

# EcoPlanet Bamboo - Bamboo Corporate Bond

Invest from \$16,500 – Returns from \$79,375

*Central America **Bamboo** Investment*

*A corporate debenture subscription issued by EcoPlanet Bamboo (UK) Ltd*



# Overview

Sustainable timber in all its forms represents arguably one of the most secure investments available and bamboo is perhaps the most exciting of any timber investment.

Bamboo is the fastest growing land plant on Earth and can reach its full height in just one year rather than the 20 years required for traditional timber. As a result, bamboo can create 20 times more timber per hectare than other trees.

The global timber trade exceeds \$600bn per year and growing. However, supply is dwindling as 30% of timber is produced illegally and another 40% is from unsustainable sources. With its exceptional green credentials and high productivity, bamboo is set to become the sustainable timber source of the future.

Bamboo, and particularly our species of bamboo, has some exceptional qualities. A higher tensile strength than steel yet it is able to be used in ultra-soft clothing. Bamboo has many uses, but probably the most important characteristic is that it can be used as a substitute for traditional timber in virtually any product at a lower cost, higher quality and greater positive environmental impact.

As a result, bamboo's demand around the world is well established and rapidly growing. The world market is expected to quadruple to \$20bn within the next four years alone.

On top of its economic opportunity, bamboo is simply the best source of timber for the planet. It sequesters four times more carbon dioxide than other timber and produces substantially more oxygen.

**And as an investment: \$50,000 provides a fixed return of \$301,500**

Investors are invited to purchase a corporate debenture; an unquoted financial instrument possessing the characteristics of an Alternative Finance Investment Bond, generically referred to in this document as a Bond. The intention of issuing the bonds is for the financing of a bamboo plantation in Nicaragua and bonds will be issued by a UK Company; EcoPlanet Bamboo (UK) Ltd.

# Key investment data

Purchase Corporate bonds from \$16,500

Returns up to 503% over 15 year Bond term

Interest payable from year 1

Fixed annual income

Capital returned on top of income

Company with ample capacity to pay bond interest and capital

Business plan based on conservative, provable data

Commodity with desirable qualities

Market expected to be worth \$20bn by 2015

Experienced management team

Unrivalled environmental benefits

Non-correlated with Equities or Property

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# Why Invest in Bamboo?

*“Average annual returns on timber... have outstripped those from leading global stock indices, property, oil and gold for the past decade.”*

The Economist magazine

*“The global market for Bamboo is expected to reach \$20 billion by 2015”*

Ministry of Agriculture, India

The global timber trade is well established and growing. It also enjoys a long history of growth. According to Smart Money Magazine; “...real prices for timber have steadily risen for more than 100 years - better performance than any other commodity..” The future also looks bright for timber investment with the UN FAO forecasting that the consumption of industrial wood will rise 60% over the next 25 years.

However, this increasing demand is set against dwindling supply. Prevention of illegal logging and consumer avoidance of unsustainable timber products means there will be substantial unmet demand and corresponding price rises.

As an environmentally and fully sustainable, fast growing timber source, bamboo’s share of the global timber trade is set to boom.

## Why Invest in Bamboo Over Other Forms of Forestry?

- A 20 meter hardwood tree harvested for its timber can take 50 to 100 years to replace
- As a grass, cutting bamboo stimulates growth and it can reach 30m in just one year
- Unique characteristics give bamboo a diverse range of uses in many markets
- Broad based and rapidly growing global demand
- Sequesters 4 times more CO<sub>2</sub> than standard trees and produces more Oxygen
- Zero waste plant – every part of it has value
- Fast pace of growth combined with global demand underpin exceptional returns

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# Conservative Assumptions

## Volume of Bamboo

The ability of EcoPlanet Bamboo (UK) to pay the fixed interest is the product of two simple variables; how much bamboo is grown and its price in the market when harvested.

First the assumptions for calculating the volume of bamboo grown per hectare;

Bamboo plants per h.a	400
Bamboo poles per plant	6.5 (av)
Harvestable length of each pole	15m
Total metres per h.a.	39,000

In order to maximise productivity only 400 plants will be planted per hectare. With optimum spacing, each bamboo plant or clump has the space for approximately 62 poles or culms, but based on conservative independent data, we only assume each plant has 13 culms of which up to 50% are harvested in any year. This equates to 6.5 culms per plant per year on average.

Finally, EcoPlanet Bamboo (UK) assumes each culm has 15m of usable bamboo. This data represents extremely conservative assumptions as independently provided by Dr. Montagnini from the Yale School of Tropical Forestry.



