

Successful Forestry Investment Beats Market

The Forestry Investment Plan Plc (FIP) has matured after its ten-year investment period and has generated a net tax free compound rate of return of 6.2% per annum for its investors following a very successful open market tendering process which generated interest from a number of significant forestry companies. In stark contrast, the Irish stock market fell by 65% from 2007 to 2010.

Despite the worst economic downturn since the Great Depression of 1929, the Forestry Investment Plan has proved

"forestry assets weather severe economic storms"

that forestry assets weather severe economic storms very well and confirm forestry's low correlation to equity markets.

This is the first in the series of Irish Forestry Funds to mature and the FIP launched in November 2000. It uniquely offered investors a shorter forestry investment duration of ten years combined with capital life assurance through Canada Life to a maximum of IR£100k without the requirement of a medical

"above market returns"

examination for the investor. The Forestry Investment Plan was the only Irish Forestry Fund to have life assurance included as a product element.

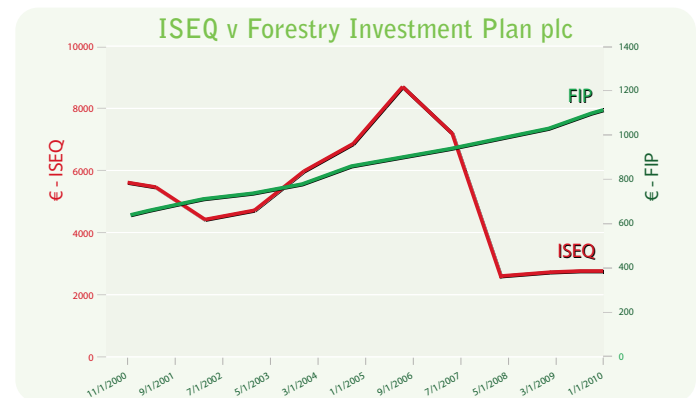
The Forestry Investment Plan had a well balanced and diversified portfolio of high-quality forestry assets with an average Yield Class of 22. A combination of good forestry management techniques and an acquisition strategy based on careful and professional site selection ensured that positive investor's returns were delivered.



Over the next eighteen years, twenty eight Irish Forestry Funds

"careful and professional site selection"

will mature for our investors and we look forward to continuing to deliver above-market returns.



THE TENTH FORESTRY GROWTH PLAN PLC

The Power of Real Growth

- Tax Efficient investment
- Minimum Lump Sum investment €750
- 12 year investment period
- Managed by IFS Asset Managers Ltd
- 6.75% projected rate of return*

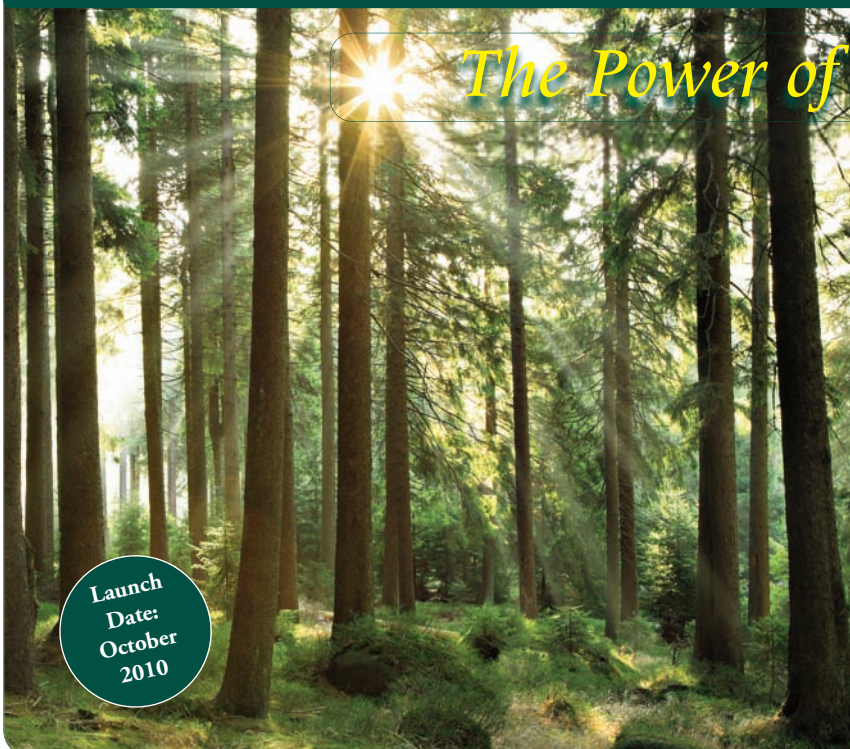
The Tenth Forestry Growth Plan Plc is open for subscription to Irish residents only.

