

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

LIST E

S CI 2010

IN THE MATTER OF TIMBERCORP SECURITIES LIMITED
(IN LIQUIDATION) (ACN 092 311 469)

TIMBERCORP SECURITIES LIMITED (IN LIQUIDATION) (ACN 092 311 469)
IN ITS CAPACITY AS RESPONSIBLE ENTITY OF THE 2004 TIMBERCORP CITRUS PROJECT
(ARSN 108 887 538) AND THE 2005 TIMBERCORP CITRUS PROJECT (ARSN 114 091 299)
AND ORS ACCORDING TO THE SCHEDULE

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 23 February 2011

Filed on behalf of: The Plaintiffs

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This is the exhibit marked '**PWK13**' now produced and shown to PAUL WILLIAM KIRK at the time
of swearing his affidavit on 23 February 2011.

Before me



DANIELLE RUTH NAHUM
of 530 Collins Street, Melbourne
Victoria 3000
An Australian Legal Practitioner
within the meaning of the
Legal Profession Act 2004

Exhibit '**PWK13**'

Copy of Information Memorandum
dated 30 November 2009

Kangara

Information Memorandum

30 November 2009

Strictly Private and Confidential

Kangara

Information Memorandum
30 November 2009

Issued to

Date Issued

This Information Memorandum is strictly private and confidential. Any unauthorised recipient should immediately return it to:

Attention: Amir Lefkovic

PricewaterhouseCoopers Securities Limited
Freshwater Place
2 Southbank Boulevard
Southbank, Victoria 3006
Australia

1 Disclaimer

This Information Memorandum ("Memorandum") has been prepared by Stephen Graham Longley and Paul William Kirk of PricewaterhouseCoopers ("PwC") as joint and several receivers and managers ("Receivers") appointed to Align Funds Management Limited (formerly known as Orchard Investments Management Limited) in its capacity as the responsible entity of the Timbercorp Orchard Trust (Receivers and Managers Appointed) ("Responsible Entity").

This Memorandum is provided on a confidential basis solely for the information of selected interested parties which have expressed an interest ("Interested Parties") in acquiring the assets of the Responsible Entity (the "Assets") and which have signed both a confidentiality deed in respect of confidential information in connection with the proposed sale and purchase of Assets ("Confidentiality Deed") and a release deed poll ("Release Deed Poll") in connection with information provided by KordaMentha and/or Timbercorp Limited (in Liquidation) ("Timbercorp"). The Interested Party is bound by the terms of the Confidentiality Deed. The information and opinions contained in this Memorandum are strictly private and confidential and accordingly the contents of this Memorandum, and any other information or opinion subsequently supplied or given in connection with the Assets, may not be dealt with other than in accordance with the terms of the Confidentiality Deed.

This Memorandum is intended as a guide only. Neither the Receivers, nor the Receivers' partners, employees, advisers or agents ("Representatives") take responsibility for any information, statement or representation contained in this Memorandum or any omission from it. The information contained in this Memorandum has not been audited or verified by the Receivers, the Representatives or any of their related bodies corporate, respective directors, employees, advisers or agents. This Memorandum shall not be deemed to be an indication of the state of affairs of the Responsible Entity or the Assets, nor shall it constitute an indication that there has been no change in the business of the Responsible Entity or the Assets since the date of this Memorandum or since any other date at which any information contained in this Memorandum is expressed to be stated.

Any projections and forecasts contained in this Memorandum represent best estimates only and involve significant elements of subjective judgement and analysis which may or may not be accurate. No representation or warranty is given as to the achievement or reasonableness of any plans, future projections, management targets, prospects or returns and nothing in this Memorandum is or should be relied upon as a promise or representation as to the future. The Receivers and their Representatives disclaim all liability for any loss or damage of whatsoever kind (whether foreseeable or not) which may arise from any person acting on any information or opinions contained in this Memorandum or any information which is made available in connection with any further enquiries, notwithstanding negligence, default or lack of care. No responsibility is accepted to inform an Interested Party of any matter arising or coming to the Receivers' attention, which may affect any information provided to the Interested Party.

In providing this Memorandum, no obligation is undertaken to provide the Interested Party with access to any additional information. The Interested Party should not rely on any material contained in this Memorandum as a statement or representation of fact, but should satisfy itself as to the accuracy of the material by such independent investigation as it, or its advisers, think fit. The Interested Party should rely on its own enquiries and should also seek appropriate professional, including legal advice before making any offer to acquire the Assets. No Interested Party should expect the Receivers or their Representatives to owe it any duties or responsibilities in connection with any transaction.

To the maximum extent permitted by law, the Receivers and the Representatives expressly disclaim any and all liability (including without limitation for negligence) for representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this Memorandum or any other written or oral communications transmitted or made available including, without limitation, any historical financial information, any estimates or projections and any other financial information derived therefrom.

The provision of this Memorandum is not and should not be considered as a recommendation to purchase the Assets. Nothing in this Memorandum constitutes an offer by the Receivers to sell all or any part of the Assets. Further, nothing in this Memorandum constitutes a warranty, representation or undertaking by or on behalf of the Receivers or their Representatives or a contract or any obligation to sell or to proceed with negotiations for the sale of all or part of the Assets.

