in real terms
- ▲ Africa has seen a falling share of global forest products trade as the relative importance of the natural forest log trade has fallen. However, based on plantation forestry, Africa can become a major forest products exporter

5% pa real increase in global trade



Traditional exporters are losing share



INDUSTRY OVERVIEW

Southern and East Africa included in the Timberland Investment universe

Geographic development of investable universe

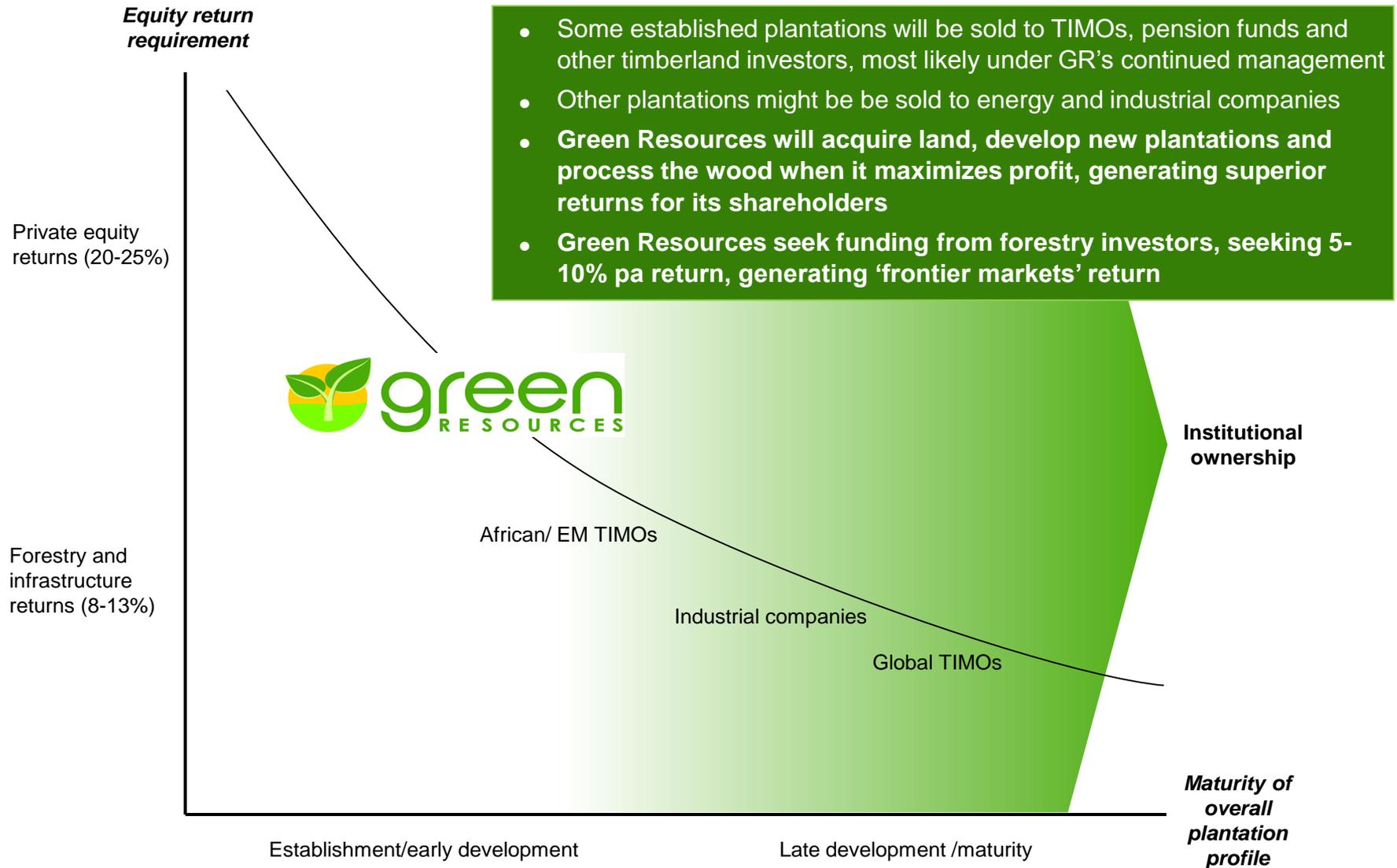
Time	1980s	1990s	2000s	2007+
Geographies	US South	US South	US South	US
	US West	US West	US West	Existing non-US
		New Zealand	New Zealand	South America
		Chile	Australia	Central America
			Chile	Europe
		Brazil	Asia	
		Uruguay	Southern Africa	

Source: GFP, 2007

- ▲ Africa received new, large attention at this year's Timber Invest Europe conference in Oct 2011. Institutional timberland investments exceed USD 60 bn, while there are USD 300 bn of investable forests
- ▲ Mozambique and Tanzania are both among the top 12 timberland investment destinations, ahead of Latvia, Malaysia and the Central American countries, according to DANA. From 2007, Southern Africa (including Mozambique and Tanzania) was included in Global Forest Partners' (the world's largest Southern hemisphere forest investors) investment universe
- ▲ No new world-class plantations are likely to be established in any other new geographic areas for timberland investments, with the exception of Argentina and Columbia in South America
- ▲ The Global Emerging Market Forest Funds (GEF, USA), Harvard (USA), ABP (the Netherlands) and the International Woodland Company (IWC, Denmark) have all invested in East Africa since 2007
- ▲ Indufor, the consultants, presented Mozambique, Tanzania and Uganda as the most interesting African forestry countries for forest investments in their initial Africa presentations

