



KordaMentha

Timbercorp Securities Limited

In Liquidation

ACN 092 311 469

Report by Liquidators

28 September 2012

Pursuant to Section 508
of the Corporations Act

Table of Contents

1	Conduct of Liquidation	1
1.1	Purpose of this Report.....	1
1.2	Background	1
2	Update on Forestry Managed Investment Schemes	1
2.1	Background	1
2.2	Distributions	2
2.3	Harvest Proceeds	3
2.4	Outstanding Matters	3
3	Update on Horticultural Managed Investment Schemes	4
3.1	Almond Schemes	4
3.2	Olive Schemes	6
3.3	Citrus Schemes	8
3.4	Table Grape Schemes.....	9
4	Horticulture Compromises	10
5	Creditor Claims and Dividends	11
6	Receipts and Payments.....	12
7	Further Information	13
	Appendix 1 Timbercorp Managed Investment Schemes.....	14



1 Conduct of Liquidation

1.1 Purpose of this Report

Mark Korda and I were appointed Voluntary Administrators of Timbercorp Securities Limited (In Liquidation) ('the Company') on 23 April 2009 and subsequently appointed as Liquidators of the Company on 29 June 2009. This report, prepared in accordance with the provisions of Section 508(3) of the Corporations Act 2001 (Cth) ('the Act'), details the Liquidators' account of acts and dealings in the winding up of the Company during the period 29 June 2011 to 28 June 2012.

1.2 Background

The Timbercorp Group now consists of Timbercorp Limited (In Liquidation) ('TIM') and 29 subsidiaries including the Company ('the Timbercorp Group').

The Company issued 33 Managed Investment Schemes ('MIS') and three private offer schemes as detailed in the schedules at Appendix 1 (referred to collectively as 'the Schemes' or individually as 'Scheme'). The MIS included forestry and horticulture assets, included approximately 100 million blue gum trees, nearly 3 million almond trees and over 2 million olive trees.

Following a review of the Schemes, the Liquidators conducted sales and marketing campaigns for all major forestry and horticulture assets. Forestry and almond assets achieved sale prices of \$345 million and \$128 million respectively and proceeds from these sales have been distributed to relevant stakeholders. Proceeds from the remaining scheme related asset realisations are currently being held on trust pending a determination by the Court or the reaching of a compromise between Grower Investors and secured creditors.

For further details on the background of the Timbercorp Group please refer to the previous Reports by Liquidators lodged with the Australian Securities and Investments Commission ('ASIC') on 28 September 2010 and 28 September 2011.

2 Update on Forestry Managed Investment Schemes

2.1 Background

The Company was the Responsible Entity ('RE') of 11 Forestry MIS and one Scheme that was not required to be registered (referred to collectively as 'Forestry Schemes' or individually as 'Forestry Scheme'). The Forestry Schemes were conducted on plantations covering 96,819 hectares over approximately 600 properties ('the Plantations').

At appointment, in order to enable the Forestry Schemes to continue to harvest, a cash investment of \$342 million was required. Given the significant cash injection required, the following two options were identified for the Forestry Schemes:

1. Recapitalisation of the Forestry Schemes by a new RE
2. Sale of trees on behalf of Grower Investors



Following a Grower Investor Consultation Meeting, the Liquidators applied to the Federal Court of Australia to obtain a Power of Sale in relation to the forestry assets. On 18 August 2009, Justice Finkelstein handed down orders that the Liquidators were justified in amending the constitutions of the Forestry Schemes to enable a sale of the forestry assets including the Grower Investors' trees.

Following an international sale campaign, a Sale and Purchase Deed ('SPD') for approximately \$345 million was signed with Australian Bluegum Plantations Pty Ltd ('ABP') on 30 September 2009.

In order for the sale to be completed, the shortfall owed to the secured lender was required to be paid out of the \$197.7 million allocated by ABP to Grower Investors' trees. In return, Grower Investors have been given security over certain olive assets. The amount payable in respect of this security is subject to a determination in relation to the relative strength of the competing claims of stakeholders to the proceeds from the sale of the olive assets.

Settlement of the sale of the Timbercorp olive assets occurred on 11 January 2010. Proceeds from the sale have been placed on trust at the direction of the Courts pending a determination in relation to their apportionment between stakeholders or until a compromise is reached.