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*past performance is no guarantee of future returns



Providing you with continuous innovation in Irish forestry investment



Launch
Date:
October
2010

Forestry Funds Harvesting Revenue Increases

The Irish Forestry Funds have begun harvesting semi-mature forestry on an increasing number of their forestry sites around the country. In some instances this will be the last thinning operations prior to clear felling some forests which will subsequently be replanted in accordance with Irish legislation.

Prices achieved for first and second thinnings have dramatically increased over the past few years from

“prices have dramatically increased over the past few years”

€2.50 per metric tonne to their current level of €12. This is largely as a result of the increasing demand for woodchip as a fuel source and the increase in the number of Combined Heat and Power (CHP) units which have been installed in large commercial buildings and hotels over the past five years.



Legislation has already been introduced in the UK to force electricity producers to co-fire fossil fuel (such as coal and peat) with renewable fuel which includes, among other sources, wood chip. As energy from sustainable sources is high on the agendas of most governments around the world, there is an increasing focus of interest in growing commercial timber as a fuel source and reducing reliance on imports and significantly reducing carbon emissions. The Irish government is in the process of introducing similar legislation.

Forest revenues are significantly up in the International Forestry Fund, which is also managed by IFS Asset Managers, following the harvesting of a proportion of its Scottish forestry holdings which will yield the equivalent of 46% gross of its original purchase price within its first year which is truly exceptional.



THE
INTERNATIONAL
FORESTRY FUND

Timber shortage drives dramatic Irish timber price increases

Earlier in the summer, The Farmers Journal reported that Irish timber prices have escalated in 2010 defying most market trends, considering the dramatic downturn in construction during the worst recession since 1929.

Timber prices dipped from late 2008 and into the first half of 2009 but this situation has since been reversed and dramatic increases have been recorded this year.

There are two sources for timber prices in Ireland. Private sale prices are supplied by the Irish Timber Growers Association (ITGA), whilst Coillte provide prices for sales to sawmills and are an accurate barometer of price trends in Ireland.

The increase in timber prices is not just confined to Ireland. Log prices have increased internationally, especially in the northern hemisphere including North America, the Nordic countries, central Europe and Britain.

Canadian and western North American processors are looking to Asia rather than domestic markets where China

has eclipsed Japan as the main market for softwoods.

However, it is log shortages rather than demand that is driving price upwards, both for logs and finished product. Irish processors compete successfully in the British market and have increased exports considerably for a range of products, including construction, fencing and pallet.

Irish sawmills are also experiencing shortages in supply of suitable logs. Mills have part-filled this deficit by importing logs from Scotland. This is not an easy task especially as they

“maximize the value of their forests”

now have been joined by German buyers who also have difficulties in sourcing suitable logs.

Irish timber growers are now in a strong position to maximize the value of their forests from thinning and clearfell operations.

(source: Farmers Journal 29th May 2010)

Winner of IFS Asset Managers & Institute of Photography Competition Announced



Mr. Dave McKane of the Institute of Photographers awarded the first prize in the IFS Asset Managers & IOP Forestry Photograph competition to Joanne Dunne for her wonderful photograph, pictured below right, entitled “The Future of Forests”. Joanne has now received the award of first prize of a free course at the Institute of Photography, Ireland’s leading photography institute.



