



TIMBERCORP
AGRIBUSINESS
INVESTMENT MANAGERS

TIMBERCORP MANGOES

FACT SHEET 2006

THE POPULARITY OF MANGOES

The mango is the second largest tropical fruit crop in the world, second only to bananas. This fruit, which is typically eaten fresh, can also be used for a variety of purposes that include canned fruit, juices, jellies, dehydrating and pulps that may be used in iced confectionery and yoghurts. Mangoes are even used in their un-ripened form for pickles and chutney.

THE GLOBAL MARKET FOR MANGOES

World production of mangoes has increased over the last decade by 37% to 25.6 million tones annually, however most of the world's supply of mangoes is consumed in the country of origin. In 2002 only 2.6% of world production was traded on the export market.

For example India, the native country of the mango, accounts for over 40% of world production, most of which is consumed domestically with only 0.4% being exported.

The only major exporters are Mexico and Brazil who supply predominantly the US and EU markets. This presents significant opportunities for the Australian market to export into Asia and Europe.

THE AUSTRALIAN MANGO INDUSTRY

Although the Australian mango industry is relatively insignificant on a world scale, (representing only 0.1% of world production) the consistent growth this industry has enjoyed over the past 10 years has resulted in mangoes becoming one of Australia's major horticulture crops.

Due to its recent growth, the industry introduced a levy for research and development for marketing and promotional campaigns and the development of further export markets.

Australia is an exporter of mangoes with 18% of Australian production being exported to countries such as New Zealand, Hong Kong, China, Singapore, the Middle East, Japan, Canada and the EU.

The current method of exporting mangoes is air freight, however the cost on a large scale is substantial and is currently impeding the development of future export markets. Recent developments have been made in sea freight which is a far more cost effective method of exporting the fruit. Recent studies by the Northern Territory Government have showed that current varieties such as the softer flesh Kensington Pride, did not travel well and in turn were not well received by consumers. The future of these export markets will depend on the increase of production of new varieties of mango, in particular the Calypso™ which apart from its good eating quality, has excellent shelf life.



FACT SHEET



THE CALYPSO™

To date, the predominant mango variety grown domestically is the Kensington Pride, accounting for 70% of total plantings. It is grown mostly through Queensland and the Northern Territory. The Kensington Pride is well known for its taste but is criticised for its inconsistent yields, variable quality and poor shelf life.

After twenty years of research and development, the Calypso™ mango has been produced to meet the demands of consumers and retailers. The exciting new Calypso™, developed jointly by the Queensland Government through its Department of Primary Industries and Mr John Dorrain, is a hybrid of the Kensington Pride and a Florida red blush variety, Sensation. The variety therefore retains the well known taste of the Kensington Pride but also has significant new characteristics that include:

- Increased shelf life, firmer fruit
- Extra blush for cosmetic appeal
- A higher flesh to seed ratio
- Consistent yields of high quality fruit

Now into its fifth year of commercial production, the Calypso™ is rapidly making its way into supermarkets across the country and winning widespread acceptance from Australian mango lovers.

Importantly, the Calypso™ has been developed to endure the rigours of the supply chain while setting new standards in retail presentation. Its new features are also highly suited to the export market where Australia enjoys counter-seasonal advantages to producers in countries such as India where mangoes hold cultural significance.

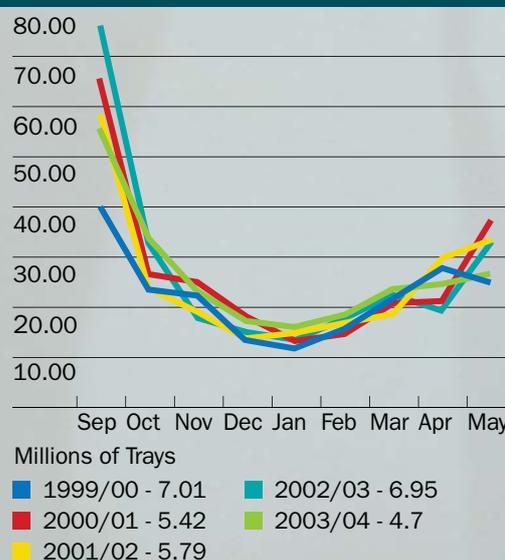
Harvest Markets, part of the OneHarvest group and Timbercorp's strategic alliance partner, holds the exclusive rights to the Calypso™ mango. With this more consistent, reliable and better quality product further growth in demand is expected.

MANGO PRICES

The major factors influencing domestic prices for mangoes in Australia are seasonal conditions, quality of fruit, variety and location of the market.

Monthly average price for mangoes (Grade 1, All varieties) in the main Australian wholesale markets

Month when mangoes sold
 Market Price (\$ per Tray)



Source: Mango Price Report Summary, prepared for Timbercorp Securities Limited by Piccone PHC August 2004

The market for mangoes produced by the Timbercorp orchards extends from mid-October through to mid-January, and will benefit from the traditional high prices paid for early season mangoes and the high volume markets over Christmas.

One of the objectives of the Calypso™ branding campaign is to co-ordinate the supply of mangoes with prevailing demand and to stabilise the price throughout the season. If the Calypso™ continues to be widely accepted by consumers and the marketing is controlled, there is an expectation that it will sell at a premium to the Kensington Pride and other varieties.

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.

