



Timbercorp Olive Schemes Meeting

17 August 2009

Agenda

- Welcome: Chairman – Matt Walsh
- Liquidators' update
- Timbercorp Growers Group (TGG)
 - Stephen Lynch
 - Timbercorp Olives Committee
 - Boundary Bend Limited
 - Great Land Olives
 - Primary Securities Limited
- Questions
- Resolutions
- Poll Process
- Close meetings

Olive Scheme Meetings

Olive Schemes List

- 2001 Timbercorp Olive Project (ARSN 094 382 082)
- 2002 Timbercorp Olive Project (ARSN 098 233 455)
- 2003 Timbercorp Olive Project (ARSN 104 648 473)
- 2004 Timbercorp Olive Project (ARSN 108 744 378)
- 2006 Timbercorp Olive Project (ARSN 119 182 179)
- 2007 Timbercorp Olive Project (ARSN 123 155 715)
- 2008 Timbercorp Olive Project (ARSN 129 307 722)

- 2000 Olives Scheme – Private offer (Unregistered)

Liquidators' Update

Background

- Administrators were appointed to the Timbercorp Group on 23 April 2009.
- Operations were suspended prior to entering into agreements to harvest 2009 crops.
- Applied to the Supreme Court to see if it was appropriate to wind up schemes.
- Applied to the Federal Court to protect interests in leased land.

Current Position

- 2009 crop harvest was completed by way of a crop sale arrangement with Boundary Bend.
- Boort property currently being managed on a “care and maintenance basis”.
- Boundary Bend property not currently being managed but in discussion with Boundary Bend in relation to a 2010 crop sale arrangement.
- Process commenced for the sale or recapitalisation of the olive assets. Final bids due 11 September 2009.

2010 Olive Crop – 2001 to 2004 Schemes (Boort)

- Costs to September 2009 - \$2.9m
- Costs for 2010 Crop - \$19.8m
- Capital Expenditure – \$1.8m
- The orchards are on Timbercorp Group owned land.
- The land is mortgaged to financiers.
- We have no money to pay the costs to September.
- If, as occurred last year, Growers do not pay all the invoices in October there is no way of paying all the costs of operating the Schemes. The arrears from last year are \$3.5m.
- Capital Expenditure costs cannot be recovered from Growers.

2010 Olive Crop – 2006 to 2008 Schemes (Boundary Bend)

- Costs to September 2009 - \$3.7m
- Costs for 2010 Crop - \$26.8m
- Capital Expenditure – \$11.1m
- The orchards are on both land leased from Timbercorp Group companies and externally leased land. The leases are unpaid.
- The land, owned by Timbercorp Group companies, is mortgaged to financiers.
- We have no money to pay the costs to September.
- If, as occurred last year, Growers do not pay all the invoices in October there is no way of paying all the costs of operating the Schemes. The arrears from last year are \$1.5m.
- Capital Expenditure costs cannot be recovered from Growers.

2010 Olive Crop – All Schemes

- Operating Expenditure - \$47m
- Crop Proceeds - \$35m
- Deficit - \$12m

- Capital Expenditure – \$13m

- Ordinarily the Growers would fund the majority of the \$47m through invoices raised in October 2009 and receive the crop proceeds in 2010/11.

Solvency and Viability

- The cash position means that the schemes are not solvent.
- While reducing the costs of operating the schemes in the future would improve viability it will not address the cash position. Whether or not the cost of operating the schemes can be reduced by say tens of millions of dollars we do not have the funds.

Winding Up Application – Why we went to Court

- Historically, the Timbercorp Group underwrote the operation of the schemes by:
 - Honouring contracts (farm operating costs, leases, etc) even though not all Growers had met their share of costs.
 - Funding the working capital requirements of the scheme, i.e. meeting the costs of the scheme before they can be recovered from Growers or crop proceeds.
- The Timbercorp Group owns lots in the Olive Schemes in its own right.
- The Timbercorp Group met the cost of capital expenditure necessary for the operation of the schemes.
- Timbercorp Finance Ltd (In Liquidation) provided finance to many Growers to fund their participation in the Schemes.

The Timbercorp Group is in liquidation and does not have the funds to continue underwriting/funding the Schemes.

In essence, although the application is to wind up, in reality it provides a way to sell/recapitalise the orchards.

Proposed Strategy

- Urgent sale or recapitalisation of the Schemes :
 - Seeking final offers by 11 September

- Grower Returns under this scenario:
 - 2008 and 2009 Crop proceeds to be received
 - No more cash to be contributed
 - Return from winding up will depend on what's realised through the sale/recapitalisation of the Schemes process and Grower entitlements may have to be determined by the Courts

Timbercorp Growers Group

Stephen Lynch

Timbercorp Olive Projects Investor Presentation

Melbourne
17 August 2009

Stephen Lynch
B Agr Sc, MSc (Econ)

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- **No personal advice**
- **This presentation is for general information only.**
- It does not take into account your current or future financial circumstances, nor does it make a specific recommendation as to the viability or otherwise of particular projects. It is important for you to consider these matters before you make an investment decision on holding or acquiring financial products. Whilst due care has been taken in the compilation of this presentation, and the information contained herein is believed to be based on reliable current relevant information, there is no guarantee of the absolute accuracy of such information or the integrity of source material, nor is responsibility accepted for any errors and omissions which may subsequently be found evident in the appraisal.
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Stephen Lynch - Background

- Agribusiness and horticulture consultant – 30 years
- 10 years experience in Managed Investments
- Fund Management experience

Content

1. **Overview of Olive Industry**
 - Australia
 - World
2. **Industry Outlook for 2009/10 onward**
3. **Timbercorp Olive Groves**
 - Prospects
 - Cost Structures
4. **Alternatives for Growers**
 - Continue Project
 - Alternate Structures

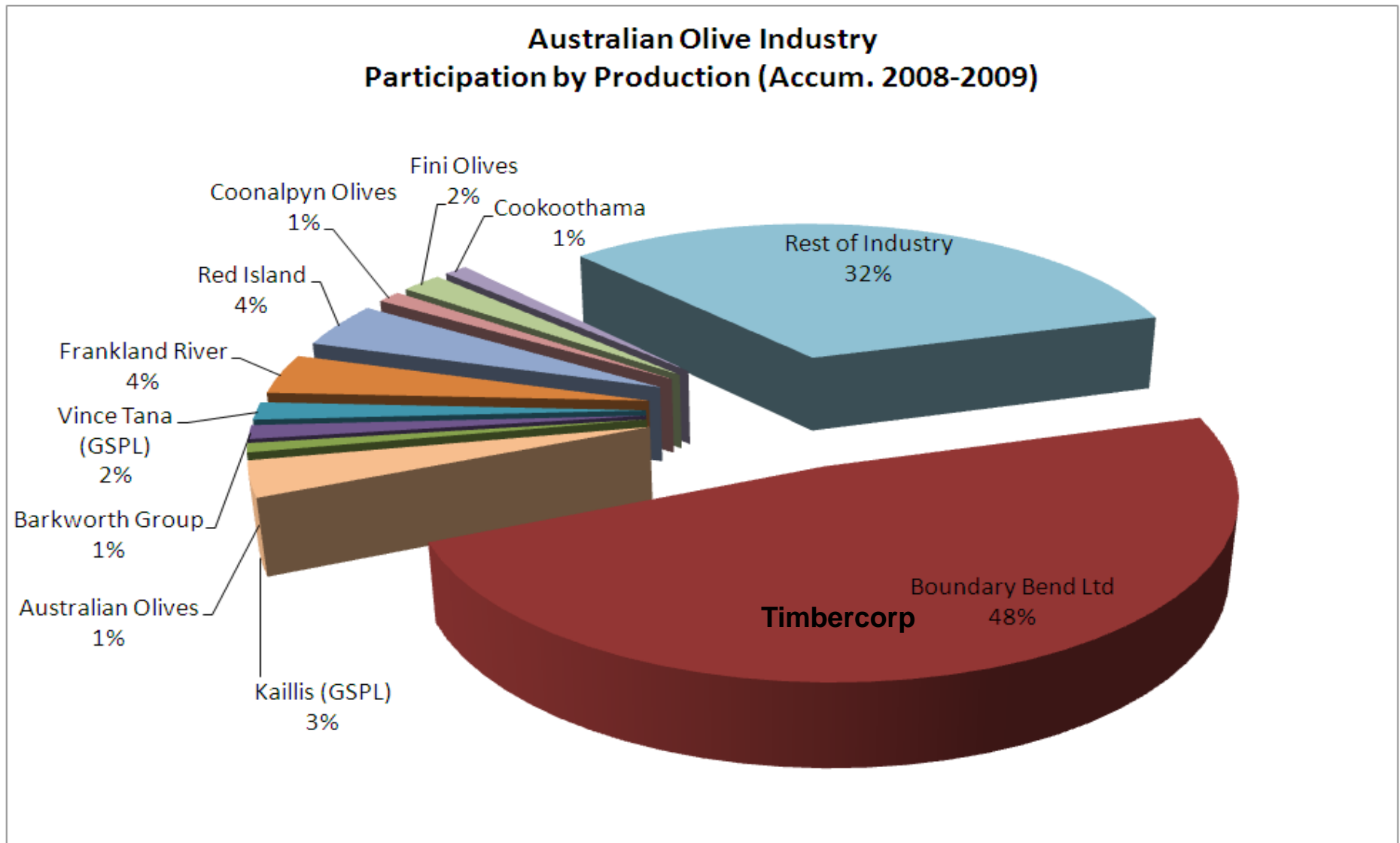
Australian Olive Industry



Australian Olive Industry

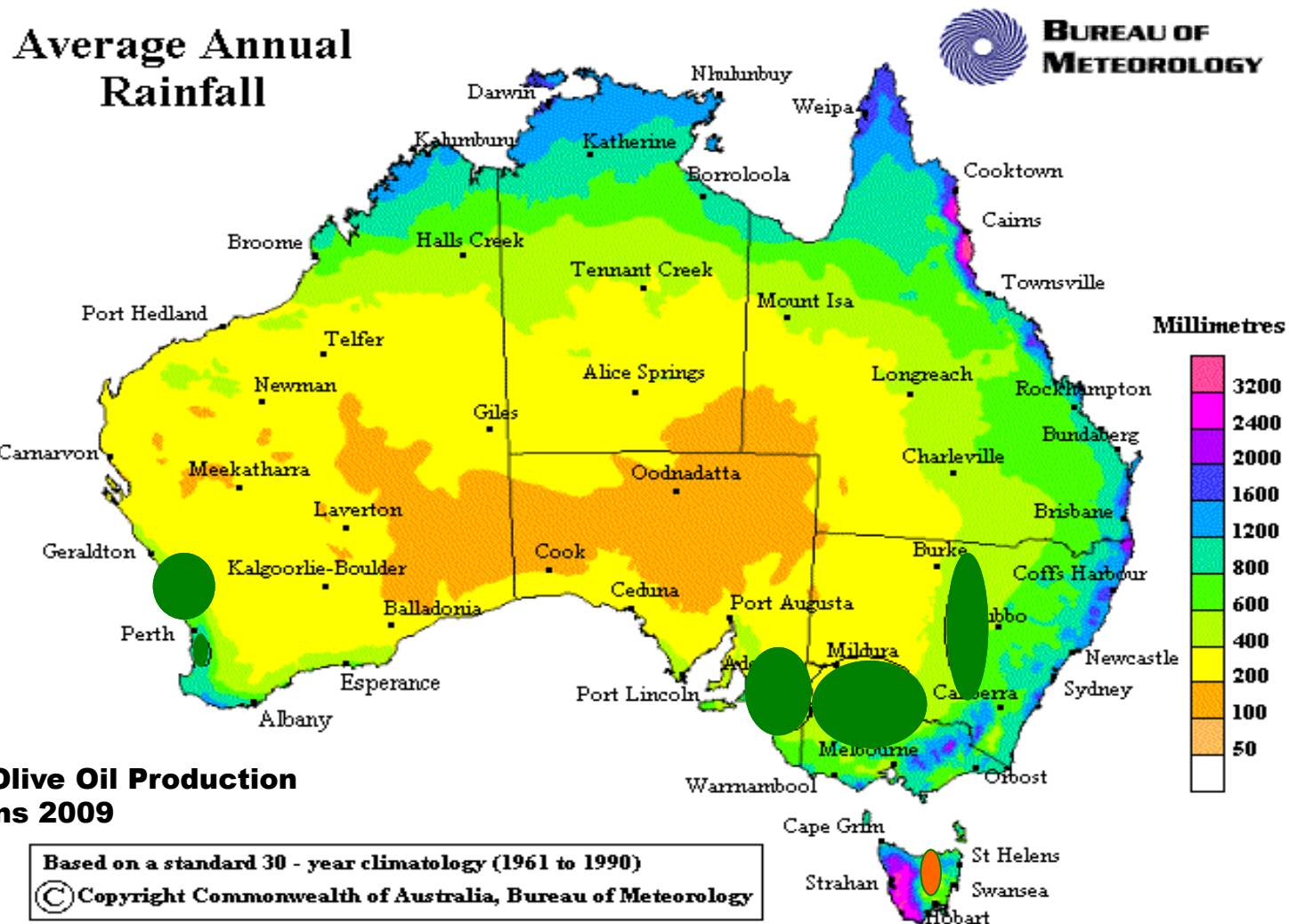
- 2500 plus producers
- Top 40 = 85+% of products
- **Timbercorp 45 - 50 % Australian Production**
- Production outlook 2015 - 2016: 25,000 – 30,000 tonnes oil
- > 25% exported
- Annual consumption in Australia about 40 - 45,000 tonnes olive oil and about 18,000 tonnes of olives and rising
- Australia is small percentage of global production but significant in production of high quality products
0.5% of oil but 3+% of true Extra Virgin (EVOO)

