

REGISTERED OFFICE  
233B CHARLES STREET, LAUNCESTON, TAS 7250

TELEPHONE +61 3 6335 5290  
FACSIMILE +61 3 6333 0646



(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 – 30 September 2014

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

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

#### 1 Timing

We anticipate that distributions will likely occur during the period December 2014 to March 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 2 below).

#### 2 Remaining tasks

A summary of tasks required to be completed 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) **cost approval:** obtaining Supreme Court of Victoria (**Court**) approval of scheme related costs
- d) **preparing for distribution:** including; updating Grower registers to facilitate distribution of funds, internal review of RE taxation liabilities, statutory compliance.

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.

#### 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.*

## a) Realisation of remaining GSP Schemes assets

Growers will recall from prior updates the GSP Schemes Assets comprised approximately 120,000 hectares of trees. In September 2013, the GPL Liquidators signed an agreement to sell approximately 104,000 hectares of trees, to the Trust Company of Australia as trustee for the Forestry Investment Trust (**FIT Sale**).

The FIT Sale was approved by the Court in December 2013 and the allocation of the FIT Sale proceeds (among the various schemes) was determined by the Court in June 2014 (refer to the Grower Update dated 13 June 2014).

The remaining scheme assets are trees located on approximately 16,000 hectares of land owned by private landowners. These are assets of the 2001 to 2006 GSP Schemes.

On 12 June 2014, the Court provided the GPL Liquidator with directions that allows flexible negotiations in relation to these scheme assets. A factsheet providing further details of this Court Order may be obtained on the GPL Liquidators' website or by [clicking here](#).

We are working 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 (**Harvest Activities**) and private landowner acquiring the trees for valuable consideration (**Private Landowner Sales**). If a commercial resolution cannot be achieved with private landowners, further orders of the Court may be required.

Each of the GSP Schemes is a pooled scheme. Accordingly, proceeds from the FIT Sale (as allocated by Order of the Court), Harvest Activities and Private Landowner Sales, will benefit the pool of Growers in each of the relevant schemes.

## b) Competing claims determination

Growers will recall that section 8 of the EN identified that there may be some 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. These potential liabilities include:

- i. claims by the receivers of the Gunns Group, for amounts paid to landlords for rental, prior to the collapse of the Gunns Group, in satisfaction of GPL's obligations in relation to leases
- ii. claims by the receivers of the Gunns Group for fees payable to GPL in its personal capacity, pursuant to the constitutions of each GSP Scheme
- iii. claims by private landowners for past and future rent.

The potential claims set out at (i) and (ii) above have been resolved with no adverse impact to Growers.

Processes to determine and resolve claims set out at (iii) above are progressing well and have been facilitated by the orders the Court referred at item 2 a) above. 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 of any material impact on returns over the coming period.

### c) Court approval of scheme related costs

An application has been filed with the Court for approval of the costs of managing the GSP Schemes and realising the GSP Schemes assets. The application has been listed for some initial directions before the Court at 10am on Friday, 17 October 2014 at which time a timetable will be set down for the hearing of the application.

The Court Documents will be available via the following link [www.ppbadvisory.com/creditor-information](http://www.ppbadvisory.com/creditor-information) (click through to the Gunns administration page). Parties that may be interested in participating in the Court process for approval of these costs should contact the GPL Liquidators' solicitors, Arnold Bloch Leibler, using the contact details on the Court Documents.

Further details of the cost approval process were set out in section 4 of the EN.

### d) Preparing for distribution

In the meantime, we have been undertaking necessary tasks in preparation for the future distribution of funds to Growers. These include:

- i. Updating the grower registers to ensure contact and banking details are correct to facilitate the efficient distribution of funds. For further details please see sections 11 and 12 of the EN and section 3 below.
- ii. Engaging taxation experts to conduct an internal review of the RE accounting for taxation. The purpose of this is to ensure appropriate taxation is remitted as a function of this administration.
- iii. Statutory compliance, including the preparation of reports to the Australian Securities and Investment Commission relevant to this administration.

## 3 Request for Grower details

Grower details, including payment details, must be confirmed before a distribution can be made. There are approximately 35,000 Growers of the GSP Schemes, therefore to speed up the distribution process Growers are encouraged to provide us with details of their nominated bank account.

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

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

### 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	<a href="mailto:gunns.plantations@gunns.com.au">gunns.plantations@gunns.com.au</a>
PPB Advisory	(03) 9269 4160	<a href="mailto:gunns@ppbadvisory.com">gunns@ppbadvisory.com</a>

Further information can also be found at:  
[www.ppbadvisory.com.au/creditor-information](http://www.ppbadvisory.com.au/creditor-information)  
[www.abl.com.au/gunns/gunns.htm](http://www.abl.com.au/gunns/gunns.htm)