

Timbercorp Limited

Offer of Timbercorp Bonds

Website statement

During exposure period

This electronic version of the prospectus issued by Timbercorp Limited (**Prospectus**) does not constitute an offer of Timbercorp Bonds (**Timbercorp Bonds**). Timbercorp Bonds will only be issued on the basis of an Application Form accompanying the final Prospectus.

The Prospectus will be accessible on this website during a public exposure period of 7 days following the lodgement of the Prospectus or such longer exposure period as specified by the Australian Securities and Investments Commission. The purpose of the exposure period is to enable the Prospectus to be examined by market participants prior to the raising of funds.

You can request a free paper copy of the Prospectus by calling (03) 8615 1200.

Applications will not be accepted until after the close of the exposure period.

No action has been or is proposed to be taken to register or qualify the Timbercorp Bonds being offered in any jurisdiction outside Australia. The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and persons who access it should inform themselves of and comply with any such restrictions.

The Timbercorp Bonds have not been and will not be registered under the US Securities Act 1933 and may not be offered or sold in the United States or to, or for the account of a US Person (as defined in Regulation S under the US Securities Act 1933) except in transactions exempt from the registration requirements of the US Securities Act 1933.

By downloading the Prospectus you represent that you have read and understood the above. If you wish to proceed with viewing the Prospectus, please press the button labelled I AGREE, to begin downloading the Prospectus as a PDF file.

[I AGREE](#) [Link to Prospectus lodged with ASIC. Prospectus must not contain Application Form during this period]

After exposure period

The offer constituted by this electronic version of the prospectus issued by Timbercorp Limited (**Prospectus**) is only available to residents of Australia. Applications for Timbercorp Bonds can only be made on an Application Form accompanying the Prospectus.

You can request a free paper copy of the Prospectus by calling (03) 8615 1200.

No action has been or is proposed to be taken to register or qualify the Timbercorp Bonds (**Timbercorp Bonds**) being offered in any jurisdiction outside Australia. The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and persons who access it should inform themselves of and comply with any such restrictions.

The Timbercorp Bonds have not been and will not be registered under the US Securities Act 1933 and may not be offered or sold in the United States or to, or for the account of a US Person (as defined in Regulation S under the US Securities Act 1933) except in transactions exempt from the registration requirements of the US Securities Act 1933.

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[I AGREE](#) [Link to Prospectus with an Application Form]

TIMBERCORP BOND ISSUE*

ASX LISTED

8.9 %p.a.

2005 PROSPECTUS



TIMBERCORP LIMITED

ABN 87 055 185 067

Underwriter and Lead Manager

 **ABN·AMRO** Morgans

* The obligations under the Trust Deed are secured by a fixed charge over a Cash Security Account into which the funds raised under this issue will be deposited, the Receivables and Authorised Investments. In due course they will be applied by the Timbercorp Group towards the acquisition or refinance of land and the development of agribusiness assets, as described in this prospectus. The land and agribusiness assets will be secured in favour of the Trustee by registered first mortgages. However, for the purposes of section 283BH of the Corporations Act, the Bonds are classified as "Unsecured Notes".

CORPORATE DIRECTORY

COMPANY

Timbercorp Limited
(ABN 87 055 185 067)

Registered Office

Level 8, 461 Bourke Street
Melbourne, Victoria 3000
Telephone (03) 8615 1200
Facsimile (03) 9670 4271
Internet site: www.timbercorp.com.au

DIRECTORS

Kevin A Hayes (Chairman)
Robert J Hance
Gary W Liddell
William E Bessemer
John M Vaughan
Sol C Rabinowicz
Rodney M Fitzroy

TRUSTEE

Permanent Trustee Company Limited
(ABN 21 000 000 993)
Level 3, 151 Rathdowne Street
Carlton, Victoria 3053

UNDERWRITER

ABN AMRO Morgans Corporate Limited
(ABN 32 010 539 607)

Registered Office

Level 29, 123 Eagle Street
Brisbane, Queensland 4000

Melbourne Office
Level 27, 367 Collins Street
Melbourne, Victoria 3000
Telephone 1800 777 946

REGISTRY

**Computershare Investor
Services Pty Limited**
(ABN 48 078 279 277)
Yarra Falls
452 Johnston Street
Abbotsford, Victoria 3067

LAWYERS TO TIMBERCORP

N M Taylor Lawyers
Level 7, 350 Collins Street
Melbourne, Victoria 3000

AUDITORS

Deloitte Touche Tohmatsu
180 Lonsdale Street
Melbourne, Victoria 3000

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APPLICATION FORMS

(How to complete the Application Form)

Important Notice

This prospectus is dated 7 November 2005 and was lodged with the Australian Securities and Investments Commission on that day. The Australian Securities and Investments Commission takes no responsibility for the contents of this prospectus. The prospectus expires 13 months after the date of lodgment of the prospectus. No Bonds will be issued on the basis of this prospectus later than the expiry date of the prospectus or such earlier date determined by the Directors of Timbercorp. This prospectus, including each of the documents attached to it and which form part of it is important, and should be read in its entirety prior to making an investment decision. If you do not fully understand this prospectus or are in any doubt as to how to deal with it, you should consult your professional advisor.

The Trustee has not made any statement in the prospectus and has not authorised or caused the issue of this prospectus. Other than direct references to it in this prospectus, the Trustee expressly disclaims and takes no responsibility for this prospectus.

No person, firm or corporation associated with the issue of this prospectus or the Trustee guarantees, warrants or underwrites the performance of the Bonds, the repayment of principal moneys, or the payment of interest.

This prospectus will be made generally available during the Exposure Period by being posted on Timbercorp's Internet site, www.timbercorp.com.au. Copies of the prospectus will also be available on request by members of the public by calling (03) 8615 1200 during normal business hours during the Exposure Period.

Timbercorp may not accept applications under this prospectus until the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications before the end of the Exposure Period.

This offer is only open to Australian domiciled individuals or entities. This prospectus does not constitute an offer in any other jurisdiction.

Electronic prospectus

Timbercorp Limited proposes to issue this prospectus on the website www.timbercorp.com.au. Any person accessing the electronic version of this document for the purpose of subscribing for the Bonds must be an Australian resident and must only access the information from within Australia. Bonds will only be issued under the electronic version of the prospectus on receipt of an Application Form issued together with the electronic version of the prospectus.

General advice warning

Timbercorp will not give you personal financial product advice. This prospectus does not constitute a recommendation or opinion that an investment in the Bonds is appropriate for you, nor does it take into account your investment objectives, financial situation nor particular needs. Before applying for the Bonds, you must consider your objectives, financial situation and needs and the risk of loss, which accompanies the prospects of profits, associated with the investment in the Bonds and form the opinion that dealing in the Bonds is suitable for your purposes. You should consult a licensed professional advisor.

Glossary

This prospectus contains a number of terms that have a special meaning. A glossary of those terms appears in section 10.

HOW TO APPLY

An application for Bonds can only be made by completing and lodging one of the Application Forms attached to or accompanying this prospectus or an electronic copy of this prospectus, with the Registry, Computershare Investor Services Pty Limited.

Application Forms must be completed and lodged in accordance with the instructions on the reverse side of the Application Form.

Applications must be for a minimum of 100 Bonds and thereafter in multiples of 10. The Bonds have a face value of \$100 each. The minimum investment is therefore \$10,000 and then in multiples of \$1,000.

Application Forms must be accompanied by a cheque drawn on an Australian bank in Australian dollars for the amount of the Bonds for which the application is made ("Application Moneys").

Cheques should be made payable to "**Timbercorp Limited – 2005 Timbercorp Bond Issue**" and crossed "not negotiable". No stamp duty is payable in respect of the creation and issue of the Bonds.

By completing and returning an Application Form, each Applicant acknowledges having received and read this prospectus in its entirety.

Applicants are encouraged to submit their Application Forms as early as possible as interest will accrue from the date Application Moneys are received as cleared funds following the lodgement of a completed Application Form which is accepted by Timbercorp, before the Closing Date.

1 INVESTMENT OVERVIEW

1.1

INTRODUCTION

This prospectus contains information relating to an offer of Bonds by Timbercorp Limited, an ASX/S&P 200 listed public company. The offer is made in accordance with the details below and the Trust Deed.

Security

As security for its obligations under the Trust Deed, Timbercorp has granted to the Trustee a Fixed Charge over the Cash Security Account into which the funds raised under this prospectus will be deposited, the Receivables and the Authorised Investments. The charge over the Cash Security Account forms the initial Security Pool for the Bonds. At the date of this prospectus there are no Receivables nor Authorised Investments that form part of the Security Pool.

During the term of the Bonds, the composition of assets in the Security Pool will change. Where this happens, Timbercorp's obligations will also be guaranteed by one or more Guarantors and will be secured by first ranking registered mortgages over specified Land and/or Improvements or other eligible assets of the Guarantors. The Fixed Charge described above will remain in place during the term of the Bonds.

At all times the Trustee holds the Security Pool on behalf of Bond Holders. If Timbercorp defaults in its obligations under the Trust Deed, the Trustee may call in the security for the benefit of the Bond Holders.

Timbercorp may from time to time direct the Trustee to invest the cash in the Cash Security Account in an Authorised Investment. The income and other proceeds derived from the Authorised Investment will be paid directly into the Cash Security Account, which is secured to the Trustee under the Fixed Charge. For further details on the Authorised Investment, please refer to section 2.13 of this prospectus.

Why are the Bonds classified as "Unsecured Notes" under the Corporations Act?

Under the Corporations Act, to be able to describe debt securities as "debentures", the repayment of all moneys lent under the instrument must be secured by a charge to the Trustee over "tangible property" of the issuer or a guarantor of the issuer of the debt securities. Under the Corporations Act, the Cash Security Account, the Receivables and Authorised Investments described in this prospectus are not classed as "tangible property". Therefore, the debt securities issued under this prospectus must be classified as "Unsecured Notes".

Issuer	Timbercorp Limited (ABN 87 055 185 067)
Nature of Issue	Bonds
Listed security	Timbercorp will make an application to have the Bonds listed for quotation on the official list of the ASX within 7 days of the date of this prospectus
Amount of Issue	\$25 million (with a right to accept oversubscriptions up to a further \$25 million)
Face Value of Bonds	\$100
Minimum Investment	\$10,000 (100 Bonds) and then in multiples of \$1,000 (10 Bonds)
Interest Rate	8.9% per annum, fixed. Subject to the minimum subscription being reached, interest will accrue on the face value of each Bond on a daily basis from the date Application Moneys are received as cleared funds following the lodgement of a completed Application Form before the Closing Date.
Interest Payment Dates	Interest is payable on a quarterly basis during the term of the Bonds on each 31 March, 30 June, 30 September and 31 December. The first interest payment date will be 31 March 2006 and the last payment will be made on the Maturity Date.
Maturity Date	1 December 2010
Security	<ul style="list-style-type: none">• Fixed Charge over the Cash Security Account, the Receivables and the Authorised Investments; and• Guarantees provided by one or more Guarantors secured by first ranking registered Mortgages over specified Land and/or Improvements or other eligible assets of the Guarantors. As at the date of this prospectus, no Guarantees have been given.

CRITICAL DATES*

Issue Opens	15 November 2005
Closing Date	19 December 2005 or such earlier date determined by the Directors of Timbercorp
Allotment of Bonds	5 Business Days following the Closing Date
Despatch of holding statements for Bonds	3 Business Days following the allotment of Bonds
Last date for quotation of Bonds on ASX	At least 3 clear Business Days after despatch of holding statements but no later than 3 months after the date of this prospectus

* These dates are indicative only and are subject to change without notice

1.3

PURPOSE OF THE OFFER

Timbercorp is Australia's leading agribusiness investment manager. It creates wealth for investors through the development of high quality agricultural projects on a world scale to meet global demand. With fully integrated operations, Timbercorp actively manages the entire agricultural project cycle on behalf of its Growers. This encompasses the establishment, financing and marketing of projects through to harvesting, processing and end-sales. Timbercorp promotes an annual series of horticultural, viticultural and forestry projects offering sound commercial returns and proven tax savings. Timbercorp purchases cleared farm land suitable for eucalypts plantations and also develops horticultural and viticultural assets such as olive groves, almond, citrus, mango and avocado orchards and vineyards. It then offers interests in projects that utilise these assets to its Growers thereby building up long-term contractual revenues from rent, licence fees and management fees.

Funds raised under this prospectus will be deposited into the Cash Security Account. The moneys will be used to acquire or refinance property and develop agricultural assets for use in Timbercorp's Projects, and for general working capital purposes as determined by the Directors of Timbercorp. Please refer to paragraphs 2.8 and 2.12 for more details on how the funds will be applied.

1.4

SECURITY AND BORROWING LIMITATIONS

Under the Trust Deed:

- (a) Timbercorp's Gearing Ratio must not exceed $66\frac{2}{3}\%$ at any time;
- (b) the Loan to Valuation Ratio must not exceed $66\frac{2}{3}\%$ at any time;
- (c) Timbercorp has granted a Fixed Charge over the Cash Security Account, the Receivables and the Authorised Investments in favour of the Trustee; and
- (d) each incoming Guarantor agrees to provide a limited guarantee secured by first ranking registered Mortgages over specified Land and/or Improvements or other eligible assets of the Guarantor.

While any Bonds issued under this prospectus remain outstanding, Timbercorp may change the composition of the Security Pool by releasing or introducing any assets in the Security Pool, including depositing cash into the Cash Security Account, subject always to maintaining the Loan to Valuation Ratio and other provisions of the Trust Deed which have been designed to protect the interests of Bond Holders. Please refer to paragraph 2.12 and section 6 for further details.

1.5

EFFECT OF ISSUE

Section 5 contains pro forma financial statements of Timbercorp showing the effect of the issue of the Bonds under this prospectus.

1.6

INVESTMENT RISKS

You should read this prospectus in detail and consult your advisors before deciding whether to subscribe for Bonds. In addition to the general risks associated with investment in an interest rate linked security, there are certain risks relating to Timbercorp, which could affect your investment in the Bonds. You should refer to section 4 for a discussion of these risks.

Section 7 contains a summary of the Australian taxation implications of becoming a Bond Holder, and is based on the taxation laws as at the date of this prospectus. Each Bond Holder's tax position will depend on the Bond Holder's individual circumstances. You should seek and rely on your own tax advice, as statements in this prospectus are necessarily general in nature.

1.7

HOW TO APPLY

For details on how to apply, see the How to Apply section at the beginning of this prospectus and the instructions on the reverse side of the Application Form.

1.8

ANY QUESTIONS?

If any matter is unclear or you are unsure whether the Bonds are a suitable investment for you, please contact your accountant or other professional advisor.

If you are unsure as to how to complete the Application Form, contact ABN AMRO Morgans Corporate Limited on 1800 777 946 or the Registry on infoline 1300 850 505.

2 DETAILS OF THE OFFER

2.1

TIMBERCORP

Timbercorp Limited, an ASX/S&P 200 listed public company, is the issuer of Bonds offered under this prospectus. Timbercorp Limited was incorporated on 21 February 1992 and following a period of substantial growth, listed on the ASX in May 1996.

2.2

BONDS AND TRUST DEED

The Bonds are debt obligations of Timbercorp to the Trustee as trustee for the Bond Holders. The Bonds are direct, unconditional, secured debt obligations created on and subject to the terms of the Trust Deed.

Timbercorp may raise further debt as the needs of the Timbercorp Group arise by issuing further bonds under the Trust Deed. Further bond issues may be issued with the same or different terms and conditions (including interest rate). Timbercorp is not required under the terms of the Trust Deed to obtain the consent of the existing Bond Holders before issuing further bonds.

The key features of the Trust Deed are summarised in section 6 of this prospectus.

All Bonds issued by Timbercorp under this prospectus will rank equally in all respects.

2.3

OFFER AMOUNT

Under this prospectus, Timbercorp is offering for subscription 250,000 Bonds (\$25 million), with a right to accept oversubscriptions up to a further 250,000 Bonds, (\$25 million).

2.4

UNDERWRITER

ABN AMRO Morgans Corporate Limited has agreed to underwrite the Issue to the extent of \$25 million. A summary of the key terms of the Underwriting Agreement is set out in section 6 of this prospectus.

2.5

ASX LISTING

Timbercorp will make an application to have the Bonds listed for quotation on the ASX within 7 days of the date of this prospectus. The fact that the ASX may grant official quotation should not be taken as an indication of the merits of the Bonds or of an investment in Timbercorp.

2.6

APPLICATIONS, APPLICATION MONEYS AND ALLOCATION POLICY

What is the minimum application amount?

The minimum number of Bonds that may be applied for under this prospectus is 100 (\$10,000), and then in multiples of 10 Bonds (\$1,000).

All Application Moneys will be held in trust for Applicants until allotment of the Bonds.

Preferential allocation

Timbercorp is offering a preferential allocation of 30,000 Bonds to the following classes of persons (collectively referred to as Qualifying Preferential Applicants) if there is excess demand for Bonds above the underwritten amount:

- (a) Shareholders in Timbercorp;
- (b) Converting Preference Shareholders in Timbercorp;
- (c) Reset Preference Shareholders in Timbercorp;
- (d) Growers in any Timbercorp Projects;
- (e) Finance Bond Holders in Timbercorp;
- (f) Debenture Holders in Timbercorp;
- (g) Debenture Stockholders in Timbercorp Properties Limited;
- (h) Noteholders in Plantation Land Limited.

