



## Fax cover sheet

To: Company Announcements Office  
Company: Australian Securities Exchange  
Addressee fax No.: 1300 135 638

From: Bernard Hall  
Return fax number: (03) 8613 2652

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### Timbercorp Orchard Trust ASX Code: TODHA

Dear Sir/Madam

Please find attached an announcement for the Timbercorp Orchard Trust to be released to the market today.

Yours faithfully

A handwritten signature in black ink, appearing to read 'B. Hall'.

Bernard Hall

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To the debenture holder as addressed

18 February 2010

Dear Sir or Madam

**Align Funds Management Limited in its capacity as responsible entity of Timbercorp Orchard Trust (Receivers and Managers Appointed)  
Off-market takeover bid by Hamilton Securities Limited**

I refer to the off-market takeover bid for all of the debentures of Timbercorp Orchard Trust (Receivers and Managers Appointed) (TOT) made by Hamilton Securities Limited (Hamilton) on 18 December 2009 (Offer).

In my capacity as joint and several receiver and manager of TOT, I have been asked by certain holders of TOT Debentures (Debenture Holders) to express a view on the merits of the Offer. As you will appreciate, my primary duty as receiver is to gather in, manage and realise the charged assets with a view to repaying the secured debt, rather than advising Debenture Holders on any investment decisions relating to the TOT Debentures.

Having said that, it is clear that the merits of the Offer will largely depend upon a comparison of the value of the Offer and the current value of the TOT Debentures. In the present circumstances of the receivership of TOT, the value of the TOT Debentures will depend upon:

1. the amount realised from sale of the properties owned by TOT (namely the Bella Vista and Kangara properties); and
2. the resolution of any competing claims by growers in the Timbercorp managed investment schemes conducted on the TOT properties to all or part of the net proceeds of sale.

With respect to the first issue, I note that the sales processes for both the Bella Vista and Kangara properties are well advanced, however the receivers have not yet entered into a binding contract for the sale of either property.

With respect to the second issue, I note that the approach adopted recently in connection with the sale of other properties used for the purposes of Timbercorp managed investment schemes has been to establish a fund upon settlement of the sale whereby the net proceeds of sale are held on trust pending the hearing and determination of a court proceeding to determine which person or persons (in particular, secured creditors and growers) have any rights to all or any part of the net proceeds of sale. It is anticipated that the same approach will be adopted in connection with the sale of the TOT properties.

For the reasons set out above, it is not possible at this point in time to determine with any certainty the return to Debenture Holders from the sale of the TOT properties. Accordingly, I am not in a position to express a view in relation to the merits of the Offer. Debenture Holders will need to make their own assessment of the merits of the Offer and should seek their own independent advice in this regard.

Yours sincerely

Paul William Kirk  
Receiver and Manager

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