

E26-080117-WMLGINC01-Investor Relations Update-mmk

## Investor Relations Update

14 February 2008

**Westpoint Management Ltd  
(In Liquidation) (Receivers and Managers Appointed)  
ACN 074 148 431  
As Responsible Entity for the Westpoint Income Fund**

I refer to my previous update concerning WIF of 6 November 2007. Copies of this and other updates are available at [www.mcgrathnicol.com](http://www.mcgrathnicol.com), in the Administrations section.

Firstly, I apologise if my last update caused you any further concern. A number of members expressed concern that I was contemplating a settlement with Mr Carey in respect to the debt owed by Lanepoint to WIF.

Let me assure all members that I continue to maintain my strong stand in respect to WIF's position with Mr Carey (in particular, with respect to the Lanepoint debt).

The "settlement" discussions with Mr Carey were in respect to settling the process by which the debt could be determined.

By way of update to members, I set out the following:

### 1. Lanepoint

As you know, I maintain that Lanepoint owes the WIF far more than Mr Carey's argument that the debt is only \$2.3 million at most.

Whilst the grounds of my claim must remain confidential, I believe I have a robust case that, at the very least, deserves to be determined by a neutral party.

My discussions with Mr Carey centered on whether an arbitration process might be preferable to a Court action. I had considered this to be a potentially better option, saving both time and money.

On further consideration, I have dismissed this idea. I am currently developing evidence in support of my claim (a complex task given the nature of transactions between Lanepoint, WIF and Westpoint Corporation).

I will take legal advice on the merits of the claim and will act in accordance with that advice.

This will see either:

- + the recommencement of the sale of the secured development properties in Rivervale (their sale is currently suspended pending the determination of the debt); and/or
- + application to the Court for a determination as to the debt value.

Unfortunately, this process is unlikely to be concluded in the short term. The very nature of Westpoint matters, the complexity of the issues under consideration and access to the Court system will all factor in the time it will take to enable a return to members. Members should not anticipate a return within 2008.

**2. Goldtag (Cinema City)**

Despite continued requests, I have not received a response from the first mortgagee concerning the calculation of their debt and charges imposed on the sale of the Cinema City complex.

At this stage, the alternative is for me to commence legal actions, the cost of which I am trying to avoid. I will continue to seek responses from the mortgagee (LM Funds Management) and, as a last resort, will instigate legal proceedings.

**3. Kingdream Loan (Tip Top Site, Brunswick)**

There is nothing further to report since my last report. There will be no return on the debt owed to WIF.

We appreciate that many members of WIF are unfamiliar with the liquidation process. We sometimes lose sight of that fact.

Members who have any queries, concerns or issues are encouraged to write to either myself or Melinda Kubank of my office and we will be only too happy to respond.

Yours faithfully

*Westpoint Management Ltd (In Liquidation) (Receivers and Managers Appointed)*



Simon Read  
*Liquidator*