Australia – Major produces

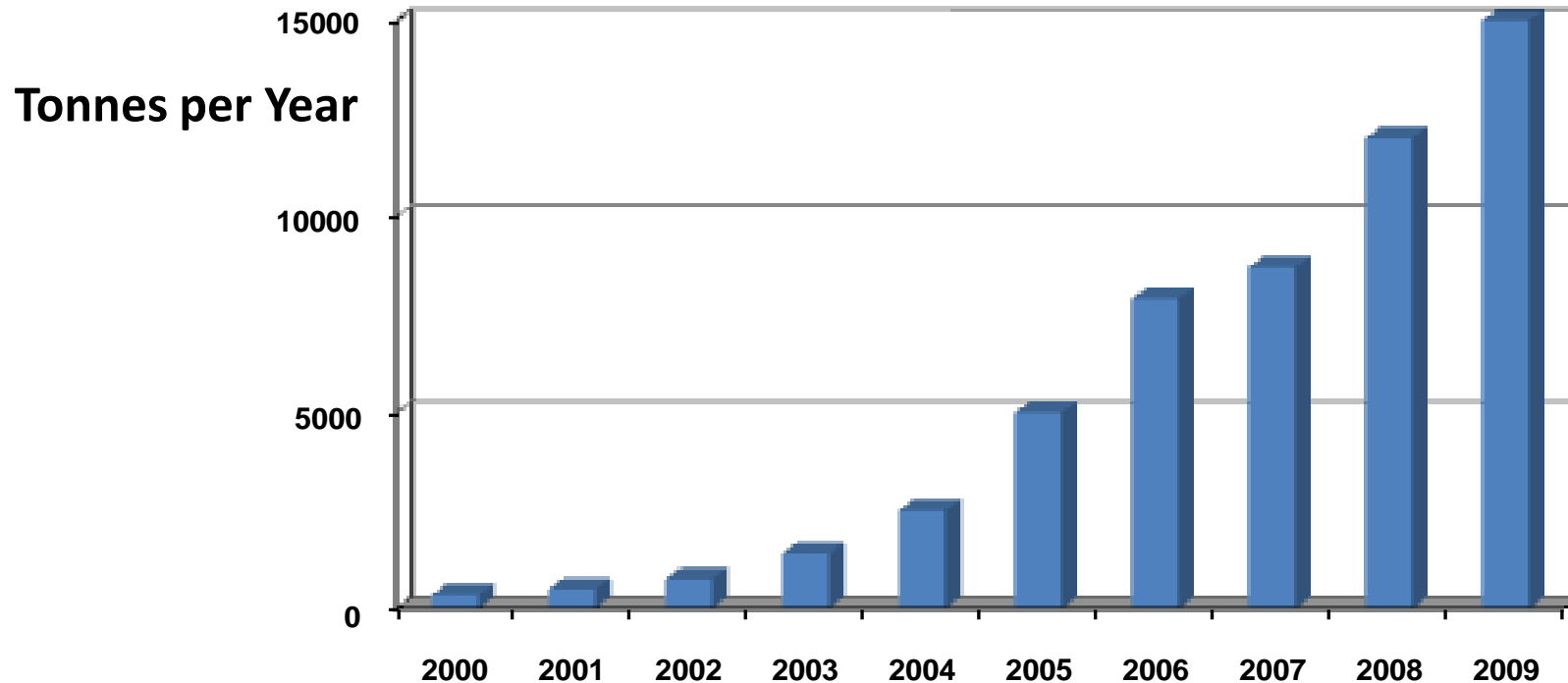


Source: Boundary Bend Ltd/Modern Olives

Australian Olive Locations



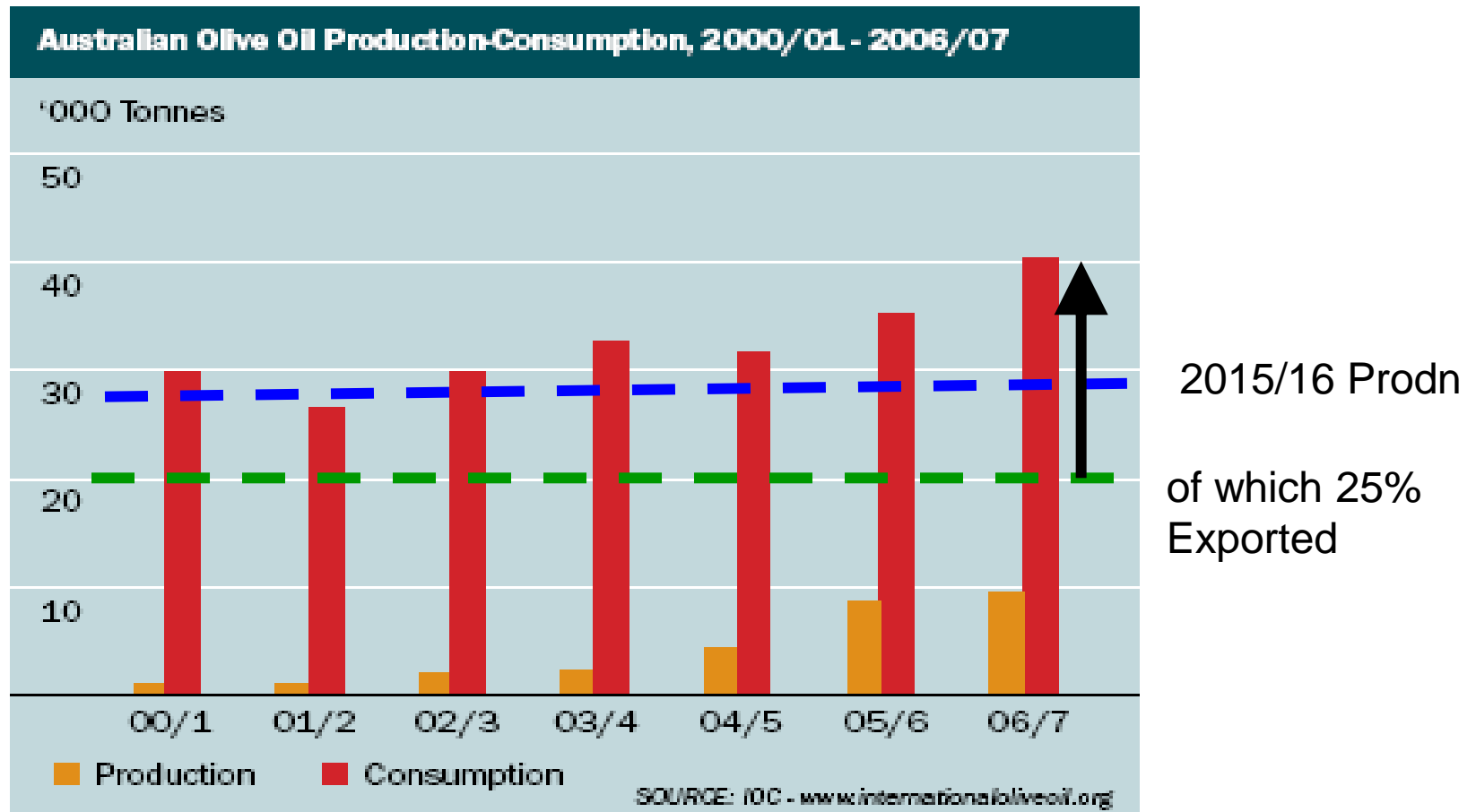
Australian Olive Oil Production 2000-2009



- 2010 projected oil – 18000 tonnes
- only 0.5% global production but nearly all is EVOO.
- 2000+ tonnes table olives

Australia – Consumption exceeds Supply

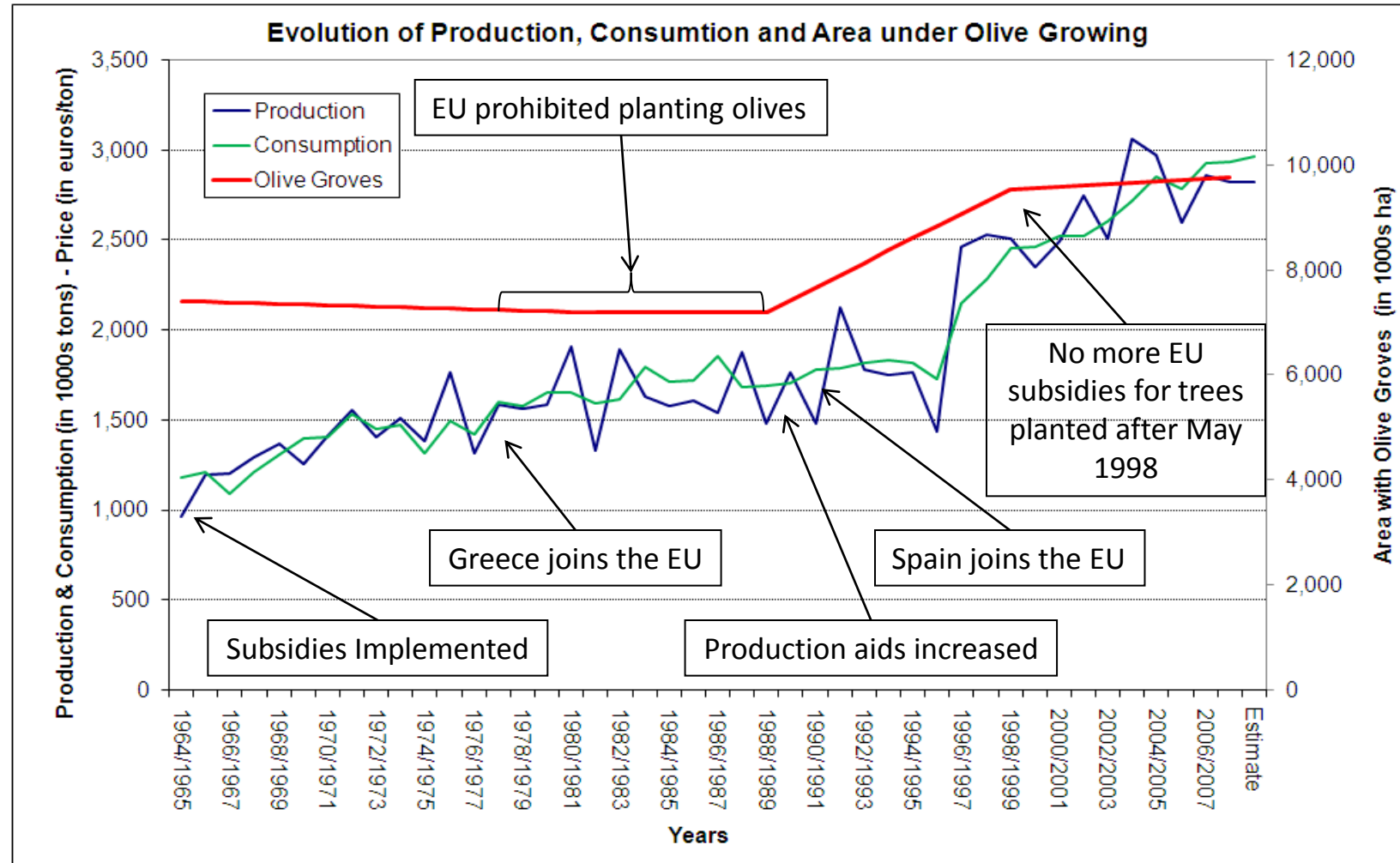
- Consumption growing 10% per year, imports have grown over last decade, but reduced last two years
- Plantings plateau'd – production increases will slow



World Olive Industry

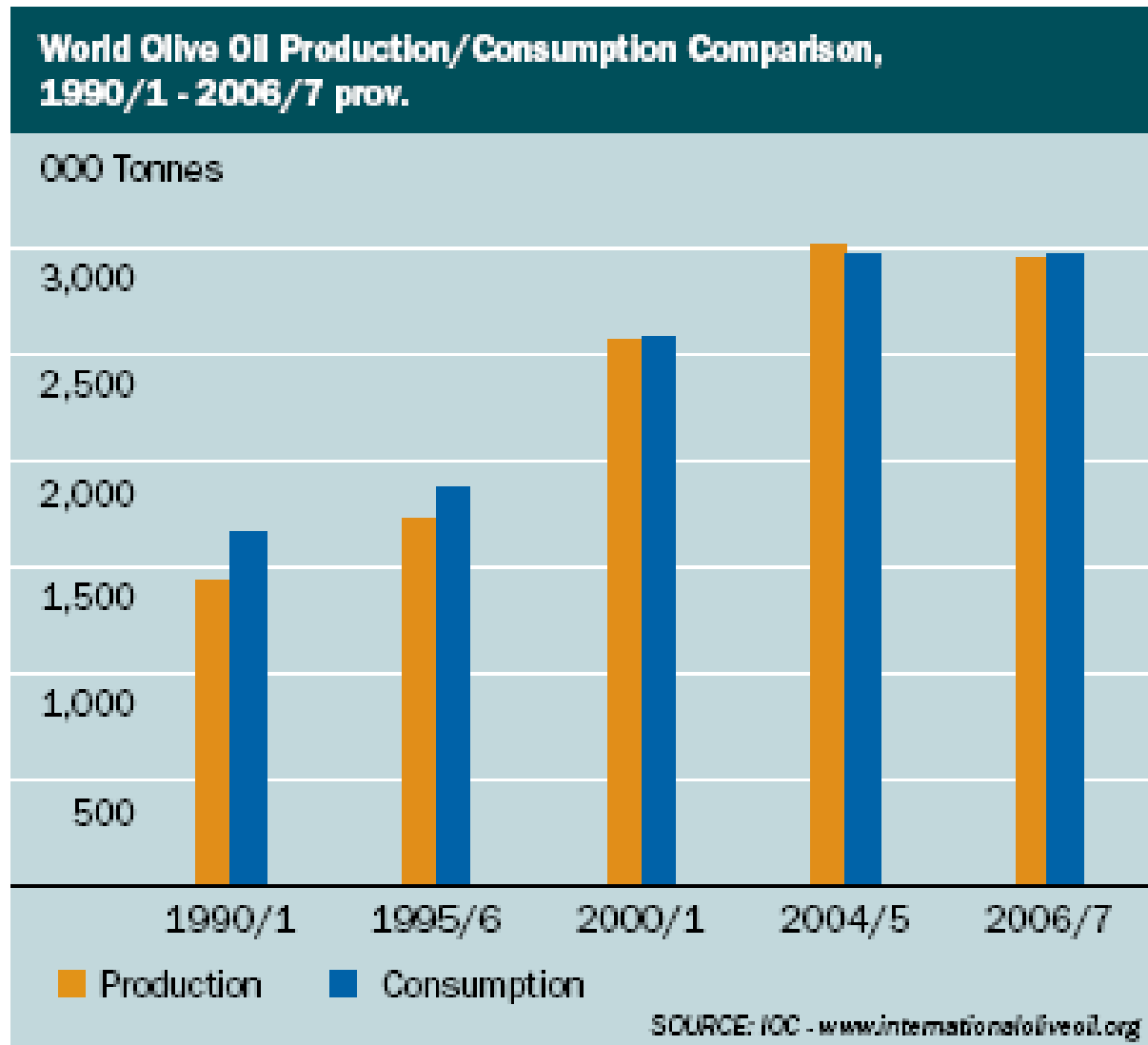
- 20 countries are significant producers
- Spain dominant: 39% production, 50% world trade
- Commodity with traded reference markets
- Increased markets outside EU in recent years – USA, Japan, Australia, Canada, Brazil
- EU largest producer 75 % world supply, but inefficient and subsidised (\$1.50 per litre subsidy)
- Limited new suitable areas to plant olives
- **Spain impacts on future of whole industry**

World Production & Consumption – EU Influence



Source: Ravetti, Modern Olives, from International Olive Council, EC Report on Olive Oil

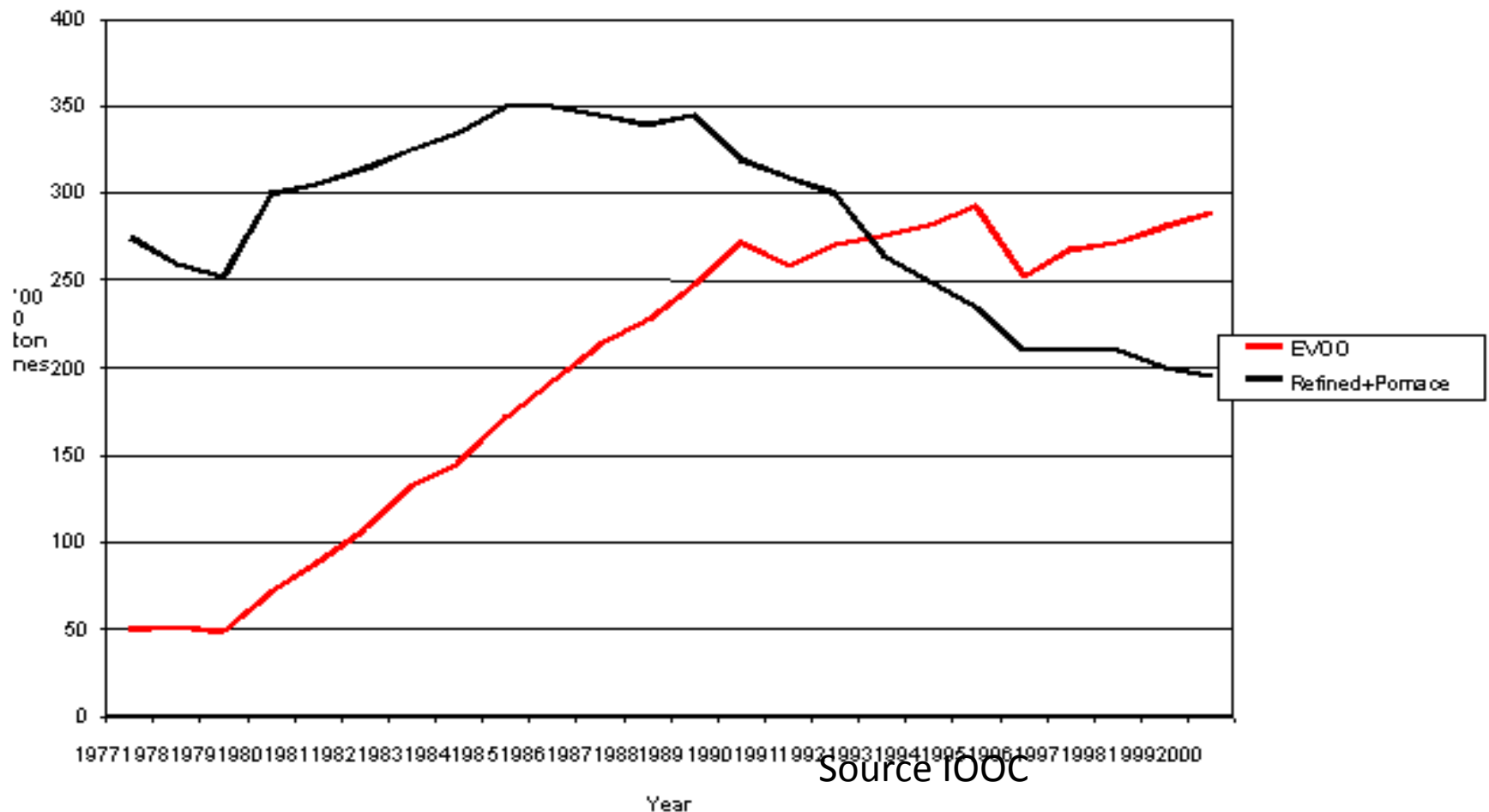
World- consumption matches Supply



Market Trend is to High Quality (EVOO)

- Australian production is 95% Extra Virgin Olive Oil (EVOO), and crisp table olives

Trend of sales of packed olive oils in Italy



WORLD – Much Traditional Production

- e.g. Spain **v** **Large scale Aust**



- Major competitive advantage for Australia/Timbercorp is high standard, efficient, economy of scale orchards

Traditional Harvesting



Australian Harvesting – state of the art



Outlook - Australian Olive Industry

Positive positioning and outlook, but

- Strong and aggressive competition – biggest threat
- Consumer ignorance – understanding quality – lack of regulation of quality claims – Extra Virgin
- Marketing issues
- Technical issues
- Quality issues
- Environmental Issues
- Lack of water
- High input costs

Outlook for 2009/10 - Global

- Prices remain low due to Global Crisis and European corporate collapses in olive industry
- Evidence of increased trade and upward trend in trade prices
- Price recovery expected in to future— but how far and how quickly ?

Outlook Beyond 2010

- European subsidies for review – may reduce 25 - 30% – 2013 or later ► some European groves will be unviable
- Australian tariffs in to Europe – long process but aim is negotiation for exemption
- Demand continues to match supply in medium term
- Quality of Australian oil should give it premium demand
Authentication of true virgin oil should help Australia in market - at present much misrepresentation of extra virgin olive oil in brands
- Some Australian groves will disappear – small/not profitable.

Viability of Olives

Key Components of a viable & competitive Aust Industry:

- **Price** – future price subject to global issues
 - **Genetics** – Australia/TIM majority 4 most productive varieties.
 - **Management** - competitive, if have efficient scale management and appropriate technical knowledge
 - **Environment** – some groves in wrong regions
 - **Water** - availability and cost is a challenge at present with a long drought, not watering is not an option, however price of water stabilised
-
- ▶ **Best operators in Australian olive industry are well placed to be viable long term**
 - ▶ **“Timbercorp orchards among best performing in Australia & world” Paul Miller, Chairman of Aust Olive Association**

Impacts on Australian/ Timbercorp Olives

1. Key drivers:

a. Olive Price

Australia has had premium price against world, but trending down to meet world, now at historically low price, outlook – how long to recovery?

b. Yield

Timbercorp project yields now good against forecasts

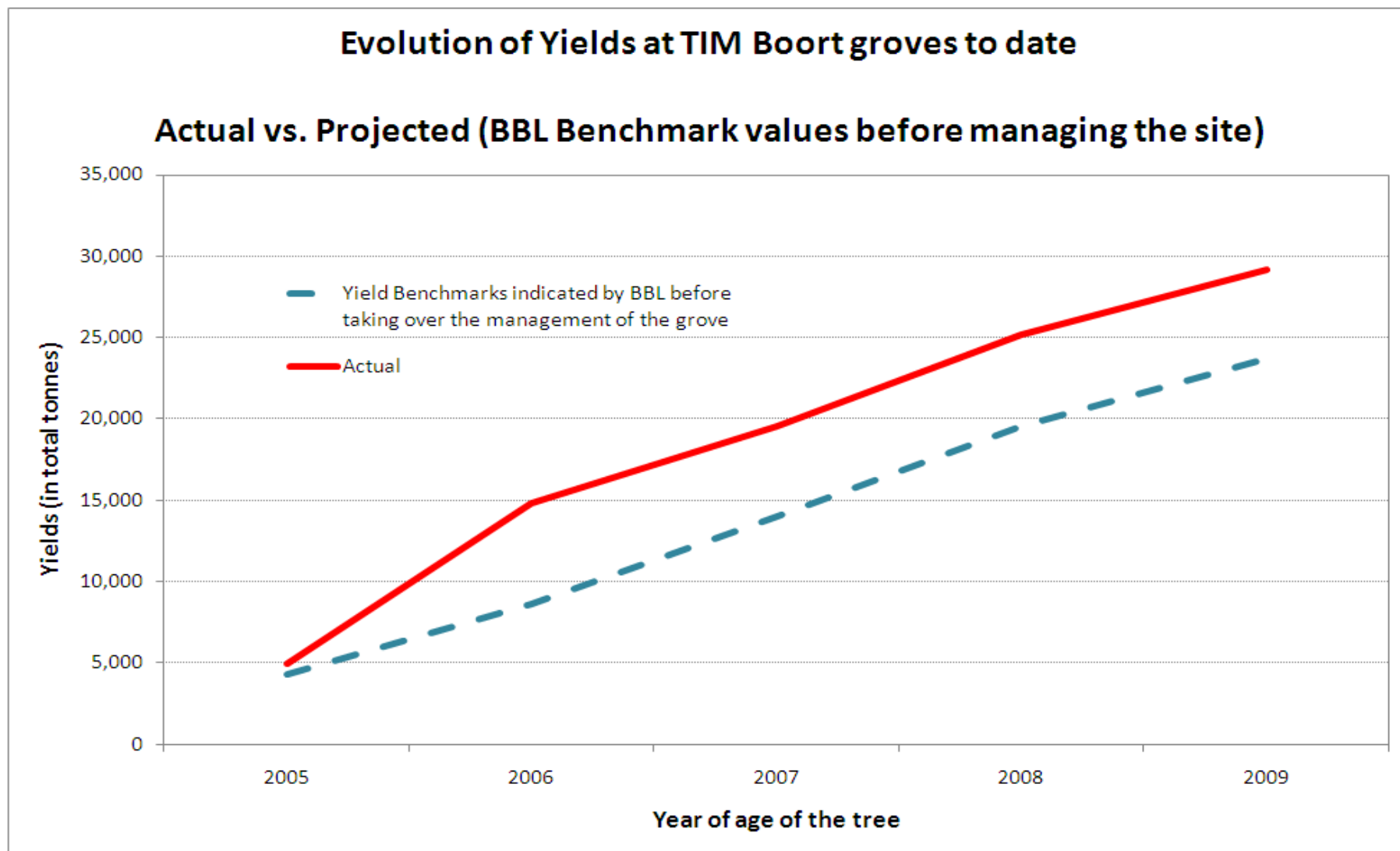
- ✓ Environment/region, Genetics and Management
- ✓ Quality of Timbercorp groves generally good

c. Drought /Water

Water restrictions remain and therefore so does the cost to buy temporary water

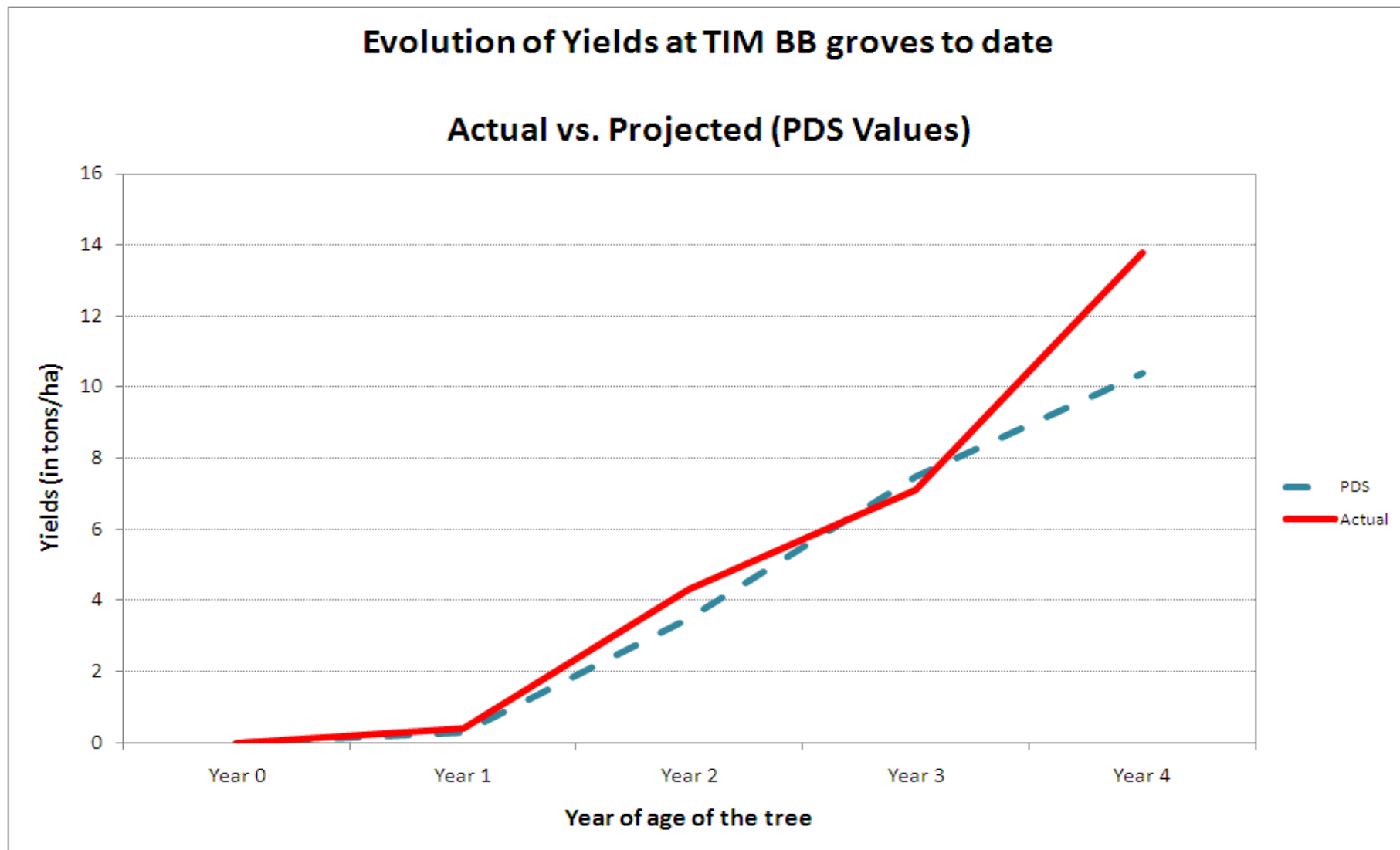
Timbercorp – Boort yields

Improved since 2004 Orchard Mgt Restructure



Timbercorp - Boundary Bend Yields

- Up on PDS forecasts



Outlook for 2009/10 – Timbercorp Olives

- Deficits are forecast for 2009/10 under current structure:
 - If working capital applied shortly, positive outlook for crop yield, but
 - Price is likely to remain low over next year
 - Drought remains – low water reserves – resulting in additional water costs, similar to last two years
 - Young orchards still developing – higher deficit
 - Provision of working capital is a significant requirement
 - Investors/RE will need to consider how they fund Timbercorp JV (10% in some projects), and defaulting grower costs.
- Capex - a funding source is required for capital expenditure
- Water - can be funded as extra operating cost where needed

Timbercorp Project Cost Structures

1. Older Groves 2001 - 2004

Under current cost structures break even is at an olive price around \$5. Currently deficit forecast this year. Current price around \$3.20.

