



KordaMentha

# Timbercorp Securities Limited

In Liquidation

ACN 092 311 469

## Report by Liquidators

28 September 2010

Pursuant to Section 508  
of the Corporations Act

## Table of Contents

|     |   |    |
|-----|---|----|
| 1   | Conduct of Liquidation.....                             | 1  |
| 1.1 | Purpose of this Report.....                             | 1  |
| 2   | Update on Forestry Managed Investment Schemes.....      | 1  |
| 2.1 | Background .....  | 1  |
| 2.2 | Chronology of Dealing with Lease Liabilities.....       | 2  |
| 2.3 | Sale and/or Recapitalisation of Assets.....             | 3  |
| 2.4 | Apportionment of Proceeds and Distributions.....        | 4  |
| 2.5 | Harvest Proceeds.....                                   | 4  |
| 2.6 | Outstanding Matters .....                               | 4  |
| 3   | Update on Horticultural Managed Investment Schemes..... | 5  |
| 3.1 | Almond Schemes .....                                    | 5  |
| 3.2 | Olive Schemes .....                                     | 11 |
| 3.3 | Citrus Schemes .....                                    | 15 |
| 3.4 | Table Grape Schemes .....                               | 16 |
| 3.5 | Mango Schemes .....                                     | 17 |
| 3.6 | Avocado and Fruit Schemes .....                         | 17 |
| 4   | Investigations.....                                     | 18 |
| 5   | Creditor Claims and Dividends.....                      | 20 |
| 6   | Receipts and Payments.....                              | 21 |
| 7   | Further Information.....                                | 22 |
|     | Appendix 1 Timbercorp Managed Investment Schemes.....   | 23 |

# 1 Conduct of Liquidation

## 1.1 Purpose of this Report

Leanne Chesser and I were appointed Voluntary Administrators of Timbercorp Securities Limited (In Liquidation) (“the Company”) on 23 April 2009 and subsequently 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 2009 to 28 June 2010.

# 2 Update on Forestry Managed Investment Schemes

## 2.1 Background

Initial investigations into the Forestry Schemes found that:

- The Company was the Responsible Entity (“RE”) of 11 Forestry Managed Investment Schemes (“MIS”) and one Scheme that was not required to be registered;
- The Forestry Schemes were conducted on plantations covering 96,819 hectares over approximately 600 properties (“the Plantations”);
- Approximately 400 properties covering 58,700 hectares were leased from over 200 external lessors with the remaining properties leased from related companies within the Timbercorp Group;
- Prior to appointment, plantation insurance had been arranged via a premium funder and the Timbercorp Group had defaulted on its obligations under the premium funding agreement. Consequently, while the policy remained in place, no reliance could be placed on the Company’s ability to claim pursuant to it. Due to the insolvency of the Company no funds were available to remedy the default;
- Rent in relation to leased forestry land had been paid to 30 June 2009. On 1 July 2009 rent totalling \$7.2m became due and payable, however, due to the insolvency of the Company no funds were available to make this payment. The non-payment of rent resulted in defaults under the various leases enabling landlords to terminate the leases after a period of 1-3 months;
- Plantation maintenance had occurred up to the date of appointment and this continued until 30 June 2009 when access to the Plantations ceased due to non-payment of rent;
- In order to enable the Forestry Schemes to continue to harvest, a cash investment of \$342m was required. Of this amount, Grower Investors were committed to pay \$169m, leaving \$173m to be paid by the RE which was insolvent;
- Returns to Grower Investors in schemes that had been harvested prior to appointment were substantially below the amounts forecast in scheme Product Disclosure Statements (“PDS”); and



- Harvesting schedules indicated that most schemes would not be completed within the timeframes forecast by the PDS. For example, harvesting of the 1998 and 1999 schemes were forecast to be complete in 2015 and 2016 respectively, compared with 2011 and 2012 as detailed in the PDS.

## 2.2 Chronology of Dealing with Lease Liabilities

### 1 July 2009

Given the quantum of the lease liability that become due on 1 July 2009, the Liquidators would have been forced to disclaim the leases if no other alternative arrangements could be made. In order to keep the Forestry Schemes and leases on foot the Liquidators applied to the Federal Court of Australia for an order that the Liquidators were not liable for the rental payment totalling \$7.2m.

### 10 July 2009

Justice Finkelstein handed down Orders that the leases were not a cost of the liquidation if the Liquidators were not utilising or occupying the properties. These orders enabled the Liquidators to avoid disclaiming each of the forestry leases under Section 568 of the Act. However, as we were no longer able to utilise or occupy the properties from 1 July 2009, maintenance of the plantations could no longer be undertaken.

### 7 August 2009

On 27 July 2009, Growers' Consultation Meetings were called for each of the Forestry Schemes with meetings held on 7 August 2009. Grower Investors were asked to vote on the following non-binding resolution:

*"That the Liquidators of the Company request the Federal Court of Australia to grant the Liquidators a power of sale to enable the implementation of the sale/recapitalisation strategy."*

Prior to the meetings, Grower Investors were provided with an update on the status of the Forestry Schemes including a cash flow analysis, an independent forestry expert report and an independent accountant expert report. Grower Investors voted overwhelmingly in favour of the resolution with in excess of 90% of Grower Investors in each scheme voting for the resolution.

### August/September 2009

Despite the orders of 10 July 2009, landlords were still able to force the Liquidators to decide whether to adopt or disclaim their leases under Section 568(8) of the Act after a 30-day decision period. Two separate applications were made to the Federal Court of Australia in August 2009 and September 2009 to extend the decision period to 3 November 2009. These applications were necessary to ensure that the leases were unable to be terminated by landlords while the Sale and/or Recapitalisation process was finalised. Without these Orders, trees located on leased land would not have been able to be included in the Sale and/or Recapitalisation process.



