



KordaMentha

14 March 2012

Letter to Timbercorp Olive Grower Investors ("Grower Investors")

Dear Grower Investor

Timbercorp Securities Limited (In Liquidation) **ACN 092 311 469 ("the Company")**

I refer to the appointment of Leanne Chesser and I as Liquidators of the Company on 29 June 2009 and to your investment in one or more of the Timbercorp Olive Managed Investment Schemes or Private Offer Scheme.

Distribution of Olive Harvest Proceeds

On 14 March 2012 the second and final distribution of Olive Harvest Proceeds to Grower Investors commenced. This distribution comprised all proceeds received in respect of the 2009 crop (for the 2000 to 2003 schemes) as well as the remaining proceeds received from the 2008 crop (for the 2007 and 2008 schemes). No distribution was able to be made from the 2009 crop for the 2004 to 2008 schemes as the crop proceeds were less than the costs incurred in bringing the crop to harvest.

The following table provides a summary of the net harvest proceeds distributed with respect to each scheme and the amount per lot paid to Grower Investors.

Distribution Summary – March 2012 Distribution

Scheme	Lots	This Distribution			
		Amount (\$)	Per Lot (\$)	JV1 (\$)	JV2 (\$)
2000 Olive Project (Private Offer)	1,448	250,987.47	173.33	-	-
2001 Olive Project	3,919	1,285,546.93	328.03	-	-
2002 Olive Project (Standard)	1,870	230,824.58	123.45	-	-
2002 Olive Project (Post June)	717	83,690.70	116.72	-	-
2003 Olive Project	2,503	495,180.29	197.38	-	-
2007 Olive Project (Early)	2,440	41,927.37	17.18	-	-
2007 Olive Project	558	9,393.32	16.83	9.09	7.74
2008 Olive Project	7,028	24,049.66	3.42	2.57	0.85
Total		2,405,767.83			

Corporate Recovery Services
Turnaround & Restructuring Services
Real Estate Advisory
Forensics

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Liability limited by a scheme
approved under Professional
Standards Legislation

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2009 Crop Proceeds

As previously advised, the Company had no available funds at the date of our appointment to continue operating the olive groves. In May 2009, in order to protect both the 2009 crop and the olive groves, the Company entered into a sale of crop agreement ('the Agreement') with Boundary Bend Limited ('BBL'). Under the Agreement, BBL agreed to finance the cost of harvesting, processing and selling the 2009 olive crop and to remit the surplus proceeds to the Company. This distribution to Grower Investors is for the balance of those proceeds after the Timbercorp Group has deducted its costs in accordance with the scheme governing documents.

While the crop yield from the 2009 olive harvest was higher than originally forecast, a number of factors impacted on the total return to Grower Investors. These included:

- Significant appreciation of the Australian dollar against the USD and Euro. Approximately 57% of the 2009 crop was sold in export markets with the currency appreciation observed after May 2009 resulting in an approximately 20% decline in the AUD price achieved when compared to the 2008 price per litre.
- Reduced demand in key markets resulted in negative commodity price movements over the sale period. Between May 2009 and August 2010, the benchmark Spanish average price was EUR 0.51/kg lower than the historical average between September 2004 and May 2009.
- Domestically, prices achieved in the local market were reduced by relatively high levels of Australian production and increased imports of Spanish olive oil.

Furthermore, costs which were previously borne by the Company including utility and working capital costs were recoverable by BBL from the sale proceeds in accordance with the Agreement.

Additional Documentation

Tax invoices detailing the proceeds paid, costs deducted and net cash payment will be sent to Grower Investors shortly after the distribution. Where a Grower Investor's distribution has been placed on hold, an invoice will only be provided once the proceeds are released. Grower Investors will also receive an Annual Summary for the year ended 30 June 2012 which will summarise all distributions paid during the year.

Growers with Invoice Arrears or Loans

Where Grower Investors have invoice arrears and/or a loan, certain amounts may be deducted from the amount of proceeds payable in accordance with the scheme and loan documentation or placed on hold pending a determination in relation to the competing claims to the proceeds by Grower Investors and Timbercorp Finance Pty Limited (In Liquidation). Grower Investors may direct that their proceeds that have been placed on hold be applied against their outstanding loan balance. To do this, Grower Investors should contact Timbercorp Grower Management.

Further Information

Grower Investors are urged to check the Timbercorp section of the KordaMentha website for further information in relation to Olive Scheme distributions. You may also contact Timbercorp Grower Management on 1800 628 188 or email Timbercorp@kordamentha.com.

Yours sincerely



MARK KORDA
Liquidator