

**Cambium Global Timberland Limited**  
**Unaudited Condensed Interim Report and Financial Statements**  
**For the six months ended 31 October 2009**

# Cambium Global Timberland Limited

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**Chairman's Statement**

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I am pleased to present the unaudited interim results for Cambium Global Timberland Limited (the 'Company') for the six months ended 31 October 2009.

In the period covered by the interim statements, the Company began preparing the approximately 11,000 acres that will be planted during this year's planting season ending in May. We are pleased that the investment program is on pace and while markets have been difficult, the characteristics of low volatility and high long-term risk-adjusted returns compared with other asset classes identified at the time of the Company's launch remain valid.

As we have communicated previously, the Board believes the NAV progression is the most accurate and meaningful method to assess the performance of the Company. Over the period covered by the interim results the NAV of the Company fell by 3.7% after adjusting for the 3p per share dividend which was paid during the period. The decrease in NAV is primarily attributable to the value of the investments in North America, which have been impacted by the economic environment and homebuilding in the United States. The appraised values of the investments in North America fell by 5.2% from the period from 1 November 2008 to 30 April 2009, and an additional 5.2% in the period from 1 May 2009 to 31 October 2009. We expect valuations will continue to reflect the difficult market environment, and valuations for these assets are expected to reach bottom with the results for the year ending 30 April 2010.

We would also highlight the accounting treatment for the foreign exchange hedging activities, undertaken to reduce foreign exchange risk, which is listed on the income statement and the corresponding loan revaluations which are also accounted for on the income statement. During the period we used currency options for a portion of the hedging program and the mark-to-market on the options is shown on the income statement as well.

The Board bought 220,000 shares of the Company in September at a price which it felt was significantly accretive to shareholder value. The Board and its advisers continue to monitor the discount in the share price and give careful consideration to the use of buyback powers, subject to the cash needs of the Company's investment program. The Company may consider employing a modest amount of leverage to fund working capital and future buybacks.

The Board and the Investment Manager are optimistic that the Company's portfolio of investments provides global exposure to an attractive asset class. We look forward to updating you on our progress with the full-year results for the year ending 30 April 2010 when they become available.

**Donald Adamson**  
**Chairman**  
**27 January 2010**

**Investment Manager's Report**

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CP Cogent Asset Management is pleased to report on the significant progress the diversified timber portfolio has experienced over the period covered by the interims. The portfolio is constructed, and planting operations on the greenfield investments in Australia and Brazil are proceeding on target. As noted in the Chairman's statement, the weak end use markets for forestry products have resulted in a slight decrease in the NAV of the US holding. The age class of the holdings, however, has led to a buffering of the impact of the weak spot price for timber products. As such, the valuations of the timber holdings have demonstrated the lack of volatility expected from well diversified timberland investment portfolio.

The most significant ongoing investment activity is the plantation establishment in Brazil and Australia. By the end of the period covered by the interims, high yield eucalyptus trees have been established on 900 acres in Brazil. These young trees are performing well and have attained heights of 8 to 12 feet. We are currently in the planting season, and are tracking to have established an additional 8,000 acres by the end of April. Our investment program in Brazil extends into 2012. Planting in Australia has progressed nicely as well, with a successful establishment of an additional 1,700 acres, bringing total acres established to 1,900 as of 31 October 2009. Rainfall has been adequate and these young trees have experienced an excellent first year in their growth cycle. In Australia we are also currently in the planting season and will complete the establishment of 3,700 acres by the end of the planting season. The planting program in Australia will be completed by the end of 2011.

During the period covered by the interims we saw reductions in the valuations of the properties in the United States. The reductions were a result of continued weak demand for sawn wood products and increases in the implied discount rates applied to forest properties. Due to the weak market conditions we have decided to reduce the harvesting of high value pine saw timber electing rather to allow the trees to benefit from biological growth. We have taken advantage of relatively robust pine pulpwood markets which have enabled us to continue our thinning regimes and optimize future levels of pine saw timber. We anticipate these trends will continue and that the valuations for these properties will reach the low point with the next cycle of appraisals due for the period ending 30 April 2010.

In this period we changed the valuation firm for the Tarrangower property and for the properties located in Hawaii. This is consistent with our policy of rotating the valuers on a periodic basis to ensure no systematic biases are present in the independent valuations on the properties. The valuation firms for the Corrigan property will change at the year end.

We are in the process of working towards Forest Stewardship Council (FSC) certification for the Renwick property located in New Zealand. This should be accomplished by mid 2010. Being FSC certified shows that the owner complies with the highest social and environmental standards on the market.

We look forward to updating you in the future on our initiatives and the further development of the portfolio with the year end results for the year ending 30 April 2010.

**CP Cogent Asset Management**  
**Investment Manager**  
**27 January 2010**

**Cambium Global Timberland Limited**

**Condensed Consolidated Interim Statement of Comprehensive Income**

For the six months ended 31 October 2009

	Notes	For the six months ended 31 October 2009 Unaudited £	For the six months ended 31 October 2008 Unaudited £
Revenue	4	569,835	315,362
Cost of sales		<u>(301,031)</u>	<u>(287,833)</u>
<b>Gross profit</b>		<u>268,804</u>	<u>27,529</u>
<b>(Decrease)/increase in fair value of investment property and plantations</b>	14	(254,881)	7,339,640
Administrative expenses	5	(1,025,954)	(1,112,454)
Other operating forestry expenses		(1,284,671)	(501,061)
Revaluation on buildings, plant and equipment	15	<u>(37,279)</u>	<u>-</u>
		<u>(2,347,904)</u>	<u>(1,613,515)</u>
<b>Operating (loss)/profit</b>		<u>(2,333,981)</u>	<u>5,753,654</u>
Gain on foreign currency options		297,444	-
Finance income	6	27,109	1,545,113
Finance costs	7	<u>(2,779)</u>	<u>-</u>
<b>Net finance income</b>		<u>321,774</u>	<u>1,545,113</u>
Net foreign exchange gains/(losses)		<u>2,973,317</u>	<u>(10,973,982)</u>
<b>Profit/(loss) before taxation</b>		961,110	(3,675,215)
<b>Taxation charge</b>		<u>(520,507)</u>	<u>(2,599,854)</u>
<b>Profit/(loss) for the period attributable to shareholders</b>		<u>440,603</u>	<u>(6,275,069)</u>
<b>Other comprehensive income</b>			
Foreign exchange (losses)/gains on translation of foreign operations		(3,948,466)	9,717,505
Increase in fair value of intangible assets		9,447	-
Increase in fair value of available-for-sale assets		-	81,300
<b>Other comprehensive income for the period</b>		<u>(3,939,019)</u>	<u>9,798,805</u>
<b>Total comprehensive income for the period attributable to the shareholders</b>		<u>(3,498,416)</u>	<u>3,523,736</u>
<b>Basic and diluted earnings/(loss) per share</b>	11	<u>0.42 pence</u>	<u>(6.01) pence</u>

All items in the above statement are derived from continuing operations. All income is attributable to the equity holders of the parent company. There are no minority interests.

The notes on pages 12 to 23 form an integral part of these condensed interim financial statements.

