



GREENPLAN

FORESTRY INVESTMENTS



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FORESTS REPORT

MARCH 2007

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Dear Greenplan Investors

It is our pleasure to again mark another year in the life of your forest with the publication of the Annual Forest Report.

As you will know this shows data collected from Permanent Record Plots in the forest. Annual growth is quite slow, relatively speaking, to what will happen later in the forests life. For example the average data for the 1994 plantings show the following:

	2004 Year	2007 Year
DBH	26.7	33.9
Height	16.1	22.4

[DBH means the diameter of the tree taken at breast height (or at the chest height of the person taking the measure) Height is the total height of the trees in the plot]

So the trees have grown a bit over a meter a year in height and fattened up a bit. These trees are 12 years old, rising to 13 years this coming winter. In another 17 to 18 years at age 30 we would expect them to be 30 to 33 meters high and have a diameter at breast height of 50 cms. So there's a lot of growing to do yet. A common saying is that a Pinus Radiata tree grows two thirds of its size in the last third of its life.

Its also topical at the moment to comment on the amount of carbon these forests are taking out of the atmosphere. In our last newsletter we quoted some figures from Dr Patrick Moore of Greenspirit

Strategies Limited. He stated that a cubic meter of wood contains about 250kg of carbon. Our forests are estimated to grow around 750 cubic meters of wood over 30 years. That means, according to Moore they will sequester 187.5 tonnes of carbon per hectare or per partnership unit.

But the recently published "Sustainable Land Management and Climate Change" document put out by Government says "Deforestation of a hectare of mature Radiata pine forest is expected to be recorded as an emission of around 800 tonnes of carbon dioxide".

It is all rather confusing but then the whole subject of climate change is!

On a brighter note, timber prices are improving. As this booklet goes to print we can report that the Agri-fax Log price Index is now at \$82.50/tonne (Delivered mill/wharf basis). This is at its highest point since April 1996.

The reason is the increased demand for export logs from Korea, China and India. Against that is the flat market for pruned logs as the US new house starts declines. Like a black cloud over all this is the high NZ dollar which is causing all exporters so much pain.

For all you forest owners this is all rather academic as your forests have at least another 12 years to 15 years of growing to do before harvest. So until next year just lets hope it keeps raining when we want it and we get another good year of good growth.

A handwritten signature in black ink, appearing to read "John Q. Barton".

John Barton
Managing Director.

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Forest Data for 1994 Plantings

Partnership Name	Average DBH 2006 (cm)	Average Height 2006 (m)
Data recorded from Permanent Record Plots		
Arapito No. 1	31.2	22.9
Arapito No. 2	35.8	22.4
Arapito No. 3	27.6	22.6
Arapito No. 4	37.2	24.9
Arapito No. 5	39.8	23.9
Arapito No. 6	29.2	20.3
Arapito No. 7	37.5	22.1
Arapito No. 8	33.4	20.5

Key Management Activities Completed 2006

1. Observation of forest health
2. Pest control
3. Permanent record plots (PRP) revisited and data recorded

Key Management Activities For 2007

1. Continued observation of forest health
2. Identify and destroy pests
3. Collect data from permanent record plots

Secondary Market Activity

Units Sold Since January 2006	2
Average Price	\$12,250
Price Range	\$12,000-\$12,500

Forest Manager's Comments:

We have maintained a regular monitoring programme during the past year in these forests. Operational work is complete and these forests have been left to grow. The trees continue to be in good health and are showing excellent signs of increased tree growth. Pest and forest health monitoring will continue within the forests and remedial action will be taken if required.

"Permanent Record Plots" (PRP) have been established to identify the growth rates of a sample of trees. The results for 2006 are listed in the table opposite. Data is collected each year from the same trees which will help us to forecast growth rates and potential yields.

