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

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

## Grower update – 7 June 2016

### This update relates to Great Southern Plantations Scheme 2001 (the Scheme)

**(Excludes the GPL Woodlot Schemes and all other Great Southern Plantation Schemes)**

This communication updates you on:

1. No distribution to Growers
2. Next steps
3. Application of funds
4. Source of funds

In conjunction with this update please refer to prior updates to Growers available at:

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

We are writing to you to provide an update on this Scheme. This update provides detail on the various proceeds and costs applicable to this Scheme.

#### 1. No distribution to Growers

We estimate that there will no longer be any distributable funds available to Growers.

GPL as Responsible Entity (**RE**) of the Scheme has realised the Great Southern Plantations Scheme 2001 Trees (**Scheme Assets**). The Scheme received additional funds to those previously forecasted (outlined in section 4) (**Gross proceeds**). However the costs involved in realising Scheme Assets and administering the Scheme outweigh the proceeds received, therefore we estimate that no distributable funds will be available to Growers.

A breakdown of the Scheme proceeds and costs is included in Table 1 and further details are provided in sections 3 and 4.

*Note, the below estimated net return:*

- *is calculated on the basis of estimated costs, including costs which are yet to be approved by the Court and future costs. Those costs may vary which may impact on the return (if any) to Growers.*
- *assumes that no liabilities, other than Scheme Costs, are payable from the Sale Proceeds.*

#### 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.*

**Table 1: Source and Application of Funds**

GSP 2001 Scheme	Section Reference	(\$)
<b>Source of Funds</b>		
	4	
Sale Proceeds		602,288
Other post-app realisations (incl.int)		1
Pre-app custodial account (incl.int)		-
<b>Total distributable funds</b>		<b>602,289</b>
<b>Application of Funds</b>		
	3	
PPBA costs		(254,071)
Legal costs		(65,789)
Receivers' Lien		(213,747)
GPL Indemnity costs		(146,984)
GPL Office and Other costs		(111,037)
<b>Surplus/ (deficit) funds after costs</b>		<b>(189,339)</b>
No. of woodlots in Scheme		13,734
<b>Estimated return per woodlot (\$)</b>		<b>-</b>
June 2014 grower update estimated return (URS) per woodlot		9.96
Change in return		(9.96)

## 2. Next steps

We will now complete the winding up of the Scheme. Communications will be sent to Growers initiating the winding up of the Scheme in the near future.

At this point in time, as we anticipate there will be no distribution for this Scheme, Link Market Services Limited **will not** be sending out correspondence to you.

We recommend that you seek independent advice in relation to the taxation effect of this outcome.

## 3. Application of funds

There are a number of costs that, subject to an order of the Court, will be deducted from the Gross Proceeds (**Approved Scheme Costs**).

These Approved Scheme Costs include:

- (a) Liquidators' and legal costs\*
- (b) The Receivers' Lien (detailed below)
- (c) Costs for winding-up of the scheme\*.

*\*Note a portion of these costs have been estimated and may vary*

These Approved Scheme Costs are payable in priority to any payment to Growers. Scheme Costs which relate to more than one GPL Scheme Option have been allocated between the GPL Scheme Options in accordance with the allocation approved by Court.

All Approved Scheme Costs are subject to the review and approval of the Court. All relevant documents in relation to the approval of costs and Court rulings are available on our website:

- [www.ppbadvisory.com/creditor-information](http://www.ppbadvisory.com/creditor-information)

For context on the Approved Scheme Costs, Growers will recall that the following key steps have been undertaken to realise the pool of funds from the sale of Scheme assets and resolve competing claims that may have reduced this pool of funds:

Date	Event
September 2012 to March 2013	Court protection measures obtained to prevent the termination of Scheme leases whilst the future of the Schemes was investigated following the collapse of the Scheme's responsible entity (RE), GPL.
March – April 2013	An expression of interest campaign to find a new RE for the Scheme. During this time, significant costs were incurred in relation to the ongoing maintenance of Scheme Assets, administration costs, staff wages and the legal, liquidation and other costs of the RE. These costs have been reviewed by the Court and allowed in full.
May 2013 to September 2013	A sale process for the Scheme Assets given a new RE was not found.
October 2013 to December 2013	Court approval process for the FIT Sale Proceeds
January 2014 to June 2014	Court approval process for the allocation of the Sale Proceeds
July 2014	FIT Sale completion process
October 2014 to March 2016	Detailed discussions with the ATO and PwC on the treatment of Scheme and RE income tax and GST positions.
March 2013 to March 2016	Court applications for the review and approval of the GPL Liquidators' costs of managing the Schemes.

Additionally, Growers should recall that prior to the collapse of GPL, there were costs that were determined to be payable from proceeds of Scheme assets related to the collapse of the previous Scheme RE, Great Southern Managers Australia Limited (in Liquidation) (**Great Southern**). These are still payable despite the subsequent collapse of GPL.

These included:

- the Great Southern Receivers' lien which repays the costs of the Receivers of Great Southern in managing the Schemes until GPL took over as RE (**Receivers' Lien**). GPL bought this lien from the Great Southern Receivers on taking over the Schemes, it is therefore recoverable by the GPL Receivers
- an indemnity payable to GPL from Scheme assets for certain costs when it took over as RE (**GPL Indemnity**). This is also recoverable by the GPL Receivers.

#### 4. Source of funds

The Scheme is a pooled scheme. Accordingly, proceeds received from the sale or harvest of Scheme Assets will benefit the pool of Growers in the Scheme. These proceeds are summarised above in Table 1 (**Distributable Funds**).

However, as the Approved Scheme Costs are greater than the proceeds received from the Scheme Assets, we have estimated that there will be no funds available to distribute to Growers.

These Scheme proceeds arose from:

- sale of Scheme Assets located on land owned by the Gunns Group of companies
- interest paid on Scheme proceeds.

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