**Cambium Global Timberland Limited**

**Condensed Consolidated Interim Statement of Financial Position**

At 31 October 2009

		31 October 2009 Unaudited £	30 April 2009 Audited £	31 October 2008 Unaudited £
	Notes			
<b>Non-current assets</b>				
Investment property and plantations	14	80,470,911	81,428,366	72,849,730
Buildings, plant and equipment	15	517,197	500,227	430,111
Intangible assets	16	146,833	122,650	107,071
Deferred tax assets		191,471	219,143	95,874
		<u>81,326,412</u>	<u>82,270,386</u>	<u>73,482,786</u>
<b>Current assets</b>				
Cash and cash equivalents	20	14,648,714	23,689,389	39,700,069
Available for sale investments		-	-	11,038,500
Trade and other receivables	17	365,383	179,162	276,378
Financial assets held at fair value through profit and loss	19	4,325,183	356,895	-
Deferred tax assets		-	-	4,568
		<u>19,339,280</u>	<u>24,225,446</u>	<u>51,019,515</u>
<b>Total assets</b>		<u>100,665,692</u>	<u>106,495,832</u>	<u>124,502,301</u>
<b>Current liabilities</b>				
Trade and other payables	21	1,830,003	1,159,414	2,114,916
Financial liabilities held at fair value through profit and loss		-	-	10,930,877
Deferred tax liabilities		-	-	3,986
		<u>1,830,003</u>	<u>1,159,414</u>	<u>13,049,779</u>
<b>Non-current liabilities</b>				
Other liabilities		-	-	281,754
Deferred tax liabilities		3,626,973	3,340,386	4,607,887
		<u>3,626,973</u>	<u>3,340,386</u>	<u>4,889,641</u>
<b>Total liabilities</b>		<u>5,456,976</u>	<u>4,499,800</u>	<u>17,939,420</u>
<b>Net assets</b>		<u>95,208,716</u>	<u>101,996,032</u>	<u>106,562,881</u>
<b>Equity</b>				
Stated capital	22	2,000,000	2,000,000	2,000,000
Distributable reserve	23	95,930,600	99,219,500	99,219,500
Translation reserve	23	13,339,663	17,288,129	10,213,213
Revaluation reserve	23	74,791	65,344	133,592
Retained loss		(16,136,338)	(16,576,941)	(5,003,424)
<b>Total equity</b>		<u>95,208,716</u>	<u>101,996,032</u>	<u>106,562,881</u>
<b>Net asset value per share</b>	12	<u>0.91</u>	<u>0.98</u>	<u>1.02</u>

These financial statements were approved and authorised for issue on 27 January 2010 by the Board of Directors.

Donald Adamson

Martin Richardson

The notes on pages 12 to 23 form an integral part of these condensed interim financial statements.

# Cambium Global Timberland Limited

## Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 31 October 2009

For the six months ended 31 October 2009 (unaudited)

	Stated capital £	Distributable reserve £	Translation reserve £	Revaluation reserve £	Retained earnings £	Total £
<b>At 30 April 2009</b>	<b>2,000,000</b>	<b>99,219,500</b>	<b>17,288,129</b>	<b>65,344</b>	<b>(16,576,941)</b>	<b>101,996,032</b>
Total comprehensive income for the period	-	-	(3,948,466)	9,447	440,603	(3,498,416)
Dividends	-	(3,130,500)	-	-	-	(3,130,500)
Share buy-back	-	(158,400)	-	-	-	(158,400)
<b>At 31 October 2009</b>	<b>2,000,000</b>	<b>95,930,600</b>	<b>13,339,663</b>	<b>74,791</b>	<b>(16,136,338)</b>	<b>95,208,716</b>

For the six months ended 31 October 2008 (unaudited)

	Stated capital £	Distributable reserve £	Translation reserve £	Revaluation reserve £	Retained earnings £	Total £
<b>At 30 April 2008</b>	<b>2,000,000</b>	<b>102,350,000</b>	<b>495,708</b>	<b>52,292</b>	<b>1,271,645</b>	<b>106,169,645</b>
Total comprehensive income for the period*	-	-	9,717,505	81,300	(6,275,069)	3,523,736
Dividends *	-	(3,130,500)	-	-	-	(3,130,500)
<b>At 31 October 2008</b>	<b>2,000,000</b>	<b>99,219,500</b>	<b>10,213,213</b>	<b>133,592</b>	<b>(5,003,424)</b>	<b>106,562,881</b>

\* restated for the period

The notes on pages 12 to 23 form an integral part of these condensed interim financial statements.

**Cambium Global Timberland Limited**

**Condensed Consolidated Interim Statement of Cash Flows**

For the six months ended 31 October 2009

	<b>For the six months ended 31 October 2009 Unaudited £</b>	<b>For the six months ended 31 October 2008 Unaudited £</b>
<b>Cash flows from operating activities</b>		
Operating (loss)/profit for the period	(2,333,981)	5,753,654
Adjustments for:		
Decrease/(increase) in fair value of investment property and plantations	254,881	(7,339,640)
Depreciation	760	660
Revaluation on buildings, plant and equipment	37,279	847
Decrease in trade and other receivables	18,535	447,939
Increase in trade and other payables	678,063	1,761,339
	<u>989,518</u>	<u>(5,128,855)</u>
Net cash (used in)/from operating activities	<u>(1,344,463)</u>	<u>624,799</u>
<b>Cash flows from investing activities</b>		
Purchase of buildings, plant and equipment	(318)	(30,714)
Purchase of land and plantations	(2,337,205)	(36,726,754)
Cost capitalised to plantations	(1,413,530)	(513,292)
Purchase of available for sale investments	-	(1,993,200)
Options acquired	(1,059,000)	-
Net cash used in investing activities	<u>(4,810,053)</u>	<u>(39,263,960)</u>
<b>Cash flows from financing activities</b>		
Share buy-back	(158,400)	-
Dividend paid	(3,130,881)	(3,130,119)
Finance income	27,472	1,462,946
Finance costs	(2,779)	-
Net cash used in financing activities	<u>(3,264,588)</u>	<u>(1,667,173)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(9,419,104)</u>	<u>(40,306,334)</u>
Foreign exchange movements	378,429	6,248,764
<b>Balance at the beginning of the period</b>	23,689,389	73,757,639
<b>Balance at the end of the period</b>	<u><u>14,648,714</u></u>	<u><u>39,700,069</u></u>

The notes on pages 12 to 23 form an integral part of these condensed interim financial statements.

**Cambium Global Timberland Limited**

**Condensed Company Interim Statement of Comprehensive Income**

For the six months ended 31 October 2009

	<b>Notes</b>	<b>For the six months ended 31 October 2009 Unaudited £</b>	<b>For the six months ended 31 October 2008 Unaudited £</b>
Administrative expenses	5	<u>(779,282)</u> (779,282)	<u>(748,645)</u> (748,645)
<b>Operating loss</b>		(779,282)	(748,645)
Finance income	6	<u>19,227</u>	<u>1,453,169</u>
<b>Net finance income</b>		19,227	1,453,169
Net foreign exchange loss		<u>(2,267,363)</u>	<u>(2,153,683)</u>
<b>Loss for the period</b>		<u>(3,027,418)</u>	<u>(1,449,159)</u>
<b>Other comprehensive income</b>			
Increase in fair value of available-for-sale investments		-	81,300
<b>Other comprehensive income for the period</b>		<u>-</u>	<u>81,300</u>
<b>Total comprehensive income for the period</b>		<u><u>(3,027,418)</u></u>	<u><u>(1,367,859)</u></u>

The notes on pages 12 to 23 form an integral part of these condensed interim financial statements.