To be eligible you must be a Qualifying Preferential Applicant by reason of any one of paragraphs (a) to (h) above at 5.00 pm on the day which is 14 days before the Closing Date of 19 December 2005 and have a registered address in Australia. To receive your preferential allocation, you must complete Item J of the Application Form. If you are uncertain as to your eligibility, please call Timbercorp on 03 8615 1200 or the registry on 1300 850 505. Please note that Timbercorp may alter the Closing Date and close the offer early.

How will the allocation of Bonds be determined?

The allocation of Bonds is at Timbercorp's absolute discretion and it may accept or reject any application for Bonds wholly or in part.

Subject to the preferential allocation policy stated above, if there is excess demand for the Bonds, Timbercorp, in consultation with the Underwriter, may reject applications wholly, or in part or scale back the applications. This means that Applicants may be allocated fewer Bonds than they apply for and possibly no Bonds at all.

If applications are scaled back, Qualifying Preferential Applicants will receive a preferential allocation. This means that those Applicants will receive preference over general retail applicants who do not have a firm allocation from the Underwriter or any participating sub underwriter, advisor or broker. Despite this preferential allocation, Qualifying Preferential Applicants may be allocated fewer Bonds than they apply for.

Will Applications Moneys be refunded?

If your application is not accepted, or is accepted in part only, then the relevant part of the Application Moneys will be refunded to you without interest as soon as possible within 7 days of the Closing Date.

2.7

MINIMUM SUBSCRIPTION

The minimum subscription under this offer is 250,000 Bonds.

However, you should note that this offer is underwritten by the Underwriter to the extent of 250,000 Bonds (\$25 million). If the Underwriting Agreement is terminated earlier and the minimum subscription is not reached by the Closing Date, Timbercorp will within 7 days repay to each Applicant the Application Moneys together with any interest earned by the Applicant on its Application Moneys less bank fees and Government charges.

2.8

APPLICATION OF FUNDS

The funds raised from the Issue will be deposited into the Cash Security Account. Subject to the terms of the Trust Deed, the funds will be applied towards the acquisition or refinancing of Land and the development of agricultural assets for use in Timbercorp's Projects, and to provide for other general working capital purposes.

Timbercorp's agricultural assets include land, water licences, trees, irrigation systems and associated infrastructure. Timbercorp adopts a strategic approach when evaluating prospective projects and developing its assets. Property acquisitions and the development of agricultural assets are the subject of business proposals that are studied rigorously by senior management and must be approved by the Directors. All proposals must meet standards prescribed by Timbercorp's acquisition and development program that is continually updated.

2.9

REPAYMENT OF BONDS

The Maturity Date of the Bonds is 1 December 2010. Timbercorp will repay the principal moneys represented by the Bonds on the Maturity Date.

Timbercorp may redeem the Bonds before the Maturity Date and immediately repay the Bond Holders the Moneys Owed if a Tax Event occurs. A Tax Event occurs where Timbercorp receives a legal opinion to the effect that its costs and tax liabilities will increase as a result of changes in the law or official pronouncement by a government body.

Where Timbercorp defaults on its obligations under the Trust Deed, the Trustee may require it to redeem the Bonds and immediately repay the Moneys Owed to the Bond Holders.

Other than as described above, there is no right of early repayment.

2.10

INTEREST RATE

The Bonds will bear interest at a fixed rate of 8.9% per annum. Provided the minimum subscription described in paragraph 2.7 is reached, interest accrues daily from the date your Application Moneys are received as cleared funds following the lodgement of your completed Application Form before the Closing Date.

2.11

INTEREST PAYMENTS

Interest will be paid on 31 March 2006, and then quarterly on the last day of each quarter in each year during the term of the Bonds (31 March, 30 June, 30 September, 31 December). The final interest payment will be made on the Maturity Date. Interest will not accrue on the Maturity Date.

The first interest payment on 31 March 2006 will be made to the original subscribers for the Bonds.

2.12

PROTECTION OF BOND HOLDERS AND STATUS OF THE BONDS

Initial security

Timbercorp's obligations to pay interest and repay the principal moneys are initially secured by a Fixed Charge over the Cash Security Account into which the funds raised under this prospectus will be deposited, the Receivables and the Authorised Investments. As at the date of this prospectus there are no Receivables nor Authorised Investments that form part of the Security Pool.

The Cash Security Account will be established in the name of the Trustee and it will be the sole signatory of the account. Under the Trust Deed, Timbercorp must use its best efforts to collect the Receivables when due and deposit them in the Cash Security Account. Upon the occurrence of an Event of Default, the Trustee may step in and collect the Receivables.

Changes to the Security Pool

Subject to the requirements set out in the Trust Deed, including the obligation to maintain the Loan to Valuation Ratio at all times, Timbercorp may, in its absolute discretion submit proposals to the Trustee to change the composition of the assets in the Security Pool, and the Trustee must accept any such change provided that the requirements of the Trust Deed are met. A change to the Security Pool may include the release of assets such as cash held in the Cash Security Account and/or the introduction of eligible assets into the Security Pool.

The assets that may be included in the Security Pool are described in the Trust Deed as eligible assets and include Land, Improvements (including Water Licences), cash, Receivables, and any other assets from time to time determined by Timbercorp and notified to the Trustee.

Where it is proposed to introduce an eligible asset other than cash into the Security Pool, Timbercorp will procure the owner of the eligible asset to guarantee Timbercorp's obligations to pay all Moneys Owing by Timbercorp in relation to the issue of Bonds under this prospectus and Timbercorp's other obligations under the Trust Deed. Each such Guarantee will be secured by first ranking registered Mortgages over specified Land and/or Improvements or other eligible assets of the Guarantor, and the liability of the Guarantor will be limited to the assets of the Guarantor that form part of the Security Pool at the time an Event of Default occurs. This means that the Trustee and the Bond Holders' rights of recourse against the Guarantor will be limited to those specified eligible assets which are secured in favour of the Trustee at that time.

Importantly, the Trustee must not agree to any change in the composition of the Security Pool including the release of any eligible asset from the Security Pool unless Timbercorp is able to ensure that the change or release can be made without causing a contravention of the Loan to Valuation Ratio Covenant.

The Directors of Timbercorp will ensure that the assets that constitute the Security Pool in respect of the Bonds will be sufficient and reasonably likely to be sufficient to meet Timbercorp's liability to repay all Bonds and other amounts payable in respect of the Bonds.

It should be noted that the Mortgages over the Land and/or Improvements or other eligible assets do not extend to the Crops as they will remain the property of the Timbercorp Group, a Grower, the responsible entities or managers of the Projects, a lessee or licensee of the preceding persons or any other person who derives title to the Crops through any of them. Under the Trust Deed, the Trustee acknowledges and agrees that all rights and interests of the preceding persons to use, and have access to the Land and/or Improvements under the terms of any agreements entered into for the purpose of the Projects have priority over the rights of the Trustee.

2.13

CASH SECURITY ACCOUNT

Timbercorp may deposit money into the Cash Security Account for the purpose of effecting a change in the composition of the Security Pool as described in paragraph 2.12 above. Timbercorp may also withdraw money from the Cash Security Account, provided that the Loan to Valuation Ratio is maintained at all times.

Timbercorp may by notice direct the Trustee to invest moneys in the Cash Security Account in an Authorised Investment and the Trustee is bound to act in accordance with that direction. An Authorised Investment is an investment that the Trustee is by law permitted to make, provided that such investment is capable of being converted into immediately available funds within 30 days of a request by Timbercorp. Any income or proceeds derived from such investment will be paid directly into the Cash Security Account, which is secured to the Trustee under the Fixed Charge. The Trustee is however under no obligation to investigate whether or not the Authorised Investments are capable of being converted into immediately available funds within 30 days of such request by Timbercorp.

2.14

RECEIVABLES

Under the Trust Deed, Timbercorp may introduce Receivables into the Security Pool on the condition that Receivables must not represent more than 10% of the total value of the Security Pool. Receivables are Timbercorp's rights, title and interest in loan agreements made between Timbercorp as lender and a borrower, which are secured in favour of Timbercorp by a first ranking security interest over an asset of the borrower with a value equal to or greater than the face value of the loan. The Trustee is not obliged to enquire as to whether or not the Receivables are collectable.

As at the date of this prospectus, no such loans exist.

2.15

TRUSTEE

The Trustee for the Bond Holders is Permanent Trustee Company Limited. Its role is to act in the interests, and for the benefit of Bond Holders under this Issue and future issues in the manner contemplated by the Trust Deed and other legal requirements.

Permanent Trustee Company Limited is a member of a group of companies including Trust Company of Australia Limited, following the merger with Trust Company of Australia Limited in December 2002. The Trust Company Group was established in Melbourne in 1885 and acts as trustee in varying capacities for individuals, charities, banks, insurance and industrial companies and financial intermediaries.

2.16

REGISTER

The persons whose names are registered as Bond Holders will be treated as the absolute owners of that Bond, and no trust or any other equitable or contingent interests will be recognised.

Timbercorp has arranged for a Register of Bond Holders to be established and maintained by Computershare Investor Services Pty Limited. The Register will be open during business hours for inspection free of charge by Bond Holders.

Following the issue or transfer of Bonds to successful Applicants or transferees, Bond Holders will receive a statement which sets out the Bond Holder's Holder Identification Number (HIN) in the case of holding on the CHESS sub-register, or Securityholder Reference Number (SRN) in the case of a holding on the issuer sponsored sub-register. Bond Holders will be required to quote their HIN or SRN, as applicable, in all dealings with a broker or the Registrar. Bond Holders will also receive subsequent statements if there has been a change to their holding on the Register and as otherwise required under the ASX Listing Rules, ASTC Settlement Rules and the Corporations Act.

Additional or replacement statements may be requested at any other time through the Bond Holder's sponsoring broker in the case of a holding on the CHESSE sub-register, or through the Registrar in the case of a holding on the issuer sponsored sub-register. Timbercorp or the Registrar may charge a fee for the additional issuer sponsored statements.

Provisions relating to the transfers of the Bonds are set out in the Trust Deed, and the transfers will be made in accordance with the Trust Deed, ASX Listing Rules and the ASTC Settlement Rules. A Bond Holder may transfer all or any of the Bonds that it holds, and upon receipt of a valid transfer the Registrar will make the necessary entries in the Register.

A person who is entitled to be registered as a Bond Holder as a result of death or bankruptcy of a Bond Holder must be registered in accordance with all applicable laws, upon producing such evidence as required by the Registrar.

2.17

TRUST DEED

Section 6 contains a summary of the key features of the Trust Deed.

2.18

NO COOLING OFF

Investors should note there will not be a cooling off period in relation to the applications. Once an application is made, it cannot be withdrawn unless Timbercorp determines in its absolute discretion to allow withdrawal.

3 THE TIMBERCORP DIFFERENCE – OUR BUSINESS

3.1

CORPORATE OVERVIEW

Timbercorp is an ASX/S&P 200 listed company involved in the funding and management of high quality agribusiness investment projects.

With fully integrated operations, Timbercorp actively manages the agricultural project cycle on behalf of its Growers. This encompasses the establishment, financing and marketing of projects through to harvesting, processing and end-sales.

Since its establishment in 1992, Timbercorp has raised approximately \$1 billion in project revenues from sales of interests in projects in forestry, horticultural and viticultural projects to investors seeking long-term income streams and attractive after-tax returns. As at 30 June 2005, the Company's portfolio of managed agribusiness assets consisted of over 80,000 hectares of eucalypt plantations, 2,777 hectares of olive groves, over 5,100 hectares of almond orchards, 959 hectares of citrus orchards, 1,017 acres of table grape vineyards, 362 hectares of mango orchards and over 900 hectares of avocado orchards and avocado land.

With net assets of \$374 million as at 31 March 2005, Timbercorp generates a mix of strong recurring revenue streams.

3.2

CORPORATE STRUCTURE OF TIMBERCORP

BOARD OF DIRECTORS



Kevin A Hayes

Chairman
Age 70

Appointed a director and chairman on 14 October 2002, Mr Hayes is a member of the Audit, Risk and Compliance committee and the

Remuneration committee.

Mr Hayes is also chairman of the Slater Marketing Group Pty Limited, a director of Country Road Limited, and until 2002, was chairman of the Melbourne Racing Club.

He has held various senior roles, including managing director of Cadbury Schweppes Australia Limited from 1980 and was responsible for all Cadbury Schweppes' Confectionery operations in the Asia Pacific region until retirement in 1999. Mr Hayes was previously a director of Colonial Limited and Victoria TAB (before it became Tabcorp), chairman of Snackfoods Limited, chairman of Cadbury Schweppes Australia Limited and chairman and managing director of Campbell Soup Australia Limited.



William E Bessemer

BEC, MBA, CPA

Non-Executive Director
Age 63

Appointed a director in November 2001, Mr Bessemer is chairman of the Remuneration committee and a member of the Audit, Risk and Compliance committee. Mr Bessemer is chairman of Australian Property Exchange Limited, Austock Group Limited (formerly known as Australian Pooled Development Financing Limited), and a director of a number of entities including Health Professional Insurance Australia Limited and ABC Learning Centres Limited.

Mr Bessemer has substantial experience in all areas of investment banking, with a particular emphasis on mergers and acquisitions, business recovery, business broking, and mobilisation of debt and equity.



Gary W Liddell

CA

Non-Executive Director
Age 64

Appointed a director in August 1997 and is chairman of the Audit, Risk and Compliance committee and a member of the Remuneration committee. Previously chairman of Timbercorp Limited from 29 June 2001 to 14 October 2002, Mr Liddell is an associate of the Institute of Chartered Accountants in Australia and is a partner in chartered accounting firm Liddell Weight & Co. Mr Liddell has been the external accountant to Timbercorp since the commencement of operations. He has a long professional background in financial management and compliance work and has a detailed knowledge of primary production structures and operations.



Robert J Hance

Chief Executive Officer
Age 62

Appointed a director in August 1997 and chief executive officer in June 2000. Mr Hance co-founded the Timbercorp Group in 1987.

He jointly controls Timwa Pty Ltd, a substantial shareholder of Timbercorp Limited. Mr Hance has extensive experience in the structuring, financing and marketing of agribusiness investments and has led the development and marketing of Timbercorp's Projects since incorporation. Mr Hance is a director of olive oil marketer Piquant Blue Limited and Boundary Bend Limited, both in which Timbercorp holds an equity interest. Mr Hance is also a director of Racing Victoria Limited.



Sol C Rabinowicz
BEC, LLB, ASIA, FTIA

Deputy Chief Executive Officer
Age 38

Appointed Deputy Chief Executive Officer on 11 October 2005. Mr Rabinowicz joined Timbercorp

following its ASX listing in May 1996 and has served as company secretary, general manager corporate, marketing director and executive director – finance. He has a unique mix of experience in the evaluation, structuring, financing and promotion of agribusiness investment products, in addition to securities industry, finance and taxation law expertise. Mr Rabinowicz is now responsible for the day-to-day management of all areas of Timbercorp's business, including the duties as Chief Financial Officer.



John M Vaughan
FCPA

Executive Director
Age 63

Appointed a director at Timbercorp's incorporation in February 1992.

Mr Vaughan assumed an executive role in July 2000, overseeing Timbercorp's project operations, management systems and human resources functions. He has extensive experience in project development, treasury and corporate management. Previous roles included senior management positions with several Australian and international listed natural resource companies including Mt. Newman Mining Company Pty Limited, Paringa Mining Plc and Nacap Australia Pty Limited, where he served as managing director.



Rodney M Fitzroy
AAPI FREI

Non-Executive Director
Age 58

Appointed a director of Timbercorp on 14 October 2005. Mr Fitzroy is an acknowledged commercial real

estate professional who recently retired from Fitzroys, the prominent Melbourne real estate consultancy he founded in 1973. He continues to act as a consultant to his former firm. Mr Fitzroy has a unique blend of expertise in commercial and agribusiness property, having been involved in the development of a large scale almond orchard development prior to becoming a foundation director of Timbercorp's almond subsidiary company, Almonds Australia Pty Ltd.

Mr Fitzroy is also the current chairman of the Victorian Racing Club and vice chairman of Epworth Medical Foundation Board of Trustees. He was formerly chairman of Radio Sport 927 Australia and also served on and chaired the Advisory Panel for Reviewing the Governance Structure of Thoroughbred Racing in Australia.

3.3

TIMBERCORP'S BUSINESS

The Timbercorp business underpins the functional components of the project cycle – from establishment, financing, marketing and management of projects through to harvesting, processing and end sales.

Below is a summary of the key elements of Timbercorp's business.

SOURCE

DEVELOP PROJECTS

Timbercorp's approach to developing projects is focused on enhancing the value of assets under management and maximising Grower returns.

Timbercorp begins by sourcing large-scale agribusiness projects in export oriented industries where it can achieve significant economies of scale. The Projects generally offer end market contracts and management by leading operators with a track record of strong performance.

