

# The Green Investment that keeps Growing!



ROGER DICKIE  
NEW ZEALAND

NEW ZEALAND'S LEADING FORESTRY  
INVESTMENT SPECIALISTS



established for  
**40 years**



over **2500**  
investors globally



**28,000+**  
hectares of trees



**89** forests



# Executive Summary

## CHOOSING A PROFITABLE, ETHICAL AND SOCIALLY RESPONSIBLE INVESTMENT

When you invest in forestry, you invest in the future. By choosing a renewable, green resource you get both early income from carbon credits and excellent returns from harvesting your forest. Plus, you're helping to fight climate change and investing in a renewable resource – as well as a beautiful green New Zealand.

With over 30 years' experience and 28,000 ha of forests under management, Roger Dickie New Zealand Limited is a name you can rely on. As New Zealand's leading forestry investment company, Roger Dickie has the experience and economy of scale achieved by a group of 86 investor forests. Our business is built on trust and integrity which is valued by over 2,500 investors worldwide. Comprehensive insurance cover protects the investment against wind and fire damage.

Forestry is a real, tangible asset, secured by the ownership of freehold land. With the global demand for timber increasing particularly in developing Asian economies such as China and diminishing world supply, the outlook for forestry investment remains strong.

With ever increasing global demand for timber products, an investment in forestry with the added bonus of early income from Carbon Credits is a secure and sustainable way to grow your wealth.



# About Roger Dickie NZ

## COMPANY PROFILE

Roger Dickie New Zealand Limited is at the forefront of New Zealand forestry investment. Formed in 1971, the company has established over 86 forests for investors worldwide.

Since 1990 Roger Dickie New Zealand has deliberately concentrated their Radiata forest activities in the northern Hawke's Bay and Gisborne regions on the east coast of the North Island of New Zealand.

The region produces New Zealand's highest Radiata forest growth rates. Quality land is available at reasonable prices. This is the foundation of a profitable forestry investment.

The Hawke's Bay Gisborne regions have an established and well developed timber based infrastructure including pulp mill, saw mills and

a tri-board mill. The advantages of this region are further enhanced by close proximity to two log export ports at Napier and Gisborne.

Each Roger Dickie New Zealand Limited forestry investment begins with the purchase of freehold land. Only the best properties are selected after a forestry feasibility study has been completed. This leads to low risk forestry development and maximum forest growth rates. The land is prepared, forestry roads are formed and the new forest is planted between May and September.



## MANAGEMENT APPROACH

Close attention to financial controls, whilst maintaining the highest standards of forest management, has resulted in every forest initiated by Roger Dickie New Zealand operating below projected expenditure in the establishment phase.

Accountability is the cornerstone of our business. As the investor's representative, Roger Dickie supervises and approves the collation of forest consultant's reports and valuations, forest managers reports, employment of contractors, cash flow forecasts, sale of unwanted assets, grazing leases, negotiations with local authorities, general newsletters, field days and conferences.

Annual General Meetings are held on site each year when budgets are approved by investors.

The combined group of forests co-ordinated by Roger Dickie represents a powerful force with the ability to partake in their own marketing, processing or exporting of timber.



## COMPANY DIRECTOR - ROGER DICKIE

*B. Ag. Sc. Forester, Farmer, Developer, and Company Director.  
Waverley, Taranaki.*

Roger Dickie is Chairman and director of 76 rural investment partnerships and companies and a director for Forest Owners Marketing Services (a wood harvesting and marketing company).

Roger is married to Mary-Ann and they have four adult sons. Through his family interests he owns farming and forestry land in the North and South Island and is involved in coastal property development in Taranaki. His main farming interests are in Awatea Farms, a 1,050 ha property at Waverley in South Taranaki. The main business of Awatea Farms is Rosemount Dairy Limited, milking 1,460 cows and the grazing of 1,200 other dairy stock.

Since 1971 Roger Dickie has coordinated and developed 89 rural investment syndicates for New Zealand and overseas investors. These cover an area of more than 27,500 ha and are located in the North and South Island. There are more than 2,500 investors in these syndicates many of whom are in more than one partnership.

He is an executive director and spokesman for the Kyoto Forestry Association (KFA) which represents growers of 250,000 ha of Kyoto compliant forest in New Zealand.

Today Rogers focus is on carbon forestry investment opportunities in New Zealand, he recently launched the first public offer of a carbon forest investment in New Zealand.