**Cambium Global Timberland Limited**

**Condensed Company Interim Statement of Financial Position**

At 31 October 2009

	Notes	31 October 2009 Unaudited £	30 April 2009 Audited £	31 October 2008 Unaudited £
<b>Non-current assets</b>				
Investment in subsidiary undertakings	13	2,017,808	2,017,808	2,424,234
Loans to subsidiary undertakings	18	75,600,576	77,686,122	66,963,568
		<u>77,618,384</u>	<u>79,703,930</u>	<u>69,387,802</u>
<b>Current assets</b>				
Trade and other receivables	17	212,461	176,758	273,760
Available-for-sale investments		-	-	11,038,500
Financial assets held at fair value through profit and loss	19	4,325,183	356,895	-
Cash and cash equivalents	20	10,337,739	18,673,009	30,812,829
		<u>14,875,383</u>	<u>19,206,662</u>	<u>42,125,089</u>
<b>Total assets</b>		<u>92,493,767</u>	<u>98,910,592</u>	<u>111,512,891</u>
<b>Current liabilities</b>				
Trade and other payables	21	916,175	1,016,682	927,448
Financial liabilities held at fair value through profit and loss		-	-	10,930,877
<b>Total liabilities</b>		<u>916,175</u>	<u>1,016,682</u>	<u>11,858,325</u>
<b>Net assets</b>		<u>91,577,592</u>	<u>97,893,910</u>	<u>99,654,566</u>
<b>Equity</b>				
Stated capital	22	2,000,000	2,000,000	2,000,000
Distributable reserve		99,061,100	99,219,500	99,219,500
Revaluation reserve		-	-	63,650
Retained loss		(9,483,508)	(3,325,590)	(1,628,584)
<b>Total equity</b>		<u>91,577,592</u>	<u>97,893,910</u>	<u>99,654,566</u>

The notes on pages 12 to 23 form an integral part of these condensed interim financial statements.

**Cambium Global Timberland Limited**

**Condensed Company Interim Statement of Changes in Equity**

For the six months ended 31 October 2009

For the six months ended 31 October 2009 (unaudited)

	<b>Stated capital £</b>	<b>Distributable reserve £</b>	<b>Revaluation reserve £</b>	<b>Retained loss £</b>	<b>Total £</b>
<b>At 30 April 2009</b>	<b>2,000,000</b>	<b>102,350,000</b>	-	<b>(6,456,090)</b>	<b>97,893,910</b>
Total comprehensive income for the period	-	-	-	(3,027,418)	(3,027,418)
Dividends	-	(3,130,500)	-	-	(3,130,500)
Share buy-back	-	(158,400)	-	-	(158,400)
<b>At 31 October 2009</b>	<b>2,000,000</b>	<b>99,061,100</b>	-	<b>(9,483,508)</b>	<b>91,577,592</b>

For the six months ended 31 October 2008 (unaudited)

	<b>Stated capital £</b>	<b>Distributable reserve £</b>	<b>Revaluation reserve £</b>	<b>Retained loss £</b>	<b>Total £</b>
<b>At 30 April 2008</b>	<b>2,000,000</b>	<b>102,350,000</b>	<b>(17,650)</b>	<b>(179,425)</b>	<b>104,152,925</b>
Total comprehensive income for the period*	-	-	81,300	(1,449,159)	(1,367,859)
Dividends*	-	(3,130,500)	-	-	(3,130,500)
<b>At 31 October 2008</b>	<b>2,000,000</b>	<b>99,219,500</b>	<b>63,650</b>	<b>(1,628,584)</b>	<b>99,654,566</b>

\*restated

**Cambium Global Timberland Limited****Condensed Company Interim Statement of Cash Flows**

For the six months ended 31 October 2009

	<b>For the six months ended 31 October 2009 Unaudited £</b>	<b>For the six months ended 31 October 2008 Unaudited £</b>
<b>Cash flows from operating activities</b>		
Operating loss for the period	(779,282)	(748,645)
Adjustments for:		
(Increase)/decrease in trade receivables	(25,423)	325,757
(Decrease)/increase in trade and other payables	(100,507)	752,244
	<u>(125,930)</u>	<u>1,078,001</u>
Net cash (used in)/from operating activities	<u>(905,212)</u>	<u>329,356</u>
<b>Cash flows from investing activities</b>		
Subsidiaries acquired	-	(1,091,065)
Available for sale investments purchased	-	(1,993,200)
Increase in loans to subsidiary undertakings	(3,053,968)	(46,504,393)
Options acquired	(1,059,000)	-
Net cash used in investing activities	<u>(4,112,968)</u>	<u>(49,588,658)</u>
<b>Cash flows from financing activities</b>		
Purchase of shares	(158,400)	-
Dividends paid	(3,130,881)	(3,130,119)
Finance income	19,590	1,453,169
Net cash used in financing activities	<u>(3,269,691)</u>	<u>(1,676,950)</u>
Foreign exchange (loss)/gain	<u>(47,399)</u>	<u>8,820,300</u>
<b>Net decrease in cash and cash equivalents for the period</b>	<u>(8,335,270)</u>	<u>(42,115,952)</u>
<b>Balance at the beginning of the period</b>	18,673,009	72,928,781
<b>Balance at the end of the period</b>	<u><u>10,337,739</u></u>	<u><u>30,812,829</u></u>

The notes on pages 12 to 23 form an integral part of these condensed interim financial statements.

**Notes to the Condensed Unaudited Interim Financial Statements**

For the six months ended 31 October 2009

**1 General Information**

The Company and its subsidiaries, including special purpose vehicles ('SPVs') controlled by the Company, were established to invest in a global portfolio of forestry based properties which can be managed on an environmentally and socially sustainable basis. Assets may be managed for timber production, environmental credit production or both. As at the interim date the Group owned forestry assets located in Australia, Hawaii, Brazil, New Zealand and the southern United States.

The Company is a closed-ended company with limited liability, incorporated in Jersey, Channel Islands on 19 January 2007. The address of its registered office is One the Esplanade, St Helier, Jersey, JE4 8UW.

These financial statements were approved and authorised for issue on 27 January 2010 and signed by Martin Richardson and Donald Adamson on behalf of the Board.

The Company has its primary listing on AIM, a market of the London Stock Exchange, as well as dual listing on the Channel Islands Stock Exchange.

**2 Basis of preparation**

The unaudited condensed consolidated and company only financial information included in the half year report for the six months ended 31 October 2009, have been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements. The half year report should be read in conjunction with the Group's Annual Report and Financial Statements for the year ended 30 April 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The extra column of comparatives against October 2008 in the statement of financial position is an AIM requirement, and accordingly notes to these accounts are not required.