For further details on the background of the Forestry Schemes please refer to the previous Reports by Liquidators lodged with ASIC on 28 September 2010 and 28 September 2011.

2.2 Distributions

The per lot returns for each of the Forestry Schemes were calculated with reference to ABP's bid allocation and on 17 December 2009, the Supreme Court of Victoria gave orders approving the Liquidators' method of apportioning the gross sale proceeds and costs between each of the Forestry Schemes.

Four distributions of sale proceeds have been processed as at 28 June 2012. The first, totalling \$117.3 million, commenced on 18 December 2009 and the second, totalling \$15.8 million, commenced on 30 March 2010. Two additional distributions of Goods and Services Tax ('GST') to GST registered Grower Investors were made on 28 June 2010 and totalled \$5.3 million.

At 28 June 2012, \$123.6 million had been paid to Grower Investors with \$14.8 million on hold where Grower Investors have invoice arrears owing to the Company or where the Company is on notice from Timbercorp Finance Pty Limited (In Liquidation) ('TFIN') that it has a claim to the proceeds ahead of the Grower Investors. Grower Investors have been provided with the option to execute a Direction to Pay ('DTP') to facilitate the distribution of any proceeds from the sale of Forestry Scheme assets or harvests to pay down invoice arrears and/or loans.

Distribution	Date	Total to be Distributed	Total Distributed	Distributions On Hold
One	18/12/2009	\$117,277,877.72	\$103,775,902.37	\$13,501,975.35
Two	30/03/2010	\$15,815,660.78	\$14,522,412.42	\$1,293,248.36
GST	28/06/2010	\$5,254,455.52	\$5,254,455.52	\$0.00
Total		\$138,347,994.02	\$123,552,770.31	\$14,795,223.71



2.3 Harvest Proceeds

Proceeds arising from trees harvested prior to our appointment in April 2009 totalling \$3.5 million were available for distribution to relevant Grower Investors in the 1997 and 1998 Forestry Schemes. Distributions commenced on 25 May 2010 and \$3.1 million has been paid to date. Approximately \$0.4 million remains on hold where Grower Investors have invoice arrears owing to the Company or where the Company is on notice from TFIN that it has a claim to the proceeds ahead of the Grower Investors.

2.4 Outstanding Matters

Forestry Scheme Grower Investors have a claim to \$25.7 million (before interest earned) from the sale of olive assets. The proceeds from the sale of olive assets are currently held on trust pending a determination by the Court in relation to their apportionment between stakeholders or until a compromise approved by the Court is reached. For more information on the Almond Apportionment Proceeding (which considered similar issues to those which would be considered in an olive apportionment hearing) or the proposed horticulture compromise please refer to sections 3.1.2 and 4.

At 28 June 2012 approximately \$15.2 million of sale and harvest proceeds were on hold and had not been paid due to the invoice arrears and/or loans of the relevant Grower Investors. The competing claims to sale and harvest proceeds between Forestry Scheme Grower Investors and TFIN where a Grower Investor has outstanding loans were clarified in part by the decision of 1 September 2011 where the Supreme Court of Victoria published a judgment which dismissed claims the Company, TFIN and three of their directors:

- Failed to disclose various matters that affected, or were likely to materially affect, investments made in the Timbercorp managed investment schemes.
- Made false, misleading or deceptive representations in relation to the Timbercorp managed investment schemes.

However, the Plaintiff appealed this decision on 10 November 2011 and a court date for the appeal is yet to be set.

Updates in relation to these outstanding matters are uploaded to the Timbercorp Section of the KordaMentha website as they become available.



3 Update on Horticultural Managed Investment Schemes

3.1 Almond Schemes

3.1.1 Background

The Company was the RE of seven registered Almond MIS and one scheme that was not registered (referred to collectively as 'Almond Schemes' or individually as 'Almond Scheme'). The Almond Schemes were conducted on 10 properties covering 11,962 hectares. Approximately \$247 million was required for operations, rental and capital expenditure in relation to the Almond Schemes for 2010 crop management and harvest. Based on the assessment of the financial position of the Company as RE for the Almond Schemes, the view was formed that the only available option was to seek an orderly recapitalisation or realisation of the Almond Schemes.