# Forestry Investment Prospects

## WHY INVEST IN FORESTRY?

An investment opportunity occurs when rising demand for a commodity is matched by a falling supply. Timber demand is increasing steadily along with population and GDP growth. Most of the timber presently being harvested is from natural forests. The available supply is diminishing because of exploitation, economic and environmental pressures.

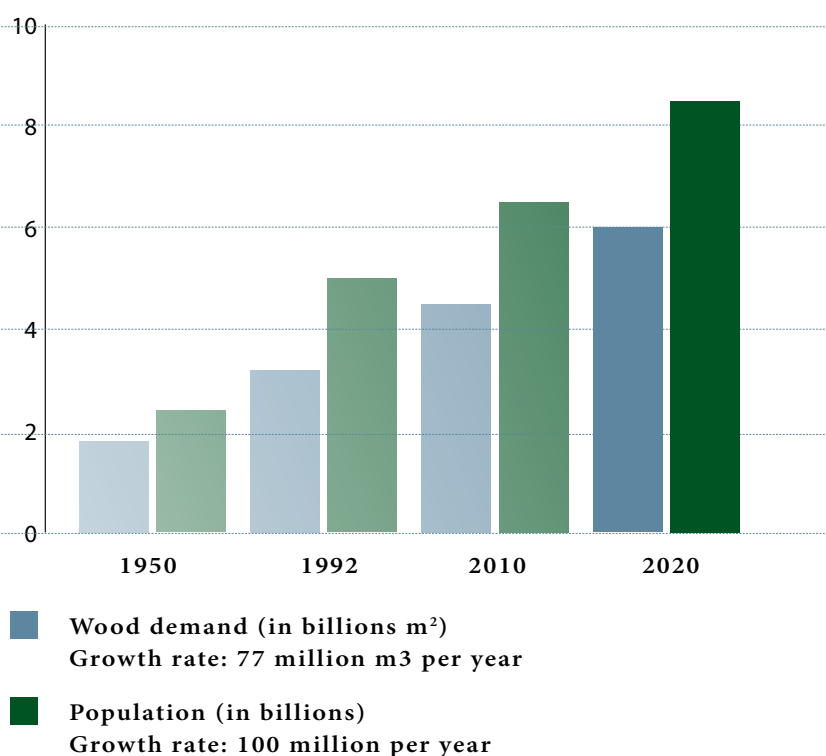
Plantation forests are an alternative, sustainable source of high quality timber. Plantations currently supply only 4% of the world's timber needs. The bulk of wood comes from "old growth forests" which take 60 to 300 years to mature. These forests are being felled at a rate equivalent to the size of a football field every second.

We are rapidly approaching a situation where global timber demand will exceed the available

supply. From the current level of 7 billion, the world's population will exceed 8 billion by 2020 - an extra 1 billion humans to clothe, feed and house. The present global timber harvest of 3.5 billion m<sup>3</sup> per annum is expected to soar to 5.95 billion m<sup>3</sup> per annum by 2020 - an increase of 2.45 billion m<sup>3</sup> in less than 25 years.

The next facet of a good opportunity is in locating an ideal source of the commodity. While trees will grow in many places New Zealand's combination of fertile soils and unique climate enable us to grow Radiata pine faster and better than anywhere in the world. Radiata pine, a Californian native, thrives in New Zealand conditions. Since the first plantings in the 1850's Radiata has established itself as a major export earner. It is the mainstay

### World Population Growth vs Wood Demand



Source: UNFAO Forecast, Widman Research April 1994



of an industry predicted to make a significant contribution to the New Zealand economy by the year 2020. In 2010 New Zealand earned \$4.2 billion from forest product exports making it the countries third largest export earner.

New Zealand is well positioned to substitute radiata for dwindling supplies of hardwood and North American softwood.

In the medium and long term, diminishing supplies from natural forests and an increase in demand for products made from wood is likely to result in higher prices. This situation provides excellent prospects for plantation grown timber.

## NEW ZEALAND'S ADVANTAGE

Market prospects for New Zealand radiata are very positive. Radiata can be efficiently grown in plantations. New Zealand grown radiata pine matures in just 25-30 years. After a century of research New Zealand has become the world

leader in plantation forestry. New Zealand forest management, tending practices, processing technology and genetic improvements are second to none.

