

27 November 2007

## ASX ANNOUNCEMENT

### **Gunns Limited offers to acquire remaining shares in Auspine Limited**

Gunns Limited (ASX: GNS), the holder of 60.8% of shares in Auspine Limited (**Auspine**) (ASX: ANE), has launched an offer to acquire all of the shares in Auspine that it does not already hold.

#### **Offer**

Auspine shareholders will receive a cash offer of \$7.00 per share.

The offer represents a premium of 13.8% to Gunns previous cash bid for Auspine.

Mr Adrian de Bruin, the managing director of Auspine, who controls 30.3% of issued shares, has stated his intention to accept the offer for all shares he controls at the earliest opportunity.

The offer is unconditional. Auspine shareholders who accept Gunns' offer will be paid within one month after the date they accept the Offer and no later than 21 days after the end of the Offer Period.

#### **Benefits for Gunns**

Gunns Chief Executive, Mr John Gay, said "the acquisition will establish Gunns as Australia's largest privately held diversified owner and manager of hardwood and softwood forest resources."

"Not only does it deliver complete control of a valuable plantation resource, it provides a significant beachhead in the mainland market and in a range of softwood structural timber products and fibre offerings to add to our very strong position in hardwood products".

"Auspine is already performing above our original expectations and we have a lot of confidence in it".

Gunns expects a range of strategic and financial benefits from the acquisition of 100% of Auspine, including:

- **Geographic Diversification:** Control of a significant "Green Triangle" plantation resource strategically placed to service key mainland markets;
- **Softwood and Hardwood Fibre and sawn timber:** Synergies in serving domestic and export customers with increased volumes of wood fibre and sawn products and better logistics for both;
- **Value-added Timber Products:** improved ability to invest in veneers and engineered wood products;

- **Distribution Efficiencies:** Cost savings from utilising the combined Auspine and Gunns logistics and distribution channels;
- **Further Expansion:** attractive positioning for potential future consolidation of the Australian forest and wood products industry in Australia.

**Bidders statement**

Auspine shareholders will receive Gunns' formal offer through a Bidder's Statement which will be dispatched to shareholders shortly. The offer is due to close at 7pm (Melbourne time) on 18 January 2008 (unless extended).

The Auspine Target's Statement and Independent Expert's Report is expected to be sent to shareholders in December 2007.

Freehills is acting as Gunns' legal adviser.

**Contact:**

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