



TIMBERCORP
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TIMBERCORP AVOCADOS

FACT SHEET 2006

THE POPULARITY OF AVOCADOS

Avocados are used predominantly as a fresh fruit. However avocados also have a wide variety of uses as a manufactured product, such as sushi and as the base ingredient for the much loved food product, guacamole.

Avocado oil is also used in cosmetics and due to its high nutrient content has become a popular cooking oil and salad dressing.

Avocados are No.1 in the "Top 10 Foods that are good for your heart" being sodium and cholesterol free. They have 60% more potassium than bananas and recent studies have shown that consumption of avocados increases your body's ability to absorb heart-healthy and cancer fighting nutrients that are found in other vegetables.

THE GLOBAL MARKET FOR AVOCADOS

The avocado industry has been experiencing significant growth over the past 15 years rising 550,000 tonnes during the past 15 years to an annual production of over 2 millions tonnes. Mexico produces 1 million tonnes of the world total however with over 100 million people in Mexico eating over 8kgs per person each year, most of this production is consumed domestically. Only 75,000 tonnes (8%) of Mexican production is traded on the export market.

World Avocado Production

Tonnes



Source: FAO <http://faostat.fao.org/faostat>

Other major producers of avocados include Chile and USA at around 200,000 tonnes followed by South Africa, Spain and Israel who produce over 50,000 tonnes per annum.

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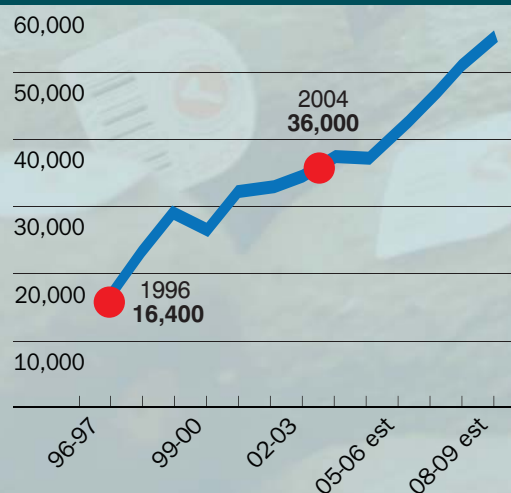
THE AUSTRALIAN AVOCADO INDUSTRY

On a global scale Australia is a very small player in the world avocado market with around 2% of world production and less than 0.2% of world exports.

Australia currently produces around 36,000 tonnes of avocados per annum, most of which is consumed domestically. A small amount of fruit (500 tonnes) is exported to New Zealand, South East Asia and the Middle East. Under the Free Trade Agreement, Australia has a quota of 4,500 tonnes of fruit that can be exported into the USA; however this is not currently being fulfilled due to the strength of the domestic market.

Australian consumption and production of avocados has seen significant growth over the past decade with all indications that this will continue into the future. In 2004-05 Australian consumption of avocados was higher than the years production with the shortfall being met by New Zealand imports over the summer months.

Avocado Consumption in Australia



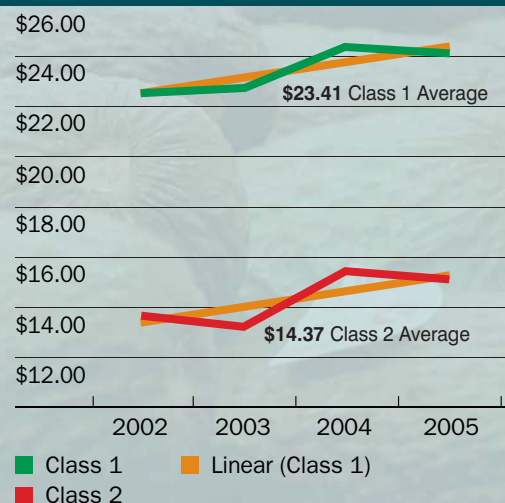
Source: Avocados Australia Limited, June 2005

There are over 1,300 growers in Australia managing around 4,000 hectares of avocado orchards, thus making the industry relatively segmented, uncoordinated and inconsistent in its supply. This presents an opportunity for a large-scale grower to supply high volumes of consistent fruit to the domestic market. Asia is another potential export opportunity for the Australian avocado industry due to its close proximity and the Asian markets appreciation for foods with high nutritional value.

AVOCADO PRICES

Over the past 5 years the Australian avocado price has seen steady growth despite large increases in volumes. Australian demand has continued to keep pace with the increased supply with no negative impact on price.

Full Season Hass Avocado Price Trend 2002 to 2005



The Project will be established by Timbercorp Securities Limited (TSL) ACN 092 311 469 (AFS Licence No 235653). When it is established, TSL will issue a Product Disclosure Document (PDS) in relation to the Project. Interests in the Project will only be issued on receipt of an application form attached to, or accompanying the PDS. When it is available, a PDS may be obtained from Timbercorp by calling 1800 628 188, downloading from www.timbercorp.com.au or from financial advisers and accountants.

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