As previously reported, following consultation with the Company's Committee of Creditors and Grower Investors, the Liquidators sought orders from the court to wind up the Almond Schemes on the basis that:

- The Company was insolvent.
- No suitable alternative RE had been proposed.
- The risk of severe wastage of the almond orchards was high if the assets were not sold or the Almond Schemes not recapitalised in the near term.
- The best return for stakeholders would be achieved if the Liquidators could demonstrate that, if the bidder wished, they could provide clear title to the assets.

This application was opposed by representatives of the Grower Investors. As an alternative the Liquidators sought directions that they were justified in amending the constitution of the Almond Schemes to give the RE the express power to terminate Grower Investors rights.

This alternative allowed a sale process to be undertaken that would prevent wastage of the almond orchards.

A sale process for the assets owned by Almond Land Pty Ltd (In Liquidation) ('Almond Land'), on which the Almond Schemes were run, was conducted by the Liquidators and on 2 December 2009, a SPD with Olam Orchards Pty Ltd ('Olam') was completed.

The Liquidators sought and received orders from the Court that they were justified in surrendering Grower Investors' interest in the affected schemes to allow the sale to be completed on the condition that the sale proceeds were held on trust pending a determination of the stakeholder interests in the proceeds.

Almond Schemes were also conducted on land owned by the Timbercorp Primary Infrastructure Fund ('TPIF'), which is a fund external to the Timbercorp Group. In September 2009, David McEvoy and Paul Kirk were appointed Receivers and Managers of the land to conduct a sale process.

The Receivers and Managers entered into a SPD with Olam and the proceeds from the sale of TPIF assets have been placed on trust at the direction of the Courts pending a determination in relation to their apportionment between stakeholders. For more information on the Almond Land Apportionment Proceeding please refer to section 3.1.2.



For further details on the background of the Almond Schemes please refer to the previous Reports by Liquidators lodged with ASIC on 28 September 2010 and 28 September 2011.

3.1.2 Almond Apportionment Proceeding

The apportionment proceeding in respect of the Almond Land assets was heard in early 2011. The Hon. Justice Davies delivered judgment in the apportionment proceeding on 15 June 2011. The Court determined that the secured creditors were entitled to the entire amount of the net sale proceeds and in accordance with court orders the net proceeds were released to the secured creditors by 6 July 2011.

On 11 July 2011 the Timbercorp Growers' Group lodged an application to the Court of Appeal against the abovementioned judgment. A Court date is yet to be determined and will be set in the event that the compromise outlined in Section 4 is not approved by the Court.

For more information on the Almond Apportionment Proceeding please refer to the Timbercorp section of the KordaMentha website.

3.1.3 Almond Harvest and Distribution of Proceeds

Since appointment, the Company has received net harvest proceeds from the sale of almonds which are payable to Grower Investors. The 2008 and 2009 crops were sold progressively over the twelve months after their respective harvests. Proceeds from the sale of the 2008 and 2009 crop have now been finalised and included in distributions to Grower Investors.

The first round of distributions commenced on 19 March 2010 totalling \$27.4 million and the second commenced on 29 November 2010 totalling \$9.6 million. As at 28 June 2012, \$30.6 million had been distributed and \$6.4 million remains on hold where Grower Investors have invoice arrears owing to the Company or where the Company is on notice from TFIN that it has a claim to the proceeds ahead of the Grower Investors. Grower Investors have been provided with the option to execute a DTP to facilitate the distribution of any harvest proceeds to pay down invoice arrears and/or loans.

Distribution	Date	Total to be Distributed	Total Distributed	Distributions On Hold
One	19/03/2010	\$27,421,577.01	\$22,927,904.89	\$4,493,672.12
Two	29/11/2010	\$9,571,171.19	\$7,654,827.00	\$1,916,344.19
Total		\$36,992,748.20	\$30,582,731.89	\$6,410,016.31

3.1.4 Outstanding Matters

As noted, on 11 July 2011 an application to the Court of Appeal against the Almond Apportionment Proceeding judgment was lodged by lawyers on behalf of Grower Investors. As a result, proceeds from the sale of almond assets owned by TPIF continue to be held on trust by the Receivers and Managers pending a determination of the Almond Apportionment Proceeding appeal or a compromise being reached by the relevant stakeholders.

