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# Administrators sell Timbercorp olive crop

**Philip Hopkins**

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TIMBERCORP administrator KordaMentha has sold all Timbercorp's 2009 olive crop to Boundary Bend for \$15.5 million, paving the way for the trees to be harvested.

KordaMentha had sought an order from the Federal Court for approval to divert up to \$11 million earmarked for Timbercorp grower distributions to be used to pay for the harvest, otherwise the crop would have been wasted.

But KordaMentha made the deal with Boundary Bend, manager of Timbercorp's olive projects, without a court order.

The deal is expected to generate \$26.5 million worth of olive oil, with Boundary Bend taking the first \$11 million and the balance going to Timbercorp grower investors. A rise-and-fall clause ensures that if there is a variation in price, the amounts are to be adjusted accordingly.

The arrangements mean that Boundary Bend now owns the crop and can obtain finance for the operations from the banks against the assets of \$26.5 million.

Administrator Mark Korda said that in difficult circumstances the deal was an excellent result for Boundary Bends, the growers and Timbercorp.

Mr Korda told a creditors' meeting this week in Melbourne that a successful outcome on olives could become a model for Timbercorp's other horticultural projects. -- PHILIP HOPKINS

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