

BREAKING NEWS

A 14-year-old boy has been found alive and well after spending two nights in freezing temperatures at Mount Disappointment, north of Melbourne.

ABC RURAL

Indian sandalwood company Quintis recapitalises with \$145 million from global investor BlackRock

[NT Country Hour](#) / By [Daniel Fitzgerald](#)

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Quintis will now honour its agreement with managed investment scheme investors. *(Supplied)*

Indian sandalwood company Quintis has emerged from administration as a private company after a \$145 million cash injection from its creditors.

Global investment giant BlackRock yesterday became the majority owner of the company, which manages 12,500 hectares of forestry plantations across the Northern Territory, Western Australia and Queensland.

The recapitalisation means Quintis will honour all its agreements with managed investment scheme (MIS) investors, and about 200 employees will keep their jobs.

Quintis has had a difficult 18 months, with [key contracts cancelled](#), the loss of its founder and managing director, entering into a trading halt, and [appointing administrators in January](#).

At the same time, a splinter group of shareholders and growers [have been battling to take over some Quintis-managed sandalwood plantations](#).

Quintis chief executive and director Julius Matthys said administrators left the company yesterday once the \$145 million had been received from BlackRock.

"We have all of that money today, and the money is to fund our business operations until we are cash positive from the sale of our plantation wood," he said.

"Quintis is now a private company, it has a debt and equity structure, and the \$145 million is cash to underwrite the operations over the next four or five years.

"The problems of the past were generally around having to raise money on an annual basis to maintain operations. With this cash injection we don't need to do this anymore."

Quintis to stop selling managed investment schemes

Mr Matthys said the new owners had approved a change in direction for the company.

"The new Quintis will be focused on maximising plantation management, it will be focused on developing markets for end use," he said.

"It will be focused on being as cost-efficient as it possibly can. We will not be selling MIS investments or high net worth investments in the future."



Vast Indian sandalwood plantations are grown in Western Australia's Ord Irrigation Scheme. (*Facebook: Quintis Sandalwood*)

Rob Boshammer, one of a number of farmers in Western Australia's Ord Valley who lease land to Quintis, said the BlackRock funding had been a long time coming and was a shrewd investment by the company.

"It appears to be the modus operandi of BlackRock that they loan money to companies that they think have got potential but may get into a bit of trouble, and when they get into trouble they pull the rug out and take them over," Mr Boshammer said.

"I don't particularly like that model [of business] but they end up with a fair few assets, although in this situation there are some risks for

them."

Rival shareholders could still threaten plantation takeovers

The rival Sandalwood Growers Co-operative, formed by Quintis's former managing director Frank Wilson, has been attempting to take over portions of Quintis-managed sandalwood plantations since March.

Mr Boshammer said a takeover by the co-op would be disastrous for the newly restructured Quintis.

"If that occurs, a lot of the value of the company won't be there, especially for the first 10 years, so it will be interesting to see what happens," he said.

"I still think there is a bit of murkiness in the tree ownership of the MIS in Quintis, so there is still going to be a bit of to and fro over the next few months."

Quintis will continue to trade as Quintis Australia, and has acknowledged the work put in by its employees while the company was in financial strife.

Mr Matthys admitted Quintis's reputation had been damaged by the ongoing financial trouble, but hoped the injection of cash would enable the company to salvage its future.

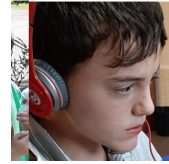
"Yes, of course there has been some difficulties that the last 18 months have posed to our reputation, to our customers and our suppliers," he said.

"This recapitalisation has now given us the opportunity to rebuild those relationships.

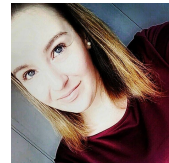
"We are very positive about the markets. We now have a focused plan for developing those markets and we have the resources now to execute against that plan."

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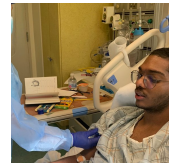
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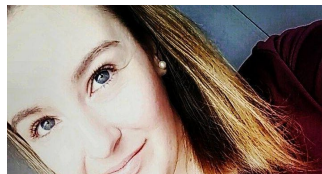
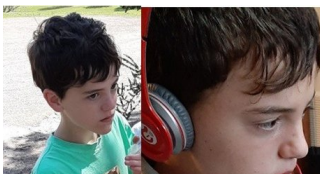
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