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TO THE INVESTOR AS ADDRESSED

Our ref 13014713\_1

21 October 2011

Dear Sir/Madam

**The Unregistered Managed Investment Schemes detailed at Annexure A and associated Companies detailed at Annexure B (“the Letten Schemes”) to which Receivers and Managers are appointed and Companies detailed at Annexure C to which Liquidators are also appointed.**

As you are aware, Philip Arthur Hennessy and I were appointed Receivers and Managers of the Property of the Letten Schemes by order of the Federal Court of Australia on 25 February 2010.

Further to our circular to Investors dated 16 September 2011 (which can be found on the Letten investor website), the Receivers and Managers wish to provide an update with respect to several matters including the realisation of certain assets owned by Yarra Valley Golf Pty Ltd (Receivers and Managers Appointed) (“YVG”) and Glenbelle Pty Ltd (Receivers and Managers Appointed) (“Glenbelle”) and distributions to Proper Trust Creditors of Certain Letten Schemes and Investors.

**Realisation update**

***Glenbelle – Management Lot***

As previously advised in the Circular to Investors dated 16 September 2011, following the auction of the Management Lot on 3 February 2011, the Receivers and Managers continued to work with the successful bidder at the auction (the “Initial Purchaser”) to proceed to settlement. This involved the satisfaction of certain conditions precedent contained within the Initial Purchaser’s contract.

Shortly after the public auction, Glenbelle entered into a further contract for the sale of the Management Lot with Golden Heritage Golf Pty Ltd (“GHG”)(the “GHG Contingency Contract”) which was the successful purchaser of the golf courses and other YVG and Glenbelle assets. Glenbelle entered into the GHG Contingency Contract in the event that the Initial Purchaser’s contract did not complete. We believe this was in the best interests of Creditors and Investors. The GHG Contingency Contract is dependent on a number of conditions which require satisfaction before settlement is able to occur.

Since the auction the Receivers and Managers have sought to have the conditions precedent to the Initial Purchaser’s contract met.

One of those conditions precedent has not been met and the Initial Purchaser’s contract was terminated on 30 September 2011.

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In order to progress the GHG Contingency Contract, the Receivers and Managers have made an application to the Court (to be heard on 4 November 2011) for, amongst other things, the following:

- Confirmation that the termination of the Initial Purchaser's contract was valid; and
- Court approval of the GHG Contingency Contract.

Copies of the documents lodged with the Court and the Circular to Investors dated 16 September 2011 are available at [www.kpmg.com.au/lettenschemes](http://www.kpmg.com.au/lettenschemes). Investors or Creditors are able to participate in the legal process if they wish.

Investors will be advised of the outcome of the hearing in due course.

#### ***YVG - Henley Lots 6 & 7 and Lot 8***

The Receivers and Managers have completed on the sale of Lots 6 & 7 (parcel of residential land) and Lot 8 (land and homestead) located on the northern side of the Henley course which were subject to contracts of sale prior to our appointment.

The proceeds from these sales, less the relevant selling and associated costs were paid to the secured creditor.

#### ***YVG – Botanica townhouses***

As outlined in our circular dated 16 September 2011, the auction of two of the Unsold Botanica Properties took place on 8 October 2011. These properties did not sell at auction and remain on the market.

The Receivers and Managers will continue to review the strategy with regard to the realisation of the Unsold Botanica townhouses and provide further updates in due course.

#### **Distribution to Proper Trust Creditors and Investors**

As outlined in the Circular to Investors dated 16 September 2011, there is a hearing on 4 November 2011 to consider the claim by creditors against Letten Schemes where there are surplus proceeds. The outcome of this hearing will be critical to determine the timing and quantum of distributions to relevant creditors and Investors.

Copies of the various Court documents are also available at [www.kpmg.com.au/lettenschemes](http://www.kpmg.com.au/lettenschemes) should Investors or Creditors wish to participate in the legal process.

Investors and Creditors will be advised of the outcome of the hearing in due course.

*21 October 2011*

Should you have any further queries in relation to this matter please send an email to [lettenschemes@kpmg.com.au](mailto:lettenschemes@kpmg.com.au) or call the Investor hotline on 1800 882 944 (Australia) or +61 3 9838 4238 (International).

Yours faithfully



Damian Templeton  
Receiver and Manager

21 October 2011

**Annexure A: KPMG Partners Damian Templeton and Philip Hennessy have been appointed Receivers and Managers to the following schemes:**

<b>Scheme</b>	<b>Description of property</b>
Reef House Resort	99 Williams Esplanade Palm Cove, Qld – The Sebel Reef House Resort
Twinview Joint Venture	167 Flinders Lane, Melbourne, Victoria
The Glen Centre Joint Venture	673–681 Glenferrie Road, Hawthorn, Victoria
Nicholson Street Joint Venture	127-137 Nicholson Street, East Brunswick, Victoria
Low Head Joint Venture	136 Low Head Road George Town, Tasmania, 142 Low Head Road, George Town, Tasmania & 40 Gunn Parade, George Town, Tasmania
George Street Joint Venture	34 George Street, Launceston, Tasmania
Cimitiere House Joint Venture	113 Cimitiere Street, Launceston, Tasmania
211 Wellington Road Joint Venture	211 Wellington Road, Mulgrave, Victoria
Yarra Valley Golf Joint Venture	St John of God's Seminary and Henley Farm, Chirnside Park, Victoria
Glenbelle Project	Sebel Heritage Lodge Management Lot, Yarra Valley Golf Course, Chirnside Park, Victoria
Healesville Walk Shopping Centre Joint Venture	251-263 Maroondah Highway, Healesville, Victoria
Howleys Road Joint Venture	40-48 Howleys Road, Notting Hill, Victoria
Queen Street Joint Venture	118 Queen Street, Melbourne, Victoria
Simms Investment Project	626 Pittwater Road, Brookvale, NSW
National Boulevard Joint Venture	144 National Boulevard, Campbellfield, Victoria
SY21 Retail Complex Project	The Court has found that the asset of the SY21 Scheme is the 50 percent shareholding in SY21 Retail Pty Ltd together with moneys owing by SY21 Retail Pty Ltd to LGH Holdings Ltd.
Tomasetti House Joint Venture	277-279 Flinders Lane, Melbourne, Victoria
Aurora Park Project	443-447 Warringah Road, Frenchs Forest, New South Wales
Moorhouse Shopping Centre Project	343-359 Moorhouse Avenue, Christchurch, New Zealand
Cass Bay Spur Project	60 Governors Bay Road, Cass Bay, Lyttelton Harbour, New Zealand
Mount Hutt Project	McLennans Bush Road, Methven, New Zealand