This Memorandum, including any update or supplement, does not and will not form any part of any asset purchase agreement that may result from the review, investigation or analysis by the Interested Party and its advisers. The Receivers have the right to negotiate with other Interested Parties at any time, and enter into binding agreements with any party(ies) in relation to the sale of the Assets, without prior notice to an Interested Party or any other recipients of this Memorandum.

To the extent permitted by law, none of the Receivers or their Representatives shall be liable to compensate or reimburse any Interested Party for any liabilities, costs or expenses incurred in reviewing, investigating or analysing any information relating to the Assets or otherwise, whether or not such information is contained in this Memorandum.

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2 Introduction

2.1 Purpose of Memorandum

On Thursday 22 October 2009, Stephen Longley and Paul William Kirk of PwC were appointed joint and several Receivers over the Assets pursuant to certain fixed and floating charges granted by the Responsible Entity in favour of Permanent Nominees (Aust.) Limited. The Receivers have been appointed over Align Funds Management Limited (Align) only in its capacity as Responsible Entity of the Timbercorp Orchard Trust (TOT) and the appointment does not extend to any of Align's other activities.

The Receivers are seeking offers for the purchase of the Assets, namely Kangara, a high-yielding, premium quality citrus orchard and vineyard in the Riverland region of Southeast South Australia and associated permanent water rights ("PWR"). The Receivers will consider all offers and offer structures on their individual merits. Final offers for the Assets need to be submitted by 5.00pm AEST on Friday 11 December 2009.

The purpose of this Memorandum is to provide an overview of the Assets to Interested Parties. This Memorandum constitutes the initial information for the purpose of Interested Parties submitting a final offer to acquire the Assets. Further information is available via an on-line data room.

This Memorandum has been prepared on the basis of information available or estimated as at the date of this Memorandum, unless otherwise stated. The provision of this Memorandum is not a recommendation or offer in relation to the purchase of the Assets. The Memorandum does not necessarily provide all the information which Interested Parties will require in order to evaluate the Assets for the purposes of a possible acquisition.

2.2 Confidentiality and Additional Information

This Memorandum contains commercially sensitive information and has been provided on the terms set out in the Confidentiality Deed and the Release Deed Poll. Any additional information in relation to the Assets is provided to Interested Parties on the same confidential basis. For the avoidance of doubt, the Receivers are not obliged to provide any further information to any Interested Parties.

If an Interested Party proceeds to make a final offer to acquire the Assets, it shall make and rely solely upon its own investigations and enquiries, including due diligence in respect of the Assets, and not on the information contained, and statements made, in this Memorandum and in the online data room.

No representations or warranties are given to the information contained in this Memorandum and in the online data room.

A condition of our process is that all enquiries, discussions and communication regarding the sale of the Assets must be made through the Receivers. Therefore all correspondence and any request for information should be directed to the PwC representatives in Section 10.4. No communications should occur with management of the Responsible Entity, their financiers or any other stakeholder or interested party without our prior consent.

2.3 The Receivers' Discretion

This Memorandum is issued by the Receivers. The issuing of this Memorandum does not in any way commit the Receivers to discuss or negotiate with any person or organisation in connection with the sale of the Assets. The Receivers are not obliged to accept any offer and may terminate discussions at any time. The Receivers also reserve the right to:

- undertake any type of transaction(s) for the sale of the Assets or none at all
- evaluate the terms and conditions of a proposal and to pursue or reject it without providing specific reasons
- modify procedures (including the timetable and any deadlines) relating to the sale of the Assets
- invite further parties to submit proposals
- restrict access to data, information or management to a party or all Interested Parties
- require a party to withdraw from the process at any time without explanation
- enter into discussion or a definitive agreement for the sale of the Assets with any Interested Party, without prior notice and without providing specific reasons, all at the sole discretion of the Receivers.

3 Attractive Investment Opportunity

3.1 Key Investment Highlights

✓ Substantial Freehold	Freehold land of 1,425 Ha, including 1,179 planted Ha (citrus planted land of 739 Ha and vineyard planted land of 440 ha).
✓ Owned Water Rights	Owned permanent water entitlements of 8,861 ML.
✓ Diversity in Produce	Kangara produces a variety of citrus fruits including oranges, mandarins, lemons and tangelos as well as a variety of wine grapes including Cabernet Sauvignon, Shiraz, Colombard, Pinot Noir, Merlot and Chardonnay.
✓ Historical Harvest Success	Orchard and vineyard established in 1985 and 1997 respectively, with strong historical harvest volumes to date.
✓ Premier Location	Located in a region which is considered an ideal climate for citrus growing, together with excellent transport and water infrastructure. Australian citrus production benefits from proximity to Asia, with over 40% of Australian citrus exports destined for Asian markets. The region is also considered an ideal climate for grape growing. Australian wine grape production benefits from the increasing popularity of Australian wines in international markets, and also from the proximity to the emerging Asian markets.
✓ Highly Skilled Orchard and Vineyard Manager	Existing relationship in place with AgriExchange, currently under short term renegotiation.
✓ Strong Domestic Demand for Citrus	The recognition of the health benefits of citrus fruit has driven strong domestic demand for both fresh fruit and juice products.
✓ Strong Global Demand for Citrus	Global demand for citrus fruits is strong, in particular for fresh counter-season fruits grown in the southern hemisphere being exported to the northern hemisphere.
✓ Additional Planting Capacity	Opportunity to make additional plantings in remaining non-planted land of 246 Ha.
✓ Long Term Agreement for Supply of Wine Grapes	A long-term rolling agreement with CCW Co-operative Limited has been in place since 2000 for the supply of wine grapes.

