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Media release

Results of almond growers meetings

Growers in Timbercorp's almond projects today recommended to keep their investment schemes going while they wait for rescue proposals.

This decision was among a number of resolutions put to grower representatives at a meeting at Etihad Stadium in Melbourne yesterday. About 200 of Timbercorp's 7000 almond investor growers attended the meeting and 2600 voted by proxy.

Mr Mark Korda, one of the liquidators of Timbercorp, said he would advertise next week for expressions of interest in recapitalising or sale of the orchards.

Mr Korda said : "Basically, the growers or someone has to come up with about \$150 million plus to run all the orchards for rent, operating costs and capital expenditure. Timbercorp doesn't have the money and the liquidators are not going to ask the growers to contribute more money as we know that a number of growers do not want to pay any more."

Today's meeting heard details of a proposal under development by the Align Funds Management company. The plan involves growers forgoing their 2009 crop proceeds in return for units in a listed entity which would operate some of the almond plantations.

The meeting also heard from industry expert Mr Stephen Lynch about future prospects for the almond industry which was suffering from low prices and extra water costs associated with a persisting drought.

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But Mr Korda said at current prices of less than \$5 a kilo, the crops were costing more to grow and harvest than they were worth.

Mr Korda said there appeared to be three groups of investors – those who wanted to cut their losses and collect their 2009 crop proceeds, those who wanted to keep the schemes going even if it meant investing more, and those who didn't know.

He said ultimately growers would have to decide whether they wanted to receive their proceeds and cut their losses by winding up the schemes, or whether they wanted to make ongoing contributions and 'double down' their exposure by keeping the schemes going or recapitalizing them.

"While growers present at the meeting may want harvest proceeds owing to them to be reinvested into the project, there are also many growers who would prefer to claim their funds. Changing the constitution to allow growers' funds to be reinvested may present problems," he said.

Mr Korda said the question of how the growers' \$31 million crop proceeds from 2009 were used might ultimately have to be determined by a court.

"The primary statutory role of the liquidators is to look after the best interests of the investor growers and that includes all of them," he said.

Mr Korda said he had received legal advice which cast doubt on whether the scheme constitutions could be legally changed to allow the diversion of crop proceeds owned by individual growers.

Mr Korda said the liquidators would work as quickly as possible to identify potential parties to recapitalise or sell the orchards.

Today's meeting arose from an agreement which emerged after four days of court hearings this month when the liquidators and grower representatives debated whether the schemes should be wound up. The wind-up resolution was adjourned pending yesterday's meeting. Yesterday's meeting was adjourned indefinitely. Details of the vote and the texts of the resolutions are on www.timbercorp.com.au and www.kordamentha.com

Ends

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