*24 August 2009*

Plantation Land Limited (“PLL”) was one of the main lessors of land to the Forestry Schemes with 36 properties covering 8,391 hectares. On 24 August 2009, PLL unexpectedly served termination of lease notices on the Company for non-payment of rent. The Liquidators had been working with PLL to secure its involvement in the Sale and/or Recapitalisation of the Forestry Schemes, however, PLL had formed the view that the termination would allow it to claim ownership of the trees on its land. TSL filed Group Proceedings in South Australia and Victoria seeking relief from forfeiture in its own right and on behalf of affected Grower Investors. This proceeding resulted in a settlement agreement that allowed for the inclusion of the trees in the Sale and/or Recapitalisation process which ultimately allowed Grower Investors to realise the value of the trees.

## 2.3 Sale and/or Recapitalisation of Assets

Given the cash injection of \$342m required to keep the Forestry Schemes on foot, the following two options were identified for the Forestry Schemes:

1. Recapitalisation of the Forestry Schemes by a new RE

Any new RE would have been required to take on the obligations of the Company including funding the \$173m contribution required over the life of the Schemes. None of the REs that approached the Liquidators were willing to use their own capital to recapitalise the schemes.

2. Sale of timber on behalf of Grower Investors

This option involved the sale of forestry assets including land, trees and industrial equipment and the assignment of leases in one line.

Following the Grower Investors Consultation Meetings on 7 August 2009, the Liquidators applied to the Federal Court of Australia to obtain a Power of Sale in relation to the Timbercorp 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 forestry assets including Grower Investors’ trees.

Final bids in the Sale and/or Recapitalisation process were received on 18 September 2009 and seven bids were received for the purchase of the full complement of Timbercorp forestry assets. No final bids to recapitalise the schemes were received. Following a review of the bids, an international forestry investment fund advised by Global Forest Partners (“GFP”) was selected as the preferred bidder and a Sale and Purchase Deed for approximately \$345m was signed on 30 September 2009.

The sale also provided for the continued employment of all existing forestry staff and the purchase of Grower Investors’ trees for an amount of up to \$197.7m.

One of the conditions precedent of the Sale was that the secured lender release its charges over the Timbercorp Group owned properties. Based on the purchaser’s bid allocation between the forestry assets, particularly between the land and trees, there was a shortfall of approximately \$25.7m in relation to the assets over which the secured lender held mortgages.

In order for the sale to be completed, the shortfall to the secured lender was required to be paid out of the \$197.7m allocated by the purchaser 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. The sale proceeds are currently held on trust pending the court determination in relation to the apportionment of proceeds between stakeholders. This is expected to occur in 2011.

## 2.4 Apportionment of Proceeds and Distributions

The per lot returns for each of the Forestry Schemes were calculated with reference to the purchaser's bid allocation. The purchaser allocated a portion of the total purchase price to each of the properties on which the Forestry Schemes were conducted. The sum of the value of the trees on each property within each Forestry Project is shared between each Grower Investor in each Forestry Project based on the number of lots held. On 17 December 2009, the Supreme Court of Victoria gave orders approving the Liquidators' method of apportioning the gross sale proceeds and allocation of costs between each of the Forestry Projects.

Two distributions of sale proceeds have been processed as at 28 June 2010. The first, totalling \$117.2m, commenced on 18 December 2009 and the second, totalling \$15.8m, commenced on 30 March 2010. At 28 June 2010, \$107.6m had been paid with \$25.4m on hold due to Grower Investor invoice arrears and/or loans.

An additional two distributions of GST to GST registered Grower Investors have been made in relation to the first two distributions of Forestry Sale Proceeds. These occurred on 28 June 2010 and totalled \$5.3m.

## 2.5 Harvest Proceeds

Toward the end of June 2009, we negotiated the sale of a shipment of woodchips from certain Projects in the 1997 and 1998 Forestry Schemes. Consequently, harvest proceeds totalling \$3.5m were available for distribution to the relevant Grower Investors. These distributions commenced on 25 May 2010 and \$3.0m has been paid to date.

## 2.6 Outstanding Matters

Forestry Scheme Grower Investors have a claim to \$25.7m from the sale of olive assets. The proceeds from the sale of olive assets are currently held on trust pending a determination in relation to their apportionment between stakeholders. These proceedings are not expected to commence until similar proceedings, scheduled for February 2011, have occurred in relation to the Almond Schemes.

At 28 June 2010, \$25.4m of proceeds relating to the first two distributions were on hold and had not been paid due to the invoice arrears and/or loans of the relevant Grower Investors. A determination in relation to the competing claims of Grower Investors and Timbercorp Finance Pty Ltd (In Liquidation) ("Timbercorp Finance") to these funds will be required as part of a class action currently before the Supreme Court of Victoria.

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

Initial investigations into the Almond Schemes found that:

