



GREENPLAN

FORESTRY INVESTMENTS



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FORESTS REPORT

MARCH 2004

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Dear Greenplan Investors

Please find enclosed our Forests Report for 2004. You will find this useful in monitoring your forests' growth and development.

2003/2004 has been a full-on year. We have final-pruned and thinned a massive 1395 hectares in Partnerships 19 to 27. This was well in excess of last year's 885 hectares. In addition, all first and second lift pruning is up to date and a further 790 hectares were planted last winter.

Partners will recall that our previous Forest Manager left us in June 2003. Our new manager, Dave Pikia, and his team of Luke Kirk and Donaven Karaitiana, started in July and immediately picked up the task of organising and supervising our large operational program.

All of us here at Greenplan are impressed by the way they went about their task. In particular Dave Pikia, who actioned some worthwhile efficiencies and at the same time picked up the quality a notch or two. Our thanks to them all.

Growth-wise, the King Country weather has again been favourable with no dry spells, rain on demand and very little wind. Growth rates and forest health continue to be excellent.

Marketwise it has been a very confused year. Although our forests are at least 15 years away from harvest, current markets are still important in respect to new investment. The high New Zealand

dollar has certainly affected timber exports, as have higher shipping costs. These two factors have offset significant price gains in several important markets. So the end result has been to see a very flat trend line.

The most significant development we think is the purchase of New Zealand's largest forest, Kaiangaroa, by the Harvard University Endowment Fund, of the United States. As we've pointed out in newsletters, New Zealand now has the majority of its radiata forest owned by offshore interests, and more significantly much of it owned by passive investment groups. These groups do not have the same pressures to harvest that processing company's such as Carter Holt Harvey and Fletchers do. They can afford to wait for increased prices and more favourable market conditions before harvesting.

We believe this could change the dynamics of the industry and we think that will be very positive to your investment.

Until next year

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 2003 (cm)	Average Height 2003 (m)
Data recorded from Permanent Record Plots		
Arapito No. 1	28.8	17.9
Arapito No. 2	26.4	15.7
Arapito No. 3	21.0	16.3
Arapito No. 4	29.0	15.2
Arapito No. 5	32.0	18.0
Arapito No. 6	21.3	14.4
Arapito No. 7	29.5	16.0
Arapito No. 8	26.2	15.5

Key Management Activities Completed 2003

1. Observation of forest health
2. Pest control
3. PRP identified and data recorded

Key Management Activities For 2004

1. Continued observation of forest health
2. Identify and destroy pests
3. PRP data collection

Secondary Market Activity

Units Sold Since January 2003	1
Average Price	\$12,300
Price Range	\$12,300

Forest Manager's Comments:

The past year has seen very little activity in these forests. All operational work is completed and the trees have been left to grow. Operations staff have maintained an observatory role and have commented on how well the trees are growing and their good health.

We have also established "Permanent Record Plots" (PRP) to identify the growth rates within the forests. The recordings are listed in the table opposite. We will collect data each year from the same plots which will help us to forecast growth rates and potential yields.

Pest and health monitoring will continue within the forests and remedial action will be taken if required.

GFM Ltd
Forest Manager

March 2004

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

You can see more detail and photos of your forest at
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Forest Data for 1995 Plantings

Partnership Name	Average DBH 2003 (cm)	Average Height 2003 (m)
Data recorded from Permanent Record Plots		
Arapito No. 9	29.0	15.8
Arapito No. 10	23.8	16.5
Arapito No. 11	22.9	15.5
Arapito No. 12	26.8	15.9
Aratoro No. 13	26.0	15.0
Aratoro No. 14	23.4	14.6
Waipa Valley No. 15	27.4	16.2
Awakino River No. 16	25.4	15.8
Awakino River No. 17	30.5	16.1
Barkers No. 18	21.7	16.1

Key Management Activities Completed 2003

1. Observation of forest health
2. Pest control
3. PRP identified and data recorded

Key Management Activities For 2004

1. Continued observation of forest health
2. Identify and destroy pests
3. PRP data collection

Secondary Market Activity

Units Sold Since January 2003	8
Average Price	\$11,188
Price Range	\$10,500 - \$11,600

Forest Manager's Comments:

The past year has seen very little activity in these forests. All operational work is completed and the trees have been left to grow. Operations staff have maintained an observatory role and have commented on how well the trees are growing and their good health.

We have also established "Permanent Record Plots" (PRP) to identify the growth rates within the forests. The recordings are listed in the table opposite. We will collect data each year from the same plots which will help us to forecast growth rates and potential yields.

Pest and health monitoring will continue within the forests and remedial action will be taken if required.