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**Annexure B: KPMG Partners Damian Templeton and Philip Hennessy have been appointed Receivers and Managers to the following companies:**

LGH Holdings Limited ACN 077 191 943	Glenbelle Pty Ltd ACN 097 306 646
211 Wellington Road Pty Ltd ACN 092 663 860	Glenvale Way Pty Ltd ACN 088 287 021
Bluemist Holdings Pty Ltd ACN 097 306 922	Greenview Lane Pty Ltd ACN 093 505 312
Dellwood Holdings Pty Ltd ACN 098 505 803	Hallmark Corporation Pty Ltd ACN 083 180 812
Enmore Enterprises Pty Ltd ACN 082 158 487	Moorleigh Holdings Pty Ltd ACN 088 287 058
Firbank Arch Pty Ltd ACN 059 464 381	Norton Ridge Pty Ltd ACN 078 821 066
Glenline Pty Ltd ACN 098 532 364	Raleigh Glen Pty Ltd ACN 088 204 380
Gerling Holdings Pty Ltd ACN 091 726 457	Redcrest Holdings Pty Ltd ACN 100 836 486
LGH Administration Pty Ltd ACN 077 165 069	Suri Corporation Pty Ltd 093 505 321
LGH Finance Pty Ltd ACN 078 859 248	Sutton Rise Pty Ltd ACN 088 204 399
Low Head Village Pty Ltd ACN 091 731 958	The Virtual Mlmer Pty Ltd ACN 065 374 665
Nicholson Street Pty Ltd ACN 069 104 089	Tivendale Pty Ltd ACN 093 505 349
Holloway Crest Pty Ltd ACN 091 731 967	Tulloch Downes Pty Ltd ACN 078 895 048
Rosebery Enterprises Pty Ltd ACN 091 826 229	Mainking Pty Ltd ACN 100 790 485
Simms Investments Pty Ltd ACN 093 504 511	Topglen Pty Ltd ACN 096 857 564
The Glen Centre Hawthorn Pty Ltd ACN 089 906 543	Maywood Investments Pty Ltd ACN 091 599 218
Castello Holdings Pty Ltd ACN 088 204 175	Aranbay Pty Ltd ACN 098 532 319
Twinview Nominees Pty Ltd ACN 097 307 278	Melville Corporation Pty Ltd ACN 091 911 045
Yarra Valley Golf Pty Ltd ACN 066 632 479	Tilley Lane Pty Ltd ACN 086 136 361
Adina Rise Pty Ltd ACN 083 181 122	Allblue Pty Ltd ACN 100 836 388
Albright Investments Pty Ltd ACN 088 204 166	Acetrain Pty Ltd ACN 100 820 282
Ashfield Rise Pty Ltd ACN 093 504 806	Sage Bay Pty Ltd ACN 097 306 628
Bradfield Corporation Pty Ltd ACN 088 204 371	Tobago Holdings Pty Ltd ACN 093 504 520
Copeland Enterprises Pty Ltd ACN 093 504 824	HPSC Pty Ltd ACN 059 930 139
Devlin Way Pty Ltd ACN 088 264 813	Jensdale Pty Ltd ACN 098 367 974

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**Annexure C: KPMG Partners Damian Templeton and Philip Hennessy have been appointed Joint and Several Liquidators to the following companies:**

LGH Holdings Limited ACN 077 191 943
211 Wellington Road Pty Ltd ACN 092 663 860
Bluemist Holdings Pty Ltd ACN 097 306 922
Dellwood Holdings Pty Ltd ACN 098 505 803
Enmore Enterprises Pty Ltd ACN 082 158 487
Gerling Holdings Pty Ltd ACN 091 726 457
LGH Administration Pty Ltd ACN 077 165 069
Simms Investments Pty Ltd ACN 093 504 511
The Glen Centre Hawthorn Pty Ltd ACN 089 906 543
Castello Holdings Pty Ltd ACN 088 204 175
Twinview Nominees Pty Ltd ACN 097 307 278
Melville Corporation Pty Ltd ACN 091 911 045
Tilley Lane Pty Ltd ACN 086 136 361
HPSC Pty Ltd ACN 059 930 139
Jensdale Pty Ltd ACN 098 367 974
Oakdale Rise Pty Ltd ACN 091 598 908
Maywood Investments Pty Ltd ACN 091 599 218
Acetrain Pty Ltd ACN 100 820 282
Sage Bay Pty Ltd ACN 097 306 628
Tobago Holdings Pty Ltd ACN 093 504 520
(All Receivers and Managers Appointed) (All In Liquidation)