



MEDIA RELEASE
MACPHERSON+KELLEY LAWYERS

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Investors plan to stand up to Timbercorp and Great Southern

Investors in the managed investment schemes sold by Timbercorp and Great Southern have banded together and are determined to strongly assert their legal rights. They are not going to be pushed aside by the Administrators of the failed companies according to Ron Willemsen, an Accredited Commercial Litigation Specialist and Principal in Macpherson + Kelley, who is leading a team of 14 lawyers dedicated to achieving a fair solution for growers in the managed investment schemes.

Already hundreds of investors from around Australia have approached the firm for legal support regarding their investments in the two failed businesses.

According to Mr Willemsen; "Growers in the Timbercorp project were not told in 2008 of serious doubts about Timbercorp's ability to survive. Timbercorp sent out its invoices for management fees pretending it was business as usual. Most investors paid up, often taking out loans with Timbercorp Finance to meet the bills."

Mr Willemsen explained that; "To find the facts which point to Timbercorp's shaky financial position at the time you need to examine the 2008 Annual Report, which was published after investors had already paid more money to Timbercorp."

Macpherson + Kelley will contact KordaMentha, the Administrators of Timbercorp Group companies, to advise the firm of its plans to advance the interest of investors in the various managed investment schemes. Whether or not court action is then taken on behalf of growers will depend on how the Administrators deal with the conflicting interests of banks and trade creditors on the one hand and investors in the managed investment projects on the other, according to Mr Willemsen.

"Essentially, the message is that when the Timbercorp Administrators implement their much vaunted three point plan they cannot disregard the claims which the scheme growers have."

"KordaMentha's plan is to: suspend forestry and horticulture operations while funding options are determined; develop a strategy for each forestry and horticulture product, project by project, then execute; and attend to statutory reporting, investigation, creditor and shareholder liaison."

He said the Administrators needed to pay careful heed to the rights of investors as they advanced that three point plan.

According to Mr Willemsen the issues facing Great Southern investors are much the same as the issues of concern to Timbercorp investors.

High net worth and sophisticated investors who have committed \$1million sums to projects managed by Great Southern have also approached Macpherson + Kelley to represent them.

“Soon Ferrier Hodgson, as Administrators of Great Southern, will also need to respond to our letters calling for investors’ rights to be fully recognised in respect of management fees paid and loans obtained to finance the Great Southern projects,” said Mr Willemsen.

NOTE TO EDITORS: M+K Lawyers is a commercial law firm focussed on advising growing corporations around Australia. In business for 104 years and with more than 70 Lawyers, M+K has offices in Melbourne, Dandenong (Vic), Sydney and North Sydney. M+K’s international experience is strengthened through its strategic affiliation with Multilaw, a global association of over 70 law firms worldwide providing clients access to Lawyers in the UK, Europe, Asia, USA and the sub-continent.

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