3.2 Overview of Opportunity

The Receivers are seeking offers from Interested Parties for the Assets, which comprise the following individual assets:-

- 1,425 hectares of freehold land in Murtho, South Australia (located in the 'Riverland' region)
- 739 hectares of planted citrus orchards (approximately 490,500 citrus trees with an average maturity of seven years)
- 440 hectares of planted vineyards (approximately 793,700 vines with an average maturity of 11 years)
- 8,861 megalitres of PWR per annum
- all other owned infrastructure used at Kangara.

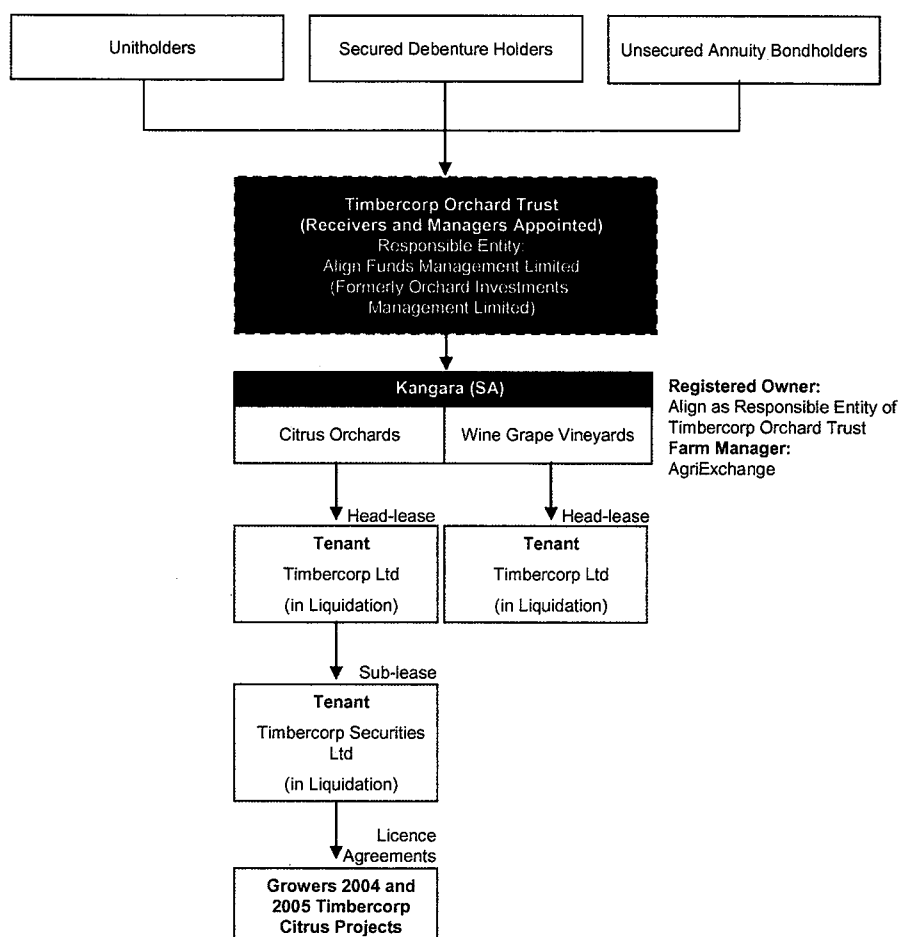
3.3 Background

Align, as the Responsible Entity of TOT is the registered proprietor of Kangara. Debentures issued by TOT are quoted on the Australian Securities Exchange under the ASX code 'TODHA' and are currently suspended from trading. The units in TOT are not quoted.

3.4 TOT Structure

The TOT structure and the ownership structure of the Assets are outlined in Figure 3.1 below:

Figure 3.1 Ownership structure of TOT



Align Funds Management Limited – formerly Orchard Investments Management Limited, acts as the Responsible Entity of TOT. Stephen Graham Longley and Paul William Kirk of PwC are joint and several Receivers appointed to Align Funds Management Limited in its capacity as the Responsible Entity of TOT.

AgriExchange – a division of Costa Exchange Limited, an Australian marketer, distributor and grower of fruit and vegetables listed on the ASX under the code 'CHQ'. It provides management services at the Orchard under the terms of Citrus Orchard Management Agreements.

Timbercorp Limited ("Timbercorp") – Timbercorp leases Kangara from TOT.