GFM Ltd
Forest Manager

March 2004

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 Pruned Height (m)	Pruned SPH	Average DOS (cm) †	Average 2003 Height (m)
Third Lift Pruning and Thinning to Waste				
Awakino River No.19	6.7	378	16.5	12.0
Aratoro No.20*	6.8	346	22.8	12.4
Slab Hut No.21	6.8	356	15.8	12.3
Slab Hut No.22	6.6	350	15.3	11.3
Brakeside No.23*	6.7	353	-	12.1
River Road No.24*	6.9	400	-	13.2
Smiths No.25	6.8	374	-	13.3
Tin Whare No.26	7.0	390		14.4
Touchwood No.27*	6.7	404	-	14.5

Note: Data in the table is data collected during quality control.

† Final data will be available when the final audit is completed.

* Progress data, pruning not completed.

Key Management Activities Completed 2003

1. Commencement of third lift pruning and thin to waste
2. Third lift pruning in Partnerships 19, 21, 22, 25 and 26 completed
3. Thinning to waste in Partnerships 21, 22 and 25 completed
4. Assessment of forest health
5. Dothistroma spraying in affected forests

Key Management Activities For 2004

1. Complete thinning to waste in Partnerships 19, 20, 23, 24, 26 and 27
2. Complete final audit of partnerships
3. Continue to monitor forest health and pests

Secondary Market Activity

Units Sold Since January 2003	12
Average Price	\$9,679
Price Range	\$9,500 - \$9,750

KEY

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

Forest Manager's Comments:

The third lift and thinning to waste operations are almost complete in the 1996 forests. Pruning measurements have been collected and the results are within the target range. Once the final operations have been completed an audit will be performed by P F Olsen and Company Ltd - our Forest Consultant. The final audit is performed to ensure that the forests have been managed to an acceptable standard.

Once the audit is completed there will be no further operational work performed. These forests will be left to grow and we will continue to monitor growth and health.

The extreme weather conditions that occurred over the past month have caused no damage to these partnerships. In fact, the warm wet weather has probably aided tree growth.

As the trees get bigger and older the risks from pest damage and health infections is decreasing. A continual pest control programme is in place that includes continual monitoring. Forest mapping systems are updated regularly, these are used for recording forest information and identifying inventories.

GFM Ltd
Forest Manager

March 2004

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Forest Data for 1997 Plantings

Partnership Name	Average Pruned Height (m)	Pruned SPH	Average DOS (cm)	Average 2003 Height (m)
Second Lift Pruning (results from last operation)				
Arapito No.28	5.0	384	16.4	10.2
Rhodes No.29	4.9	377	17.0	9.8
Coach Road No.30	4.6	363	16.2	9.3
Moonlight No.31	4.3	388	15.8	8.6
Rim Rock No.33	4.8	382	16.5	9.7
Pig & Whistle No.34	4.7	380	15.3	9.2

Key Management Activities Completed 2003

1. Second lift pruning in all partnerships
2. GPS mapping of partnership boundaries and tracks
3. Pest control and assessment of forest health
4. Spraying for *Dothistroma pini* in affected forests

Key Management Activities for 2004

1. Commence third lift pruning and thin to waste
2. Perform final audit on completion of operations
3. Continue to monitor pests
4. Assessment of forest health

Secondary Market Activity

	1 Ha units	½ Ha units
Units Sold Since		
January 2003	8	5
Average Price	\$9,188	\$4,540
Price Range	\$8,500 - \$9,500	\$4,500 - \$4,600

Forest Manager's Comments:

Second lift pruning was completed in all 1997 forests prior to June 2003. The pruning operation was successful and the data collected was within the targeted range.

There have been no major health issues reported, other than small areas of the fungal disease *Dothistroma Pini*. Areas of infected trees were identified and remedial spraying has been performed.

The trees are showing excellent growth rates and are ahead of schedule for their final operation (third lift and thinning to waste), which is programmed to commence in May 2004. The extreme weather conditions experienced over the past month has caused no damage to these partnerships.

Monitoring for pests and forest health is ongoing with a program in place to identify and remedy situations if they arise. Forest mapping systems are updated regularly, these are used for recording forest information and identifying inventories.

GFM Ltd
Forest Manager

March 2004

KEY

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

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Forest Data for 1998 Plantings

Partnership Name	Average Pruned Height (m)	Pruned SPH	Average DOS (cm)	Average 2003 Height (m)
Second Lift Pruning Stockyards No.32		Commenced Mid March		
Cattlestop No.35		Commenced Mid March		
Gateway No.36*	5.1	361	16.9	9.4
Miners Creek No.37		Not Commenced		
Squires Creek No.38		Not Commenced		

* Progress data, pruning not completed.