GFM Ltd
Forest Manager

March 2007

KEY	
PRP	Permanent Record Plot
DBH	Diameter at Breast Height-1.2m from base

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Forest Data for 1995 Plantings

Partnership Name	Average DBH 2006 (cm)	Average Height 2006 (m)
Data recorded from Permanent Record Plots		
Arapito No. 9	37.7	20.5
Arapito No. 10	31.5	21.1
Arapito No. 11	32.3	21.7
Arapito No. 12	36.4	22.6
Aratoro No. 13	35.3	21.6
Aratoro No. 14	29.1	21.5
Waipa Valley No. 15	35.8	22.2
Awakino River No. 16	32.3	22.4
Awakino River No. 17	36.2	23.1
Barkers No. 18	29.2	21.3

Key Management Activities Completed 2006

1. Observation of forest health
2. Pest control
3. Permanent record plots (PRP) revisited and data recorded

Key Management Activities For 2007

1. Continued observation of forest health
2. Identify and destroy pests
3. Collect data from permanent record plots

Secondary Market Activity

Units Sold Since January 2006	10
Average Price	\$11,010
Price Range	\$9,500-\$12,000

Forest Manager's Comments:

We have maintained a regular monitoring programme during the past year in these forests. Operational work is complete and these forests have been left to grow. The trees continue to be in good health and are showing excellent signs of increased tree growth. Pest and forest health monitoring will continue within the forests and remedial action will be taken if required.

"Permanent Record Plots" (PRP) have been established to identify the growth rates of a sample of trees. The results for 2006 are listed in the table opposite. Data is collected each year from the same trees which will help us to forecast growth rates and potential yields.

GFM Ltd
Forest Manager

March 2007

KEY	
PRP	Permanent Record Plot
DBH	Diameter at Breast Height-1.2m from base

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Forest Data for 1996 Plantings

Partnership Name	Average DBH 2006 (cm)	Average Height 2006 (m)
Data recorded from Permanent Record Plots		
Awakino River No. 19	29.8	19.8
Aratoro No. 20	33.0	24.3
Slab Hut No. 21	27.8	21.0
Slab Hut No. 22	27.0	19.2
Brakeside No. 23	37.0	20.0
River Road No. 24	31.2	20.7
Smiths No. 25	27.2	19.4
Tin Whare No. 26	32.9	19.2
Touchwood No. 27	35.7	20.8

Key Management Activities Completed 2006

1. Observation of forest health
2. Pest control
3. Permanent record plots (PRP) revisited and data recorded

Key Management Activities For 2007

1. Continued observation of forest health
2. Identify and destroy pests
3. Collect data from permanent record plots

Secondary Market Activity

Units Sold Since January 2006	9
Average Price	\$9,333
Price Range	\$8,500 to \$9,800

Forest Manager's Comments:

All forest Partnerships are continually monitored by our staff, assessing health conditions and also pest control are our main priority within these forests. Remedial action will be taken if required.

All Partnerships continue to show excellent growth rates. "Permanent Record Plots" (PRP) have been established to identify the growth rates of a sample of trees. The results for 2006 are listed in the table opposite. Data is collected each year from the same trees which will help us to forecast growth rates and potential yields.

GFM Ltd
Forest Manager

March 2007

KEY	
PRP	Permanent Record Plot
DBH	Diameter at Breast Height-1.2m from base

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Forest Data for 1997 Plantings

Partnership Name	Average DBH 2006 (cm)	Average Height 2006 (m)
Data recorded from Permanent Record Plots		
Arapito No. 28	28.3	16.5
Rhodes No. 29	31.2	15.9
Coach Road No. 30	28.8	17.9
Moonlight No. 31	27.8	16.4
Rim Rock No. 33	28.5	19.4
Pig & Whistle No. 34	25.3	17.1

Key Management Activities Completed 2006

1. Permanent Record Plots established
2. Pest control
3. Assessment of forest health

Key Management Activities for 2007

1. Continued observation of forest health
2. Identify and destroy pests
3. Revisit and collect data from Permanent Record Plots

Secondary Market Activity

	1 Ha	½ Ha
Units Sold Since January 2006	4	2
Average Price	\$8,975	\$4,500
Price Range	\$8,900 - \$9,100	\$4,500

Forest Manager's Comments:

With all operations now complete these Partnerships will be left to grow. Regular monitoring of pests and also forest health will continue by our staff, remedial action will be taken if required.

