

Press release

April 27, 2012. Riga, Latvia

The 1st international conference on investment in forests in the Baltic Sea region – INVEST IN FOREST - was very successfully held this week on April 24th-25th in Riga, Latvia.

The 2 day conference brought together 150 professionals and decision makers from forest and related industries in Europe as well as a representative from European Commission.

Conference focused on important issues in the industry and region: timber market prices, forest valuation and sustainable investing.

Industry's main players were represented at the conference including UPM Kymmene Corporation, Skandia Life Insurance Company, Stora Enso, Sveaskog, Euromediana, Norvik timber industries, IWC, Dasos Capital, Hede Baltic, Lemeks, Holmen, Toftan, Tornator, Finnish Forest Association, Skogssällskapet, Latifundium Management GmbH, GFA Consulting Group GmbH, KSM Baltics, LAWIN, KPMG, Ernst&Young, SEB, Swedbank, DNB bank.

Distinguished speakers included local and international experts: Karl Danielsson, Chairman of Swedish Areal, Kristine Kozlova, Policy Officer European Commission, DG ENERGY and TRANSPORT, Aigar Kallas, CEO of Estonian State Forest Company (RMK), Carl-Gustaf Wachtmeister, Chairman of Danish Ingleby Farms and Forests, Paul Hol, Executive Director of FORM valuation, Anders Dahlqvist, Vice President Sales of Sveaskog, S.E. Johannes Graf Fugger-Babenhausen, Senior banker from Fürst Fugger Privatbank KG.

Aigar Kallas from Estonian State Forest Company (RMK) shared experience on Estonian government subsidation strategy that created a new industry of bioenergy production. Currently 16% of all energy consumption in Estonia is bioenergy that is used in power plants in major cities.

Karl Gustaf Wachtmeister, Chairman of a worldwide group of family farms Ingleby Farms and Forests view investments in land and forest as long term only. Their experience investing in 4 continents show that one has to asset an extra 30% of the land price for unexpected expenses when investing in a new country. He also expressed that it is hard to foresee return on capital on speculative land investments.

Anders Dahlqvist represented Swedish Sveaskog's opinion that in coming years increase in timber price will remain higher than the inflation rate in Baltic Sea region countries. Increase in demand for energywood will contribute the most to the timber market prices.

As discussed in a panel by financial consultants, forest owners and investors, forestland price in Baltic countries (Latvia, Lithuania and Estonia) will remain 3-4 times lower comparing to Sweden in nearest years. The underlying reasons being ownership structure of forestland (many small owners) and state of forest quality. But for the current price, interest from investors remains.

INVEST IN FOREST conference is a private initiative by Latvian company InvestForest in cooperation with Swedish Areal and Catella Corporate Finance in the Baltics. Contributing partners of the Conference are Stockholm School of Economics in Riga, Riga City council and Glimstedt & Partners, Baltic Law firm.

The Conference is planned as an annual forum gathering forest and forest investment professionals. You are welcome to contribute to the organization of the next Conference that will be held in April 2013 by sending in your proposals and papers to managing director Inese Antonevica at inese.antonevica@investforest.com.