Key Management Activities Completed 2003

1. Second lift pruning commenced in Partnerships 32, 35 and 36
2. Dothistroma spraying in affected partnerships
3. Assessment of forest health
4. Pest control and monitoring

Key Management Activities For 2004

1. Complete second lift pruning of partnerships
2. Continue health assessments
3. Continue to monitor and control pests

Secondary Market Activity

	1 Ha units	½ Ha units
Units Sold Since		
January 2003	2	3
Average Price	\$8,300	\$4,050
Price Range	\$8,300	\$3,800 - \$4,300

Forest Manager's Comments:

The second lift pruning operation has recently commenced in Stockyards No.32, Cattle Stop No.35 and Gateway No.36. Pruning in Miners Creek No.37 and Squires Creek No.38 will follow the other forests. The pruned data collected to date shows the operations are on target. We anticipate that the second lift will be completed in all partnerships around the middle of the year.

Dothistroma pini was identified in some areas of the 1998 forests. The fungus was sprayed with a copper oxychloride mixture during November. The results are pleasing and along with pruning the fungus has been controlled.

Monitoring for pests and forest health is ongoing with a program in place to identify and remedy situations if they arise. There have been no significant pest problems to report.

The extreme weather conditions experienced in February has caused no damage to any of these partnerships.

Forest mapping systems are updated regularly, these are used for recording forest information and identifying inventories.

GFM Ltd
Forest Manager

March 2004

KEY

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

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Forest Data for 1999 Plantings

Partnership Name	Average Pruned Height (m)	Pruned SPH	Average DOS (cm)	Average 2003 Height (m)
First Lift Pruning				
Jones No.39	3.3	360	19.3	7.6
Huntaway No.40	3.1	401	18.1	6.9
Boltaway No.41*	3.4	378	18.3	7.3
Clearwater No.42	3.2	364	19.1	7.5
Wild Boar No.43*	2.8	422	17.3	6.4

* Progress data, pruning not completed

Key Management Activities Completed 2003

1. First lift pruning in Partnerships 39, 40 and 42 completed.
2. Continue first lift in Partnerships 41 and 43
3. GPS and GIS mapping of partnerships
3. Dothistroma spraying in infected areas
4. Continued pest monitoring and control

Key Management Activities For 2004

1. Commence second lift pruning operation
2. Continue health assessments
3. Monitor and control pests
4. GIS mapping

Secondary Market Activity

	1 Ha units	½ Ha units
Units Sold Since		
January 2003	9	2
Average Price	\$7,477	\$3,700
Price Range	\$7,300 - \$7,500	\$3,600 - \$3,800

KEY

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

Forest Manager's Comments:

The first lift pruning operation commenced in the Huntaway No.40 forest in May 2003. Pruning in all other 1999 forests followed. You can see from the table that data recorded indicates the pruning operation has been performed to a high level and it is within the targeted range. First lift is now completed in all partnerships except for Boltaway No.41 and Wild Boar No.43, which are scheduled to be completed by April 2004.

Dothistroma pini was identified in a few areas in the 1999 forests. The fungus was sprayed with a copper oxychloride mixture during November. The results are pleasing and along with pruning the fungus should be well controlled. Monitoring of the forests for pests and forest health is ongoing with a program in place to identify and remedy situations as they arise. There have been no significant pest problems to report.

Forest mapping systems have been updated and new aerial photographs have been taken. This assists with pruning management and also records forest information and identifies inventories.

Pre-assessment for the timing of the second lift operation will be performed towards the end of the year.

GFM Ltd
Forest Manager

March 2004

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Forest Data for 2000 Plantings

Partnership Name	First Lift Pruning	Average 2003 Height (m)
Millennium No.44	Scheduled to be pruned 2004	4.0
Centurion No.45	Commenced March 2004	4.0
Tunnel Rock No.46	Scheduled to be pruned 2004	4.0
Dunmore West No.47	Scheduled to be pruned 2004	4.0

Key Management Activities Completed 2003

1. Continue health assessments of partnerships
2. Pre-assessment for timing of first lift
3. Dothistroma spraying on infected areas
4. Monitor and control pests

Key Management Activities For 2004

1. Commence first lift pruning operations
2. Pest control
3. GPS & GIS Mapping of Forests

Secondary Market Activity

Units Sold Since January 2003	15
Average Price	\$7,133
Price Range	\$7,000 - \$7,300

Forest Manager's Comments:

The partnerships planted during the winter of 2000 are scheduled to have their first lift pruning operation this year. The trees are growing well and small areas that were previously affected by wind blow have recovered.

There have been no significant health issues to report over the past year. Small areas of the Tunnel Rock No.46 forest were infected by the *Dothistroma pini* fungus. Trees have been sprayed with a copper oxychloride mixture to control the spread of the fungus.

Monitoring for pests and forest health is ongoing with a program in place to identify and remedy situations as they arise. There have been no significant pest problems to report.

Forest mapping is scheduled to be performed shortly. This will assist in the first lift pruning operation and will be used to identify forest inventories.

Grazing of the forests continues which helps to keep access tracks open and also reduces the risk from fire.