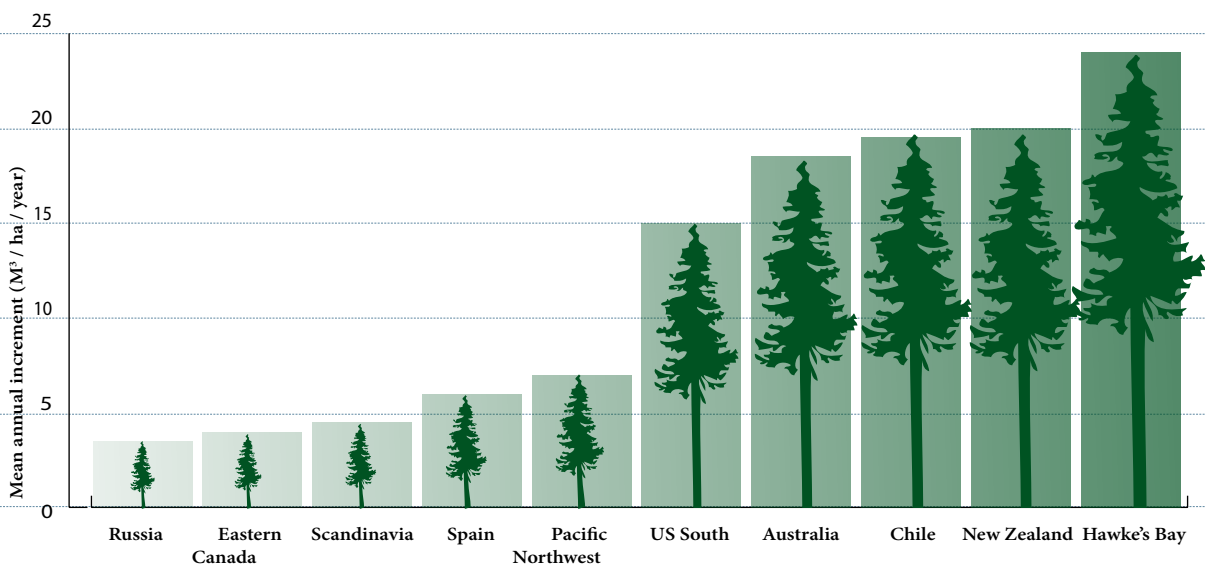
New Zealand forestry offers excellent opportunities for local and international investors to protect their capital whilst gaining significant returns. Plantation forestry in NZ is well established. While development and research is constant, the accomplishments to date in relation to the main commercial species, radiata pine, are:

- Superior tree growth;
- Highly developed tree breeding; and
- Efficient plantation management.
- Easy to use Radiata pine is a very resourceful softwood. With low expenses making it cost effective and very adaptable.

New Zealand supplies supportive non-intervention government policies, skilled labour, excellent growth rates, and a well developed industry infrastructure.

## International Softwood\* Growth Rates

\*softwood refers to wood derived from trees classified botanically as *Gymnospermae*



Source: Ministry of Forestry, Fletcher Challenge Forests

# Purchasing Land for Forestry

## AN OVERVIEW

Roger Dickie (N.Z.) Limited's role is to act for the forest investor / owner. Roger Dickie (N.Z.) Ltd uses independent consultants and contractors. It is this independence that gives our forest owners confidence and ensures accountability. Our local knowledge and the economy of scale of 89 forests in the group delivers best practice at best price.

Following are a few points of interest re forestry in New Zealand:

**Location.** Because most of New Zealand's wood is exported it is very important to invest in forestry that is well located relative to export ports and mills. For that reason we always advocate trying to balance location with land price when buying forestry land.

**Land Quality and Price.** Land purchased for forestry in New Zealand it is always existing farm land running sheep and cattle on grassland on hill country. The better the quality of the land then the more expensive it is. Quality well located land is the foundation of a quality forest.

We always look at the land price for a newly planted forest as the cost per plantable hectare, as that is the important cost to the forester.

We arrive at that price by taking the purchase price of the farm less any assets sold eg houses, buildings, flat high cost land etc. We add on to that price the cost of any land preparation eg tracking, scrub (brush) clearance etc and then we divide that price by the area of the farm that we have determined through mapping can be planted in trees.

For a typical hill country block the plantable area is often 80% to 85% of the purchased area, the greatest factor in that 15% to 20% unplantable is usually areas of indigenous forest and bush, tracks and boundary setoffs etc.