- The Company was the RE of 7 registered Almond MIS and one scheme that was not registered. The schemes were conducted on 10 properties covering 11,962 hectares;
- Each of the properties were leased (by either a related Timbercorp entity or external lessor) and the majority of head leases were paid to 30 June 2009;
- In addition to the lease obligations that would become due on 1 July 2009, significant amounts were owed to the orchard manager;
- Approximately \$247m was required for operations, rental and capital expenditure in relation to the Almond Schemes for 2010 crop management and harvest:
  - As the Company was insolvent, no funds were available to meet these costs and the Company was not permitted as RE to borrow any funds;
  - The \$247m in operating and capital expenditure required for the 2010 harvest and management could have been invoiced to Grower Investors. Due to the likelihood of Grower Investor defaults, future funding requirements of the schemes and the insolvency of the Timbercorp Group, the Liquidators believed that it was not in the best interests of Grower Investors to invoice them;
  - The likelihood of Grower Investor defaults was predicated on there being \$6.8m of invoice arrears relating to the October 2008 invoice run; and
  - An analysis of each of the Almond Schemes, which took into account the net sales of each scheme, the gross proceeds, the total operating expenditure for the 2010 harvest, the net operating cash flow and operating cash flow over time, indicated that the Almond Schemes were unable to meet their obligations as and when they fell due. In simple terms, the proceeds of the sale of the 2010 harvest would be less than the costs of growing and harvesting the 2010 crop.
- Additional issues which required an immediate resolution included:
  - Funding of \$3.4m was required for the procurement of bees to pollinate the 2010 crop. Without pollination the 2010 crop would have been severely reduced and subsequent crops may have also been affected; and
  - Funding was also required for annual weeding of certain almond groves.

(This funding was obtained through the use of crop sale agreements referred to in section 3.1.3)

Throughout July to September 2009, negotiations were held with the entities that owned the land on which the Almond Schemes were conducted. The purpose of the negotiations was to have the lessors agree to not terminate the head leases for non-payment of rent and that the Liquidators were not liable for the unpaid rent. This would allow time to undertake a process to recapitalise the Almond Schemes or to sell the assets. Had the leases been



terminated, the Almond Schemes would have fallen away and jeopardised the position of Grower Investors.

Based on the assessment of the financial position of the Company as RE for the Almond Schemes, and the viability of the Almond Schemes themselves, the view was formed that the only available option was to seek a winding up of the Almond Schemes. This would allow for the orderly recapitalisation or realisation of the Almond Schemes.

On 4 June 2009, following consultation with the Company's Committee of Creditors, an application was made to the Supreme Court of Victoria for Orders that the Liquidators were justified in applying to wind up the Almond Schemes. On 17 June 2009, Orders were handed down that the Liquidators were justified in procuring the Company to wind up the Almond Schemes and on 13 July 2009 the Liquidators applied to the Supreme Court of Victoria for Orders to that effect.

As part of the court process, it was agreed between the Liquidators and Grower Investor representatives that Almond Scheme Grower Consultation Meetings should be held on 31 July 2009. Notices of Meeting were sent to 6,957 Grower Investors via email and post. At the meeting, Grower Investors were provided with an update as to the status of the Almond Schemes and comments were made by the following:

- Chris Garnaut of behalf of the Timbercorp Growers Group;
- Stephen Lynch; and
- Sam Baillieu on behalf of Align Funds Management Limited.

A total of eight resolutions were put to the meetings to the effect that:

- The Almond Schemes not be wound up;
- The constitution of the Almond Schemes be modified to allow for a restructure; and
- The Company be removed as RE and that another (unspecified) RE be appointed.

Grower Investors had intended to put a specific recapitalisation proposal before the meeting but were unable to do so as the recapitalisation proposal had not been finalised.

Voter turnout, including proxy votes, was between 39% (2001 Almond Project) and 57% (2005 Almond Project). Generally, the resolutions that the Almond Schemes not be wound up and those concerning the modification of the constitutions were passed. Consequently, the modifications to the constitutions were lodged with the Australian Securities and Investments Commission ("ASIC") on 11 August 2009.

On 17 August 2009, the application to wind up the Almond Schemes was resumed on the basis that:

- The Company remained 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; and
- The best return for stakeholders would be achieved if it could be demonstrated that, if the bidder wished, they could gain clear title to the assets.

The resumed application was opposed and as an alternative it was resolved to seek directions that the Liquidators were justified in amending the constitutions 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. It also provided for additional time to find an alternative RE to recapitalise the Almond Schemes.

### 3.1.2 Sale and/or Recapitalisation of Assets

#### *Almond Land Pty Ltd (In Liquidation) Assets*

The sale process for the assets owned by Almond Land Pty Ltd (In Liquidation), on which the Almond Schemes were run, was conducted by the Liquidators.

The orderly realisation or recapitalisation of the Almond Schemes was further complicated by:

- The insolvency of the Timbercorp Group;
- Conflicting interests of various stakeholder groups;
- The complex MIS structure encumbering the assets;
- Key assets were leased from external landlords; and
- The Act does not set out a comprehensive regime for the orderly winding up of MIS.

The Sale and/or Recapitalisation process in relation to the Almond Land Pty Ltd (In Liquidation) land commenced on 4 August 2009. As a key part of the process, the Liquidators resolved to consider all bona fide proposals to replace the Company as RE of the Almond Schemes if the proposal was in the best interests of Grower Investors.

The process required that final binding offers include a price allocation schedule allocating a dollar value to water rights, land, plant and equipment, trees and cultivation and harvesting rights in each of the Almond Schemes. This was included to assist in determining the apportionment of sale proceeds between the various assets and stakeholder groups.

Seven bids were received for the almond assets and each was conditional on the transfer of clear title to the assets, unencumbered of Grower Investor rights.

On 11 September 2009, Olam Orchards Pty Limited ("Olam") was selected as the preferred purchaser as the terms and conditions of their offer were clearly the most favourable of all bids received. Olam's bid offered a total purchase price of \$128m that was allocated between permanent water rights (\$81.65m) and other almond assets (\$46.35m).

Conditions precedent of the sale included that:

- The Liquidators obtain a direction from the Court that they were justified in entering into the Sale and Purchase Deed ("SPD");
- The relevant secured creditors release their charges and discharge their mortgages; and
- The Company terminate or surrender the Grower Investors' leases with effect from completion.

