

29 June 2009

## Media release

### Creditors vote to wind up Timbercorp companies

The Second Meetings of Creditors of the Timbercorp Group of companies were held in Melbourne today.

Creditors voted unanimously to wind up the 41 companies in the Timbercorp Group and put them into liquidation.

Administrator, Mark Korda, recommended to wind up the companies for several reasons including the fact that “there was no credible alternative” for the group which went into administration on 23 April 2009, with net debt of more than \$600 million.

Mr Korda also said liquidation would provide greater powers to complete the statutory investigations into the company and would be more cost effective than staying in administration.

The liquidation of the companies does not directly apply to the 36 forestry and horticulture managed investment schemes in which 18,500 people have invested more than \$2 billion over the past ten years.

The administrators are applying to the Supreme Court of Victoria to wind up the almond and olive schemes. The administrators are finalising assessments of other schemes, which may be subject to further court applications.

Corporate Recovery Services	Melbourne	KordaMentha Offices		Cooperation with AlixPartners	
Turnaround & Restructuring Services	KordaMentha Pty Ltd ACN 100 169 391	Adelaide	Perth	Chicago	Munich
Real Estate Advisory	Level 24, 333 Collins Street Melbourne VIC 3000	Brisbane	Singapore	Dallas	New York
Forensics	GPO Box 2985 Melbourne VIC 3001	Gold Coast	Sydney	Detroit	Paris
	Office: 03 8623 3333	Melbourne	Townsville	Düsseldorf	San Francisco
	Fax: 03 8623 3399	New Zealand		London	Shanghai
				Los Angeles	Tokyo
				Milan	

The administrator has written to forestry scheme participants outlining options, including the termination of the schemes in conjunction with an asset sale program. Under that option, the trees would be sold on behalf of grower investors and treated as harvest proceeds.

Mr Korda said preparations had commenced for the asset sale program, which is expected to continue following today's meetings.

Ends

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