



Media Release

Date 05 September 2009

Restructuring enhances strategic focus of forest industry

The acquisition by Gunns' Limited (Gunns) of ITC Limited's (ITC) timber processing division demonstrates the strategic positioning of the forest and timber sectors to maintain strategic focus ahead of the global economic recovery.

"The acquisition involves the takeover by Gunns of ITC's hardwood processing facilities. It does not include any plantation or forestry assets or operations, which will continue to form the focus of ITC's core business," said NAFI CEO Allan Hansard.

"These two companies have identified areas of strategic expansion; for Gunns it's processing and manufacturing, while for ITC it is harvesting, export and increasing its plantation estate.

"The sale announcement has been well received by the Australian forestry industry as it makes sense for Gunns to acquire processing facilities which are well located to provide complementary manufacturing assets in strategic locations, while ITC retains its forestry focus and seeks to grow that division of its business.

"Unlike many export commodities, forest and wood products have bucked the recent trend by experiencing continued growth and price resilience during the recent unprecedented global financial crisis. The strategic positioning of these two companies will benefit the broader industry, and the Australian economy."

[ENDS]

Media contact: Jane Heffernan 0419 465 328 or 02 6285 3833 Jane.heffernan@nafi.com.au