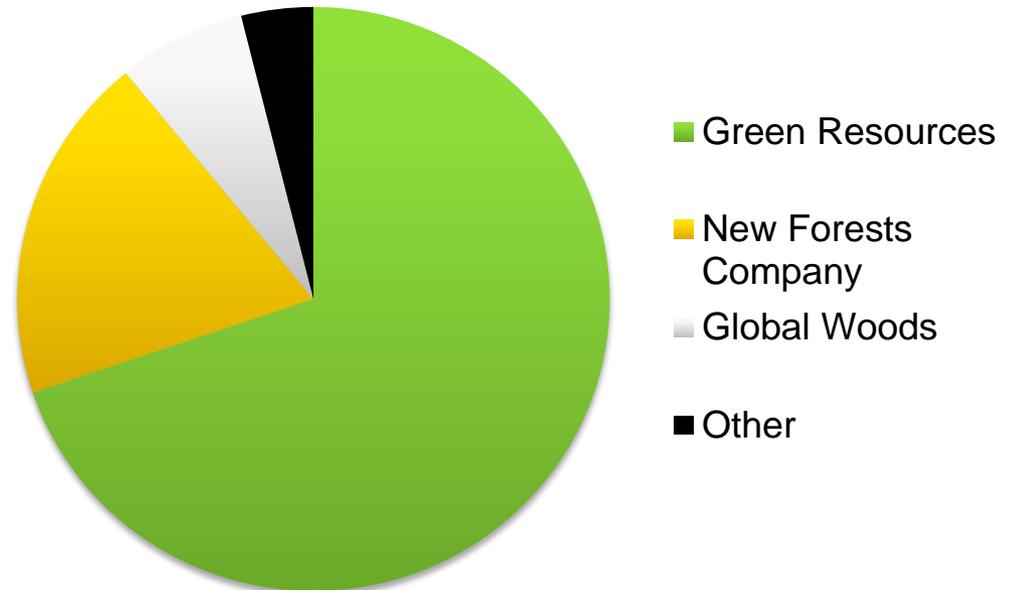
INDUSTRY OVERVIEW

Investor return requirements fall as the plantations mature



- ▲ Green Resources aim to comply with the FSC standards in all its operation and can only plant where it will obtain FSC
- ▲ The three countries with the largest FSC certified forest plantation areas in Africa (outside South Africa (RSA) with 1,551,677ha and Swaziland, with 80,321ha) are Tanzania (30,042ha), Uganda (27,454ha) and Mozambique (5,310ha) respectively. Ghana has 1,566ha and Madagascar 1,000ha.
- ▲ Of the 65,372ha (gross) FSC certified plantation outside of RSA, 70% or 45,634ha belongs to Green Resources, 12,607ha by The New Forests Company, Uganda and 4,565ha Global Woods, Uganda
- ▲ Green Resources has the only FSC certified plantations in Mozambique and Tanzania
- ▲ GR typically has two layers of carbon certification that add rigor to the operation

