



The Rice Food Experts

RICEGROWERS LIMITED PROSPECTUS



For the Issue of B Class Shares

Ricegrowers Limited ABN 55 007 481 156 trading as SunRice

CHAIRMAN'S LETTER

Dear Shareholder,

This Prospectus sets out an Offer to Shareholders in Ricegrowers Limited (SunRice) and RMB Equity Holders, to subscribe for additional B Class Shares in the Company.

The principal aim of this Offer is to raise additional share capital and improve the Company's Gearing. As at 30 April 2011, SunRice's Gearing was 102%, which is higher than its Australian peers and above the Board's target, at this time, of 70%. It is important that this reduction be achieved so that SunRice is better placed to fund its ongoing operations as well as growth opportunities and withstand the adverse economic impact of events outside of its control, such as interest rate rises and market volatility.

This issue was recently discussed in the Scheme Booklet, which identified that SunRice requires additional capital and outlined a number of options considered by the Board to generate this capital and achieve a reduction in Gearing, including paddy price reduction, reduction in dividends (the 2011 dividend was reduced from 22.5 cents to 18 cents) and raising external equity.

As you know, we have operated a Capital Raising Program over the last five years, in which the Board has actively sought to raise equity capital by offering the opportunity to convert Rice Bonds and RMB Equity to SunRice Shares. As a means of encouraging further investment, this Prospectus provides another opportunity for Shareholders and RMB Equity Holders to apply their 2011 RMB Equity Rollover Payment, or cash, to pay for B Class Shares. Please note New Shares will not participate in the dividend paid in respect of the year ending 30 April 2011.

The issue price of \$3.36 for Shares offered for subscription under this Prospectus has been set by the Board after taking into account a number of factors, including the Net Tangible Asset Value per B Class Share as at 30 April 2011 of \$4.68 and the valuation contained in the recent Independent Expert's Report prepared by Lonergan Edwards & Associates Limited in connection with the Ebro Proposal. After removing the implied control premium linked to the Ebro Proposal to acquire all of the Shares in the Company, this valuation delivered a share price range of \$3.36 to \$3.93, which the Board considers is appropriate and reflects the value of the business. The Board has also considered that if additional B Class Shares are issued at a price that does not fully reflect the value of the Company, then the value of existing B Class Shares would be diluted.

Approximately \$12 million of RMB Equity will be repayable in July 2011. Previous efforts to encourage the reinvestment of RMB Equity into Shares in SunRice have had a low uptake of only 28%. At April 2006 the aggregate RMB Equity was \$102 million, of which \$29 million has been converted to Shares. The balance has been repaid, or is repayable, to RMB Equity Holders and this has contributed to SunRice's increasing bank debt.

I encourage you to read this Prospectus and to support your Company by subscribing for Shares under the Offer. SunRice remains a strong and vibrant company with a sound future.

Your completed Application Form and Direction Form (if applicable) must be received by 27 July 2011.

Yours sincerely,



Gerry Lawson
Chairman

IMPORTANT INFORMATION

This Prospectus is dated 6 July 2011 and was lodged with ASIC on that date. Neither ASIC nor the NSX takes any responsibility for the contents of this document.

Applications for Shares under this Prospectus must be received by the Company by 5.00pm on 27 July 2011. No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Summary of Key Dates	
Date of Prospectus	6 July 2011
Date Prospectus lodged with ASIC	6 July 2011
Date and time Applications for Shares under this Prospectus close	5.00pm, 27 July 2011

It is important that you read this Prospectus carefully and in full before deciding to invest in the Company. In particular, in assessing the prospects of the Company, you should consider the risk factors that could affect the financial performance of the Company in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

Foreign Jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify Shares or to otherwise permit a public offer of Shares outside Australia.

Disclaimer

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors.

Electronic Prospectus

This Prospectus may be viewed online at www.sunrice.com.au. The Offer constituted by this Prospectus in electronic form is only available to Shareholders who receive the electronic version of this Prospectus in Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of this Prospectus. Applications for Shares may only be made on the Application Form attached to this Prospectus. The Application Form may be printed from the electronic version on the website. A paper copy of this Prospectus will be provided free of charge to any person who requests a copy by contacting the Company on 1800 654 557.

Forward Looking Statements

This Prospectus may contain forward looking statements which have not been based solely on historical facts but on the Company's expectations about future events and results. You should consider that as such statements relate to future matters they are subject to various inherent risks, uncertainties and assumptions that could cause actual results or events to differ materially from expectations described in the forward looking statements. Neither the Company, the Directors, nor any other person named, with their consent, in this Prospectus can assure you that any forward looking statement or implied result will be achieved.

Other Documents

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations. In particular, the Company is obliged to comply with the continuous disclosure requirements in the NSX Listing Rules. Copies of documents lodged with ASIC may be obtained from, or inspected at, an office of ASIC. The Company will provide a copy of any of the following documents free of charge upon request:

- The Annual Financial Report of the Company for the financial year ended 30 April 2011 and the related Directors' Report and Audit Report.
- Any Half Year Financial Report lodged with ASIC and any continuous disclosure notices given to the NSX by the Company during the period commencing immediately after the lodgement of the Annual Financial Report and ending on the date of lodgement of this Prospectus with ASIC.

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1. DETAILS OF THE OFFER

1.1 Description of the Offer

New Shares are offered for subscription by Shareholders or their Approved Entities and RMB Equity Holders.

The issue price of all New Shares is \$3.36. Applicants can pay for New Shares by means of any or a combination of the following payment methods:

- (a) Cheque, bank draft or electronic funds transfer; and/or
- (b) The RMB Equity Rollover Payment, due to be paid in July 2011.

No brokerage, commission or stamp duty is payable by Applicants for Shares under the Offer.

There is no minimum number of B Class Shares offered under this Prospectus. The maximum number of B Class Shares that can be issued under this Prospectus is set by NSX Listing Rule 6.25(1) which provides that, subject to certain exceptions, the Company cannot issue a number of New Shares in any twelve (12) month period which would exceed 15% of its share capital without Shareholder approval. As Shareholder approval has been previously obtained to enable the issue of all B Class Shares paid for by application of RMB Equity, the maximum number of Shares that can be issued under this Offer is 8,205,298 plus any Shares paid up by the application of RMB Equity.

An Application constitutes an offer by the Applicant to the Company to subscribe for all or any of the New Shares specified in their Application Form. An Application may be accepted by the Company in respect of all or any lesser number of the New Shares specified in the Application Form, without further notice to the Applicant.

1.2 Eligibility

In accordance with the terms of the Constitution, New Shares are offered for subscription by existing Shareholders, their Approved Entities or RMB Equity Holders. New Shares will not be issued if it would result in a breach of the maximum Shareholding restrictions in the Constitution, as outlined in Section 1.5.

1.3 Issue Price and Payment Options

The issue price of \$3.36 for New Shares subscribed for under this Prospectus has been set by the Board after taking account of a number of factors, including:

- The market price of B Class Shares may not fully reflect the value of the Company, given the restricted nature of the market and the limited range of potential buyers;
- If additional B Class Shares are issued at a price that does not fully reflect the value of the Company, the value of existing B Class Shares would be diluted;
- The Net Tangible Asset Value per B Class Share as at 30 April 2011 was \$4.68;
- The valuation contained in the recent Independent Expert's Report prepared by Lonergan Edwards & Associates Limited in relation to the Ebro Proposal, after removing the implied control premium, delivered a share price range of \$3.36 to \$3.93; and
- The historical dividend rate.

Shareholders may pay up the issue price of New Shares by means of cheque or bank draft or electronic funds transfer or the RMB Equity Rollover Payment, due to be paid in July 2011.

In order to apply the RMB Equity Rollover Payment to pay all or part of the issue price of New Shares, Applicants must complete both the Application Form and the Direction Form.

1.4 Share Capital Structure

There are two classes of Shares in the Company, A Class Shares and B Class Shares.

The Company has the following Shares on issue as at the date of this Prospectus:

Issued Share Capital	Number of Issued Shares	Amount Paid Up A\$
A Class Shares	794	Nil
B Class Shares	54,701,988	\$104,255,884

The number of additional B Class Shares on issue after the Share Issue will depend on the number of New Shares that are subscribed for and issued.

The Offer relates to B Class Shares only.

1.5 Rights and liabilities of B Class Shares

The rights and liabilities attaching to the B Class Shares arise from a combination of:

- (a) The Constitution of the Company; and
- (b) In certain circumstances, the Corporations Act and the NSX Listing Rules.

Dividend and distribution rights

B Class Shares confer the right on their holder:

- (a) To receive dividends declared and other distributions made by the Company from time to time.
- (b) To participate equally with other B Class Shareholders in the distribution of surplus funds on a winding up of the Company.

Voting rights

B Class Shareholders have the right to receive notice of and attend any general meeting of the Company, but have no right to vote at general meetings. The right of B Class Shareholders to vote on matters relating to the Company is limited to circumstances where B Class Shareholders are required to approve a scheme of arrangement or other proposal involving a change to the rights attaching to B Class Shares. However, each B Class Shareholder is entitled to accounts and other documents required to be sent to Shareholders pursuant to the Constitution, the Corporations Act, and the NSX Listing Rules.

Issue of B Class Shares

B Class Shares can only be issued to:

- (a) A Class Shareholders or persons to whom the Directors have agreed to issue an A Class Share;
- (b) Persons who, at the time of the issue, are existing B Class Shareholders;

- (c) Approved Entities of existing Shareholders (in relation to Shareholder superannuation funds approved by the Board);
- (d) Participants under an Employee Share Plan; or
- (e) RMB Equity Holders.

Transfer of B Class Shares

B Class Shares can be transferred to another Shareholder or to an Approved Entity of a Shareholder (subject to maximum shareholding limits). B Class Shares that vest in a person, such as an executor, trustee in bankruptcy or liquidator, upon the occurrence of a Transmission Event are subject to the same limitations on transfer from that person, namely they can only be transferred to a Shareholder, or Approved Entity of a Shareholder.

Maximum shareholding limits

A person cannot hold a number of B Class Shares that, when aggregated with any B Class Shares held by all Associates of that person, exceeds 5% of the total number of issued B Class Shares.

Non-redeemable

B Class Shares are not redeemable. B Class Shares may be bought back by the Company in accordance with the Corporations Act.

Liability to pay issue price

Shareholders are liable to pay the amount, if any, unpaid on B Class Shares. As all B Class Shares issued under this Prospectus will be fully paid, the holders of those Shares will have no liability in this respect.

1.6 How to Apply for Shares Under the Offer

Applications under the Offer will only be accepted on the Application Form attached to this Prospectus. The Application Form includes detailed instructions on how to complete the form. An Application constitutes an offer to the Company to subscribe for Shares on the terms and conditions set out in this Prospectus.

The completed Application Form must be delivered to the registered office of the Company by 5.00pm on the Closing Date.

1.7 Closing Date

The Closing Date specified in the Application Form is 27 July 2011. However, the Company reserves the right to extend the Closing Date at its sole discretion.

1.8 Allotment and Issue

New Shares applied for will be issued as soon as possible after the Closing Date, subject to payment of the issue price. New Shares will not be issued if the issue would result in a breach of the Constitution or any law.

1.9 Application Monies and Application to NSX

In accordance with Section 722 of the Corporations Act, all Application Monies will be held in trust by the Company until the Shares are issued.

An application will be made to the NSX for Quotation of the New Shares issued under this Prospectus within seven days after the date of this Prospectus.

If Quotation of the New Shares is not granted within three months of the date of this Prospectus, the Company will refund Application Monies in accordance with section 723(3) of the Corporations Act.

No interest will be paid on any Application Monies refunded as a result of withdrawal of the Offer or the failure of the New Shares to be quoted on the NSX within three months of the date of this Prospectus or otherwise. Any refunds will be mailed to Applicants as soon as practicable.

1.10 Shareholding Ownership Statements

The Company will mail Shareholding ownership statements to successful Applicants within two months after the issue of the New Shares.

1.11 Taxation

The acquisition and disposal of Shares in the Company will have taxation consequences, which will differ depending upon the personal circumstances of each Shareholder. Shareholders should seek their own taxation advice from a suitably qualified adviser in relation to the taxation consequences of subscribing for Shares under this Prospectus.

1.12 Discretion Not to Proceed

The Company reserves the right not to proceed with the Offer at any time. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer or otherwise.

1.13 Enquiries

Questions relating to this Prospectus should be directed to the Company on 1800 654 557.

2. FINANCIAL INFORMATION

2.1 Right to Obtain Copies of Financial Reports and Disclosure Notices

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date by contacting the Company on 1800 654 557:

- The Annual Financial Report of the Company for the year ended 30 April 2011 as lodged with ASIC; and
- Any Half Year Financial Report lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to the NSX, in the period starting immediately after lodgement of the Annual Financial Report and ending on the date of lodgement of this document with ASIC.

Copies of other documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

2.2 Effect of the Offer on the Company

The purpose of the Share Issue is to:

- Raise capital to enable the Company to reduce its Gearing by raising additional share capital that will be applied to reduce borrowings; and
- Enable the RMB Equity Rollover Payment to be applied to pay for B Class Shares.

The Share Issue is expected to have the following effect on the financial position of the Company:

- Total proceeds of the Share Issue received will be utilised to reduce the Company's borrowings under its bank facilities. The quantum of the reduction can only be determined on finalisation of the Share Issue.
- The total number of B Class Shares after the Share Issue will be determined on finalisation of the Share Issue.
- The resulting reduction in liabilities and increase in paid up capital will strengthen the financial position of the Company and reduce its Gearing.

3. INVESTMENT RISKS

Every investment in shares in a company involves an element of risk. Before accepting the Offer, you should consider whether the New Shares are suitable securities for you to acquire, having regard to your own investment objectives and financial circumstances.

The business activities of SunRice give rise to a number of significant business and financial risks which are inherent in the Australian rice industry and the international market for rice foods. To minimise industry-specific risks the Company has established risk management procedures which are internally and externally reviewed on a regular basis.

The factors detailed below should not be taken as an exhaustive list of the risks faced by the Ricegrowers Group or its investors. These factors and others not specifically referred to may materially affect the profitability of the Ricegrowers Group and the value of the Shares.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Prospectus before you decide whether to apply for B Class Shares.

3.1 Supply of Australian Rice

SunRice is exposed to fluctuations in the volume and quality of rice supplied by Australian rice growers. Fluctuations in volumes of supply may, when surplus to expectation, result in greater volumes being sold on the world market at prevailing commodity prices, or, when in short supply, endanger market relationships and/or result in under-recovery of overheads.

Capacity to sustain Australian rice production is also affected by water variability. For example, further periods of drought, potential enforced reduction of water availability due to Murray-Darling Basin regulation or competing uses of water for other crops.

3.2 Supply of Overseas Rice

During periods of Australian drought, SunRice has adopted a strategy of sourcing rice from several overseas locations to ensure that its brands have ongoing and reliable quality rice to meet market requirements. The success of the overseas rice sourcing strategy is dependent upon the ability to acquire regular supplies of high quality rice at a competitive price. Fluctuations in world prices can significantly adversely impact the availability and profitability of rice trading.

As required, SunRice considers and implements alternative sourcing and processing strategies to ensure the efficient and continuous supply of rice supplies from established sources in Thailand, Vietnam, China, USA, Egypt and India. In this respect, the Company owns majority interests in rice storage, milling and packing facilities in California USA, Papua New Guinea and Jordan.

3.3 Availability of Water/Drought

Despite the recent rain events and a 2011 Australian rice crop of approximately 800,000 tonnes, investors should note that in recent Crop Years, the volume of rice available from Growers has been adversely affected by drought conditions and the resultant limited access to water from the irrigation schemes that service Growers.

SunRice seeks to mitigate the risk of low production by carrying over rice from the preceding Crop Year, where necessary and possible, primarily to support important domestic and strategic export markets, and through its rice trading operations and alliances which enable it to access rice from international suppliers to meet market requirements. SunRice constantly monitors the availability of water and anticipated rice production and will continue to assess and, if necessary, adjust its infrastructure, resources and funding in response to these conditions.

3.4 Domestic Deregulation

In accordance with amendments to the Rice Marketing Act, which took effect on 1 July 2006, the RMB can appoint additional authorised buyers who will have the right to purchase rice from producers in New South Wales. This has the potential to affect the Company's market share of domestic rice sales. However, as the Company has retained its position as the sole exporter of New South Wales rice, the effect will be limited to the Australian domestic market.

3.5 Exclusive Export Agreement Risk

The Rice Marketing Act provides for the establishment of the RMB and sets out the regime under which SunRice operates as an Authorised Buyer (as defined under the Rice Marketing Act) of RMB to provide a single export desk for rice produced in New South Wales.

Effective 1 July 2006, the Company was appointed by RMB as the exclusive exporter of rice grown in New South Wales for an initial term of five years under the Sole and Exclusive Export Agreement. This agreement can be terminated after that initial five-year period by RMB giving at least five years' notice. This effectively gives the Company the exclusive export rights for rice grown in NSW for a minimum period of 10 years from 1 July 2006.

At any time during the term of the Sole and Exclusive Export Agreement, it may be terminated by either party immediately in the following circumstances:

- A party commits a material breach which is not remedied within 30 days after notice to remedy;
- The RMB is dissolved for whatever reason;
- There is a change of control of SunRice without the consent of the RMB;
- SunRice ceases to be an Authorised Buyer for any reason;
- Vesting is revoked or the vesting proclamation is not renewed; or
- Either party suffers an insolvency event.

Under the Rice Marketing Act, proclamations have been made from time to time vesting all rice produced in New South Wales in the RMB. The last proclamation is dated 28 January 2009 (five years after the earlier proclamation) and has continuing effect until 31 January 2013. Rice is excluded from vesting in the RMB to the extent it is acquired by Authorised Buyers appointed by the RMB.

While vesting is due to expire on 31 January 2013, a recent review of the Rice Marketing Act has found that the policy objectives of the Rice Marketing Act remain valid and the provisions of the Rice Marketing Act (including vesting and the single export desk) remain efficient for the purpose of achieving these objectives.

3.6 Gearing

SunRice monitors its capital needs and maintains ongoing assessment of its Gearing. At 30 April 2011, SunRice's net debt was \$272m, with Gearing at 102%, which is above the Board's stated target, at this time, of 70%.

In the Scheme Booklet it was identified that SunRice requires additional capital to improve its Gearing and reduce debt. It was also noted that SunRice will need to incur higher levels of capital expenditure in respect of upgrade programs deferred during the long period of drought. While it has a high level of debt and Gearing, SunRice may be exposed to difficulty:

- With funding its ongoing operations, including capital expenditure that is required to maintain its existing facilities;
- Taking advantage of growth opportunities; and
- Withstanding the adverse economic impact of events outside of its control, such as interest rate rises and market volatility.

3.7 Credit Risk

SunRice manages the credit risk on sales to end customers through a range of credit instruments, credit checks, risk assessments and intelligence monitoring. Sales to offshore entities are settled through high-ranking credit instruments such as Irrevocable Letters of Credit and Cash Against Documents, wherein the credit risk to SunRice is limited to a short period of time. The Company does not have significant exposure to any individual customer or counterparty, and has a history of negligible default in international business transactions.

3.8 Rice Price and Foreign Currency Exchange Risk

SunRice is exposed to the risks of global rice supply and demand fluctuations which affect the prices that can be gained in export markets. Australian dollar receipts are also exposed to the risk of currency fluctuations. When considered appropriate, SunRice participates in foreign currency hedging to manage its exposure and mitigate adverse movements in exchange rates.

3.9 Interest Rate Risk

SunRice has core and seasonal borrowing requirements as a result of the nature of its business and its Grower lending activities. The exposure to movement in interest rates on these borrowings is managed by hedging/fixing the interest rate on a proportion of this debt portfolio, as considered appropriate by the Board.

3.10 Saleability of Shares and Determination of Share Price

The Company has been admitted to the official list of the NSX and official quotation of its B Class Shares commenced on 18 June 2007. The listing of the B Class Shares on the NSX enables B Class Shareholders to trade their Shares with other Shareholders of the Company (subject to maximum Shareholding limits). Whilst the B Class Shares are listed on the NSX, there is a limited market for B Class Shareholders to trade their Shares and the price of the B Class Shares may not fully reflect the underlying value of the Company. The fact that B Class Shareholders do not have the right to vote at general meetings may also impact on the availability of buyers and the price that they are prepared to pay.

The price at which B Class Shares are traded may be influenced by a variety of factors including:

- The profitability and future prospects of the Ricegrowers Group;
- The rate of dividend declared from time to time by the Board;

- The limited transactions as a result of the restricted pool of potential purchasers; and
- The limit on the number of Shares that can be held by B Class Shareholders.

Since the commencement of trading on the NSX, B Class Shares have traded at prices between \$3.00 and \$1.50. Under the Ebro Proposal which was voted on by Shareholders on 31 May 2011 Ebro Foods SA offered a cash payment of \$5.025 per B Class Share plus a franking credit of \$0.603.

When setting the issue price of the New Shares the Board has taken into account:

- The market price of B Class Shares may not fully reflect the value of the Company, given the restricted nature of the market which means that there is a limited range of potential buyers;
- If additional B Class Shares are issued at a price that does not fully reflect the value of the Company, the value of existing B Class Shares would be diluted;
- The Net Tangible Asset Value per B Class Share as at 30 April 2011 of \$4.68;
- The valuation contained in the recent Independent Expert's Report prepared by Lonergan Edwards & Associates Limited in relation to the Ebro Proposal which indicates, after removing the implied control premium, a share price range of \$3.36 to \$3.93;
- The historical dividend rate; and
- That a relatively small number of B Class Shares have been traded on the NSX.

3.11 Ricegrowers Group Profitability

The Ricegrowers Group's profitability is subject to both internal and external factors. Some of these factors can be mitigated by appropriate commercial action, but many are outside the Company's control.

Internal Factors

Internal factors that may affect the Ricegrowers Group's profitability include:

- The profitability of individual business units and subsidiaries of the Ricegrowers Group;
- The adoption of policies and practices within the Ricegrowers Group.

External Factors

External factors that may affect the Ricegrowers Group's profitability include:

- The economic health of Australia and other countries, particularly those in which the Ricegrowers Group operates;
- The stability of governments and changes in fiscal, monetary and regulatory policies of those governments;
- Volatility in foreign currency markets and in particular the Australian dollar;
- The strength of the global rice and food industry; and
- The level of competition in the markets in which the Ricegrowers Group operates.

4. ADDITIONAL INFORMATION

4.1 Transaction Specific Prospectus

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under these obligations, the Company is obliged to comply with all applicable continuous and reporting requirements in the NSX Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities, which are continuously quoted securities. Apart from formal matters, this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the B Class Shares.

4.2 Interests and Fees of Certain People Involved in the Offer

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director and none of the persons involved in the Offer and referred to below has, or has had, in the last two years, any interest in:

- (a) The formation or promotion of the Company;
- (b) Property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- (c) The Offer.

Other than as set out below or elsewhere in this Prospectus, no amount has been paid or agreed to be paid and no benefit has been given or agreed to be given:

- (a) To any Director or proposed Director to induce them to become, or to qualify as, a Director;
- (b) To any Director or proposed Director for services provided by them in connection with the formation or promotion of the Company or the Offer; or
- (c) To any of the persons involved in the Offer for services provided by them in connection with the formation or promotion of the Company or the Offer.

Directors' Interests

Set out below are details of the relevant interests of the Directors in Shares of the Company immediately before lodgement of the Prospectus with ASIC, as well as RMB Equity held by them either directly or indirectly. Interest includes those held directly or indirectly or through an Associate. The table does not take into account any New Shares the Directors may acquire under the Offer.

Name of Director	How Held	Total number A Shares	Total number B Shares	Total Amount of RMB Equity
GF Lawson AM	GF and SB Lawson	1	Nil	Nil
	GF & SB Lawson Pty Ltd as trustee for the Lawson Family Superannuation Fund	Nil	330,139	Nil
DM Robertson	DM and MS Robertson Pty Ltd	1	146,804	Nil
	DM & MS Robertson Superannuation Pty Ltd	Nil	77,735	Nil
LJ Arthur	LJ Arthur	1	84,707	Nil
	LJ Arthur and RF Arthur	Nil	150,111	Nil
NG Graham	NG Graham and LE Graham	1	100,897	Nil
G Helou	G Helou	Nil	54,000	Nil
RA Higgins AO	RA Higgins	Nil	29,838	Nil
GL Kirkup	Kirkup Farms Pty Ltd	1	67,424	Nil
G Latta AM	Latta Nominees Pty Ltd as trustee of Latta Superannuation Fund	Nil	29,838	Nil
N McAllister	N McAllister	1	26,137	\$5,778
	Strathcona Pty Ltd	1	292,947	\$134,537
AD Walsh	AD Walsh and KL Walsh trading as Plains Wanderer Pastoral	1	Nil	Nil
	AD Walsh and KL Walsh trading as Archdale Farms	1	1,000	Nil
	AD Walsh and KL Walsh trading as Dalree Pastoral	1	1,000	Nil
	AD Walsh	Nil	467,254	Nil
	AD Walsh, TR Walsh and R Walsh trading as Lilly Pastoral	1	6,065	Nil
TOTAL		11	1,865,896	\$140,315

Interest and Fees of Professionals

This Section applies to persons named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively Prescribed Persons).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) The formation or promotion of the Company;
- (b) Property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) The Offer.

Other than as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) Formation or promotion of the Company; or
- (b) Offer of B Class Shares under this Prospectus.

Addisons Commercial Lawyers has acted as lawyers to the Company and has performed work in connection with the Offer, for which it will be paid approximately \$25,000 (excluding GST) plus disbursements.

4.3 Consents

Written consents to the issue of this Prospectus have been given and at the date of this Prospectus have not been withdrawn by the following parties:

- (a) Addisons Commercial Lawyers has given and has not withdrawn its consent to be named in this Prospectus as Lawyers to the Company in the form and context in which it is named. It has not authorised or caused the issue of this Prospectus.
- (b) Lonergan Edwards & Associates Limited has consented to the inclusion of the statements in this Prospectus from its Independent Expert's Report prepared in connection with the Ebro Proposal, in the form and context in which those statements are included. It has not authorised or caused the issue of this Prospectus.

5. STATEMENT BY DIRECTORS

This Prospectus is issued by Ricegrowers Limited. Each Director has consented to the lodgement of the Prospectus with ASIC.

Signed for the purposes of Section 351 of the Corporations Act on the date of this Prospectus by:

A handwritten signature in cursive script, appearing to read 'G L Kirkup', is positioned above the printed name and title.

G L Kirkup
Director of Ricegrowers Limited

6. GLOSSARY

“**A Class Shares**” means A Class Shares in the capital of the Company.

“**Applicant**” means a Shareholder or an Approved Entity of a Shareholder who submits an Application Form.

“**Application**” means an application made by a Shareholder to acquire New Shares pursuant to this Prospectus.

“**Application Form**” means the application form attached to or accompanying this Prospectus.

“**Application Monies**” means monies received from Applicants in respect of their Applications.

“**Approved Entity**” means in relation to a Shareholder, the trustee of a superannuation fund:

- (a) Of which the person is a beneficiary; and
- (b) That has been approved by the Directors.

“**Associate**” means, in relation to a person (“primary person”):

- (a) If the primary person is a body corporate, a director or secretary of the body corporate, its related bodies corporate and a director or secretary of any of its related bodies corporate;
- (b) A person with whom the primary person has entered into, or proposes to enter into, a relevant agreement, as defined in the Corporations Act, for the purpose of controlling or influencing the composition of the board or the conduct of the company’s affairs; or
- (c) A person with whom the primary person is acting, or proposes to act, in concert in relation to the company’s affairs.

For the purposes of this definition, “body corporate”, “control”, “relevant agreement” and “related body corporate” have the same meaning as in the Corporations Act.

“**ASIC**” means the Australian Securities and Investments Commission.

“**B Class Shares**” means B Class Shares in the capital of the Company.

“**Board**” means the Board of Directors of the Company.

“**Closing Date**” means 5.00pm on the date specified in this Prospectus as the final date for receipt of applications for New Shares.

“**Company**” means Ricegrowers Limited ABN 55 007 481 156.

“Constitution” means the constitution of the Company.

“**Corporations Act**” means the *Corporations Act 2001 (Cth)*.

“**Crop Year**” means the calendar year in which a rice crop is harvested.

“**Direction Form**” means the written form prescribed by the Company under which a person directs that an RMB Equity Rollover Payment be applied to pay up New Shares.

“**Directors**” means the directors of the Company.

“**Dollars**” and the sign “\$” mean Australian currency.

“**Ebro Proposal**” means the offer by Ebro Foods SA to acquire all of the shares in the Company by means of a Scheme of Arrangement as voted on by Shareholders on 31 May 2011.

“**Gearing**” means the extent to which SunRice is funded by borrowed funds compared to shareholder funds and calculated by dividing SunRice’s net debt by SunRice’s total equity.

“**Grower**” means a grower of rice.

“**New Shares**” means the new B Class Shares offered for subscription in accordance with this Prospectus.

“**NSX**” means the National Stock Exchange of Australia Limited.

“**NSX Listing Rules**” means the listing rules of NSX.

“**Offer**” means the offer of New Shares in accordance with this Prospectus.

“**Quotation**” means the quotation of the Shares on the NSX.

“**Rice Bond**” means a rice bond in the Company.

“**Ricegrowers Group**” means the Company and its controlled entities.

“**RMB**” means the Rice Marketing Board for the State of New South Wales.

“**RMB Equity**” means the right to be repaid amounts under the RMB Capital Equity Rollover Scheme.

“**RMB Equity Rollover Payment**” means the payment to be made under the RMB Capital Equity Rollover Scheme.

“**Scheme Booklet**” means the Scheme Booklet sent to Shareholders in relation to the Ebro Proposal.

“**Shareholder**” means a holder of Shares in the Company.

“**Shares**” means issued Shares in the capital of the Company.

“**Share Issue**” means the offer of New Shares as set out in this Prospectus.

“**SunRice**” means the Company or, where appropriate, the business carried out by it.

“**Transmission Event**” means:

- (a) In respect of a Shareholder who is an individual:
 - (i) The death of the Shareholder;
 - (ii) The bankruptcy of the Shareholder;
 - (iii) The Shareholder becoming of unsound mind; or
 - (iv) The Shareholder becoming liable to be dealt with in any way under the law relating to mental health; and
- (b) In respect of a Shareholder who is a body corporate, the dissolution of the Shareholder or the succession by another body corporate to the assets and liabilities of the Shareholder.



The Rice Food Experts

Ricegrowers Limited
trading as SunRice ABN 55 007 481 156

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