

ION Limited (ACN 009 106 272)
Yollatsac Limited (formerly Castalloy Limited) (ACN 007 528 583)
Yollatsac Manufacturing Pty Ltd (formerly Castalloy Manufacturing Pty Ltd) (ACN 007 838 986)
Yollatsac Wheels Pty Ltd (formerly Castalloy Wheels Pty Ltd) (ACN 007 894 984)
Core Cast Limited (ACN 097 447 660)
ION Light Metal Castings Pty Ltd (ACN 104 930 181)
ION Automotive Group Limited (ACN 104 279 156)
XIAS Pty Ltd (formerly ION Automotive Systems Pty Ltd) (ACN 104 930 109)
XITMS Pty Ltd (formerly ION Transmissions Pty Ltd) (ACN 099 982 180)
XCTA Pty Ltd (formerly Cootes Transport Pty Ltd) (ACN 010 383 016)
XCTS Pty Ltd (formerly Cootes Tanker Service Pty Ltd) (ACN 004 495 765)
XIRC Pty Ltd (formerly I.R. Cootes Pty Ltd) (ACN 004 801 076)
XLC Pty Ltd (formerly Liquip Corp Pty Limited) (ACN 082 859 970)
XLO Pty Ltd (formerly Liquip Overseas Pty Ltd) (ACN 094 440 589)
XLS Pty Ltd (formerly Liquip Sales Pty Ltd) (ACN 001 595 222)
XLSE Pty Ltd (formerly Liquip Service Pty Ltd) (ACN 082 859 989)
XLSV Pty Ltd (formerly Liquip Sales (Vict.) Pty Ltd) (ACN 005 691 761)
XST Pty Ltd (formerly Stevenson Transport Pty Ltd) (ACN 006 271 352)

(All subject to Deed of Company Arrangement)
(Collectively "ION DOCA Group")

Deed Administrators' Update and Declaration of Third Interim Distribution

20 December 2011

1. Deed Administrators' Application to the Federal Court

As notified in the last Update dated 8 December 2011, the Deed Administrators filed an Application with the Federal Court seeking the Court's directions in regard to future distributions. The Application has now been heard and **attached** to this Update is a copy of the orders made by the Court.

Subject to certain limited exceptions referred to in the orders, the orders affect those current and former shareholders of ION Limited whose claims have been rejected in whole or in part and where notice of such rejection was given by a Form 537 Notice of Rejection of Formal Proof of Debt or Claim dated on or before 1 November 2011 (**Finally Rejected Shareholders**).

In accordance with the orders made by the Court, the Deed Administrators will be proceeding with future distributions from the Fund maintained by them under the ION Deeds of Company Arrangement on the assumption that:

- the rejected portion of the claims of Finally Rejected Shareholders has been finally determined; and
- Finally Rejected Shareholders have no entitlement to a distribution from the Fund in relation to the rejected portion of their claims.

2. Declaration of Third Interim Distribution

On 28 October 2011, the Deed Administrators published a Notice of Intention to Declare a Dividend which notified all creditors of the ION DOCA Group that a third interim dividend would be declared on 14 November 2011 (**Notice of Intention**). As previously advised, the declaration of the third interim dividend was delayed pending the outcome of the Deed Administrators' Application to the Court.

The Notice of Intention required creditors who had not done so already, to lodge a proof of debt or claim with the Deed Administrators on or before 11 November 2011 (**Deadline**) to participate in the interim distribution.

A third interim distribution at the rate of 5 cents in the dollar is now declared for the benefit of all creditors of the ION DOCA Group who lodged their proofs of debt or claim with the Deed Administrators on or before the Deadline and whose debts or claims are already admitted or are subsequently admitted (**Third Distribution Creditors**).

Proofs of debt lodged with the Deed Administrators after the Deadline will not be eligible to participate in the third interim distribution, second interim distribution or the first interim distribution.

The third interim distribution will be paid as follows:

- a) by 31 December 2011 for those Third Distribution Creditors whose debts or claims are adjudicated and admitted by that date; and
- b) within 7 days of the date of admission for those Third Distribution Creditors whose debts or claims are not adjudicated and admitted by 31 December 2011, but are subsequently admitted by the Deed Administrators.