Grower Investor representatives via the Timbercorp Grower Group and the Company's Committee of Inspection were kept informed of developments in relation to the Sale and/or Recapitalisation of the Almond Schemes. In an effort to facilitate agreement between Grower Investors and secured creditors, a special purpose liquidator was engaged to attempt to broker a deal between the stakeholders. In the event that an offer was made by the



secured creditors to Grower Investors, the special purpose liquidator would also provide an opinion on whether or not the offer was acceptable had they been the Liquidators of the RE. On 5 October 2009, the Liquidators applied to the Supreme Court of Victoria for orders that the Company was justified in entering into the SPD and terminating the Grower Investor interests in the Almond Schemes. On 9 October 2009, Orders were handed down that the Liquidators were justified in completing the SPD and that a proceeding would be commenced to determine the rights of Grower Investors and secured creditors to the proceeds from sale. In the interim, the proceeds were to be held on trust by Almond Land Pty Ltd (In Liquidation).

On 2 December 2009, completion of the SPD occurred.

#### *Timbercorp Primary Infrastructure Fund ("TPIF") Assets*

Almond Schemes were also located on land owned by 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 sale and purchase agreement with Olam Orchards Australia Pty Ltd. A condition precedent to settlement was the surrender of Grower Investors' interests in the relevant Almond Schemes so that the assets would be transferred on an unencumbered basis. On 11 December 2009, Orders were handed down that the Liquidators were justified in terminating the Grower Investors' interests in the Almond Schemes conducted on land owned by TPIF.

### **3.1.3 Almond Harvest and Distribution of Proceeds**

Prior to the appointment of Liquidators:

- The orchard manager operated the almond orchards and periodically invoiced the Company for the costs incurred;
- The Company paid the invoices;
- The Company invoiced Grower Investors for the anticipated costs of operating the orchards (although as noted above, not all of these invoices were paid by Grower Investors, leaving a shortfall to be met by the Company); and
- The orchard manager remitted the proceeds of sale of the crop to the Company for distribution to Grower Investors.

As the Company was insolvent it had no funds to continue to pay the orchard manager. In order for the orchard manager to continue to provide services to the grove (including maintenance, harvest of the 2009 crop and the marketing and sale of the 2008 and 2009 crop), the orchard manager relied on a contractual right of set off. This right was included in the management agreement between the Company (on behalf of Grower Investors) and the orchard manager. The right of set off allowed the orchard manager to deduct its costs from the harvest proceeds before paying the remainder to the Company for distribution to Grower Investors.

Since appointment, the Company has received net harvest proceeds from the sale of almonds which is payable to Grower Investors. The harvest of the 2008 crop was completed prior to appointment, however, the crop is sold progressively over twelve months after completion of the harvest. Consequently, proceeds from the 2008 crop continued to be received following



appointment and have subsequently been included in distributions to Grower Investors. Sale of the 2008 crop has now been finalised

The harvest of the 2009 crop was completed soon after appointment and the majority of proceeds from the harvest have been received and included in distributions to Grower Investors. Additional proceeds are expected to be received, with the proceeds from the 2009 crop anticipated to be received in full by the first quarter of 2011.

The first round of distributions commenced on 19 March 2010 totalling \$27.4m with \$19.7m paid to Grower Investors as at 28 June 2010.

From the commencement of the new financial year in July 2009, the Company was concerned that the orchard manager's reliance on its contractual right of set off would result in the 2009 Crop proceeds being used to pay expenses relating to the 2010 Crop and that this would be inconsistent with the indication received from the Federal Court as to the appropriate use of proceeds (see section 3.2.3).

As there was an ongoing need to ensure that the almond groves were maintained, Crop Sale Agreements were entered into with the orchard manager, Select Harvests Limited ("Select") and the relevant land owners. The Agreements provided that,

- Maintenance costs would be paid by Select;
- The relevant land owning entity agreed to continue to provide access to the land; and
- The Liquidators of the relevant land owning entity agreed not to disclaim their leases or the receivers of the land agreed not to terminate their leases.

Given the Company had no funds with which to pay for the services provided, the Company sold a portion of the crop to Select and to the relevant land owning entity as consideration. The value of the crop sold to Select under the Crop Sale Agreement was equal to the costs incurred in maintaining the almond groves. The value of crop sold to the land owning entity is equal to an agreed use and occupancy fee. The Crop Sale Agreements were essential to avoid wastage of the almond groves, maximising production and preserving value for all stakeholders.

A similar mechanism was used to provide security for the funding required to pay for the hire of bees and annual weeding, with a portion of the crop being sold to the entity that provided the funding.

On completion of the SPD, the purchaser, Olam, paid or entered into arrangements to enable the funding to be repaid and the maintenance costs to be paid.

### 3.1.4 Outstanding Matters

Pursuant to the Orders of 9 October 2009, the proceeds from the sale of almond assets owned by Almond Land Pty Ltd (In Liquidation) have been placed on trust pending a determination in relation to the apportionment of proceeds between Grower Investors and secured creditors. The apportionment proceedings are currently scheduled for February 2011. Depending on the outcome of the proceedings, distributions of sale proceeds may be made to Grower Investors following the completion of the apportionment proceedings.

Similarly, proceeds from the sale of almond assets owned by TPIF have been placed on trust pending a determination from the apportionment proceedings in relation to the assets owned by Almond Land Pty Ltd (In Liquidation).



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A further distribution of harvest proceeds is expected to be made once all proceeds from the 2009 crop have been received. This is expected to occur in the first quarter of 2011.

At 28 June 2010, \$7.7m of proceeds relating to the first distribution of harvest proceeds were on hold and had not been paid due to invoice arrears and/or loans of the relevant Grower Investors. A determination in relation to the competing claims of Grower Investors and Timbercorp Finance Pty Ltd (In Liquidation) ("Timbercorp Finance") to these funds will be required. This determination is unable to be sought until a class action currently before the Supreme Court of Victoria has been finalised.

