

**Investor Relations Update****31 August 2007**

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

I refer to my previous update concerning WIF of 25 May 2007. Copies of this and other updates will soon be available at [www.mcgrathnicol.com](http://www.mcgrathnicol.com), in the Administrations section<sup>1</sup>.

**1. Summary**

- ◆ Expressions of interest for the Lanepoint properties have been received and the Receiver and Manager appointed by WIF is negotiating with the parties concerned.
- ◆ I have not yet received a detailed explanation from the 1<sup>st</sup> mortgagee of the Goldtag (Cinema City) property but I doubt that any funds will be disgorged to WIF as second mortgagee
- ◆ The Receivers and Managers appointed by WIF, the second mortgagee, received an offer to purchase the property at a value that will not repay the first mortgagee. There will be no return from this debtor.

**2. Lanepoint Loan (Regency apartments and other properties)**

I am working on a deed of release for the Suncorp appointed receivers and managers so that they can retire while retaining sufficient funds to meet their creditors, both known and contingent. These creditors total \$2.53m and were set out in detail in the previous circular.

The WIF appointed Receiver and Manager has received and we have approved for execution a contract for the sale of one of the apartments. The remaining apartment is subject to an ongoing marketing campaign.

The commercial properties were subject to an "offers invited" marketing campaign that finished 15 August 2007. The Receiver and Manager is

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<sup>1</sup> The [www.ppbwestpoint.com.au](http://www.ppbwestpoint.com.au) site will be closed down shortly.

continuing his negotiations with several of these parties in order to recommend offers capable of acceptance.

There is also continuing argument about the amount owing by Lanepoint to WIF and I am close to finalising WIF's position on this matter.

### **3. Goldtag loan (Cinema City)**

I am yet to receive a detailed response from the first mortgagee on the amounts that were charged by them against the sale price. I will continue to pursue this matter to ensure WIF's position is protected.

### **4. Kingdream loan (Tip top site, Brunswick)**

The Receivers and Managers appointed by WIF received an offer for the sale of the property that was not be enough to repay the first ranking secured creditor, LM Investments. As there would be no funds flowing to WIF from this proposed sale, I advised the Receiver and Manager that the sale contract cannot be executed by them but that they can contact the first mortgagee who in turn may execute the sale contract. I am retiring the Receivers and Managers in due course.

### **5. Estimated return**

My last update indicated a likely return to investors at the low end of the range of between 20c/\$ - 70c/\$ and that an interim distribution may be possible by November 2007.

At this stage, the likely quantum has not altered and I remain hopeful of making an interim distribution before the end of the year. This will depend upon when the settlements of any sales of Lanepoint properties occur and the determination of the actual debt owed by Lanepoint to WIF.

I will send a further update when the Lanepoint properties have been sold.

If you have any queries, please contact Bruce Land or Melinda Kubank on (08) 6363 7600.



Simon Read  
*Official Liquidator*