Since 1992, Timbercorp has developed eucalypt, almond, olive, citrus, table grape and mango projects.

FUND

PROJECT FINANCE

The funding of assets used in Timbercorp's Projects is Timbercorp's largest capital investment. Having identified suitable agribusiness projects, Timbercorp has typically purchased or developed these assets using a combination of retained profits and long-term funding from banks, institutions and through retail fixed interest products.

A key initiative to relieve the traditionally high annual capital expenditure required on horticultural and viticultural assets was the investment by Timbercorp in the Timbercorp Orchard Trust and the Timbercorp Agribusiness Trust - rural trusts established in September 2003 and in early 2005 respectively, to acquire large-scale agribusiness developments. Timbercorp builds and manages these assets under long-term leasehold arrangements, thereby reducing net capital expenditure and more closely aligning profit with cash flows. Timbercorp has also leased substantial areas of cleared pasture land for its eucalypt plantation projects.

In addition, Timbercorp provides finance to Growers to fund their initial costs. Using securitisation and other funding options, Timbercorp receives most of the face value of these loans upfront with the balance received on a deferred basis.

MANAGEMENT

GROW EARNINGS

The Timbercorp business generates diversified income streams, comprising:

- (a) new business (sales) income;
- (b) annuity style income; and
- (c) industrial income consisting of harvesting and processing proceeds.

A key driver of earnings growth and cash flow has been Timbercorp's annuity style income, which accumulates with additional new sales each year. This is recurring, annual income from medium to long-term contractual arrangements with Growers. It includes management fees, rent and licence fees for the term of each Project being approximately 10 years for forestry and 20 years for horticulture. Annuity style revenue also includes finance income and a share in horticultural crop proceeds.

3.4

TIMBERCORP OPERATIONS AND ACTIVITIES

The Timbercorp Projects offer the opportunity for investors to participate in long-term agricultural projects, and represent a specialist alternative to traditional asset classes. Investors invest funds through annual offerings. The investors become Growers by acquiring leasehold or licence interests in the land or orchard on which the Project is managed, and contract management of the Project to the Timbercorp Group. The Timbercorp Group leverages its expertise to cultivate, harvest, process and market the end product to maximise Project returns.

PLANTATION FORESTRY



Timbercorp is considered one of Australia's leading sustainable eucalypt plantation investment managers. Timbercorp plantations have been established annually since 1992 and as at June 2005 over 80,000 hectares across 515 separate tree farms in Western Australia, South Australia and

western Victoria have been planted. The plantation forestry division has become a fully integrated industrial operation, with the woodchips from the early Projects sold under contract to Marubeni Corporation and shipped to Japanese pulp and paper manufacturers. The first shipment of woodchips from Albany in Western Australia departed for Japan on 12 July 2005. The woodchips were sold on behalf of Growers in the 1993 Timbercorp Eucalypts Projects.

Timbercorp aims to achieve best practice across every stage of the Project cycle and in October 2004 Timbercorp Forestry's management practices were granted accreditation by the internationally recognised Forest Stewardship Council (FSC) across its entire forestry operation. Timbercorp has also developed an advanced harvesting and in-field chipping system, now being operated in Western Australia and this technology has enhanced returns to Growers in the Timbercorp Eucalypts Projects.

It is expected that demand for plantation hardwood chip will exceed supply for the foreseeable future, particularly in the Asia-Pacific region where there is an imminent shortage of wood fibre due to rising paper consumption and continued restrictions on logging of native forests.

ALMONDS



Timbercorp has established over 5,100 hectares of almond orchards located in northwest Victoria. Timbercorp formed a strategic alliance at the Project's commencement with Australia's leading integrated producer, processor and marketer of almonds, Select Harvests Limited.

It is responsible for orchard maintenance, crop harvesting, processing and marketing and is also contracted to assist in the establishment of the orchards.

There is growing demand worldwide for almonds, driven by an increased awareness of health benefits and emerging markets in China and India. At the same time, international supply is expected to flatten over the short to medium term due to the decreasing productivity of ageing orchards in California, which currently contributes over 80% of world production. The Australian almond industry represents approximately 2% of global supply and is among the most efficient in the world. Domestic production has increased by more than 30% in the past five years as new plantings reach maturity and through improvements in nutrition and water management.

Australia's favourable growing conditions have resulted in a competitive advantage in both yield and quality. In niche markets such as India, Australia has enjoyed premium prices for its high quality almonds and ability to meet demand in value-added products such as blanched almonds. Counter-seasonal advantages and proximity to Asian markets further strengthen Australia's position.

OLIVES



The Timbercorp Group owns and manages a 2,777 hectare olive grove near Boort, in northern Victoria. The grove consists of almost 1 million olive trees of 14 different varieties, and is one of the world's largest on a single site.

The third commercial harvest of the Boort grove was completed in June 2005, marking the continuation of a long-term income stream for Timbercorp's early olive Growers. Timbercorp's on-site processing facility is used to process the fruit into premium grade extra virgin olive oil.

A joint venture with the Italian Braha Group provided Timbercorp an initial strategic relationship and the expertise to process, blend and market olive oil on a large scale to international markets.

In the past two years, Timbercorp has entered into an agreement with ASX listed Piquant Blue Limited in which it has an 11% interest under which Timbercorp supplies agreed volumes of high grade extra virgin olive oil produced from the Boort estate for domestic sale. Piquant Blue Limited made its first shipments of its top selling "Red Island" brand of premium Australian extra virgin olive oil to Coles in April 2005, and has already achieved sales of more than \$1.45 million in the last financial year.

In October 2004 Timbercorp sub-contracted the management of its olive grove and processing facility to one of Australia's leading olive management and processing companies, Boundary Bend Limited (BBL), formerly Boundary Bend Management (Boort) of the Boundary Bend group. BBL assumed the staff previously employed by Olivecorp Management during 2005 and have restructured and redefined various roles to make the olive grove operations more efficient.

Strategically, the Timbercorp Group has focussed on bulk olive oil markets both domestic and export, particularly the US who took approximately 43% of olive oil produced in 2005.

It has also established a value-add business under which it co-packs and delivers finished branded goods for customers. It is expected that these initiatives will underpin Timbercorp's continued drive to market high-grade Australian extra virgin olive oil in both domestic and international markets.

In 2005, Timbercorp received outstanding results for their 2005 harvest of oils. Timbercorp's olive oils were awarded thirteen medals at the Sydney Fine Food Festival and the Perth Royal Show including the 3 best in class awards and various gold, silver and bronze medals.

CITRUS



Timbercorp manages 650 hectares of established citrus orchards and 431 hectares of established wine grape vineyards on the Kangara estate, and 309 hectares of established citrus orchards at the Solora estate, both situated near Renmark, in South Australia. An additional 294 hectares of land (of

which 150 hectares is suitable for citrus development) and associated project infrastructure is also part of the Kangara leasehold.

Timbercorp has a strategic alliance with Chiquita, one of Australia's leading integrated producers, packers and marketers of citrus. As part of this alliance, Chiquita manages the orchards and sub-contracts the fruit packing and marketing functions to its subsidiary Yandilla Park, a substantial packer and marketer (through Vitor Marketing) of citrus in domestic and export markets.

The Kangara and Solora estates are leading suppliers of fresh citrus fruit to the south-east Asian and USA markets, and include new easy peel varieties in demand by consumers. Timbercorp's plan is to have under management up to approximately 2,000 hectares, making Timbercorp a substantial grower in an industry where the majority of growers cultivate citrus on less than 10 hectares.

The citrus industry is Australia's second largest horticultural industry after wine, and the largest horticultural export in both volume and value. Australia produces an estimated 700,000 tonnes of citrus per annum, with a gross value of \$430 million per annum.

MANGOES



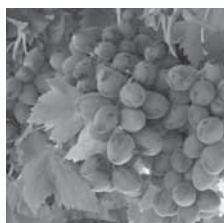
Timbercorp owns and manages approximately 362 hectares of established mango orchards on 3 separate orchards located in the Northern Territory (Katherine & Mataranka) and Northern Queensland (Dimbulah). This is part of an 1080-hectare proposed development plan over the next three years.

Timbercorp has entered into a strategic alliance with Ooloo Farm Management Pty Limited and Harvest Markets Pty Limited (both part of the OneHarvest group). Under the alliance, the OneHarvest group manages the established and new mango developments (including the exciting new Calypso variety), and markets the crops into the domestic and export markets.

The OneHarvest group of companies has extensive experience in orchard management and the marketing, supply and distribution of fresh produce in Australia. The OneHarvest group is a market leader in packaged fresh-cut salads and in speciality products such as Bethonga pineapples, Personal Melons™ and Heart Seedless watermelons. Its ability to manage the value chain from the mango orchards to the consumer markets is considered a major benefit.

Mangoes are a highly sought after tropical fruit, with increasing demand in the Australian, European and Asian markets. In the past decade, annual production in Australia has grown from around 2 million to 7 million trays with a value of \$100 million.

TABLE GRAPES



Timbercorp manages approximately 1,017 acres of established table grape vines in Euston, New South Wales. The vineyards are held under leasehold and are part of an 800-hectare (2,000-acre) proposed development plan over the next five years.

Timbercorp has entered into an alliance with The Grape House under which it manages the existing and new table grape developments, and markets the crops into the domestic and export markets.

The Grape House is Australia's third largest producer of export table grapes, and is one of Australia's leading integrated producers, packers and marketers of table grapes. The Grape House consistently produces high quality and high yields of table grapes and is regarded as one of the most efficient producers of table grapes by world standards.

The Australian table grape industry, which accounts for less than 1% of world production, is experiencing increasing demand in traditional markets, such as Hong Kong, China and South East Asia, and also growth in emerging markets such as Europe. A rise in exports over the past 12 years combined with the emergence of significant large scale, modern vineyards has seen production grow by more than 40% and the industry transformed into one of the more dynamic and progressive horticultural industries.

Australia is generally recognised for producing superior quality table grapes and has a counter-seasonal supply pattern to Northern hemisphere growers that ensures consumers in the major world markets have year-round supply. This complements rather than competes with the overseas supply patterns.

Australia is in a strong position to increase exports to Asia and Europe. The potential growth is supported by significant improvements made in packaging and coolstore technology. This is combined with new premium seedless varieties (favoured by Asia), including those planted by Timbercorp, and the emergence of new markets, such as Taiwan and China.

WINE GRAPES



The Australian wine industry has recorded strong growth in wine export value over the past decade. The Kangara property is currently one of the largest single wine grape suppliers to BRL Hardy Limited (now Hardy Wine Company Limited), which is one of Australia's largest wine producers. The supply

arrangement includes a 15-year rolling wine grape off-take agreement.

AVOCADOS



Timbercorp will expand its range of agribusiness investment products in 2006 to include avocados. The Timbercorp Group has acquired an interest in around 500 hectares of existing avocado farms in Queensland and will develop in excess of 100 hectares to bring the total Queensland farm estate

to more than 600 hectares. Timbercorp recently announced the proposed development of a further 300 hectares of land on which avocado orchards will be developed in south-west Western Australia. This geographic diversification expands the production base for Timbercorp's first avocado project and will enable a year-round supply of avocados to the Australian market.

Specialist horticulture managers Simpson Farms and Primary Growth will be responsible for managing the Queensland orchards and Western Australian orchards (respectively). Simpson Farms and existing strategic partner, Chiquita, will co-market the avocados from both states to a range of customers, including the major retail chains in Australia.

3.5

FINANCIAL INFORMATION

As a listed public company, Timbercorp Limited is required to lodge periodic accounts and other relevant information with the ASX and ASIC. Extracts of the audited statement of financial position of the Timbercorp Group as at 31 March 2005, 30 September 2004 and a pro forma statement of financial position showing the effect of the issue of the Bonds are set out in section 5.

4 INVESTMENT RISKS

RISK FACTORS

The risk factors associated with an investment in the Bonds issued by Timbercorp under this prospectus fall into 3 broad categories. Those applicable to any listed company, those specific to an investment in Bonds and those specific to Timbercorp because of the nature of its business.

The principal activities of Timbercorp are best described as:

- (i) the promotion and management of annual agribusiness investment projects that currently include hardwood plantations, olive groves, almond, citrus, mango and avocado orchards, and table grape vineyards; and
- (ii) the provision of finance to Growers.

The Directors consider that the summary below, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware. Wherever possible Timbercorp implements steps to minimise these risks or the adverse impact of risk related events.

The Directors recommend that potential investors examine the contents of this prospectus and consult their professional advisors before deciding whether or not to subscribe for Bonds under this prospectus.

(a) Risks Specific to a Listed Company

There are general risks associated with an investment in securities issued by any company which has securities listed on the ASX. The quoted price of the Bonds may rise or fall in response to a number of factors. These include the economic conditions in Australia and elsewhere, political stability, and the performance of the stock markets generally. There is also a risk that the market for the Bonds on the ASX may not be liquid.

(b) Risks Specific to Bonds

The Bonds are an interest rate linked security. The interest rate payable on the Bonds is fixed for the duration of the Bonds and the market value of the Bonds may fluctuate with movements in interest rates generally. Any rise in interest rates may result in the Bonds becoming less attractive when compared to the rates of return available on comparable securities. This may in turn affect the value and tradability of the Bonds. Any movement in interest rates will not, however, affect the interest payable under the Bonds.

The Bonds are not rated by any ratings agency.

The Bonds carry no guarantee of the price at which they will trade on the ASX.

Anything that affects Timbercorp's ability to redeem the Bonds or its ability to pay interest on the Bonds constitutes a risk to investors. In this respect, it should be noted that the Trustee may require Timbercorp to redeem the Bonds and immediately pay to the Bond Holders all Moneys Owing under the Bonds under limited circumstances, such as the occurrence of Events of Default.

When Bonds are issued to You under the prospectus, You will be a secured creditor of Timbercorp. However subject to the terms of the Trust Deed, including the obligation to maintain the Loan to Valuation Ratio, Timbercorp may change the mix of eligible assets that comprise the Security Pool. This may arise for example where Timbercorp submits a proposal to the Trustee to release to Timbercorp cash held in the Cash Security Account in exchange for Timbercorp procuring Guarantees of its obligations under the Trust Deed in favour of the Trustee from one or more Guarantors. Each such Guarantee must be secured by first ranking registered Mortgage or Mortgages over specified Land and/or Improvements or other eligible assets of the Guarantor. You should note that the liability of each Guarantor will be limited to the Guarantor's Land and/or Improvements or other eligible assets which form part of the Security Pool as at the time an Event of Default occurs under the Trust Deed. Anything that affects the Guarantors' ability to meet their respective obligations under the Guarantee and Mortgages also constitutes a risk to investors.

Whilst the Fixed Charge, Guarantee and Mortgages have been drafted comprehensively to give the effect described in this prospectus, as with any securities there exists a risk that they may be challenged.

(c) Risks Specific to Timbercorp

Business and Regulatory Risks

Timbercorp's business may be affected by any adverse changes in:

- (i) taxation laws governing the right of Growers (whether current or future) to claim a tax deduction for the costs of participating in Timbercorp's agribusiness Projects. These include, plantation establishment costs and land rental in the case of the hardwood plantations, and management, licence or rental fees in the case of Timbercorp's horticultural projects, and insurance and finance costs; and
- (ii) other Government regulations, including the Corporations Act, that affect the ability of the Timbercorp Group to offer interests in Projects, and to efficiently establish and manage these Projects and sell their produce.

The Directors continually monitor these important areas and they are not aware of, nor do they expect, any changes that will have an adverse effect on Timbercorp's business. All Projects carry Australian Taxation Office Product Rulings, which provide Growers with tax certainty so long as the Projects are carried out in accordance with the information provided to the Australian Taxation Office and described in the ruling.

Financial Risks

The financial success of any Project will depend on many factors, including produce yields and prices achieved from the sale of the produce. The following factors may affect the price of wood, olive oil, almonds, citrus, mangoes, avocados and table grapes and, therefore, the continuing viability of Timbercorp's Projects and its revenues:

- (i) any adverse movement in foreign currency exchange rates;
- (ii) while current trends suggest otherwise, a fall in the level of demand for wood or paper products, premium extra virgin olive oil, almond, citrus, mangoes, avocados and table grapes;
- (iii) a rise in competition and increased supply of these products, both in Australia and overseas; and
- (iv) the imposition of new levies, imposts or other taxes.

Whilst an increasing proportion of Timbercorp's revenue is now derived from long-term, recurring annuity styled streams generated from past Projects, its cash flows are still exposed to variability in new Project sales from year to year. Should sales fall significantly below expectations, Timbercorp's financial performance will be adversely affected.

A further risk is the ability of Timbercorp to raise cash against the security of non-current capital assets as well as the ability to securitise loans provided to Growers.

Project Specific Risks

Horticultural and hardwood plantations, in common with any other agricultural venture, are subject to seasonal and climatic risks. These include, drought, pestilence, vermin, disease, fire, flood, wind and frost as well as poor management practices and contractual default by external service providers.

Timbercorp minimises these risks where possible by engaging leading industry contractors, adopting industry best practices and protocols, arranging appropriate insurance cover, and in the case of its horticultural and viticultural operations, acquiring sufficient permanent water licences to irrigate the estates and installing the most advanced irrigation infrastructure.

