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Media release

Timbercorp creditors elect committees for administration

The First Meetings of Creditors of the Timbercorp group of companies were held in Melbourne today.

The meetings heard a report from Administrator, Mark Korda and elected 26 committees of creditors to consult with the Administrators about matters relating to the Administrations.

Meetings of creditors were held for 40 of the Timbercorp group of companies this morning. A separate creditors' meeting was held this afternoon for Timbercorp Securities Limited (Administrators Appointed).

Mr Korda said the administration was particularly complex because it involved a group of 41 Timbercorp companies, at least 5,000 creditors, 700 lessors and 18,500 grower investors, many of whom have loans with Timbercorp companies.

Preliminary assessments indicate the Timbercorp group of companies has liabilities of \$661million to secured lenders, \$250million in other loans and debts, \$14million to unsecured creditors and \$5million in employee entitlements. There is no current estimate for claims which may be made by Investor growers or lessors.

Timbercorp's assets include 120,000 hectares of land (owned and leased), 150,000 mega litres of water rights, \$478million in loans, mostly from grower investors, as well as plant and equipment.

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Mr Korda said the Administrators were pressing ahead with their three point plan, that is:

- Suspension of operations pending funding options
- Developing a strategy for each forestry and horticulture product on a project by project basis
- Statutory reporting, investigations and stakeholder liaison

Mr Korda said harvesting operations in forestry had resumed in Western Australia as these were carried out by Timbercorp staff, who continue to be employed and paid under the administration.

Horticulture projects were different because they were operated by strategic partner companies with their own staff and contractors.

“Discussions are being held with these companies on a daily basis to try to come to some arrangement to continue necessary operations to maintain the assets,” Mr Korda said.

“The critical project in the immediate future is olives, which has just commenced a two month long harvest, at an estimated cost of \$12million. Insufficient funds were held by Timbercorp at the time of administration to cover the full cost of harvest.”

Mr Korda said the Administrators would be applying to the Federal Court for approval to enter into arrangements with Boundary Bend Limited to harvest the olives.

Ends

Media contact:

Mike Smith, KordaMentha: 0411055306

Matthew Trewin, Timbercorp: 03 86151200