## EMISSIONS TRADING SCHEME (ETS)

New Zealand has its own Emissions Trading Scheme (ETS). It is logical that a new forest investor would prefer to invest in land or forest that could operate within the ETS parameters and trade carbon credits should the owner wish to do so. For a newly planted forest to qualify for the ETS it must have been in pasture in 1990, that is easy to check and prove.



*Investors visit their Waikare  
Forest aged 20 years.*

## Our Forests

Roger Dickie New Zealand is at the forefront of New Zealand forestry and the company has established 86 investor forests in New Zealand.

Since 1990 Roger Dickie New Zealand has deliberately concentrated their Radiata activities in northern Hawkes Bay and Gisborne regions on the east coast of New Zealand's North Island. The region produces New Zealand's highest Radiata forest growth rates. Quality land is available at reasonable prices. This is the foundation for profitable forestry investment.

Once our forest harvest begins in 2015, our sustainable harvest will be over 1 million tonnes of logs per annum.

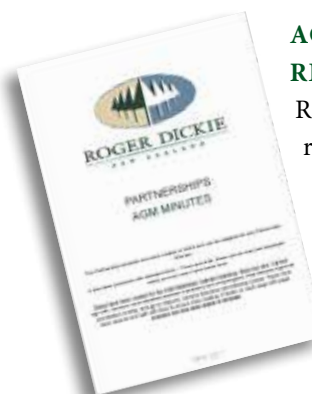
Hawkes Bay has an established timber based infrastructure including pulp mill, saw mills and a tri-board mill. The advantages of this area are further enhanced by close proximity to two log export ports at Napier and Gisborne.

New Zealand also has the highest recorded Douglas-fir forest growth rates in the world. Our Douglas-fir plantations are located in the Otago region of the South Island.

## EACH RDNZ FORESTRY INVESTMENT RECEIVES:

### ACCURATE REPORTING

Regular Partnership reports, financial details and budgets with AGM meetings held on site.



### SHARING KNOWLEDGE

RDNZ hosts a regular Investor Conference. The 2-Day August 2011 Conference attracted 300 plus investors with a wide range of Forestry industry and investment speakers.



### ONLINE 24/7

RDNZ maintains an extensive and regularly updated website ([www.rogerdickie.co.nz](http://www.rogerdickie.co.nz)). Including GPS maps of individual Forests and reports online. These reports are confidential and can only be accessed by username and passwords.



# FORESTS established by ROGER DICKIE (NZ) LTD



# Investment Options

## PARTNERSHIP INVESTMENTS

Of the 86 forest established by Roger Dickie 68 are partnerships. A partnership is typically made up with between 25 and 35 investors and offers economy of scale to a group of individual investors. Partners own an undivided share of the freehold land.

The average investment is a 4% share with a minimum being a 1% share.

In 2008 New Zealand introduced Limited Partnerships (LP). The advantages of a Limited Partnership structure means you get the benefit of limited liability and also receive the tax benefits of forest establishment and management.

Land purchase is generally funded over 3 years after which the forest is debt free and the partners own an unencumbered freehold forest. Your investment is backed by the security of land ownership.

All forests are insured for fire, wind throw and public liability giving investors peace of mind.

## SECONDARY MARKET

With over 2500 investors in 86 forest and 3 farms, we occasionally have investors looking to sell their shares before harvest. Part of the Roger Dickie management process is ensuring that for whatever reason you decide to sell your shares, we can take care of the process and make it as easy as possible. If you are looking to increase your forestry shareholdings or buy into an existing forest, contact Richard to discuss the shares listed below.

## PRIVATE INVESTMENTS

Of our 86 forests 16 are owned outright by individuals or families. The typical private forest varies in size from 250ha to 5000ha. Roger Dickie New Zealand offers a complete service and can package a forest investment to suite your individual requirements. Accountability is the cornerstone of our business. As the Investors Representative Roger Dickie supervises all facets of the project from land selection and purchase, including:

- Obtaining New Zealand Overseas Investment Office approval for offshore investors.
- Collation and approval of forest consultant's reports and valuations.
- Forest management and reports.
- Cashflow projections and budgets.
- Organising contractors for land preparation and planting.
- Negotiations with local body authorities and consent applications.
- Quality control of all facets of forest development and ongoing management.
- Full administration service.





