

13 December 2013

**Trustee and Receivers of Banksia Securities Limited (Receivers and Managers Appointed) (“BSL”) announce fourth interim repayment of 8 cents in the dollar to be paid on Monday 16 December 2013.**

***Announcement of fourth repayment***

The Trust Company as Trustee, and the Receivers of BSL, McGrathNicol, are pleased to announce that on Monday, 16 December 2013 a fourth interim repayment will be declared and paid to debenture holders. The distribution will be 8 cents in the dollar, resulting in a total return to date of 78 cents in the dollar to BSL debenture holders.

The payment of the distribution follows the successful sale of the loans within the Banksia Mortgage Fund to Deutsche Bank. As a result of the sale, BMF investors will receive their entire principal and interest calculated to 31 October 2013, and BSL received a substantial payment to sell its exposure to the fund.

David Grbin, Group Executive General Manager, Corporate Client Services at The Trust Company, welcomed the fourth repayment. “The Trustee is pleased to see the successful settlement of the BMF loan portfolio sale and the resultant distribution to debenture holders. We will continue to work closely with McGrathNicol as Receivers, to ensure further timely repayments and the finalisation of the Receivership in an efficient manner”.

***Total BSL repayment guidance***

Based on current information there is no change to the overall guidance of 80 to 85 cents in the dollar, meaning further repayments of 2 to 7 cents in the dollar are still expected.

Tony McGrath, one of the Receivers, said the Trustee and Receivers would revisit the overall guidance as remaining issues develop in coming months and report any changes in the first quarter of 2014. “We are closely monitoring our forecasts of returns from the remaining BSL assets, which are now primarily impaired loans. We consider the current guidance of 80 to 85 cents a good guide, with a mid-point of that range being a very realistic target.”

The Receivers have provided a written update to debenture holders to accompany the distribution, which has also been posted on the Banksia website at [www.banksiagroup.com.au](http://www.banksiagroup.com.au).

***Litigation Strategy***

Following Public Examinations earlier in the year the Trustee and Receivers continue to advance their work in relation to the potential litigation or mediation of the claims BSL has against various parties, arising from its failure in 2012.

To ensure the Committee of Debenture Holders are appropriately briefed on the options available, the Trustee and Receivers have endorsed the appointment of an Independent Advisor, to liaise with the Receivers on BSL claims, and advise the Committee on those options. Mr McGrath said, “we are keen to ensure debenture holders, through the Committee, receive clear advice to assist in addressing the complex litigation options facing Banksia, which are an important part of our recovery strategy.”

**Media Contact:**

Rebecca Piercy: 0422 916 422 / (02) 9552 4499