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(Receivers & Managers Appointed)
(In Liquidation) (GPL)

GUNNS PLANTATIONS LIMITED
ABN 36 091 232 209
AFSL NO. 238701
(Receivers & Managers Appointed) (In Liquidation)

A WHOLLY OWNED SUBSIDIARY OF GUNNS LIMITED
ABN 29 09 478 148
(Receivers & Managers Appointed) (In Liquidation)(Gunns)

Grower update – 2 April 2015

This update relates to Great Southern Plantations Schemes 1998 to 2006 (GSP Schemes)

(Excludes the GPL Woodlot Schemes 2000 to 2006, 2008 and 2009)

This update discusses the current status of the distribution process for the proceeds received for the sale of GSP Schemes assets (Sale Proceeds), including:

1. Request for Grower details
2. Likely timing of distribution
3. Remaining tasks

This update should be read in conjunction with our detailed explanatory notice to Growers dated 7 March 2014 (EN) and our Grower update dated 30 September 2014 (these are available via the following link www.ppbadvisory.com/creditor-information - click through to the Gunns administration page).

1 Request for Grower details

As stated in previous updates, to speed up the distribution process Growers are asked to provide us with details of their nominated bank account as soon as possible.

If you haven't already, please complete and return the bank account nomination form [available here](#) or www.abl.com.au/gunns/gunns.htm.

To arrange for a bank account nomination form to be sent to you, call the telephone hotline on (03) 9269 4160 or email gunns@ppbadvisory.com.

Please note we are required to withhold tax from Growers distributions at rate of 49% if a Grower:

- has not provided us with a tax file number (TFN) or Australian business number (ABN) before distribution
- has not informed us that he or she is exempt from quoting their TFN or ABN.

You can submit your TFN or ABN by completing and returning the bank account nomination form mentioned above.

Growers that wish to obtain details in relation to the status of any loans that they may have, should contact their financier directly.

Disclaimer

Growers are encouraged to read this update in its entirety before making any decisions concerning their investment. Growers should make their own independent evaluation of the relevance and adequacy of the information contained herein.

PPB Advisory has not considered the investment objectives, financial situation or particular needs of individual Growers or any other person. Accordingly, this update should not be relied upon as the sole basis for any decision in relation to your investment. Growers should obtain and rely on professional advice from their own tax, legal, accounting and other professional advisers in respect of the Growers' investment objectives, financial position or particular needs.

2 Timing

We now anticipate that distributions will likely commence prior 30 June 2015.

The exact timing of distributions will vary for each scheme. Distribution timing will depend on resolution of the issues applicable to each scheme (detailed at item 3 below).

We previously advised that some distributions may commence during March 2015. Due largely to the pending resolution of complex tax issues, we have not yet been able to finalise the distributions. Please note we have engaged tax experts and our discussions with the Australia Tax Office (**ATO**) are well progressed (discussed at 3 c below).

We do not expect the final resolution will affect Growers' ultimate entitlements. However resolution of these issues with the ATO prior to distribution will simplify the distribution process.

3 Remaining tasks

A summary of tasks required to be completed besides resolving tax issues prior to distribution is set out below:

- a) **asset realisation**: realise remaining GSP Schemes assets located on land owned by private landowners
- b) **competing claims determination**: resolving competing claims to GSP Schemes proceeds
- c) **taxation compliance**: obtain compliance clearance in relation to taxation issues that apply to this administration.

Note some of these steps are only applicable to certain schemes. Once we have resolved these tasks for each scheme, we will make a distribution for that scheme, i.e. we will make distributions on a progressive basis so that funds can be returned to Growers as soon as possible.

a) Realisation of remaining GSP Schemes assets

We continue to work productively with a number of private landowners to commercially realise the GSP Schemes assets on their land.

Agreements reached with private landowners to date include, harvesting the trees and private landowner acquiring the trees for valuable consideration. If a commercial resolution cannot be achieved with private landowners, further orders of the Court may be required.

b) Competing claims determination

Growers will recall that section 8 of the EN and other updates, identified that there may be some material liabilities payable from the scheme properties of some GSP Schemes. The RE may be required to satisfy those liabilities from scheme property prior to paying amounts to Growers. Remaining potential liabilities are claims by private landowners for past and future rent.

Processes to determine and resolve the private landowner claims are progressing. If resolution cannot be reached with private landowners, further orders of the Court may be required.

We will continue to update Growers on progress and details over the coming period.

c) Taxation compliance:

We have engaged taxation experts to assist with compliance requirements, associated with this administration, included:

- i) GST on asset realisation / expense
- ii) Income tax issue
- iii) Other taxation arrangements.

While this matter is progressing well, it is very complex and resolution is required in order to simplify the distribution process.

Further questions?

If you have any further questions please address them to the following contacts:

Contact	Contact Phone Number	Contact Email Address
GPL Client Services	(03) 6335 5290	gunns.plantations@gunns.com.au
PPB Advisory	(03) 9269 4160	gunns@ppbadvisory.com

Further information can also be found at:
www.ppbadvisory.com.au/creditor-information
www.abl.com.au/gunns/gunns.htm