



KordaMentha

23 April 2009

Timbercorp Appointment

Mr Mark Korda and Ms Leanne Chesser were today appointed voluntary administrators of Timbercorp Limited (ASX: TIM).

Timbercorp is one of Australia's largest agribusiness companies, managing approximately 120,000 hectares of large scale forestry and horticulture assets. Timbercorp has invested more than \$2 billion in agribusiness projects on behalf of 18,500 investors since 1992.

Mr Korda said the company had been hurt by the combined impact of declining global asset values, tightening credit, the economic downturn and drought.

Mr Korda said the administrators would implement a three point plan as follows:

1. Immediate suspension of forestry and horticulture operations whilst funding options are determined
2. Develop a strategy for each forestry and horticulture product, project by project, then execute
3. Attend to statutory reporting, investigation, creditor and shareholder liaison

In the full year accounts issued in November 2008, Timbercorp reported current debt of \$568 million, net debt of \$903.1 million and net assets of \$595 million.

Timbercorp has approximately 170 staff based at offices in Melbourne, Perth, Hamilton, Mildura and Penola.

The Company offered managed investment schemes based on its agribusiness estate.

The functions, powers and authorities of the administrator extend to Timbercorp acting in its capacity as responsible entity or trustee of the managed investment schemes.

The process of voluntary administration is designed to explore quickly the options for the Company. The voluntary administrators will be writing to all creditors to provide notice of the date of the first meeting of creditors. The first creditors' meeting will be held within eight business days after the appointment of a Voluntary Administrator.

Timbercorp had previously announced that the Company's business model was no longer appropriate in the current environment due to the capital intensity of the projects and was in the process of transforming the business into an integrated agribusiness company. Unfortunately these plans, which included asset sales, could not be executed in the timeframe to meet the company's debt obligations.

More information will be posted on www.timbercorp.com.au or www.kordamentha.com.

A hotline has been established for investors, creditors and shareholders. Tel: 1800 628 188.

Media contacts:

KordaMentha: Mike Smith, 0411055306

Timbercorp: Matt Trewin 03 86151200

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Turnaround & Restructuring Services
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info@kordamentha.com
www.kordamentha.com

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Standards Legislation

Melbourne

KordaMentha Pty Ltd
ACN 100 169 391
Level 24, 333 Collins Street
Melbourne VIC 3000
GPO Box 2985
Melbourne VIC 3001
Office: 03 8623 3333
Fax: 03 8623 3399

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