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 April 2009.

The condensed financial statements have been prepared in sterling pounds, which is the presentational currency of the Group and under the historical cost convention, except for investment property, plantations, buildings, intangible assets and certain financial instruments, which are carried at fair value.

The preparation of the condensed financial statements requires Directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the condensed financial statements. If in the future such estimates and assumptions, which are based on the Directors' best judgement at the date of the condensed financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

In preparing these condensed financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements as at, and for the year ended, 30 April 2009.

Rates applied at the period ends referred to below, to convert to Sterling Pound:

	<b>31 October 2009</b>	<b>31 October 2009</b>	<b>30 April 2009</b>	<b>31 October 2008</b>
	<b>Closing rate</b>	<b>Average rate</b>	<b>Closing rate</b>	<b>Average rate</b>
Australian Dollar	1.8286	1.9582	2.0383	2.1680
Brazilian Real	2.9010	3.0649	3.2381	3.2995
Hungarian Forint	304.8731	313.4338	324.6552	309.6458
New Zealand Dollar	2.2925	2.4376	2.6168	2.6582
United States Dollar	1.6453	1.6204	1.4790	1.8871

***New accounting policies effective and adopted******Financial assets held at fair value through profit and loss***

This category was amended to include foreign currency options. The foreign currency options are initially recognised at the cost of the premium to acquire the foreign currency option. The asset is subsequently measured to fair value with the resulting gain or loss being recognised in the statement of comprehensive income, as gain or loss on foreign currency options. The fair value of the foreign currency options is based on their listed market price.

**Notes to the Condensed Unaudited Interim Financial Statements**

For the six months ended 31 October 2009

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***New accounting policies effective and adopted (continued)***

***Share capital - share buy-back***

Where the Company purchases its own share capital, the consideration paid is recognised as a deduction from equity shareholder's funds through the distributable reserve.

***Presentation of financial statements***

The Group applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 31 October 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

***Determination and presentation of operating segments***

As of 1 May 2009 the Group determines and presents operating segments based on the information that internally is provided to the Board of Directors, by the Investment Manager. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14 Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board of Directors and the Investment Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM ('chief operating decision maker') include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Jersey segment comprise mainly of corporate assets and corporate expenses to administrate and register the ultimate holding company.

Segment capital expenditure is the total cost incurred during the period to acquire property, buildings, plant and equipment and intangible assets.

***Additional disclosures requirements on financials instruments***

IFRS 7 (amendment) 'Financial instruments: Disclosures' which is effective for annual period commencing on or after 1 January 2009 - The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment will result in additional disclosures but does not have an impact on the Group's financial position or performance. The Group will apply amendments to IFRS 7 for its annual accounting period ending 30 April 2010.

**3 Operating segments**

The Board of Directors is charged with setting the Company's investment strategy in accordance with the Prospectus. The Board of Directors is the Chief Operating Decision Maker ('CODM'). They have delegated the day to day implementation of this strategy to its Investment Manager but retain responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The investment decisions of the Investment Manager are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Board. The Investment Manager has been given full authority to act on behalf of the Company, including the authority to purchase and sell timberland and other investments on behalf of the Company and to carry out other actions as appropriate to give effect thereto. Whilst the Investment Manager may make the investment decisions on a day to day basis re the allocation of funds to different investments, any changes to the investment strategy or major allocation decisions have to be approved by the Board, even though they may be proposed by the Investment Manager.

The Board therefore retains full responsibility as to the major allocations decisions made on an ongoing basis.

## Notes to the Condensed Unaudited Interim Financial Statements

For the six months ended 31 October 2009

**3 Operating segments (continued)**

The Investment Manager will always act under the terms of the Prospectus which cannot be radically changed without the approval of the Board of Directors. The detail investment restrictions is available on [www.cambiumfunds.com](http://www.cambiumfunds.com) please refer to part 3 of the Admission Document and the Investment Strategy.

The Group operates in five distinctly separate geographical locations, with timberlands located in New South Wales (Australia), Texas (United States), north western Florida and south western Georgia (United States), Hawaii, New Zealand and Brazil.

<b>31 October 2009</b>	<b>Jersey</b>	<b>New Zealand</b>	<b>Australia</b>	<b>North America</b>	<b>Hawaii</b>	<b>Brazil</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Total assets	14,689,558	2,687,585	6,865,793	47,172,853	9,629,311	19,620,592
Total liabilities	88,753	93,868	913,441	2,187,395	937,587	1,235,932
<b>30 April 2009</b>	<b>Jersey</b>	<b>New Zealand</b>	<b>Australia</b>	<b>North America</b>	<b>Hawaii</b>	<b>Brazil</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Total assets	19,046,838	-	6,215,684	55,328,992	10,370,745	15,533,573
Total Liabilities	185,600	-	419,887	2,892,178	648,341	353,794
<b>31 October 2009</b>	<b>Jersey</b>	<b>New Zealand</b>	<b>Australia</b>	<b>North America</b>	<b>Hawaii</b>	<b>Brazil</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Segment revenue	-	1,026	95,685	426,814	46,310	-
Segment gross profit	-	1,026	95,685	125,783	46,310	-
(Decrease)/increase in fair value of investment property and plantations	-	162,781	(148,752)	(2,295,387)	45,668	1,980,809
Forestry expenses	-	24,168	120,430	379,204	172,246	575,320
<b>31 October 2008</b>	<b>Jersey</b>	<b>New Zealand</b>	<b>Australia</b>	<b>North America</b>	<b>Hawaii</b>	<b>Brazil</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Segment revenue	-	-	34,551	280,811	-	-
Segment gross profit	-	-	(24,144)	51,673	-	-
(Decrease)/increase in fair value of investment property and plantations	-	-	1,711,012	3,990,652	728,456	909,520
Forestry expenses	-	-	72,869	158,419	133,491	136,282

The Group owns ten distinct parcels of land across five main investment strategies.

The first strategy is a hybrid timber/environmental market focused investment in New South Wales, Australia, called "Tarrangower." For this investment, the Group owns approximately 21,163 acres in Ashford, New South Wales, Australia. This land was previously being used for cattle grazing and is now being planted with high value commercial and non-commercial species with a view to longer term revenue from plantations and short term revenue from carbon credits. In addition to this, the Group has managed to secure a grant from the local Catchments Management Authority for biodiversity conservation and salinity control services provided by Tarrangower as a timber and carbon estate.

The second strategy consists of buying established plantations in the southern United States. Established plantations with a balanced age class distribution are suitable for long and short term sustainable yield. Marketable products include sawtimber and pulp, which can be sold into healthy forest product markets that exist in this geography. These properties also generate revenue from hunting leases. The Group owns 21,853 acres of land in Texas and another 29,900 acres of land spread across north western Florida and south western Georgia dedicated to this strategy.

## Notes to the Condensed Unaudited Interim Financial Statements

For the six months ended 31 October 2009

**3 Operating segments (continued)**

The third investment strategy involves the development of fast growth eucalyptus plantations to serve either export log markets in Asia or developing log markets for veneer or bio-energy in Hawaii. The Group has a leasehold interest in two plantations on the Big Island of Hawaii dedicated to this strategy. Pahala consists of 3,700 acres and Pinnacle is approximately another 4,500 acres of maturing Eucalyptus trees.

