

REGISTERED OFFICE
28A BRISBANE STREET, LAUNCESTON, TAS 7250

TELEPHONE +61 3 6364 3180
FACSIMILE +61 3 6334 5318



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 – 22 December 2016

**This update relates to all Gunns Plantations Woodlot Schemes
except**

2006 Option 3, 2008 Option 3, 2009 Option 2 and 2009 Option 3

(Excludes the Great Southern Schemes)

This communication provides an update on the settlement process with Forestry Tasmania (**FT**) including:

1. Background
2. Court approval
3. Distribution of FT proceeds
4. Next steps

In conjunction with this update please refer to the updates to Growers dated 19 October 2016, 26 November 2015 and 5 March 2014 available at:

- www.ppbadvisory.com.au/creditor-information
- <http://www.abl.com.au/gunns/gunns.htm>

1. Background

Growers may recall from prior updates that we agreed to settle a claim against FT in respect of the Scheme Trees (**the Restitution claim**) on a combined basis with another claim against FT in relation to an unfair preference (**the Preference claim**).

The terms of the settlement remain confidential (including the settlement sum).

2. Court approval

Entry into the settlement deed by the Liquidators on behalf of GPL as Responsible Entity (**RE**) required approval by the Supreme Court of Victoria (**Court**).

We made an application to the Court on 14 October 2016 seeking directions that we were justified and otherwise acting reasonably and properly in entering into the settlement of the Restitution claim with FT, and carrying out the steps contemplated by the settlement deed.

The hearing for the Restitution claim was held on 30 November 2016 and the Court on 9 December 2016 provided approval for GPL in its capacity as Responsible Entity to enter into the FT deed.

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

A copy of the order has been published on our website at <https://www.ppbadvisory.com/creditor-information/v/297/gunns-limited-gunns-plantation-limited>. It is also available for download via our solicitors' website at <http://www.abl.com.au/Gunns/Gunns-Plantations-Limited/Current-Supreme-Court-applications>. If any growers would like a paper or electronic copy, please call the PPB Advisory number below or send an email to gunns@ppbadvisory.com.

3. Distribution of FT proceeds

The FT settlement proceeds **are not** included in the distribution amount that you will receive in the coming weeks. However, we note that the costs of the Court application are factored into the distribution amount. The only costs to be deducted from the FT proceeds are the costs to distribute these proceeds to growers once received (refer table below).

As per above, the settlement sum remains confidential and we are unable to disclose the gross proceeds by Scheme Option. However, we can disclose the methodology used for allocating the FT proceeds, costs of distribution and estimated return per woodlot.

Allocation of proceeds

We have estimated total costs for the time, effort and cost expended by GPL in planting and maintaining the trees, which is the basis for allocating the FT proceeds. The proceeds allocated to each Scheme Option are based on the scheme option proportional share of total costs.

Estimated return per woodlot and distribution costs

The table below provides an overview of the estimated return per woodlot for each scheme option:

GPL Scheme and Option	Total estimated costs to distribute (\$)	Estimated return per woodlot (\$)
GPL Scheme 2002		
Option 1	25,104	2.56
Option 2	10,151	103.16
GPL Scheme 2003		
Option 1	27,517	8.83
Option 2	19,496	107.87
GPL Scheme 2004		
Option 1	5,690	4.61
Option 2	3,619	95.93
GPL Scheme 2005		
Option 1	20,916	2.62
Option 2	-	-
GPL Scheme 2006		
Option 1	82,280	2.07
Option 2	19,460	2.29
GPL Scheme 2008		
Option 1	-	-
Option 2	-	-
GPL Scheme 2009		
Option 1	-	-
Total	214,233	

Notes:

1. The estimated costs to distribute are calculated using the same methodology as the sales proceeds distribution. These costs are yet to be approved and are included in the current cost application before the Court.
2. Where the estimated distribution costs for a Scheme Option exceeds the gross proceeds, a return will not be paid to Growers in that Scheme Option.
3. These returns per woodlot are based on estimates and are therefore subject to change.

4. Next steps

We anticipate distribution of the FT proceeds in early 2017, once the sales proceeds distribution has been completed.

We will advise growers in the relevant Scheme Options of the timetable of this distribution in due course.

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) 6364 3180	gunns@gunnsplantation.com
PPB Advisory	(03) 9269 4160	gunns@ppbadvisory.com