

**Timbercorp Limited ABN 87 055 185 067
ASX Announcement**

Non-Forestry MIS Test Case Win

19 December 2008

Timbercorp Limited (ASX: TIM)

The Full Bench of the Federal Court of Australia has handed down its decision in the case of the Australian Taxation Office (ATO) vs Hance and Hannebery (the test case).

By a unanimous decision, the court allowed the appeal against the ATO. This means that participants in non-forestry managed investment schemes (MIS) should be entitled to an allowable deduction for rent, management and other expenses incurred in carrying on their business of primary production as participants in agribusiness managed investment schemes. The ATO has a period of 28 days to lodge any appeal against the decision to the High Court.

Timbercorp welcomes the decision as it confirms the Company's own view and is consistent with what has been commonly practiced over many decades.

The decision will have no impact in the current year as the Company has announced that it will stand out of the MIS market in 2009 and will reconsider MIS in the context of the full review the Company is undertaking and the prevailing market conditions. The decision also has no impact on existing non-forestry managed investment schemes in respect of which products rulings have been issued. Participants in these projects will continue to be able to claim allowable deductions for business expenses in accordance with the terms of the product rulings.

ENDS

For further information visit timbercorp.com.au or call:

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About Timbercorp Limited (ASX:TIM):

Timbercorp creates wealth through high quality agricultural projects developed on a world scale to meet global demand. With fully integrated operations, Timbercorp actively manages the entire agricultural project cycle on behalf of its grower investors. This encompasses the establishment, financing and marketing of projects through to harvesting, processing and end-sales.

Since establishment in 1992, Timbercorp has raised more than \$1.7 billion in funds for investment in agribusiness. The company's portfolio of managed agribusiness assets (including established and committed plantings) consists of more than 96,000 hectares of eucalypt plantations, 6,622 hectares of olive groves, 11,862 hectares of almond orchards, 1,345 hectares of citrus orchards, 412 hectares of table grape vineyards, 816 hectares of mango orchards, 1,207 hectares of avocado orchards and 8.2 hectares of glasshouse tomatoes. With net assets of \$595 million, Timbercorp generates a mix of strong recurrent revenue streams.