2. Younger Groves

Younger groves require ongoing working capital until they reach mature yields. 2006 – 2008 projects - this is as expected,

- drought and price are affecting how quickly they can reach break even. Price will then be determinant of break even or loss in next 2 years.

- All projects require capital expenditure in coming years. For the younger projects this is significant, for irrigation set up, additional piping etc.
- The capital cost for water could, by agreement, be reverted to an annual purchase cost, hence reducing capital costs significantly for young orchards. But increasing operating costs – an investor expense.
- Under a different structure, break even is likely to be at lower cost, This will depend on a number of factors such as scheme management costs, landlord minimum licence fee requirement (for debt and return on asset).

Project Summaries

2001 - 2004	BOORT. Some early set up problems, now on track to full production, good orchards. Processing plant upgrade required (landlord). Production will exceed storage, but transported to Geelong – ok
2006 - 2008	BOUNDARY BEND New plantings at Boundary Bend full latest technical set up, very good orchards, exceeding PDS forecasts. Require capital for irrigation development for maturity, irrigation water acquisition, and purchase of harvesters.

Summary Timbercorp Grove position

- World market tough at present
- Future is more promising than not
- Only the best, leading groves (includes TIM) will survive
- Assets are well positioned
- Production is on track
- Boundary Bend Marketing market for Timbercorp's oil is well developed – essential for large volumes
- Business/Investment structure needs to change to meet the world market challenge

Project Structure

- **MIS Project** - Investor growers are currently “in business”, contracted to pay farm costs (in advance) every year. In years of profit there is no net cost, the investor receives the net profit back, in years of loss the investor incurs the net cost.
- **Alternate Structures** – alternate structures may vary but for example a unit trust, generally treats the investor much like a shareholder, entitled to dividends (distributions) when there is a profit but not liable for day to day business costs. The investor owns their share of an asset, the value of which rises or falls based on a) the business profits, and b) the value of any assets in the structure (e.g. orchard, water etc), net of any borrowings the entity may have. This could be a listed or unlisted entity.

Individual investors should seek their own legal and investment advice about any such restructure proposal.

Outlook for Timbercorp Olives 2010 and Beyond

- Olive groves must be re-capitalised **now** to ensure ongoing viable and profitable operations.
- Failure of Timbercorp Group has removed:
 - (1) Source of Working Capital for MIS Schemes
 - (2) Effective ongoing MIS Management
- Olive groves can be viable on restructured cost base but
 - (1) Banks will not support MIS encumbered assets
 - (2) MIS are not structured to raise permanent working capital funding

Outlook for Timbercorp Olives 2010 and Beyond

- Restructure of Olive Groves must provide the following:
 - Partial or full repayment of existing Bank debt
 - Provision of ongoing working capital
 - A mechanism for Grower participation, or an exit for Growers not wishing to participate
 - A cost efficient farm management and crop processing and marketing structure

Structure Options - summary

MIS PROJECT STRUCTURE

Reasons For	Reasons Against
<ol style="list-style-type: none">1. Tax deduction when loss2. Taxable gain will all be distributed to growers	<ol style="list-style-type: none">1. Liable for all shortfalls2. Annual cash for working capital3. No exit strategy4. May get nil from windup5. Landlord capital deficit for works6. Cost Structure

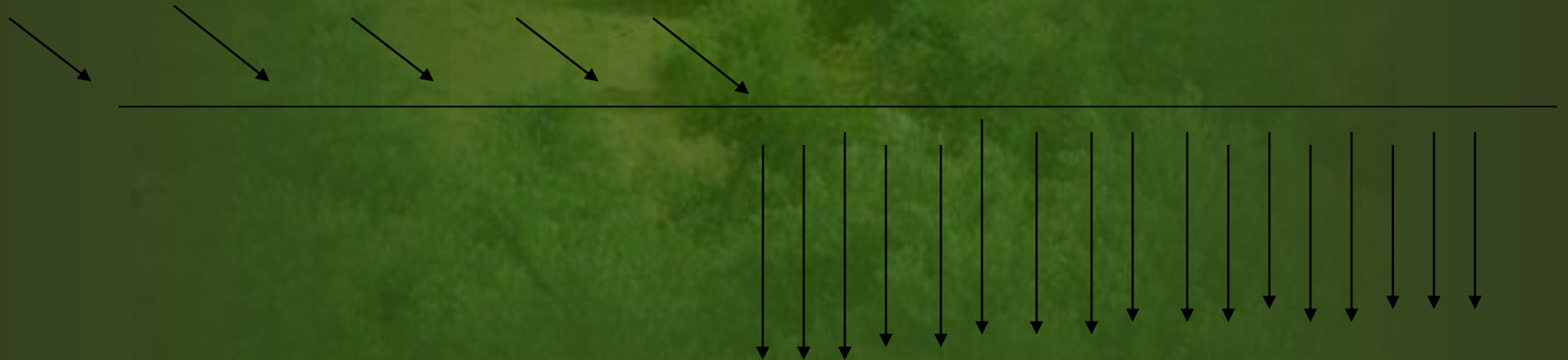
ALTERNATE TRUST STRUCTURE

Reasons For	Reasons Against
<ol style="list-style-type: none">1. Retains a value – currently at risk2. No investor business cost liability3. Lower cost structure – no MIS4. Funding for essential Cap Ex5. Entity easier borrow or raise capital6. Own share of assets – orchard itself7. Exit strategies possible – unit sale	<ol style="list-style-type: none">1. Lose tax deductibility in years of loss2. Not all profit may be distributed3. Diluted unitholding for MIS investor

Timbercorp Olives Committee

OLIVE SCHEMES

- How the projects worked



POWERLESS ... NO REPRESENTATION

- “Conflicted ” Korda Mentha
- ASIC – watchdog or sleeping dog?
- CPA, NTAA, SPAA, FPA – not their problem!

HOW TO DO IT OURSELVES ?

GETTING A VOICE

- Newspaper ad?
- Send letters ?

WITHOUT THE ADVISERS - NOTHING WOULD HAVE HAPPENED !

Achieved the 5% for a meeting, and the 50% to approve a change of RE AND....got

- media attention,
- judges attention

NEXT STEP

- Independent RE just the beginning....
- Other Issues
 - Funding short-term
 - Underwriting defaulting growers
 - Purchasing land

SOLUTIONS AND STAKEHOLDERS

- Banks
- Growers
- Korda Mentha
- Advisers & Dealers

TGG

- Short History
 - First Creditors' meeting 5 May 2009
 - Second Creditors' meeting 29 June 2009
 - Just 2 months old
- Objectives
 - Oppose summary wind up of schemes
 - Ensure that Growers make the decision

TGG Achievements

- Fighting fund
- TGG website to inform growers
- Media campaign
- Finding responsible entities
- Laid out real alternatives to wind up

Legal victory for Olives and Almonds

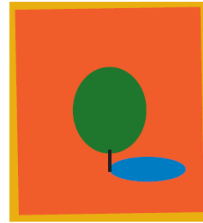
Today's Meeting

- Possible Outcomes –
 - Wind-up
 - Continue with MIS and new RE
 - Continue with restructure and opt out

Boundary Bend Limited

BOUNDARY
BEND

LIMITED



'Australia's premier olive company'

Timbercorp Olive Growers' Meeting

17 August 2009





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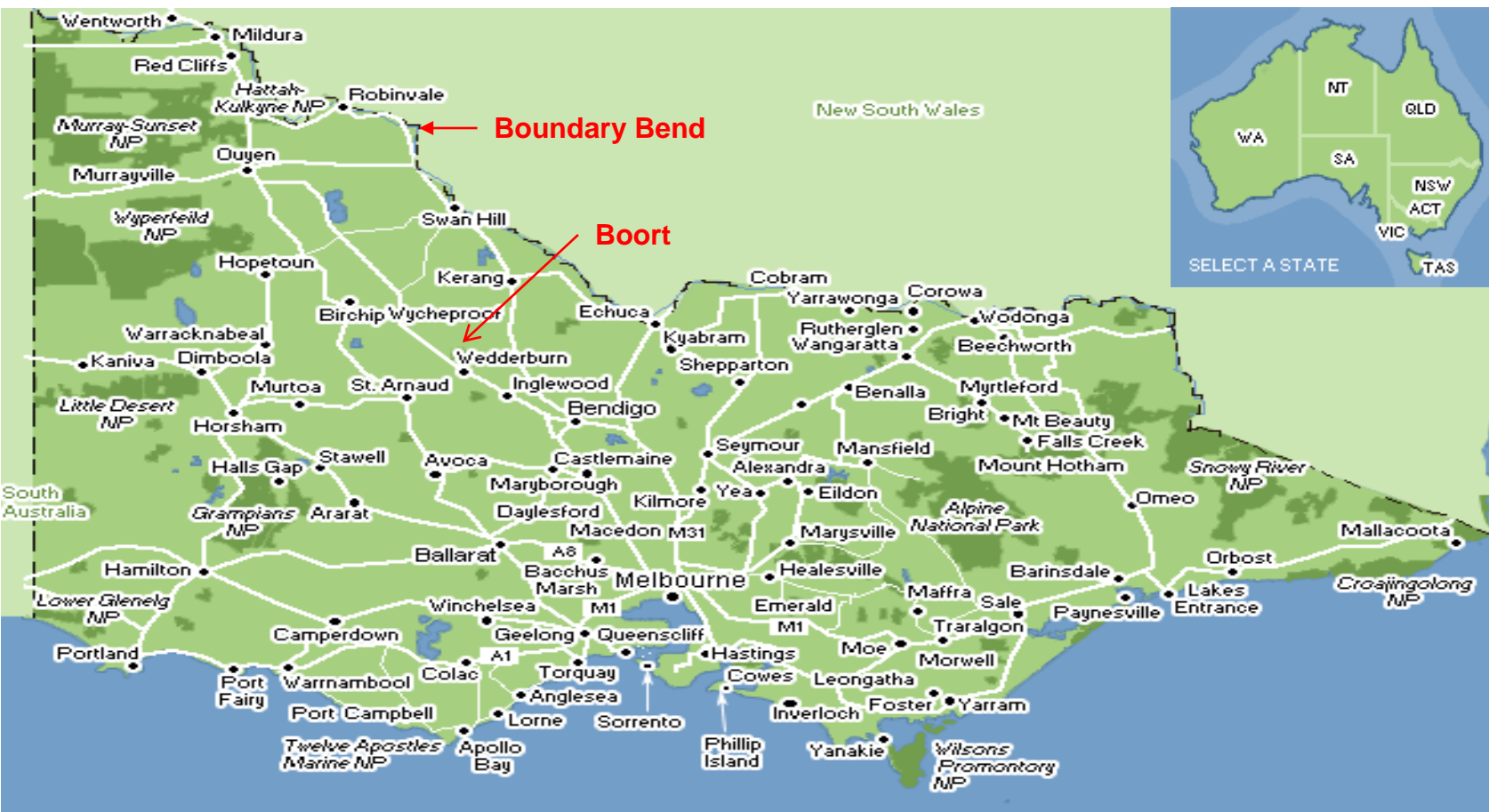
Who is Boundary Bend?

- Boundary Bend (BBL) is Australia's leading vertically integrated olive company.
- Founded and controlled by Paul Riordan and Rob McGavin in 1998. Started managing Boort Estate for Timbercorp in 2005.
- Boundary Bend is now the manager of all of Timbercorp's olive groves including Boundary Bend Estate and Boort Estate (see next slide for details).
- We understand and recognise the growers current situation and are keen to see a positive outcome offered to all olive grower.





Timbercorp Grove Sites



Boort Projects
2000 – 362ha
2001 – 979.75ha
2002 – 467.5ha
2002PJ – 179.25ha
2003 – 538.25ha
2003PJ – 87.5ha
2004 – 155.75ha
Unsold – 7ha
Total = 2,777ha

Boundary Bend Projects
2006 – 698.75ha
2007 – 610ha
2007PJ – 139.5ha
2008 – 1,757ha
Unsold – 547.75ha
Total = 3,753ha

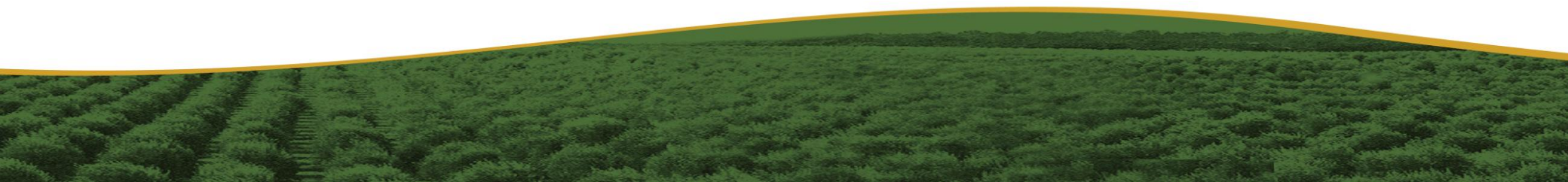
What happened after Timbercorp announced VA?

- BBL were just 1 week into a 9 week harvest and were spending approximately \$200,000 per day on harvest costs.
- BBL and our Lawyers worked closely with KordaMentha to find a solution that allowed harvest to continue.....including 3 days in Court.
- BBL funded harvest costs in excess of \$12m on its own balance sheet and at its own risk on behalf of growers to harvest the crop.
- BBL has spent in excess of \$350,000 on legal fees and consulting directly related to Timbercorp going into Administration to keep the groves going.
- BBL is also an unsecured creditor of Timbercorp for about \$2m.
- BBL still has staff on both sites trying to make the most of the difficult situation.