The ability of Timbercorp to continue establishing Projects depends on the availability of suitable quality land, which it continually monitors, and its ability to deliver water through established and proposed infrastructure upgrades to which State governments and other authorities are committed. The ability of Timbercorp to provide quality services may be affected by Growers' failure to pay annual maintenance, management, licence and rental fees when due.

Unforeseen Circumstances

Major unforeseen circumstances, such as major litigation may occur in respect of the Timbercorp Group and its assets, and which may affect the ability of Timbercorp to meet its obligations to Bond Holders and the Trustee.

Insurance

Insurance in relation to the assets of Timbercorp or the Guarantors may not cover all events or all claims made. Further, appropriate cover for terrorism or other uninsurable risks may not be available, or the cover that is available may not be adequate or commercially viable.

Loss of Key Personnel

Timbercorp has assembled a key management team who have a particular expertise in its areas of operation and who play an important part in Timbercorp's direction and prospects. None of Timbercorp's executive directors are employed under service contracts.

Identification of New Opportunities

The ability of Timbercorp to acquire Land and develop agricultural assets is dependent upon the continuing growth of its business, the availability of suitable Land for development, capital and operational requirements and general economic conditions. There is no assurance that Timbercorp will be able to identify such opportunities and implement its acquisition and development program on a continuing basis.

5 FINANCIAL INFORMATION

The financial information disclosed in this prospectus in relation to the Timbercorp Group has been prepared in accordance with generally accepted accounting principles in Australia. For reporting periods beginning on or after 1 January 2005 Timbercorp must comply with International Financial Reporting Standards ("IFRS"). In the annual financial report for the year ended 30 September 2006, Timbercorp will report under the IFRS.

Investors should note that the recognition, measurement and presentation of assets, liabilities, income and expenditure in the financial statements may change over the term of the Bonds. However, under the terms of the Trust Deed, any changes to the calculations of the Gearing Ratio and the Loan to Valuation Ratio which may be caused solely by the adoption of international accounting standards in Australia will not be taken into account, unless our auditors otherwise determine.

5.1

HISTORICAL AND PRO FORMA STATEMENT OF FINANCIAL POSITION

(a) Historical Financial Information

The historical financial information set out in this section comprises the audited consolidated statements of financial position of Timbercorp Limited as at 31 March 2005 and 30 September 2004. The historical financial information has been prepared in accordance with the accounting policies set out in notes 1.0 – 1.1 to the consolidated statement of financial position.

(b) Pro Forma Financial Information

The pro forma consolidated financial information in this section is used to illustrate the effect the Bond issue would have had on the statement of financial position, assuming the Issue is completed as at 31 March 2005.

The pro forma information assumes the Issue of 500,000 Bonds with a face value of \$100 each, and offer related costs of \$1,995,000.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Proforma (unaudited) 31 Mar '05 \$'000	Effect of 2005 Timbercorp Bond offer (unaudited) \$'000	Audited 31 Mar '05 \$'000	Audited 30 Sept '04 \$'000
Current Assets					
Cash	1.2	101,232	48,005	53,227	114,670
Receivables		20,733		20,733	32,232
Inventories		16,587		16,587	10,492
Financial assets		24,767		24,767	11,808
Current tax assets		4,666		4,666	1,089
Other		5,460		5,460	5,743
Total Current Assets		173,445	48,005	125,440	176,034
Non-Current Assets					
Financial assets		201,896		201,896	171,984
Investments accounted for using the equity method		12,833		12,833	7,040
Property, plant and equipment		334,788		334,788	254,249
Self-generating and regenerating assets (SGARAs)		70,385		70,385	57,768
Intangibles		742		742	815
Deferred tax assets		4,956		4,956	5,530
Other	1.3	7,769	1,995	5,774	4,051
Total Non-Current Assets		633,369	1,995	631,374	501,437
Total Assets		806,814	50,000	756,814	677,471
Current Liabilities					
Payables		40,002		40,002	41,591
Interest-bearing liabilities		23,861		23,861	28,669
Current tax liabilities		0			
Provisions		647		647	900
Receipts in advance		36,389		36,389	28,456
Total Current Liabilities		100,899		100,899	99,616
Non-Current Liabilities					
Interest-bearing liabilities	1.4	265,797	50,000	215,797	146,308
Deferred tax liabilities		21,473		21,473	19,228
Provisions		346		346	355
Receipts in advance		44,322		44,322	46,761
Total Non-Current Liabilities		331,938	50,000	281,938	212,652
Total Liabilities		432,837	50,000	382,837	312,268
Net Assets		373,977	0	373,977	365,203
Equity					
Contributed equity		187,788		187,788	184,920
Asset revaluation reserve		25,666		25,666	19,072
Retained profits		136,715		136,715	141,405
Parent entity interest		350,169		350,169	345,397
Outside equity interest		23,808		23,808	19,806
Total Equity		373,977	0	373,977	365,203

1.0

BASIS OF PREPARATION OF FINANCIAL INFORMATION

The audited financial information as at 31 March 2005 and unaudited pro forma financial information (financial information) has been prepared in accordance with the Corporations Act 2001 and AASB 1029 'Interim Financial Reporting'. The financial information does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 2004 annual financial report.

1.1

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial information are consistent with those adopted and disclosed in the 2004 annual financial report except as discussed below.

Investments in Associates

Investments in associates are accounted for under the equity method in the consolidated financial statements.

New investments in associated entities during the period comprise a 45% investment in the Timbercorp Agribusiness Trust and its responsible entity, Orchard Investments Management Limited.

Financial Instrument – Multi-Asset Bonds

Under current Australian Accounting Standards the proceeds from the issue of the Bonds will be classified as debt and the interest payments treated as an expense. In the annual financial report for the year ending 30 September 2006, Timbercorp will report under IFRS. It is unlikely that these new standards will change the classification of the Bonds for accounting purposes, however the Bonds will be measured net of cost of issue.

1.2

CASH

	Pro Forma Mar '05 \$'000
Cash as at 31 March 2005	53,227
Proceeds from Bond issue	50,000
Costs of issue	(1,995)
Cash shown in pro forma financial information	101,232

1.3

OTHER NON-CURRENT ASSETS

	Pro Forma Mar '05 \$'000
Other Non-current assets as at 31 March 2005	5,774
Cost of issue (non-current)	1,995
Other Non-current assets shown in pro forma financial information	7,769

1.4

NON CURRENT INTEREST – BEARING LIABILITIES

	Pro Forma Mar '05 \$'000
Non-Current interest bearing liabilities as at 31 March 2005	215,797
Bonds issues pursuant to this prospectus	50,000
Costs of issue	
Non-Current interest bearing liabilities shown in pro forma financial information	265,797

1.5

SUBSEQUENT EVENTS

- (a) On 29 June 2005, Timbercorp announced its forecast profit for the year to 30 September 2005, and new Project revenues to 30 June 2005.
- (b) On 8 September 2005 Timbercorp announced that it will expand its range of agribusiness investment products in 2006. Under a strategic alliance with Australia's largest avocado producer and marketer, Simpson Farms, and existing strategic partner, Chiquita. Timbercorp plans to offer the first avocado project to investors in the 2006 financial year and expects to generate more than \$80 million in project revenues during the next five years.
- (c) On 9 September 2005, Timbercorp announced the completion of its acquisition of the remaining outside equity interest in its jointly owned almond vehicle, Almonds Australia Pty Ltd. This has brought Timbercorp's interest in its almond business to 100%. The total cost of acquisition was \$18 million payable by the issue of 3 million ordinary shares in Timbercorp, at an issue price of \$2.1876 and the balance of \$11.44 million was paid in cash. It is expected to be earning accretive from 2006.
- (d) In September 2005 Timbercorp Limited sold its 1,004 hectare Liparoo almond orchard established in 2001 and its Solara citrus orchard, comprising 309 hectares of established orchard plus vacant land. Timbercorp holds \$8.3 million (45%) of the equity units in the Timbercorp Agribusiness Trust which is the sole unitholder in sub-trusts which purchased these assets. It has entered into long-term leases of the assets for in excess of 16 years and will also manage them on behalf the Timbercorp Agribusiness Trust.
- (e) Following the sale of the Liparoo orchard, Timbercorp upgraded its profit forecast for the year ended 30 September 2005 from \$60 million to \$66 million.
- (f) On 11 October 2005 Timbercorp announced the acquisition of a further 300 hectares of land on which avocado orchards will be developed in south-west Western Australia. Specialist horticulture manager Primary Growth will be responsible for developing and managing the Western Australian orchards. Simpson Farms and existing strategic partner, Chiquita will co-market the avocados from both Queensland and Western Australia to a range of customers, including the major retail chains in Australia.

1.6

RECOGNITION OF INTEREST EXPENSE

The payment of interest will be treated as an expense under the current Australian Accounting Standards. The adoption of IFRS is not anticipated to impact the accounting or the taxation treatment of the interest, either to a Bond Holder or Timbercorp.

6 SUMMARY OF MATERIAL CONTRACTS AND SIGNIFICANT DOCUMENTS

Set out below is a summary of the material and significant documents that Timbercorp or the Guarantors have entered, or will enter into, and are material to this Issue. Terms or expressions used in this section that are capitalised and are not defined elsewhere in this prospectus have the same meaning as in the relevant document, unless the context implies the contrary. The actual terms of the relevant document will prevail over this summary if there is any inconsistency.

6.1

TRUST DEED

Permanent Trustee Company Limited is the trustee for the Bond Holders under the Trust Deed. It governs the issue of the Bonds, sets out the rights and obligations of various parties and the terms and conditions of this Issue. The figures in square brackets are references to clause numbers in the Trust Deed. The Guarantors will become a party to, and be bound by the terms of the Trust Deed upon entering into the Deed of Guarantee and Assumption ('Guarantee'). You should note that the liability of each Guarantor will be limited to the Guarantor's Land and/or Improvements or other eligible assets which form part of the Security Pool as at the time an Event of Default occurs under the Trust Deed.

1. The Trustee

Under the Trust Deed, the Trustee is the trustee for you, the Bond Holder, of the rights of action under the Bonds and the Transaction Documents.

The Trustee will hold the following on trust for the benefit of the Bond Holders:

- (a) the right to enforce Timbercorp's obligations to repay Bonds under the Trust Deed and the Conditions;
- (b) each Transaction Document that creates a Security Interest over the Security Pool or part of it granted under the terms of the Trust Deed; or
- (c) the right to enforce any other duties of Timbercorp or any Guarantor under the Trust Deed, a Guarantee, a Bond, the Conditions or the Corporations Act [2].

1.1 Trustee's Discretion, Powers and Duties

Subject to certain obligations regarding the application of moneys received by the Trustee [11], the Trustee has absolute discretion as to the exercise of the powers and discretions vested in it under the Trust Deed. In the absence of wilful default, fraud, negligence or breach of trust, the Trustee does not have any responsibility for any loss, costs, damages, expenses or inconvenience that may arise from the exercise or non-exercise of such powers, authorities and discretions [10.1].

The Trustee is obliged to carry out various duties, such as exercising reasonable diligence to ascertain whether the property of Timbercorp and the Guarantors will be sufficient to meet the repayment obligations to the Bond Holders, and doing everything in its power to ensure that Timbercorp or the Guarantors remedy any breach known to the Trustee unless the Trustee is satisfied that the breach will not materially prejudice your interest as a Bond Holder or any security for the Bonds [10.2].

Except in the case of, and to the extent of fraud, negligence, breach of trust or wilful default on the part of the Trustee, the Trustee is not liable to pay or satisfy any obligations of the Trustee under the Trust Deed, except out of the moneys and other property against which it is entitled to be indemnified in respect of any liability incurred by it as trustee. The parties other than the Trustee may enforce their rights against the Trustee arising from the non-performance of the obligations of the Trustee under the Trust Deed only to the extent of the Trustee's right of indemnity out of the assets of Timbercorp and the Guarantors and out of all moneys and other property received by it as trustee under the Trust Deed [10.1(h) and (i)].

The Trustee has no liability or obligation to a Bond Holder or Timbercorp:

- (a) for any failure or delay by Timbercorp or any other party in performing its respective obligations under any Transaction Documents;
- (b) for acting or refraining from acting in accordance with the instructions of the Bond Holders or in connection with any Transaction Document;
- (c) for any absence of, or defect in the title of Timbercorp to any assets of Timbercorp; or
- (d) for the financial condition or solvency of Timbercorp.

Except in the case of negligence, wilful default, breach of trust or fraud, Timbercorp unconditionally and irrevocably indemnifies the Trustee from and against all claims made against, or incurred by, the Trustee in its capacity as trustee or in connection with a Transaction Document, including any claim made or incurred as a result of any action taken or omitted to be taken by the Trustee to protect or enforce the rights of the Bond Holders or the Trustee [10.1(n) and (o)].

1.2 Trustee May Enforce Proceedings

Upon the occurrence of an Event of Default, the Trustee may institute such proceedings as it thinks fit to enforce repayment of that Bonds and recover any other Moneys Owning under the Trust Deed. Only the Trustee may enforce the provisions of the Trust Deed and the other Transaction Documents (including, without limitation, applying for liquidation, lodging a proof or claim or seeking damages) except that a Bond Holder may proceed directly against Timbercorp to enforce the performance of any of the provisions of the Trust Deed or any of the other Transaction

Documents, if the Trustee has failed to do so after being directed to do so by resolution passed at a meeting of Bond Holders and at least 21 days have elapsed since that direction was given to the Trustee [13.2].

2. Bond Issue

2.1 Issues

The Bonds are issued with a face value of \$100 each. They are direct, unconditional, secured debt obligations of Timbercorp created on and subject to the terms of the Trust Deed [3.2, 3.5].

2.2 Borrowing Limit

Timbercorp's ability to incur liabilities is limited while there are any Bonds issued and outstanding. It must not permit the Gearing Ratio and the Loan to Valuation Ratio to exceed 66²/₃% whilst there are any Bonds on issue [8.1(a) and (b)]. Timbercorp may issue further Bonds under the Deed on such terms and conditions as the Directors may from time to time determine, subject to the Gearing Ratio being maintained at all times [3.3].

2.3 Cash Security Account

Timbercorp must establish and maintain the Cash Security Account in the name of the Trustee. The Trustee will also be the sole signatory of the account. Timbercorp must deposit the following amounts into the Cash Security Account:

- (a) amount raised by it under this prospectus;
- (b) all Receivables; and
- (c) any proceeds received in respect of any assets forming part of the Security Pool to the extent that the funds are necessary to maintain the Loan to Valuation Ratio [4].

Subject to the Trustee's power in an Event of Default, Timbercorp may by notice in writing direct the Trustee to invest the money in the Cash Security Account in an Authorised Investment and the Trustee is bound to act in accordance with that direction. Any income and sale proceeds from the Authorised Investment must be paid into the Cash Security Account and any benefits or credits credited to the Cash Security Account. The Trustee is under no obligation at any time to investigate whether or not each of the Authorised Investments is capable of being converted into immediately available funds within 30 days of request by Timbercorp [4.2].

A Fixed Charge has been granted over the Cash Security Account to the Trustee. Timbercorp retains the right to collect the Receivables until the occurrence of an Event of Default in which case the Trustee may step in to collect them. Timbercorp must not create an encumbrance over the Cash Security Account and the Receivables unless the encumbrance arises by operation of law, or ranks in priority below the Fixed Charge, or has been fully disclosed to and approved by the Trustee [5.6].

2.4 Security Pool

- (a) Subject to the Loan to Valuation Ratio being maintained at all times, Timbercorp may, in its absolute discretion decide the composition of the Security Pool at any time and the proportion each Eligible Assets in the Security Pool bears to the total value of the Security Pool provided that the Receivables may not comprise more than 10% of the total value of the Security Pool. Eligible Assets include cash, Land, Improvements, Water Licences, Receivables and any other assets determined by Timbercorp to be eligible assets and notified to the Trustee from time to time [34A.2]
- (b) Land and/or Improvements may be added to the Security Pool by Timbercorp providing to the Trustee a Mortgage over the Land and/or Improvements and a Guarantee from a Guarantor and full details of the Market Value of the Land and/or Improvements. Cash can be added by Timbercorp paying it into the Cash Security Account [35.3(a) and 35.3(c)].
- (c) Receivables may be added to the Security Pool by Timbercorp providing to the Trustee the relevant Loan Agreement, documents to effect the assignment of the Receivables, confirmation that the relevant Receivables are capable of assignment and that the necessary consents will be obtained, and other documents reasonably required by the Trustee and the Valuer to determine the Market Value of the Receivables. The Trustee is under no obligation to enquire as to whether or not the Receivables are collectable [35.3(d)].
- (d) Other assets may be added to the Security Pool by Timbercorp providing to the Trustee sufficient details of the assets, any valuation performed or proposed to be performed, and any instrument in a form approved by the Trustee which is necessary to enable the relevant assets to be included in the Security Pool [35.3(e)].