At 28 June 2012, \$6.4 million relating to the distributions of harvest proceeds were on hold and had not been paid due to the invoice arrears and/or loans of the relevant Grower Investors. The competing claims to sale and harvest proceeds between Almond Scheme Grower Investors and TFIN where a Grower Investor has outstanding loans were clarified in



part by the decision of 1 September 2011 where the Supreme Court of Victoria published a judgment which dismissed claims the Company, TFIN and three of their directors:

- Failed to disclose various matters that affected, or were likely to materially affect, investments made in the Timbercorp managed investment schemes; and/or
- Made false, misleading or deceptive representations in relation to the Timbercorp managed investment schemes.

However, the Plaintiff commenced an appeal against this decision on 10 November 2011 and a court date for the appeal is yet to be set.

Updates in relation to these outstanding matters are uploaded to the Timbercorp Section of the KordaMentha website as they become available.

3.2 Olive Schemes

3.2.1 Background

The Company was the RE of seven registered Olive MIS and one unregistered scheme (referred to collectively as 'Olive Schemes' or individually as 'Olive Scheme'). Olive Schemes were conducted on seven properties at Boort and Boundary Bend covering 6,530 hectares. Approximately \$62 million was required for operations, rental and capital expenditure in relation to the Olive Schemes for 2010 crop management and harvest. Based on the assessment of the financial position of the Company as RE for the Olive Schemes, the Liquidators formed the view that the only available option was to seek an orderly recapitalisation or realisation of the Olive Schemes.

As previously reported, following consultations with the Company's Committee of Creditors and Grower Investors, the Liquidators sought orders from the Court to wind up the Olive Schemes on the basis that:

- The Company was insolvent.
- No suitable alternative RE had been proposed.
- The risk of wastage of the olive groves was high if the assets were not sold or the Olive Schemes recapitalised in the near term.
- The best return for stakeholders would be achieved if the Liquidators could demonstrate that, if the bidder wished, they could provide clear title to the assets.

As an alternative to winding up the Olive Schemes the Court provided Orders that the Liquidators were justified in amending the scheme constitutions to give the RE the express power to terminate the sub-leases and where relevant Licenced Joint Venture Agreements. These amendments were lodged with ASIC on 28 August 2009.

A sale and/or recapitalisation process for the Olive Schemes commenced and on 11 January 2010, a SPD with Boundary Bend Limited ('BBL') was completed with the proceeds to be held on trust pending an apportionment between stakeholders.

3.2.2 Olive Harvest and Distribution of Proceeds

The 2008 harvest was completed prior to appointment and distributions of the proceeds to Grower Investors had commenced. However, as the crop is sold over a period of



approximately 12 - 18 months, proceeds from the 2008 crop continued to be received after appointment.

In May 2009, in order to protect both the 2009 crop and the olive groves, the Company entered into a sale of crop agreement with BBL. Under this 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.

All proceeds from the 2009 crop have now been received and on 16 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 first round of distributions commenced on 26 October 2010 totalling \$8.7 million and the second commenced on 16 March 2012 totalling \$2.4 million. As at 28 June 2012, \$9.6 million had been distributed and \$1.5 million remains on hold where Grower Investors have invoice arrears owing to the Company or where the Company is on notice from TFIN that it has a claim to the proceeds ahead of the Grower Investors. Grower Investors have been provided with the option to execute a DTP to facilitate the distribution of any harvest proceeds to pay down invoice arrears and/or loans.

Distribution	Date	Total to be Distributed	Total Distributed	Distributions On Hold
One	26/10/2010	\$8,656,846.77	\$7,517,444.51	\$1,139,402.26
Two	16/03/2012	\$2,421,594.39	\$2,108,822.58	\$312,771.81
Total		\$11,078,441.16	\$9,626,267.09	\$1,452,174.07

3.2.3 Outstanding Matters

Proceeds from the sale of olive assets have been placed on trust at the direction of the Court pending a determination in relation to the apportionment of proceeds between stakeholders. For more information on the Almond Apportionment Proceeding please refer to section 3.1.2.