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

Initial investigations into the Olive Schemes found that:

- The Company was the RE of 7 registered Olive MIS and one unregistered scheme. The schemes were conducted on 7 properties in Boort and Boundary Bend covering 6,530 hectares;
- The 2001 to 2004 Olive Schemes and the unregistered scheme were operated at Boort and the 2006 to 2008 Olive Schemes were operated at Boundary Bend;
- The Olive Schemes were conducted on land leased to the Company by either a related Timbercorp Group entity or external lessor. The land was then either sub-leased to Grower Investors or formed part of a licence and joint venture agreement (“LJVA”) between the Company and Grower Investors;
- Approximately \$62m was required for operations, rental and capital expenditure in relation to the Olive Schemes for 2010 crop management and harvest:
  - As the Company was insolvent, no funds were available to meet these costs and the Company was not permitted as RE to borrow any funds;
  - The \$62m in operating and capital expenditure required for the 2010 harvest and management could have been invoiced to Grower Investors. Due to the likelihood of Grower Investor defaults, future costs associated with operating the scheme and the insolvency of the Timbercorp Group, the Liquidators believed that it was not in the best interests of Grower Investors to invoice them; and
  - An analysis of each of the Olive Schemes, which took into account the net sales of each scheme, the gross proceeds, the total operating expenditure for the 2010 harvest, the net operating cash flow and operating cash flow over time, indicated that the Olive Schemes were unable to meet their obligations as and when they fell due. In simple terms, the proceeds of the sale of the 2010 harvest would be less than the costs of growing and harvesting the 2010 crop.

Based on the assessment of the financial position of the Company as RE for the Olive Schemes, and the viability of the Olive Schemes themselves, the Liquidators formed the view that the only available option was to seek an orderly recapitalisation or realisation of the Olive Schemes.

Further, due to the insolvency of the Company and in order to ensure continued maintenance of the grovelots, a Crop Sale Agreement was entered into whereby the Company sold a portion of the 2009 and 2010 crops equivalent to that of the maintenance costs of the grovelots. Please refer to section 3.2.3 for more details.

On 4 June 2009, following consultation with the Company’s Committee of Creditors, the Liquidators applied to the Supreme Court of Victoria for orders that it was justified to apply to wind up the Olive Schemes. On 17 June 2009, Orders were handed down that the Liquidators were justified in procuring the Company to wind up the Olive Schemes and on 13 July 2009 an application was made to the Supreme Court of Victoria for Orders to this effect.

Grower Consultation Meetings were held on 17 August 2009 as part of the application to wind up the Olive Schemes. Notices of Meeting were sent to 3,265 Grower Investors via



email and post. At the meeting, Grower Investors were provided with an update as to the status of the schemes and comments were made by the following representatives of the Timbercorp Growers Group:

- Stephen Lynch – olive expert
- Kerree Bezencon – Timbercorp Olives Committee
- Robert McGavin – Boundary Bend Limited’s proposal
- George Kalil and Stuart Martin – Great Land Olives’ proposal
- Robert Garton Smith – Primary Securities Limited’s proposal

A total of six resolutions were put to the meetings to the effect that:

- The Olive Schemes not be wound up;
- The constitution of the Olive Schemes be modified to allow for a restructure; and
- That the Company be removed as RE and that another (unspecified) RE be appointed.

Voter turnout was between 24% (2002 Timbercorp Olive Project) and 63% (2004 Timbercorp Olive Project). Generally, the resolutions that the Olive Schemes not be wound up and those concerning the modification of the constitutions, were passed. Consequently, the modifications to the constitutions were lodged with ASIC on 28 August 2009.

On 28 August 2009, the Liquidators had the application to wind up the Olive Schemes listed before the Court on the basis that:

- The Company remained hopelessly 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 it could be demonstrated that, if the bidder wished, they could gain clear title to the assets; and
- The Court had provided Orders that it was justified to amend the Almond and Forestry Scheme constitutions to give the RE the express power to terminate the sub-leases and where relevant LJVs. These amendments were lodged with ASIC on 28 August 2009.

### 3.2.2 Sale and/or Recapitalisation of Assets

The orderly realisation or recapitalisation of the Olive Schemes was complicated by:

- The insolvency of the Timbercorp Group;
- Conflicting interests of various stakeholder groups;
- The complex MIS structure encumbering the assets;
- Key assets were leased from external landlords; and
- The Act does not set out a comprehensive regime for the orderly winding up of MIS.

The Sale and/or Recapitalisation process for the Olive Schemes commenced on 13 August 2009. As a key part of the process, the Liquidators resolved to consider all bona fide proposals to replace the Company as RE if the proposal was in the best interests of Grower Investors.



The process required that final binding offers made by interested parties include a completed price allocation schedule allocating a dollar value to the water rights, land, plant and equipment, trees and cultivation and harvesting rights in each of the Olive Schemes. This was included to assist in determining the apportionment of sale proceeds between the various assets and stakeholder groups.

Final binding offers were received on Friday 11 September 2009 and a total of four bids were received for the olive assets.

On 9 October 2009, Boundary Bend Limited (“BBL”) was selected as the preferred purchaser as their bid was clearly the most favourable, particularly in relation to price, ability to fund the assets prior to completion and completion risk. BBL’s bid offered a total purchase price of \$59.5m. \$36m was allocated to the Boort grove, water rights and processing facility and \$23.5m for the Boundary Bend grove and water rights.

Conditions precedent to the sale included that:

- The relevant secured creditors release their security; and
- The Liquidators obtain direction from the Court that they were justified in entering into the SPD and extinguishing all Grower Investor rights over the Olive Schemes.

Importantly, BBL also agreed to maintain the assets to completion.