FSC Plantation Area

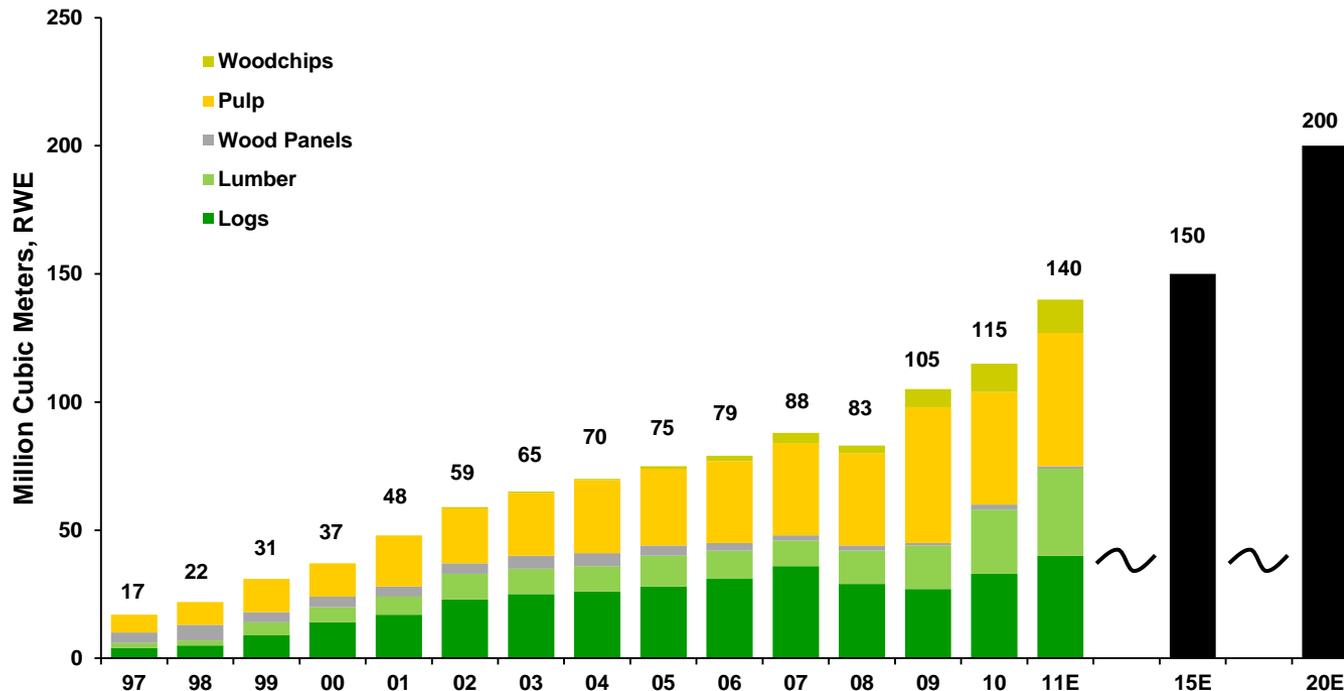


INDUSTRY OVERVIEW

Continued growth expected in Asia's wood deficit

- ▲ China's fibre supply deficit is ~140 million m³ (roundwood equivalent) in 2011, and was only two years ago projected to reach ~150 million m³ by 2015, and 200 million m³ by 2020 (but growth in 2010 and 2011 suggests projections are much too low)
- ▲ India's timber supply deficit was just over 9 million m³ in 2009, and is projected to approach 15 million m³ by 2015 (the majority of which is expected to be obtained from off-shore plantations)
- ▲ Given India's per capita consumption of paper and paperboard is less than 1/6th of China's, the growth rate in India's fibre needs is expected to exceed that of China over the next 10 years
- ▲ East and Southern Africa are best located to serve these markets. Since 2009, there has been a large (unsustainable) increase in chip export from South East Asia and of logs from New Zealand and the USA to China

China's Growing Timber Imports (1997 – 2009)



Source: RISI

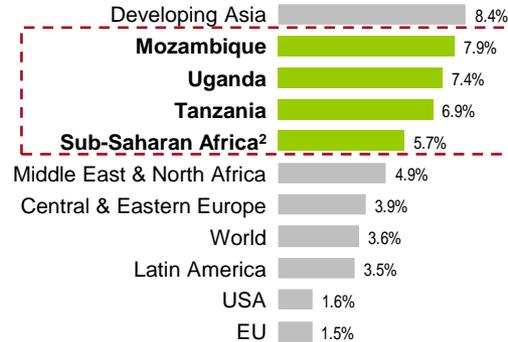
Fast economic growth in Sub-Sahara Africa drive strong local demand

Robust economic growth

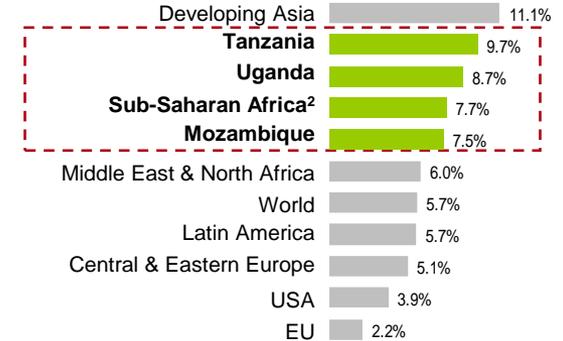
- ▲ Sub-Saharan Africa is the world's second fastest growing region
 - Mozambique, Uganda and Tanzania are among the fastest growing countries
 - Resilient growth through the financial crisis
- ▲ Historically, the construction industry has exhibited growth of c. 1.1-1.5x GDP, while (grant driven) infrastructure investments drive electrification and transmission poles
- ▲ With its large endowment of minerals, fossil fuels, water and roughly 60% of the world's arable, non-cultivated land, Africa will directly benefit from the continuous high economic growth in Asia

Compound Annual Real GDP Growth¹ (% , constant exchange rates)

Actual: 2000-2011 CAGR



Forecast: 2011-2017 CAGR



Emergence of a strong domestic economy

- ▲ The electrification rate in Sub-Saharan Africa is only 26% and as low as 12% in East Africa
 - Creates significant environmental and health challenges that prevent economic growth, thus making increased electrification a high priority for international benefactors and development banks
- ▲ 80% of the African population rely on biomass for energy (and c. 2/3 of household income is spent on energy) leading to continued strong growth in demand for wood and deforestation
- ▲ Market improvement in political/macro-economic stability and microeconomic reforms have created a robust domestic African economy
- ▲ In addition, Africa has experienced a 'productivity revolution', and has seen the emergence of the urban consumer.
 - Almost as urbanized as China (and more so than India), with as many cities of with above 1m people (52) as Europe
- ▲ FDI have grown from USD 9bn in 2000 to USD 62bn in 2008. (Relative-to-GDP roughly the same increase as China)

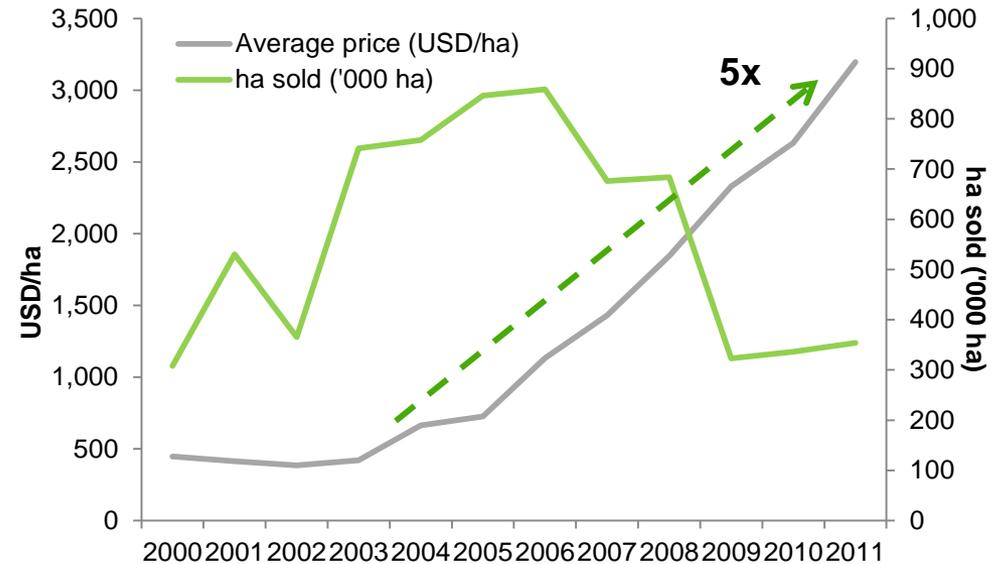
¹ Sources: IMF (as of February 2012)

