

## TIMBERCORP PRIMARY INFRASTRUCTURE FUND

**Release:** 17 November 2009  
**ASX Code:** TPF  
**Subject:** Sale of TPF almond properties

The Board of Align Funds Management Limited (**Align**), the responsible entity for the Timbercorp Primary Infrastructure Fund (ARSN 116 024 830) (**TPF**) notes the attached news release issued by Singapore based group, Olam International Limited (**Olam**), on Monday 16<sup>th</sup> November 2009, which advises details of their acquisition of TPF's almond assets for \$160 million from the Receivers and Managers (**Receivers**) appointed to OIM #2 Pty Ltd as trustee for the Timbercorp Orchard Trust #3 ("TOT3") and OIM #5 Pty Ltd as trustee for the Timbercorp Orchard Trust #5 ("TOT5").

TOT3 and TOT5 are wholly owned sub-trusts of TPF.

Following their appointment by the Senior Lender in mid-September 2009 the Board of Align have worked co-operatively with the Receivers to assist in the achievement of an orderly sale of TPF's almond properties, Liparoo and Yungera and TPF's citrus property, Solora South.

The Receivers called for expressions of interest for the TPF almond properties, which closed on 30 October 2009. Expressions of interest for the acquisition of TPF's citrus property will close on 30 November 2009.

Align submitted an unsuccessful expression of interest to the Receivers for the TPF almond properties, based on a proposal to recapitalise TPF, via the issue of new equity and new debt funding.

The Align Board notes that Olam International's acquisition price of \$160 million for the TPF almond properties was some \$9 million more than the carrying values of those properties in TPF's 30 June 2009 preliminary financial statements and represents some \$59 million more than the principal amounts due to the Senior Lender in relation to those properties. The Senior Lender will also be claiming accrued interest and charges.

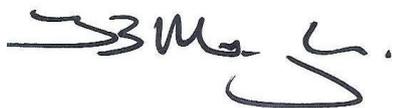
It is unclear at this stage as to the extent of surplus proceeds that may be available for distribution by TOT3 and TOT5 to TPF until the full extent of claims by the Senior Lender, other creditors and/or other claimants to TOT3 and TOT5 are determined.

Align will be liaising with the Receivers on the management of the proposed settlement and will keep TPF Unitholders informed of material developments as they occur.

Align will also provide an update to TPF stakeholders following the announcement of a sale of the remaining (Solora South) property by the Receivers, which is expected to be made in early December 2009.

# TIMBERCORP PRIMARY INFRASTRUCTURE FUND

Yours sincerely



TREVOR MOYLE  
CHAIRMAN

CONTACT:  
Ms Carmela Puopolo  
Align Funds Management Limited  
Ph: (03) 9691 5414



**Olam International Limited**  
9 Temasek Boulevard  
#11-02 Suntec Tower Two  
Singapore 038989  
telephone 65 63394100  
facsimile 65 63399755  
Website [www.olamonline.com](http://www.olamonline.com)  
Regn no. 199504676-H

## **NEWS RELEASE**

### **OLAM SECURES ADDITIONAL ALMOND ASSETS IN AUSTRALIA**

*Singapore, November 16, 2009* - Olam International Limited ("Olam" or "the Company"), a leading global integrated supply chain manager of agricultural products and food ingredients, today announced the signing of definitive agreements to acquire 3,853 hectares of planted almond orchards and 48,259 mega litres of permanent water rights (together the "TPIF orchards") from OIM #2 Pty Ltd (Receivers and Managers appointed) as trustee for the Timbercorp Orchard Trust #3 ("TOT3") and OIM #5 Pty Ltd (Receivers and Managers appointed) as trustee for the Timbercorp Orchard Trust #5 ("TOT5"), which are currently in receivership. TOT3 and TOT5 are sub-trusts of the Timbercorp Primary Infrastructure Fund ("TPIF"). The total acquisition price is A\$160 million in cash which will be funded from a combination of internal accruals and existing credit facilities. The transaction is subject to certain regulatory approvals and other customary conditions and is expected to close in January 2010. **The transaction is expected to be earnings and value accretive from year one.**

OIM #5 and OIM #2, whose businesses were to lease assets to Timbercorp Limited for use in its managed investment scheme operations, were placed into receivership on September 15 and 16, 2009 respectively. Timbercorp had been earlier placed into liquidation in June 2009.

#### **The Assets**

The almond orchards being acquired vary in age from four to eight years with a weighted average age of six years. In addition to the almond trees, land and associated irrigation infrastructure, Olam has acquired 48,259 mega litres of permanent water entitlements that at full allocation will provide all the water required to maintain the orchards. These water rights are fully fungible across both the Timbercorp and TPIF orchards and this will help in the efficient deployment of water across the entire orchard portfolio.



