



MEDIA RELEASE

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Great Returns for Gunns' Growers

Australia's premier agribusiness investment manager, Gunns Plantations Ltd, has commenced the thinning of its Growers' woodlots in their inaugural forestry MIS project (Woodlot Project 2000¹) and, this week, will also complete the 2008 harvest of Growers' vineyards in their inaugural viticultural MIS project (Winegrape Project 2004²).

Gunns Plantations Woodlot Project 2000 (Hardwood planting options only)

The thinning of Woodlot Project 2000 will result in income being paid to Growers that is both well ahead of schedule and much greater than originally anticipated.

- Gunns Plantations have been able to achieve a price of \$37.40/m³ stumpage for the Growers' wood which is 18% higher than forecast in the original Prospectus. It should be noted that this is a stumpage price for thinnings. The stumpage price for final harvests are typically even greater due to the higher volumes involved and the lower harvesting costs.
- The trees are growing up to 35% faster than originally forecast and are forecast to achieve growth rates well in excess of 33 MAI (m³/ha/annum) at maturity. In simple terms that's over 430 tonnes of wood, per hectare, grown over a 13-year term.
- In the case of Planting Option 2 (Hardwood Veneer & Pulpwood) these returns will be paid approximately four (4) years ahead of schedule. For Growers in Planting Option 1 (Hardwood Pulpwood) no thinning was forecast in the original Prospectus and hence this income will come as a very welcome surprise for Growers.

"This is a fantastic result given that it is not quite eight years into the investment, we've already had to thin the standing crop and the best is yet to come from the final harvest", says Mr Ian Blanden, Manager of Gunns Plantations Ltd.

"This is not only a huge amount of wood but it also represents a huge amount of sequestered CO₂, which is great news for the environment as well as for Growers. And so on all four counts; the environment, price, volume and timing, we have been able to exceed Growers' expectations. These results re-confirm our decision to locate all of our hardwood plantations, in all of our MIS projects, in Tasmania", said Mr Blanden.

The Growers' woodlots in Woodlot Project 2000 are located in north-western Tasmania and are being thinned early due to the superior growth rates being achieved, which are well in excess of Prospectus forecasts. The harvest will take place over the next nine months.

Gunns Plantations Winegrape Project 2004

The 2008 season represents the 2nd harvest for Growers in Gunns Plantations' Winegrape Project 2004.

- Gunns Plantations Ltd have been able to achieve an average price in excess of \$2,000/tonne for all of the Growers' grapes for the 2008 season.
- In 2007 Growers received yields of 3.2 tonnes per hectare which was not forecast in the Product Disclosure Statement (PDS).
- Even better news is that, this year, Growers will receive yields equivalent to approximately 10.7 tonnes per hectare. This yield is approximately 21% higher than forecast in the PDS.
- The grapes are being sold to Tamar Ridge Estates; Tasmania's premier cool-climate wine producer.

"This is an amazing result for four year old vineyards", says Tamar Ridge Estates' Operations Manager, Mr Rod Lyon.

The stellar performer out of the Winegrape Project 2004 vineyards has been the Whitehills vineyard located south of Launceston, with majestic views over Launceston and the upper Tamar River Valley.

"To take almost 1,000 tonnes of high quality fruit off an 83 hectare vineyard, that is four years old is quite remarkable", Mr Lyon said.

CEO and Chief Winemaker of Tamar Ridge Estates, Dr Andrew Pirie, confirmed the suitability of the fruit for premium wine production. "In the first year of production (2007) we produced a gold medal-winning wine from this vineyard and the 2008 fruit is even better", he said.

Growers can expect gross income this year, before costs, to be approximately \$22,000 per hectare.

NOTE: Photographs of both harvests are available for the media upon request

For further information, or copies of photographs, contact:

Mr Ian Blanden
Manager – Gunns Plantations Ltd
(03) 6335 5290 or 0419 329 495

Note: Planting Option 3 (Softwood Sawlogs and Pulpwood) will not be harvested at this stage.

¹: Gunns Plantations Woodlot Project 2000 Prospectus dated 28th April 2000: ARSN 092 354 535

²: Gunns Plantations Limited Winegrape Project 2004 PDS dated 10th May 2004: ARSN: 108 955 193