

29 August 2003

The Manager
Company Announcements Platform
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: EGM - Media Release

I enclose a statement for release to the market.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wayne Chapman', written over a horizontal line.

Wayne Chapman
Company Secretary

Media Release
Friday, August 29, 2003

**OVERWHELMING DEFEAT FOR
SPECIAL RESOLUTION**

A resolution put to an Extraordinary General Meeting of Tasmanian timber company Gunns Limited today has been overwhelmingly defeated.

Gunns Limited Executive Chairman John Gay said that of the 57 million valid proxy votes received less than one percent (0.4%) voted in support of the motion, representing around 250,000 shares out of a possible 82 million.

Of even more significance, the voter response was the largest in the company's history, with clear support for the Board and the company shown by the bulk of both private and institutional investors.

"This has been a resounding win for the vast majority of Gunns private and institutional investors, for the employees of Gunns Limited and their families, the forest industry and Tasmania," Mr Gay said after the meeting.

"And this has been a win for the sawmilling and veneer industries, because it is these high-value industries that this resolution sought to shut down and destroy," he said.

"This whole action was nothing more than a publicity stunt by the Wilderness Society staged for political purposes in a futile attempt to attack a well performing and legitimate Tasmanian business," he said.

Mr Gay said the extraordinary general meeting had provided an opportunity not a threat, in that it enabled the company to better inform all of its shareholders of its operations.

"What our opponents choose to forget is that Gunns is logging timber provided under the Regional Forest Agreement after a rigorous assessment of the environmental, social and economic impacts of the industry in Tasmania.

"The RFA process involved widespread community consultation, including with The Wilderness Society and conservation groups over many years. It provides for working forests unprecedented in Australia and around the world, yet the Wilderness Society will not accept this."

Mr Gay said the company recognised its responsibility to undertake its activities in compliance with regulatory requirements and with a view to long term sustainability.

"We will not be distracted from our obligation to our shareholders, our 1300 employees and their families and the forest industry, as well as our commitment to sustainability."
Ends.....

A handwritten signature in black ink, appearing to read 'John E. Gay', is written over a horizontal line.

J. E. GAY
EXECUTIVE CHAIRMAN
GUNNS LIMITED