"Permanent Record Plots" (PRP) have been established to identify the growth rates of a sample of trees. The results for 2006 are listed in the table opposite. Data is collected each year from the same trees, this will assist us to forecast growth rates and potential yields.

GFM Ltd
Forest Manager

March 2007

KEY	
PRP	Permanent Record Plot
DBH	Diameter at Breast Height-1.2m from base

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Forest Data for 1998 Plantings

Partnership Name	Average DBH 2006 (cm)	Average Height 2006 (m)
Data recorded from Permanent Record Plots		
Stockyards No. 32	30.4	16.6
Cattle Stop No. 35	28.9	14.9
Gateway No. 36	29.3	15.0

Partnership Name	Average Pruned Height (m)	Pruned SPH	Average DOS (cm)	Average Height 2006 (m)
Third Lift Pruning and Thinning to Waste				
Miners Creek No. 37	7.1	333	20.8	14.4
Squires Creek No. 38	6.8	359	19.7	13.4

Key Management Activities Completed 2006

1. Completion of all Third Lift Pruning
2. Final audits now complete in all Partnerships
3. Permanent Record Plots (PRP) established
4. Pest control and monitoring along with regular observations for forest health
5. Spraying for *Dothistroma pini* in infected forests

Key Management Activities for 2007

1. Continued observations of forest health
2. Identify and destroy pests
3. Revisit and collect data from Permanent Record Plots

Secondary Market Activity

Units Sold Since January 2006

	2 Ha	1 Ha	½ Ha
	1	2	5
Average Price	\$16,000	\$8,450	\$4,270
Price Range	\$16,000	\$8,400-\$8,500	\$4,250-\$4,300

PRP	Permanent Record Plot
DBH	Diameter at Breast Height-1.2m from base
Pruned Height	The height above the ground of the lowest branch whorl remaining after the last pruning operation
Pruned SPH	Pruned Stems Per Hectare
DOS	Diameter Over Stubs – diameter over the largest whorl of branch stubs left on a tree after pruning.

Forest Manager's Comments:

At the completion of all operations Forest Consultants P F Olsen And Company Ltd perform a final audit. The audit is performed to ensure all Management requirements within the Prospectus have been achieved.

(PRP) plots have now been established in all Partnerships. The sample areas selected will help assist us when forecasting growth rates and potential yields. Data will be collected from the same trees each year.

With no further operational work to be performed these Partnerships will be left to grow. Greenplan staff will continue to monitor tree growth and health, pests will be monitored and controlled when ever necessary.

GFM Ltd
Forest Manager

March 2007

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Forest Data for 1999 Plantings

Partnership Name	Average Pruned Height (m)	Pruned SPH	Average DOS (cm)	Average Height 2006 (m)
Second Lift Pruning Jones No. 39	7.0	312	18.8	13.5
Huntaway No. 40	7.0	348	19.7	13.9
Boltaway No. 41*	7.1	373	17.9	13.0
Clearwater No. 42*	7.0	376	18.5	13.1
Wild Boar No. 43	3rd Lift Programmed March 2007			

* pruning completed, waiting for final Audits

Key Management Activities Completed 2006

1. Third lift pruning / Final thin completed in Partnerships 39,40,41,42
2. Continued observations of forest health and monitoring for pests
3. Spraying for *Dothistroma pini* in infected forests

Key Management Activities for 2007

1. Commence third lift pruning and thinning operations in Partnership 43 Wild Boar
2. Final audits by P F Olsen & Company Ltd
3. Continued observations of forest health and monitoring for pests

Secondary Market Activity

Units Sold Since January 2006	1 Ha
Average Price	3
Price Range	\$7,866
	\$7,800 to \$8,000

