Leveraging the Landscape
State of the Forest Carbon Markets 2012

DONOR

PREMIUM SPONSOR

SPONSORS

SUPPORTERS

Astrium Services
Conservation International
RESPONSE RATE: This year, 215 projects (1/2 transacted credits) from 40 country locations; all major registries and standards

Response Rate by County Location, 2012 Survey
As of March 15, 2012

VOLUME AND VALUE: value hits new heights for most markets, while volumes vary by strength of price/demand signals

Historical Transaction Volumes by Forest Carbon Market
MtCO2e

Voluntary OTC  CDM/JI  CCX  California  NSW GGAS  NZ ETS  Other

VOLUME AND VALUE: value hits new heights for most markets, while volumes vary by strength of price/demand signals

Historical Transaction Values by Forest Carbon Market

Million USD

<table>
<thead>
<tr>
<th>Year</th>
<th>Voluntary OTC</th>
<th>CDM/JI</th>
<th>CCX</th>
<th>California/WCI Pre-compliance</th>
<th>NSW GGAS</th>
<th>NZ ETS</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>pre-2005</td>
<td>$37</td>
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<td>$37</td>
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<td>2005</td>
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<td>2006</td>
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<td>2007</td>
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<td>2008</td>
<td>$37</td>
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<td>$37</td>
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<td>2009</td>
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<td>$87</td>
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<td>$87</td>
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<td>2010</td>
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<td>$177</td>
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<td>$177</td>
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<tr>
<td>2011</td>
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<td>$237</td>
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<td>$237</td>
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</tbody>
</table>

BUYERS: Private sector still largest source of demand, but increasingly sharing the pie with other sectors – primarily

Source: State of the Forest Carbon Markets 2012. Ecosystem Marketplace

Share by Buyer Type

<table>
<thead>
<tr>
<th>% Share</th>
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<tbody>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2%</td>
</tr>
<tr>
<td>18%</td>
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</tbody>
</table>

| 2010    |
| 4%      |
| 94%     |

Private Sector: 78%
Public Sector: 18%
Non-profit: 2%
Individuals: 1%

Chevrolet
Walt Disney Company
UNILEVER
Norfolk Southern Railway
PPR Group
JW Marriott
2012 London Olympics

Source: State of the Forest Carbon Markets 2012. Ecosystem Marketplace
BUYERS: Corporate Social Responsibility (CSR) main driver of forest offset transactions, followed by resale (carbon market) & compliance

Share by Buyer Motivation

- Corporate GHG targets: CSR (29%)
- Resale/Investment (23%)
- Compliance/pre-compliance (23%)
- Corporate GHG targets: PR/branding (6%)
- Greening a supply chain (3%)
- Acting on climate change (3%)
- Climate change affects business model (1%)
- Other (11%)

LAND AREA IMPACTED: Projects have historically impacted 18 million hectares – projects on 5 million hectares contracted credits in 2011

PROJECT SUPPLY LOCATION: Latin America leads again in 2012, but transacted volumes down 54%; North America 2nd, driven by compliance

Transacted Volume by Region
$\text{MtCO2e}$

<table>
<thead>
<tr>
<th>Region</th>
<th>Transacted Volume</th>
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<tbody>
<tr>
<td>Latin America</td>
<td>6.9 Mt</td>
</tr>
<tr>
<td>North America</td>
<td>7.7 Mt</td>
</tr>
<tr>
<td>North America</td>
<td>2.2 Mt</td>
</tr>
<tr>
<td>North America</td>
<td>4.7 Mt</td>
</tr>
<tr>
<td>North America</td>
<td>1.8 Mt</td>
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</tbody>
</table>

FOREST OFFSET BUYER/PROJECT INVESTOR LOCATION: Europe top for offset demand and project investments; North America mostly domestic

Transacted Volume by Region
MtCO2e

- Europe: 5.4 Mt
- North America: 2 Mt
- Asia: 1 Mt
- Rest of the World: 0.8 Mt

PROJECT INVENTORY:
Forest carbon projects located in the United States

Forest Carbon Projects by Location, United States
As of December 12, 2012

SOURCE: Forest Carbon Portal Project Inventory. Ecosystem Marketplace