

Timbercorp Limited ABN 87 055 185 067
ASX Announcement

Increase in Doubtful Debt Provision

12 March 2009

Timbercorp Limited (ASX:TIM)

Timbercorp Limited has announced an increase of approximately \$24 million in its provision for doubtful debts. This provision has been brought forward as part of an interim review following continued pressure on loan and project payment defaults to the end of February 2009.

The increase is subject to final assessment and audit review in conjunction with the preparation of the half year accounts for the 6 months ended 31 March 2009.

The increase in default levels which are now believed to be largely contained, are primarily due to the effects of the wider economic crisis, and as such, it is unlikely that the situation will significantly improve prior to the release of the half year results.

The increase takes the provision for doubtful debts to \$42 million, or 8% of the total receivables book.

Timbercorp holds security over the borrowers' lots and effectively their right to income, both of which increase in value over time. This will help offset the impact of defaults in the future.

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.