



woodlot project 09

PROJECT PROFILE - OPTION 1

Introducing Gunns Plantations Ltd Woodlot Project 2009 - Option 1



Gunns Plantations Limited (GPL) is proud to be offering investors the opportunity to become growers of Eucalyptus nitens (Shining gum) or Eucalyptus globulus (Tasmanian Blue-gum) under the Gunns Plantations Ltd Woodlot Project 2009 - Planting Option 1 ("the Project"). By participating in the Project you become a grower of one hectare Woodlots that will be planted and maintained for approximately 13 years before being sold as hardwood pulp logs.

Gunns Plantations Limited

Gunns Plantations Limited (GPL) is a wholly owned subsidiary of Gunns Limited, established for the specific purpose of building a forestry resource business for third party investors. GPL was first established in November 1999 and has established 13 managed investment schemes in wood, wine grapes and walnuts with over \$575 million of funds under management. GPL draws upon the extensive experience and expertise of its parent company, Gunns Ltd.

Gunns Limited

Gunns Limited (Gunns) was established in 1875 in Tasmania and is listed in the S&P/ASX 200. Gunns is Australia's oldest and largest fully integrated forest products company and is regarded as the world's largest hardwood chip exporter, Australia's largest supplier of decorative sliced veneer, Australia's largest saw miller and Australia's largest softwood chip exporter. Gunns' operations comprise of five main business divisions, being forest products (incorporating woodchips, timber and veneer), agribusiness investment, retail, construction and viticulture. The company currently owns approximately 230,000 hectares of freehold land, manages in excess of 200,000 hectares of plantation estate and employs around 2,600 people.

The Plantation Division staff of Gunns are highly experienced in site selection, tree establishment, maintenance, inventory and protection. This ensures quality establishment and care of Growers' plantations.

Competitive Advantage

Gunns owns the necessary processing infrastructure and exporting facilities to process and export wood. Gunns' infrastructure is unmatched by any other forest products company in Australia. GPL has access to this infrastructure and in turn Growers benefit from concentrated resources and low haulage distances. Gunns owns:

- 4 deep water export woodchip port facilities
- 5 major export woodchip mills
- 8 major timber sawmills
- 1 veneer mill
- 7 seed orchards for plantation stock
- 2 nurseries capable of growing in excess of 18 million eucalypt seedlings p.a.
- 1 fibre technology laboratory which is the only facility of its kind owned by a supplier of woodchips in Australia
- A long standing tree breeding program that results in higher growth rates and improved fibre yield
- Well advanced plans to construct a world class pulp mill at a value of \$2.2 billion

Key Information...

The Project is priced at \$7,480 (inc. GST). There are NO further 'out of pocket' expenses for the duration of the Project. Payment for the Rental Fee, Maintenance Fee and Sales Commission will be deducted at the time of each harvest and will amount to 16.5% of any Wood Sale Proceeds (inc. GST).

Costs to Growers per Woodlot (one hectare)

Application Fee	\$7,480 (inc. GST)
Pruning Fees	N/A
Rent, maintenance and sales commission	16.5% of any wood sale proceeds (inc. GST) will be deducted at the time of each harvest

About the Project

Term	13 years
Species	Eucalyptus nitens or Eucalyptus globulus
Nature of investment	Pulpwood
Location	Tasmania
Harvest Times (approx)	Year 9 (thinning) and Year 13 (clearfell)
Guaranteed Stocking Level	90% of the average initial planting density for the first 2 years
Insurance	Available upon request at the growers expenses
Off - take Agreement	Yes. With Gunns Limited.

Finance Available

Gunns Finance Pty Ltd is currently offering the finance arrangements described below:

**SPECIAL OFFER FOR
12 MONTH FINANCE**
Individual applicants investing
less than \$300,000, no assets and
liabilities required!

Term	Interest Rate	Deposit
1 Year - Int. Free	Nil	Nil
3 Years - P & I	8.5% p.a.	Nil
5 Years - P & I	9.0% p.a.	Nil
10 Years - P & I	10.0% p.a.	Nil

Please note: Finance will be made available to approved applicants only.

Research Ratings

Adviser Edge Investment Research	LONSEC
4.25 stars	Recommended

Advantages of Investing in Tasmania

- Tasmania is one of Australia's premier forest growing regions.
- Tasmania's plantation growth rates are equivalent to or better than any other area in Australia.
- Tasmania has more reliable rainfall and less risk of plantation drought death than any other state in Australia.

Who Purchases My Timber?

GPL has a firm "off-take" agreement with Gunns for the sale of all wood grown in Tasmania under Option 1, thus ensuring the forward market of Growers' produce.



