



Phaunos Timber Fund Limited - PTF
Shareholder Update
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Phaunos Timber Fund Limited
06 August 2015

Phaunos Timber Fund Limited

(the "**Company**")

August 6, 2015

Shareholder update

Phaunos Timber Fund Limited (Phaunos) is pleased to announce today that agreement in principle has been reached with Rayonier, Phaunos' joint venture partner in the Matariki Forestry Group (Matariki JV), for Rayonier to provide a capital infusion for the repayment of all outstanding amounts under its existing NZD 235 million credit facility and for general purposes. The investment by Rayonier into the Matariki JV is subject to certain closing conditions, including New Zealand Overseas Investment Office approval and the preparation of customary transaction documents. The transaction is expected to close by the end of 2015 and is estimated to realize interest cost savings for the Matariki JV of approximately NZD 15 million per annum.

Stephen Addicott, a Partner of Stafford Capital Partners, the manager of Phaunos, said "The reduction of the Matariki JV debt has been a key objective for both the directors of Phaunos and Stafford Capital Partners since the latter became manager in July 2014. The transaction, based on Matariki's net asset value is not expected to involve any loss of value or loss of rights under the existing shareholders agreement. While the capital injection will reduce Phaunos' interest in Matariki from 35% to 23%, the interest payment savings will assist the provision of more reliable dividends to Phaunos from this cornerstone, high quality investment".

In addition, as described in the Company's announcement on 29 June 2015, a number of individual property sales from within the Pradera Roja and Eucateca teak estates are being negotiated. On the basis that all of the transactions are completed, total proceeds are expected to be in the order of USD 6m with prices consistent with the December 2014 net asset values. Interested parties are currently undertaking due diligence.

Enquiries:

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Phaunos Timber Fund Limited (Chairman)

Sir Henry Studholme

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Notes to Editors

The Company is a Guernsey-domiciled authorised closed-ended investment scheme authorized by the Guernsey Financial Services Commission under section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) and the Authorised Closed-ended Investment Schemes Rules 2008 made thereunder.

Its ordinary shares are listed on the Main Market of the London Stock Exchange. Its investment objective is to provide shareholders with attractive long term total returns, expected to be in the form of capital appreciation but with some income, through a diversified portfolio of timberland and timber-related investments.

Stafford Capital Partners Limited, a specialist international timberland manager with timberland assets under advice and management of US\$2.0 billion, was appointed as Manager on 1 July 2014. (www.staffordcp.com)

The Company is currently fully invested in international timberland and timber-related investments.

The Company's ticker is PTF.

Website www.phaunostimber.com

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

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