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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 – 29 February 2016

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 communication updates you on:

1. Main issues impacting the progress of distribution
2. Other matters
3. Distribution process

In conjunction with this update please refer to the update to Growers dated 23 December 2015 available at:

- www.ppbadvisory.com/creditor-information
- <http://www.abl.com.au/gunns/gunns.htm>

1. Main issues impacting progress of distribution

We wrote to Growers on 23 December advising of the main issues requiring resolution prior to any distribution occurring (discussed below) and that we would provide a further update during February.

As previously advised these issues need to be resolved in order for a distribution to occur. Even though we have not resolved all of the outstanding issues, we remain hopeful that the distribution process will commence prior to 30 June 2016.

In the coming weeks we will be writing to Growers on a scheme by scheme basis in relation to likely returns.

i) Taxation compliance

Growers will recall from the December update that we have been seeking ATO determination on the taxation treatment of scheme funds realised. In order to progress this, we engaged taxation experts PricewaterhouseCoopers (**PwC**).

We are close to resolution for Income Tax treatment, notably we recently received a draft Class Ruling which is currently with the ATO for finalisation.

As noted in our update of 23 December 2015, the ATO guidance letter is available on the following website:

- www.ppbadvisory.com/creditor-information

In relation to the GST treatment, we are yet to receive formal guidance from the ATO. We are in regular communication with PwC and the ATO and hope to progress this matter very shortly.

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.

ii) Competing claims determination

Growers will recall from prior updates the competing claims, largely comprised landowners claims for unpaid past and future rent (**Landowners Claims**).

As previously advised, on 18 December 2015 we wrote to landowners informing them of the Liquidators' decision to distribute funds to Growers, without any deduction for outstanding liabilities for past and future rent.

We confirm that an appeal was not lodged by the specified date for Landowners to object the Liquidators' determination.

Our intention is now to commence the process of distributing funds to Growers subject to the finalisation of taxation matters noted in section 1 i) above.

2. Other matters

We continue to progress resolution of the other matters as described in our update to Growers on 23 December 2015 including:

- i. GSP 2003 and 2004 Schemes: harvesting activities.
- ii. All Schemes: cost application for Liquidation costs, including future costs to finalisation.

In the event the Other Matters are not resolved prior to resolution of the Taxation Treatment, we plan to progress with an interim distribution, with a final distribution at a later stage.

3. Distribution process

We will be using an external third party, Link Market Services Limited (**Link**), to assist in an efficient distribution process given the number of Growers across the Schemes. Link will shortly be sending further correspondence to Growers requesting details in preparation for the upcoming distribution.

Please note:

Growers who:

- have recently updated their details with the Liquidators will not receive correspondence from Link, instead will have funds distributed accordingly to the current details
- provide current details to Link will have funds distributed according to the current details
- do not provide current details, a \$100 administration fee will be deducted from each payment to Growers if later a correction payment is required
- we are unable to contact (i.e. mail returned to sender or cheque not cleared), will have the funds distributed to Australian Securities and Investments Commission as unclaimed monies after 6 months if no contact is made in the interim.

Please refer to the below timetable for key dates.

Date	Event
Early March 2016	Correspondence to be sent to Growers by Link requesting details including: <ul style="list-style-type: none"> - bank accounts - contact information - ABN/TFN Link will also send a direction to pay form to those Growers who financed their woodlot holdings.
8 April 2016	Cut-off date for Growers to update details by completing the Link forms.
Prior to 30 June 2016	Distributions to commence.

**Six months from
distribution date**

Funds distributed to Australian Securities and Investments Commission as unclaimed monies if no contact is made in the interim.

Next steps

We will write to Growers by the end of March providing an update on:

- the progress of taxation treatment (refer 1.i above)
- progress of other matters (refer 2 above)
- likely return range.

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) 6364 3180	gunns@gunnsplantation.com
PPB Advisory	(03) 9269 4160	gunns@ppbadvisory.com