

Special General Meeting

14 May 2009



The Rice Food Experts

Introduction



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Apologies



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SGM Agenda

- Overview
 - Constitutional Change
 - RMB Equity Conversion
 - Conversion Benefits
- Vote
- Closure

Overview



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RMB Equity Conversion Proposal

- SunRice is considering a proposal to enable RMB Equity Certificate Holders to convert their equity into B Class Shares.
- The voluntary proposal would form part of a broader capital raising offer.
- Only existing shareholders, approved entities and employees can be issued with B Class Shares.

Why is a change in constitution needed?

- Approx \$77 million of RMB Equity is outstanding.
- Approx \$4 million is held by a group who are not current shareholders.
- A change in constitution is required to allow these equity holders to participate in the scheme.

How will the RMB Equity Conversion work?

- RMB Equity Holders will be able to convert all of their equity into a combination of Cash and tradeable B Class Shares. In principle:
 - All equity must be converted to participate.
 - The cash component will represent 10% of the RMB Equity held.
 - The remaining 90% will be used to buy B Class Shares.
 - These shares will be eligible for any dividend paid for the year ended 30 April 09.

How will the cash component be calculated?

- The 10% cash component represents an early repayment on maturing RMB Equity (2010 – 2016).
- It will be discounted to reflect the time value of money.
- This means other than for equity maturing in June 2009, the payment of the 10% cash component will be lower than its current face value.

How will the B Class Shares be issued?

- The remaining 90% of the RMB Equity held will be used to purchase B Class Shares.
- Shares will be issued at variable prices.
- This compensates for RMB Equity - which is non interest bearing and repayable in the period to June 2016 - being exchanged for B Class Shares with an immediate entitlement to any dividends declared.

Conversion Benefits

- For shareholders, the proposal releases non-interest bearing equity to deliver:
 - An upfront cash payment.
 - Tradeable (NSX) shares.
 - Entitlement to any dividends declared for 08-09 year.
 - Entitlement to any subsequent dividends declared in future years.
 - Investment in SunRice's future.
- For SunRice, the proposal provides an opportunity to improve its share capital base through the conversion of RMB Equity.

Capital Raising Prospectus

- A broader capital raising offer is proposed allowing eligible shareholders to apply for B Class Shares via:
 - RMB Equity Conversion Proposal.
 - Rice Bonds.
 - Cash.
- A prospectus and independent expert's report will be provided.

Changes to Constitution

- The proposed changes to the constitution would enable ALL RMB Equity Holders to be issued with B Class Shares and to participate in the conversion proposal outlined.
- These changes are recommended by the SunRice Board.

Vote



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Closure



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