2.5 Valuation of the Eligible Assets in the Security Pool

- (a) Timbercorp may obtain an independent valuation of the Security Pool or part of it prior to the issue of Bonds or at any other time for any purpose and that valuation will be deemed to be the Market Value of the relevant Eligible Assets. It is, however, under no obligation to value an Eligible Asset that is released or proposed to be released from the Security Pool or procure the valuation of Land and Improvements or any item of them within 12 months of the Maturity Date [34A.4, 34A.5, 35.1(d)].
- (b) The Market Value of the Land and Improvements forming part of the Security Pool will be redetermined at the expiration of 3 years after the issue and allotment of Bonds under this prospectus and annually thereafter until the repayment of all Bonds issued under this prospectus by a Valuer, with the exception of:
 - those pieces of Land or Improvements that have been valued in the previous 24 months and notified

- to the Trustee;
- those pieces of Land or Improvements on which horticultural activities are carried on and that have been included in the Security Pool in the previous 24 months and notified to the Trustee;
 - those pieces of Land on which forestry activities are or may be carried on and which have been included in the Security Pool in the previous 36 months and notified to the Trustee [35.1(d)].
- (c) For the purposes of the Loan to Valuation Ratio Covenant, the Market Value of any new Land and Improvements forming part of the Security Pool for a Subsequent Series Issue will be determined in accordance with paragraph 35.1(d) of the Trust Deed [35.1(e)].
- (d) If any insurance claim or other compensation claim is made in respect of the Improvements or any Land, for an amount exceeding 20% of the Market Value of the relevant Land, the Market Value of that Land and Improvements will be redetermined by a Valuer within 3 months of the replacement or reinstatement of the relevant Improvements [35.3(g)].
- (e) Subject to paragraphs (a) and (b) above, if the Land and/or Improvements have been acquired by the relevant Guarantor on arm's length terms and conditions during the 2 year period prior to their inclusion in the Security Pool, the Land and/or Improvements will be valued at Cost. If the Land and/or Improvements have been acquired by the relevant Guarantor on arm's length terms and conditions more than 2 years prior to the date of their inclusion in the Security Pool, the value of the Land and/or Improvements will be determined by the Valuer [35.1(b)].
- (f) Subject to paragraphs (a) and (b) above, any Improvements on the Land (whether completed in whole or in part) including any Water Licences on the Land, which are developed on or incorporated after the date the relevant Land is included in the Security Pool, will be valued at Cost [35.1(c)].
- (g) Subject to paragraphs (a) and (b) above, Receivables are to be redetermined every second Interest Payment Date by a Valuer until the repayment of all Bonds [35.1(f)].
- (h) Cash is to be valued at its face value [35.1(b)(iv)].
- (i) Subject to paragraphs (a) and (b) above, other assets are to be valued by the Valuer on such basis as the Valuer determines is fair and reasonable in all the circumstances [35.1(b)(v)].

2.6 Release of Eligible Assets from the Security Pool

The Trust Deed provides for circumstances under which any part of the Eligible Assets may be released from the Security Pool. The Trustee must execute a release or discharge in favour of Timbercorp and the Guarantor of the relevant Eligible Assets provided that the Loan to Valuation Ratio Covenant is not breached and Timbercorp and the Guarantor comply with certain procedures, such as submitting a detailed proposal setting out the Market Value of the Eligible Assets which will remain in the Security Pool and confirming that the Loan to Valuation Ratio Covenant will not be breached [35.2].

3. Enforcement

3.1 Charge

The Bonds constitute debt obligations of Timbercorp to the Trustee as trustee for the Bond Holders. The Bonds are direct, unconditional, secured debt obligations of Timbercorp.

The security does not cover the Crops derived from the Projects as they remain the property of:

- (a) the Timbercorp Group;
- (b) Growers in the Projects;
- (c) the responsible entities and managers of the Projects and their nominees;
- (d) any lessee or licensee of the persons described in (a)-(c) above;
- (e) any other person who derives title to the Crops through any of the persons described above.

The Trustee acknowledges and agrees that all rights and interests of:

- (i) Timbercorp Securities;
- (ii) Timbercorp;
- (iii) the responsible entities and managers of the Projects and their nominees; and
- (iv) the growers in the Projects,

to use, and have access to, the Land and Improvements under the terms of any Occupancy Agreements or other agreements entered into, or rights granted, for the purpose of the Project Agreements and in furtherance of the purpose of the Projects, whether those rights exist at the date of the Trust Deed or any Transaction Document or arise subsequently, have priority over the rights of the Trustee and consents to the rights of the persons described above having such priority [34].

3.2 Events of Default

The "Events of Default" are set out in clause 13.1 of the Trust Deed, and they are briefly summarised as follows:

- (a) if Timbercorp does not repay or otherwise redeem any Bonds within 14 days after the day upon which such repayment or redemption becomes due;
- (b) if Timbercorp does not pay any interest or other moneys (except principal moneys) which become due and payable under the Trust Deed, in the case of interest, within 14 days after it becomes due for payment and in the case of any such other moneys, within 14 days after demand upon it;
- (c) if Timbercorp allows the Gearing Ratio or the Loan to Valuation Ratio to exceed $66\frac{2}{3}\%$ and that breach has not been remedied within 30 days of receiving written notice of the breach from the Trustee requiring it to remedy the breach;
- (d) if Timbercorp or any Guarantor is unable to pay its debts generally;
- (e) if any of the Transaction Documents are terminated other than as a consequence of Eligible Assets being released from the Security Pool, or it becomes unlawful for Timbercorp or the Guarantor to perform their material obligations under those documents;
- (f) if a receiver, administrator or controller is appointed to any substantial part of the assets of Timbercorp or any Guarantor;
- (g) if Timbercorp or any Guarantor makes an application to a court, or passes a resolution or order is made for the winding up, dissolution or administration.
- (h) if the Bonds cease to be listed for quotation on the ASX.

Upon the happening of any one or more of the Events of Default, the Trustee may institute proceedings against Timbercorp to enforce the performance of the provisions of the Trust Deed [5, 11, 13].

4. Covenants

4.1 Acknowledgement of Indebtedness

Timbercorp acknowledges its indebtedness to the Trustee in respect of the principal moneys represented by the Bonds and the interest payable on them. Timbercorp must pay to the Trustee the principal moneys represented by the Outstanding Bonds on the Maturity Date. Until the whole of the Outstanding Bonds have been redeemed Timbercorp will pay to the Trustee interest on the principal moneys represented by the Outstanding Bonds in accordance with the Trust Deed and the Conditions, provided always that, until an Event of Default has occurred, payment of such principal moneys and interest must, unless the Trustee otherwise directs, be made to the Bond Holders (net of any withholding or other Taxes required to be deducted) [7.1, 7.2]

4.2 Timbercorp's Covenants

Timbercorp has covenanted with the Trustee that it will:

- (a) not permit the Gearing Ratio and Loan to Valuation Ratio to exceed $66\frac{2}{3}\%$ whilst there are any Bonds on issue;
- (b) carry on and conduct its business in a proper and efficient manner;
- (c) provide to the Trustee audited financial statements, directors' report and auditor's report for the Timbercorp Group as at the end of each financial year;
- (d) make available for inspection by the Trustee, or any registered company auditor appointed by the Trustee, its financial and other records;
- (e) if so requisitioned by Bond Holders holding not less than 10% in amount of the issued Bonds, convene a meeting of Bond Holders for the purpose of considering its financial statements as tabled at the last annual general meeting of its shareholders or to give to the Trustee directions in relation to the exercise of its powers;
- (f) duly comply with all applicable requirements of the Corporations Act and with all statutory requirements with respect to the filing of reports and statements and the keeping open of registers for inspection and all other like matters;
- (g) use its best endeavours to ensure that all authorisations required for the validity and enforceability of its obligations under the Trust Deed and the effectiveness of the Transaction Documents are obtained;
- (h) keep the Trustee informed of all matters which are likely to materially adversely affect the Land or Improvements, or their values;
- (i) comply with and observe each and every covenant, obligation, provision and condition of the Trust Deed and the conditions of issue of all Bonds [8.1].

4.3 Guarantor's Covenants

Each Guarantor, when it executes the Guarantee and become bound by the Trust Deed, will covenant with the Trustee that it will:

- (a) carry on and conduct its business in a proper and efficient manner;
- (b) make available for inspection by the Trustee or any registered company auditor appointed by the Trustee of the financial statements or other records of the Guarantor;
- (c) cause insurance to be taken out in the names of the Trustee and itself and to insure their respective insurable interest in the Land and Improvements, and keep the

Land and Improvements in good repair and comply with all laws applicable to it;

- (d) keep the Trustee informed of all matters which are likely to materially adversely affect the Land or Improvements, or their values;
- (e) not encumber any Eligible Assets it owns which forms part of the Security Pool as security for payment of any borrowings unless such encumbrance ranks in priority below the Transaction Documents and is subject to terms and conditions reasonably necessary to protect the interests of Bond Holders while any Bonds are outstanding and not redeemed [8.3]

5. Bond Holders

The second Schedule to the Trust Deed contains rules governing any meeting of Bond Holders.

6. Variation of the Trust Deed

Timbercorp, each Guarantor and the Trustee may jointly modify, alter, amend or add to the Trust Deed, without the consent of the Bond Holders, in the following circumstances:

- (a) to correct manifest errors or make formal technical or administrative amendments;
- (b) to obtain quotation of the Bonds on any stock exchange;
- (c) to ensure that the Trust Deed complies with the provisions of any statute, ordinances, laws or directions of statutory authorities or is considered to be not prejudicial to the interests of Bond Holders;
- (d) to enable Timbercorp to claim any deduction or rebate for tax purposes in respect of the interest payable on any Bonds, provided that it would not prejudice the rights of Bond Holders; or
- (e) to enable the provisions of the Trust Deed or other Transaction Documents to be more conveniently, advantageously or economically administered provided that it is considered not to be prejudicial to the interests of Bond Holders;
- (f) to enable Timbercorp to facilitate the issue, or further issue of Bonds under the Trust Deed;
- (g) to facilitate the changes to the composition or valuation of, the Security Pool, provided that such amendment

would not materially prejudice the rights of the Bond Holders [20.1(a)].

In order to modify, alter, amend or add to paragraphs 8.1 (a) and 8.1(b) of the Trust Deed, which relate to the Gearing Ratio and Loan to Valuation Ratio, such amendment must be authorised by a resolution passed by a majority of Bond Holders that hold not less than three-fifths of the Outstanding Bonds, and in relation to the amendment of any other provisions of the Deed, those amendments (other than those amendments that fall within paragraphs (a) to (g) above) must be authorised by an Ordinary Resolution [20.1(b)].

7. International Financial Reporting Standards

Any change to the calculations in Gearing Ratio and Loan to Valuation Ratio and/or the valuations under clause 35.1 which may be caused solely by the adoption of the International Financial Reporting Standards in Australia is not to be taken into account unless the Auditors otherwise determine in writing to the Trustee.

8. Definitions used in the Trust Deed

- Cash Security Account:** the account to be established in accordance with clause 4 of the Trust Deed;
- Cost:** for the purposes of clause 35.1, means at any time the purchase price of the Land (as disclosed in the relevant contract of sale), all costs, fees and duties associated with the acquisition of the Land and all capital expenditure incurred in the development of the Land up to that time;
- External Debt:** at any time the aggregate amount, as disclosed by the statement of financial position which is at the relevant date the Last Consolidated Statement of Financial Position, of all liabilities of the Timbercorp Group, excluding:
- (a) all intercompany balances between Timbercorp and its controlled entities or any of them which have not been excluded as a result of consolidating the balance sheets of Timbercorp and its controlled entities;
 - (b) all Non-Recourse Liabilities;
 - (c) all liabilities which are non-interest bearing;
 - (d) the amount of all hybrid securities and instruments convertible to ordinary capital, including the converting preference shares issued in 2001 and the reset preference shares issued in 2004;
 - (e) all Subordinated Shareholder Loans.
- Gearing Ratio:** at any time, the ratio calculated in accordance with the following formula:
- $$A = B / [B + C]$$
- where:
- A = the Gearing Ratio;
 - B = External Debt (expressed as a positive);
 - C = Total Equity.
- Improvements:** all capital works, trees, irrigation works, buildings, plants (agricultural or industrial) and other improvements established or to be established on Land and Water Licences attributed to the Land;
- Last Consolidated Statement of Financial Position:**
- (a) until the first occasion on which a consolidated statement of financial position of the Timbercorp Group is delivered to the Trustee under paragraphs 8.1(e) or 8.1(f), the consolidated statement of financial position of the Timbercorp Group as at 31 March 2005;
 - (b) on that first occasion and any time after that first occasion, the consolidated balance sheet of the Timbercorp Group then most recently delivered by Timbercorp to the Trustee under paragraphs 8.1(e) or 8.1(f);
- Loan to Valuation Ratio:** means the ratio of:
- (a) Moneys Owng less the balance of cash held in the Cash Security Account from time to time
- divided by
- (b) the aggregate Market Value of the Security Pool, less the balance of cash held in the Cash Security Account from time to time;
- Market Value:** the value of Eligible Assets as determined in accordance with clause 35.1;
- Moneys Owng:** the principal moneys and interest from time to time payable in respect of Outstanding Bonds;

Non-Recourse Liabilities:	<ul style="list-style-type: none"> (a) all liabilities of the Timbercorp Group where the creditor has no recourse to Timbercorp for payment, and in circumstances where the creditor has some recourse to Timbercorp for payment of a liability, that part of the liability for which the creditor has no recourse to Timbercorp for payment will also constitute a non-recourse liability for the purposes of this definition; (b) all liabilities of Plantation Land Limited; however, to the extent that Timbercorp must meet any shortfall in the proceeds from the sale of the land portfolio in accordance with Conditions 6.5(g) and (h) of the Unsecured Note Trust Deed dated 10 February 2000, such liability of Timbercorp is not to be treated as a non-recourse liability; and (c) all liabilities of Timbercorp arising under, or in connection with the loans by the Timbercorp Group to participants in the Projects that have been, or may be, securitised;
Outstanding Bonds:	<p>all Bonds on issue at a particular date, other than:</p> <ul style="list-style-type: none"> (a) those that have been redeemed in accordance with the Trust Deed; and (b) those in respect of which the date for redemption in accordance with the Trust Deed has occurred and for which the redemption moneys have been duly paid to the Trustee and remain available for payment to Bond Holders holding such Bonds;
Related Corporation:	a "related body corporate" as that expression is defined in the Corporations Act and includes a body corporate which is at any time after the date of this Deed a "related body corporate" but ceases to be a "related body corporate" because of an amendment, consolidation or replacement of the Corporations Act;
Subordinated Shareholder Loans:	the aggregate of all moneys advanced to Timbercorp and its Related Corporations by persons who at the time of their advance are shareholders in Timbercorp or any of its Related Corporations the repayment of which is postponed until all of the interest bearing liabilities of Timbercorp and its Related Corporations (other than liabilities in respect of other debts which are Subordinated Shareholder Loans or in respect of debts to which a condition similar in substance to this definition applies) are paid or satisfied in full and in respect of which the relevant creditor is not entitled to prove in liquidation in the event of any one or more of Timbercorp and its Related Corporations going into liquidation until those interest bearing liabilities of Timbercorp and its Related Corporations (other than liabilities in respect of other debts which are Subordinated Shareholder Loans or in respect of debts to which a condition similar in substance to this definition applies) have been paid in full;
Total Equity:	<p>at any time for the purposes of the Trust Deed, the amount of "Total Equity" as disclosed by the statement of financial position which is at the relevant date the Last Consolidated Statement of Financial Position, and the aggregate of:</p> <ul style="list-style-type: none"> (a) the amount of all hybrid securities and instruments convertible or converting to ordinary capital; and (b) Subordinated Shareholder Loans;
Transaction Documents:	<ul style="list-style-type: none"> (a) the Trust Deed, any deed subsequently amending or replacing this Deed, any other document or documents which are used in or assist in the carrying out of any act or obligation under the Trust Deed; (b) any Mortgage; (c) the Fixed Charge; and (d) any other documents agreed by Timbercorp, the Trustee and the Guarantors to be Transaction Documents;
Trustee Company:	a body corporate which would be entitled to act as a trustee for the holders of Bonds (as defined in section 9 of the Corporations Act) under section 283AC(1) of the Corporations Act;

Valuer:

a person:

- (a) who, in relation to the valuation Land and/or Improvements, has at least five year's experience in assessment of rural properties in such area where the Land and Improvements are situated and who is a member of Australian Property Institute Incorporated or its successor;
- (b) who, in relation to the valuation of Receivables, is a Certified Practising Accountant or member of the Institute of Chartered Accountants in Australia and who, in relation to the valuation of other assets, has, in the opinion of the Trustee, the requisite experience and qualifications in assessing such other assets;
- (c) who has no pecuniary interest that could unreasonably be regarded as being capable of affecting his or her ability to give an unbiased opinion;

Water Licences:

the permanent licences owned by Timbercorp or a Guarantor;

6.2 Guarantee by the Guarantors

The Guarantee by a Guarantor is annexed as a schedule to the Trust Deed. Terms used in the Guarantee have the same meaning as those defined in the Trust Deed. The relevant Guarantor will execute the Guarantee when its Eligible Assets are included in the Security Pool, and at which time, it will also be bound by the terms of the Trust Deed. You should note that the liability of each Guarantor will be limited to the Guarantor's Land and/or Improvements or other eligible assets which form part of the Security Pool as at the time an Event of Default occurs under the Trust Deed.

