



media statement

3rd September 2009

Rescue plan proposed for Great Southern Olive MIS investors

Heads of agreement signed by industry leaders

Key points

- Heads of Agreement signed between Kailis Organic Olive Groves and Sumich Olive Group of Companies
- The Companies are seeking sustainable solutions for olive MIS related to Great Southern Limited
- In principle support obtained from Bendigo and Adelaide Bank

Two of Australia's leading olive grower and processing groups have joined forces to develop proposals for the olive managed investment schemes (MIS) related to Great Southern Limited.

Kailis Organic Olive Groves and Sumich Olive Group of Companies have signed a heads of agreement to develop and present proposals to the administrators and receivers of Great Southern.

A spokesperson for the olive management group, Mark Kailis, said presenting sound commercially-based solutions would benefit the growers who had invested in the schemes.

The two Companies together manage all the Great Southern olive groves in Western Australia, totalling more than 2,400 hectares.

"Both Kailis Organic Olive Groves and Sumich Olive Group have a long and proud history in the olive industry – from the farm gate to the plate – and we are confident that presenting an integrated solution will be in the best interests of all parties," Mr Kailis said.

"In particular, we are confident our proposals will have the potential to preserve value in the schemes for the investor growers.

"We are well established experts in this industry and we do not intend deviating from our core olive business, so having the growers alongside our operations will aim to ensure all parties won't find themselves in this less than favourable position in two or three years time," he said.



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The olive management group has been in consultation with Bendigo and Adelaide Bank, which provided loans to some of the investor growers in the Great Southern olive MIS. Bendigo and Adelaide Bank have indicated their support for any proposal that is in the best interests of growers and the bank.

Kailis Organic Olive Groves and Sumich Olive Group expect to put forward a formal proposal to the administrators and receivers within the next fortnight.

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Background

Kailis Organic Olive Groves Ltd manages 72 per cent of the Great Southern planted groves in Western Australia. The remaining 28 per cent is managed by the Sumich Olive Group of Companies.

The groves managed by the two groups total more than 2400 hectares of groves. They also own all the rolling assets (tractors, slashers, sprayers etc) and have the staff expertise (organic certification etc) under their control.

Kailis Organic has been operating the organic olive groves since 2005, with its olive grove management experience going back to 1994. Sumich has been operating the groves since 2007, and has extensive olive management experience and large family owned groves.

Both groups operate in the Extra Virgin Olive Oil (EVOO) market and also own the processing assets needed to convert the fruit into high quality EVOO. Those processing assets are state-of-the-art large commercial mills with the capacity to take all the fruit from the groves. Kailis Organic and Sumich also control the expertise in processing and handling EVOO to its highest standard.