HIGHLY ATTRACTIVE RETURN PROFILE

Land price appreciation – a potentially additional value driver

- ▲ There are six main Southern hemisphere forest plantation countries: Australia, Brazil, Chile, New Zealand, South Africa and Uruguay
- ▲ Uruguay is the most recent country to develop a large scale forestry and forest industry
- ▲ Since 2004, land prices in Uruguay have increased 5x due to rising demand and limited supply
- ▲ The timber industry in East Africa resembles that of Uruguay in the early 2000's: Strong productivity/biological growth combines with low cost of land
- ▲ Mozambique and Tanzania each have the potential to establish a larger forested area than Uruguay
- ▲ Africa has 37% of the world's available arable land, followed by Latin America with 35% and Asia/Oceania by 11%
- ▲ Argentina, Columbia, Mozambique and Tanzania may be only countries with suitable locations for a new world scale wood processing facility

Uruguayan land prices (unplanted)



Source: Uruguay Ministry of Agriculture

Uruguayan land prices have increased approx. 5x since 2004

East Africa's timber industry resembles that of Uruguay in the early 2000's

INDUSTRY OVERVIEW

Risk: Political risk exaggerated

Uganda

- ▲ Multi-party system introduced in 2006. NRM holds 263 of 375 seats following the Feb 2011 election. Next election in 2016
- ▲ President Museveni, in office since 1986, won 68% of the votes in 2011
- ▲ #143 in TI's corruption index for 2011

Tanzania

- ▲ Arguably Africa's most stable country since independence in 1961. First multi-party elections held in 1995. CCM holds 188 of 239 constituency seats in the Parliament
- ▲ In Nov 2010, President Kikwete was re-elected with 61% of the votes, down from 81% in 2005. Next election in 2015
- ▲ #100 on TI's corruption index. Improved 10 places in 2010 and 16 places in 2011, with only 6 other African countries ahead

Mozambique

- ▲ Peace agreement in 1992 and first multi-party elections held in 1994. Frelimo won 191 of 250 seats in October 2009. Next election in 2014
- ▲ President Guebuza was re-elected with 75% of the votes in 2009, up from 64% in 2004
- ▲ #120 on TI's corruption index. Improved 14 places in 2010, but stagnant in 2011

Range of effective risk mitigation factors:

1. Managed by best local foresters in a meritocratic organisation
2. Operating in countries with developed systems for property ownership
3. International donor's provide large grants in the countries Green Resources operates
4. International development banks represent an important insurance against confiscation
5. Large community development programs
6. Mozambique, Tanzania and Uganda selected as target countries for forest investments in Africa by key thought leaders

Real and actual risks (in order importance):

1. Operational and implementation risk: it is difficult to establish industrial plantations in new regions
2. Social risk: interaction with local community and international NGOs
3. Trees are growing well, but extensive R&D required to get this reflected in the biological asset valuation
4. Financial risk: funding has been difficult to come by after the 2008/09 financial crises

COMPANY OVERVIEW

Green Resources' highlights

- ▲ 26,000 ha of standing plantation forest on 250,000+ ha land.
- ▲ Africa's largest forestation company during the last decade. Established the Africa's best platform for further growth
- ▲ The world's lowest cost producer of fibre
- ▲ Mozambique and Tanzania are two most attractive forest plantation countries in Africa according to IWC, Poyry, Indufor and FAO
- ▲ East Africa has the potential to be the 'next Uruguay', establishing a new forest industry with significant land value appreciation in addition to strong cash flows from the forest
- ▲ Fully funded business plan, through 6-year mezzanine loan from dev banks in 2012
- ▲ Unprecedented TIMO/ pension fund interest in African forestry
- ▲ World leader in forestry based carbon credits. Large forest conservation areas
- ▲ Tripled industrial capacity in 2012, completing Africa's most modern sawmill
- ▲ Robust growth both in global end markets (solid wood products, tissue, energy, etc) and in regional economies
- ▲ Experienced and entrepreneurial management team and the company has 16 years experience in East Africa
- ▲ African leader in sustainable forest management, holding 2/3 of all FSC certified .
Unparalleled corporate governance

COMPANY OVERVIEW

Green Resources creates economic growth and employment

Timber plantations

- Planted more new forest in Africa than any other company during the last decade and a record 6k ha during 2011/12
- 50k ha (26k ha¹ net) planted and a unique holding land on long-term lease or local agreements for future planting
- Steadily increasing planting rate with potential to establish more than 200k ha plantation by 2025

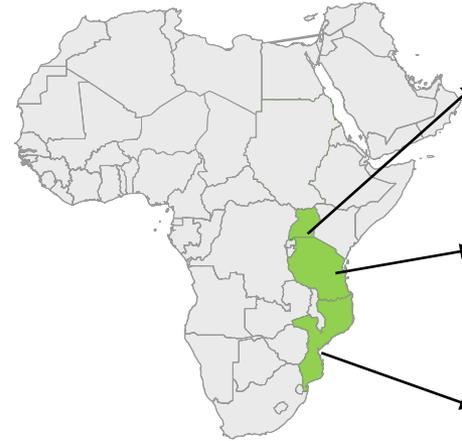
Industrial operations

- East Africa's largest sawmill and transmission pole plant in Tanzania, Sao Hill
- Increased sawmilling capacity 3x to 70,000 m³/yr in 2012
- Started successful Ugandan electricity pole factory
- Bio-energy: retort charcoal production from 2012

