



GLOBAL FOREST PARTNERS LP

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A photograph of a forest with tall, thin tree trunks, serving as a background for the text.

# Plantation Investment Experts Forum

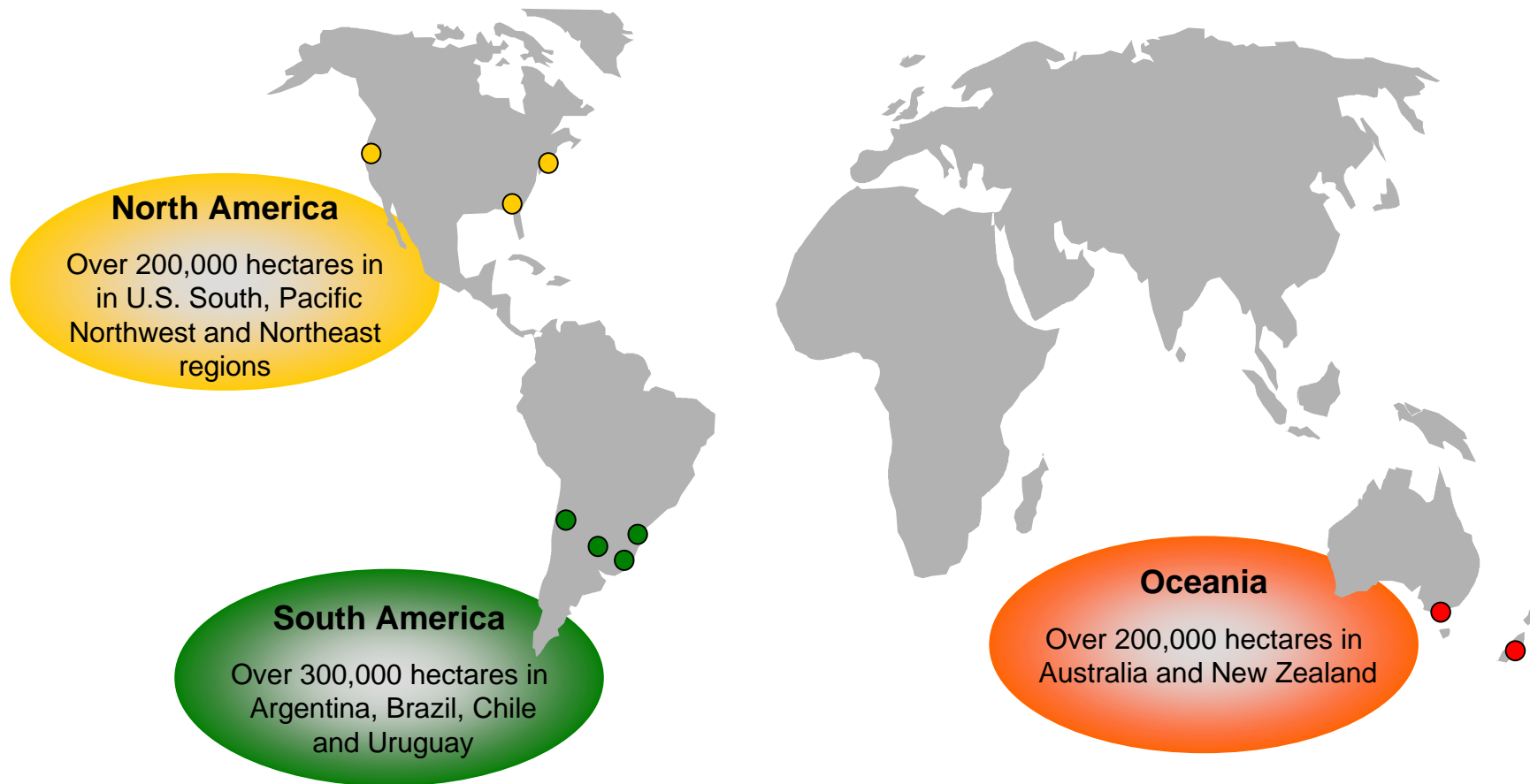
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# Global Forest Partners LP

## The leader in global timberland investments experience

- ◆ Global Forest Partners structures and manages timberland investments on behalf of institutional and private clients.



Areas are based on the maximum size of holdings in each region, and may not reflect actual current areas managed

# Global Forest Partners LP

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## The leader in global timberland investment experience

- ◆ Since 1987, we have invested in over 700,000 hectares of high quality timberland
- ◆ Initial investments were in the United States
- ◆ Since 1992, GFP has been investing in Oceania
  - Current investments in Australia and New Zealand
- ◆ Since 1993, GFP has been investing in Latin America
  - Current investments in Argentina, Brazil, Chile and Uruguay
- ◆ Pioneered the concept of joint ventures between institutional investors and forest products industry
- ◆ More than \$1 billion in private investments outside of the U.S.
- ◆ Prior to an MBO in September 2003, we operated as UBS Timber Investors

# Institutional Interest in Timberland Investments

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Most institutional investors have a singular purpose for investing in timber:

## Fair Risk-Adjusted Return

- ◆ Expected returns must be commensurate with:
  - Risk of the underlying investment
  - Global capital market conditions
  
- ◆ Improvement in portfolio efficiency
  
- ◆ Important decision variables
  - Depth of timber and timberland markets
  - Infrastructure development
  - Land tenure
  - Regulatory environment
  - Commercial relationships
  - Legal system
  - Tax efficiency
  - Intangible costs
  - Upside potential

# Case Study: Colonvade S.A.

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## **GFP has experience in greenfield plantation establishment**

- ◆ 50/50 joint venture with Weyerhaeuser in Uruguay
- ◆ 100,000 hectares of pasture land acquired (gross basis)
- ◆ Began planting in 1997 and have completed afforestation efforts
- ◆ Institutional attraction:
  - High forest productivity at relatively low cost
  - Proximity to market
  - Well-understood tree species
  - Favorable land values
  - Stable economy and political system
  - Quality workforce
  - Scalability
  - Tax efficiency
  - JV partner expertise
  - Management “alpha” opportunities

# Considerations and Issues

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- ◆ Land values must support plantation management
- ◆ Economics of plantation establishment will largely be judged on the current environment
- ◆ Regulatory and government role can/will impact enthusiasm for investment
  - Changes in laws and regulations
  - Trade agreements
  - Tax policy

# GFP

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*Advising Institutional Investors  
On Sustainable Forestry Investments  
Throughout The World  
For Over Twenty Years*