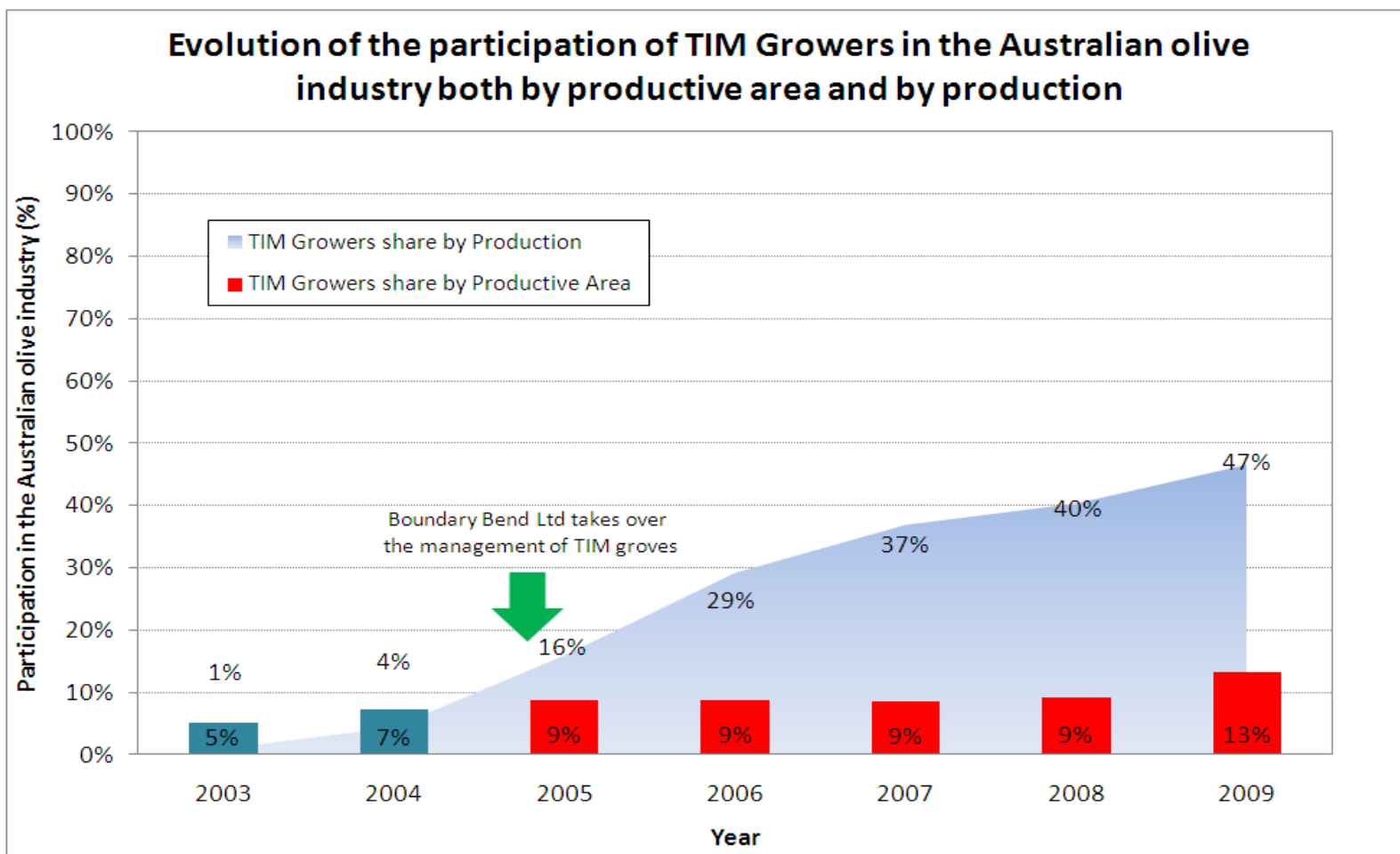
With all these challenges, BBL still managed to:

- Complete the most successful harvest ever at both Boort and Boundary Bend Groves.
- Exceed pre-harvest oil production forecasts by 7.0% and 16.5% at Boundary Bend and Boort respectively.
- Produce an absolute Australian record of 6,953,000 litres, when no Australian grove or management company has ever exceeded 1,000,000 litres of production.
- Finance from its own balance sheet more than \$12M of harvest and processing costs.
- By completing harvest we protected, not only the 2009 crop valued at approximately \$28M, but also the 2010 crop potential valued at an estimated \$32M.





BBL and Timbercorp Groves

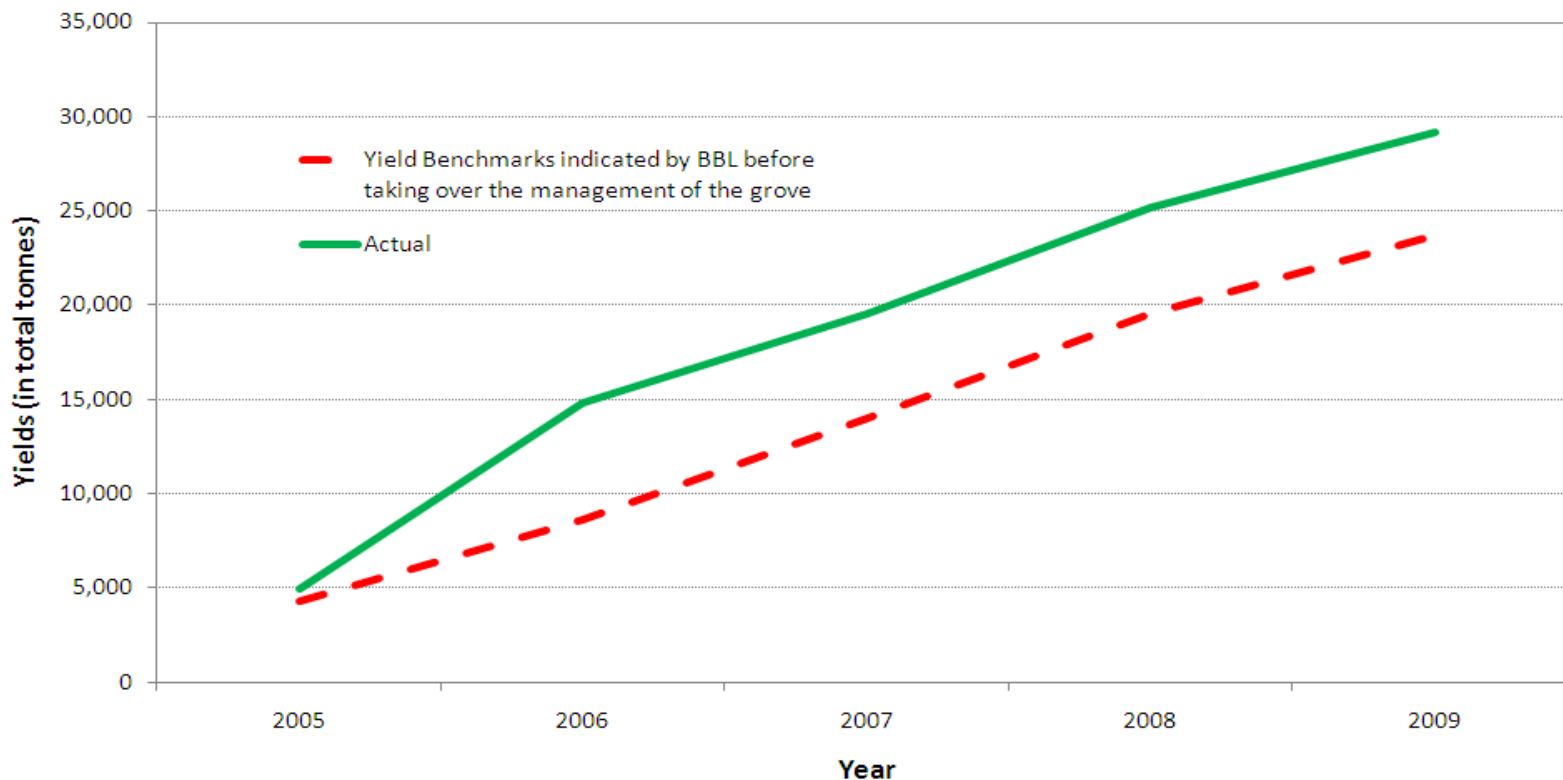




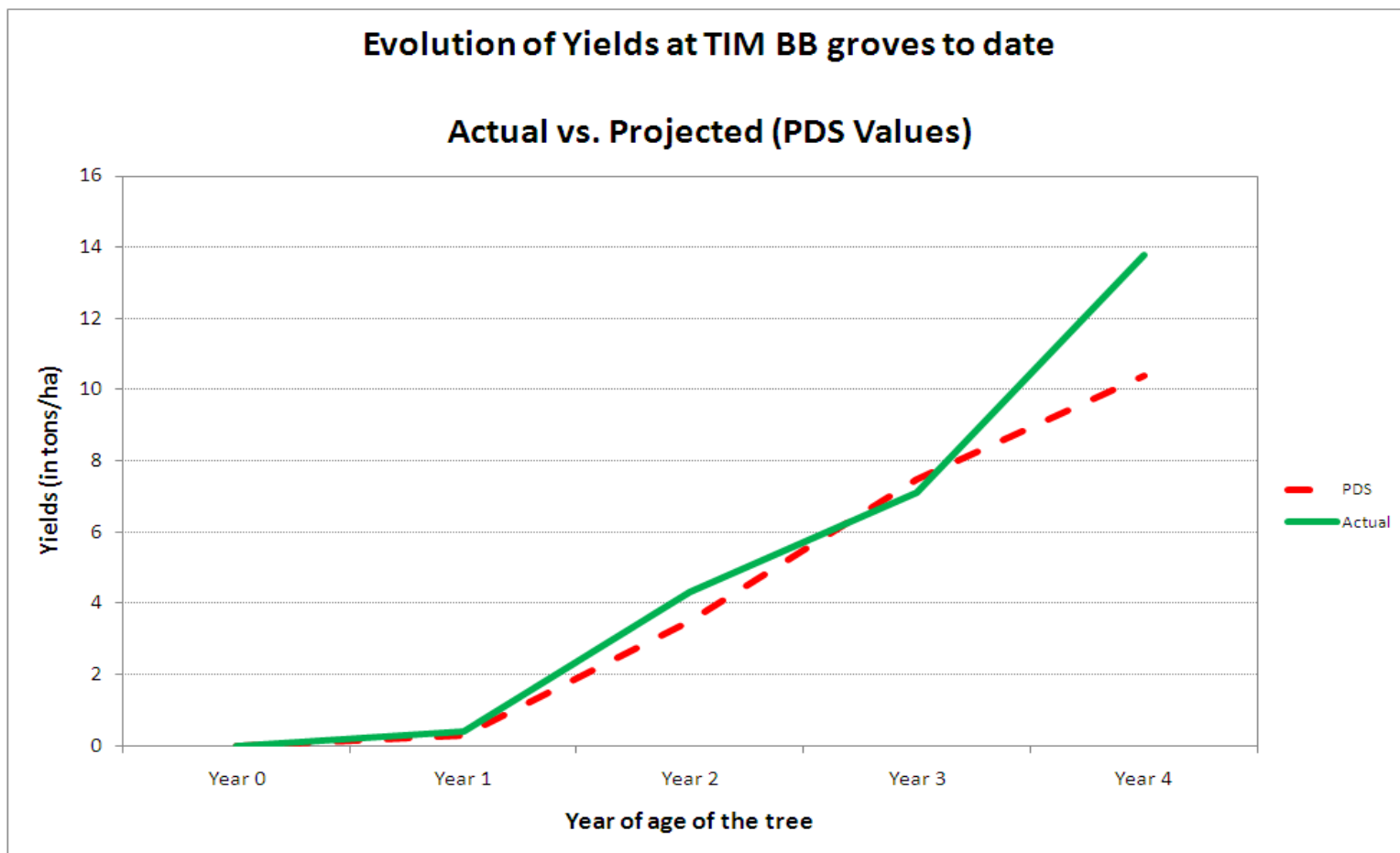
Boort Olive Groves

Evolution of Yields at TIM Boort groves to date

Actual vs. Projected (BBL Benchmark values before managing the site)



Boundary Bend Olive Groves





BBL Proposed Solution

- We recognise and respect the growers current situation and are keen to see a positive outcome offered to all olive growers.
- Acquire the groves, underwritten by BBL but allowing for grower participation in a non-MIS restructured form (see our offer).
- Streamline operations where possible by removing the 'TC' (or proposed GLO) management layer allowing the business to run like a true farming operation.
- Target long-term sustainability of the groves by leveraging our established business model and intellectual property.
- Generate efficiencies by managing both Boort and Boundary Bend by sharing, equipment, IP, etc etc.
- Set output objectives >1,500 litres per hectare (2009 1,656L/ha at Boort), targeting 2,000 litres per hectare in the medium-term.





BBL Offer

- Growers / Advisors want an independent party representing their interests to negotiate with BBL.
- An independent party will devote resources to negotiate, develop and, if feasible, offer an olive farming business proposal to growers.
- Growers / Advisors have had discussions with Align Funds Management to facilitate the above and BBL are happy to work with Align Funds Management.
- It is envisaged that under any restructure, growers who participate will make one last payment to become a shareholder/unit holder in the groves.
- Due to a competitive process being undertaken for the sale of the olive assets BBL are NOT in a position to give transaction details, however BBL is already in a position to purchase the assets.





BBL Offer

- Should BBL be successful in acquiring the Boort and Boundary Bend grove assets, it will offer equity participation in the grove assets to existing MIS growers at the same price that it acquires the assets (inclusive of all transaction and holding costs).
- The equity participation offered to growers will be an entitlement based on existing project investment. If 100% of the entitlement is taken up the assets will be 100% owned by the existing growers.
- BBL will underwrite the shortfall subject to a minimum subscription of 50%.
- Under any restructure, BBL will move to a performance based management fee on commercial terms.
- BBL requires a reasonably tight timeline for documents to be prepared and growers to subscribe.





BBL Uniquely Positioned to Work with the Growers

- We have demonstrated our commitment to the growers since TC went into Administration.
- We have on-the-ground experience on the TC farms and the human resources to continue operations.....critical to continued farm performance.
- We have demonstrated over the past 4-5 years our ability to transform an ailing grove i.e. Boort Estate.
- The results achieved by BBL to date are “world best”.
- We operate Australia’s leading vertically operated olive business and can utilise this business to the benefit of growers.
- Quite simply, there is no other company in the olive industry in Australia today that can match our performance in any area of our business.
- Our senior management are the major shareholders of our business and have a track record of success in agriculture.





About BBL

- Public unlisted company.
- Established in 1997.
- 85 shareholders, 110 employees.
- Head Office based in Lara, Vic.
- Australia's leading vertically integrated olive oil company.