The TPIF orchards have been well maintained and are expected to be profitable and produce positive cash-flows from the 2010 harvest season.

Existing orchard management arrangements will remain in place for the moment. The orchard management industry in Australia is well developed with various active players in this sector.

### **Attractive Growth Opportunity**

This acquisition accelerates the pace at which Olam will be able to deliver on one of its key upstream initiatives of investing into almond orchards in Australia. It complements the previously announced acquisition of 8,096 hectares of almond orchards from Timbercorp Limited. That transaction, which was announced on September 18, 2009, is currently on track to close by mid-December 2009.

The acquisition of the TPIF orchards builds on a number of Olam's strategic objectives, and provides:

- an accelerated entry into a new product adjacency and helps Olam consolidate its leadership position within the global Edible Nuts industry. Almonds are the largest and one of the fastest growing nut categories globally.
- further opportunity to participate in upstream plantations segment which accounts for more than 50% of the value pool within the almond value chain and hence, provides the most attractive entry point within this business.
- further economies of scale for Olam's Australian almond business, which on a combined basis will represent a total of nearly 12,000 hectares of planted almond orchards, or approximately 45% of the current planted acreage in Australia.
- additional benefits through transfer of best practices in orchard management, sharing of customers and a common trading and marketing platform as a result of combining Olam's Australian almond assets with its almond operations in the US.



Shekhar Anantharaman, Executive Director for Olam said: “Olam’s aim is to be recognised as a global leader in the almond industry. This acquisition builds on the Company’s corporate strategy to enhance its presence across the upstream part of the almonds value chain. Almonds represent an attractive industry with strong growth prospects and this acquisition will help Olam to build a leading position in Australia.

“We believe that by managing and developing these orchards, we will also be able to contribute meaningfully to the local Sunraysia community as well as the overall Australian almond industry,” Mr Anantharaman added.

Olam’s Regional Head for Australia and New Zealand, Richard Haire said: “Olam already has significant investments in cotton, grains, pulses, dairy and wool in the region. The two almond investments reinforce our continued commitment to Australia’s agricultural sector.

“This transaction builds on our previous acquisition of the Timbercorp almond orchards. It will potentially assist in reducing the overall water availability risk across the combined orchard portfolio,” Mr. Haire added.

Olam’s Global Head of Edible Nuts, Ashok Krishen said: “Australia is the fastest growing almond producer in the world and is expected to become the number two producer globally by 2015. The current acquisition accelerates Olam’s entry into the domestic Australian market and leverages its proximity to the key export markets of China and India, which are emerging as the fastest growing consumption markets for almonds.”

Olam has been advised on the acquisition by Macquarie Capital Advisers and Freehills.

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### **About Olam International Limited**

*Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 20 products with a direct presence in 60 countries and supplying them to over 10,600 customers. With direct sourcing and processing in most major producing countries for its various products, Olam has built a global leadership position in many of its businesses, including cocoa, coffee, cashew, peanuts, sesame, rice, cotton and wood products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 40 largest listed companies in Singapore in terms of market capitalisation and is a component stock in the Straits Times Index (STI), MSCI Singapore Free, S&P Agribusiness Index and the DAXglobal Agribusiness Index. More information on Olam can be found at [www.olamonline.com](http://www.olamonline.com).*

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ISSUED ON BEHALF OF : Olam International Limited  
IN SINGAPORE BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd  
  
IN AUSTRALIA BY : Rowland

#### **Contact**

OLAM : Mr Rajesh Chopra, SVP, Head – Corporate Affairs & Investor Relations  
Ms Chow Hung Hoeng, Manager (Investor Relations)  
DURING OFFICE HOURS : +65 6317-9409 / 6317-9471 (Office)  
AFTER OFFICE HOURS : +65 9710-2773 / 9834-6335 (Mobile)  
EMAIL : [rajesh.chopra@olamnet.com](mailto:rajesh.chopra@olamnet.com) / [chow.hunghoeng@olamnet.com](mailto:chow.hunghoeng@olamnet.com)  
  
CDRi.MAGE : Ms Dolores Phua / Ms Carol Wee  
DURING OFFICE HOURS : +65 6534-5122 (Office)  
AFTER OFFICE HOURS : +65 9750-8237 / 9730-5754 (Mobile)  
EMAIL : [dolores.phua@citigatedrimage.com](mailto:dolores.phua@citigatedrimage.com) / [carol.wee@citigatedrimage.com](mailto:carol.wee@citigatedrimage.com)  
  
ROWLAND : Alasdair Jeffrey +61 404 926 768  
Bruce Ruddy +61 4418 730 339

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