At 28 June 2012, \$1.5 million of harvest proceeds were on hold and had not been paid due to invoice arrears and/or loans of the relevant Grower Investors. The competing claims to sale and harvest proceeds between Olive Scheme Grower Investors and TFIN where a Grower Investor has outstanding loans were clarified in part by the decision of 1 September 2011 where the Supreme Court of Victoria published a judgment which dismissed claims the Company, TFIN and three of their directors:

- Failed to disclose various matters that affected, or were likely to materially affect, investments made in the Timbercorp managed investment schemes.
- Made false, misleading or deceptive representations in relation to the Timbercorp managed investment schemes.

However, the Plaintiff commenced an appeal against this decision on 10 November 2011 and a court date for the appeal is yet to be set.



Updates in relation to these outstanding matters are uploaded to the Timbercorp Section of the KordaMentha website as they become available.

3.3 Citrus Schemes

3.3.1 Background

The Company is the RE of two registered Citrus MIS (referred to collectively as 'Citrus Schemes' or individually as 'Citrus Scheme'). The 2004 Citrus Scheme was conducted on the property known as Kangara. The 2005 Citrus Scheme was conducted on Kangara and a property known as Solora. The properties cover approximately 1,259 hectares in total.

Following our appointment several agreements were entered into with the orchard manager, Costa Exchange Limited. Under the agreements, costs incurred by the orchard manager to maintain and harvest the citrus crop were recoverable from the sale of the citrus crop. The agreements cover the relevant Citrus Schemes up to 30 June 2011 and are broadly similar to those used in relation to the Almond and Olive Schemes.

Receivers and Managers were appointed on 17 September 2009 to undertake a sale campaign in relation to these properties. The Liquidators have worked with the Receivers and Managers in relation to the sale process undertaken to maximise realisations from the sale and to ensure the interests of Grower Investors are maintained.

Following an application in February 2010, the Supreme Court of Victoria handed down Orders that the Liquidators were justified in terminating or surrendering each relevant Grower Investors' license and extinguishing all the rights of Grower Investors in respect of the assets that were the subject of the sale. As a result, the Solora property and associated assets (excluding the Timbercorp Group owned packing shed, office site and caravan facilities) were sold to a subsidiary of Costa Exchange Limited in June 2010. The Kangara property was sold on 3 December 2010 and a contract for the sale of the Permanent Water Rights ('PWR') was entered into on 4 January 2011.

3.3.2 Outstanding Matters

Proceeds from the sale of the Kangara and Solora properties have been placed on trust at the direction of the Courts pending a determination in relation to their apportionment between stakeholders. The proceedings to determine the apportionment of these sale proceeds have not yet commenced. For more information on the Almond Apportionment Proceeding please refer to section 3.1.2.

The first and final distribution of citrus harvest proceeds commenced on 26 October 2010 totalling \$0.7 million. Approximately \$0.2 million remains on hold where Grower Investors have invoice arrears owing to the Company or where the Company is on notice from TFIN that it has a claim to the proceeds ahead of the Grower Investors. Grower Investors have been provided with the option to execute a DTP to facilitate the distribution of any harvest proceeds to pay down invoice arrears and/or loans.

The competing claims to sale and harvest proceeds between Citrus Scheme Grower Investors and TFIN where a Grower Investor has outstanding loans were clarified in part by the decision of 1 September 2011 where the Supreme Court of Victoria published a judgment which dismissed claims the Company, TFIN and three of their directors:



- Failed to disclose various matters that affected, or were likely to materially affect, investments made in the Timbercorp managed investment schemes.
- Made false, misleading or deceptive representations in relation to the Timbercorp managed investment schemes.

However, the Plaintiff commenced an appeal against this decision on 10 November 2011 and a court date for the appeal is yet to be set.

Updates in relation to these outstanding matters are uploaded to the Timbercorp Section of the KordaMentha website as they become available.

3.4 Table Grape Schemes

3.4.1 Background

The Company is the RE of two registered Table Grape MIS (referred to collectively as 'Table Grape Schemes' or individually as 'Table Grape Scheme') which were conducted on five properties, known as Bella Vista, covering approximately 412 hectares.