Timbercorp Securities Limited ("TSL") – a wholly owned subsidiary of Timbercorp leases part of Kangara from Timbercorp and also acts as the responsible entity of the two registered Managed Investment Schemes ("MIS") in which Growers participate, namely the 2004 Timbercorp Citrus Project (ARSN 108 887 538) and the 2005 Timbercorp Citrus Project (ARSN 114 091 299).

Growers – the investors who participate in the MIS operated by the Timbercorp Group at the Orchard.

3.5 The Assets for Sale and the Basis of Sale

The Assets available for purchase have been outlined in section 3.2 above. Kangara is described in more detail in section 6 of this Memorandum. As indicated in Figure 3.1, Kangara is currently encumbered by a head-lease to Timbercorp. Part of Kangara is also encumbered by a sub-lease, entered into by certain companies in the Timbercorp Group in connection with the MIS, and licences that have been granted to the Growers in the MIS.

Kangara Estate is divided into five separate parts:

- **“Kangara 350”** – 350 Ha comprising part of the 2004 Timbercorp Citrus Project
- **“Block R (or Kangara 300)”** – 306 Ha comprising part of both the 2004 and 2005 Timbercorp Citrus Projects
- **“Block S”** – 152 Ha comprising part of the 2004 Timbercorp Citrus Project (of which 69 Ha remains unplanted)
- **“Vines”** – 440 Ha of planted vineyards not part of any Timbercorp MIS projects
- **“Other land”** – comprising 177 Ha of unplanted land

As at the date of this Memorandum, the Receivers understand that the MIS conducted by the Timbercorp Group on Kangara (namely the 2004 and 2005 Timbercorp Citrus Projects which are conducted on the parts of Kangara referred to as Kangara 350, Block R and Block S are unlikely to continue as going concerns due largely to the insolvency of the Timbercorp Group, including the Responsible Entity of the registered MIS, Timbercorp Securities Limited (in Liquidation). As a result, the Receivers understand that the liquidators of TSL intend to terminate, surrender or extinguish all of the Growers' rights in connection with Kangara in order to permit a sale of the property on an unencumbered basis.

Before exercising such a power, the liquidators will be required to issue a court application to seek directions that they are justified in extinguishing the Growers' rights in connection with the sale of Kangara. Similar orders have previously been obtained by the liquidators of the Timbercorp Group in connection with the sale of certain almond and olive properties.

As at the date of this Memorandum, the Receivers understand that 440 hectares of Kangara have been developed as vineyards which do not form part of the MIS. The Receivers presently understand however that the Vines may be the subject of the head-lease referred to above. The Receivers will be looking to the liquidators of Timbercorp to terminate the head-lease at settlement of the sale of the Assets.

In the context of these observations, the Receivers are prepared to consider all offers and offer structures by Interested Parties, including offers to purchase the Assets as currently encumbered by the leases and licences used in connection with the MIS, and offers to purchase the Assets on an unencumbered basis.

4 Citrus Industry Overview

4.1 The Global Market for Citrus Fruit

4.1.1 Citrus Fruit Supply

Citrus fruits are grown in over 140 countries around the world, with 70% of production occurring in the northern hemisphere. World production of citrus fruits has experienced substantial growth over the last 30 years, driven by improved cultivation techniques and changing consumer preferences to healthier food choices (source: United Nations Conference on Trade and Development).

Brazil contributes around 18% of the world's citrus supply, followed by China with approx 17% and the United States with 9%. Australia contributes around 0.5-1% of global production (source: Citrus Fruit Market in Australia Business Report, 2009).

4.1.2 Citrus Fruit Demand

Global consumption of citrus fruits has steadily increased over the last three decades, buoyed by demand for fresh fruit and orange juice products in developed countries, underpinned by steady demand for fresh fruits in emerging countries such as India, Brazil and China (source: United Nations Conference on Trade and Development). The industry is expected to enjoy a 2.7% increase in domestic demand during 2009 (source: IBISWorld Industry Report, 2009).

Consumer demand for fresh fruits in developed countries has been significantly influenced by the universal recognition of the nutritional benefits of fresh citrus fruit as part of a balanced diet. This demand for fresh citrus fruits has resulted in increased demand for counter-seasonal fruits grown in the southern hemisphere being exported to the northern hemisphere for year round availability of fresh fruit.

4.2 The Australian Citrus Fruit Industry

The Australian citrus fruit industry is an established mature industry driven by increasing domestic consumption demands. Fruit growers have experienced an annualised growth rate of c.5.7% in the five years to June 2009 compared to GDP growth of 3.0% (source: IBISWorld Industry Report 2009, A0119). Australia is the fourth largest Citrus producer in the southern hemisphere, with a total of 30,000 hectares of citrus orchards, producing around 615,000 tonnes of fruit each year.

Australian production includes oranges (60% of production); mandarins (30%) and lemons/limes (10%). The majority of Australia's production is for domestic consumption, with approximately 50% of production being used in the manufacture of fruit juice products, and a further 25% being sold to wholesalers. Approximately 25% of production is exported, with most fruit destined for Asia or the United States.