The Deed Administrators will update creditors in due course as to the likely timing of a further interim distribution once the process of adjudicating the remaining shareholder claims is substantially complete.

3. Further Information

If you require further information in relation to the matters dealt with above, please refer to the ION website or contact the Deed Administrators at ionshareholder@mcgrathnicol.com or (03) 9038 3133.

ION Limited (Subject to Deed of Company Arrangement)



Keith Crawford and Peter Anderson
Deed Administrators

Federal Court of Australia
District Registry: Victoria
Division: General

ION LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(ACN 009 106 272) and others named in schedule 1

and

KEITH ALEXANDER CRAWFORD, PETER MCKENZIE ANDERSON AND OTHERS (as Deed Administrators of the entities named in Schedule 1 attached)
Plaintiffs

ORDER

JUDGE: Justice Dodds-Streeton
DATE OF ORDER: 20 December 2011
WHERE MADE: Melbourne



THE COURT ORDERS THAT:

1. The Deed Administrators are justified in declaring a third interim distribution, any further interim distribution, and a final distribution under the deeds of company arrangement of the entities listed in Schedule 1 attached (collectively, **ION DOCAs**), without making provision for any potential distribution (whether declared already or in the future) in respect of the disallowed claims of current and former shareholders of ION Limited (subject to Deed of Company Arrangement) whose proofs of debt have been rejected by the Deed Administrators (wholly or in part) and notice of such rejection given to the relevant shareholder by a Form 537 Notice of Rejection of Formal Proof of Debt or Claim dated on or before 1 November 2011 (**Rejection Notice**), save for the disallowed claims of the following current and former shareholders:

- (a) the third to fourteenth applicants to the interlocutory process issued on 24 October 2011 in proceeding VID 634/2010;
- (b) any shareholder whose Rejection Notice has, as at the date of this order, been returned to the Deed Administrators undelivered;
- (c) each of the shareholders listed in part 1 of Schedule 2 attached;
- (d) each of the shareholders listed in part 2 of Schedule 2, PROVIDED THAT, in the case of each such shareholder, they make application to any Court of competent jurisdiction on or before 10 February 2012 for an extension of the time in which to appeal the Deed Administrators' determination of their claim(s); and
- (e) any shareholder whose Rejection Notice has, at the date of this order, been revoked by the Deed Administrators and not subsequently reissued on or prior to 1 November 2011.

2. The costs of this application be costs in the ION DOCAs.

Date that entry is stamped: 20 December 2011


(for) Deputy District Registrar



Schedule 1

No VID 1391 of 2011

Federal Court of Australia
District Registry: Victoria
Division: General

ION LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 009 106 272)
& OTHERS

KEITH ALEXANDER CRAWFORD, PETER MCKENZIE ANDERSON & OTHERS

Plaintiffs



Entity Name	ABN / ACN	Deed Administrators Appointed
ION Limited (Subject to Deed of Company Arrangement)	29 009 106 272	Keith Alexander Crawford Peter McKenzie Anderson
Core Cast Limited (Subject to Deed of Company Arrangement)	87 097 447 660	Keith Alexander Crawford Peter McKenzie Anderson
ION Automotive Group Limited (Subject to Deed of Company Arrangement)	87 104 279 156	Keith Alexander Crawford Peter McKenzie Anderson
ION Light Metal Castings Pty Ltd (Subject to Deed of Company Arrangement)	51 104 930 181	Keith Alexander Crawford Peter McKenzie Anderson
Yollatsac Limited (formerly Castalloy Limited) (Subject to Deed of Company Arrangement)	56 007 528 583	Keith Alexander Crawford Peter McKenzie Anderson Samuel Charles Davies
Yollatsac Manufacturing Pty Ltd (formerly Castalloy Manufacturing Pty Ltd) (Subject to Deed of Company Arrangement)	79 007 838 986	Keith Alexander Crawford Peter McKenzie Anderson Samuel Charles Davies
Yollatsac Wheels Pty Ltd (formerly Castalloy Wheels Pty Ltd) (Subject to Deed of Company Arrangement)	14 007 894 984	Keith Alexander Crawford Peter McKenzie Anderson Samuel Charles Davies
XCTA Pty Ltd (formerly Cootes Transport Pty Ltd) (Subject to Deed of Company Arrangement)	76 010 383 016	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern
XCTS Pty Ltd (formerly Cootes Tanker Service Pty Ltd) (Subject to Deed of Company Arrangement)	14 004 495 765	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern
XIRC Pty Ltd (formerly I.R. Cootes Pty Ltd) (Subject to Deed of Company Arrangement)	20 004 801 076	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern

Entity Name	ABN / ACN	Deed Administrators Appointed
XLC Pty Ltd (formerly Liquip Corp Pty Limited) (Subject to Deed of Company Arrangement)	81 082 859 970	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern
XLO Pty Ltd (formerly Liquip Overseas Pty Ltd) (Subject to Deed of Company Arrangement)	094 440 589	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern
XLS Pty Ltd (formerly Liquip Sales Pty Limited) (Subject to Deed of Company Arrangement)	48 001 595 222	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern
XLSE Pty Ltd (formerly Liquip Service Pty Ltd) (Subject to Deed of Company Arrangement)	71 082 859 989	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern
XLSV Pty Ltd (formerly Liquip Sales (Vict.) Pty Limited) (Subject to Deed of Company Arrangement)	28 005 691 761	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern
XST Pty Ltd (formerly Stevenson Transport Pty Ltd) (Subject to Deed of Company Arrangement)	48 006 271 352	Keith Alexander Crawford Peter McKenzie Anderson Robyn Beverley McKern
XIAS Pty Ltd (formerly ION Automotive Systems Pty Ltd) (Subject to Deed of Company Arrangement)	35 104 930 109	Keith Alexander Crawford Peter McKenzie Anderson Michael John Hill
XITMS Pty Ltd (formerly ION Transmissions Pty Ltd) (Subject to Deed of Company Arrangement)	90 099 982 180	Keith Alexander Crawford Peter McKenzie Anderson Michael John Hill



Schedule 2

No VID 1391 of 2011

Federal Court of Australia
District Registry: Victoria
Division: General

ION LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (ACN 009 106 272)
& OTHERS

KEITH ALEXANDER CRAWFORD, PETER MCKENZIE ANDERSON & OTHERS

Plaintiffs

Part 1

Shareholder name	SRN/HIN	Legal Representative
Peter Bancroft & Marlyn Bancroft (Sanjo Super Fund Account)	X0031964563	Unrepresented
Banson Nominees Pty Ltd (Marlyn Bancroft Super Account)	X0031984189	Unrepresented
Harold Bruce Stewart	X0024227537	Unrepresented



Part 2

Shareholder name	SRN/HIN	Legal Representative
William Lindsay Trevaskis & Joyce Pamela Trevaskis	X0010024749	Thomas Booler & Co Lawyers
John Barrington Walker	X0024716180	Thomas Booler & Co Lawyers
Jack Cecil Fieldus & Gwendalyn Pearl Fieldus	I0010096502	Thomas Booler & Co Lawyers
Edmond Joseph Scanlon & Mary Carmel Scanlon	X0007537883	Thomas Booler & Co Lawyers
Robert Savage & Julie Savage	X0035614761	Thomas Booler & Co Lawyers
Albert Peter Smith	X0030974719	Thomas Booler & Co Lawyers
Lawrence Johnson	X0019092577	Thomas Booler & Co Lawyers
Susan Lorraine Swinbourne	X0027923909	DC Legal Pty Ltd
Bernard Michael Gastin	X0030262689	DC Legal Pty Ltd
Louis William Teokotai Clay	I0010050391	Unrepresented
Greatham S.A. Pty Ltd	X0035822259	Voumard Lawyers
Ian Maxwell Cannon	I0010093325	Unrepresented
Hanna Kowalski	X0022690051	Unrepresented