

IN THE SUPREME COURT OF VICTORIA AT MELBOURNE
COMMERCIAL AND EQUITY DIVISION
COMMERCIAL COURT

LIST E

SCI 2009 10699

BETWEEN:

**BOSI SECURITY SERVICES LIMITED (ACN 009 413 852) as trustee for
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ACN 005 357 522) and BOS INTERNATIONAL (AUSTRALIA) LIMITED
(ACN 066 601 250) and WESTPAC BANKING CORPORATION
(ACN 007 457 141)**

Plaintiff

and

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
(ACN 005 357 522) & ORS (according to the attached Schedule)**

Defendants

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 3 March 2010
Filed on behalf of: the Second, Third and Fourth Defendants

Prepared by:
ARNOLD BLOCH LEIBLER
Lawyers and Advisers
Level 21
333 Collins Street
MELBOURNE 3000

Solicitor's Code: 54
DX 38455 Melbourne
Tel: 9229 9999
Fax: 9229 9900
Ref: []

(Leon Zwier lwier@abl.com.au /
Lucy Kirwan lkirwan@abl.com.au)

This is the exhibit marked 'MAK-58' now produced and shown to MARK ANTHONY KORDA at the time of swearing this affidavit on 3 March 2010.

Before me:

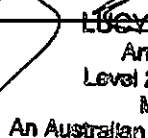

LUCY HANNAH KIRWAN
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

Exhibit 'MAK-58'

**Copy of PowerPoint Slides of Sam
Ballieu's presentation**

ALIGN

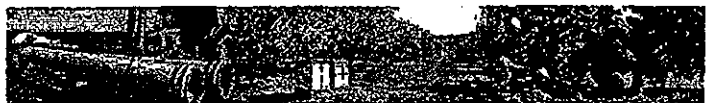
F U N D S M A N A G E M E N T

Presentation
July 2009



Table of Contents

- ▶ **Background**
- ▶ **Proposal**
 - ▶ Rationalization of stakeholder interests
 - ▶ Consolidation of real estate & MIS interests
 - ▶ Recapitalization of TPF
 - ▶ Equity raising
 - ▶ Paydown of bank debt
 - ▶ Working capital facility
 - ▶ Lock in ongoing, sustainable, profitable orchard management
 - ▶ Acquisition of TIM orchards
- ▶ **Advantages for Growers**
- ▶ **Proposed funding structure**
- ▶ **Indicative margins**
- ▶ **Viable world-class Almond operation**
- ▶ **Why Growers should support restructure**



Background

- ▶ **Align Funds Management (AFSL 234554) is the Responsible Entity for Timbercorp Primary Infrastructure Fund (TPF)**
- ▶ **TPF owns two major almond properties - "Liparoo" and "Yungera"**
 - ▶ Timbercorp 2001 - 2005 almond projects operate on the properties
- ▶ **The 2002, 2005 & 2006 projects also operate on two other almond properties – "Nenandie" and "Carina" which are owned by Timbercorp (in liquidation)**
- ▶ **Select Harvests Limited (SHV) undertakes the farm management, harvesting, processing and marketing of the almond crops**
- ▶ **Align is in a unique position to manage the on-going operations and maximise all parties' interests**



ALIGN

F U N D S M A N A G E M E N T

Who we are

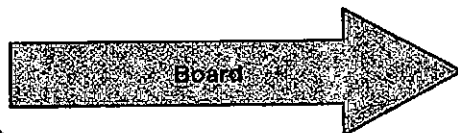


Baillieu
Family

Victor Smorgon
Group



Align Funds Management Limited



Directors:
Trevor Moyle (Chairman), Alan Fisher, Sam Baillieu & Jeff Clifton



Proposal - Rationalization of stakeholder interests

- ▶ TPF Equity issued to Growers for 2009 crop proceeds and termination of MIS Schemes
- ▶ Entitlement offer to Growers at discount for further equity in TPF
- ▶ TIM contracts unwound & other claims eliminated
- ▶ Independent Expert Report on proposal
- ▶ Approval:
 - ▶ At Grower meetings
 - ▶ At TPF unit holder meeting
- ▶ Restructure of SHV contracts with TPF directly
- ▶ Elimination of MIS interests which affect Senior lender's security



Consolidation of land & MIS interests by offer to Growers

- ▶ Alignment of interest by issue of TPF equity in exchange for
 - ▶ Cancellation of MIS schemes
 - ▶ Transfer of 2009 crop proceeds
 - ▶ Entitlement subscription to TPF
- ▶ Result
 - ▶ Land, water, orchards, crop, farm infrastructure & future income from 3,854 Ha. owned by TPF



Consolidation of land & MIS interests by offer to Growers (cont)

- ▶ **Growers**

- ▶ **Projects**

- ▶ 2001 - 2005 projects (TPF orchards)
 - ▶ 2006 - 2008 projects (proposal continues to be developed/negotiated)
 - Align understands the importance of a total solution for all almond growers

- ▶ **Basis of offers**

- ▶ Crop proceeds at fair value
 - ▶ Entitlement offer will be at a discount reflecting the value of the current grower rights



Recapitalization of TPF

- ▶ **Equity**
 - ▶ Subscription of crop proceeds for units
 - ▶ Entitlement offer to Growers and unitholders
- ▶ **Debt**
 - ▶ Substantial repayment of senior debt by:
 1. Application of equity raising
 2. Sale of water rights
 - ▶ Establishment of new facilities