4.2.1 Geographic Advantages

Due to the physical requirements of growing citrus fruits, the Australian citrus fruit industry has a number of advantages, including:

- an ideal climate and water supply
- a harvest period that is counter-seasonal to that of major northern hemisphere competitors

- relatively few pests and diseases destructive of citrus trees and citrus fruits
- proximity to Asia, which accounts for around 40% of citrus exports, with further growth expected in the region (source: Citrus Fruit Market in Australia Business Report, 2009).

4.2.2 Citrus Fruit Growing Regions

Citrus fruits are grown in all states of Australia. The major Australian citrus fruit growing regions are:

- Riverina (New South Wales)
- Riverland (South Australia)
- Murray Valley (New South Wales/Victoria)
- Central Burnett Region (Queensland)

Factors which influence the locations where citrus fruit is grown include:

- precipitation levels and/or access to water supply
- proximity to markets

5 Wine Grape Industry Overview

5.1 The Global Market for Wine Grapes

5.1.1 *Wine and Wine Grape Supply*

In 2008, the top five wine producers globally were Italy, France, Spain, the United States and Argentina, accounting for 62% of the 27 billion litres of wine produced in the world. Australia was the sixth largest wine producer accounting for 5% of total world production. Australia does however, export a higher volume of wine than both the United States and Argentina (Australian Wine and Brandy Corporation Market Insight Report, Global Wine Supply Monitor, 2009).

5.2 The Australian Wine Grape Industry

The Australian wine grape industry is highly dependant on activity in the wine manufacturing industry and the majority of wine grapes produced in Australia are sold domestically. The Australian wine industry is highly dependant on export markets, which contribute an estimated 55.2% of manufacturing revenue. (IBISWorld Industry Report, July 2009, A0114)

Australia exports wine to over 100 countries and is the fourth largest wine exporting nation after France, Italy and Spain (The Australian Wine and Brandy Corporation, 2009).

The US is Australia's largest export market, followed by the UK and Canada. Emerging markets include Japan, Europe and Asia (The Australian Wine and Brandy Corporation, 2009).

The Australian wine grape industry has suffered from fluctuating production levels in recent years, largely due to the drought and erratic weather conditions.

Australian wine grape production is expected to increase in the short to medium term due to increasing availability of water for irrigation and the maturing of recently planted vines (Australian Bureau of Agricultural and Resource Economics, Australian Wine Grape Production Projections to 2010-2011).

5.2.1 *Geographic Advantages*

The Australian wine industry has a number of geographical advantages, including:

- a temperate climate ideal for wine grape growing
- land areas and soil composition suitable for vineyard development
- adequate water supply
- relatively few pests and diseases destructive of vines and grapes
- a harvest period that is counter-seasonal to that of major competitors.

5.2.2 Wine Grape Growing Regions

The major Australian wine grape growing regions are:

- South Australia: Lower Murray, Limestone Coast, the Fleurieu Peninsula, and the Barossa Valley
- Victoria: Sunraysia, Kerang-Swan Hill and the Murray Darling
- New South Wales: Murrumbidgee Irrigation Area, Hunter Valley, Sunraysia

Newer grape growing areas have also developed in Tasmania, around the Margaret River region in Western Australia and in the cool climates of southern Victoria.

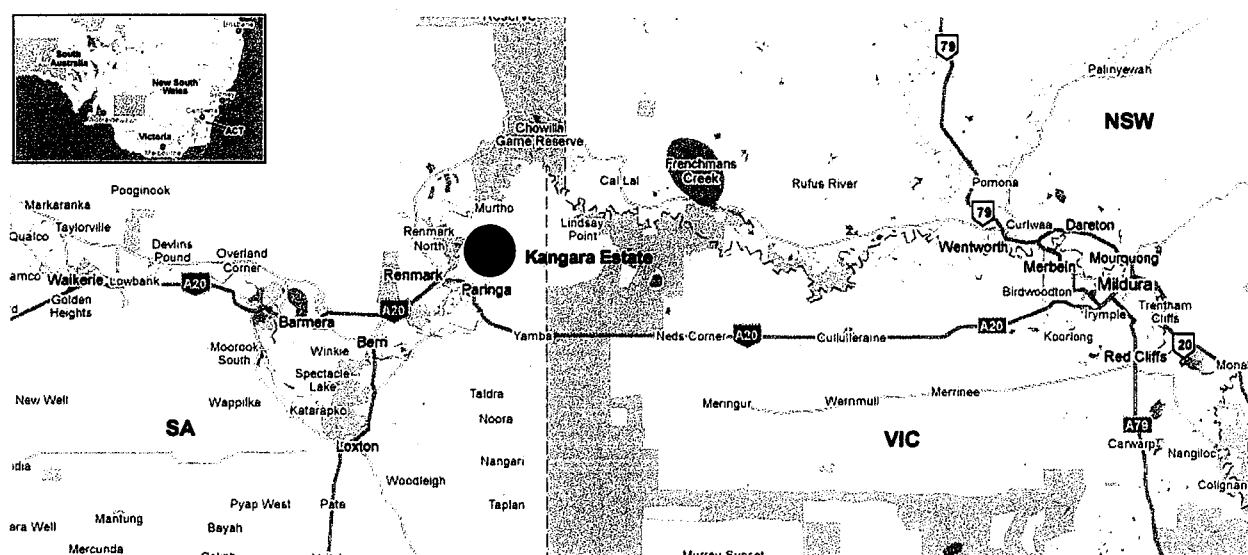
6 The Property

6.1 Property Overview

6.1.1 Location

Per Figure 6.1, Kangara is located near Murtho in the 'Riverland' region of South Australia.