## Value of Bamboo

EcoPlanet Bamboo (UK)'s financial forecasts are based upon a price per linear metre for the bamboo of \$1.35. However, research which we can provide separately shows that the current average price per linear metre in the Central American market is in fact \$4.29.

Multiplying the volume of bamboo by its value therefore creates the gross income per hectare.

## Additional Revenue

In addition to the sale of harvested bamboo, EcoPlanet Bamboo (UK) intends to generate additional income from the sale of off-shoots and carbon credits.

These separate revenue streams provide substantial capacity for the company to deliver the fixed returns to investors as shown below.

## Fixed Returns

Investment	Total Interest and Capital Returned
\$16,500	\$79,375
\$27,500	\$153,250
\$50,000	\$301,500

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# EcoPlanet Bamboo (UK)

EcoPlanet Bamboo (UK) is part of US based EcoPlanet Group LLC. The group was established in order to manage some of the largest Bamboo and high value crop plantations in Central America. The motivation was threefold;

- to provide a sustainable and commercially viable plantation of the world's most valuable variety of Bamboo in an indigenous environment close to its largest export market;
- to provide sustainable jobs and economic vitality in a region where the company founders have long had a philanthropic interest;
- to help combat deforestation and climate change by using one of the most environmentally friendly reforestation plants in existence which is also the planet's best natural form of carbon sequestration.

As with all EcoPlanet Group companies EcoPlanet Bamboo (UK) is a triple bottom line business focused on people, planet and profits; returning degraded tropical land to productive plantations and providing clients with exceptional returns, both financially and ecologically.

The EcoPlanet Bamboo team, has unrivalled experience in plantation management, agro-forestry, carbon resource management, investment management and investor relations along-side deep and broad ranging regional experience.



## Security

All the capital raised from this investment offering goes into the funding of around 1,800 hectares of bamboo plantation. With expert management, this area of plantation will generate more than four times the necessary revenue to pay the interest and capital due to investors. As a result, you can feel secure in the ability of the company to meet its obligations.

Equally, the plantations will ultimately be located in different countries, thereby minimizing any political or climatic risk. This means that the company can still fund the interest payments even if one plantation is affected by an Act of God.

Finally, investors' returns are secured against 100% of the shares of EcoPlanet Bamboo II LLC which is the sole owner of the 900 hectare Rio Kama Plantation. EcoPlanet Bamboo II was valued at the beginning of July 2011 at over \$39 million dollars once planted and rising to over \$100 million by 2016. In the event of default by EcoPlanet Bamboo (UK), investors would directly own an asset worth more than three times the invested amount.

## Citadel Trustees

Any investment you make is paid directly to UK based Citadel Trustees. The funds are held there until EcoPlanet Bamboo (UK) meets the criteria for releases. Citadel have undertaken extensive due diligence on the project including the review of financial plans, land ownership documents and contracts.

The issued bonds are to be held by Citadel on behalf of investors. In addition, 75% of all revenue arising from the Rio Kama Plantation is paid directly to Citadel who in turn use the funds to pay bond interest before releasing excess proceeds to EcoPlanet. Citadel also holds a first ranking charge over the shares of EcoPlanet Bamboo II (owner of Rio Kama) in case of default.

## Incentivised to Perform

Unlike some forestry investment companies, EcoPlanet has a performance based business model. Uniquely, our investors take priority over the returns from the plantation.

*The world's first bamboo bond providing exceptional returns and a unique level of security for investors in the forestry sector.*

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# Example Financial breakdown

Bamboo Investment Breakdown - Based on the investment of \$50,000 (USD)

Year	Capital Repayment	Return	Investment Yield
1		\$2,500	5%
2		\$3,000	6%
3		\$3,500	7%
4		\$5,000	10%
5		\$10,000	20%
6		\$15,000	30%
7		\$20,000	40%
8		\$20,000	40%
9		\$20,000	40%
10		\$22,500	45%
11		\$22,500	45%
12		\$25,000	50%
13		\$27,500	55%
14		\$27,500	55%
15	\$50,000	\$27,500	55%
		Total = \$251,500	Total Return \$301,500

Returns shown above are gross before the deduction of Trustee fees and any personal tax liabilities. Detailed information on costs can be found in the Investment Proposal which is available on request.

## Next steps

Contact us to request the following available information;

- EcoPlanet Bamboo Bond Investment Proposal
- Bamboo Market Analysis
- Bamboo Productivity Report from Yale University, School of Tropical Forestry

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