## PRIVATE EQUITY INVESTMENTS

Private Limited Partnerships are for a small group of individuals who wish to invest in forest ownership and typically would be made up of 4 to 8 partners. The minimum investment in a Private Limited Partnership is \$250,000. Equity Investments use the same structure as a Limited Partnership giving investors Limited Liability and tax benefits.

These partnerships are restricted to experienced or qualified investors as defined by the NZ Securities Act 1978

As the 'General Partner' Roger Dickie supervises all facets of the project from land selection and purchase as well as and including:

- Obtaining New Zealand Overseas Investment Office approval for offshore investors.
- Collation and approval of forest consultant's reports and valuations.
- Forest management and reports.
- Cashflow projections and budgets.
- Organising contractors for land preparation and planting.
- Negotiations with local body authorities and consent applications.
- Quality control of all facets of forest development and ongoing management.
- Full administration service.

## CORPORATE INVESTMENTS

Many overseas timber companies, corporations and pension funds have recognised New Zealand's competitive advantage in plantation forestry and have invested in New Zealand Radiata Pine Forests.

With the world's forest resource diminishing and demand increasing international timber companies and investors are looking to New Zealand to establish fast growing Radiata forests to secure their timber supply into the future.

Companies worldwide are also moving to reduce carbon emissions and the most cost effective way to acquire carbon is to grow it through forest ownership.

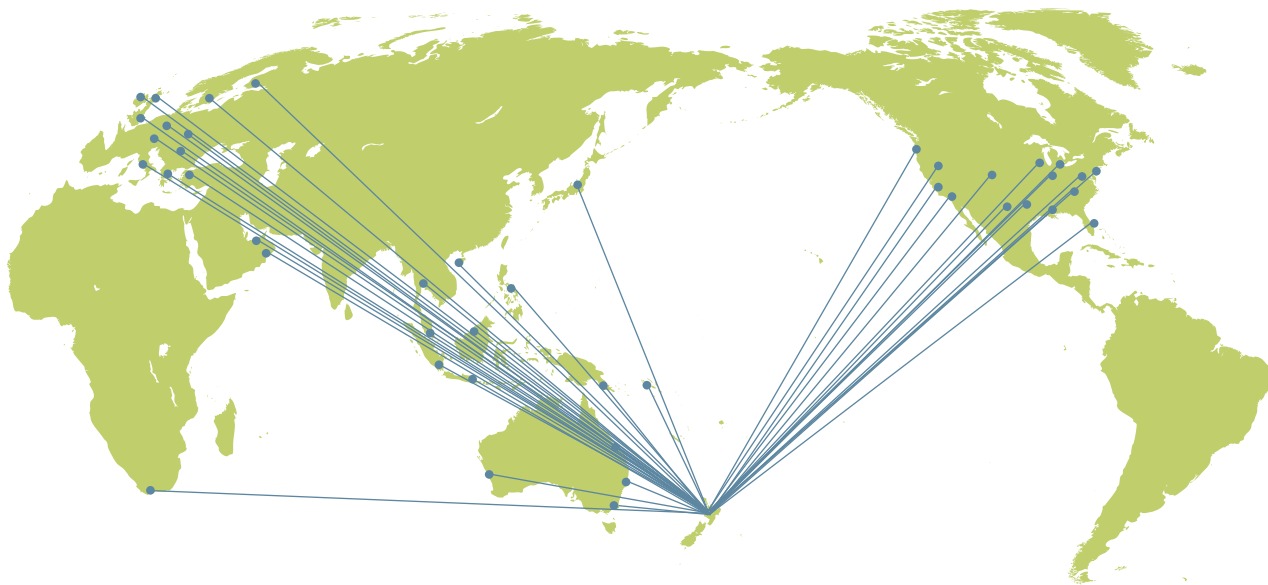
By establishing a new forest a company can secure the cost of carbon going forward thus reducing exposure to an inflationary carbon price.

It is an investment in a real asset 'land and trees', the carbon credits can be banked and used to offset emissions or simply sold when the price is right.

Roger Dickie supervises all facets of the project from land selection and purchase as well as and including:

- Obtaining New Zealand Overseas Investment Office approval for offshore investors.
- Collation and approval of forest consultant's reports and valuations.
- Forest management and reports.
- Cashflow projections and budgets.
- Organising contractors for land preparation and planting.
- Negotiations with local body authorities and consent applications.
- Quality control of all facets of forest development and ongoing management.

