



Phaunos Timber Fund Limited - PTF
Shareholder Update
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Phaunos Timber Fund Limited
08 December 2014

Phaunos Timber Fund Limited

(the "**Company**")

8 December 2014

Shareholder update

A presentation to update shareholders on, the manager, Stafford Timberland's assessment of the portfolio and its intended operational approach is now available on the Company's website (www.phaunostimber.com). In summary the presentation covers the following:

1. Stafford has completed its assessment of required operational changes. Implementation of these changes will take less than a year and are expected to save a further USD 3-4m of costs per year. Management is also focusing on increasing near-term harvesting revenue;
2. Year-end NAV is expected to be lower and in the range USD 330-360m (approximately 58-63 cents per share) reflecting foreign exchange translation losses resulting from a strengthened US Dollar and the Manager's considered assessment of the value of some of the higher risk properties;
3. Selective disposals will continue to be targeted but only at appropriate prices; and
4. By the end of 2015, Phaunos is expected to be operationally cost efficient. Subject to market development, harvesting revenues have the potential to provide surplus revenues available for distribution to shareholders but at this stage no guidance can be given as to the timing or size of distributions.

Enquiries:

Stafford Timberland (Manager)
Michael Goodfellow

michaelgoodfellow@staffordcp.com
+44 (0)20 7535 4915

Winterflood Investment Trusts (Corporate Broker)

Joe Winkley

+44 (0)20 3100 0301

Phaunos Timber Fund Limited (Chairman)

Sir Henry Studholme

info@phaunostimber.com

Notes to Editors

The Company is a Guernsey-domiciled authorised closed-ended investment scheme authorised 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 Timberland Limited, a specialist international timberland manager with timberland assets under advice and management of US\$2.0bn, was appointed as Manager on 1st July, 2014. (www.staffordcp.com)

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

Key regions are:

New Zealand, where Matariki is located, which is the largest investment in the portfolio. Matariki provides softwood timber to the domestic New Zealand Market and Asian markets including China.

Brazil and Uruguay, where investments provide (amongst other things) charcoal for steel production, fiber for pulp production and timber for domestic and the US housing markets.

At the time of making the investments it was the stated intention to seek investments that meet or exceed the guidelines set out in the Sustainable Forestry Initiative and, wherever possible and practicable, to certify the lands under the Forest Stewardship Council guidelines. Where investments are not yet certified, Stafford will focus on, either ensuring that they become so or if not appropriate, that the management regime is of a similarly high standard.

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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