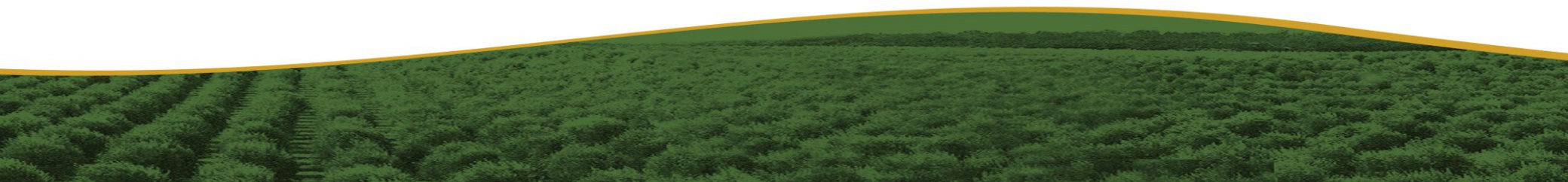
OUR INTEGRATED BUSINESS





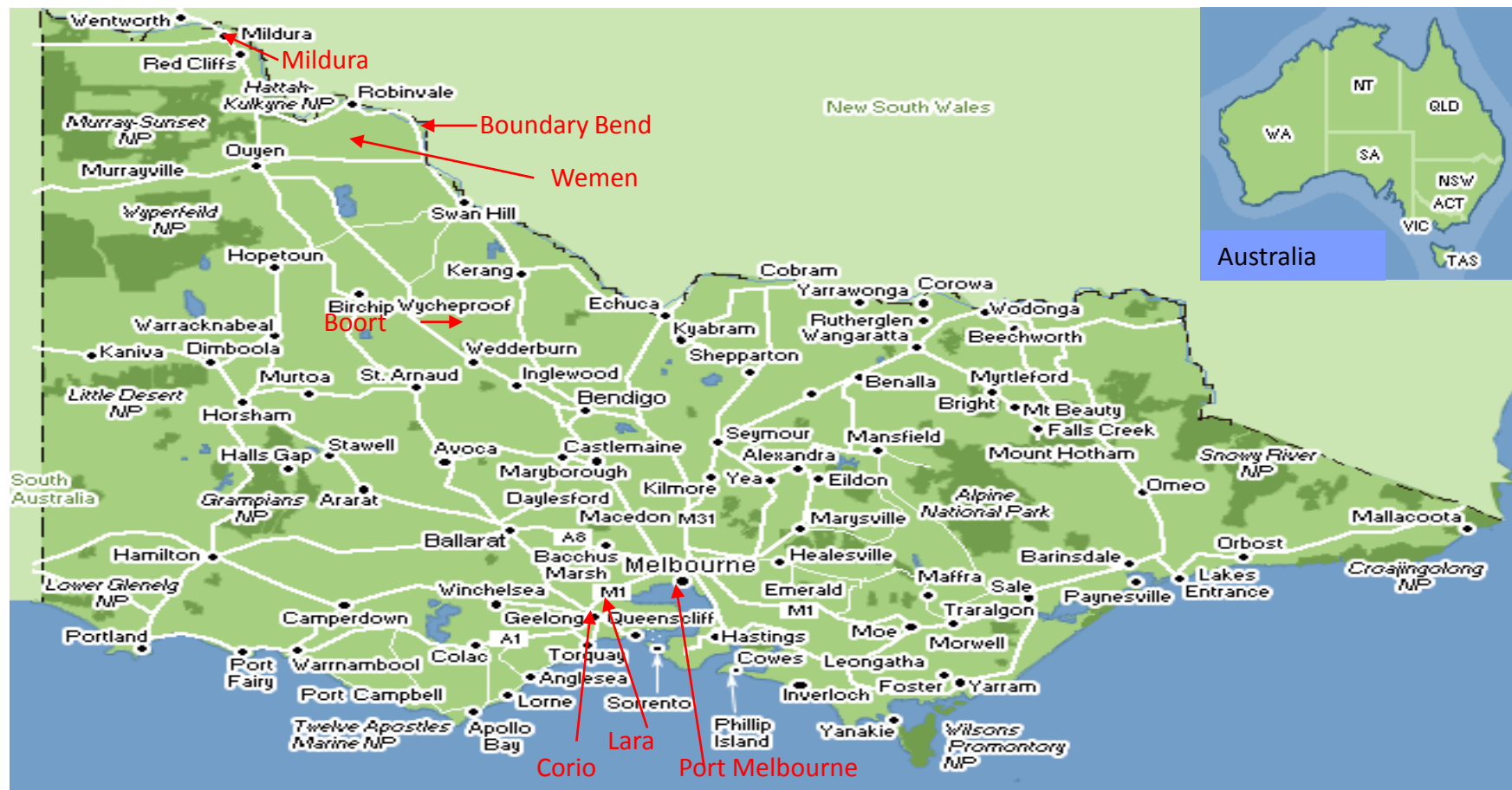
BBL Industry Position

- Australia's largest supplier of **olive trees** (75% of trees planted in the last 3 years).
- Australia's largest manager of **olive groves** (18% of Australia's planted area).
- Australia's largest manager of **processing plants** (48% of Australia's crush in 2008 and 2009).
- Australia's largest supplier of **olive oil** to domestic and export markets (52% of Australia's production).
- Australia's leading olive **consultancy** business (consults to 60% of Australia's production) .
- Owner of **Cobram Estate**, Australia's number one retail brand by volume and value representing approximately 30% of the Australian EVOO category value and volume.
- Owner of Australia's only specialist olive oil laboratory.
- Australia's largest packer of **finished goods** with the fastest and most automated olive oil bottling line and a leading supplier of branded olive oil to the Australian restaurant trade.
- Owner of MaqTec Australia, producer of the world's leading straddle harvester for modern olive groves, the "**Colossus**" with 44 machines worldwide.

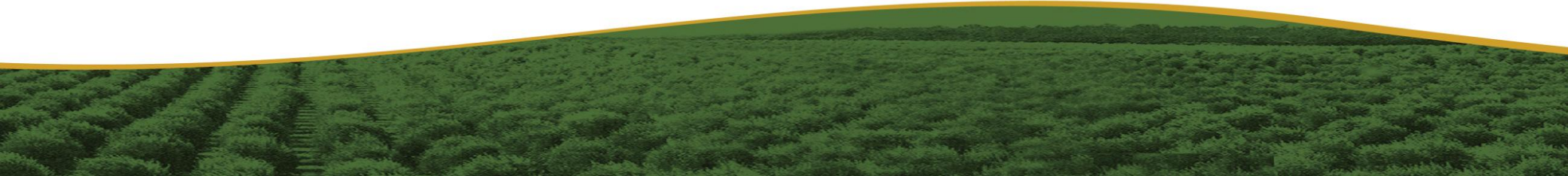




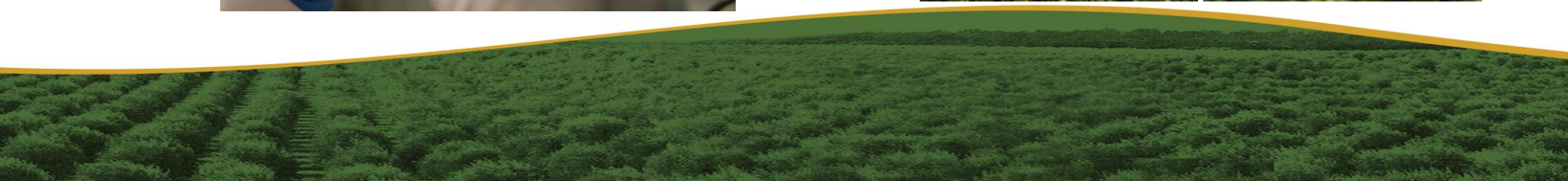
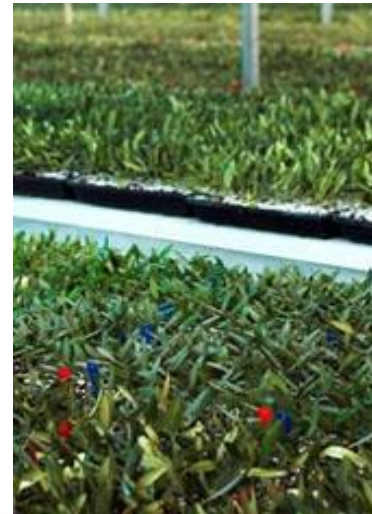
Seven Sites Across Victoria



The Beginning....

