

31 March 2014

**CIRCULAR TO GROWERS**

Dear Grower

**FEA PLANTATIONS LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS APPOINTED) ("FEAP")**

**FOREST ENTERPRISES AUSTRALIA LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS APPOINTED) ("FEA")**

**Sales Update**

As you will recall, the restructure proposal contemplated by the Implementation Deed reached between the Deed Administrators of FEA and FEAP, the Receivers and the Banks, provides for a sales process.

This process may result in two possible outcomes, namely:-

- a) One Line Sale – where the freehold land and trees situated on that land are acquired unencumbered by interested purchasers
- b) MIS Transition – Under this outcome the MIS encumbrance would continue for the 1995 to 2001 Schemes and provided that all conditions precedent are satisfied, Macquarie Alternative Asset Management Limited would become the new Responsible Entity.

The Receivers have advised the Deed Administrators the potential purchasers who have expressed interest in the sale offering have shown no interest in the MIS Transition proposal. The Receivers have further advised that final bids from potential purchasers are due to be submitted in mid-April 2014. That means, despite the current interested parties' preference, the sales outcome will not be determined before 31 March 2014 as contemplated by the resolutions passed by the Scheme Meetings of Growers on 11 November 2013

**Postponement of 1995 to 2001 Schemes Winding Up**

The amendments for the 1995 to 2001 Scheme Constitutions approved by Grower investors last year provided that these Schemes be wound up on 31 March 2014 unless a sale subject to MIS Transition

Ferrier (Chairman) | Silvia | Krejci | Resnick | Cummins | Green (Consultant) | Hodgson (Consultant)

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proposal occurs before that date. However, pursuant to clause 5.6 of the Amended Scheme Constitutions, FEAP as the Responsible Entity may postpone the winding up if it thinks it is desirable and in the interest of the Grower investors.

Presently, there remains uncertainty as to the sales outcome and the timing thereof as the final bidding process is not likely to close until mid-April 2014. Accordingly, FEAP as the Responsible Entity of 1995 to 2001 Schemes is of the view that it is in the interest of Growers that the winding up of these Schemes be deferred for a period of 6 months pending further advice from the Receivers on the sale process

#### **Grower Investors' Ongoing Funding Support**

Growers are strongly encouraged to continue their funding support to the 1995 to 2001 Schemes in order to retain their financial viability during the sales process of the FEA Group estate.

Certain Growers with long outstanding compulsory contributions were issued Default Notices on 28 January 2014 allowing a period of 60 days for rectification. FEAP has the option to forfeit the defaulting Growers' interests in their schemes and potentially sell the woodlots after 29 March 2014 if the default is not rectified by payment before that date.

An external Mercantile Collection agency, Stoneink, has been engaged to assist in the collection of certain Growers' outstanding contributions. A failure to address the amounts outstanding may have adverse credit rating ramifications for those Growers.

Should you have any queries in relation to the above, please contact FEA Team on (02) 8263 2300 or by email to [fea@briferriernsw.com.au](mailto:fea@briferriernsw.com.au).

Yours faithfully

**FEA PLANTATIONS LIMITED**

**(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS APPOINTED)**

**FOREST ENTERPRISES AUSTRALIA LIMITED**

**(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS APPOINTED)**



**BRIAN SILVIA**

Joint and Several Deed Administrator