## Overseas Investors



*Location of one or more  
Roger Dickie New Zealand  
international investors*

Because the ownership of a forest involves land ownership, international (non New Zealand nationals) investors wishing to invest in a private forestry development need to obtain approval from the New Zealand Overseas Investment Office (OIO, a New Zealand Government agency). Roger Dickie New Zealand Ltd assists investors with this process. To date all applications have been approved.

Up to 24% of a partnership can be owned by overseas investors without requiring Overseas Investment Office consent.

### NEW ZEALAND'S GLOBAL ADVANTAGE

International timber companies have recognised the competitive advantages of New Zealand and have invested heavily in the New Zealand forestry industry. Roger Dickie New Zealand Ltd enables individual investors to access the industry at any level and share in the wealth that forestry will bring to New Zealand.

Many international investors have chosen to diversify their investments by adding Roger Dickie New Zealand Ltd forestry to their portfolio. In addition to owning their own forest, investors enjoy the benefits of the excellent hunting and fishing reserves contained within our forests.

New Zealand maintains reciprocal tax relationships with many countries which

simplifies the tax positions for investors.

The expenses of establishing and managing your forest are tax deductible against other New Zealand income. If the investor has no other New Zealand income the tax benefits can be accumulated and retained for use against the income when the forest is harvested.

New Zealand has a stable government with conservative economic policies; and a motivated and highly skilled workforce. Our international investors have found establishing their forestry investment and transferring funds to New Zealand to be straight forward and secure.

New Zealand has been rated internationally as one of the top five countries in which to invest.



# Directory

*We currently have investors from the following countries:*

USA  
Sweden  
Finland  
Canada  
Denmark  
Scotland  
Holland  
Hungary  
Northern Ireland  
Germany  
Japan  
England  
Switzerland  
Italy  
Greece  
Turkey  
Australia  
Hong Kong  
United Arab Emirates  
Taiwan  
Qatar Lao  
China  
Thailand  
Malaysia  
Philippines  
Singapore  
Brunei  
Indonesia  
Bouganville  
South Africa  
Papua New Guinea

## PROMOTER:

Roger Dickie  
S.H. 3, P O Box 43, Waverley 4544  
New Zealand  
Tel: +64 6 346 5329 Fax: +64 6 346 5369

## ADMINISTRATOR AND SECURITIES REGISTRAR:

Roger Dickie Forestry Ltd  
S.H. 3, P O Box 43, Waverley 4544  
New Zealand  
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## FORESTRY CONSULTANTS:

P F Olsen Group,  
P O Box 1127, Rotorua  
Tel: +64 7 357 4135 Fax: +64 7 357 5185

## FOREST MANAGER

Forest Management (NZ) Ltd  
P O Box 14, Waverley 4544  
Tel: +64 6 346 6118 Fax: +64 6 346 6237

## STATUTORY SUPERVISOR

Perpetual Trust Limited, P O Box 3845,  
111-115 Customhouse Quay,  
Wellington  
Tel: +64 4 470 9600 Fax: +64 4 472 3190

## ACCOUNTANTS:

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87 Weraroa Road, P O Box 96,  
Waverley 5182  
Tel: +64 6 346 5108 Fax: +64 6 346 5596

## SOLICITORS:

Horsley Christie,  
14 Victoria Avenue, Wanganui  
Tel: +64 6 345 4534 Fax: +64 6 345 2405

## AUDITORS:

Silks Charter Accountants,  
16 Bell Street, Wanganui  
Tel: +64 6 345 8539 Fax: +64 6 345 2212

## BANKERS:

Bank of New Zealand (BNZ) Ltd  
P O Box 390  
Wanganui  
Tel: +64 6 348 1608 Fax: + 64 6 345 5439

## VALUERS:

Morice and Associates,  
116 Vautier Street, Napier  
Tel: +64 6 835 3682 Fax: +64 6 835 7415

Moore and Associates Ltd  
P O Box 247  
Alexandra  
Tel: +64 3 448 7763 Fax: +64 3 448 9531

For further information on the range of forestry investments available from Roger Dickie New Zealand please contact our office:

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NEW ZEALAND

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INVESTMENT SPECIALISTS**

**[www.rogerdickie.co.nz](http://www.rogerdickie.co.nz)**