



15 June 2007

Dear Shareholder

The board considers it appropriate to write to you against the background of the recent activity in relation to shares in Sugar Terminals Limited.

The directors believe that your company is in a sound financial position.

Shareholders should seek independent financial advice before making a decision whether or not to accept either of the current offers or alternatively to sell their shares on the market.

In considering whether or not to accept an offer or to sell their shares on the market shareholders should take note of the following facts regarding your company:

1. In the interim report to shareholders of 14 March 2007, the board advised that the profit attributable to members for the half year ended 31 December 2006 was \$12.34m (an increase of 9.3% over the same period to 31 December 2005). Revenue from continuing operations was \$24.91m, an increase of 3.9% over the same period last year. Those results were slightly ahead of budget.
2. In addition, the board has advised shareholders that the full year's profit and revenue is likely to show similar percentage increases to those achieved for the half year to 31 December 2006.
3. On 2nd March 2007, directors resolved that an interim dividend of \$10.8m (\$0.03 per share) fully franked on tax paid at 30%. The dividend was paid on 28 March 2007 out of the profits for the current year.
4. The board also advised shareholders that it had resolved that dividends will be declared bi-annually in March and September each year.
5. The board anticipates declaring at least a similar \$0.03 per share dividend in September 2007.

The board notes that the future profitability of the company is dependent on the rental income received from its assets. Negotiations are progressing in relation to the future operations of the terminals beyond 30 June 2008. The results of those negotiations may impact the profitability of the company post 30 June 2008.

6. The half year report to 31 December 2006 discloses that your company has total net assets of \$346,686,000 including the bank debt of only approximately \$17m. There are a total of 360,000,000 shares on issue in the company.

On behalf of the board of directors of Sugar Terminals Limited,

A handwritten signature in black ink, appearing to read 'Michael Brown', is written over a horizontal line.

**MD Brown**  
Chairman