Guarantee

The Guarantor unconditionally and irrevocably guarantees to the Trustee the due and punctual payment by Timbercorp of the principal moneys, interests and all Moneys Owing which become due and payable from time to time. The liability of the Guarantor will be limited to the Guarantor's Land and/or Improvements or other eligible assets which form part of the Security Pool as at the time an Event of Default occurs under the Trust Deed.

Rights

The Guarantor waives any right it has of first requiring the Trustee to commence proceedings before claiming under the Guarantee.

Continuing Security

The Guarantee is a continuing security and is not discharged by any one payment. The Guarantor's liabilities under the Guarantee are not affected by:

- indulgence granted to, or compromise with Timbercorp, by the Trustee;
- assignment of a right of the Trustee;
- any variation of the Trust Deed, the Conditions or the terms of issue of the Bonds; or
- the invalidity or unenforceability of an obligation or liability of a person other than the Guarantor.

Reinstatement of Security

If a claim that a payment or transfer to the Trustee or at its direction by Timbercorp in connection with the Trust Deed or the Conditions is void or voidable is upheld, the Trustee is entitled immediately as against the Guarantor to the rights to which it would have been entitled under the Guarantee if the payment or transfer had not occurred.

Limitation of Liability

The liability of each Guarantor is limited to the Guarantor's Eligible Assets which form part of the Security Pool as at the time an Event of Default occurs under the Deed (Guarantor's Eligible Assets).

The recourse of the Trustee and the Bond Holders to the Guarantor are limited to their rights (direct or by subrogation) under the Mortgages given by the Guarantor over the Guarantor's Eligible Assets, and to recover from any person the proceeds of:

- the sale of any of the Guarantor's Eligible Assets or any other dealing with any of them by the Guarantor;
- any insurance policy relating to any of the Guarantor's Eligible Assets; and
- any compulsory sale or acquisition of any of the Guarantor's Eligible Assets.

6.3 Mortgages Granted by the Mortgagors to the Trustee

The Guarantee by the Guarantors ("Mortgagors") will be secured by registered first mortgages over the Guarantors' Land and Improvements in favour of the Trustee ("Mortgagee"). As at the date of this prospectus, no mortgage has been given to the Trustee as security. The mortgages, when entered into by the Guarantors, will be substantially in the form summarised in this section, or in such other form as Timbercorp, the Guarantor and the Trustee agree.

What the Mortgages Secure?

The Mortgages will be granted to the Mortgagee as security for due and punctual payment of all moneys (whether present or future, actual or contingent, ascertained or unascertained, as principal or surety) owing by the Mortgagor to the Mortgagee under the Transaction Documents ("Secured Money") and the performance of all of the Mortgagor's obligations under this Mortgage.

The Mortgages over the Land will not extend to Crops as they remain the property of the Timbercorp Group, the growers in the Projects, the responsible entities and managers of the Projects and any other person who derives title to the Crops through any of the persons described in this paragraph.

Dealing with the Land

The Mortgagee will acknowledge and agree that the rights of the persons described in the preceding paragraph to use, and have access to, the Land under the terms of any Occupancy Agreement or other agreements entered into, or rights granted, for the purpose of the Project Agreements, have priority over the rights of the Mortgagee and the Mortgagee consents to the rights of those persons rights having such priority whether those rights exist at the date of the Mortgages, the Trust Deed or the Fixed Charge or arise subsequently.

The Mortgagor may encumber the Land as security for the payment of any borrowings, and the Mortgagee consents to such encumbrance provided that such encumbrance ranks in priority below the Mortgage and the encumbrance is subject to such terms and conditions that the Mortgagee considers

reasonably necessary or desirable to protect the interests of the Bond Holders and the Mortgagee under the Mortgage and the Trust Deed.

The Mortgagor may subdivide the Land or create easements over or for the benefit of the Land or otherwise deal with the Land in the ordinary course of business, with the Mortgagee's consent, which must not be unreasonably withheld.

The Mortgagor may, in its absolute discretion, lease, assign or licence the Water Licences to the persons referred to in paragraph 3.1 of the Summary of the Trust Deed, and any third party, subject to the lease, assignment or licence to such third party being for a term of not greater than 12 months and for market value.

The Mortgagor will also covenant to do the following things in relation to the Water Licences:

- comply with all obligations regarding the Water Licences;
- immediately notify the Mortgagee of any breaches of the terms and conditions of the Water Licences;
- do everything needed to renew the Water Licences; and
- if the mortgage becomes unenforceable, do everything to have any of the Water Licences transferred to the Mortgagee.

Payment and Other Obligations

The Mortgagor will pay all Secured Money to the Mortgagee in accordance with the terms of the Transaction Documents. Other obligations of the Mortgagor include (but not limited to) the following:

- insuring the improvements on the Land on a replacement and reinstatement basis. The Mortgagor must also maintain public risk insurance in the sum of \$10 million;
- keeping the Land in good condition and ensuring that any Building Work on the Land is completed properly;
- ensuring that any Building Work carried out on the Land is done to a reasonable standard and in a timely and workmanlike manner and in a way that complies with all appropriate legislation and the requirements of government agencies;
- complying with all laws and the requirements of councils and other government bodies in relation to the Land, and notifying the Mortgagee as soon as it becomes aware of any notice or order from any authority in relation to the use or condition of the Land;
- paying all rates, taxes and other amounts payable in relation to the Land by the due dates for payments;
- notifying the Mortgagee in writing if it becomes aware that the Land is or may be compulsorily acquired or resumed by any government, and keeping the Mortgagee

fully informed of all steps taken in relation to such resumption or acquisition;

- allowing the Mortgagee and the Mortgagee's officers to enter the Land on reasonable notice for the purpose of inspecting it;
- keeping the Mortgagee informed of all matters which are likely to significantly affect the Land, or its value, or the Mortgagors' ability to carry out the Mortgagors' obligations under the Mortgages;
- taking all such other steps as may be reasonably required to ensure that the Mortgagee has proper and enforceable mortgages over the Land.

What amounts to Default?

The Mortgagors will be in default if:

- (a) there is an Event of Default;
- (b) if the Mortgagors do not pay any part of the Secured Money when it is due for payment;
- (c) the Mortgagors breach any other provisions of the Mortgages;
- (d) incorrect or misleading information is given to the Mortgagee in connection with the Mortgages;
- (e) the Mortgagee reasonably believes that the Mortgagors acted fraudulently in connection with the Mortgages; or
- (f) the Mortgagors become Insolvent.

What happens in the Event of a Default?

Subject to the giving of prior notice, and the opportunity to remedy any breaches if they are capable of being remedied, and the rights of Growers and other members of the Timbercorp Group to use the Land, the Mortgagee may exercise its rights under the Mortgages and any applicable law to do any of the acts below. The Mortgagee may:

- (i) enter the Land and take physical possession of all or any part of it;
- (ii) sell all or any part of the Land;
- (iii) order the removal of all items on the Land not subject to the Mortgages;
- (iv) demand the payment of Secured Money from the Mortgagor;
- (v) rectify that breach at the Mortgagor's costs;
- (vi) take any action in relation to the Land that the Mortgagor could take if the Land were not mortgaged;
- (vii) do anything it believes is necessary or desirable for any of the above purposes.

In relation to the Water Licences, the Mortgagee may:

- sell the Water Licences either by public auction or tender or by private treaty;
- retain the Water Licences at its pleasure without being liable for any loss occasioned thereby; and
- exercise, as it may in its discretion think fit all rights conferred by or in respect of the Water Licences.

Discharge of Mortgages

The Mortgages will be discharged when the Mortgagor has fulfilled all of the obligations under the Transaction Documents and when the Mortgagee is satisfied that all Secured Money has been paid in full.

6.4 Mortgage of Water Licences

Where it is necessary and desirable for Timbercorp to include Water Licences not attributable to the Land, in the Security Pool, the holder of the relevant Water Licences (Timbercorp or a Guarantor) will execute a Mortgage of Water Licences in favour of the Trustee to secure Timbercorp's obligations under the Trust Deed. The rights of the Trustee under this Mortgage will be subject to the rights of the persons described in paragraph 3.1 of the Summary of the Trust Deed. The Mortgage will contain representations by the holder of the Water Licences that such Water Licences are valid and subsisting and are free of encumbrances and that the holder has performed its obligations under the Water Licences including the payment of all amount currently due and payable in respect of the Water Licences.

The relevant mortgagor must also do the following:

- comply with all obligations regarding the Water Licences;
- immediately notify the Mortgagee of any breaches of the terms and conditions of the Water Licences;
- do everything needed to renew the Water Licences; and
- if this Mortgage becomes unenforceable, do everything to have any of the Water Licences transferred to the Mortgagee.

6.5 Underwriting Agreement

ABN AMRO Morgans Corporate Limited ("Underwriter") has agreed to underwrite the Issue to the extent of \$25 million, under an Underwriting Agreement between Timbercorp and the Underwriter dated on or about the date of this prospectus.

Payments by Timbercorp to the Underwriter

Timbercorp must pay to the Underwriter 4.25% of the total amount raised in respect of the Underwritten Bonds comprising a management fee of 1.0% and an underwriting fee of 3.25%. It is also entitled to receive a selling fee

of 2.0% and a management fee of 1.0% of the total amount raised in respect of the Offer over and above the Underwritten Amount. Timbercorp must pay or reimburse the Underwriter its reasonable costs and expenses incurred by the Underwriter relating to the Offer, including legal fees, stationery, printing, postage, travel, accommodation expenses and other out of pocket expenses.

Shortfall

If:

- (a) Timbercorp has complied with all of its obligations in respect of the offer whether arising under the Underwriting Agreement or the Corporations Act, the ASX Listing Rules or other applicable legal provisions;
- (b) none of the events referred to below which entitle the Underwriter to terminate its obligations has occurred;
- (c) the following conditions are satisfied:
 - (i) Timbercorp providing the Underwriter with the Due Diligence Report in a form approved by the Due Diligence Committee;
 - (ii) Timbercorp becoming capable of accepting applications in respect of the Offer in accordance with the Corporations Act by the Opening Date;
 - (iii) Timbercorp providing a legal opinion to the Underwriter in relation to this prospectus, the Offer and the Due Diligence Investigations in a form attached to the agreement;
 - (iv) Timbercorp lodging this prospectus with ASIC in a form which the Underwriter has consented to be named; and
 - (v) ASX indicating that it will grant permission for the official quotation of the Bonds on or before 5 pm on the Quotation Approval Date.
- (d) Timbercorp providing a Closing Certificate and Shortfall Notice specifying the number of Underwritten Bonds for which Timbercorp does not hold Valid Applications, to the Underwriter on the day which is 4 Business Days after the Closing Date;

the Underwriter must, on the day which is 10 Business Days after the receipt of Shortfall Notice and Closing Certificate, lodge or cause to be lodged with Timbercorp applications for all of the Shortfall Bonds, together with application moneys for them. Upon the lodgment of the Valid Applications for all of the Shortfall Bonds, the Underwriter's liability under the agreement will be discharged.

Termination of the Underwriting Agreement

The Underwriter may, subject to its right to waive its rights in relation to the event or events referred to below, terminate its obligations under the Underwriting Agreement by notice to

Timbercorp at any time before Completion if the Underwriter becomes aware of the happening of any or more of the following events:

1. **Quotation Approval:** ASX approval is refused or not granted for the official quotation of all of the Offer Bonds on ASX on or before the Quotation Approval Date, or if granted, such approval is subsequently withdrawn, qualified or withheld before the issue of any Offer Bonds.
2. **Market Fall:** The S&P/ASX 200 Index of ASX is, at the close of trading for any 3 consecutive Business Days, at a level which is 10% or more below the level of close of trading on the ASX on the Business Day before the date of the Underwriting Agreement.
3. **Market Conditions:** Any material adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the reasonable opinion of the Underwriter reached in good faith, impractical to market the Offer or to enforce contracts to issue and allot the Offer Bonds or is reasonably likely to materially adversely affect the success of the Offer.
4. **Adverse Change:** Any material adverse change in the assets, liabilities, financial position or performance or prospects of the Timbercorp Group.
5. **Disclosures in Prospectus:** A statement contained in this prospectus that is misleading or deceptive, or a matter required by the Corporations Act is omitted from the prospectus.
6. **Disclosure in Due Diligence Report:** Any information supplied by Timbercorp as part of the due diligence process is misleading or deceptive.
7. **Repayment:** Any circumstance arises after lodgment of this prospectus that results in Timbercorp either repaying the money received from applicants or offering applicants an opportunity to withdraw their applications for Offer Bonds and be repaid their application money.
8. **Material Contracts:** Termination or a material amendment of any material contract of the Timbercorp Group occurs or arises.
9. **Hostilities:** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or political or civil unrest involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Israel, Japan or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.

10. **Change of Law:** A new law or policy is announced, introduced or adopted which does or is likely to have a material adverse effect on the success of the Offer.
11. **Non-Compliance with regulatory requirements:** A material contravention by Timbercorp or any entity in the Timbercorp Group of any other applicable law or regulation.
12. **Alteration of Constitution:** Prior to the Allotment Date, a change to the constitution of Timbercorp or its capital structure without the prior written consent of the Underwriter, which must not be unreasonably withheld.
13. **Change in Management:** A change in the board of directors of Timbercorp occurs.
14. **Intervention by ASIC:** The ASIC:
 - (a) issues an order under section 739 of the Corporations Act;
 - (b) applies for an order under Part 9.5 of the Corporations Act in relation to this prospectus;
 - (c) commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 in relation to this prospectus;
15. **Representations and Warranties:** Any representation or warranty contained in the Underwriting Agreement on Timbercorp's part is untrue or incorrect.
16. **Breach:** A breach by Timbercorp of its obligations under the Underwriting Agreement or the Trust Deed.
17. **Timetable:** An event specified in the Timetable is delayed for more than 3 Business Days other than as the direct result of actions taken by the Underwriter (unless those actions were requested by Timbercorp) or the actions of Timbercorp (where those actions were taken with the Underwriter's prior consent).
18. **Adverse Market Movements:** The S&P/ASX 200 Index of ASX is, at the close of trading for any of the last three Business Days before the Closing Date, at a level which is 10% or more below the level of close of trading on the ASX on the date of the Underwriting Agreement.

Reasonableness

If an event described in items 5, 6, 8 to 18 above occurs, the Underwriter may not terminate the agreement unless, acting reasonably, it believes that the event has or is likely to have a materially adverse effect on the outcome of the Offer or could give rise to the liability of the Underwriter under any law or regulation.

Timbercorp may give notice of termination to the Underwriter at any time before Completion if the Underwriter materially breaches any of the terms and conditions of the Underwriting Agreement where 2 Business Days notice of the breach has been given to the Underwriter and the Underwriter fails to rectify or remedy the breach within 5 Business Days.

Indemnity

Timbercorp unconditionally and irrevocably undertakes to indemnify the Underwriter, its officers, employees and related bodies corporate ("Indemnified Parties") against all losses incurred directly as a result of, or in connection with:

- (1) this prospectus or the Offer;
- (2) any of the representations and warranties by Timbercorp in the Underwriting Agreement not being true and correct;
- (3) any advertising or publicity of the Offer issued with the consent of Timbercorp, including any roadshow presentation or announcement;
- (4) the allotment of Bonds to investors;
- (5) any breach of or failure to perform the obligations under the Underwriting Agreement or any other Transaction Document;
- (6) the occurrence of any events described under the heading "Termination of the Underwriting Agreement";
- (7) Any statement made or issued by an Indemnified Party to the extent the statement is made or issued in good faith and in reliance on the prospectus or any material or information provided by or on behalf of Timbercorp.

The indemnity does not extend to and is not to be taken to be an indemnity against any losses of an Indemnified Party to the extent that the Losses:

- (a) result from any fraud, wilful misconduct, gross negligence or breach of contract of that Indemnified Party;
- (b) arise out of any material breach of the Agreement by the Underwriter;
- (c) are consequential in nature;
- (d) arise out of any criminal penalty or fine which the Indemnified Party is required to pay for any contravention by it of the Act; or
- (e) arise out of advertising or promotion material distributed by or on behalf of an Indemnified Party in relation to this prospectus or the Offer without the consent of Timbercorp or any advertising or promotion material prepared by the Indemnified Party.

7 TAXATION INFORMATION

Interest Payments

Interest paid to a Bond Holder will be assessable income according to ordinary concepts under the Income Tax Assessment Act 1997. Interest is generally assessable at the time the interest is paid to the Bond Holder. However, where a Bond Holder carries on business in which it generally recognises interest income on an accrual basis, the Bond Holder will normally be required to bring the interest to account on a daily accrual basis, to the extent that the Bonds are held as part of that business.

In the case of a non-Australian resident investor, a withholding tax may be levied on the interest received by the investor. The withholding tax will be a final tax unless interest received is attributable to a business being conducted by the investor at or from a permanent establishment in Australia.