In order to complete the sale of the forestry assets, it was required that approximately \$25.7m of security over olive assets be provided to forestry scheme Grower Investors. Please refer to section 2.3 for more details. Consequently, Forestry Scheme Grower Investors “stand in the shoes” of the secured creditor in relation to the Boort Olive Grove Olive Schemes.

Grower Investor representatives via the Timbercorp Grower Group and the Company’s Committee of Inspection were kept informed of developments in relation to the Sale and/or Recapitalisation of the Olive Schemes.

On 10 November 2009, the Liquidators applied to the Supreme Court of Victoria that they were, among other things, justified in procuring the Company to enter into the SPD and terminate the Grower Investor interests in the Olive Schemes. On 12 November 2009, Orders were handed down that the Liquidators were justified in completing the SPD and that a proceeding would be commenced to determine the rights of Grower Investors and secured creditors to the proceeds from sale. In the interim, the sale proceeds were to be held on trust.

On 11 January 2010, completion of the SPD occurred.

### 3.2.3 Olive Harvest and Distribution of Proceeds

The 2008 crop 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. All proceeds in relation to the 2008 crop have now been received.

At 28 June 2010, harvest proceeds received totalling \$7.2m were held for distribution pending completion of a review of the underlying distribution documentation.

Upon appointment, the harvest of the 2009 crop was due to commence. As the Company was insolvent, it had no funds to pay the grove manager to harvest the 2009 crop. The possibility was raised with the Federal Court to use the 2008 crop proceeds to pay for the harvest of the 2009 crop. The Court indicated that this was not possible as the proceeds of





the 2008 crop were the property of the Grower Investors which could not be used without the consent of each of those Grower Investors and, where relevant, the secured creditors. The Company was obliged to hold the 2008 crop proceeds on trust for the relevant Grower Investors.

Accordingly, in order to ensure that the harvest could proceed, the 2009 crop was sold to the grove manager who was then responsible for paying for the costs of harvest. The purchase price for the crop was determined by reference to the proceeds obtained from the 2009 crop and the fees and costs incurred by the grove manager for harvest and additional agreed costs. The purchase price is payable from the proceeds of the 2009 crop. The 2009 crop harvest was completed during June 2010, and the first of the proceeds from the sale of this crop to the grove manager are expected to be distributed towards the end of calendar year 2010. It is anticipated that proceeds from the sale of the 2009 crop to the grove manager will be received in full by April 2011.

A similar issue arose in relation to the maintenance of the 2010 crop. In order to ensure that the olive groves were maintained, Crop Sale Agreements were entered into with the grove managers, Boundary Bend Estate Management Pty Ltd ("BBEM") and Boundary Bend Management (Boort) Pty Ltd ("BBMB") ("the Agreements"). The Agreements provided that:

- Maintenance costs would be paid by BBEM and BBMB;
- The relevant land owning entity agreed to continue to provide access to the land; and
- The Liquidators of the relevant land owning entity agreed not to disclaim their leases.

Given the Company had no funds with which to pay for the services provided, the Company sold a portion of the crop to BBEM and BBMB and to the relevant land owning entity as consideration. The value of the crop sold to BBEM and BBMB under the Crop Sale Agreement was equal to the costs incurred in maintaining the olive groves. The value of crop sold to the land owning entity is equal to an agreed use and occupancy fee. The Crop Sale Agreements were essential to avoid wastage of the olive groves, maximising production and preserving value for all stakeholders.

On completion of the SPD, the purchaser, BBL, paid or entered into arrangements with its related companies to enable the maintenance costs to be paid.

### 3.2.4 Outstanding Matters

Pursuant to the Orders of 12 November 2009, the proceeds from the sale of olive assets have been placed on trust pending a determination in relation to the apportionment of proceeds between Grower Investors and secured creditors. Similar proceedings have been commenced to those underway for the Almond Land Pty Ltd (In Liquidation) assets in order to determine apportionment of the olive proceeds. In order to avoid duplication of legal costs, the parties have agreed to a stay in the proceedings until the almond apportionment proceeding is determined.

The distribution of proceeds from the 2008 and 2009 crop are expected to commence in October 2010. It is expected that subsequent distributions will be required in order to distribute all harvest proceeds.

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 Summary

The Company is the RE of two registered Citrus MIS. The 2004 Scheme is conducted on the property known as Kangara. The 2005 Scheme is conducted on Kangara and a property known as Solora. The properties cover approximately 1,259 hectares in total.

Several crop sale agreements have been entered into since appointment with the orchard manager, Costa Exchange Limited. Under the agreements, costs incurred by the orchard manager to maintain and harvest the citrus crop are recovered from the sale of the citrus crop. The agreements cover the relevant citrus projects up to 30 June 2011 and are broadly similar to those used in relation to the Almond and Olive Schemes.

Receivers and Managers have been appointed to the entities that own the Kangara and Solora 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.

In June 2010, 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. 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. The Court also ordered that the proceeds of the sale be held on trust pending a proceeding to determine the rights of the Grower Investors and the secured creditors. It is expected that such a proceeding will commence following the determination of the almond apportionment proceedings.

Gross harvest proceeds of \$865,000 have been received to date and are held on trust pending distribution to various interests including Grower Investors. The distribution of these harvest proceeds will occur once a review of the underlying documents has been completed.

#### 3.3.2 Outstanding Matters

Distributions of harvest proceeds are expected to commence in late 2010. No further harvest proceeds are expected to be received. Consequently, only one distribution will occur.

As for Almonds and Olives, the relative entitlement of the Grower Investors and secured creditors to the sale proceeds will be determined by the Court. This is expected to occur following completion of the Almond proceedings. Please refer to section 3.1.4 for more details on the almond apportionment proceedings.

