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## Decision Summary

### Case: 200920018

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<b>Decision</b>	Consent granted Section 12(b) Overseas Investment Act 2005
<b>Decision Date</b>	25 September 2009
<b>Investment</b>	An overseas investment in sensitive land, being the Applicant's acquisition of up to 100% of the forestry estate and other assets of the Mangakahia Joint Venture, including a freehold interest in 27,140.9101 hectares of land near Dargaville.
<b>Asset Value</b>	<b>CONFIDENTIAL</b>
<b>Applicant</b>	<b>Mangakahia Forest Land Limited</b> United States of America (40.0%), Saudi Arabia (23.5%), Denmark (21.0%), Australia (6.0%), Switzerland (5.0%), Various (4.5%)  The Applicant is a wholly-owned subsidiary of GFP Mangakahia Forest Venture Limited which is ultimately wholly-owned by institutional investors in the Global Timber Investors Fund Number 6 (GTI 6 Fund) which is an investment fund advised by Global Forest Partners LP together with other institutional investment funds advised by Global Forest Partners LP
<b>Vendor</b>	<b>Mangakahia Forest Limited and Mangakahia Forest Management Limited</b> Canada (16.3%), United States of America (35.61%), Australia (14.04%), Saudi Arabia (11.75%), Denmark (10.5%), Norway (7.05%), Switzerland (2.5%), Various (2.25%)
<b>Background</b>	GFP Mangakahia Forest Venture Limited (MFVL) and NZ Forest Products Limited (NZFP) each hold a 50% interest in the Mangakahia Joint Venture which owns the forestry estate.  Each of MFVL and NZFP holds its 50% interest in the Joint Venture by holding 50% of the shares in Mangakahia Forest Limited (MFL) which owns the land for the Joint Venture and 50% of the shares in Mangakahia Forest Management Limited (MFML) which is the management company for the Joint Venture and holds all of the other assets including the trees on trust for, and as agent for the Joint Venture parties.  The joint venture parties have agreed to dissolve the Mangakahia Joint Venture to enable them to manage their interest independently thus freeing their investment from the constraints inherent under Joint Venture ownership. Pursuant to a Partition Agreement the parties propose to unwind the Joint Venture and divide the land and assets comprising the Forest Estate into four approximately equal units. Both the Applicant and NZ Forest Products Limited (refer Case 200920023) will each acquire two units being approximately 50% of the Joint Venture assets. As at the date of this application it has not yet been established which units of the Forest Estate will be acquired by the Applicant, therefore the Applicant seeks consent to acquire up to 100% of the land in the Forest Estate.

The overseas investment transaction has satisfied the criteria in section 16 and 18 of the Overseas Investment Act 2005. The 'substantial and identifiable benefit to New Zealand' criteria were satisfied by particular reference to the following factors:

- Overseas Investment Act 2005
  - 17(2)(f) – Offer to sell river bed to the Crown
- Overseas Investment Regulations 2005
  - 28(c) – Affect image, trade or international relations
  - 28(e) – Previous investments
  - 28(f) – Advance significant government policy or strategy.

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