THE FUTURE OF FORESTS

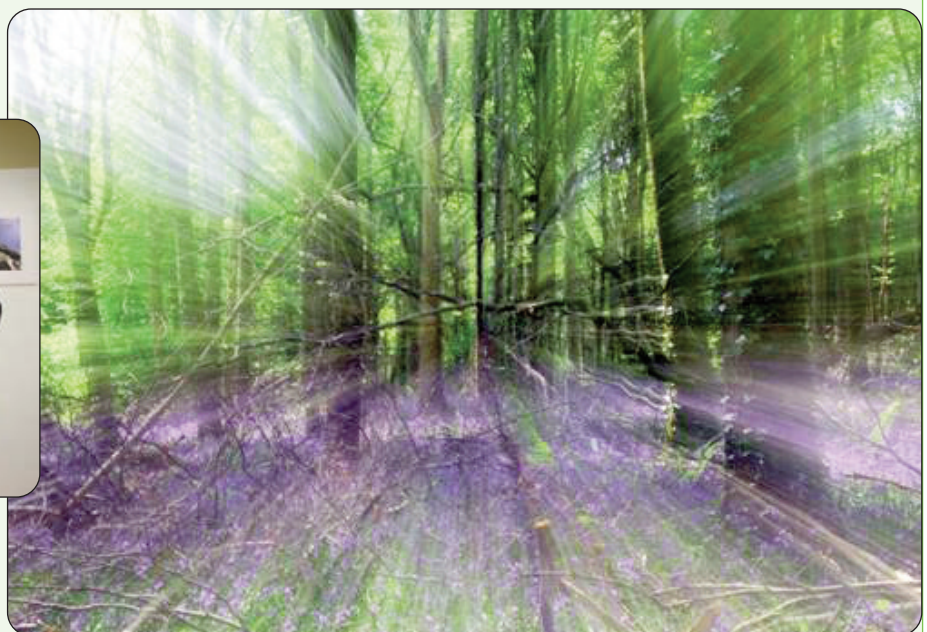


Dave McKane and Joanne Dunne

Trevor McHugh of IFS Asset Managers stated that he was delighted at the fact that the competition had generated 479 entries and said that he was looking forward to co-sponsoring next year’s event to celebrate the beauty and social importance of Irish forests. “We are keen to promote forestry as much as we can, both as an important investment asset class through the Irish Forestry Funds and also as a wonderful source of amenity for all Irish people to enjoy and to cherish for future generations”.



Paul Brosnan, Dave McKane, Imelda Casey and Trevor McHugh



The Runner-up prize was won by Imelda Casey, pictured above left, with Paul Brosnan, Chairman of the Irish Forestry Funds, Trevor McHugh Managing Director of IFS and Dave McKane of the Institute of Photographers in the Royal Marine Hotel in Dun Laoghaire where an exhibition of the finalist’s work was held.

IFS Asset Managers partners with Gorta as their Charity of Choice

IFS Asset Managers Limited and The Irish Forestry Funds have partnered with and are very proud of our association with Gorta. We are happy to promote the invaluable work Gorta undertakes in benefitting and improving the lives of people in sub-Saharan Africa and India.



Gorta has supported over 2000 programmes since its foundation in 1965. All programmes are concentrated in the most needy areas and are aimed at benefitting the poorest of the poor with emphasis on food security, empowerment of women and improving the health of children to ensure growth and development. Gorta works in five countries in sub-Saharan Africa, which include Kenya, Uganda, Malawi, Tanzania and Zambia and with two strategic partners in India and The Gambia. The projects that Gorta select are concentrated in the five specific programmes areas of livelihoods, food security, water security, health and education. While working within these areas, projects funded by Gorta also aim to work towards the Millennium Development Goals.

There are many methods of structuring development initiatives. However, Gorta's long experience has found that the programmes system works best. By identifying a single task or group of tasks which can be managed together, the outcomes and benefits are clearly identified and the cost and risk associated is quantified. Donor funds can then be effectively allocated and project objectives can be measured to ensure that they are achieved.

There is extensive involvement of the local community and Gorta's local partners help to design, implement, own and manage their own projects.

IFS is honoured to be associated with Gorta and to help promote their invaluable work in Africa.

www.gorta.org

gorta
make hunger history

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Native Irish Elderberry (Sambucus nigra)



The Elderberry is a deciduous native tree which can reach up to seven metres in height and approximately three metres in spread. This fast-growing species can be found on wild on limey, nitrogen-rich soils, within hedgerows, on scrubland, woodland edges and throughout many farmyard areas and the species is popular throughout the country.

In Irish folklore and legend, the Elderberry tree was viewed as unlucky and indicative of a cursed or barren place. The scented leaves of the elder were often used as a natural insect repellent and rubbed on the skin and hair to keep the flies at bay.

Elderberry wood is a soft, white, fine-grained and easily polished timber with a low calorific content for fuel. It blooms in June and July and its fruits, which ripen in August and September are juicy dark purple berries. Elderberries are used to add flavour and colour to wine, jams, sauces and chutneys.

The Elderberry is a pioneer species arriving through droppings from passing birds. It does hold a valuable place throughout our history as a medicinal plant. Dubbed by some as 'the medicine chest of the country folk', extracts from the elders bark, leaves, flowers, fruits and root were used to treat every ailment from burns to respiratory problems.

Change of Address or email



Don't forget to let us know if you change your address or email.

It is important that shareholders notify the Registrar in writing if changing address. Please remember to include Share Certificate Numbers and your signature on all correspondence. If you do not wish to remain on our mailing list please contact us and we will remove your details immediately.

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Let us know what you would like to read about in our next newsletter - contact us at info@irish-forestry.ie

Spread the Word !

The Irish Forestry Funds are designed to encourage and promote Irish forests to Irish people through collective ownership in order to ensure that the tax efficiencies inherent in commercial forestry are available to as wide an audience as possible.

Whilst you may not wish to take advantage of investing in the Tenth Forestry Growth Plan, which is due to be launched in October, you can help promote forestry ownership by passing this newsletter and any other published material to someone you know - recycling at its best!