
Herald Sun**BUSINESS****Timbercorp attracts interest**

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HAMILTON Securities has announced it will make an off-market takeover bid for the failed **Timbercorp** Orchard Trust.

The trust's main assets are Kangara -- a citrus orchard near Renmark in the Riverland -- and Bella Vista -- a table grape property near Euston, New South Wales -- and also 11,971 megalitres of permanent water entitlements.

Both properties were leased to **Timbercorp**, which sub-leased most of the land to growers, before it went into administration on April 23.

Hamilton executive chairman Steven Pritchard said debenture holders had the choice of accepting the offer or waiting until the receivership runs its course.

Mr Pritchard said a successful takeover would provide benefits to debenture holders.

``As a debenture holder, your asset is effectively in the hands of the receivers, and your debentures are virtually unsaleable," he said.

``The offer will provide debenture holders with listed securities and an exit route from their investment at a price determined by the market."

Mr Pritchard said there was no strong single party with a commercial incentive to represent the interests of all 2200 debenture holders, none of whom owns more than 2 per cent of the debentures.

For most debenture holders, accepting Hamilton's offer will create a capital loss that can be used to offset capital gains on other securities.

If successful with its bid, Hamilton intends to work with the receivers and other stakeholders (such as the liquidator of **Timbercorp**, which leases the trust's land, and the growers, who sub-lease most of the trust's land from **Timbercorp**) to represent the interests of the debenture holders.

Mr Pritchard said that at this stage, it was not possible to forecast the result of these negotiations.

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