The group has a fourth investment strategy of converting bare land to eucalyptus plantation for conversion to charcoal to serve pig-iron markets or for emerging pulp and paper markets in Brazil. The Group owns one property in Tocantins, Brazil of approximately 25,700 acres and three properties in Minas Gerias, Brazil totalling 29,377 acres dedicated to this strategy. It is anticipated that the eucalyptus will be grown on a rotation length of seven years.

The group acquired approximately 3,200 acres located in New Zealand. It consists predominately of mid-rotation radiata pine plantation established in the mid 1990's with a small component of Douglas Fir and Cypress. The investment strategy includes even aged intensive management of high quality pine grown on a 27 - 30 year cycle. The property is positioned to serve the high-growth log markets of Asia via the export market. The investment will be managed on an environmentally and socially sustainable basis and FSC certification will be sought.

**4 Revenue**

	<b>31 October 2009</b>	<b>31 October 2008</b>
	£	£
Sales - harvested timber and stumpage	389,480	186,671
Sales - right of way	11,197	5,055
Lease income	90,004	123,636
Grant income	79,154	-
	<u>569,835</u>	<u>315,362</u>

The grant income was received from Border Rivers-Gwydir Catchment Management Authority (an Australian Government Authority) on signature of a Property Vegetation Plan ('PVP') in connection with the Tarrangower property. The PVP covers conservation management, regeneration of the area, natural revegetation and plantation and allows for income receipts of up to a total of AU\$960,000 (approximately £524,990) on certification of certain milestones having been achieved by the landholder. The PVP is for a term of 15 years and is governed by the laws of New South Wales.

**5 Administrative expenses**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31 October 2009</b>	<b>31 October 2009</b>	<b>31 October 2008</b>	<b>31 October 2008</b>
	£	£	£	£
Investment Manager's fees	513,896	513,896	579,839	579,839
Directors' fees	57,500	57,500	57,813	57,813
Auditors' fees	31,500	31,500	20,330	20,330
Other professional fees	176,386	176,386	332,653	90,663
Administration of subsidiaries	246,672	-	121,819	-
	<u>1,025,954</u>	<u>779,282</u>	<u>1,112,454</u>	<u>748,645</u>

Administration of subsidiaries include statutory fees, accounting fees and administrative expenses in regards to asset holding subsidiaries.

**6 Finance income**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31 October 2009</b>	<b>31 October 2009</b>	<b>31 October 2008</b>	<b>31 October 2008</b>
	£	£	£	£
Bank interest	27,109	19,227	1,353,250	1,261,306
Bond interest	-	-	191,863	191,863
	<u>27,109</u>	<u>19,227</u>	<u>1,545,113</u>	<u>1,453,169</u>

The classification of finance income per financial asset class is listed in notes 8 and 9.

**7 Finance costs**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31 October 2009</b>	<b>31 October 2009</b>	<b>31 October 2008</b>	<b>31 October 2008</b>
	£	£	£	£
Bank interest	2,779	-	-	-

## Notes to the Condensed Unaudited Interim Financial Statements

For the six months ended 31 October 2009

**8 Net gains and losses on financial assets and liabilities at fair value through profit and loss**

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	31 October 2009	31 October 2009	31 October 2008	31 October 2008
	£	£	£	£
Net change in unrealised appreciation on financial assets held at fair value through profit or loss:				
Options	297,444	297,444	-	-
Forward currency exchange contracts	2,968,739	2,968,739	356,895	356,895
	<u>3,266,183</u>	<u>3,266,183</u>	<u>356,895</u>	<u>356,895</u>

**9 Total interest income and total interest expense on financial assets and financial liabilities not at fair value through profit and loss**

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	31 October 2009	31 October 2009	31 October 2008	31 October 2008
	£	£	£	£
Bank interest received	27,109	19,227	-	-
Bond interest	-	-	191,863	191,863
	<u>27,109</u>	<u>19,227</u>	<u>191,863</u>	<u>191,863</u>

**10 Dividend**

	Shares	Dividend per share £	Paid £	Date
<b>Dividend reference period</b>				
2008	104,350,000	0.03	3,130,500	24/09/2008
2009	104,350,000	0.03	3,130,500	30/09/2009

**11 Basic and diluted earnings/(loss) per share**

The calculation of the basic and diluted earnings per share is based on the following data:

	<i>Group</i>	<i>Group</i>
	31 October 2009	31 October 2008
	£	£
Profit/(loss) for the purposes of basic and diluted earnings per share being net profit for the period	440,603	(6,275,069)

**Number of ordinary shares**

Number of ordinary shares for basic and diluted earnings per share:

	31 October 2009	31 October 2008
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	104,280,652	104,350,000
Basic and diluted earnings per share	0.42 pence	(6.01) pence

**12 Net Asset Value**

	<i>Group</i>	<i>Group</i>
	31 October 2009	30 April 2009
	£	£
Total assets	100,665,692	106,495,832
Total liabilities	5,456,976	4,499,800
Net Asset Value	<u>95,208,716</u>	<u>101,996,032</u>
Number of shares in issue	104,130,000	104,350,000
Net Asset Value per share	<u>0.91</u>	<u>0.98</u>

## Notes to the Condensed Unaudited Interim Financial Statements

For the six months ended 31 October 2009

## 13 Investment in subsidiaries undertakings

The Company has not acquired any new direct or indirect interests in subsidiaries during the period from 1 May 2009 to 31 October 2009.

	<i>Company</i> 31 October 2009 £	<i>Company</i> 30 April 2009 £
Cambium Tarrangower Holdings Limited	1,191,567	1,191,567
Cambium Pahala Holdings Limited	49	49
Cambium Pinnacle Holdings Limited	49	49
Cambium Holdings Limited	51	51
Corrigan Holdings Limited	51	51
Cambium Minas Holdings Limited	51	51
Cambium MG Holdings Limited	51	51
Cambium New Zealand Holdings Limited	825,886	825,886
Cambium South Atlantic Holdings Limited	51	51
Cambium Uruguay Holdings Limited	2	2
	<u>2,017,808</u>	<u>2,017,808</u>

## 14 Investment property and plantations

## 31 October 2009

	Merchantable timber Group £	Pre- merchantable timber Group £	Land Group £	Total Group £
Fair value opening balance of plantations at 1 May 2009	14,246,698	16,708,863	50,472,805	81,428,366
Land acquired in the year	-	-	844,195	844,195
Plantations acquired in the year	-	1,493,010	-	1,493,010
Acquisition costs capitalised	571	635,531	777,428	1,413,530
Harvested timber	(301,031)	-	-	(301,031)
Transfer to merchantable timber	5,978,324	(5,978,324)	-	-
	<u>19,924,562</u>	<u>12,859,080</u>	<u>52,094,428</u>	<u>84,878,070</u>
Fair value adjustments on price gains/(losses) on land and plantation	(1,128,711)	541,041	(19,294)	(606,964)
Fair value adjustments on growth gains/(losses) on land and plantation	352,083	-	-	352,083
Fire, hazardous weather and other damages (impairment)	-	-	-	-
(Decrease)/increase in fair value of investment property and plantations	<b>(776,628)</b>	<b>541,041</b>	<b>(19,294)</b>	<b>(254,881)</b>
Foreign exchange effect	(1,614,924)	(1,131,246)	(1,406,108)	(4,152,278)
Fair value as at 31 October 2009	<u>17,533,010</u>	<u>12,268,875</u>	<u>50,669,026</u>	<u>80,470,911</u>