Figure 6.1 Location of the Orchard



6.1.2 Large Scale Infrastructure

Substantial amounts of capital have been invested in irrigation systems, trees, vines and other infrastructure at Kangara. Table 6.1 below summarises the book value of property, plant and equipment as at 30 June 2009.

Table 6.1 Property, plant and equipment as at 30 June 2009

AS	Total
Irrigation	12,223,156
Trees	10,652,865
Land	2,385,021
Water	12,938,884
Trellises	2,482,719
Vines	8,527,423
Land & Site Preparation	668,788
Other	581,981
Total	50,460,837

Source: Timbercorp

Financial Information

The financial information in this Memorandum comprises historical results sourced from Timbercorp and Align.

Section 6.2 below contains detailed information pertaining to Kangara (refer Appendix B for property maps):

6.2 Kangara

Location:	Murtho, South Australia ('Riverland' region)
Established:	Citrus orchard established 1986; Vineyard established 1997
Land Owner:	Align Funds Management Limited (Formerly Orchard Investments Management Ltd) in its capacity as Responsible Entity for the Timbercorp Orchard Trust (Receivers and Managers Appointed).
Title:	1,425 ha
Total planted area:	739 ha of citrus planted land, 440 ha of vineyard planted land (total of 1,178 ha)
Total 'plantable' area:	1,425 ha
Number of trees:	Approximately 490,500 citrus trees and 793,700 grape vines
Varietal Selection - Citrus:	Approximately 75% Navel, 16% Mandarin, 7% Valencia, 3% Tangelo and 1% Lemon
Varietal Selection - Wine Grapes:	Approximately 36% Cabernet Sauvignon, 30% Shiraz, 10% Colombar, 8% Merlot, 7% Pinot Noir, 5% Chardonnay, 2% Viognier and 2% White Frontignan
Orchard Manager:	AgriExchange Murtho Pty Limited, a subsidiary of CostaExchange Limited
PWR:	6,561 ML per annum
Water Source:	Murray River
Dams:	Two dams (65 ML and 325 ML)

As illustrated in Table 6.2 overleaf, Kangara is divided into five separate parts:

- **"Kangara 350"** – 350 Ha comprising part of the 2004 Timbercorp Citrus Project
- **"Block R (or Kangara 300)"** – 306 Ha comprising part of the 2005 Timbercorp Citrus Project
- **"Block S"** – 152 Ha comprising part of the 2004 Timbercorp Citrus Project (69 Ha remains unplanted)
- **"Vines"** – 440 Ha of planted vineyards not part of any Timbercorp MIS projects
- **"Other land"** – comprising 177 Ha of unplanted land

Table 6.2 Kangara Land Use Distribution

Block	Citrus (ha)	Vines (ha)	Planted (ha)	Unplanted (ha)	Total (ha)
Kangara 350	350.1	-	350.1	-	350.1
Block R (or Kangara 300)	305.9	-	305.9	-	305.9
Block S	83.1	-	83.1	69.1	152.2
Vines	-	439.6	439.6	-	439.6
Other land	-	-	-	177.2	177.2
Total	739.0	439.6	1178.6	246.3	1,425.0

Source: Timbercorp

6.2.1 Historic Crop Returns

Table 6.3 Historic Crop Returns – Citrus

Crop Year (\$'000)	2007	2008F
Total Tonnes	11,581	10,397
Net Sales Proceeds	3,860	3,875
Less:		
Orchard Operating Costs	2,416	2,645
Harvesting Costs	1,016	828
Equipment lease Costs	319	287
Employee Costs	1,430	1,454
Administrative Expenses	299	352
Total Operating Expenditure	5,481	5,566
Net Crop Return	(1,620)	(1,690)

Source: Timbercorp

Note i) 2008 proceeds and expenditure are shown as forecast pending completion of final reconciliations for the 2008 crop year (tonnes are actuals)
ii) financials above exclude temporary water costs

6.2.2 Forecast Crop Yields

Table 6.4 below outlines the forecast long-term average yields for Kangara which have been sourced from internal Timbercorp management forecasts. Please note, the forecast crop yields in Table 6.4 below are for the Kangara 350 and R Block/Kangara 300 citrus only – i.e. they do not include forecast yields for S Block, given its relative immaturity.

Table 6.4 Forecast Crop Citrus Yields

Year	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Mandarin	1,759	3,153	4,282	5,310	6,073	6,623	6,635	6,635	6,635	6,635
Navel	8,808	11,279	13,003	15,618	18,759	20,689	21,690	22,601	22,601	22,601
Valencia	2,355	1,821	2,499	2,532	2,565	2,598	2,631	2,664	2,664	2,664
Other	102	122	121	121	128	142	154	166	179	186
Total	13,023	16,376	19,905	23,580	27,525	30,052	31,110	32,067	32,079	32,086

Source: Timbercorp

6.2.3 Packing Shed

It is the Receivers' understanding that:

- (i) the packing shed at the Orchard is owned by AgriExchange
- (ii) the packing shed is situated on land that is on a separate title, which is owned by TOT

Given the above, the Receivers will not be offering the Packing Shed for sale as part of this sale process, however for the avoidance of doubt, the land on which the Packing Shed is located is available for purchase.

