

**Ricegrowers Limited (trading as SunRice) reaches in principle agreement for the sale of Herto**

SunRice has reached an in principle agreement with an investor for the sale of the Belgian company Herto N.V. Conclusion of the deal is subject to a due diligence process, which is scheduled to be completed by mid May.

The agreed price is €21 million which, according to the 2007 results, is equivalent to a value 7.2 times EBITDA.

Herto, which is 33% owned by SunRice and 66% owned by the Spanish Ebro Puleva Group, is engaged mainly in the contract manufacture of rice cakes for other brands.

SunRice will continue to operate its rice cake manufacturing facility in Leeton to supply its growing domestic market where the SunRice brand enjoys around 50% market share.

This anticipated transaction provides an opportunity for SunRice to pursue its strategic direction to maintain its focus on core and complementary businesses.

**About SunRice**

*Ricegrowers Limited, trading as SunRice, is one of Australia's largest exporter's of branded food products, exporting 80% of its production to over 60 countries around the globe. SunRice is a major employer in the Riverina region of NSW.*

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