FSC and carbon offsets

- FSC leader in Africa (ex RSA) with more than ¾ of plantations certified and 2/3 of all FSC certified plantation forests in Africa (ex RSA and Swaziland)
- The world leader in forest based carbon offsets. World's first VCS forestry project in 2009
- Customers include: Carbon Neutral Company, Swedish Energy Agency

Operations in 3 countries employing 3,500



Uganda

6k ha of forest (net). Started 1996

Tanzania

16k ha of forest (net). Started 1997

Mozambique

4k ha of forest (net). Large scale plantation projects underway

5-years development (2008-12)

2008

- First FSC® certification in Tanzania
- Received more than USD 1mn in development grants

2009

- Started SHI industrial investment, funded by IFC and Norfund
- World's first VCS validated forestry project, followed by CDM validation in 2012

2010

- Planted a record 6,000 ha of forest, increasing the standing forest by 25%
- Started electricity pole plant in Uganda

2011

- FSC® certification in Mozambique and Uganda
- First production of clones, Uganda, later expanded to Mozambique and Tanzania
- First year of agricultural program in Mozambique, growing to 1,500 participants
- Developed new, smaller, long term plan, and raised mezz funding for this plan in 2012

2012

- Started up new small log sawmill and dry kilns at Sao Hill, Tanzania
- Started implementation of a new tree breeding programme
- Completed the 50th external third-party assessment or audit
- Commenced operations of high efficiency, methane-free charcoal production Uganda
- Started smallholder afforestation programme in Tanzania and Mozambique

Achievements in 1H 2013

- Planted 3,800 ha
- The first year of 'industrial scale' planting in Lurio, Mozambique
- Start-up of Namaita nursery, Mozambique, the company's second automated large scale nursery
- Record 1H sale and results in industrial operations
- Implementation of new cloud based IT and enterprise resources planning system
- Kachung CDM project verified 30,000 CERs and Uchindile/ Mapanda close to 80,000 VCUs
- Awarded USD 1mn grant by PSI, the Netherland for new sawdust drying and briquetting plant
- Raised USD 6mn of new equity from its existing shareholders, through the issue of 2.08 million shares from 19 of 20 largest shareholders

PLANTATIONS

Green Resources: Unique portfolio of forest plantations



Eucalyptus, Bukaleba



Mapanda, Pinus Patula



*Eucalyptus, Pine and Valley Bottom,
South Highlands*



Eucalyptus, Uchindile



Pine, Uganda

PLANTATIONS

Green Resources: Unique portfolio of forest plantations (cont'd)



Makungu nursery, Tanzania



Namaita nursery, Mozambique



Sowing machine, Namaita nursery



Conservation area, Idete, Tanzania



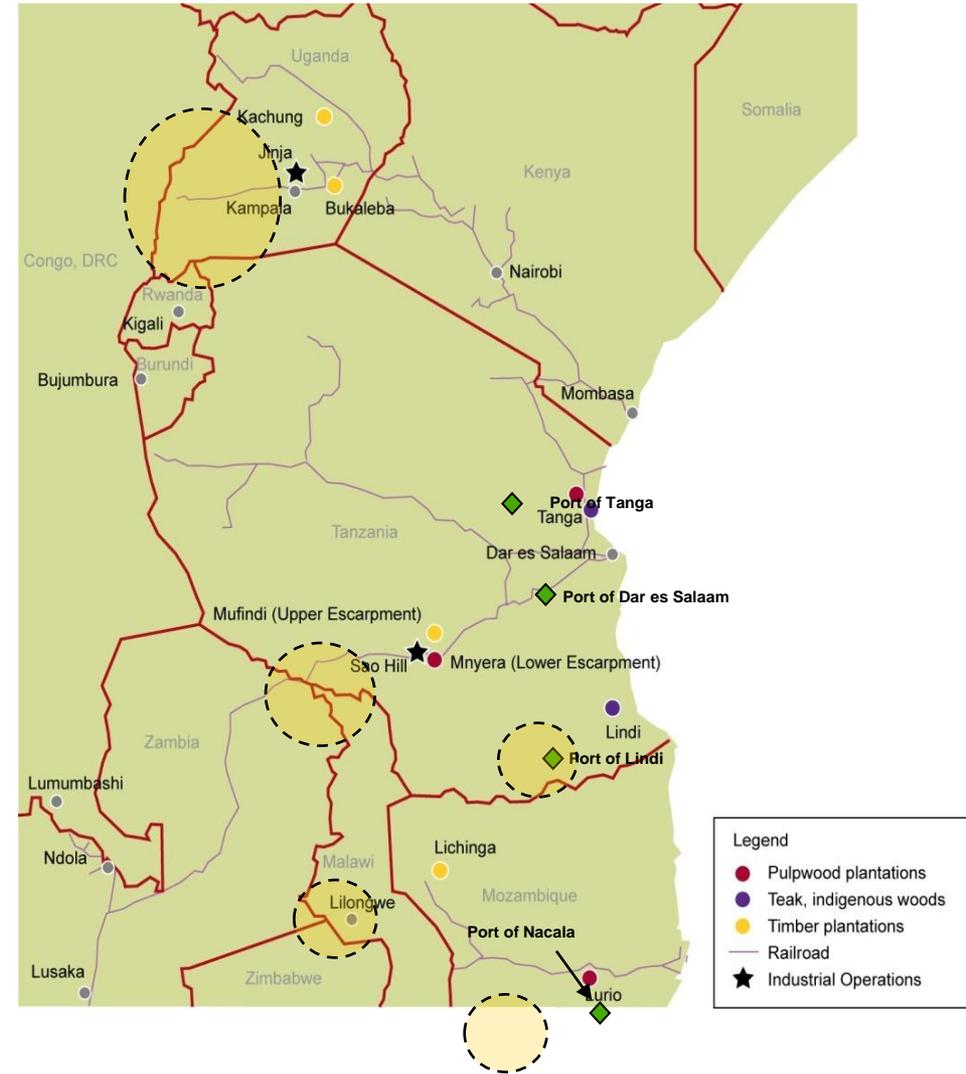
Land mosaic, Mapanda, Tanzania

FOREST PLANTATIONS

Developing forest plantations in Mozambique, Tanzania and Uganda

Green Resources aims at serving regional solid wood products markets as well as global markets for fibre and energy. Plantations prioritised into three groups:

1. **Maturing assets: forest infrastructure in place, plantations near completion, located close to well developed wood markets, already generating revenues from harvesting and carbon**
 - Uganda (Bukaleba and Kachung)
 - Tanzania's Southern Highlands (GRL/Sao Hill)
2. **New large scale projects targeting export markets for energy or pulpwood in Mozambique**
 - The Lurio project in Nampula with a 126,000 ha land agreement with the government for a large scale pulp/energy wood plantations
 - The Niassa project targeting traditional timber industry in combination with energy/pulpwood
3. **Suspended projects due to funding issues and no carbon finance approval: Planting stopped in Lindi and Tanga, Tanzania and South Sudan**
 - Large potential but difficult operating environment
 - Lack of financing
 - Problems with securing land titles

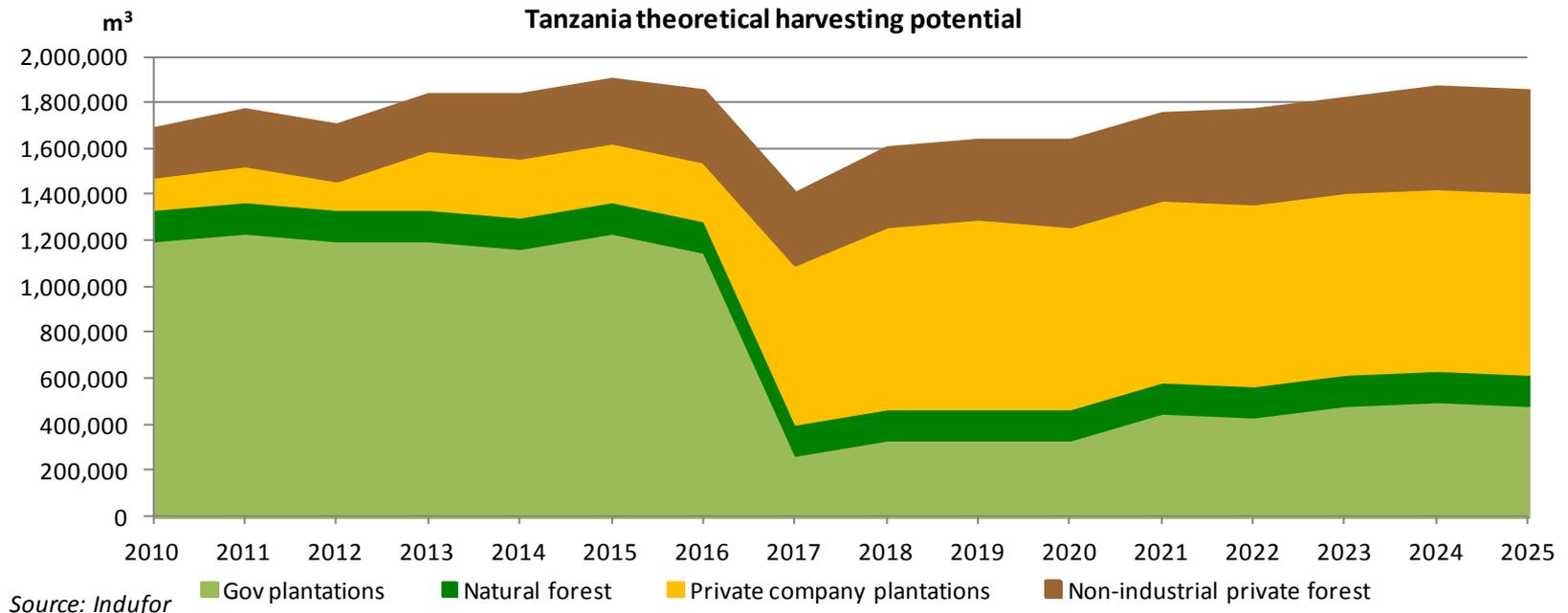


FOREST PLANTATIONS

Falling wood supply: Green Resources and private forests make up shortfall

- ▲ Private forests will make up much of the shortfall
 - Private company's set to supply 600-800,000 m³ / year from 2017
 - Non-industrial private forest owners already contribute about 200,000 m³ /year and will double over the next decade based on Indufor's forecast. GR believes both figures are conservative
 - Natural forest will continue to supply about 100,000 m³ per ear of industrial roundwood demand
- ▲ Significant potential for expanded plantations – both to supply the domestic and export markets
- ▲ Similar situation in many other countries