Redemption or Disposal of the Bonds

The Bonds are "traditional securities" as defined under section 26BB(1) of the Income Tax Assessment Act 1936 (ITAA), unless an investor holds the Bonds as trading stock of a business, in which case it will receive different taxation treatment under the ITAA.

Upon the redemption, or disposal through the sale of a Bond to a third party, any gain on the redemption or sale will be assessable income. The gain is the difference between the consideration received on the sale or redemption and the face value of the Bond, or the cost of acquisition if the Bond is not acquired on the initial issue. Any costs associated with the sale will be an allowable deduction.

Correspondingly, where the Bond is sold or redeemed for less than its face value, or cost of acquisition, as the case requires, an allowable deduction from assessable income should be available for the Bond Holder in the income year in which the disposal or redemption occurs.

A capital loss will not arise for a Bond Holder on a redemption or disposal of a Bond to the extent that an allowable deduction is available.

It should be noted that in determining the amount of any gain or loss, the Commissioner of Taxation has a discretion to substitute an arm's length consideration where the Commissioner is satisfied that the parties were not dealing with each other at arm's length.

Seek your Own Professional Advice

The information contained in this section is necessarily general in nature, and investors should not base their investment decision solely on the information provided. Each investor's taxation position will depend on their individual circumstances. Investors should therefore, seek and rely on their own tax advice from professional advisors.

It should be noted that taxation laws can change at any time and such change may have adverse taxation consequences on the investors concerned.

8 ADDITIONAL INFORMATION

8.1

EXPENSES OF THE BOND ISSUE

Timbercorp will meet the costs of preparing and printing this prospectus.

The approximate total cost of the Issue is \$1,995,000.

8.2

BENEFITS AND INTERESTS OF DIRECTORS

Other than as set out in this prospectus, no Director or proposed Director holds, at the time of lodgement of this prospectus with ASIC, or has held in the two years before lodgement of this prospectus with ASIC, an interest in:

- the formation or promotion of Timbercorp;
- the offer; or
- any property acquired or proposed to be acquired by Timbercorp in connection with its formation or promotion of the offer.

Other than as set out in this prospectus, at the time of lodgement of this prospectus with ASIC or in the two years before lodgement of this prospectus with ASIC, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director:

- to induce that person to become, or qualify as, a Director; or
- for services provided by that person in connection with the formation or promotion of Timbercorp or the offer.

Remuneration

Remuneration is paid to all Directors of Timbercorp in connection with the management of the affairs of Timbercorp. Incentive payments are included and are designed to ensure the goals of Timbercorp are met and provide a common interest between management and shareholders. The total remuneration of Non-Executive Directors is fixed by ordinary resolution at a general meeting of shareholders. At present the maximum total payable is \$400,000 per annum. The individual remuneration of Non-Executive Directors is determined by the Board. Any change to the total amount payable needs to be approved by shareholders. The constitution of Timbercorp also makes provision for Timbercorp to pay all reasonable expenses of Directors in carrying out their duties.

For the financial year ended 30 September 2005, the fees payable to Non-Executive Directors totalled \$230,000.

Holdings

Set out below is the beneficial interest of each of the Directors in securities in Timbercorp:

Director	Ordinary Shares	Options over Ordinary Shares	Convertible Preference Shares	Fully Paid interest bearing Debentures
Kevin A Hayes	500,000	-	-	1,931
Robert J Hance*	52,166,719	527,400	-	-
Gary W Liddell**	673,740	-	-	-
William E Bessemer***	-	-	14,355	-
Sol C Rabinowicz	628,169	527,400	-	-
John M Vaughan	405,866	527,400	-	-
Rodney M Fitzroy****	4,062,701	-	-	-
	54,374,494	1,582,200	14,355	1,931

* 50,000,000 shares are held by Timwa Pty Limited, in which Robert J Hance has a beneficial interest.

** Gary W Liddell is a partner of a Chartered Accounting firm, Liddell Weight & Co, which derived fees of \$6,270 from Timbercorp during the year ended 30 September 2005 and \$16,777 during the year ended 30 September 2004.

*** During the year ended 30 September 2004, Austock Securities Limited and Austock Corporate Finance Limited became entitled to receive \$2,947,983 for professional services to the Timbercorp Group, including \$2,633,000 underwriting and management fees associated with the Reset Preference Share issue which was paid in October 2004. Austock Group Limited of which W E Bessemer is the chairman, wholly owns Austock Corporate Finance Limited and is a substantial shareholder in Austock Securities Limited.

**** On 8 October 2005 Cranley Nominees Pty Ltd (in which, Rodney M Fitzroy has a beneficial interest and is also a director) entered into a 5 year consultancy agreement with Timbercorp under which the company is entitled to receive a consultancy fee of \$400,000 per annum payable by equal quarterly instalments in arrears.

8.3

CONSENTS AND LIABILITY STATEMENTS

Consents

The following persons have given, and have not before the date of this prospectus withdrawn, their written consent to be named in this prospectus in the form and context in which they are named:

- Deloitte Touche Tohmatsu as auditor and to the inclusion of extracts from Timbercorp's audited accounts in section 5 in the form and context in which they appear;
- ABN AMRO Morgans Corporate Limited, as underwriter to the Issue;
- NM Taylor Lawyers as lawyers to the offer and to Timbercorp;
- Computershare Investor Services Pty Limited as the Registrar; and
- Permanent Trustee Company Limited as Trustee.

Liability Statements

Deloitte Touche Tohmatsu has had no involvement in the preparation of any part of this prospectus. Deloitte Touche Tohmatsu expressly disclaims and takes no responsibility for this prospectus.

ABN AMRO Morgans Corporate Limited has been involved in the preparation only of those sections in this prospectus in which it is named. ABN AMRO Morgans Corporate Limited expressly disclaims and takes no responsibility for any other part of this prospectus.

Computershare Investor Services Pty Limited does not make any statement in this prospectus, nor is any statement in this prospectus based on any statements made by that company. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the prospectus other than being named as the Registrar to Timbercorp. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the prospectus.

Permanent Trustee Company Limited has not authorised or caused the issue of this prospectus. The Trustee expressly disclaims and takes no responsibility for this prospectus. The Trustee makes no representations as to the truth or accuracy of the contents of this prospectus other than direct references in it to the Trustee. The Trustee makes no statement in this prospectus and has not authorised or caused the issue of this prospectus.

8.4

INTERESTS

Other than as set out below or elsewhere in this prospectus, no person named in this prospectus as performing any functions nor any firm in which any such person is a partner or employee has, or has had within the two years before lodgement of this prospectus, any interest in the promotion of this offer, in any property acquired or proposed to be acquired by Timbercorp or in the offer of Bonds under this prospectus.

(i) ABN AMRO Morgans Corporate Limited

ABN AMRO Morgans Corporate Limited has agreed to act as underwriter to the Issue. It is entitled to receive the following fees:

- (a) an underwriting commission of 3.25% and a management fee of 1.0% of the amount underwritten; and
- (b) a selling fee of 2.0% and a management fee of 1.0% of the amount raised over and above the underwritten amount.

In addition, it is also entitled to be reimbursed for its reasonable legal costs and other out of pocket expenses relating to the Issue.

(ii) NM Taylor Lawyers

NM Taylor Lawyers have acted and continue to act as Timbercorp's lawyers in connection with this prospectus. They are entitled to receive fees of \$75,900, plus disbursements for those services and further amounts for any future services in accordance with their usual time-based charges.

(iii) Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu are entitled to be paid a fee of \$167,400 (plus disbursements) for the audit of Timbercorp's financial statements for the half year ended 31 March 2005, and have been paid a fee of \$420,020 plus disbursements

for the audit of Timbercorp's financial statements for the financial year ended 30 September 2004. They have also been paid a fee of \$313,500 plus disbursements for the audit of the financial statements of the Timbercorp Group for the financial year ended 30 September 2003.

(iv) Trustee

The Trustee is entitled to receive annual fees of \$25,000 adjusted each year for movements in inflation. The Trustee is also entitled to be reimbursed for costs and expenses reasonably and properly incurred in connection with the performance of its incidental duties from time to time. The remuneration will be paid in priority to any claim made by Bond Holders.

(v) Timwa Pty Ltd

Timwa Pty Ltd (a company in which Timbercorp's Chief Executive Officer Robert Hance has a beneficial interest) has agreed to sub underwrite the issue of Bonds to the extent of \$6 million on the same terms and conditions as other sub underwriters, and for which it will receive a fee of 1.25% of that amount.

8.5

INSPECTION OF DOCUMENTS

During the offer period of this prospectus, copies of the Trust Deed, the Guarantee and the Fixed Charge may be inspected or obtained free of charge during normal business hours at Timbercorp's registered office at Level 8, 461 Bourke Street, Melbourne, Victoria.

8.6

YOUR PERSONAL INFORMATION

Timbercorp Limited is part of the Timbercorp Group, which is comprised of several companies which have specific functions in the establishment, promotion, administration, project management and resourcing of eucalypt, olive, citrus, table grape, almond, mango, avocado and other agribusiness and related investment projects. It also includes a finance company and the entities which have interests in Land utilised for these Projects.

When submitting your Application Form, you will be providing entities within the Timbercorp Group and its agents with your personal information. Your personal information will be treated strictly in accordance with National Privacy Principles in the federal Privacy Act. At any time, upon request, you may gain access to the information the Timbercorp Group holds about you in accordance with the National Privacy Principles.

Timbercorp has requested this information to enable it to issue the Bonds offered under this prospectus in Your name and to keep You updated during the term of Your Bonds by, for example, sending You statements, reports, and correspondence in relation to the Bonds and possibly other activities of the Timbercorp Group. Timbercorp is required by law to maintain a Register of Bond Holders under the Corporations Act and to make the Register available for inspection by any person. Timbercorp may also be required to provide details of Bond Holders to ASIC and other regulatory bodies from time to time.

The Timbercorp Group may disclose Your personal information to:

- financiers or other such organisations in connection with its corporate activities;
- rating agencies; and
- Your financial planner or advisor.

The Timbercorp Group may use Your personal information for:

- marketing Timbercorp Group products and services to You; and
- developing an understanding of the products and services You may be interested in obtaining from the Timbercorp Group.

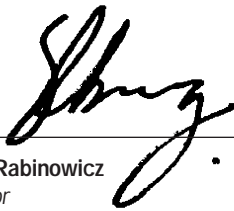
By signing the Application Form, You consent to the Timbercorp Group using and disclosing Your personal information as described above.

You can gain access to any information the Timbercorp Group holds about You by calling (03) 8615 1200.

If you do not provide Timbercorp with the information requested in the Application Form, it will be unable to issue the Bonds to you. If you provide Timbercorp with incomplete or incorrect information, it will be unable to inform You of the continuing circumstances of Your Bonds.

9 BOARD STATEMENT

The Directors who authorised the issue of this prospectus, accept responsibility for information contained in this prospectus. The Directors state that they have made all reasonable enquiries and have reasonable grounds to believe that any statements by the Directors are true and not misleading. This prospectus has been signed under section 351 of the Corporations Act for lodgement with ASIC.



Sol C Rabinowicz
Director

10 GLOSSARY

In this prospectus, unless the context requires otherwise:

"Applicant" means a person who applies for Bonds under this prospectus;

"Application Form" means an application form attached to, or accompanying this prospectus;

"Application Moneys" means subscription moneys for Bonds issued under this prospectus;

"ASIC" means the Australian Securities and Investments Commission;

"ASTC Settlement Rules" means the business rules of ASX Settlement & Transfer Corporation Pty Limited (ABN 49 008 504 532);

"ASX" means Australian Stock Exchange Limited (ABN 98 008 624 691);

"ASX Listing Rules" means the listing rules of the ASX;

"Authorised Investment" is defined in section 2.13 of this prospectus;

"Board" means the board of Directors of Timbercorp;

"Bond Holder" means a person (or in the case of joint Applicants, those persons) who subscribes for Bonds pursuant to an application in this prospectus and who remains the registered holder for the time being of any relevant Bonds; and the expression **"all Bond Holders"** means all persons who have subscribed for Bonds under this prospectus and remain the registered holders for the time being of any relevant Bonds;

"Bonds" means the bonds issued under the Trust Deed and this prospectus;

"Boundary Bend Management (Boort)" means Boundary Bend Management (Boort) Pty Ltd (ABN 55 110 670 285);

"Boundary Bend Limited" means Boundary Bend Limited (ABN 32 115 131 667);

"Business Day" means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day;

"Cash Security Account" means the account to be established by Timbercorp in the name of the Trustee into which funds raised under this prospectus, cash receipts from the payment of Receivables and proceeds from the Authorised Investment (if any), must be deposited;

"CHES" means Clearing House Electronic Sub-register System;

"Chiquita" means Chiquita Brands South Pacific Limited (ABN 41 002 687 961);

"Closing Date" means 19 December 2005 or such earlier date determined by the Directors of Timbercorp;

"Company" means Timbercorp Limited (ABN 87 055 185 067);

"Corporations Act" means the Corporations Act 2001(Cth) and the Corporations Regulations;

"Crops" means the products, rights, benefits and credits derived from any or all of the trees, almond trees, olive trees, citrus trees, mango trees, table grape vines and crops derived from other Projects, on the Land from time to time;

"Directors" means the directors of Timbercorp from time to time;

"Events of Default" means events set out in clause 13.1 of the Trust Deed, and summarised in section 6 of this prospectus;

"Exposure Period" is generally 7 days from the date of lodgement of a prospectus with ASIC. This may be extended to 14 days;

"External Debt" is defined in section 6 of this prospectus;

"Fixed Charge" means the first ranking fixed charge over the Cash Security Account, the Receivables and the Authorised Investments given by Timbercorp under clause 5 of the Trust Deed;

"Gearing Ratio" means the ratio represented by External Debt over the aggregate of External Debt and Total Equity;

"Grower" means a participant in a Project;

"Guarantee" means a limited guarantee to be executed by a Guarantor at the time its specified assets are included in the Security Pool;

"Guarantor" means any person that provides a Guarantee and security from time to time in accordance with the terms of the Trust Deed;

"Hardy Wine Company Limited" means Hardy Wine Company Limited (ABN 86 008 273 907);

"Improvements" means and includes all trees, capital works, irrigation works and other improvements including industrial and agricultural works established or to be established on the Land including Water Licences attributable to the Land but excluding the Crops;

"Issue" means the issue of Bonds under this Trust Deed and this prospectus;

"Land" means freehold or Crown leasehold property;

"Loan Agreement" means a loan agreement between Timbercorp as lender and a borrower, which is secured in favour of Timbercorp by a first ranking security interest over an asset of the borrower with a value equal to or greater than the face value of the loan;

"Loan to Valuation Ratio Covenant" means the covenant by Timbercorp not to permit the Loan to Valuation Ratio to exceed 66²/₃% whilst there are any Bonds on issue;

"Loan to Valuation Ratio" is defined in section 6 of this prospectus;

"Maturity Date" means 1 December 2010;

"Moneys Owning" is defined in section 6 of this prospectus;

"Mortgages" means registered first mortgages to be given by Guarantors in favour of the Trustee over Land and/or Improvements (including in respect of any Water Licences any instrument desirable to register the security interest to be provided to the Trustee over the Water Licences with any relevant authority) in the usual form in accordance with good conveyancing practice;

"offer" means the invitation to subscribe for Bonds under this prospectus;

"Olivecorp Management" means Olivecorp Management Limited (ABN 67 089 542 343);

"OneHarvest" means Harvest Markets Pty Limited (ABN 49 009 921 297) and Ooloo Farm Management Pty Limited (ABN 99 105 079 490) and their associated entities;

"person" includes corporation or public body or authority firm or body of person;

"Piquant Blue Limited" means Piquant Blue Limited (ABN 19 104 555 455);

"Primary Growth" means Primary Growth Pty Limited (ABN 74 109 246 844);

"Projects" means agricultural projects promoted by the Timbercorp Group, interests in which have been, or will be, offered to participants, known as Growers, by way of disclosure documents, and include projects known as Timbercorp Eucalypts Projects, Timbercorp (Single Payment) Timberlot Projects, Timbercorp Almond Projects, Timbercorp Olive Projects, Timbercorp Table Grape Projects, Timbercorp Citrus Projects, Timbercorp Mango Projects, Timbercorp Avocado Project and any other projects undertaken by the Timbercorp Group of an agricultural nature from time to time;

"prospectus" means this document;

"Qualifying Preferential Applicant" means an Applicant who is a shareholder in Timbercorp; a Converting Preference Shareholder in Timbercorp; a Reset Preference Shareholder in Timbercorp; a Grower in any Project; a Finance Bond Holder in Timbercorp; a Debenture Holder in Timbercorp; a Debenture Stockholder in Timbercorp Properties Limited; or a Noteholder in Plantation Land Limited;

"Receivables" means all right, title and interest in, to, and the benefit of all present and future debts and monetary liabilities in respect of the Loan Agreements;

"Register" means register of persons who are registered as Bond Holders and includes an electronic issuer sponsored sub-register and a sub-register established and maintained under CHESS;

"Registrar" or **"Registry"** means Computershare Investor Services Pty Limited (ABN 48 078 279 277);

"Security Pool" means the assets from time to time encumbered in favour of the Trustee to secure Timbercorp's obligations under the Trust Deed;

"Select Harvests Limited" means Select Harvests Limited (ABN 87 000 721 380);

"Simpson Farms" means Simpson Farms Pty Limited (ABN 85 082 245 538);

"Tax Event" is defined in paragraph 2.9 of this prospectus;

"The Grape House" means The Grape House Pty Limited (ABN 64 084 438 951);

"Timbercorp" means Timbercorp Limited (ABN 87 055 185 067);

"Timbercorp Group" means Timbercorp and its controlled entities;

"Timbercorp Agribusiness Trust" means a trust that is a managed investment scheme registered under the Corporations Act (ARSN 116 024 830) of which Orchard Investments Management Limited (ABN 34 105 684 231) is the responsible entity;

"Timbercorp Orchard Trust" means a trust that is a managed investment scheme registered under the Corporations Act (ARSN 106 557 297) of which Orchard Investments Management Limited (ABN 34 105 684 231) is the responsible entity;

"Timbercorp Securities" means Timbercorp Securities Limited (ABN 12 092 311 469);

"Timwa Pty Limited" means Timwa Pty Limited (ABN 52 105 216 984);

"Total Equity" is defined in section 6 of this prospectus;

"Trustee" means Permanent Trustee Company Limited (ABN 21 000 000 993), the trustee under the Trust Deed;

"Trust Company Group" means Trust Company of Australia Limited (ABN 59 004 027 749) and its controlled entities;

"Trust Deed" means the Bond trust deed between Timbercorp and the Trustee made on or about the date of this prospectus;

"Underwriter" means ABN AMRO Morgans Corporate Limited (ABN 32 010 539 607);

"Underwriting Agreement" means the underwriting agreement made on or about the date of this prospectus between ABN AMRO Morgans Corporate Limited and Timbercorp;

"Vitor Marketing" means Vitor Marketing Pty Limited (ABN 81 068 236 144)

"Water Licences" means the permanent water licences owned by Timbercorp or a Guarantor;

"Yandilla Park" means Yandilla Park Pty Limited (ABN 13 050 165 921); and

"You" has the same meaning as **Bond Holder**.