KEY

Pruned Height	The height above the ground of the lowest branch whorl remaining after the last pruning operation
Pruned SPH	Pruned Stems Per Hectare
DOS	Diameter Over Stubs – diameter over the largest whorl of branch stubs left on a tree after pruning.
GPS	Global Positioning System

Forest Manager's Comments:

P F Olsen & Company Ltd will perform Final Audits in Partnerships 41,42 and 43 shortly to ensure all Operational Management requirements within the Prospectus have been achieved. After third lift pruning and the final thin we will achieve a minimum pruned height of 6.2 metres with an average stocking of 350 sph.

There have been no major health issues to report other than small areas of the fungal disease *Dothistroma Pini*. In November a fixed wing aircraft sprayed areas of infected trees. *Dothistroma* thrives in a mild, humid climate and requires high volumes of rain before it becomes a major problem; the releasing of this copper mixture will help to control and contain this disease. All areas are mapped and GPS co-ordinates are taken for monitoring purposes.

Grazing of Forest Partnerships keeps access ways open and also reduces the risk of fire. All contractors are required to have a minimum amount of fire equipment which include, (shovels, slashers, portable rega pumps (knap sack) and access to 80 litres of water. All Contractors and Crew bosses are qualified and trained in the basic Forest Fire control techniques.

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Forest Manager

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Forest Data for 2000 Plantings

Partnership Name	Average Pruned Height (m)	Pruned SPH	Average DOS (cm)	Average Height 2006 (m)
Second Lift Pruning Millennium No. 44*	4.5	374	17.3	8.8
Centurion No. 45	5.2	383	19.1	10.3
Tunnel Rock No. 46	4.7	375	18.4	9.3
Dunmore West No. 47	5.0	384	18.2	9.7

* pruning not completed, data is progress to date

Key Management Activities Completed 2006

1. Second lift pruning completed in No. 46
2. GPS Mapping of forest boundaries, identify gaps and stocking rates
3. Continued observations of forest health and monitoring for pests
4. Spraying for *Dothistroma pini* in infected forests

Key Management Activities for 2007

1. Complete second lift pruning operations in No. 44
2. Commence third lift pruning and thinning operations in No. 44, 45,46 and 47
3. Complete final audits in No. 44, 45,46 and 47
4. Continued observations of forest health and monitoring for pests
5. GPS and GIS mapping

Secondary Market Activity

Units Sold Since January 2006	8
Average Price	\$7,185
Price Range	\$6,000 to \$7,500

KEY

Pruned Height	The height above the ground of the lowest branch whorl remaining after the last pruning operation
Pruned SPH	Pruned Stems Per Hectare
DOS	Diameter Over Stubs – diameter over the largest whorl of branch stubs left on a tree after pruning.

Forest Manager's Comments:

Second lift pruning is now complete in Partnership 46 Tunnel Rock. All data collected from this operation show very positive results. There has been some very good growth rates in the 2000 Partnerships, the small areas of trees left to grow in Partnership 44 Millennium are now ready for second lift pruning.

Third lift pruning requires our contract crews to achieve a minimum pruned height of 6.2 metres with a minimum green crown of 4 metres remaining; intense quality control ensures these requirements are achieved. Third lift pruning has commenced in Partnership 47 Dunmore West and data collected to date show very positive results. Third lift pruning is scheduled to commence in Partnership 45 Centurion in early June 2007.

