

SHAREHOLDERS' UPDATE

May 2006

Naturetrek comes to Ukraine with Salix* Nature Tours

UK's leading ecotourism company, Naturetrek, sent its first ever group to Ukraine in May, visiting Crimea and the Danube Delta. The party of 15 people, led by RSPB Conservation Officer Roy Taylor, spent nine days touring protected areas to see birds and other wildlife. The itinerary included Askania Nova Biosphere Reserve, Sivash National Nature Reserve, Crimea Forest Reserve, Kinburg Peninsula Nature Reserve, Kugurlui Ramsar Site and Danube Biosphere Reserve.

The party saw over 200 species of birds – a number that can hardly be achieved anywhere else in Europe. These included specialities such as Great and Little Bustards, Demoiselle Crane, Dalmatian Pelican, Pygmy Cormorant, Paddyfield Warbler and Great Black-headed Gull. Among the highlights were Broad-billed Sandpiper, Saker Falcon and Lesser Kestrel.

For Salix, the party was the largest single group hosted so far and posed a major logistical challenge. The company purchased and fitted out a second minibus (a Mercedes Sprinter), and used this in tandem with the existing smaller minibus to provide flexibility and excellent service for the guests. While they were enjoying



Birding in the Danube Delta, aboard the electric-powered skiff, Salvinia, built by Salix

the birds, the support team could set up picnic lunches for the party, and get their baggage to hotel rooms in advance.

Concluding the trip in style with a champagne picnic at the Dneister Liman reedbeds, Roy Taylor said, “what a brilliant trip and destination Ukraine has been – Ukraine should become a core destination for Naturetrek.”

IKAR farm qualifies for organic production

In November 2005, our farm partner IKAR passed its third and final inspection for organic certification. The crops produced in 2006 will be eligible for sale as organic, and accordingly receive a premium price.

The initiative has received great interest from other small farmers in the Lower Danube Lakes region and it is hoped that the existing organic area of 100 ha will now start to expand.

In addition, Salix began working with Predunaisky Niva, a fisheries company based at Kislitsky, a village situated beside Lake Katlabugh, to investigate the feasibility of organic fish production.

Meanwhile, international links continue to expand with a new cooperation started with the Swiss Research Institute for Organic Agriculture (FiBL), as well as ongoing contacts with Eko-Connect in Germany.

Environmental consulting projects make progress

Environmental consultancy projects provided a solid income base for the company during 2005, and new work was steadily acquired during the current year. At present, we are involved with the following projects:

- Danube Wetlands Management Project, Bulgaria. Led by Project Management (Ireland), this project began in February 2005 with Paul Goriup serving as team leader. Other company members involved are Roger Crofts (institutional development), Natasha Goriup (ecotourism), and Tom Clark (sustainable business planning). The project has successfully prepared two management plans for protected areas at Persina Nature Park and Kalimok-Brushlen Protected Site, designed a portfolio of ecologically sustainable enterprises, and recommended a multi-stakeholder approach for future management.
- Black Sea Scene. This project is funded under the VIth Research Framework Programme of the EU. Led by Marine Information Services Ltd (the Netherlands), it sets up a network of marine research institutes from the six Black Sea countries and other European countries that have carried out work there. The institutes will create a virtual data base, accessed through the internet, which will summarise what



The Rostocze Hills National Park in Poland

environmental information is available and how to obtain it. Fieldfare is providing advice on biodiversity aspects of the data base.

- RIDGE II, Ukraine and Poland. This is an EU Cross-border Cooperation project helping to set up a trans-boundary Biosphere Reserve in the Rostocze hills between Ukraine and Poland. Salix is providing advice on how to design nature tours and market the area for ecotourism.

Salix organises international biodiversity workshop in Kyiv for ECNC

The European Centre for Nature Conservation (based in Tilburg, the Netherlands) commissioned Salix to organise an international two-day workshop on indicator-based monitoring of the status of biodiversity. The workshop took place in Kyiv in April, and was attended by 24 government officials and scientists from Eastern Europe, the Caucasus and Central Asia.

Salix arranged the hotel accommodation, meeting venue, visa requirements, travel coordination and interpretation. When the work was done, Salix also organised sightseeing excursions and dinners in the city.

Ben Delbaere, Senior Programme Manager on Biodiversity at ECNC, who led the workshop sessions, said: "the workshop went very well, not in the least because of the organization skills of the Salix team".



Participants in the ECNC / EECCA workshop on a visit to Pecherska Lavra monastery in Kiev

Salix establishes rural development NGO, "Agricola"

In January 2006, Salix joined with IKAR and the Odessa State Institute for Biological Production to establish a new NGO, called "Agricola". This body will provide a legal platform for cooperation between individuals and organisations interested in organic farming, ecotourism and nature protection in the Lower Danube region.

