



**JOHN
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LIMITED**

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Vincero Holdings Ltd
Attention:

Dear

FOREST VALUATION – VINCERO HOLDINGS LTD

Vincero Holdings Ltd have requested a tree crop valuation as at September 2018 for Sale Purposes. The forest comprises of 51.1 ha of predominantly Radiata Pine planted in between 2004 and 2018 with a variety of silvicultural work being undertaken depending on age.

There are some small areas of Cupressus lusitanica (stand 0403 & mixed with radiata pine in stand 1202) which have had a zero value attributed to them due to an uncertain market, lower recovered volume at harvest and increased cost. This has minimal impact on the final valuation due to the area (0.6 & 0.7ha) and age (4 & 14 years old) of these stands.

4.1ha of mature Radiata pine (Stands c/up 01, 02 & 03) have also been attributed zero value due to the poor quality of the trees yielding mainly pulp logs with a negative stumpage.

A summary of the forest value by stand is contained in table 1 as follows:

Table 1: Vincero Forest Value by Stand

Stand	Area (ha)	Planted	Species	Value/ha	Value	Notes
0401	0.9	2004	P.Rad	\$8,999	\$8,099	High pruned and two thins
0402	1.8	2004	P.Rad	\$8,999	\$16,198	High pruned and two thins
0403	0.7	2004	C. Lusitanica	\$0	\$0	Minor species so zero value
1201	9.1	2012	P.Rad	\$3,185	\$28,983	One pruning lift + 1 thin
1202	1.2	2012	P.Rad/Lucitanica	\$1,592	\$1,911	One pruning lift + 1 thin - assume 50% value due to minor species
1203	1.6	2012	P.Rad	\$3,185	\$5,096	One pruning lift + 1 thin
1401	1.5	2014	P.Rad	\$1,463	\$2,195	Untendered
1402	9.1	2014	P.Rad	\$1,463	\$13,315	Untendered
1403	1.3	2014	P.Rad	\$1,463	\$1,902	Untendered
1801	17.6	2018	P.Rad	\$1,300	\$22,880	Untendered
1802	2.2	2018	P.Rad	\$1,300	\$2,860	Untendered
c/up 01	0.2	n/a	P.Rad	\$0	\$0	Coastal forest, zero value.
c/up 02	2.8	n/a	P.Rad	\$0	\$0	Coastal forest, zero value.
c/up 03	1.1	n/a	P.Rad	\$0	\$0	Coastal forest, zero value.
51.1				\$2,024	\$103,439	

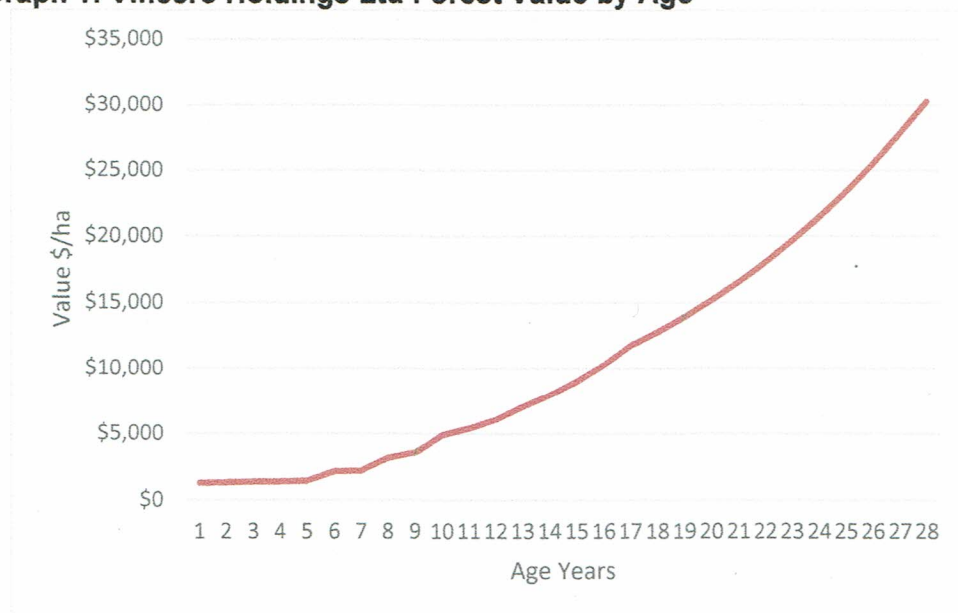
The forest is located on Muhunoa West Road, west of Ohau township on moderately undulating coastal sand country.

John Turkington Limited (JTL) confirms that the forest seems in good health.

To calculate value JTL has utilised accepted forest valuation process for multiple age class forests with costs compounded, harvest revenue discounted, and the two value curves merged between ages of 7 and 16 at a rate of 10% per year.

The resulting value curve of the blocks are represented on Graph 1 below:

Graph 1: Vincero Holdings Ltd Forest Value by Age



Projected value at harvest has been estimated by utilising industry standard yields and costs for coastal sand country and 12 month average log prices. Final harvest value at age 28 is estimated at \$30,287/ha net of costs and excluding GST.

Interest rates used were as follows:

Compounding rate: 3% per annum

Discounting rate: 9% per annum

JTL is independent of the forest ownership

John Turkington Ltd currently harvests and markets over 700,000 tonnes of logs per annum.

Kind regards

Mike Strang B.For.Sc.

John Turkington Ltd

Forestry and Land Use Management Consultant

Disclaimer.

The purpose of this report is to provide a valuation of tree crop for possible sale and it was commissioned by Vincero Holdings Ltd. Sources of information in the report include mapped stocked areas, estimated harvesting and roading information from John Turkington Ltd, and forest management records from Peter Lissington.

The legal status of land ownership has not been checked as part of this forest valuation.

John Turkington Ltd accepts no liability for use of this valuation or any of the information

contained herein for any purpose other than that stated above. Whilst John Turkington Ltd has endeavoured to use realistic inputs there is no guarantee or promise that the actual yields, costs and revenues will be the same as those shown in this valuation. The results of the valuation are based on prevailing information at the time of this report and no responsibility is taken for future changes that may or may not change the value over time.

In this valuation of trees, no value has been attributed to land or carbon.