Grazing of Forest Partnerships keeps access ways open and also reduces the risk of fire. All contractors are required to have a minimum amount of fire equipment which include, (shovels, slashers, portable rega pumps (knap sack) and access to 80 litres of water. All Contractors and Crew bosses are qualified and trained in the basic Forest Fire control techniques

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Forest Data for 2001 Plantings

Partnership Name	Average Pruned Height (m)	Pruned SPH	Average DOS (cm)	Average Height 2006 (m)
Second Lift Pruning				
Dunmore North No. 48	4.8	398	18.5	9.2
Minormore No. 49	5.2	403	17.3	9.8
Jubilee No. 50*	5.0	352	18.2	9.5
Twin Rivers No. 51*	5.3	388	17.0	9.8
Headwaters No. 52*	5.2	378	17.6	10.4

* pruning not completed, data is progress to date

Key Management Activities Completed 2006

1. All first lift pruning completed
2. Second lift pruning has now commenced in all Partnerships with No's 48 and 49 now complete
3. GPS Mapping of forest boundaries, identify gaps and stocking rates
4. Continued observations of forest health and monitoring for pests
5. Spraying for *Dothistroma pini* in infected forests

Key Management Activities for 2007

1. Complete all second lift pruning
2. Continue observations of forest health
3. Identify and destroy pests

Secondary Market Activity

Units Sold Since January 2006	7	1
Average Price	\$6,950	\$4,100
Price Range	\$6,800 to \$7,000	\$4,100

KEY

Pruned Height	The height above the ground of the lowest branch whorl remaining after the last pruning operation
Pruned SPH	Pruned Stems Per Hectare
DOS	Diameter Over Stubs – diameter over the largest whorl of branch stubs left on a tree after pruning.

Forest Manager's Comments:

With all First lift pruning operations now complete in the 2001 Partnerships we are now aiming for the same positive results from the Second lift pruning. We expect to achieve a 5 metre average prune with an average stocking of 350 sph. Current data recorded to date from each Partnership is very pleasing and we are aiming to complete all second lift pruning this year.

All Partnerships continue to show very impressive growth rates and are continually monitored for any health concerns. In November a fixed wing aircraft sprayed small areas infected with the fungal disease *Dothistroma Pini*. *Dothistroma* thrives in a mild, humid climate and requires high volumes of rain before it becomes a major problem. A copper oxy-chloride mixture is used to combat this disease.

Grazing of Forest Partnerships keeps access ways open and also reduces the risk of fire. All contractors are required to have a minimum amount of fire equipment which include, (shovels, slashers, portable rega pumps (knap-sack) and access to 80 litres of water. All Contractors and Crew bosses are qualified and trained in the basic Forest Fire control techniques.

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Forest Manager

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Forest Data for 2002 Plantings

Partnership Name	Average Pruned Height (m)	Pruned SPH	Average DOS (cm)	Average Height 2006 (m)
First Lift Pruning Ducksfield No. 53 *	2.8	390	16.6	6.9
Glen Afton No. 54 *	3.0	394	18.8	7.3
Big Valley No. 55	2.9	382	16.2	7.2
Hidden Valley No. 56*	2.9	386	16.5	6.9

* pruning not completed, data is progress to date

Key Management Activities Completed 2006

1. Commence first lift pruning operations in all Partnerships
2. GPS mapping of forest boundaries, identify fences and tracks
3. Continued observations of forest health and monitoring for pests
4. Spraying for *Dothistroma pini* in infected forests

Key Management Activities for 2007

1. Complete first lift pruning operations in all Partnerships
2. GPS Mapping of forest boundaries, identify fences and tracks
3. Continued observations of forest health
4. Assess timing of second lift pruning operation
5. Identify and destroy pests

Secondary Market Activity

Units Sold Since January 2006	5
Average Price	\$6,800
Price Range	\$6,600 to \$7,000

Forest Manager's Comments:

Our pruning operations require regular supervision and monitoring, we also have a very strict Quality Control programme. Pruning prescriptions set out all requirements for Contractors and their Pruning Operators. For First Lift we are currently aiming for an average pruned height of 2.7 metres with a minimum Green Crown of 3.5 metres remaining, we also target an average pruned stocking of 350 (sph). First Lift Pruning Operations are well on schedule and all data collected to date show very positive results.