Tanzanian Wood Supply Projections



FOREST PLANTATIONS

Strong value proposition throughout the value chain

	2-5 yr process	5-20 yr cycle	On-going
	Land acquisition	Planting & growth	Harvest & industrial operations
Value drivers	<ul style="list-style-type: none"> ▲ Land value appreciation 	<ul style="list-style-type: none"> ▲ Effective, low cost planting ▲ Improved genetic material and silviculture ▲ Biological grow of forest ▲ Higher valued end markets 	<ul style="list-style-type: none"> ▲ Saw logs & pulp wood ▲ Industrial products ▲ Chips, pellets & biofuel ▲ Heat & power
Rationale	<ul style="list-style-type: none"> ▲ High barriers to entry ▲ Need for reforestation, employment & taxes ▲ Reasonable cost 99-yrs leases ▲ Close to markets 	<ul style="list-style-type: none"> ▲ Low-cost labour ▲ Ideal growing conditions ▲ Increasing global focus on carbon control 	<ul style="list-style-type: none"> ▲ Enhance value of wood ▲ Growing demand for wood ▲ Growing demand for renewable energy
Achievement	<ul style="list-style-type: none"> ▲ Established 26,000 ha plantations (net) ▲ >200,000 ha land bank ▲ First & largest ▲ Good local reputation ▲ Strong track record 	<ul style="list-style-type: none"> ▲ Biomass growth ▲ Carbon offsetting credits 	<ul style="list-style-type: none"> ▲ Largest solid wood products mill in East Africa ▲ Cash flow positive

FOREST PLANTATIONS

Proven track record for land acquisition

- ▲ Bottom-up approach to securing land represents a significant barrier to entry
 - Experience and understanding of the local process
 - Long history of village interaction
 - Time consuming process
 - Commitment shown to the local population by rapidly starting planting
 - Process managed by local employees with relevant local knowledge and experience of the areas in question
- ▲ Unparalleled community relationships
 - First established in 1995
 - Neighbouring villages often offer land to Green Resources in return for creating employment
 - Community projects include building and contributing to building schools and dispensaries
- ▲ Long-term leases from the government are the basis for land ownership in Eastern Africa
 - All freehold owned by the Government
 - Renewable of lease typically takes place at no additional cost

Mozambique 50+50 years lease



- ▲ MZM 5/ha (USD 0.14/ha) annual charge, determined by the Cabinet in 2010 with the last adjustment taking place in 1998. The cost for agricultural land is MZM 37.50/ha
- ▲ There is an additional community development program, representing the largest cost of the land

Tanzania 99-year leases



- ▲ TZS 500/ha (USD 0.34/ha) annual charge determined by the Parliament
- ▲ Additional 10 year community development program with various investment obligations

Uganda 50-year planting license



- ▲ UGX 9,900/ha (USD 4.34/ha) annual rent for planted forest

MAJOR SOCIAL AND ENVIRONMENTAL BENEFITS

Major benefits of forestry – also key part of land acquisition process



The program are implemented based on local needs, defined in a participatory process

MAJOR SOCIAL AND ENVIRONMENTAL BENEFITS

Extensive community development integral to land acquisitions



4 classrooms at Mlimba



Ibaku primary school, Masangati



4 classrooms at Uchindile

Green Resources is responsible for about 2/3 of the public infrastructure (community halls, dispensaries, schools, etc) in the villages where it has operated the longest:

Uchindile Forest Project

- ▲ 2 classrooms completed at Uchindile primary school. 2 more in progress
- ▲ Dormitory for Uchindile school completed
- ▲ Teacher's office for Uchindile in progress
- ▲ Dispensary and Doctor's house completed at Kitete
- ▲ Community hall at Uchindile and dispensary at Lugala village next on the agenda

Mapanda Forest Project

- ▲ Teacher's house in progress at Mapanda
- ▲ Community hall at Chogo to be completed 1H 2010
- ▲ Chogo primary school, 1st classroom finished 2009, 2nd to be finished 1H 2010, 3rd classroom started Feb 2010

Idete Forest Project

- ▲ Primary and nursery school completed at Idete village
- ▲ Community hall in progress at Idete
- ▲ Community hall and dispensary next on agenda at Makungu village
- ▲ Dispensary at Lole village also on agenda
- ▲ Bridge connecting road to Makambako village



Doctor's House, Kitete



Dispensary, Kitete



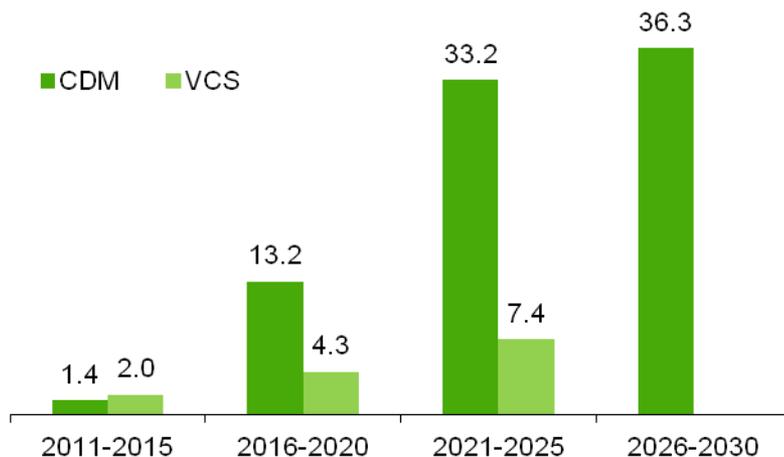
Community Hall, Chogo

MAJOR SOCIAL AND ENVIRONMENTAL BENEFITS

Fighting climate change: World leader in forestry carbon offsets

- ▲ Current plantation projects are expected to generate carbon offsets of 90 millions tonnes of CO₂e by 2030, with revenue potential of USD 800 million (assuming a conservative price of USD 5-8/t of CO₂e and resale of tCERs)
- ▲ Currently, the company has three sales agreements totaling more than 0.5 million tonnes of CO₂e, one for voluntary VERs and two for Kyoto-compliant tCERs
- ▲ Key achievements include:
 - In 2009, registered the world's first forestry project, Uchindile/Mapanda, under the Verified Carbon Standard (VCS)
 - In 2010, issued and sold the world's first forestry carbon credits under the VCS, generating USD 1 million
 - In 2011, Green Resource's first Clean Development Mechanism (CDM) project registered with Kachung, Uganda. Idete in Tanzania has been issued a draft validation report and is expected to be registered in 2011 as well
- ▲ Unique selling point through 100% reinvestment of carbon revenues and 10% for community development projects:
 - The villages of the Uchindle/Mapanda received
 - Sharing of 10% of revenues with communities provides further sustainable development and secures local support