Harvest of the 2009 crop was completed shortly after appointment and an agreement was entered into in relation to the 2004 Table Grape Scheme for the 2010 crop. The harvest was subsequently completed. As previously advised, harvest proceeds did not exceed the relevant costs of harvest. Consequently there will be no distribution of harvest proceeds to Grower Investors.

In October 2009, Receivers and Managers were appointed to the owners of the Bella Vista property. The Receivers and Managers conducted a sale process in relation to the vineyards, land and plant and equipment. On 23 July 2010, a contract of sale was executed which resulted in the Receivers and Managers requesting that the RE enter into a deed surrendering Grower Investors' interests in the Table Grape Schemes so that the land could be sold on an unencumbered basis. Court orders surrendering Grower Investors interests were obtained on 7 February 2011 in respect of the 2004 and 2005 Table Grape Schemes. The Receivers and Managers settled the contract for sale of land on 2 March 2011.

3.4.2 Outstanding Matters

Proceeds from the sale of the vineyard, land and plant and equipment have been placed on trust at the direction of the Courts pending a determination in relation to their apportionment between stakeholders. The competing claims to sale and harvest proceeds between Table Grape Scheme Grower Investors and TFIN where a Grower Investor has outstanding loans were clarified in part by the decision of 1 September 2011 where the Supreme Court of Victoria published a judgment which dismissed claims the Company, TFIN and three of their directors:

- Failed to disclose various matters that affected, or were likely to materially affect, investments made in the Timbercorp managed investment schemes.
- Made false, misleading or deceptive representations in relation to the Timbercorp managed investment schemes.

However, the Plaintiff commenced an appeal against this decision on 10 November 2011 and a court date for the appeal is yet to be set.



Updates in relation to these outstanding matters are uploaded to the Timbercorp Section of the KordaMentha website as they become available.

4 Horticulture Compromises

As noted above, the Timbercorp Growers Group lodged an application with the Court of Appeal against the Almond Land judgment on 11 July 2011. In order to expedite both the Almond Apportionment Proceeding and the various other horticulture proceedings, the stakeholders sought to negotiate a compromise.

From approximately August 2011, the Liquidators facilitated discussions between members of the Timbercorp Growers Group and the secured creditors with a view to reaching a settlement of the various apportionment proceedings. The ensuing negotiations resulted in each of the parties to the proceedings and the Company entering into compromise deeds on 25 July 2012 ('the Deeds') in relation to the apportionment of proceeds from the following asset sales:

- Almond Land – almond assets;
- Liparoo and Yungera – almond assets;
- B.B. Olives – olive assets;
- Fenceport – olive assets; and
- Solora – citrus assets.

While the Company is not a party to the Court proceedings it is a party to the Deeds. In accordance with the Deeds, the Company will be required to perform certain administrative roles including:

- Distributing notices to participant Grower Investors. In accordance with this requirement the Company distributed the first notice to participant Grower Investors via mail out and where possible, email on 13 August 2012. In total;
 - 20,338 letters were sent to known Grower Investor residential and business addresses; and
 - Approximately 10,000 emails were also sent to Grower Investors to ensure maximum coverage.
- Establishing and operating a telephone hotline and email facilities to address Grower Investor queries. Representatives of the Company have been recording Grower Investor comments, questions and objections and providing this information to Representative Growers.
- Receiving, holding and distributing settlement amounts in accordance with any Court orders.

The Deeds are subject to certain conditions including Court approval. Orders were handed down confirming that the compromise hearings are to be held in the Supreme Court of Victoria before the Hon. Justice Judd from 3 October 2012 to 5 October 2012.

If the Court approves the Deeds and all conditions are satisfied, Grower Investors may receive a payment. In this event, all affected Grower Investors will be bound by the Deeds



KordaMentha

and will lose any right to argue for an alternative outcome to the dispute. Each party to the Deeds will also release all other parties from any further claim in relation to their entitlement to the sale proceeds or the allocation and disbursement of these proceeds.

If, however, the Deeds are not approved by the court, or if any other conditions are not satisfied, the Deeds will cease to have any effect. In this event, any entitlement that Grower Investors may receive will depend on the outcome of the Almond Land appeal and the various apportionment proceedings. A court date for the Almond Land appeal is yet to be determined but it is unlikely to be heard before mid-2013. Apportionment proceedings for the various other horticulture schemes would commence in due course.