GFM Ltd
Forest Manager

March 2004

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Forest Data for 2001 Plantings

Partnership Name	First Lift Pruning	Average 2003 Height (m)
Dunmore North No.48	Scheduled to be pruned 2005	2.2
Minormore No.49	Scheduled to be pruned 2005	2.2
Jubilee No.50	Scheduled to be pruned 2005	2.2
Twin Rivers No.51	Scheduled to be pruned 2005	2.2
Headwaters No.52	Scheduled to be pruned 2005	2.2

Key Management Activities Completed 2003

1. Continued health assessments of partnerships
2. Monitor and control pests

Key Management Activities For 2004

1. Continue health assessments
2. Pest control
3. GPS & GIS Mapping
4. Pre-assessment for timing of first lift prune

Secondary Market Activity

	1 Ha units	½ Ha units
Units Sold Since		
January 2003	14	1
Average Price	\$6,978	\$3,250
Price Range	\$6,600 - \$7,300	\$3,250

Forest Manager's Comments:

We are pleased to report that the trees in the 2001 forests continue to show excellent growth and form. These forests are nearly 3 years old and they are on target for first lift pruning in mid 2005. Pre-assessment work will be performed in late 2004 to determine the timing for first lift pruning operation.

There have been no health issues to report which is pleasing. Weather conditions over the summer helped to control forest health and also aided tree growth. There has been no damage to these forests from the adverse weather experienced in February 2004.

Monitoring of the forests for pests is ongoing with a program in place to identify and remedy situations as they arise. There have been no significant pest problems to report.

Mapping of the forest will be undertaken throughout the year in anticipation for the first lift pruning operation in 2005. These systems are used for identifying forest inventory.

GFM Ltd
Forest Manager

March 2004

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Forest Data for 2002 Plantings

Partnership Name	First Lift Pruning	Average 2003 Height (m)
Ducksfield No.53	Scheduled to be pruned 2006	1.8
Glen Afton No.54	Scheduled to be pruned 2006	1.8
Big Valley No.55	Scheduled to be pruned 2006	1.8
Hidden Valley No.56	Scheduled to be pruned 2006	1.8

Key Management Activities Completed 2003

1. Establishment audit of survival and growth
2. Pest Control
3. Continued health assessments of partnerships

Key Management Activities For 2004

1. Complete Audit establishment of survival and growth
2. Continue health assessments
3. Pest control
4. GPS & GIS Mapping

Secondary Market Activity

Units Sold Since January 2003	5
Average Price	\$6,990
Price Range	\$6,750 - \$7,300

Forest Manager's Comments:

We are pleased to report that tree growth rates in the 2002 forests are excellent. The trees are looking uniform in height and there is good spacing.

During the extreme weather in February 2004 the Glen Afton forest was the only partnership to be significantly affected. Wind damaged the trees, however damage has been assessed and remedial work on affected trees is being undertaken. Our Forest Consultant has viewed the property and assures us that with the prescribed remedial pruning there should be no significant setback to the partnership.

Shortly an establishment audit will be undertaken in the 2002 forests to verify that the targeted stocking level is within the prescribed range. The audit will also assess survival rates.

There have been no health issues to report which is pleasing. Monitoring of the forests for pests is ongoing with a program in place to identify and remedy situations as they arise. There have been no significant pest problems to report.

GFM Ltd
Forest Manager

March 2004

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Forest Data for 2003 Plantings

Partnership Name	First Lift Pruning	Average 2003 Height (m)
Greatwood No.57	Scheduled to be pruned 2007	1.2
Woodview No.58	Scheduled to be pruned 2007	1.2
Whitecliffs No.59	Scheduled to be pruned 2007	1.2
Pinegrove No.60	Scheduled to be pruned 2007	1.2
Pinegrove No.61	Scheduled to be pruned 2007	1.2

Key Management Activities Completed 2003

1. Planting and releasing of forest partnerships
2. Pest Control
3. Mapping of tracks and waterways

Key Management Activities For 2004

1. Continue health assessments
2. Pest control
3. GPS & GIS Mapping
4. Audit establishment survival and growth

Secondary Market Activity

Units Sold Since January 2003	nil
Average Price	nil
Price Range	nil

Forest Manager's Comments:

We are pleased to report that the forests established during the winter of 2003 are showing excellent growth and form. Stocking rates throughout the forests are within the targeted range. A releasing programme was performed shortly after planting. This involved spraying competing weeds around each tree. The releasing programme was so successful that no further areas required a second release during the summer.

Shortly an establishment audit will be undertaken in the 2003 forests to verify that the targeted stocking level is within the prescribed range. The audit will also assess survival rates.

There have been no health issues to report which is pleasing. Monitoring of the forests for pests is ongoing with a program in place to identify and remedy situations as they arise. There have been no significant pest problems to report.

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Forest Manager

March 2004

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