Orchard Management

- ▶ **Renegotiate SHV Orchard management, processing & marketing contracts**
 - ▶ **Share farm arrangement**
 - ▶ **Operating costs – variable and reduced**
- ▶ **TPF provides working capital for farm & processing/marketing**
- ▶ **Result**
 - ▶ **Better alignment between TPF & SHV**
 - ▶ **Lower risk & risk share enhance robustness of TPF**



Opportunity to acquire TIM orchards

- ▶ Acquisition of 2808 Ha
 - ▶ Nenandie/Narcooyia
 - ▶ Carina
- ▶ Future capex of \$7.3m
- ▶ Present water allocation of 20,500 ML



Grower entitlement to crop proceeds

2009 crop proceeds

- Estimate only, as advised by orchard manager and subject to the deduction of project fees and costs, if any
- Growers will receive TPF units for their 2009 net crop proceeds

Project	Crop Proceeds	
	\$Per Lot	\$m
2001	2,057	1.85
2002	2,057	9.05
2003	1,711	7.62
2004	1,543	7.53
2005	949	5.41
2006	-	-
Total		\$31.46m



Advantages for Growers

- ▶ Crystallises value of crop proceeds (2009)
- ▶ Opportunity to continue investment in world class almond orchards with enhanced economics
- ▶ Eliminates on-going contribution obligation
- ▶ One-off entitlement for further participation in TPF on attractive terms
- ▶ Transfer of limited term crop right for permanent interest in land, water and orchards
- ▶ Eliminates requirement for litigation
- ▶ Fair value exchange of TPF units for MIS interests
- ▶ Provides efficient mechanism for Growers to exit investment through sale of units on the Stock Exchange





Indicative margins at full production deliver attractive returns on capital employed

		At "Medium" Water Allocations & "Low" Temporary Water Prices		At "Low" Water Allocations & "High" Temporary Water Prices	
Almond Price	\$/kg	5.25	6.25	5.25	6.25
Less: Farm Costs	\$/kg	3.32	3.32	3.32	3.32
Less: Temp. Water Costs	\$/kg	0.20	0.20	0.59	0.59
Farm Operating Margin	\$/kg	1.73	2.73	1.34	2.34
TPF Earnings Before Interest & Tax (EBIT)	\$m	\$12.6m	\$21.4m	\$9.2m	\$17.9m
Return on Capital Employed	%	9%	14%	6%	13%

Assumptions:

• Capital Employed	\$m	142.3	148.6	147.1	142.8
• Permanent Water Allocation	%	75	75	50	50
• Temporary Water Price	\$/ML	100.0	100.0	250.0	250.0

Please note: The above are estimates only and no assurance can be given that they will be achieved. Based on a full maturity year.



Combination of TPF's farm assets with the MIS scheme crop rights creates a viable world-class almond operation

Farms:	Liparoo & Yungera
Grower Schemes:	2001 to 2005
Orchard Area:	3,854 ha
Yield At Full Production:	- 1,300 kg/acre - 3,212 kg/ha
Full Production:	12.4 million kgs
Proposed Water Regime:	10 ML/ha (based on current almond & water prices)
Permanent Water Rights:	- currently 12.5 ML/ha - possibly reducing to 5.0 - 7.0 ML/ha and relying on temporary water for the balance
Farm Operating Costs:	\$3.32 per kg (assuming target yield)
Temporary Water Costs:	Depends on level of permanent water holdings and market price for temporary water



Why Growers should support the Restructure Resolutions

- ▶ Provides opportunity to review and subsequently approve the proposed Restructure (subject to all relevant approvals being obtained by Align)
- ▶ The Restructure will enable Growers to:
 - ▶ Invest in the underlying Almond farming operations in perpetuity (rather than finite crop rights)
 - ▶ Hold a tradable security which can be realised for cash
 - ▶ Benefit from improved farm operating costs and the upside of any turn in the almond, water & farm input price cycles
 - ▶ Avoid the uncertainty for Growers in an outright sale of the TIM orchards by the liquidator
 - ▶ Make a single capital contribution that will be less than the Oct 09 MIS invoice, rather than ongoing future contributions



Disclaimer

- ▶ **Align Funds Management Limited (AFSL No. 234554) is the Responsible Entity of the Timbercorp Primary Infrastructure Fund (TPF).**
- ▶ **This presentation is not an offer to acquire Units in TPF. No offer is currently being made. Any offer in the future will be made via a Product Disclosure Statement.**
- ▶ **Nothing in this presentation constitutes investment, legal, tax or other advice. Please note that this presentation does not take into account any person's individual investment objectives, financial situation or needs. Before making an investment decision you should consider the suitability of an investment in light of your particular investment needs, objectives and financial circumstances and consult an independent professional financial or other adviser.**
- ▶ **The Align/TPF Restructure Proposal is still to be formalised and is subject to documentation being entered into by the relevant parties. The final negotiated terms of the Align/TPF Restructure Proposal may differ materially from that outlined in this presentation and it may also be subject to a number of conditions, including compliance with all relevant regulatory requirements, court approvals, unit holder and grower approvals, financing approvals, completion of the equity raisings, any tax rulings considered necessary and an independent expert's report being obtained in respect of the proposal.**
- ▶ **Neither Align Funds Management Limited nor any of its officers, employees or associates makes any representation or warranty nor guarantees the performance of TPF, or any return of capital.**