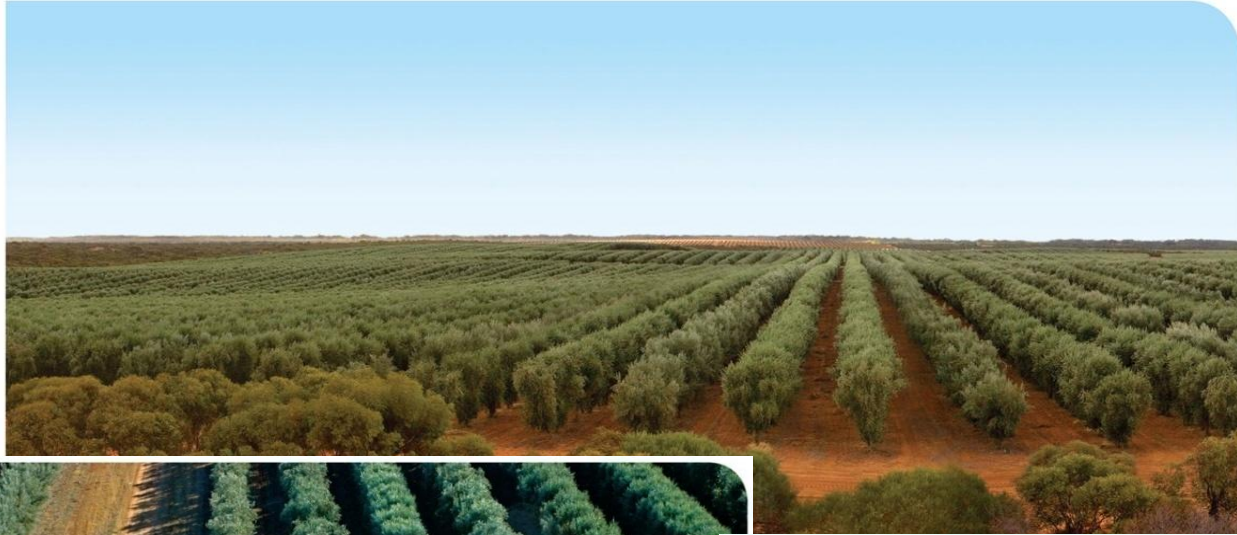


Modern Olives: Nursery, Technical & Laboratory



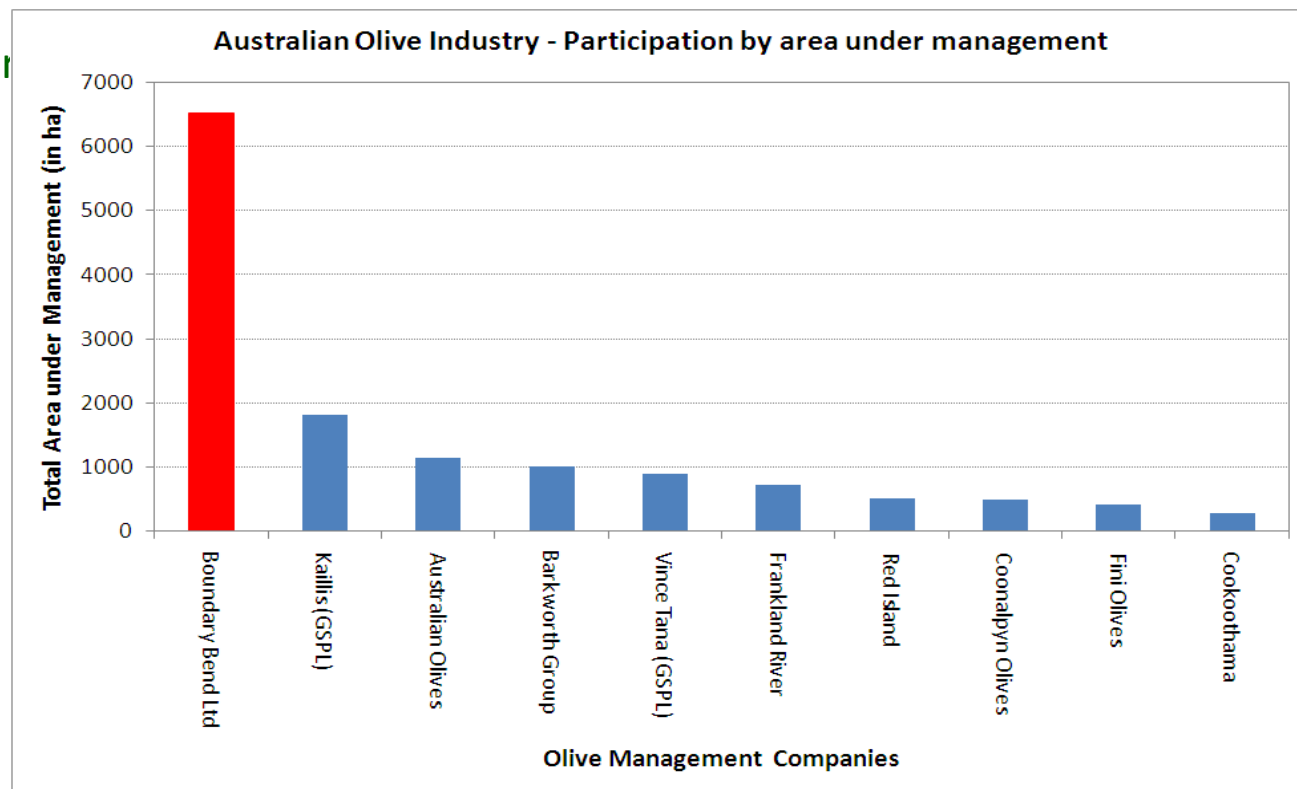


Groves



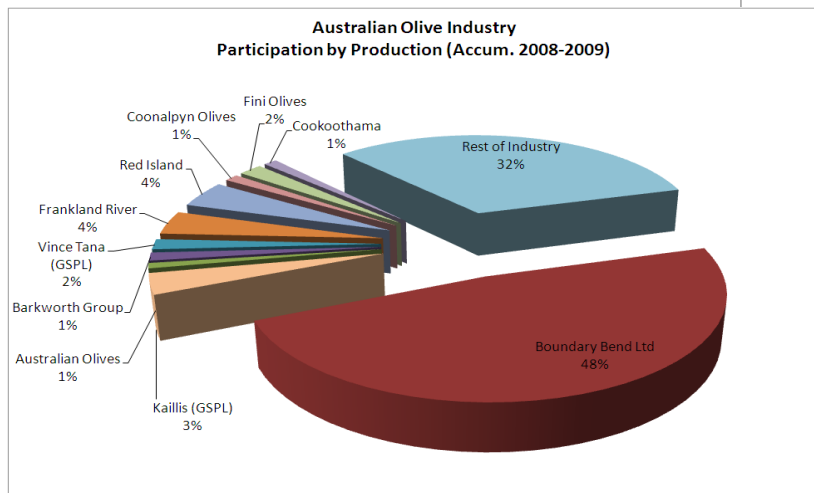
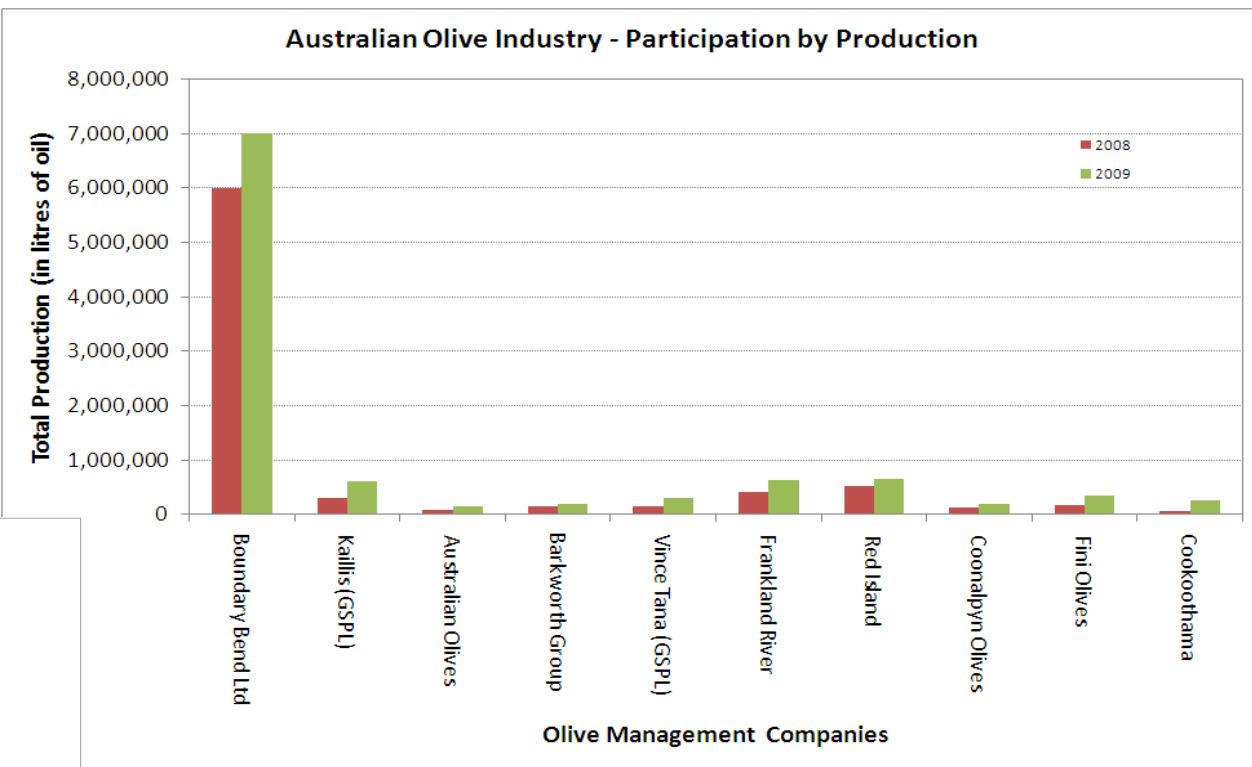
Area Under Management

- BBL is Australia's leading manager of olive groves.
- BBL's current area under management is approximately 6,520 hectares.
- BBL was independently voted Australia's inaugural olive 'Grower of the Year' in 2005 and again in 200.
- **30% of the trees under BBL management are less than 3 years old.**



Share of Australian Production

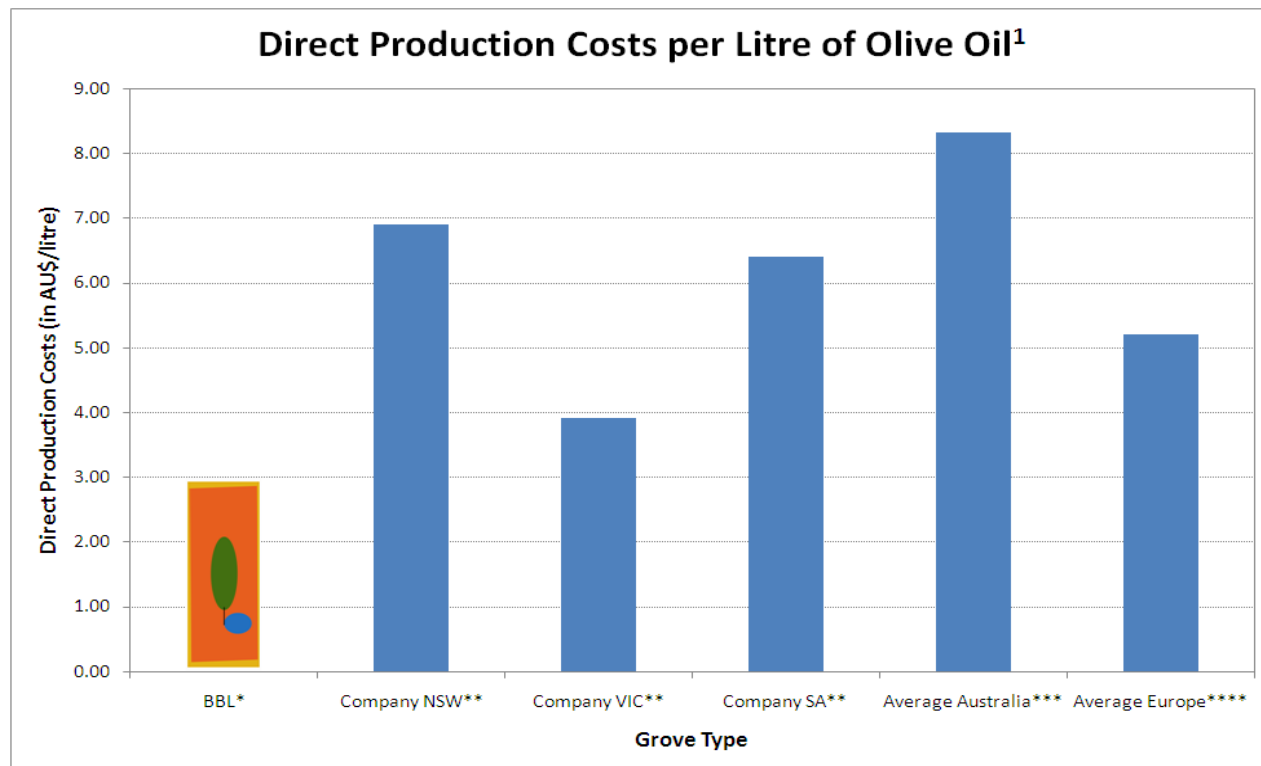
- In 2008/9 BBL produced an accumulated share of 48% of Australia's total olive oil crop from approximately 13% of Australia's productive capacity of olive trees.



Production Costs

In line with global benchmarking practice, all costs should be reviewed per kg or litre of production.

- BBL is recognised globally as one of the lowest cost producers of high quality extra virgin olive oil.
- **According to benchmarking comparisons we have undertaken, BBL management costs are 31% cheaper than the second cheapest Australian grove on a per litre basis.**



¹These figures do not include land & tree leases, land rates or temporary water.

*Based on 2009-2010 BBL budget presented to KordaMentha.

**Based on Prospectus information, ASIC Financial statements and companies public records.

***Based on Modern Olives analysis.

****EC report and several articles on olive oil production costs.

Management and Human Resources

Board of Directors

Along with our 3 non- executive directors, Tim Jonas, Craig Ball and Jonathan West, BBL has 4 executive -directors who principally fulfill key functions namely, Paul Riordan (Operations), Leandro Ravetti (Technical), Tim Smith (Sales/Marketing) and Rob McGavin (Corporate) who are deeply involved with the everyday running of the company at all levels.

Operational Staff

Unlike most olive companies in Australia and the world, BBL's grove management structure is supported by a significant amount of highly qualified staff. This list includes several qualified horticulturists, oil specialists, processing specialists, engineers, farm managers and agribusiness administrators. During FY 2009 we employed approximately 110 FTE staff with this rising to 273 during harvest.



Harvesting Intellectual Property



BBL's "Colossus" is the leading mechanical harvesting technology, not only in Australia, but around the world. A large number of independent leading modern groves around the world have chosen this technology with **44** machines operating in 2009. No other large over-the-row harvester manufacturer has produced more than 3 units.

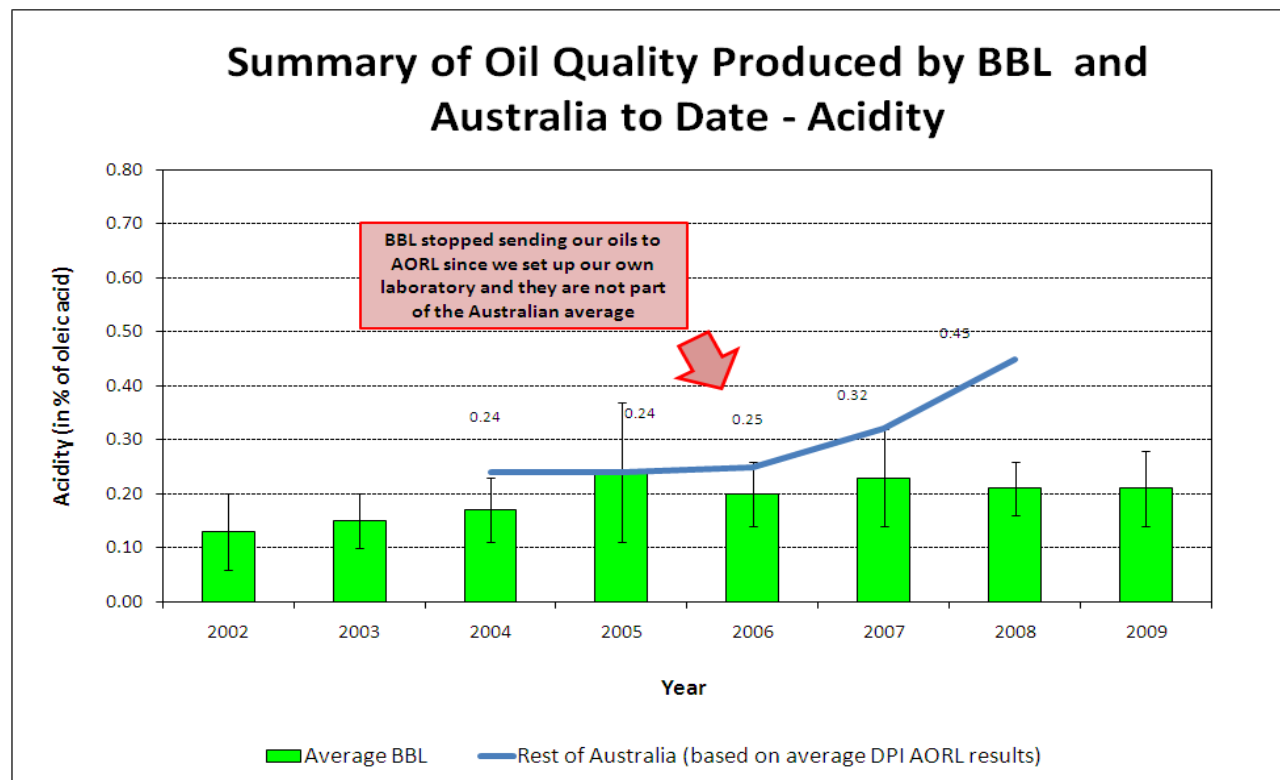
BBL has accumulated more than 60,000 hours of experience with these harvesters (> 10 times more than any other grove). This experience obviously translates into a more reliable and efficient operation.

Olive Oil Quality

For the past few years, BBL has been consistently the most awarded producer of extra virgin olive oil in Australia.

BBL 2008 AWARDS

- Champion oil in Show – Royal Canberra.
- Best oil in Show – Perth Royal.
- 13 gold medals.
- 24 silver medals.
- 21 bronze medals.





Marketing Performance

- Australia's largest supplier of olive oil to domestic and export markets (52% of Australia's production).
- BBL's total share of grocery sales of Australian olive oil is approximately 55%.
- Customs' data shows that BBL represents 64% of the Extra Virgin Olive Oil exports by volume and 69% by value.
- BBL has achieved an average price premium in excess of 30% over benchmark Spanish prices (prices are ex-farm).
- BBL has export customers in 15 countries and was recognised by the Australian Government as the Agribusiness Exporter of the Year.





Leading Australian Olive Oil Brands

Celebrate Great Australian Taste



- Cobram Estate (BBL's retail brand) is Australia's leading home-grown olive oil brand.
- Cobram Estate accounts for approximately 28% of grocery sales of Australian olive oil (including Aldi, Metcash IGA, Coles and Woolworths).
- BBL's private label contracts account for approximately 27% of grocery sales of Australian olive oil.



Independent Recognitions

BBL has always held it's peers in high regard and to this end has sought to be recognised amongst it's peers for its achievements. Recent awards include:

- Australian Olive Association 'Olive Grower of the Year' - 2005 (Boundary Bend Estate) .
- Australian Olive Association 'Olive Grower of the Year' - 2008 (Boort Estate).
- NAB Agribusiness 'Exporter of the Year' - 2007.
- Government of Victoria 'Agribusiness Exporter of the Year' -2007.
- Australian Government 'Agribusiness Exporter of the Year' – 2007.
- City of Geelong Manufacturing Excellence award - 2008.



Olive Industry Challenges

- Water Supply uncertainty.
- Historically low olive oil price currently well below production costs.
- High cost of inputs particularly fertilizer and chemicals.
- Tough category dominated by highly subsidised European production.
- Imported adulterated products putting downward pressure on market.





