

Great Southern Adviser Update

It is with great regret we inform you that the Directors of Great Southern Limited and Great Southern Managers Australia Limited have appointed Martin Jones, Darren Weaver, Andrew Saker and James Stewart of Ferrier Hodgson as joint and several administrators of the companies and the majority of its subsidiaries.

This sad and disappointing course of action has been taken by the Directors after the group's club banks declined to continue to support the company's restructuring program, despite Great Southern's restructure program being well advanced in an effort to diversify its earnings and cash flow, reduce its reliance on annual MIS sales, reduce its level of gearing and to derive more value from its strategic asset base.

While advanced in its short term 5 point plan, the company was still reliant on its short term cash flow. This was impacted by increasing market uncertainty surrounding MIS sales and the funding of those sales, which were no doubt compounded following Timbercorp's appointment of voluntary administrators on April 23. The company had already begun discussions with its banks for a short term bridging facility which would assist the company through to asset realisations which we expected would generate \$200 to \$250 million over the coming months.

Our banking syndicate refused our request for additional support, despite our comprehensive plans which included the listing of cattle stations for auction in June and despite the company remaining within the terms of its facilities and no debt being currently due and payable.

We very much still believe in the strategic plan we had in place and are committed to working with the administrators to leverage from the work already done and to ensure the best possible outcome for all stakeholders.

No doubt you will have some queries about this process and what it means for your clients, and we encourage you to email your queries to ginfo@great-southern.com.au. We have also placed information on our website www.great-southern.com.au and will continue to update this information as necessary.

A series of creditors meetings will be held across the country on Wednesday May 27. Please refer to the website for details about where these meeting will take place.

We will continue to communicate with you, as information becomes available and as per the administrator's instructions.

Kind regards

Great Southern

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Rural Opportunities Fund and
RFM fund enquiries