The Company will continue to work with the Receivers and Managers in relation to the sale of the remaining citrus assets.

Scheme meetings are expected to be held to consider a proposal to change the RE to Food and Beverage Limited (FABAL) for the 2004 and 2005 schemes.

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 Summary

The Company is the RE of two registered Table Grape MIS which are conducted on five properties, known as Bella Vista, covering approximately 412 hectares.

Harvest of the 2009 crop was completed around the time of appointment.

Proceedings have commenced against Grape Exchange Management Euston Pty Ltd for setting off various costs against table grape sale proceeds and for failing to distribute these proceeds to Timbercorp. A mediation conference is scheduled to take place in mid-October 2010.

In October 2009, Receivers and Managers were appointed to the owners of the Bella Vista property. The Receivers and Managers are currently conducting a sale process in relation to the vineyards, land and plant and equipment (but not the associated water rights).

A crop sale agreement was entered into in relation to the 2004 project. However, it is not expected that harvest proceeds will exceed relevant costs of harvest. Post-harvest an interim management agreement is in place with the preferred bidder to maintain the vineyards.

### 3.4.2 Outstanding Matters

The Company will work with the Receivers and Managers in the sale process for the Bella Vista property. Upon completion, it is anticipated that court orders will be sought in relation to Grower Interests in the assets the subject of the sale. Following completion, the Receivers and Managers are likely to be required to hold any sale proceeds on trust until the apportionment between secured creditors and Grower Investors is determined by the Supreme Court.

As for Almonds and Olives, the relative entitlement of the Grower Investors and secured creditors to the sale proceeds will be determined by the Court. This is expected to occur following completion of the Almond proceedings. Please refer to section 3.1.4 for more details on the almond apportionment proceedings.

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



## 3.5 Mango Schemes

### 3.5.1 Summary

The Company was the RE of two registered Mango MIS. Soon after appointment, the manager of the mango properties, The One Harvest Group, terminated their management agreement in respect of the properties and ceased to manage the orchards.

On 25 June 2009, The Huntley Group replaced the Company as the RE of the Mango Schemes at a meeting of Grower Investors.

The Company has assisted The Huntley Group by assigning scheme documents to the new RE. Court Orders concerning the statutory novation of various contracts relevant to the two Mango Schemes have also been complied with.

## 3.6 Avocado and Fruit Schemes

### 3.6.1 Summary

The Company was the RE of two registered MIS:

- 2006 Avocado Project
- 2007 Avocado and Fruit Project

These schemes were conducted on 9 properties in Queensland and Western Australia. The Western Australian grove manager, Jasper Farms, was not prepared to enter into a Crop Sale Agreement and consequently there was no arrangement in place to maintain the orchards. Accordingly, the leases on these properties were disclaimed in late August 2009.

Crop Sale Agreements were entered into in June 2009 to ensure continued management and maintenance of the avocado properties. These Crop Sale Agreements expired on 30 September 2009.

On 25 June 2009, The Huntley Group replaced the Company as RE of the 2007 Avocado and Fruit Project. The Huntley Group was subsequently replaced by Food and Beverage Australia Limited ("FABAL") as the RE of the 2007 Avocado and Fruit Project on 2 March 2010.

FABAL replaced the Company as RE of the 2006 Avocado Project on 12 October 2009 following a meeting of Grower Investors.

The Company has assisted FABAL in the transition of the role of RE.

## 4 Investigations

The Liquidators have obligations under Section 533 of the Act to report to ASIC if, in the course of winding up a company, they become aware that certain individuals may have been guilty of an offence.

On 15 June 2010, the initial report to ASIC pursuant to Section 533(1) of the Act was lodged. Subsequently, a supplementary report pursuant to Section 533(2) of the Act was lodged on 25 June 2010.

In addition to these two reports, ASIC has served 10 official notices as part of 16 requests for the production of documents and information. The Liquidators have complied with each of these notices.

### 4.1.1 Care and Diligence – Section 601FD(1)(b)

Section 601FD(1)(b) of the Act requires the officers of a RE (under Part 5C.2 of the Act) to exercise the degree of care and diligence that a reasonable person would exercise if they were in the officer's position.

#### *Insurance*

In 2008 the Timbercorp Group invoiced forestry and horticulture MIS Grower Investors for 12 months of insurance, payable in advance.

This insurance was for eucalypt related policies that provided financial protection for the Grower Investors' interests in the trees in the event of an adverse incident (e.g. fire).

The Timbercorp Group funded the payments of the insurance premiums to the relevant insurers through insurance premium funding. This funding allowed the Timbercorp Group to pay for the insurance obligations on a month-to-month basis.

At the date of appointment there were no funds set aside by the Timbercorp Group for the benefit of insurance premiums, despite the prepayment by Grower Investors. This is largely due to the pooling of cash across the Timbercorp Group as discussed below.

### 4.1.2 Act in the Best Interests of Members – Section 601FD(1)(c)

Section 601FD(1)(c) of the Act requires the officers of a RE to act in the best interests of the members and, if there is a conflict between the members' interests and the interests of the RE, give priority to the members' interests.

#### *Pooling of Funds*

Prior to appointment, the Timbercorp Group operated all Scheme cash flows through a central bank account. The intended effect of this appears to be one of administrative convenience and to enable the Timbercorp Group to pay debts relating to the various schemes and operations.

While each individual Scheme is a separate entity, registered with ASIC, with distinct operating costs, the daily operating funds for the collective MIS were pooled via a central bank account. This pooling had the following effect on the business:

- All scheme proceeds and general receipts were forwarded to the Timbercorp Group's bank account;



- All payments to creditors and Grower Investors originated from the Timbercorp bank account;
- Amounts that were paid or received on behalf of another entity within the Timbercorp Group were accounted for in the Timbercorp Group's management accounts through journal entries in the general ledger; and
- Funds collected from Grower Investors for specific Schemes were not segregated into corresponding bank accounts but were accounted for in the Timbercorp Group's financial records.

