

MEDIA RELEASE

26 October 2010

SunRice shareholders meet to discuss proposed offer

Shareholders of SunRice will meet this afternoon in Wakool to hear further details of the proposed offer from the world's largest rice group, Ebro Foods, for the acquisition of the company.

The meeting is the first in a series being organised by the Board of SunRice, which will also include meetings later this week in Deniliquin, Coleambally and Finley and in Leeton and Griffith next week.

The Chairman of SunRice, Gerry Lawson, said that while the proposal was financially attractive to individual shareholders, the Board had placed a priority on securing a number of important economic and agricultural commitments from Ebro to ensure the long term future and growth of the local industry.

Mr Lawson will tell shareholders that Ebro – which started as a family rice growing business in Spain in 1950 – has agreed to promoting and expanding the Australian rice industry, making SunRice the headquarters for its expansion into the Asia-Pacific region.

He will also tell shareholders that:

- Ebro supports the current purchasing arrangements for growers and will continue to buy NSW medium grain paddy offered to the company;
- The price offered to growers for medium grain paddy will be benchmarked to Californian medium grain prices, based on an average of two Californian pools and the observed cash price;
- Ebro will buy up to 100kt a year of NSW long grain and other rice varieties at market prices;
- The timing of payments made to rice growers will be consistent with the existing payment structures;
- Ebro will offer growers the possibility of selling durum wheat to Ebro's pasta division, which is the second largest pasta group in the world; and
- Additional funding will be provided for research and development in the Riverina.

“If the proposed transaction is approved by shareholders and implemented, it will bring important long term benefits and security to our industry,” Mr Lawson said. “This is an attractive proposal financially and so are the commitments we have secured from Ebro to underpin further growth of our industry and our long term future of the communities in which SunRice operates.

“Of course, the final decision will be made by our shareholders, who will get to vote on the proposal in due course.”

Media inquiries: Cannings Corporate Communications Nigel Kassulke (0407 904 874) or Luis Garcia (02 8284 9911).

Meeting schedules

Tuesday 26 October	Wakool Services Club	1.00 pm
	Deniliquin RSL Club	7.00 pm
Wednesday 27 October	Coleambally Bowling Club	1.00 pm
	Finley RS Club	7.00 pm
Monday 1 November	Leeton Soldiers Club	1.00 pm
	Griffith Regional Theatre	7.00 pm

Apart from the meetings above, SunRice plans further meetings with shareholders to discuss the proposal from Ebro Foods.