Timbercorp Limited

Offer of Timbercorp Bonds

Website statement

During exposure period

This electronic version of the prospectus issued by Timbercorp Limited (**Prospectus**) does not constitute an offer of Timbercorp Bonds (**Timbercorp Bonds**). Timbercorp Bonds will only be issued on the basis of an Application Form accompanying the final Prospectus.

The Prospectus will be accessible on this website during a public exposure period of 7 days following the lodgement of the Prospectus or such longer exposure period as specified by the Australian Securities and Investments Commission. The purpose of the exposure period is to enable the Prospectus to be examined by market participants prior to the raising of funds.

You can request a free paper copy of the Prospectus by calling (03) 8615 1200.

Applications will not be accepted until after the close of the exposure period.

No action has been or is proposed to be taken to register or qualify the Timbercorp Bonds being offered in any jurisdiction outside Australia. The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and persons who access it should inform themselves of and comply with any such restrictions.

The Timbercorp Bonds have not been and will not be registered under the US Securities Act 1933 and may not be offered or sold in the United States or to, or for the account of a US Person (as defined in Regulation S under the US Securities Act 1933) except in transactions exempt from the registration requirements of the US Securities Act 1933.

By downloading the Prospectus you represent that you have read and understood the above. If you wish to proceed with viewing the Prospectus, please press the button labelled I AGREE, to begin downloading the Prospectus as a PDF file.

[I AGREE](#) [Link to Prospectus lodged with ASIC. Prospectus must not contain Application Form during this period]

After exposure period

The offer constituted by this electronic version of the prospectus issued by Timbercorp Limited (**Prospectus**) is only available to residents of Australia. Applications for Timbercorp Bonds can only be made on an Application Form accompanying the Prospectus.

You can request a free paper copy of the Prospectus by calling (03) 8615 1200.

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[I AGREE](#) [Link to Prospectus with an Application Form]

HOW TO COMPLETE THE APPLICATION FORM

PLEASE COMPLETE ALL RELEVANT SECTIONS OF THE APPLICATION FORM USING BLOCK LETTERS

- A** Enter the number of Bonds you wish to apply for. Applications must be for a minimum of \$10,000 and then in multiples of \$1,000.
- B** Enter the **TOTAL AMOUNT** of Application Money payable.
- C** Enter the **FULL NAME(S)** and **TITLE(S)** of all legal entities that are to be recorded as the registered holder(s). Refer to the Name Standards below for guidance on valid registration.
- D** Enter the **POSTAL ADDRESS** for all communications from Timbercorp Limited. Only one address can be recorded.
- E** Enter your **TAX FILE NUMBER (TFN)** or exemption category. For a joint holding you may enter two TFN's. Collection of TFN's is authorised by taxation laws. Quotation of TFN's is not compulsory and will not affect the success of your application.
- F** If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. Otherwise, leave the section blank and on allotment, you will be sponsored by Timbercorp Limited and a Security holder Reference Number (SRN) will be allocated to you.
- G** Enter telephone numbers and a contact person the Registry can speak to if they have any queries regarding this application.
- H** Payment must be made in Australian currency and your cheque must be drawn on an Australian bank. The cheque must be payable to **"TIMBERCORP LIMITED - 2005 TIMBERCORP BOND ISSUE"** and crossed **"Not Negotiable"**. Cheques not properly drawn will be rejected. Cheques will generally be deposited on the day of the receipt. If cheques are dishonored the application may be rejected.
- I** Before completing this Application Form the Applicant(s) should read the prospectus to which the application relates. The Applicant(s) agree(s) that this application is for Bonds issued by Timbercorp Limited upon and subject to the terms of the prospectus including the matters relating to the Applicant's personal information in Section 8.6, agree(s) to take any amount of Bonds equal to or less than the amount of Bonds indicated in Box A that may be allotted to the Applicant(s) pursuant to the prospectus and declare(s) that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

**Forward your completed Application Form together with the Application Moneys to:
Computershare Investor Services Pty Limited
GPO BOX 52 Melbourne, Victoria 8060**

**APPLICATIONS MUST BE RECEIVED BY 19 DECEMBER 2005.
PLEASE NOTE THAT THIS DATE MAY BE VARIED.**

**For any enquiries about how to complete this Application Form contact
Computershare Investor Services Pty Limited on 1300 850 505.**

IMPORTANT NOTICE IF YOU OBTAINED AN ELECTRONIC COPY OF THE PROSPECTUS

The Corporations Act prohibits any person from passing on to another person the Application Form which was attached to the electronic copy of the prospectus unless the Application Form is attached to a complete and unaltered copy of the electronic prospectus.

Timbercorp Limited will send you, at no charge, a paper copy of the electronic prospectus if you ask for one during the offer period described in the prospectus.

If you apply for Bonds on the basis of the Application Form attached to the electronic prospectus, you are deemed to declare to Timbercorp Limited that you received personally the electronic prospectus, or a print out of it, attached to the Application Form before applying for Bonds.

Name Standards

- Only legal entities may be registered as the holder of securities.
- The full and correct name of each entity must be shown.
- Titles such as MR, MRS and MS should be included.
- Bonds cannot be registered in the name of a trust and no trust can be implied.
- Bonds should not be registered in the name of a minor or a deceased person.
- An account designation can be included. If shown, it must be contained within one line and within the "< >" symbols. The last word of the designation must be ACCOUNT or A/C.

Type of Investor	Correct Form	Incorrect Form
Individual		
Use given names in full, not initials	Mr John Adam Brown	J.A. Brown
Company		
Use company title, not abbreviations include A.C.N.	XYZ PTY LTD A.C.N. 123 123 123	XYZ P/L of XZY Co
Joint Holdings		
Use full names	Mr John Adam Brown Mrs Sue Brown	John Adam & Sue Brown
Trusts		
Use trustee(s) personal name(s) - do not use the name of the trust	Mrs Sue Brown <Sue Brown Family A/C>	Sue Brown Family Trust
Deceased Estates		
Use executor(s) personal name(s) - do not use the name of the deceased	Mr Mark Brown <Est Mark Brown A/C>	Estate of the Late Mark Brown
Partnerships		
Use partner's personal names - do not use the name of the partnership	Mr John Brown & Mr Mark Brown <John Brown & Son A/C>	John Brown & Son
Clubs/Incorporated Bodies/Business Names		
Use office bearer(s) personal name(s) - do not use the name of the clubs etc.	Mrs Sue Brown <XYZ Tennis Association>	XYZ Tennis Association
Superannuation Funds		
Use the name of the trustee of fund - do not use the name of the fund	John Brown Pty Ltd A.C.N. 111 222 333 <Super Fund A/C>	John Brown Pty Ltd Superannuation Fund

Note

Insert the name of any account description using < > as indicated above in the designated space in Section C of the Application Form.

Pin cheque(s) here. Do not staple.

Broker Code

Broker Reference Stamp Only

BOND OFFER APPLICATION FORM

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Adviser Code

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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TIMBERCORP LIMITED ABN 87 055 185 067

To meet the requirements of the Corporations Act, this Application Form must not be handed on unless accompanied by the Prospectus

PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

A I/We apply for Bonds in Timbercorp Limited or such lesser amount **B** Total Amount Payable A \$ which may be allocated to me/us by the Directors.

C FULL NAME (Please Print) Title, Given name(s) and Surname OR Company Name

Name of Applicant 1

Name of Applicant 2 or <Account Name>

Name of Applicant 3 or <Account Name>

D POSTAL ADDRESS (Please Print)

PO Box or Unit/Street Number Name of Street

Suburb/Town State Postcode

E TAX FILE NUMBER AND ABN NUMBER

TFN of Applicant 1 TFN of Applicant 2 TFN of Applicant 3 / Exemption Category

TFN of Company, Partnership, Trust or Super Fund AND OR ABN of Company, Partnership, Trust, Super Fund or Individual

F CHESS HIN (If Applicable)

G Contact Telephone Number (B/H) Contact Telephone Number (A/H)

Contact Name

H INSERT PAYMENT DETAILS

Name of Drawer on Cheque	Cheque Number	BSB Number	Account Number	Amount A \$
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Amount Enclosed				A \$ <input type="text"/>

I DIRECT PAYMENT OF INTEREST (I / We elect to have interest directly credited to the account detailed below);

Account Number (No more than 9 digits and and no letters) BSB Number (Must be 6 digits) - Type of Account (eg. Cheque, savings)

Name in which account is held (eg: John Smith)

Name of Australian Bank or Financial Institution Name of Branch/Suburb/Town

J PLEASE COMPLETE THIS SECTION IF YOU HAVE INTERESTS IN THE TIMBERCORP GROUP Tick if you are;

A Grower in any of the Timbercorp Projects <input type="checkbox"/>	A Debenture Holder in Timbercorp Limited <input type="checkbox"/>
A Shareholder in Timbercorp Limited <input type="checkbox"/>	A Finance Bond Holder in Timbercorp Limited <input type="checkbox"/>
A Debenture Stockholder in Timbercorp Properties Limited <input type="checkbox"/>	A Converting Preference Shareholder in Timbercorp Limited <input type="checkbox"/>
A Noteholder in Plantation Land Limited <input type="checkbox"/>	A Reset Preference Shareholder in Timbercorp Limited <input type="checkbox"/>

K I/We declare that this application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Trust Deed relating to the Bonds.

Returning the Application Form with my cheque for the Application Moneys will constitute an offer to subscribe for Bonds issued by the Timbercorp Limited.

NO SIGNATURE IS REQUIRED.

You should read the Prospectus carefully before completing this Application Form.

Timbercorp Limited

Offer of Timbercorp Bonds

Website statement

During exposure period

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Applications will not be accepted until after the close of the exposure period.

No action has been or is proposed to be taken to register or qualify the Timbercorp Bonds being offered in any jurisdiction outside Australia. The distribution of the Prospectus in jurisdictions outside Australia may be restricted by law and persons who access it should inform themselves of and comply with any such restrictions.

The Timbercorp Bonds have not been and will not be registered under the US Securities Act 1933 and may not be offered or sold in the United States or to, or for the account of a US Person (as defined in Regulation S under the US Securities Act 1933) except in transactions exempt from the registration requirements of the US Securities Act 1933.

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Pin cheque(s) here. Do not staple.

BOND OFFER APPLICATION FORM



TIMBERCORP LIMITED ABN 87 055 185 067

Broker Code

Grid for Broker Code

Broker Reference Stamp Only

Stamp area for Broker Reference

Adviser Code

Grid for Adviser Code

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PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

A I/We apply for [] Bonds in Timbercorp Limited or such lesser amount which may be allocated to me/us by the Directors. B Total Amount Payable A \$ []

C FULL NAME (Please Print) Title, Given name(s) and Surname OR Company Name. Name of Applicant 1 [], Name of Applicant 2 or <Account Name> [], Name of Applicant 3 or <Account Name> []

D POSTAL ADDRESS (Please Print). PO Box or Unit/Street Number [], Name of Street [], Suburb/Town [], State [], Postcode []

E TAX FILE NUMBER AND ABN NUMBER. TFN of Applicant 1 [], TFN of Applicant 2 [], TFN of Applicant 3 / Exemption Category [], TFN of Company, Partnership, Trust of Super Fund [], AND OR [], ABN of Company, Partnership, Trust, Super Fund or Individual []

F CHESS HIN (If Applicable) [X] []. G Contact Telephone Number (B/H) [], Contact Telephone Number (A/H) [], Contact Name []

H INSERT PAYMENT DETAILS. Table with columns: Name of Drawer on Cheque, Cheque Number, BSB Number, Account Number, Amount A \$. Total Amount Enclosed A \$ []

I DIRECT PAYMENT OF INTEREST (I / We elect to have interest directly credited to the account detailed below); Account Number [], BSB Number [], Type of Account [], Name in which account is held [], Name of Australian Bank or Financial Institution [], Name of Branch/Suburb/Town []

J PLEASE COMPLETE THIS SECTION IF YOU HAVE INTERESTS IN THE TIMBERCORP GROUP. Tick if you are; A Grower in any of the Timbercorp Projects [], A Shareholder in Timbercorp Limited [], A Debenture Stockholder in Timbercorp Properties Limited [], A Noteholder in Plantation Land Limited [], A Debenture Holder in Timbercorp Limited [], A Finance Bond Holder in Timbercorp Limited [], A Converting Preference Shareholder in Timbercorp Limited [], A Reset Preference Shareholder in Timbercorp Limited []

K I/We declare that this application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Trust Deed relating to the Bonds. Returning the Application Form with my cheque for the Application Moneys will constitute an offer to subscribe for Bonds issued by the Timbercorp Limited. NO SIGNATURE IS REQUIRED. You should read the Prospectus carefully before completing this Application Form.

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- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. Otherwise, leave the section blank and on allotment, you will be sponsored by Timbercorp Limited and a Security holder Reference Number (SRN) will be allocated to you.
- G** Enter telephone numbers and a contact person the Registry can speak to if they have any queries regarding this application.
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**Forward your completed Application Form together with the Application Moneys to:
Computershare Investor Services Pty Limited
GPO BOX 52 Melbourne, Victoria 8060**

**APPLICATIONS MUST BE RECEIVED BY 19 DECEMBER 2005.
PLEASE NOTE THAT THIS DATE MAY BE VARIED.**

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Name Standards

- Only legal entities may be registered as the holder of securities.
- The full and correct name of each entity must be shown.
- Titles such as MR, MRS and MS should be included.
- Bonds cannot be registered in the name of a trust and no trust can be implied.
- Bonds should not be registered in the name of a minor or a deceased person.
- An account designation can be included. If shown, it must be contained within one line and within the "< >" symbols. The last word of the designation must be ACCOUNT or A/C.

Type of Investor	Correct Form	Incorrect Form
Individual Use given names in full, not initials	Mr John Adam Brown	J.A. Brown
Company Use company title, not abbreviations include A.C.N.	XYZ PTY LTD A.C.N. 123 123 123	XYZ P/L of XZY Co
Joint Holdings Use full names	Mr John Adam Brown Mrs Sue Brown	John Adam & Sue Brown
Trusts Use trustee(s) personal name(s) - do not use the name of the trust	Mrs Sue Brown <Sue Brown Family A/C>	Sue Brown Family Trust
Deceased Estates Use executor(s) personal name(s) - do not use the name of the deceased	Mr Mark Brown <Est Mark Brown A/C>	Estate of the Late Mark Brown
Partnerships Use partner's personal names - do not use the name of the partnership	Mr John Brown & Mr Mark Brown <John Brown & Son A/C>	John Brown & Son
Clubs/Incorporated Bodies/Business Names Use office bearer(s) personal name(s) - do not use the name of the clubs etc.	Mrs Sue Brown <XYZ Tennis Association>	XYZ Tennis Association
Superannuation Funds Use the name of the trustee of fund - do not use the name of the fund	John Brown Pty Ltd A.C.N. 111 222 333 <Super Fund A/C>	John Brown Pty Ltd Superannuation Fund

Note

Insert the name of any account description using < > as indicated above in the designated space in Section C of the Application Form.



TIMBERCORP BOND ISSUE
2005 PROSPECTUS