Are There End Markets?

Gunns exports timber products to over 20 countries per annum and has strong and enduring relationships with its customers for woodchips, sawn timber and veneer. The company has contracts in existing markets for over 5 million tonnes of wood per annum.

World demand for hardwood is increasing as the consumption of paper and paperboard continues to grow. The largest woodchip importing region is Asia, which Gunns is geographically well placed to service and where it has a significant market presence.

Domestically, the potential for future sales of hardwood plantation products, from Tasmania especially, increased dramatically in 2007 when Gunns Limited obtained both State and Federal government approvals for their plans to construct a world-scale Bleached Kraft Pulp (BKP) mill in Tasmania.

The timber from the Woodlots grown under the Project will form an integral part of Gunns' strategy for future growth. It will enable Gunns to meet rising market demand by expanding its available resource.

Is this an Environmentally Friendly Investment?

Gunns' forest activities in Tasmania are governed by the Forest Practices Act 1985 (Tas), which is operationally implemented via the Forest Practices Code.

In addition Gunns has successfully implemented sustainable forest management practices, which have been independently audited to achieve the Australian Forestry Standard (AFS), the international Programme for the Endorsement of Forest Certification scheme (PEFC), Chain of Custody and the international environmental management standard ISO 14001. This level of regulation and certification demonstrates Gunns' forest management practices are amongst the world's most sustainable.

Growing trees is environmentally friendly as they absorb carbon, which helps to combat the "greenhouse effect". Greenhouse gas sequestration levels are measured in 'carbon dioxide equivalents' (CO₂e). Approximate CO₂e sequestration levels measured for the Project are indicated in the table adjacent.

The carbon sequestered over the Project's lifetime equates to:



CO ₂ e sequestered over the life of the Project	Running a car for:	Running a household for:	An Australian living for:
400 tonnes	100 years	29 years	14 years

Note: It is not known whether there will be any potential financial value arising from carbon sequestered by a Grower's Woodlot during the life of the Project

Taxation

The Application Fee of \$7,480 (inc. GST) and any finance and insurance costs should be 100% tax deductible in the year in which they are paid. Please refer to product ruling PR 2008/66 for full details in this regard. A copy of the product rulings can be obtained from our website, www.gunns.com.au/plantations or by visiting the website of the Australian Taxation Office (ATO), www.ato.gov.au.

You may register for GST if you are carrying on a business. If you are registered for GST, then you may be entitled to claim an input tax credit from the ATO for the GST component of fees paid under the Project. Whether you should register for GST will depend on your individual circumstances and you should obtain your own independent taxation advice.

Financial Planning Benefits!

Talk to your financial adviser about the Project's potential financial planning benefits, including strategies such as:

- Lifestyle funding;
- Reducing your tax; or
- Paying off your home faster and creating long term investments at the same time.

Whether these potential benefits are suitable for you will depend on your particular circumstances and you should discuss them with your financial adviser and read the PDS in full prior to making a decision to invest.



ABN: 36 091 232 209 AFSL: 238701

DISCLAIMER Gunns Plantations Limited ACN 091 232 209 (GPL) is the issuer of the product disclosure statement (PDS) offering investors an opportunity to subscribe for interests in the Gunns Plantations Ltd Woodlot Project 2009 ARSN 135 490 292 (the Project). A copy of the PDS may be obtained from GPL by phoning FREECALL 1800 015 023 or via our website: www.gunns.com.au/plantations. The information contained in this document is general in nature and does not take into account the individual investment objectives, financial situation or particular needs of any potential investor. All prospective investors should read the PDS and any supplementary PDS in full prior to making a decision regarding an investment in the Project. Allocations of Woodlots will only be made to successful applicants that have properly completed an Application and Power of Attorney Form attached to a current PDS. We recommend you obtain personal financial and legal advice before making a decision to invest.

The Australian Taxation Office (ATO) has issued product rulings for the Project (Product Rulings) which will apply to investors accepted into the Project on or before 30 June 2009 and which confirm the tax deductibility of the initial application fee and other costs which may be incurred by investors as referred to in the Product Rulings. The Product Rulings are only binding on the ATO insofar as the Project is carried out in the specific manner identified in the Product Rulings. The Product Rulings are only a ruling on the application of taxation law and are in no way expressly or impliedly a guarantee or endorsement of the commercial viability of the Project, the soundness or otherwise of the Project as an investment or the reasonableness or commerciality of any fees charged in connection with the Project. A copy of the Product Rulings are available free of charge by contacting GPL on FREECALL 1800 015 023 or downloading them directly from www.gunns.com.au/plantations or www.ato.gov.au.

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