

9 October 2009

Dear Grower

Gunns Limited ("Gunns") is currently finalising a proposal for the management of the Great Southern Forestry Managed Investment Scheme of which you are an owner. This proposal includes Gunns Plantations Limited assuming the role of Responsible Entity (R.E.) for the Scheme.

Details of the Gunns proposal should be available shortly and will be sent to all Growers in time for detailed consideration to be given to it before voting on a competing proposal that will be put to a meeting on October 29.

***Until then – when the merits of each of the competing proposals have been weighed up - it is very important that no commitments be made to any proposal and that, in particular, Proxy Forms pledging support for a competing proposal are not submitted.***

Gunns expects that its proposal will be very attractive to Growers because it aims to provide you with a greater share of the proceeds of the harvest of your trees than any other known proposal. And the Gunns Proposal is expected not to focus only on a selected group of preferred schemes but to provide a comprehensive solution addressing the needs of the majority of Growers and consolidates – not fragments – the asset base.

There are logical reasons to expect that the Gunns Proposal will be superior because:

- **Gunns is an experienced forestry operator** – Gunns has the forestry expertise and strategic rationale to propose an attractive solution to Growers. Gunns is Australia's largest fully integrated hardwood-based forest products company, and owns over 280,000 hectares of freehold land. It manages in excess of 200,000 hectares of plantations and has established 15 managed investment schemes in wood, wine grapes and walnuts. Gunns Plantations Limited has approximately \$620 million of funds under management and currently manages 104,840 hectares of forestry projects. There are clear economies of scale that Gunns can bring to the Great Southern operations ensuring efficiency and cost effectiveness; and
- **Gunns has the financial capacity** – Gunns has the capacity to fund the ongoing expenditure of the R.E. for the benefit of Growers. It employs approximately 2,600 people, and had annual revenue of \$769.3m for the 12 months to 30 June 2009 and EBIT of \$110.8m. Gunns' market capitalisation as at 7 October 2009 was approximately \$905m.

**However, this is not a request that you support the Gunns Proposal – it is simply asking that you do nothing with your asset until after you have had the opportunity to study our proposal and to compare it with any other proposal that is put before you.**

In the meantime, if you would like to discuss the Gunns proposal or to seek any further information before our next letter to you, please call us toll-free at 1800 24 23 00, or alternatively email us at [groweroffer@gunns.com.au](mailto:groweroffer@gunns.com.au) or visit [www.gunns.com.au](http://www.gunns.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Gay', written in a cursive style.

John Gay  
Chairman - Gunns Limited and Gunns Plantations Limited