Summary

- BBL has a long track record (12 years experience) successfully managing large scale olive groves.
- BBL is the lowest cost operator in Australia on a per litre basis
- BBL has the highest net returns per hectare of all the major operators.
- BBL has the marketing channels and customers to handle current and expected future oil volumes.
- Customs data shows our export price is significantly higher than the average price achieved by Australian producers.
- BBL has world class people, systems and accreditations in place.
- **BBL is the lowest risk, highest return operator.....with a solution to match!!!**



Thank-you



Great Land Olives proposal for Grower Owned Independent Manager

Great Land Olives

proposal for

**Grower Owned
Independent Manager**

Timbercorp Olive Growers Meeting
presentation
17 August 2009

Great Land Olives proposal

Agenda

Regeneration

- | | | |
|---------------------------|---------|------------------------|
| – New independent manager | | Grower Owned |
| – Boort | Stage 1 | New management |
| | Stage 2 | Farm operations tender |
| | Stage 3 | Acquire property |
| – Boundary Bend | | Details |
| | | Ongoing MIS plan |

Summary

- Key benefits

Great Land Olives proposal

Who is Great Land Olives?

- Great Land Olives is a consortium of growers and their financial advisers
- The nominated spokesman for the consortium is George Kalil, a grower and a financial adviser
- The consortium proposes to establish Great Land Olives Ltd (GLO) as independent, grower – owned manager of the olive projects
- The consortium proposes to provide funding for the establishment of GLO, on the security of a crop sale agreement on the 2010 crop
- GLO will work with the RE to protect the value of the world class Boort olive orchard for the benefit of growers
- GLO will work towards replicating the GLO structure for the Boundary Bend projects, when sustainable cashflows are attained

Great Land Olives proposal

New Grower Owned Manager

Why new manager ?

- Guarantee separate structures for the Boort and Boundary Bend properties
- Live MIS maximises value for olive growers (not banks)
 - KordaMentha will achieve higher sale prices for unencumbered olive property
- The Boort MIS olive schemes are viable with significant upside
 - Property ownership will increase grower rewards
- The Boundary Bend MIS olive schemes face challenges but maximum value achieved through an ongoing MIS and substantially reducing costs
- Grower owned corporate managers are the perfect vehicle for acquiring olive property for **SOLE BENEFIT OF GROWERS**
- Select best available farm manager and follow multi-marketing agent strategy **NOT BE TIED TO 1 FARM AND MARKETING AGENT FOR THE DURATION**
- Significant value in creating in-house marketing expertise.

Great Land Olives proposal

Boort - Stage 1

**Great Land Olives Ltd (GLO) as independent grower owned manager
will work with the RE to protect the value of the
world class Boort olive orchard for the benefit of growers**

Key Points

- 100% grower owned
 - 1 share to be issued in GLO for no consideration to the owner of each grovelot that pays their 2009/10 MIS contribution invoice in full
- Replace Olivecorp Management Ltd (Timbercorp subsidiary) by assigning the “Management” contract for each MIS scheme to GLO
- Employ management & admin personnel
- Acquire disclaimed and other new equipment (eg. tractors, harvesters, etc)
- Discussions commenced with KordaMentha to offer employment to some ex-Timbercorp staff and initially share Timbercorp offices, resources, etc.

Great Land Olives proposal

Boort - Stage 1 (save \$1m pa)

Benefits

- Independence from failed Timbercorp structures and management fees
- Plug the value leakage holes for the benefit of growers
- Minimise costs by avoiding the need to change existing legal contracts
- Possible to effect simple and rapid handover
- Ability to react quickly and equitably for the benefit of growers

Duties

- As agent for the RE manage the setting of budgets, dispatch of grower communications and invoices
 - Control the MIS scheme bank accounts and payments to:
 - Farm manager
 - Olivecorp Land Pty Ltd
 - Olivecorp Processing Facilities Pty Ltd
 - Manage key supplier arrangements
- | |
|-----------------|
| Farm expenses |
| Rent |
| Processing fees |

Great Land Olives proposal

Boort - Stage 1 (save \$4m pa)

Olive growers at the Boort property to take destiny back into their own hands

Structure

- Retain MIS schemes Prefer new RE (but not essential)
- New administration Working name is “Great Land Olives Ltd.”
(unlisted public company to be established)
- Private Offer participants To be included on equitable basis
- Tender farm manager Invite Boundary Bend Ltd & Red Island Ltd

Benefits

- Administrative savings of approx \$1m pa
- Enforce Olivecorp Land obligation to meet temp water costs for 2000 – 2002 schemes saving approx \$3m pa (in current drought conditions)
- Growers to own Great Land Olives Ltd (management company)

Great Land Olives proposal

Stage 2 - Farm Manager Tender (save \$4+m pa)

- **Run tender for Boort property farm management**

Current 2010 budget

- Farm costs \$12.8m
- Processing & storage fees \$ 3.1m
- Farm Management fees \$ 1.8m

- **Anticipate farm management cost savings of at least \$4m pa**

- \$3.00 per litre direct cost of production (excl temp water) is expensive for Boort
- Expect to achieve < \$2.00 per litre next year through tender process

- **Set output objective of 500 litres olive oil per hectare across the Boort property (2009 ave was 419 litres per hectare)**

- Assuming
- Drought conditions continue (receive only 30% of permanent water rights)
 - Temp water acquired to meet 5.5 ml per hectare

Great Land Olives proposal

Boort - Stage 3

It is anticipated that KordaMentha will seek expressions of interest to sell the Boort property and associated processing facility

Strategy

- GLO has well developed plans to be able to respond when and if these assets are placed on the market
- Grower value is **maximised** by having live MIS schemes running
- Long term bank funding plans are substantially in place
- Expect to bid for the Boort land, **water rights** and the processing facility

2 Part Response

- a. GLO will ensure the Boort property cannot be used for any other purpose for the life of the MIS schemes without proper compensation being paid to growers
- b. GLO is a ready made vehicle that will allow growers to restructure, obtain funding and bid for the Boort property

Great Land Olives proposal

Boort - Stage 3 cont. (save \$5m - \$8m pa)

Capture the value of the Boort property and processing facility for the exclusive benefit of growers

- **Structure**

- Transition MIS schemes to single corp structure (Great Land Olives Ltd)
- Finalise long term bank funding (less than 50% gearing)
- Anticipate some additional grower capital (eg 2009 harvest proceeds)
- Growers
 - Swap (assign) grovelots for equity in GLO
 - Replace future MIS revenue and expense with ownership and dividends
- GLO to remain 100% grower owned

- **Re-structure Benefits**

- Expect to acquire ex Timbercorp assets at a substantial discount
- Remove licence, rent and processing charges totaling approx \$9m pa
- Simple and easily understood structure
- Medium term IPO opportunity

Great Land Olives proposal

Boundary Bend property

Key issues

- Managing expected grower attrition rate
- Cutting back \$25.8m opex + \$11.1m capex budgets to meet financial challenges and smaller farm size

Strategy

- Retain MIS structure for at least 2 years until sustainable cashflows are established.

New management

- Replicate GLO structure for the Boundary Bend growers
- Leverage GLO resources to minimise admin costs
- Renegotiate existing cost structures

Great Land Olives proposal

Boundary Bend property cont.

Boundary Bend grew too fast – need to consolidate.

Ongoing MIS plan details

- Recalculate budgets for grower invoices payable 31 Oct 09 based on approx 50% drop-out rate + include capital contribution
- Access 2008 and 2009 harvest proceeds for defaulting growers
- Consolidate remaining growers based on irrigation design and most profitable property → reduce need for temp water by sharing available permanent water allocations (10,700 ml available x 30%)
- Minimise need for immediate capex (eg harvesters, irrigation, processing equipment, water rights, etc) by consolidating farm size and restricting production to the most fertile/profitable parts of the property.
- “Park” remaining grovelots until cashflows improve

Great Land Olives proposal

Summary

Key Benefits

- Independence from failed Timbercorp structures and management fees
- Boort cost savings Stage 1 & 2 at least \$8m pa
 Stage 3 expect further \$5m - \$8m pa
- Boundary Bend Consolidate farm
 Stabilise ongoing MIS schemes at Boundary Bend
 Aim to cut opex/capex budget by >50%
- No cross subsidies between Boort and Boundary Bend properties
- Create grower owned vehicles for future growth in olive industry
- Ongoing independence from farm manager and marketing agents

Primary Securities Limited



Timbercorp Olive Projects





This presentation outlines in summary:

1. The current position of Growers.
2. Who is Primary Securities Ltd? (“PSL”)
3. The benefits of Primary Securities Ltd.
4. The role of the Responsible Entity (“RE”) and the fees.
5. Work to date and current assessment.
6. The next steps.
7. PSL requirements.



1. The current position of Growers

- There is intrinsic and future value in the Growers' groves.
- Without a Scheme to protect the Growers, there is no value to the Growers in these groves.
- The Growers do not have an Independent RE looking after Growers' interests.
- Timbercorp and related party (inc BB owned 19%) fees make schemes unviable.
- There is a critical working capital shortage.



2. Who is PSL?

- PSL is one of three RE's in the Primary Group. PSL is a professional RE and offers its services for:
 - Businesses that are planning a managed investment capital raising in Australia; and
 - Investors who want to replace their responsible entity.
- The Primary Group acts as RE for 15 entities in the horticultural, timber, and property industries and has licence offers for another 18.
- The Primary Group has experienced employees including financial analysts, in house lawyers, senior managers and administrative support.
- PSL has a License offer from the ASIC to manage the Olive Schemes and is the only RE to have a current offer.
- PSL is an experienced negotiator for growers in troubled schemes.



3. The benefits of PSL

- Provides an independent RE to act on behalf of Growers.
- Only RE in position to take over today.
- Continuation of schemes until restructured to benefit Growers.
- Ability and track record in renegotiating key contracts and ongoing legal issues.
- Provide means of addressing working capital issues.
- Best chance of unlocking value of olive groves to the benefit of the Growers.



4. The role of the responsible entity

- The RE assumes responsibility for schemes and its liabilities.
- The RE is under statutory obligations of care to investors (Growers).
- The RE needs to ensure that all contracts are in the best interest of the Growers.
- The RE can outsource under a management contract to a manager to perform certain tasks.
- The flow of funds has to be through the RE and the RE incurs substantial costs administering any project.
- It is likely that there will be immediate claims against the RE, which it will have to defend.
- The RE can represent Growers in claims that affect Growers (such as claims against TC entities, officers or the administrators).

Fees

PSL fees for the management of the schemes are as follows:

- \$10,000 per month per scheme + GST (from appointment).
- Reimbursements of preliminary costs and expenses to date (\$200,000).
- Certain other costs including PI insurance, accounting and audit fees, legal costs, experts and consultants.



5. Work to date and current assessment

- PSL has spent 3.5 months assessing the interests of the Growers.
- PSL has engaged RSM Bird Cameron to assist as an arms length corporate. advisor to consider all restructure proposals.
- PSL and RSM Bird Cameron have been working together reviewing, sourcing information and preparing viability models.
- In order to protect Grower interests the schemes have to continue with a new RE until a restructure can be negotiated with all parties.
- The 2001, 2002, 2003, 2004 schemes at Boort appear viable and the 2006, 2007 and 2008 schemes require further assessment.
- Working capital is required from Growers fees immediately.
- PSL support the plan of:
 - An alternative management company or new management contract (BBL, GLO, others)
 - Growers owning the land
 - Taking control of the value adding end of the business



6. The next steps

1. Growers resolve not to wind up schemes.
2. Growers resolve to support appointment of new RE.
3. Growers meet in advance the requests of any new RE to enable it to fund the project and protect the Growers.
4. Appoint new RE and manager under terms acceptable to enable RE to survive and protect Growers.
5. RE invoices Growers to provide working capital.
6. RE appoints manager to manage the operations and renegotiates existing agreements-contracts the new manager may be the new Growers group manager.
7. Assess all restructure options with the Olive Growers Group and our corporate advisor.
8. Continue to run the schemes and manage on scheme by scheme basis until a restructure is implemented.



7. In order act, manage and protect Growers, PSL requires:

- Its own form of resolutions (as presented to Clarendons last week – these were not adopted as the form of resolution to go to Growers); and
- A well funded manager to:
 - Assume commercial responsibility for the operation for the projects and indemnify Primary in relation to any claims (fighting fund of \$500k to \$1m).
 - pay for expenses until fees are received (\$1m - \$2m?).
 - pay for maintenance of Groves that have been terminated (\$?) – these Groves cannot be funded by the remaining Growers for tax reasons.
 - If 2006-2008 schemes are to keep going pay rent to BBL of \$500k per quarter until rent received from Growers.

Questions?

Scheme Resolutions

Resolution 1: A resolution that the Scheme continue and not be wound up;

Resolution 2: A special resolution that the constitution of the Scheme be modified as follows:

- inserting after Clause 11 the following clause:

“11A Responsible Entity’s additional powers

(a) Notwithstanding anything in Clause 12, the Responsible Entity has the power to:

- borrow, for the limited purpose provided in sub-clause (iv) below (and repay such borrowing and pay interest and costs in relation to such borrowing from moneys in the Agency Account);
- grant security over the moneys in the Agency Account, for the limited purpose provided in sub-clause (iv) below;
- advance funds using the moneys in the Agency Account, for the limited purpose provided in sub-clause (iv) below;
- implement any restructure, recapitalisation or working capital funding proposal that is approved by an ordinary resolution by Growers.

(b) A reference to moneys in the Agency Account in Clause 11A(a) includes only moneys paid into the Agency Account after 24 August 2009.”

Scheme Resolutions (cont'd)

Resolution 2: continued:

- inserting after Clause 14 the following clause:

“14A Responsible Entity’s entitlements

(a) Notwithstanding anything in Clause 12, the Responsible Entity is entitled to pay or be reimbursed out of moneys paid into the Agency Account after 24 August 2009 for expenses reasonably and properly incurred:

- i. in seeking out and negotiating a restructure, recapitalisation or working capital proposal and in implementing such a proposal that is approved by Growers under sub-clause 11A(a)(iv); and
- ii. prior to becoming Responsibility Entity but in connection with the Project and its appointment as Responsible Entity.”

- Inserting the following clause:

“17.2 Timing of payment of further monies

Notwithstanding anything in this Deed and the Agreements, the Responsible Entity may by written notice alter the dates on which Growers are required to contribute further monies in respect of a financial year, but not earlier than 1 July of the relevant financial year.”

Scheme Resolutions (cont'd)

- Resolution 3:** An ordinary resolution that proposed Resolutions 4 to 6 be held over to an adjournment of the meeting and that any votes cast by proxy on resolutions 4 to 6 be counted but deferred to the adjournment date.
- Resolution 4:** An extraordinary resolution that TSL be removed as responsible entity.
- Resolution 5:** An extraordinary resolution choosing a company to be the new responsible entity.
- Resolution 6:** An ordinary resolution that the TGG resume its application in court for the appointment of a temporary responsible entity to the Scheme.

Poll Process

- Complete Voting Forms
- Place Voting Form in Box for relevant scheme
- Poll Results will be displayed on the Timbercorp and KordaMentha websites once the votes are counted.