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Company Announcements Platform
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ITC TIMBER TRANSACTION

On 31 August 2009 Gunns Limited ("Gunns") and Elders Limited ("Elders") announced agreement on terms for the sale of the ITC Timber business by Elders to Gunns. The sale was conditional on ACCC approval of the transaction.

The transaction was referred by Gunns to the ACCC for review and, following initial market enquiries, on 28 October 2009 the ACCC issued a statement of issues relating to the proposed acquisition and provided a further period to 25 November 2009 to conduct additional market enquiries and publish its decision in relation to the transaction.

The ACCC has today announced its intention to oppose the transaction, highlighting in particular its concerns about the impact of the acquisition by Gunns of ITC Timber's 50 per cent stake in the SmartFibre wood chip joint venture. The SmartFibre business is a woodchip export joint venture between Elders and Forest Enterprises Australia, operating out of Bell Bay in Tasmania. It has an attributed acquisition value in the proposed transaction of approximately \$9.3 million (representing approximately 10% of the total transaction enterprise value).

In light of this decision, it is the intention of Gunns and Elders to exclude the 50% stake in SmartFibre from the proposed transaction and to proceed with the balance of the original transaction. Gunns and Elders are seeking early confirmation (within a week) that the ACCC has no objection to the revised transaction.

There are no significant changes to the expected benefits of the acquisition in the integration of the Gunns and ITC hardwood timber operations arising from the exclusion of the SmartFibre joint venture interest from the transaction.

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