7 South Australian Permanent Water Entitlements

The National Water Initiative (**NWI**) requires that States/Territories grant water access entitlements which are legally recognised, secure shares of water to be taken from a water system. The NWI aims to promote the efficient management of Australia's water resources by making water rights proprietary in nature, so that they can be traded, leased or mortgaged.

In 2004 South Australia introduced a system of water licences for prescribed waterways. A water licence was a single approval that enabled a water user to take water, construct/operate any works necessary to divert that water and to use water on a particular area of land. Although water licences were not necessarily linked to a particular piece of land they could contain a condition that limited the use of the water to a particular area of land, which limited the ability to trade water licences.

To make trade of water rights easier and faster, South Australia is currently replacing water licences with four separate approvals. These approvals "unbundle" the different rights and permissions that were contained in a water licence. Unbundling began on 1 July 2009 when water rights associated with the River Murray were unbundled. Water rights related to other waterways will gradually be unbundled from 2010 to 2014.

The four approvals which now replace the single water licence are:

- Water Access Entitlement (a Water Licence) – this is a permanent right to a specified share of a water resource. Water access entitlements can be traded permanently or temporarily.
- Water Allocation – this represents the actual amount of water that the holder of a water access entitlement is able to take in a water use year. The amount of water allocation will vary from time to time depending on how much water is available, and water allocation is stored in a "Water Account". Water allocation can be traded.
- Water Resource Works Approval – this is a permission to construct and operate works to take/divert water from a particular waterway in a particular way (e.g. through a pump or a bore). This permission is linked to a specific location and cannot be transferred to works at another location.
- Site Use Approval – this is the right to use water in a particular way (e.g. for irrigation) at a particular location. This approval is linked to particular land and cannot be transferred to other land.

Water licences, approvals and permits can be searched through the NRM Register. Each water licence, permit or other approval is given an identifying number which can then be used to search the register.

8 Management and Employees

There are no members of management or employees included as part of the acquisition of the Assets.

9 Management of Kangara

9.1 CostaExchange

CostaExchange is an Australian marketer, distributor and grower of fruit and vegetables listed on the ASX. It is one of the largest fresh produce growing, packing, marketing, distribution and exporting companies in the southern hemisphere.

Managing properties producing in excess of 40,000 tonnes of citrus, one of CostaExchange's six divisions, AgriExchange, is a leader in citrus, avocado and wine grape production. All AgriExchange's fruit is marketed through Vitor Marketing Ltd, mainly under the Vitor and Kangara brands. AgriExchange exports citrus to destinations including the U.S, Europe, Asia & the Middle East.

Timbercorp appointed CostaExchange to manage its citrus interests (including the Kangara orchard) and provide orchard, processing and marketing services, which it has continued to do following the appointment of Receivers. In addition, AgriExchange maintains the vineyards at Kangara.

The current management agreement expires on 30 November 2009 and the Receivers are currently in discussions with CostaExchange regarding a short term extension of the arrangement.

10 Sale Process and Timing

10.1 Outline of the Sale Process

It is envisaged that the sale process will be conducted in two stages:

- Stage 1: Due diligence
- Stage 2: Final offer and completion

10.1.1 Stage 1: Due Diligence

The due diligence process will comprise, inter alia, access to an electronic data room and site visits to the Orchard. The data room will contain selected information and documents for review by Interested Parties.

Requests for additional information will be considered by PwC. A Sale Agreement will be provided to Interested Parties during the due diligence phase.

10.1.2 Stage 2: Final Offer and Completion

Following the completion of due diligence, Interested Parties will be invited to submit:

- a final offer for the Assets
- the draft Sale Agreement marked up with any proposed amendments

The final offer must include the following details:

Details of the Interested Party

Name and brief profile of the proposed acquiring entity, including details of ultimate shareholders.

Final Offer Price

The final offer price which the Interested Party is prepared to offer for the acquisition of the Assets. The final offer price should be based on upfront cash consideration, specified in Australian dollars.

The final offer price should be based on the value of the Orchard and attached Permanent Water Rights owned by TOT, on a debt free and cash free basis – refer section 10.5 for the final offer template. The Interested Party should also provide a description of the material assumptions adopted in determining its final offer price.

Funding

Evidence of the financial capacity of the Interested Party, and the proposed means of financing the proposed acquisition of the Assets.

Key Terms, Conditions and Approvals

Any material terms and conditions which attach to the final offer. Any regulatory or third party approvals which may be required should also be specified.

Strategic Intentions

The future intentions of the Interested Party with regard to the operations of the Orchard.

Commitment to Timetable

The ability of the Interested Party to meet the sale timetable and deadlines stipulated in this Memorandum.

