

Regulatory Story

[Go to market news section](#)



Company	Phaunos Timber Fund Limited
TIDM	PTF
Headline	Interim Management Statement
Released	09:45 16-Oct-2009
Number	9028A09

RNS Number : 9028A
Phaunos Timber Fund Limited
16 October 2009

16 October 2009

Phaunos Timber Fund Limited - Interim Management Statement

Phaunos Timber Fund Limited ("Phaunos" or the "Company") the Authorised Closed-ended investment scheme managed by FourWinds Capital Management established to invest in timberland and timber-related assets on a global basis, today issues its Interim Management Statement for the period from 1 July 2009 to 30 September 2009.

Financial Position and Performance

The Company continues to implement its investment programs and has built the necessary in-country infrastructure needed to do so. At 30 September 2009, the Company had invested US\$221.2 million toward the total portfolio commitments of \$680.1 million. The Company's pipeline of investment opportunities is strengthening as capital markets in general tighten and eliminate alternative funding sources for project managers.

At 30 September 2009, the Company held US\$350.0 million of liquid assets to fund its commitments and its future investment pipeline. Of that US\$350.0 million, US\$159.4 million was held in US Treasury Bills, US\$21.8 million was held in the operating companies' bank accounts to support planned investments and working capital and the balance was invested by the Company in short term deposits.

Portfolio Summary

At 30 September 2009, the Company had committed to the following projects totalling US\$680.1 million:

- US\$36.4 million investment in Greenwood Tree Farm Fund LP by Phaunos US Inc., a wholly owned subsidiary, for investment in the Northwest US of which US\$31.9 million was drawn down at 30 September 2009.
- US\$10.1 million to National Timber Partners' Timber Plus+ Fund I, LP investment partnership, investing in the Southeast US, of which US\$10.1 million (net of fees and distributions) was drawn down at 30 September 2009.
- US\$37.9 million by way of minority interest in Aurora Forestal Limited, a joint venture formed in northern Uruguay owning pine plantations and a sawmill, of which US\$ 32.7 million was drawn down at 30 September 2009.
- US\$6.8 million in Caldrey SA to provide forestry services to the growing timber management industry in Uruguay of which US\$4.9 million was drawn down at 30 September 2009.
- US\$5.9 million (€4.0 million) in the form of an interest bearing loan note to the Dutch foundation, Masarang, operating in Indonesia, all of which had been drawn down at 30 September 2009.
- US\$13.0 million to Forest Enterprise doo to establish a wood pellet plant in Serbia. US\$11.5 million was drawn down at 30 September 2009.
- US\$30.0 million to Pradera Roja for a greenfield plantation project in Uruguay to be planted with fast growing eucalyptus for both the fibre and sawn wood markets. US\$26.3 million had been drawn down at 30 September 2009.
- US\$150.0 million to Eucateca SA, a joint venture partnership with a timberland management company in Brazil for the purchase and establishment of teak and eucalyptus plantations in Mato Grosso. US\$47.5 million had been drawn down at 30 September 2009.

- US\$200.0 million to Green China Forestry Company Limited, a joint venture in China to grow fast-growing species in plantations. US\$4.4 million had been drawn down at 30 September 2009.

- US\$50.0 million to Romfor Timber SRL and BaltFor Timber OU, two wholly owned operating subsidiaries for investment in mature timberland in Eastern Europe. US\$9.5 million had been drawn down at 30 September 2009. As reported in the Interim Report, the Company continues to be very cautious in these markets and currently has reallocated \$100.0 million of the original \$150.0 million commitment in this region until the market stabilizes.

- US\$40.0 million to Phaunos Norge SA, a wholly owned subsidiary which

holds Phaunos' investment in Green Resources AS, a Norwegian company with extensive forestry assets in East Africa. US\$36.4 was drawn down at 30 September 2009.

- US\$100.0 million to a wholly owned operating subsidiary, Mata Mineira, for investment in mature timberland in Minas Gerais, Brazil. US\$.025 million had been drawn down at 30 September 2009. The Company increased its commitment to the project from \$25.0 million to \$100.0 million due to greater than expected opportunities in the region.

Material Events and Transactions in the period from 1 July 2009 to 30 September 2009

On 1 July 2009, the Company announced further repurchases of 300,000 ordinary shares in the capital of the Company. Shares repurchased at 1 July 2009 total in aggregate 4.1 million shares (all of which are held in treasury).

On 20 July 2009, the Company announced a NOK20.0 million (approximately US\$3.1 million) interest bearing loan by Phaunos Norge SA to Green Resources AS. The loan will be used to establish additional plantations and working capital.

On 7 August 2009, the Company announced the purchase of two new investments by Pradera Roja in Cerro Largo, Uruguay. The two investments are 1,600 hectares and 300 hectares of land for development as eucalyptus plantations.

On 28 September 2009, the Company announced the purchase of additional shares of Green Resources AS for NOK13.9 million (approximately US\$2.4 million) by Phaunos Norge SA.

Events since 30 September 2009

On 13 October 2009, the Company announced that it intended to conduct a review of strategic options to address the issue of the discount to net asset value at which the Company's Ordinary Shares trade. The Company intends to discuss alternatives with major shareholders in the coming weeks and to take legal, financial and tax advice. The statement confirmed that the Company expects to make a further announcement before the end of November.

On 15 October 2009, Phaunos Norge SA subscribed early for the share purchase planned for November 2009 in Green Resources AS for NOK30.0 million (approximately US\$5.45 million). The balance will be subscribed as planned in November.

Important Information

This Interim Management Statement has been produced solely to provide additional information to shareholders of the Company to meet the relevant requirements of the U.K. Listing Authority's Disclosure and Transparency Rules. It should not be relied upon by any other party for any other purpose. The information in this statement has not been audited.

The Company is a Guernsey domiciled Authorised Closed-ended investment scheme pursuant to section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and rule 6.02 of the Authorised closed-ended Investment Schemes Rules 2008.

The information related to the Company included in this statement is provided for information purposes only and does not constitute an invitation or offer to subscribe for or purchase shares in the Company. This material is not intended to provide a sufficient basis on which to make an investment decision. All investments are subject to risk. An investment in the Company should be regarded as long term in nature and is suitable only for sophisticated investors, investment professionals, high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts, in each case, who can bear the economic risk of a substantial or entire loss of their investment. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

www.phaunostimber.com

Further enquiries:

FourWinds Capital Management, Investment Manager

Kimberly Tara
Liane Luke

info@fourwindscm.com

Shore Capital, Corporate Broker

Guy Peters +44 (0)20 7408 4090

Citigate Dewe Rogerson, PR Advisor

Sarah Gestetner /Lindsay Noton +44 207 638 9571

HSBC Securities Services (Guernsey) Limited

Administrator and Secretary +44 (0) 1481 707 000

END OF ANNOUNCEMENT

E&OE - In Transmission

Notes to Editors:

The Company's investment objective is to provide shareholders with attractive long term total returns, predominantly expected to be in the form of capital appreciation but with some income, through a diversified portfolio of timberland and timber-related investments.

FWCM has now built a team of eleven dedicated professionals to manage the Company. The team includes forestry, financial, audit and tax professionals, and represents multiple cultures in which the Company is investing.

This information is provided by RNS
The company news service from the London Stock Exchange

END

IMSGUGGCUUPBURQ

CLOSE

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

©2009 London Stock Exchange plc. All rights reserved

Regulatory