

Grower Update – 19 April 2013

**Gunns Plantations Limited ACN 091 232 209
(Receivers and Managers Appointed)(In Liquidation) (GPL)**

**This update relates to Gunns Plantations Woodlot Schemes 2000 – 2006,
2008 & 2009 (GPL Woodlot Schemes)
(Excludes the Great Southern Schemes)**

Our update of 6 April 2013 outlined the rationale for the Liquidators' conclusion that it was in the interest of Growers and stakeholders to pursue a court approved sale process.

Following our update to GPL Woodlot Schemes Growers of 14 April 2013 we now provide our next update that provides responses to the most frequently asked questions we have received over the past week.

We intend to provide the next grower update on or around Friday 26 April 2013 and we encourage you to refer to the Creditor Information section of the PPB Advisory website at www.ppbadvisory.com for any future updates.

Note for GPL Woodlot Schemes Tasmanian landowners

- If you are a landowner with a GPL Woodlot Forestry Right Deed please refer to the Tasmanian Landowner Update of 19 April 2013 on the PPB Advisory website at www.ppbadvisory.com.
- We are working with various stakeholders including the Tasmanian Farmers and Graziers Association and Private Forests Tasmania to provide landowners with various options under a court approved sale process.

Note for Great Southern Schemes 1998 – 2006 Growers

- At this stage the court approved sale process does not apply to the Great Southern Schemes 1998 to 2006.
- The Liquidators are continuing to explore options in relation to the ex-Great Southern Schemes. We will provide further updates on the PPB Advisory website www.ppbadvisory.com.

1. What Schemes did the Grower email of 6 April 2013 relate to?

The e-mail only related to the GPL Woodlot Schemes 2000-2006, 2008 & 2009.

2. When will the court application be made?

The Liquidators will apply to the Supreme Court of Victoria (**the Court**) for a power of sale to be included in the GPL Woodlot Scheme constitutions in the week commencing 22 April 2013. The Court will then set a hearing date. We will provide an update to affected Growers once we have the hearing date confirmed.

3. How will a sale process work and how long will it take?

A sale process will likely take up to 3 to 4 months and will commence if the Court application for a power of sale has been granted.

Stakeholders will have the opportunity to apply to the Court to be heard and present any objections at the hearing.

4. How will the Liquidator determine my entitlement to sale proceeds?

In simple terms, the net proceeds of a Court approved sale process will be available to Growers once any legally asserted liens have been accounted for.

Lien examples may include:

- Administrators and Liquidators' fees and disbursements
- maintenance and operational costs
- legal costs

The Liquidators will seek the guidance of the Court in respect of these liens. If a Grower has a loan in respect of their GPL Woodlot Scheme interest or has granted a security interest in respect of their interest, the proceeds returned to the Grower will also be subject to the terms of that loan agreement or security interest.

5. Who are the potential buyers of the trees of the GPL Woodlot Schemes?

There are a number of large national and international corporations that have expressed interest in the assets of the GPL Woodlot Schemes.

6. If the trees in respect of the GPL Woodlot Schemes are sold with the other assets under the control of the Receivers and Managers of Gunns Group (e.g. with land) how will value be apportioned between the trees and land be determined?

Any allocation of value will need to be agreed by the Liquidators (acting in the best interests of Growers) and will be subject to the approval of the Court.

7. Has an offer been received for the GPL Woodlot trees?

There have been a number of global parties that have been in contact to express indicative interest in purchasing the trees of the GPL Woodlot Schemes, but no offers have been received.

8. Are trees of the GPL Woodlot Schemes continuing to be maintained during the sale process?

An agreement covering fire maintenance and suppression services, regulatory compliance services and general forestry management services remains in place.

9. Can an alternative RE still provide a proposal to the Growers to become the alternate RE for the GPL Woodlot Schemes?

Yes. A party interested in becoming the RE may continue to work up a proposal for the Growers to become the alternate RE. At this stage, for the reasons set out in our email of 6 April, any future alternate RE proposal will have to be put to Growers without the assistance of the incumbent RE and to avoid the administration incurring further costs. We will keep you informed of any developments.

10. How does the Liquidator get paid?

Administrators and Liquidators' fees and costs will need to be reviewed and approved by the Court.

Costs approved by the Court may then be paid (subject to available funds) from GPL Woodlot Scheme assets.

If a replacement RE was found, then the outstanding Court approved costs would need to be paid in priority to other costs associated with the GPL Woodlot Schemes.

If a sale of GPL Woodlot Scheme assets was to occur, then the outstanding Court approved costs would need to be paid in priority to other costs associated with the GPL Woodlot Schemes.

Both scenarios provide for the same approach to meeting the costs of the liquidation – in other words PPB Advisory is fee neutral under either a sale process or a replacement RE process.