Cumulative Carbon Stream of Total Projects (million tons)



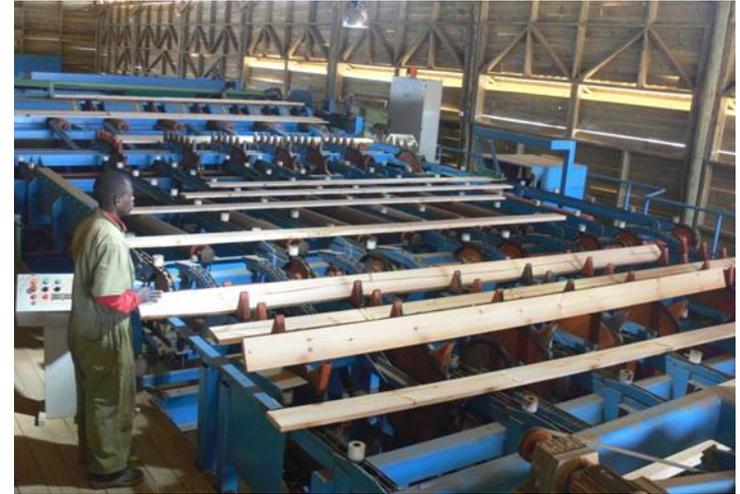
Recent Carbon Transactions

- ▲ First carbon credit sales agreement to the Carbon Neutral Company in Oct '09 from Uchindile/Mapanda, Tanzania. Received payment in October 2010.
- ▲ Sales agreement with the Swedish Energy Agency for CDM credits from Kachung, Uganda
- ▲ Grant financing for four carbon development projects since 2010

INDUSTRIAL OPERATIONS

The Hew-saw saw line – possibly Africa's most modern sawmill

- ▲ New Sawline commissioned and fully operational, planned production 30 000 m³ in 2013, half of top capacity per shift.
- ▲ State of the art HewSaw line (Finnish), consisting Valonkone 450 debarker, R200SE main saw and NS200 splitting saw, for both softwood and hardwood.
- ▲ New Sawline increases forestry recovery by reducing minimum diameter logs from 16 to 9cm, and improves recovery rate from 36% to 45 % for logs under 24cm.
- ▲ Introducing a radically improved quality of sawn timber into the East African market.
- ▲ Team for running sawline include the former main operator and a chief engineer from the same line in Estonia.



INDUSTRIAL OPERATIONS

New Hew Saw at Sao Hill Industries: Possibly Africa's most modern sawmill



GOVERNANCE

Strong corporate governance

- ▲ IFRS accounting and PWC audited accounts since 2005
- ▲ Large institutional shareholders, including Phaunos Timber Fund, Storebrand and TRG
- ▲ Simple corporate structure with fully-owned subsidiaries and shareholders at the top
- ▲ IFC/Norfund loan dispersed following extensive due diligence process
- ▲ Strong management including the best national foresters with long record of public service, combined with experienced professional with from Uruguay and Brazil (forestry) and Estonia (sawmilling)
- ▲ All ten members of the executive director group are shareholders in Green Resources
- ▲ FSC certification, the world leading forestry standard, for 67% of standing forest, aiming to cover more than 75% by the end of 2011
- ▲ Extensive carbon certification process of forest inventories, environmental and socio-economic issues, including VCS or CDM certification and CCBA certification
- ▲ Green Resources aims to follow the highest environmental and social standards

INVESTMENT OPPORTUNITY

Key highlights

Unique platform for growth and portfolio of land

- ▲ 26k ha planted forest, the largest new forest establishment in Africa during the last decade, and 200k ha of available plantable land. Leader in FSC certified forest
- ▲ East Africa is an optimal location: suited climate, low plantation establishment cost and close to essential infrastructure and key growth markets in Asia
- ▲ Strategic position as the largest private owner of forest land in East Africa

Global low cost leader

- ▲ Direct planning costs are similar or lower than key plantation countries, while land acquisition costs are much lower. Established costs are 50-75% lower than main competing countries
- ▲ Natural growth conditions second only to the best locations in Brazil
- ▲ Short distance to the world's fastest growing markets

Establishing plantations is highly value generative

- ▲ Direct establishment cost of USD1,000/ha creates forest plantation worth 3-4x the investment based on the NAV/BAV, implicitly representing the land value. Further value upside through increasing biological growth
- ▲ Significant land value appreciation seen in the leading forest plantation countries
- ▲ Executed by a large organization of strong local managers and highly qualified technicians

Increase in wood demand and prices

- ▲ Increasing world wood demand (driven by fiber deficit in Asia and bio-energy growth) envisaged to pull East Africa into the world trade
- ▲ Wood prices in East Africa expected to grow strongly and reach world price within 2020
- ▲ Rapid growth in local economies (among the worlds fastest growing)

Value increments through industrial operations and carbon credits

- ▲ Industrial operations (solid wood products, bio-energy) enhance the value of the forest and is an attractive business in itself supplying a fast growing local market
- ▲ Current plantation projects expected to generate carbon offsets of 90m tons of CO₂e

Disclaimer

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