

## **Hamilton Securities Limited**

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### **ELDERS SANDALWOOD DISPOSAL UNFAIR TO GROWERS**

- Hamilton Securities has in-principle agreement with TFS, the world's largest Sandalwood producer, as it develops an alternative proposal for Growers

The Board of Hamilton Securities Limited today said there is increasing Grower opposition to the proposal by Elders to sell its Sandalwood assets in the Ord River region of WA to Santanol.

Hamilton Executive Director Giles Craig said Elders should be fully transparent ahead of the March 14 vote in Melbourne to sell the plantation assets and identify the foreign backers of Santanol.

“This sales process is causing a lot of heartache for Growers who view it as a fee grab by Elders and an unjustifiable attempt to offload a key asset at firesale prices,” said Mr Craig.

“These are very important issues given that Growers have no assurances that Santanol's backers can execute the transaction if they vote to accept their conditional offer next week.”

“Despite what Elders might claim about having a fully-funded offer on the table, Growers should be aware that Santanol requires Foreign Investment Board approval which makes its offer highly conditional,” Mr Craig added.

“The feedback we are receiving from Growers is that they are overwhelmingly against the Santanol offer,” he said.

“The Growers, who include retail investors around the country, face the difficult decision of selling out to an opportunistic offshore buyer. In addition, we believe the \$21 million harvest fee that Elders proposes to collect as part of the transaction is grossly unfair to Growers,” Mr Craig said.

“Through no fault of their own Growers face approving a deal which in our view is clearly unfair and undervalues the assets,” he added.

Hamilton Securities is continuing to develop an alternative proposal for Growers and confirmed it has reached an in-principle agreement with ASX-listed TFS Corporation to manage and harvest the Sandalwood plantations.

TFS is the world's largest Indian sandalwood plantation owner and manager, having vertically integrated processing and end product sales operations with a global customer base.

TFS investors include a triple A-rated endowment fund in the US, as well as a Middle East sovereign wealth fund. As a major producer in the Ord River region, TFS has a large scale work force at Kununurra and significant infrastructure to readily absorb the management of the Elders plantations for Hamilton.

For further information, contact  
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#### About Hamilton:

Hamilton Securities Ltd listed on the National Stock Exchange of Australia in 2009. It was established to provide investors with exposure to distressed debt and equity securities, and other illiquid securities whose value might be expected to improve over time.

See: <http://www.hamsec.com.au/>