## 30 April 2009

	Merchantable timber Group £	Pre- merchantable timber Group £	Land Group £	Total Group £
Fair value opening balance of plantations at 1 May 2008	5,893,291	6,318,343	11,596,286	23,807,920
Land acquired in the year	-	-	31,038,908	31,038,908
Plantations acquired in the year	5,590,158	6,114,464	-	11,704,622
Acquisition costs capitalised	27,786	1,003,829	210,719	1,242,334
Harvested timber	(542,453)	-	-	(542,453)
Transfer to pre-merchantable timber	-	115,823	(115,823)	-
Transfer to merchantable timber	630,464	(630,464)	-	-
	<u>11,599,246</u>	<u>12,921,995</u>	<u>42,730,090</u>	<u>67,251,331</u>

## Notes to the Condensed Unaudited Interim Financial Statements

For the six months ended 31 October 2009

## 14 Investment property and plantations (continued)

30 April 2009 (continued)	Merchantable timber Group £	Pre- merchantable timber Group £	Land Group £	Total Group £
Fair value adjustments on price gains/(losses) on land and plantation	(264,283)	1,001,729	2,066,025	2,803,471
Fair value adjustments on growth gains/(losses) on land and plantation	499,742	-	-	499,742
Fire, hazardous weather and other damages (impairment)	(212,060)	-	-	(212,060)
(Decrease)/increase in fair value of investment property and plantations	<b>23,399</b>	<b>1,001,729</b>	<b>2,066,025</b>	<b>3,091,153</b>
Foreign exchange effect	2,624,053	2,785,139	5,676,690	11,085,882
Fair value as at 30 April 2009	<u>14,246,698</u>	<u>16,708,863</u>	<u>50,472,805</u>	<u>81,428,366</u>

No harvested timber was held at the end of the period. (30 April 2009: Nil).

The land and plantations are carried at their fair value as at 31 October 2009 and 30 April 2009, as measured by external independent valuers Day Forest Management and Appraisal Inc, James W. Sewall Company, Pöyry Forest Industry, URS New Zealand Limited, Holtz Consultoria LTDA, and Sandro Al-Alam Elias. Each of the valuers use similar methodologies, though this can vary depending on the type of investment and local practices.

The appraisals for the "Corrigan" and "South Atlantic States" properties in the United States were undertaken by Day Forest Management and Appraisal Inc and James W. Sewall Company respectively. These appraisals conform to Uniform Standards of Professional Appraisal Practice in the United States. For these valuations, three valuation approaches were considered, the cost approach, the sales comparison approach and the income approach. Each approach selected as being applicable and necessary to produce credible results is believed to have been applied appropriately.

The properties in Hawaii, "Pahala" and "Pinnacle", are leasehold interests without any ownership of the underlying land. These investments were valued by James W, Sewall Company in accordance with IFRS. For these valuations the sales comparison approach and the income capitalization approach were considered. Each approach selected as being applicable and necessary to produce credible results is believed to have been applied appropriately. About 374.5 ha of the "Pahala" plantation was affected by volcanic vog and this reduced the value of the plantation by 8.6%.

Pöyry Forest Industry valued the "Tarrangower" investment in Australia consistent with the local equivalent of IFRS. There is little comparable transaction evidence to determine the value of land for forestry purposes in the region. Therefore, Pöyry has applied a combination of the cost approach and the income approach to value the assets. Pöyry then engaged the licensed land appraiser, Herron Todd White to value the land that is not used for forestry purposes on Tarrangower South.

The 3R Tocantins property in Brazil was valued by Holtz Consultoria LTDA. The method applied for the bare land appraisal, was the sales comparison approach. The analysis considered the bare land price from comparable transactions, soil quality, topography of the land, access and distance from cities, and the proportion of the property which could be used for cultivation.

The three properties in Minas Gerias were valued by Sandro Al-Alam Elias by first determining the highest and best use of the subject property. This analysis helps the appraiser identify comparable properties and identify the use that would produce the maximum income to the property. After determining the best use of the subject property, the appraiser analysed the value of the property using the cost approach, the sales comparison approach and the income capitalisation approach.

URS New Zealand Limited valued the "Renwick" investment in New Zealand consistent with the local equivalent of IFRS. URS has applied a discounted cash flow analysis to determine the value of the tree crop and a notional rental charge to determine the value of the land. This is consistent with New Zealand valuation standards.

The discount rates used in these appraisals range in value from 6% to 10.5%.

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For the six months ended 31 October 2009

## 15 Buildings, plant and equipment

	Furniture and fittings Group £	Buildings Group £	Improvements Group £	Motor vehicles Group £	Total Group £
<b>31 October 2009</b>					
Cost	707	358,138	130,602	13,349	502,796
Accumulated depreciation	(36)	-	-	(2,533)	(2,569)
Balance as at 30 April 2009	671	358,138	130,602	10,816	500,227
<i>Movements</i>					
Assets acquired in the period	318	-	-	-	318
Revaluation	-	(33,704)	(3,575)	-	(37,279)
Depreciation for the year	(51)	-	-	(709)	(760)
Foreign exchange effect	93	38,684	14,724	1,190	54,691
	360	4,980	11,149	481	16,970
<i>Carrying value</i>					
Balance as at 31 October 2009	1,031	363,118	141,751	11,297	517,197
<b>30 April 2009</b>					
Cost	-	351,493	97,692	12,815	462,000
Accumulated depreciation	-	-	-	(880)	(880)
Balance as at 30 April 2008	-	351,493	97,692	11,935	461,120
<i>Movements</i>					
Assets acquired in year	690	-	33,558	-	34,248
Revaluation	-	(5,518)	(5,802)	-	(11,320)
Depreciation for the year	(35)	-	-	(1,448)	(1,483)
Foreign exchange effect	16	12,163	5,154	329	17,662
	671	6,645	32,910	(1,119)	39,107
<i>Carrying value</i>					
Balance as at 30 April 2009	671	358,138	130,602	10,816	500,227

The buildings and improvements are carried at their fair value as at 31 October 2009 and 30 April 2009, as measured by external independent valuers Pöyry Forest Industry at 31 October 2009 (30 April 2009: URS Australia Pty Ltd) (in conjunction with the external valuation of plantations). The valuations have been prepared using techniques approved under IFRS. The motor vehicles and furniture and fittings are carried at cost less accumulated depreciation.