All partnerships have shown excellent growth rates over the past year. There have been no major health issues to report and ongoing pest control is keeping numbers down. Small areas of No. 53, No. 55 and No. 56 were aerial sprayed for the fungal disease *Dothistroma pini*, this disease occurs commonly in many King Country forests.

Grazing assists to keep access tracks open and also reduces the risk from fire, this is especially important during the drier months. All contractors are required to have a minimum amount of fire equipment which include, (shovels, slashers, portable rega pumps (knap-sack) and access to 80 litres of water. All Contractors and Crew bosses are qualified and trained in the basic Forest Fire control techniques.

GFM Ltd
Forest Manager

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Forest Data for 2003 Plantings

Partnership Name	First Lift Pruning	Average Height 2006 (m) Estimate
Greatwood No. 57	Scheduled to be pruned in 2007	6.5
Woodview No. 58	Scheduled to be pruned in 2007	6.5
Whitecliffs No. 59	Scheduled to be pruned in 2007	6.5
Pinegrove No. 60	Scheduled to be pruned in 2007	6.5
Pinegrove No. 61	Scheduled to be pruned in 2007	6.5

Key Management Activities Completed 2006

1. Assessment of forest health
2. Continued monitoring for pests and control where necessary
3. Assess timing of first lift pruning operation /Commence Pre-assessment data collection

Key Management Activities for 2007

1. Complete Pre-assessment data collection
2. Begin First Lift Pruning
3. GPS Mapping of forest boundaries, identify fences and tracks
4. Assessment of forest health
5. Continued monitoring for pests and control where necessary

Secondary Market Activity

Units Sold Since January 2006	10
Average Price	\$6,610
Price Range	\$6,000 to \$7,000

Forest Manager's Comments:

During the next twelve months first lift-pruning operations are scheduled to begin in all Partnerships. First lift pruning operations will target a 2.7 metre prune lift average ensuring each tree retains a minimum green crown of 3.5 metres, we also aim for an average stocking of 350 sph. All pruning operations require regular supervision and monitoring, all operations also involve a very strict Quality Control programme. Pruning prescriptions provided contain all necessary operational information for Contractors and their Pruning Operators.

There have been no major health issues to report and ongoing pest control is keeping numbers down. Small areas of No's. 57 and 58 were aerial sprayed for the fungal disease *Dothistroma pini*, this disease occurs commonly in many King Country forests. Foliage samples have been collected from a small area in Partnership No. 58 where trees are showing signs of a nutrient deficiency. Final test results will assist us with a remedial management plan.

We may also look at grazing the forests in the near future. The grazing process not only assists with operational work but also keeps grass short for the drier summer months when fire risks are greatest.

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Forest Manager

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Forest Data for 2004 Plantings

Partnership Name	First Lift Pruning	Average Height 2006 (m) Estimate
Wayleggo No. 62	Scheduled to be pruned in 2008	5.0
Scotts Bush No. 63	Scheduled to be pruned in 2008	5.0

Key Management Activities Completed 2006

1. GPS and GIS mapping of forest boundaries, tracks and fences
2. Continued monitoring for pests and control where necessary
3. Assessment of forest health

Key Management Activities for 2006

1. Assessment of forest health
2. Continued monitoring for pests and control where necessary
3. GPS and GIS mapping of forest boundaries, tracks and fences

Secondary Market Activity

Units Sold Since January 2006	3
Average Price	\$6,766
Price Range	\$6,500-\$7,000

Forest Manager's Comments:

We are pleased to report that all trees in the 2004 forests are showing excellent growth. The forests are very uniform in height and the spacing between trees is also good.

There have been no health issues to report which is pleasing, consistent monitoring by our staff enables us to deal with any health or pest problems immediately. We may also look at grazing the forests in the near future. The grazing process not only assists with operational work but also keeps grass short for the drier summer months when fire risks are greatest.

GPS mapping of the forests will continue this year in preparation for the first lift pruning operation. While this is still two years away it is important to establish and update mapping systems regularly.

GFM Ltd
Forest Manager

March 2007

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