All Grower Investors are entitled to request further information, comment on or raise any objection to the proposed compromises. For any queries in relation to the compromises, please contact the Grower Investor hotline on (03) 8615 1200 or email investorqueries@timbercorp.com.au.

Further information on each of the compromises is available online at any of the following websites:

- www.kordamentha.com/creditor-information/Australia/51
- www.clarendonlawyers.com.au
- www.abl.com.au/timbercorp/compromises.htm

5 Creditor Claims and Dividends

Estimated Value of Claims Remaining may include distributions paid after 28 June 2012 and before the date of this report.

Category	Estimated Number of Claims Remaining	Estimated Value (\$) of Claims Remaining	Dividends Paid to Date (\$)
Priority	0	0	0
Secured	1	12,444,513	0
Unsecured	18,083	375,480,047	0
Deferred	0	0	0

Note: The Company has not paid any dividends to creditors, however an amount of \$164 million has been distributed to Grower Investors by the Company in its capacity as RE.



6 Receipts and Payments

Account	Total (\$)
Opening bank balance at 29 June 2011	49,114,166.77
Receipts	
Growers funds held in Trust	4,505,529.72
Loan Book Receivable	1,672,837.99
Grower Invoice Receipts	871,716.40
Bank Interest	2,578,977.19
Cost Reimbursement	192,654.35
Insurance Proceeds	503,287.64
Grower Payment Reversals	426,852.09
Other Receipts	2,168.32
GST Control: GST Received	495,754.96
Total Receipts	11,249,778.66
Payments	
Appointee Costs	(747.38)
Appointee Fees	(859,630.20)
Bank Charges	(4,013.61)
Grower Distributions	(5,320,359.28)
GST Control: GST Paid	(111,689.00)
Legal Fees	(2,057,371.92)
Loan Book Receivable	(1,464,149.22)
Other payments	(15,310.85)
Total Payments	(9,833,271.46)
Closing bank balance at 28 June 2012	50,530,673.97

Note: The above receipts and payments represent the movements of a number of bank accounts held in the Company's own right and others which contain monies held on trust for Grower Investors.



KordaMentha

7 Further Information

Due to the nature of the liquidation and the ongoing litigation, the Liquidators are unable to provide an estimated time to completion. Creditors requiring further information regarding the liquidation are urged to refer to the Timbercorp section of the KordaMentha website in the first instance. Creditors may also contact Timbercorp Grower Management on 1800 628 188.

Leanne Chesser
Liquidator

Appendix 1 Timbercorp Managed Investment Schemes

Timbercorp Forestry Schemes ('Forestry Schemes')

Scheme Name	ARSN	Project Name
1997 Timbercorp Eucalypts Project	112 309 234	1997 Timbercorp Eucalypts Project
		1997 Timbercorp Eucalypts Double Rotation Project
1998 Timbercorp Eucalypts Project	112 309 216	1998 Timbercorp Eucalypts Project
		1998 Timbercorp Eucalypts Double Rotation Project
1999 Timbercorp Eucalypts Project	085 827 872	1999 Timbercorp Eucalypts Project
1999 Timbercorp Eucalypts Double Rotation Project (Private Offer)	n/a	1999 Timbercorp Eucalypts Double Rotation PO Project
2000 Timbercorp Eucalypts Project	091 172 093	2000 Timbercorp Eucalypts Project
2001 Timbercorp Eucalypts Project	094 382 000	2001 Timbercorp Eucalypts Project
2002 Timbercorp Eucalypts Project	098 233 571	2002 Timbercorp Eucalypts Project (Early)
		2002 Timbercorp Eucalypts Project (Post June)
2003 Timbercorp Eucalypts Project	103 183 446	2003 Timbercorp Eucalypts Project (Early)
		2003 Timbercorp Eucalypts Pre Payment Project
2004 Timbercorp Eucalypts Project	108 099 645	2004 Timbercorp Eucalypts Pre Payment Project
2004 Timbercorp Timberlot (Single Payment) Project	108 336 830	2004 Timbercorp SP Timberlot Project (Post June)
		2004 Timbercorp SP Timberlot Pre Payment Project
2005 Timbercorp Timberlot (Single Payment) Project	111 683 491	2005 Timbercorp SP Timberlot Project (Post June)
		2005 Timbercorp SP Timberlot Project (Pre June)
		2006 Timbercorp (2005 Post June) SP Timberlot Project
2007/2008 Timbercorp Timberlot (Single Payment) Project	122 510 981	2007 Timbercorp (2007/2008) SP Timberlot Project (Post June)
		2007 Timbercorp (2007/2008) SP Timberlot Project (Pre June)
		2008 Timbercorp FinYr (2007/2008) SP Timberlot Project (Post June)