## 16 Intangible assets

	Group 31 October 2009 £	Group 30 April 2009 £
Valuation/cost - water licence	122,650	123,164
Revaluation	9,447	(4,598)
Foreign exchange effect	14,736	4,084
	146,833	122,650

The Tarrangower property has approximately 4km of frontage to the Severn River and has attached to it a water licence administered by the Department of Natural Resources in Australia (DNR). The 105 mega litre surface irrigation license (Number 90SL100620) has rights attached to it allowing an annual allocation of 48 mega litres A class and 57 mega litres B class from Pindari Dam, which is located 11km further up stream. The licence is renewable on a 5 year basis and at a small administration cost to the Group.

## Notes to the Condensed Unaudited Interim Financial Statements

For the six months ended 31 October 2009

## 16 Intangible assets (continued)

The licence is measured at fair value as at 31 October 2009 and 30 April 2009, as measured by external independent valuers Pöyry Forest Industry at 31 October 2009 (30 April 2009: URS Australia Pty Ltd). The valuation is been made with reference to market values of water prices trading currently in this area. The price per mega litre was approximately AU\$ 2,100 (30 April 2009: AU\$ 2,380) per mega litre.

In the period a new Water Sharing Plan was introduced by the NSW State Water Corporation and an additional supplementary access licence of 48 mega litres were granted to the Tarrangower property.

## 17 Trade and other receivables

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31 October 2009</b>	<b>31 October 2009</b>	<b>30 April 2009</b>	<b>30 April 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank interest receivable	574	574	937	937
Goods and Services Tax receivable	48,200	-	24,685	-
Intercompany receivables	-	185,823	-	159,825
Trade receivables	279,858	-	116,514	575
Prepaid expenses	36,751	26,064	37,026	15,421
	<u>365,383</u>	<u>212,461</u>	<u>179,162</u>	<u>176,758</u>

## 18 Loans to subsidiary undertakings

	<b>Company</b>	<b>Company</b>	<b>Company</b>	<b>Company</b>
	<b>31 October 2009</b>	<b>31 October 2009</b>	<b>30 April 2009</b>	<b>30 April 2009</b>
	<b>US \$</b>	<b>£</b>	<b>US \$</b>	<b>£</b>
Cambium Holdings Limited	13,826,637	8,385,784	13,812,037	9,307,442
Corrigan Holdings Limited	13,642,232	8,291,890	13,620,129	9,208,987
Cambium South Atlantic Holdings Limited	44,800,673	27,228,005	44,789,645	30,278,518
Cambium Pinnacle Holdings Limited	8,161,586	4,884,709	8,150,366	5,489,783
Cambium Pahala Holdings Limited	6,106,001	3,753,653	6,048,224	4,089,390
	<u>86,537,129</u>	<u>52,544,041</u>	<u>86,420,401</u>	<u>58,374,120</u>
	<b>AU \$</b>	<b>£</b>	<b>AU \$</b>	<b>£</b>
Cambium Tarrangower Holdings Limited	9,256,411	5,062,063	9,257,260	4,541,613
	<b>NZ \$</b>	<b>£</b>	<b>NZ \$</b>	<b>£</b>
Cambium New Zealand Holdings Limited	5,880,094	2,557,943	154,180	60,222
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cambium MG Holdings Limited		15,120,467		14,408,635
Cambium Minas Holdings Limited		316,062		301,532
		<u>15,436,529</u>		<u>14,710,167</u>
		<u>75,600,576</u>		<u>77,686,122</u>

All inter-company loans are interest free and have no fixed terms of repayment. The Directors do not anticipate that payment on these loans will be demanded during the next 12 months.

## 19 Financial assets and liabilities held at fair value through profit and loss

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31 October 2009</b>	<b>31 October 2009</b>	<b>30 April 2009</b>	<b>30 April 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Forward foreign currency contracts:				
at forward rate	38,726,400	38,726,400	86,567,884	86,567,884
at market rate	(35,757,661)	(35,757,661)	(86,210,989)	(86,210,989)
Gain	<u>2,968,739</u>	<u>2,968,739</u>	<u>356,895</u>	<u>356,895</u>
Currency options:				
premium paid	1,059,000	1,059,000	-	-
Gain	297,444	297,444	-	-
fair value	<u>1,356,444</u>	<u>1,356,444</u>	-	-
Total financial assets held at fair value through profit and loss	<u>4,325,183</u>	<u>4,325,183</u>	<u>356,895</u>	<u>356,895</u>

The above gains on forward exchange currency contracts and options represent the total net unrealised gain.

## Notes to the Condensed Unaudited Interim Financial Statements

For the six months ended 31 October 2009

**19 Financial assets and liabilities held at fair value through profit and loss (continued)**

Forward exchange currency contracts and options are used to hedge against foreign exchange exposure arising from investing in foreign operations and foreign currency transactions. The Group incurred a unrealised gain of £4,325,183 in the period on the foreign exchange currency contracts and options. It is not the policy of the Group to perform hedge accounting under the terms of IAS 39 and therefore the effect of changes in exchange rates for foreign operations are recognised directly in other comprehensive income. The loss on exchange differences recognised directly in other comprehensive income for the period amounted to £4,912,705.

As at 31 October 2009 there were six forward foreign currency contracts and two options to trade currency in place, all held with MF Global (United Kingdom) Limited.

Forward exchange currency contracts held by the Company and the Group at their forward exchange rates are listed below. All of the contracts have a strike date of 30 April 2010.

	31 October 2009 US \$	31 October 2009 £	30 April 2009 US \$	30 April 2009 £
Forward exchange currency contracts to sell United States dollar	117,000,000	79,599,959	127,000,000	86,407,311
	AU \$	£	AU \$	£
Forward exchange currency contracts to sell Australian dollar	11,000,000	5,195,296	11,000,000	5,195,296
	BRL	£	BRL	£
Forward exchange currency contracts to sell Brazilian Real	30,000,000	8,579,518	30,000,000	8,579,518
	£	US \$	£	US \$
Forward exchange currency contracts buy Pounds Sterling	46,299,850	62,000,000	13,614,241	20,000,000
	£	BRL	£	BRL
Forward exchange currency contracts buy Pounds Sterling	10,548,523	30,000,000	-	-
	£	NZ \$	£	NZ \$
Forward exchange currency contracts buy Pounds Sterling	2,200,000	5,699,100	-	-

The Company and Group has options to exchange 30 million United States Dollar for Pounds Sterling at 1.665 to 1 and to exchange 14,5 million Brazilian Real for Pound Sterling at 3 to 1, both having a strike date of 30 April 2010.

**20 Cash and cash equivalents**

	Group 31 October 2009 £	Company 31 October 2009 £	Group 30 April 2009 £	Company 30 April 2009 £
Cash held at bank	11,136,144	6,825,169	14,939,567	9,923,187
Cash held at broker	3,512,570	3,512,570	8,749,822	8,749,822
	14,648,714	10,337,739	23,689,389	18,673,009

Cash at broker is held with MF Global (United Kingdom) Limited and an amount of £3,512,570 (30 April 2009: £5,685,100) is held as security for the forward exchange contracts. The Company has a forward exchange currency facility with UBS AG in the amount of £1,800,000. The term date of this facility is 25 December 2050, however this facility will be reviewed by UBS on 5 April 2012. An amount of £635,715 is held on deposit with UBS AG as security for this facility.

