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Media Release

Federal Court decision a “great result” for investor growers

Mark Korda, one of the liquidators of the Timbercorp group of companies, today welcomed a Federal Court ruling as a “great result” for investor growers in Timbercorp forestry schemes.

Mr Korda said : “Today the Federal Court of Australia delivered a landmark ruling which assists not only Growers but also all other stakeholders in the Timbercorp collapse.

“The Court ruled that the leasing obligations of Timbercorp, which were incurred prior to the Group's collapse, are not expenses that the liquidators must pay in priority to all other creditors' claims.

“Had the Court not clarified the position the liquidators may have been forced to disclaim or terminate all the Timbercorp leases which may have adversely affected Growers.

“The status quo has been preserved to enable the liquidators to make better informed commercial decisions about how to either recapitalise the growers’ schemes or, if that is not possible, maximise the returns to growers and other stakeholders.

“The Court also acknowledged that landlords’ rights to take further legal action to recover their properties are also preserved. The liquidators will again ask for support from the landlords to enable them to develop a strategic recapitalisation or realisation plan.

“The liquidators wish to express their thanks to Justice Finkelstein for not only hearing the application urgently but also for delivering his judgment a few days later, and to ASIC for assisting facilitate the determination of the complex legal issues”

The text of the judgment is in the Court Documents sections of www.kordamentha.com and www.timbercorp.com.au

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