*Timbercorp Almond Schemes ('Almond Schemes')*

Scheme Name	ARSN	Project Name
2001 Timbercorp Almond Project	095 649 746	2001 Timbercorp Almond Project
2002 Timbercorp Almond Project (Private Offer)	n/a	2002 Timbercorp Almond Project (Private Offer)
2002 Timbercorp Almond Project	099 611 935	2002 Timbercorp Almond Project (Early) 2002 Timbercorp Almond Project (Standard)
2003 Timbercorp Almond Project	103 197 299	2003 Timbercorp Almond Project (Early) 2003 Timbercorp Almond Project (Post June)
2004 Timbercorp Almond Project	108 336 670	2004 Timbercorp Almond Project (Early)
2005 Timbercorp Almond Project	112 935 092	2005 Timbercorp Almond Project (Early)
2006 Timbercorp Almond Project	118 387 974	2006 Timbercorp Almond Project (Early)
2007 Timbercorp Almond Project	122 511 040	2007 Timbercorp Almond Project (Early) 2007 Timbercorp Almond Project (Post June)

Timbercorp Olive Schemes ('Olive Schemes')

Scheme Name	ARSN	Project Name
2000 Timbercorp Olive Project (Private Offer)		2000 Timbercorp Olive Project (Private Offer)
2001 Timbercorp Olive Project	094 382 082	2001 Timbercorp Olive Project
2002 Timbercorp Olive Project	098 233 455	2002 Timbercorp Olive Project 2002 Timbercorp Olive Project (Post June)
2003 Timbercorp Olive Project	104 648 473	2003 Timbercorp Olive Project (Early) 2003 Timbercorp Olive Project (Post June)
2004 Timbercorp Olive Project	108 744 378	2004 Timbercorp Olive Project (Early)
2006 Timbercorp Olive Project	119 182 179	2006 Timbercorp Olive Project (Early)
2007 Timbercorp Olive Project	123 155 715	2007 Timbercorp Olive Project (Early) 2007 Timbercorp Olive Project (Post June)
2008 Timbercorp Olive Project	129 307 722	2008 Timbercorp Olive Project (Early)

Timbercorp Citrus Schemes ('Citrus Schemes')

Scheme Name	ARSN	Project Name
2004 Timbercorp Citrus Project	108 887 538	2004 Timbercorp Citrus Project (Early)
2005 Timbercorp Citrus Project	114 091 299	2005 Timbercorp Citrus Project (Early)

*Timbercorp Table Grape Schemes ('Table Grape Schemes')*

Scheme Name	ARSN	Project Name
2004 Timbercorp Table Grape Project	108 648 086	2004 Timbercorp Table Grape Project
2005 Timbercorp Table Grape Project	113 512 226	2005 Timbercorp Table Grape Project (Early)

Timbercorp Mango Schemes ('Mango Schemes')

Scheme Name	ARSN	Project Name
2005 Timbercorp Mango Project	113 969 216	2005 Timbercorp Mango Project (Early)
2006 Timbercorp Mango Project	119 526 377	2006 Timbercorp Mango Project (Early) 2006 Timbercorp Mango Project (Post June)

Timbercorp Avocado and Fruit Schemes ('Avocado and Fruit Schemes')

Scheme Name	ARSN	Project Name
2007 Timbercorp Avocado and Fruit Project	124 932 510	2007 Timbercorp Avocado and Fruit Project (Early) 2007 Timbercorp Avocado and Fruit Project (Post June)

Timbercorp Avocado Schemes ('Avocado Scheme')

Scheme Name	ARSN	Project Name
2006 Timbercorp Avocado Project	119 199 941	2006 Timbercorp Avocado Project (Early)