Other Information

Any other matter which the Interested Party considers relevant to assist the Receivers in their assessment of the final offer.

Note, prior to the submission of a final offer, an Interested Party may request answers to high-level questions. Questions should be submitted via the Question and Answer facility in the online data room.

On the basis of this final offer, the proposed amendments to the draft Sale Agreement and other factors identified, it is intended that "Preferred Purchaser" status will be granted to one Interested Party, being the party with which the Receivers wish to transact.

AgriExchange has a first right of refusal in relation to the Orchard. Pursuant to this right, Align must not sell the Orchard to the Preferred Purchaser without first offering the Orchard to AgriExchange at the same price and on the same terms and conditions as those upon which Align proposes to sell the Orchard to the Preferred Purchaser. AgriExchange has 30 days upon receiving such an offer to elect to enter into a contract for the purchase of the Orchard on the same terms and conditions as offered by the Preferred Purchaser. Any delay in the sale process caused by this 30 day period can be minimised by making the non-exercise by AgriExchange of the first right of refusal a condition precedent to the contract of sale.

10.2 Other Sale Conditions and Requirements

The Receivers, at their sole and absolute discretion, reserve the right at any stage and in any way, without stating a reason, to:

- alter the sale process or timetable
- terminate or cease the sale process
- invite other Interested Parties to submit offers
- accept any offer, or reject, or not accept any offer
- restrict access to confidential information
- provide additional information
- negotiate with one or more Interested Parties
- terminate discussions with any or all Interested Parties
- enter into agreements for the Assets, without prior notice to any party or other Interested Parties

- make no representation, warranty or assurance as to the state of negotiations with any other Interested Party during the sale process

In all circumstances, the Interested Party will bear its own costs and expenses, whether or not it is successful in entering into any agreement with the Receivers for the purchase of the Assets.

10.3 Sale Timetable

The sale process is anticipated to be conducted in accordance with the following timetable in Table 10.1.

Table 10.1 Sale Timetable

Event	Date
Deadline for final offer and marked-up sale documentation	11 December 2009
Selection of Preferred Purchaser	16 December 2009
Execution of Sale Agreement	31 December 2009
Completion	January / February 2010

10.4 Enquiries and Contact Particulars

Contact in relation to the sale process should be directed to:

Bernard Hall	Amir Lefkovic
Associate Director PricewaterhouseCoopers Freshwater Place 2 Southbank Boulevard Southbank, Victoria 3006 Tel: +61 3 8603 4149 Fax: +61 3 8613 2652 Email: bernard.hall@au.pwc.com	Manager PricewaterhouseCoopers Freshwater Place 2 Southbank Boulevard Southbank, Victoria 3006 Tel: +61 3 8603 6378 Fax: +61 3 8613 2285 Email: amir.lefkovic@au.pwc.com

10.5 Structure of Offer

Interested Parties are required to structure final offers to purchase the Assets as follows:

Table 10.2 Structure of Offer to Purchase

Kangara	Final Offer (\$)
Orchard	15
Winery	15
Land on which Packing Shed is located	15
PWR	15
Total	60

Appendix A Glossary of Terms

Term	Meaning
\$	Australian dollars, unless otherwise stated
AgriExchange	AgriExchange Winthrop Pty Limited (AC/N 093 563 945), a subsidiary of CostaExchange
Align	Align Funds Management Limited (AC/N 105 604 231)
Assets	The assets of TOT outlined in section 6.2, namely the Orchard and the PWR associated with the Orchard
ASX	Australian Securities Exchange
Capex	Capital expenditure
Confidentiality Deed	The confidentiality deed in respect of confidential information in connection with the sale and purchase of Assets signed by an Interested Party
CostaExchange	CostaExchange Limited (AC/N 002 067 901)
Growers	The investors who participate in the MIS operated by the Timbercorp Group at the Orchard
ha	Hectares
Interested Parties	Parties which have expressed an interest in acquiring the Assets and which have executed a Confidentiality Deed
Km	Kilometres
Memorandum	This Information Memorandum
MIS	Managed Investment Scheme. The MIS operated by the Timbercorp Group at the Orchard are the 2004 Timbercorp Citrus Project (ARSN 106 887 508) and the 2005 Timbercorp Citrus Project (ARSN 114 001 299)
NRM	Natural Resources Management
NWI	National Water Initiative
Orchard	Kangaroo, incorporating title to the freehold interests in the property, the citrus orchard, the wine grape vineyards and all owned infrastructure used at the orchard
Preferred Purchaser	The Interested Party with which the Receivers wish to transact
PwC	PricewaterhouseCoopers
PWR	Permanent Water Rights
Receivers	Stephen Longley and Paul Kirk of PwC in their capacity as joint and several receivers and managers of the Assets
Representatives	Partners, employees, advisers or agents of the Receivers
Timbercorp	Timbercorp Limited (In Liquidation) (AC/N 056 185 067)
Timbercorp Group	The Timbercorp group of companies
TOT	Timbercorp Orchard Trust (ARSN 106 557 297)
TSL	Timbercorp Securities Limited (In Liquidation) (AC/N 092 311 489)

Appendix B Property Maps

Kangara

