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(Receivers & Managers Appointed)  
(In Liquidation) (GPL)

GUNNS PLANTATIONS LIMITED  
ABN 36 091 232 209  
AFSL NO. 238701  
(Receivers & Managers Appointed) (In Liquidation)

A WHOLLY OWNED SUBSIDIARY OF GUNNS LIMITED  
ABN 29 09 478 148  
(Receivers & Managers Appointed) (In Liquidation)(Gunns)

## Grower update – 4 July 2014

### This update relates to Gunns Plantations Woodlot Schemes 2002 to 2006, 2008 and 2009 (2002 to 2009 GPL Woodlot Schemes)

### (Excludes the Great Southern Schemes and 2000 and 2001 GPL Woodlot Schemes)

This update provides Growers with information relating to the 2002 to 2009 GPL Woodlot Schemes' asset (Scheme Assets).

1. Prior update to Growers
2. Developments in relation the 2000 and 2001 GPL Woodlot schemes (*which are now excluded from the sale of the Tasmanian Forestry Estate*)
3. Impact of the exclusion of 2000 and 2001 GPL Woodlot schemes' assets from sale of the Tasmanian Forestry Estate

#### 1 Prior update to Growers

Growers will recall our prior update dated 26 May 2014, provided in the form of an explanatory notice, (**26 May Explanatory Notice**), which among other things set out details on:

- the joint sale (**Joint Sale**) of Scheme Assets, with the Gunns Group's forestry assets located in Tasmania (collectively, the **Tasmanian Forestry Estate** or **TFE**) by the Gunns Group Receivers and Managers (**Gunns Receivers**)
- the process and timetable for obtaining Court directions that the Liquidators were acting reasonably in entering into the Joint Sale process with the Gunns Receivers (**Court Proceeding**)
- other information, such as scheme costs, how sale proceeds will be allocated later on, grower loans, tax issues and how Growers may get in contact and obtain further information.

This update provides Growers with details regarding recent material events that have occurred since the 26 May Explanatory Note.

Copies of the documents in relation to the Court proceedings and the 26 May Explanatory Note are available to Growers online at each of:

[www.ppbadvisory.com.au/creditor-information](http://www.ppbadvisory.com.au/creditor-information)  
[www.abl.com.au/gunns/gunns.htm](http://www.abl.com.au/gunns/gunns.htm)

#### Disclaimer

*Growers are encouraged to read this update in its entirety before making any decisions concerning their investment. Growers should make their own independent evaluation of the relevance and adequacy of the information contained herein.*

*PPB Advisory has not considered the investment objectives, financial situation or particular needs of individual Growers or any other person. Accordingly, this update should not be relied upon as the sole basis for any decision in relation to your investment. Growers should obtain and rely on professional advice from their own tax, legal, accounting and other professional advisers in respect of the Growers' investment objectives, financial position or particular needs.*

## 2 Developments in relation the 2000 and 2001 GPL Woodlot schemes

Growers may recall that of the circa 105,000 hectares of the GPL Woodlot scheme assets, approximately 1,700 hectares (circa 2%) relate to the 2000 and 2001 GPL Woodlot Schemes, the balance (circa 103,000 hectares, circa 98%) relate to the 2002 to 2009 GPL Woodlot Schemes.

In March 2013, Primary Securities Limited (**Primary**) expressed an interest in becoming RE of the 2000 and 2001 GPL Woodlot Schemes. On 18 June 2014 the Australian Securities and Investments Commission (**ASIC**) confirmed that there had been a change in the responsible entity (**RE**) to Primary (**Primary RE**) for the 2000 and 2001 GPL Woodlot Schemes. As a consequence:

- the scheme assets of the 2000 and 2001 GPL Woodlot Schemes **no-longer** form part of the Joint Sale of the TFE (collectively the **Excluded Woodlot Projects**)
- land owned by the Gunns Group of companies (**Gunns Group Land**), circa 1,700 hectares, on which the Excluded Woodlots Projects are planted, will also **no-longer** be included in the Joint Sale of the TFE (collectively the **Excluded Land**)
- the purchase price payable for the Joint Sale of the TFE has been adjusted to accommodate the removal of the Excluded Woodlot Projects and Excluded Land (refer section 3)
- Growers (scheme investors) of the 2000 and 2001 GPL Woodlot Schemes **will not** participate in the distribution of the TFE sale proceeds.

The Primary RE will be in contact with Growers of the 2000 and 2001 GPL Woodlot Schemes (scheme investors), in relation to their plans for these schemes.

## 3 Impact of exclusion of 2000 and 2001 scheme assets from sale of the Tasmanian Forestry Estate

Sections 1.1 and 6 of the 26 May Explanatory Note provided Growers with details of the agreed sale price for the TFE and the amount available to be allocated to the GPL Woodlot Schemes.

The Gunns Receivers have informed the Liquidators that under the sale agreement with the purchaser, the agreed purchase price is to be adjusted for land that is not capable of being transferred unencumbered upon settlement. As a consequence of the removal of the Excluded Woodlot Projects and Excluded Land from the Joint Sale of the TFE, the Gunns Receivers have informed the Liquidators that:

- the adjusted agreed purchase price payable for the TFE is **\$324.7 million** subject to certain completion adjustments (ie \$5.3 million less than the \$330 million previously indicated)
- of the total Joint Sale proceeds for the TFE, **12.5% or \$40.6 million** is to be allocated to the 2002 to 2009 GPL Woodlot Schemes (less applicable costs). While this is \$1.0 million less than the \$41.6 million previously indicated, it will now be shared between fewer schemes (ie Growers of the 2000 and 2001 GPL Woodlot Schemes will no longer participate in the distribution of the TFE sale proceeds).

In order to assist Growers to understand this development, we have updated the 26 May Explanatory Notice to take into account these amendments. Below is a link to the updated explanatory notice (**4 July Explanatory Notice**):

<https://www.ppbadvisory.com/uploads/i297-Grower-Explanatory-Notice-4-July-2014-GPL-Schemes-2000-to-2006-2008-2009.pdf>

Arrangements that protect the interests of Growers (for the 2002 to 2009 GPL Woodlot Schemes) contained within a Standstill Agreement, Sale Process Agreement and other agreements between the Liquidators and the Gunns Receivers, remain in place.

The Liquidators do not anticipate there will be any material amendment of the Court Proceedings (as set out on page 2 of the 26 May Explanatory Notice and 4 July Updated Explanatory Note). The Court hearing remains scheduled for 16 and 17 July 2014.

**Growers of the 2002 to 2009 GPL Woodlot Schemes will continue to be updated for material developments.**

### Further questions?

If you have any further questions please address them to the following contacts:

Contact	Contact Phone Number	Contact Email Address
GPL Client Services	(03) 6335 5290	<a href="mailto:gunns.plantations@gunns.com.au">gunns.plantations@gunns.com.au</a>
PPB Advisory	(03) 9269 4160	<a href="mailto:gunns@ppbadvisory.com">gunns@ppbadvisory.com</a>

Further information can also be found at:

- [www.ppbadvisory.com.au/creditor-information](http://www.ppbadvisory.com.au/creditor-information)
- [www.abl.com.au/gunns/gunns.htm](http://www.abl.com.au/gunns/gunns.htm)