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Company Announcements Platform
Australian Stock Exchange Limited

Re - Retail Entitlement Offer completes

Integrated forest products company Gunns Limited today announced the completion of its Retail Entitlement Offer, which followed the successful \$333 million capital raising from institutions.

Gunns Managing Director John Gay said the retail offer had attracted minimal interest, which was unsurprising in the current market.

“Our institutional offer was very successful and has allowed us to repay the extended working capital facility which was partly used to fund the acquisition of Auspine, as well as repay a portion of the company’s existing debt facilities,” he said.

“It is a regulatory requirement to make the same offer to all shareholders and we were not surprised, given the current worldwide equity market conditions, that few shareholders took up the retail offer.”

“The retail offer was not underwritten, as we believed the institutional offer was sufficient for our purposes.”

“I would like to acknowledge shareholders who have continued to support the company and its strategy through this capital raising.”

A total of 907,728 new shares, worth \$1.36 million, were issued to retail shareholders under the offer. As outlined in the prospectus of 4 September, 2008, the retail offer has lapsed in respect of those new shares for which there was no demand.

Further information:-

Media

Matthew Horan - 0403 934 958

Investors

John Gay - 03 6335 5201

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