Each Scheme had separate financial budgets, however as the funding was provided via a central bank account these budgets were not always adhered to.

The result was that fees and expenses paid in respect of one Scheme would potentially be used to fund the operations of another. Whilst there is no specific provision within the Act that prohibits such financial management of multiple Schemes, it does appear to have significantly impeded the solvency of some Schemes. The use of fees and expenses collected in relation to one Scheme to fund the operations of another inevitably resulted in the original funds not being used for the purpose for which they were originally raised.

This structure was favoured by the Timbercorp Group because of the wide ranging operations conducted by the Timbercorp Group, thereby allowing the Timbercorp Group's cash flow to efficiently address debts of all Schemes as and when they fell due.

#### *Buffer plantations*

Documents and staff accounts have shown that in relation to the Timbercorp Group's Forestry Schemes, the Timbercorp Group would plant 'buffer plantations' on land acquired for the purpose of cultivating Scheme related trees.

The purpose of these buffer plantations was to provide a safety net of harvestable trees should the trees planted in accordance with the Forestry Schemes not generate sufficient yields to comply with the expected yields stipulated in the relevant PDS. In turn this was expected to encourage existing Grower Investors to invest further monies in later schemes.

These buffer plantations were not disclosed in the respective PDS and the Liquidators are unable to determine which Grower Investors in the Forestry Schemes were responsible for providing the funds used to plant, manage and harvest these plantations.

#### *Unofficial commissions*

The Group, as a financial services provider and holder of an Australian Financial Services Licence, was required to declare commissions made with respect to sales generated by financial advisers.

A review of documentation available and discussions with Timbercorp Group employees has indicated that the Group may have paid undeclared commissions to an external party for the approximate period between 1999 to 2008.

The directors may have been required to disclose to ASIC or other regulatory bodies the amounts paid as undeclared commissions.

Investigations in relation to this matter are continuing.



## 5 Creditor Claims and Dividends

| Category  | Estimated Number of Claims Remaining | Estimated Value (\$) of Claims Remaining | Dividends Paid to Date (\$) |
|-----------|--------------------------------------|--|-----------------------------|
| Priority  | 0                                    | 0  | 0                           |
| Secured   | 1                                    | 45,000,000                               | 0                           |
| Unsecured | 18,083                               | 406,872,672                              | 135,512,888                 |
| Deferred  | 0                                    | 0  | 0                           |

Note: All dividend payments have been made by TSL in its capacity as RE and not in its own right.



## 6 Receipts and Payments

| Account                                     | Total (\$)              |
|---|-------------------------|
| Opening bank balance at 29 June 2009        | 12,786,245.93           |
| <b>Receipts</b>                             |                         |
| Asset Realisation - Forestry Sale           | 130,900,594.34          |
| Loan Book Receivable                        | 50,441,974.24           |
| Forestry Retention                          | 40,997,699.00           |
| Growers funds held in Trust                 | 30,086,963.62           |
| Grower Invoice Receipts                     | 11,329,820.33           |
| GST Control: GST Received                   | 6,618,487.90            |
| Harvest Proceeds                            | 4,144,141.18            |
| Cost Reimbursement                          | 4,143,549.81            |
| Grower Payment Reversals                    | 4,084,080.76            |
| Rent & Rate Reversals                       | 3,072,797.81            |
| Bank Interest                               | 2,421,624.33            |
| Administration Funding                      | 2,267,665.31            |
| Intercompany Distributions                  | 855,155.03              |
| Licence Fees                                | 198,349.47              |
| Other Income                                | 13,549.74               |
| <b>Total Receipts</b>                       | <b>291,576,452.87</b>   |
| <b>Payments</b>                             |                         |
| Grower Distributions                        | (138,900,850.84)        |
| Loan Book Receivable                        | (50,441,974.24)         |
| Grower Rent Refund Payment                  | (11,073,963.73)         |
| Intercompany Transfer                       | (9,927,358.98)          |
| Rent & Rates                                | (8,660,352.44)          |
| Cost of Realisation                         | (7,405,762.54)          |
| Legal Fees                                  | (6,049,975.99)          |
| GST Control: GST Paid                       | (5,206,764.50)          |
| Appointee Fees                              | (4,131,011.50)          |
| Shared Services                             | (1,796,496.12)          |
| Other Payments                              | (487,024.09)            |
| Appointee Costs                             | (5,483.81)              |
| <b>Total Payments</b>                       | <b>(244,087,018.78)</b> |
| <b>Closing bank balance at 28 June 2010</b> | <b>60,275,680.02</b>    |

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

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.

MARK KORDA  
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”)*

| <b>Scheme Name</b>                             | <b>ARSN</b> | <b>Project Name</b>  |
|--|-------------|--|
| 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)<br>2002 Timbercorp Almond Project (Standard)  |
| 2003 Timbercorp Almond Project                 | 103 197 299 | 2003 Timbercorp Almond Project (Early)<br>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)<br>2007 Timbercorp Almond Project (Post June) |

### *Timbercorp Olive Schemes (“Olive Schemes”)*

| <b>Scheme Name</b>                            | <b>ARSN</b> | <b>Project Name</b>  |
|---|-------------|--|
| 2000 Timbercorp Olive Project (Private Offer) | n/a         | 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<br>2002 Timbercorp Olive Project (Post June)         |
| 2003 Timbercorp Olive Project                 | 104 648 473 | 2003 Timbercorp Olive Project (Early)<br>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)<br>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) |