



AUSTRALIAN ONEFORTYONE PLANTATIONS TO ACQUIRE NELSON FORESTS

1 December 2017

Australian forestry company, OneFortyOne Plantations (OFO) is pleased to confirm that it has signed an agreement to acquire one of New Zealand's leading forestry businesses, Nelson Forests.

Commenting on the proposed acquisition, OneFortyOne Plantation's Chief Executive Officer, Linda Sewell said; "Nelson Forests is recognised as being one of New Zealand's best run forestry businesses and an established leader in safe and sustainable forest management."

"This acquisition reflects OFO's intention to grow its business through investment in well managed forestry operations which have a focus on sustainable domestic processing and strong community partnerships."

"Located within New Zealand's second largest domestic processing region, the acquisition of Nelson Forests is consistent with our growth strategy and highly complementary to our existing Australian operations," Ms Sewell said.

Nelson Forests is currently 100% owned by investment funds advised by Global Forest Partners LP, a US-based timberland investment management organisation.

The acquisition will allow for the exchange of best practice forestry management between the Australian and New Zealand operations. Following the acquisition of Nelson Forests, OFO intends to pursue options to increase the scale of both the forest and domestic processing activities in the Nelson region.

"The Nelson Forests lead team will continue to manage the plantation. We look forward to welcoming the team into the OFO family and working collaboratively with them to leverage best practice across both regions."

"With a strong commitment to workplace safety, environmental management and innovation, the approach of the Nelson Forests management team is recognised as best in class in safety and environmental management within the New Zealand industry."

"This commitment to truly sustainable forestry and domestic processing is clearly aligned to the values we have built in our existing operations in Australia," Ms Sewell said.

Since commencing custodianship of an 80,000-hectare plantation within the Green Triangle region of South Australia in 2012, OFO has grown domestic fibre supply to local processors by more than 45% and increased the number of trees planted. It has also invested extensively to support a strong, vibrant local industry and community.

"We recognise that we have a significant role to play within the regions in which we operate. Like the Nelson Forests team, OFO works in close partnership with regional stakeholders and supports a range of local environmental, community and education initiatives," Ms Sewell said.



“Nelson Forests is already a strong contributor to the Nelson/Tasman and Marlborough communities. I am pleased with OFO’s commitment to support Nelson Forests continuing to make these contributions and for the further benefits that OFO can provide to the region. OFO has an excellent track record of supporting domestic processing and making substantial investments to grow its business and to support the community,” said Lees Seymour, Managing Director of Nelson Forests.

“The values of the Nelson Forests business and our existing business are strongly aligned, and we will work hard to ensure this continues and grows further following successful completion of the acquisition,” Ms Sewell said.

Completion of the transaction is expected to occur during 2018, subject to approval from New Zealand’s Overseas Investment Office (OIO). Campbell Global, Gresham Partners and MinterEllisonRuddWatts were advisory partners to OFO on the transaction.

MEDIA RELEASE ENDS

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ADDITIONAL INFORMATION

About OneFortyOne Plantations

OFO was formed in 2012 following the acquisition of a 105-year lease of 80,000 hectares of plantation assets from the South Australian Government. Since that time, OFO has become an established industry player within Australia with a strong track record of industry and community partnerships.

Since commencing its operations OFO has expanded its estate through acquisition and increased the number of trees planted. It has also grown its domestic processing and sales market by more than 45%. In September 2017, OFO announced it had signed a Sale Agreement with Carter Holt Harvey for the purchase of the Jubilee Highway sawmill in Mt Gambier, South Australia and Woodchip operations at Portland, Victoria.

OFO directly employs more than 60 people and approximately a further 500 contractors provide road haulage, silvicultural and harvesting support with the majority of employees living and working in close proximity to the plantation. OneFortyOne Plantation’s CEO, Linda Sewell, has extensive experience in forestry and wood processing in both New Zealand and Australia.

About Nelson Forests

Nelson Forests is a vertically integrated plantation and mill business that operates in the Nelson/Marlborough region of New Zealand. The plantation is over 60,000 productive hectares in size and the region has a total annual log processing capacity of 1.4 million cubic metres.



Nelson, located within New Zealand's second largest domestic processing region, employs 101 people fulltime. Its business activity is further supported by approximately 350 contractors.

The Nelson Forests management team has more than 150 years of collective industry experience. Nelson Forests has a strong culture of safety and a track record of environmental management which has been broadly used as the benchmark for performance in the New Zealand industry.

About Global Forest Partners LP

Global Forest Partners LP, one of the oldest and largest forestry investment management organizations, has been managing timberland investments for institutional investors for more than 30 years. GFP has extensive global experience, having invested in high quality timberland located in the United States since 1985 and internationally since 1992. Today, GFP manages over 650,000 hectares of timberland in Australia, Brazil, Cambodia, Chile, Colombia, Guatemala, New Zealand, Uruguay and the South-eastern United States.

Map of Nelson Forests operations:

