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## Media release

### Liquidators win time for growers

A decision in the Federal Court today won some time for the crisis facing Timbercorp forestry assets, but the liquidators maintained that investor growers face “a chaotic situation” if permanent solutions are not found soon.

A group of forestry landlords had served notices on the liquidators to decide this week whether to disclaim the leases. The move by the landlords threatened to throw into doubt the ownership of hundreds of millions of dollars worth of eucalyptus trees.

However, Justice Finkelstein in the Federal Court today extended the disclaimer period until 1 September and invited the liquidators to go back to court if they needed more time. Today’s decision does not affect the process for potential buyers who have been asked to submit offers by 18 September. The liquidators have begun a formal process and have received strong interest among potential buyers in Australia, Asia, North America and Europe.

Liquidator Mark Mentha said: “Today’s decision is welcome, but the general threat remains imminent. Investor growers could lose their trees or face a difficult fight to keep them unless there is progress soon. This would be a chaotic situation.”

At stake is 100,000 hectares of timber plantations in south-west Western Australian and the Green Triangle area of Victoria and South Australia.

Mr Mentha said the investor growers needed to decide the fate of their schemes on Friday this week.

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Timbercorp forestry investor growers have been called to a meeting at Etihad Stadium in Melbourne on Friday to give their views on the future of the schemes. About 9000 people invested \$800 million in Timbercorp's forestry schemes.

Investor growers in the forestry schemes had been assumed to have clear ownership of the valuable trees on the plantations, but some landlords have claimed that their leases allow them to take the trees if the rent is not paid.

Mr Mentha said: "The process we have begun for growers and other creditors is clearly the best way to generate competition amongst bidders and that way ensure the best outcome for the investments of growers."

Mr Mentha said the strongest interest he had received so far was to buy all the forestry assets outright, including the trees, as a fully integrated forestry business.

Because of the landlord issue, he said: "We only have one shot at this for the growers. Otherwise they face chaos."

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