In its first few months, Agricola has already assisted in the preparation of two project proposals for possible sponsorship by the Swiss Institute for Organic Production. One proposal involves the production of organic sunflower oil, and the other setting up an organic fishery.

The results of these applications will be known in July.

Salix renews company image and receives award in Odessa

The Fourth Annual Odessa Tourism Fair took place in April. Salix took a stand as usual, and in preparation revised its company logo and promotional materials to make them more attractive.

Several hundred people visited the Salix stand during the three day event, and many new local tour bookings were received.

The highlight was receiving an award from the Odessa Tourism Association for having the best local tour routes – a nice reward for all the effort put in by the staff over the past year.



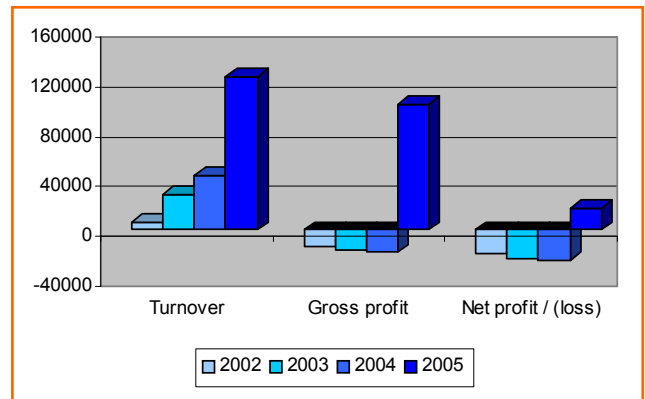
New Salix logo



Salix staff Anna Polskaya (left) and Tatiana Naroditskaya with the "Best Tour" award at the Odessa Tourism Fair

FIELDFARE posts a net profit in 2005, and forecasts surplus in 2006

The Board is pleased to announce that the company made a net profit of over £17,000 (€25,000) during 2005. The gross turnover of the company also greatly increased from £43,000 in 2004 to £123,000 in 2005. These results continue the trend of improving returns after the initial capital investment stage. Based on current business projections, the Board expects a further surplus in 2006.



FIELDFARE – The Ecological Company for Ethical Investors

FIELDFARE International Ecological Development (FIED) was formed in 1996 and is the first British public company with explicitly ethical and biodiversity-oriented objectives written in its statutes. The overall aim of FIED is to bring private capital in support of ecologically sustainable development, particularly wise use of natural resources in Central and Eastern Europe.

FIED makes appropriate investments, provides business experience and promotes access to relevant Western markets needed for sustainable land use, wildlife management and ecosystem restoration in Eastern Europe. This innovative approach supports and complements the more conventional approaches taken by governments (for example, passing environmental legislation and establishing protected areas) and voluntary organisations (that raise public awareness and give grants for conservation projects).

FIED became a public limited company in September 1999. It has a subsidiary registered in Odessa, Ukraine which trades as Salix Ltd. The Company Chairman is Adrian Darby OBE, and the Managing Director is Paul Goriup FIEEM. Shareholders include WWF and the Doen Foundation. In addition to private share capital, the company has attracted other income streams, including the EU Tacis programme, consultancy contracts and in-kind support.

**Would you like to own a share of Fieldfare and support our ecological investments?
Then just complete this form, or contact us for more information:**

enquiries@fieldfare.biz

ORDINARY (VOTING) SHARE APPLICATION

Unlike giving a gift to a charity, shareholders in FIED actually own a share of the company's assets proportional to their shareholding. They have the right to receive the company's accounts, attend Annual General Meetings, vote on management resolutions and elect Board members. They will also receive dividends from the company's profits when authorised by the Board. Shares may also be sold or transferred to third parties. Further details provided on request.

NUMBER OF ORDINARY SHARES REQUESTED
(£1 each; 200 minimum; 10,000 maximum)

I hereby apply for an allocation of the above number of ordinary shares:

NAME (Title, Forename, Surname, in CAPITAL LETTERS)

.....

ADDRESS (will be used for all correspondence until notified otherwise)

Street

Town

Postcode Country

Email

Signature _____

Date _____

Please send with this form with a cheque for the full amount (payable to F.I.E.D.) to the Company Secretary, at the address above, or by bank transfer to:

Account Name: Fieldfare International Ecological Development plc
Account No: 70594601
Account Type: Current
Bank: Barclays, PO Box 5515, Newbury, Berks, RG14 5YF
Bank Code: 20-59-14
SWIFT: BARCGB22