Included in cash at bank was an amount of BRL 7,381,440 (approximately £2,544,427) kept in escrow in regards to the acquisition of the Agua Santa property, the money cleared the account on 14 December 2009 and the deeds were released.

**21 Trade and other payables**

	Group 31 October 2009 £	Company 31 October 2009 £	Group 30 April 2009 £	Company 30 April 2009 £
Accruals	358,436	-	207,275	-
Intercompany payables	-	832,702	-	832,750
Trade creditors	374,545	83,473	288,158	183,932
Tax payable	46,609	-	-	-
Retentions held *	333,579	-	298,858	-
Advances held	716,834	-	365,123	-
	1,830,003	916,175	1,159,414	1,016,682

**Notes to the Condensed Unaudited Interim Financial Statements**

For the six months ended 31 October 2009

**21 Trade and other payables (continued)**

\* The Company's Brazilian subsidiary, 3R Tocantins Florestais Ltda., retained approximately 6% of the purchase price of the 3R Tocantins property for a period of 5 years, to support any liability associated with the previous ownership.

Advances held comprise of timber sale proceeds received in advance.

**22 Stated capital**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31 October 2009</b>	<b>31 October 2009</b>	<b>30 April 2009</b>	<b>30 April 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at	2,000,000	2,000,000	2,000,000	2,000,000

The total authorised share capital of the Company is 250 million ordinary shares of no par value with 104,350,000 shares issued at 100 pence each on initial placement. Ordinary shares carry no automatic rights to fixed income but the Company may declare dividends from time to time to which ordinary shareholders are entitled. Each share is entitled to one vote at meetings of the Company.

On 22 February 2007 a special resolution was passed by the Company to reduce the stated capital account from £104,350,000 to £2,000,000. Approval was sought from the Royal Court of Jersey and was granted on 29 June 2007. The balance of £102,350,000 was transferred to a distributable reserve on that date.

The Company pursuant to its authority granted by shareholders of the Company to make market purchases of its own shares on 15 August 2008, the Company, on 4 September 2009 purchased 220,000 ordinary shares for cancellation at a price of 0.72 pence per share, the total amount was £158,400. This distributable reserve was utilised to make the share buy-back. The Company renewed authority granted by shareholders of the Company to make market purchases of its own shares on 16 September 2009.

**23 Reserves**

The movements in the reserves for the Group and the Company are shown on pages 6 and 10 respectively.

*Translation reserve*

The translation reserve contains exchange differences arising on consolidation of the Group's foreign operations.

*Revaluation reserve*

The revaluation reserve arises from the revaluation of available for sale investments, intangible assets and buildings, plant and equipment.

*Distributable reserve*

The company reduced its stated capital account and a balance of £102,350,000 was transferred to distributable reserves. This reserve can be applied if the entity wishes to purchase its own shares and for the payment of dividends.

**24 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell net assets to reduce debt.

In order to ensure that the Group will be able to continue as a going concern, management continuously monitors forecast and actual cash flows and attempts to match the maturity profiles of assets and liabilities. The Group has no external borrowings.

**Notes to the Condensed Unaudited Interim Financial Statements**

For the six months ended 31 October 2009

**25 Contingent liability**

There is a security interest on the 3R Tocantins property to cover a liability, amounting to BRL 5,781,038 (approximately £1,992,774), between the previous owners and Banco da Amazonia, a financial institution which lent money to the previous owners who used the property as collateral. 3R Tocantins Florestais Ltda. holds a security interest of superior value on another property of the previous owner to cover this potential liability in the event it materialises. The last valuation on the security interest property amounted to BRL 6,942,578 (£2,393,167). The security interest the Company holds will only be released after Banco da Amazonia

**26 Events after the reporting period**

The Company had no significant post balance sheet events.

**27 Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. CP Cogent Asset Management LP is the Investment Manager to the Company under the terms of the Investment Management Agreement and is thus considered a related party of the Company.

During the period £513,896 (2008: £579,839) was paid to CP Cogent Asset Management LP in respect of management fees.

Balances between the Company and its subsidiaries, which are related parties, have been disclosed in note 18.

Colin McGrady is a Director of CP Cogent Asset Management LP, which acts as Investment Manager. He is also a Director of the Company and has waived his Director's fees for the period.

The Directors of the Company received total fees as follows:

	<b>31 October 2009</b>	<b>31 October 2008</b>
	£	£
Donald Adamson (Chairman)	20,000	20,109
Martin Richardson	12,500	12,568
Robert Rickman	12,500	12,568
William Spitz	12,500	12,568
	<u>57,500</u>	<u>57,813</u>

# Cambium Global Timberland Limited

## Key Parties

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### Directors

Donald Adamson (Chairman)  
Robert Rickman  
William Spitz  
Martin Richardson  
Colin McGrady

### Registrar, Paying Agent and Transfer Agent

Capita Registrars (Jersey) Limited  
PO Box 378  
Jersey  
JE4 0FF

### Nominated Adviser for AIM

PricewaterhouseCoopers LLP  
Plumtree Court  
London  
EC34A 4HT  
United Kingdom

### Investment Manager

CP Cogent Asset Management LP  
2101 Cedar Springs Road  
Suite 1200  
Dallas  
Texas 75201  
United States

### Sub Administrator

Praxis Property Fund Services Limited  
PO Box 296  
Sarnia House  
St Peter Port  
Guernsey  
GY1 4NA

### Property Valuers

Day Forest Management & Appraisal Inc  
PO Drawer 1169  
4711 North Wheeler / Highway 96 North  
Jasper  
Texas 75951  
United States

### Registered Office of the Company

One the Esplanade  
St Helier  
Jersey  
JE4 8UW  
Telephone +44 (0)1534 512512

### Sponsor to CISX Listing and Legal Advisor

Carey Olsen Corporate Finance Limited  
44 Esplanade  
St Helier  
Jersey  
JE1 0BD

### Corporate Broker

Matrix Corporate Capital LLP  
One Vine Street  
London  
W1J 0AH  
United Kingdom

### Administrator and Company Secretary

Investec Trust (Jersey) Limited  
One the Esplanade  
St Helier  
Jersey  
JE4 8UW

### Auditors

KPMG Channel Islands Limited  
5 St Andrews Place  
Charing Cross  
St Helier  
Jersey  
JE4 8WQ

### Property Valuers

Pöyry Forest Industry  
Level 5, HSBC House  
1 Queen Street  
PO Box 105 891  
Auckland City  
New Zealand

**Key Parties**

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**Property Valuers**

James W. Sewall Company  
136 Centre Street  
PO Box 433  
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ME 04468  
United States

**Property Valuers**

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Avenida República Argentina 452  
Cj. 1506  
Água Verde  
CEP: 80240-210  
Curitiba  
Brazil

**Property Valuers**

URS New Zealand Limited  
13 - 15 College Hill  
P.O. Box 821  
Auckland  
1140  
New Zealand

**Property Valuers**

Sandro Al-Alam Elias  
Safras & Cifras  
Rua Santos Dumont, 621  
Pelotas - RS  
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