

**Lift Capital Partners Pty Ltd (In Liquidation) (Scheme Administrators Appointed)  
Lift Capital Nominees No.1 Pty Ltd (In Liquidation) (Scheme Administrators Appointed)  
(Collectively "Lift" or "the Lift Companies")**

**Update Regarding Schemes of Arrangement**

**19 March 2010**

We refer to our previous update to creditors dated 22 February 2010 that is available on the McGrathNicol website (capitalised terms in this update have the same meaning as those defined in our previous update).

As Scheme Creditors would be aware, on 8 February 2010, the Federal Court dismissed the appeals of the Famularo Companies against the rejection of their proofs of debt for voting purposes at the Scheme Meetings and also made orders approving the Schemes. The orders of the Court were lodged with the Australian Securities and Investments Commission and the Schemes became effective on 10 February 2010.

Since the Schemes were approved, we have progressed the implementation of the Schemes, including the settling of many of the Established Scheme Claims and the receipt of the \$10.3 million Cash Contribution from Merrill Lynch.

On 25 February 2010, the Famularo Companies served notices of appeal in relation to both the Court's orders dismissing their appeals in relation to the rejection of their proofs of debt for voting purposes at the Scheme Meetings ("the Famularo Appeals") and the Court's decision to approve the Schemes.

Ordinarily, it would take some months for an appeal to be listed for hearing before the Full Court of the Federal Court of Australia. Accordingly on 26 February 2010, the Scheme Administrators brought an application seeking orders for the expedition of the Famularo Appeals. On 8 March 2010, the applications for expedition of the Famularo Appeals were heard by Justice Foster in the Federal Court. The Court made the orders expediting the Famularo Appeals and the hearing date has been set for 8 April 2010.

Under the terms of the Schemes, the commencement of the Famularo Appeals necessarily delay the return of the Surplus Securities to Lift Clients and the payment of a dividend to Scheme Creditors (which was otherwise estimated to occur by the end of March 2010). Subject to efficient management of the process, a comparison of the original estimated timetable and the revised estimated timetable (assuming the Famularo Appeals do not succeed) is as follows:

<b>Event</b>	<b>Original Estimated Timetable</b>	<b>Revised Estimated Timetable</b>
+ Assuming the Famularo Appeals do not succeed, possible date on which Court judgment might be handed down	N/A	9 April 2010
+ The Surplus Securities are released to the Liquidators and available to Lift Clients with proprietary claims	10 March 2010	10 May 2010
+ Commence return of Surplus Securities to Lift Clients including dividend receipts	12 March 2010	Commencing on 11 May 2010
+ Payment of Scheme Dividend	31 March 2010	Commencing on 11 May 2010

The timetable above assumes the following:

- + Lift is successful in relation to the appeals which have been lodged with the Full Federal Court of Australia; and
- + The Famularo Companies do not apply to the High Court of Australia for leave to appeal that decision.

The availability of the Surplus Securities to Lift Clients and the timing of a dividend to Scheme Creditors will not be resolved until after the Famularo Appeals have been finally determined, including any subsequent appeals that may be made to the High Court of Australia. Assuming that the Famularo Appeals are dismissed and orders are delivered on 9 April 2010 to that effect and no further appeals are made, the revised timetable outlined above remains achievable.

Should you have any queries regarding the progress of the liquidation and the Schemes, please contact Ms Leah Diprose of this office on telephone number (02) 9248 9927.

If you are a Lift Client and have any queries in relation to your Lift Facility Statement or Established Scheme Claim, you should contact a Lift Capital on telephone number (02) 9004 7364 or email [liftadmin@liftcapital.com.au](mailto:liftadmin@liftcapital.com.au).

Yours faithfully

*Lift Capital Partners Pty Limited (In Liquidation) (Scheme Administrators Appointed)*

*Lift Capital Nominees No.1 Pty Limited (In Liquidation) (Scheme Administrators Appointed)*



J D Hayes  
Liquidator  
Scheme Administrator



A G McGrath  
Liquidator  
Scheme Administrator