

# SunRice Capital Raising

15 June 2009



The Rice Food Experts

# Chairman's Introduction



# Agenda

- Business Update.
- Capital Raising Offer.
- Share Offer Mechanics.
- Chairman's Close.
- Questions.

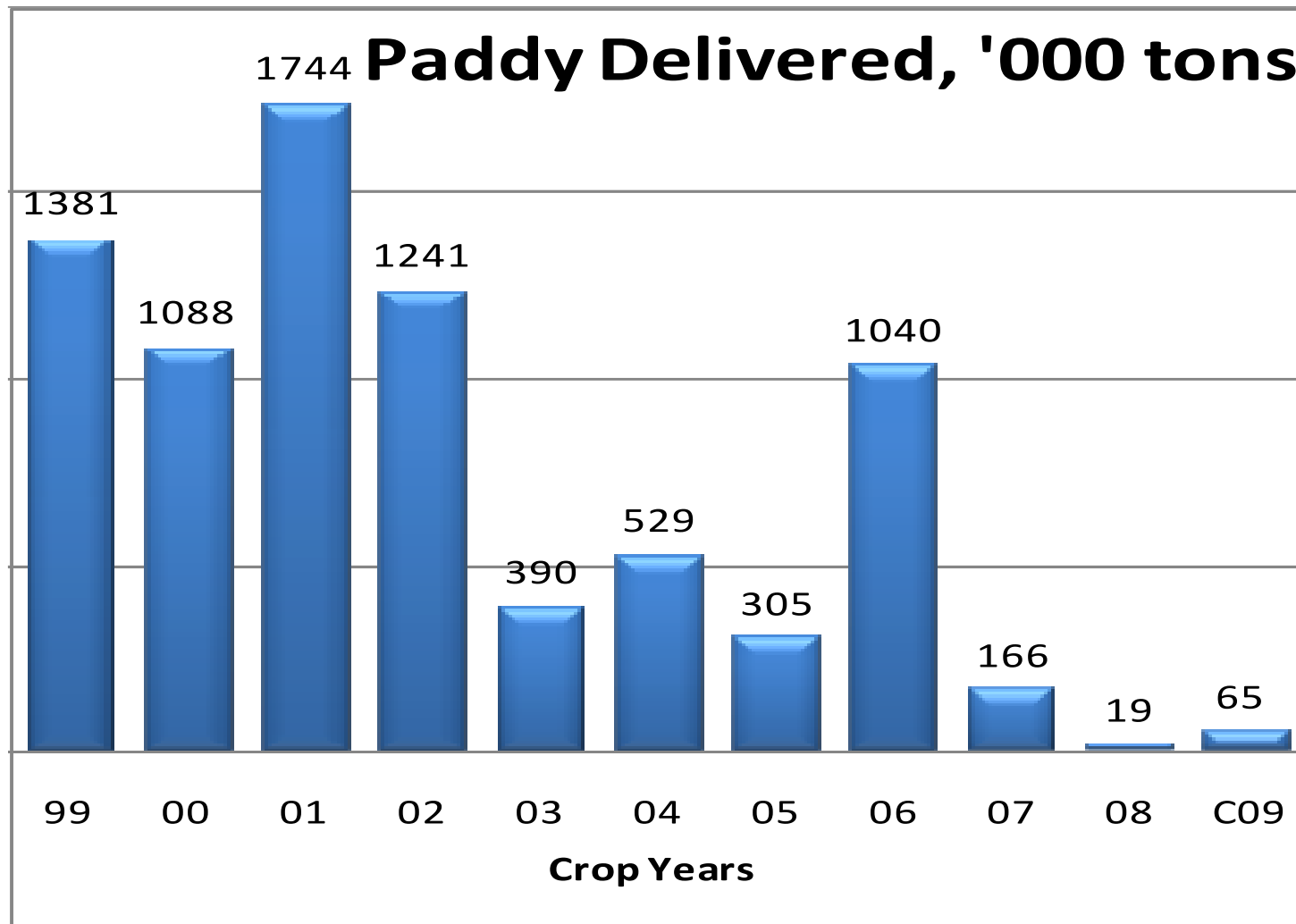
# Business Update

Gary Helou



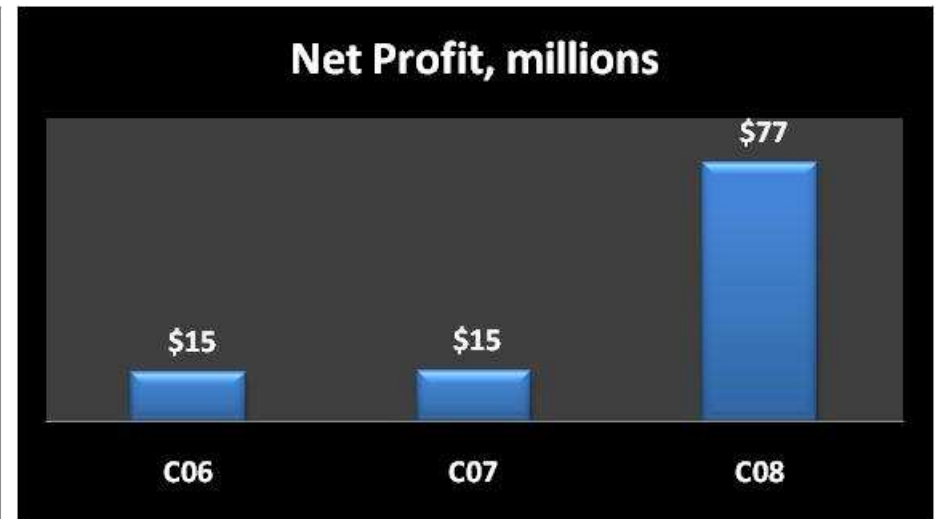
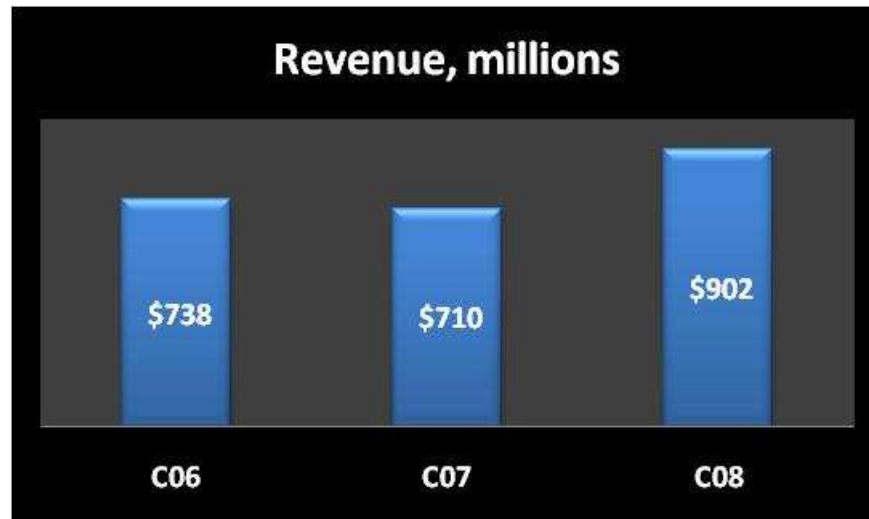
The Rice Food Experts

## C09 – The Riverina drought continues



# SunRice continues to perform very strongly.....

Full Year Group Results, 2006-08



## C2008 and Beyond

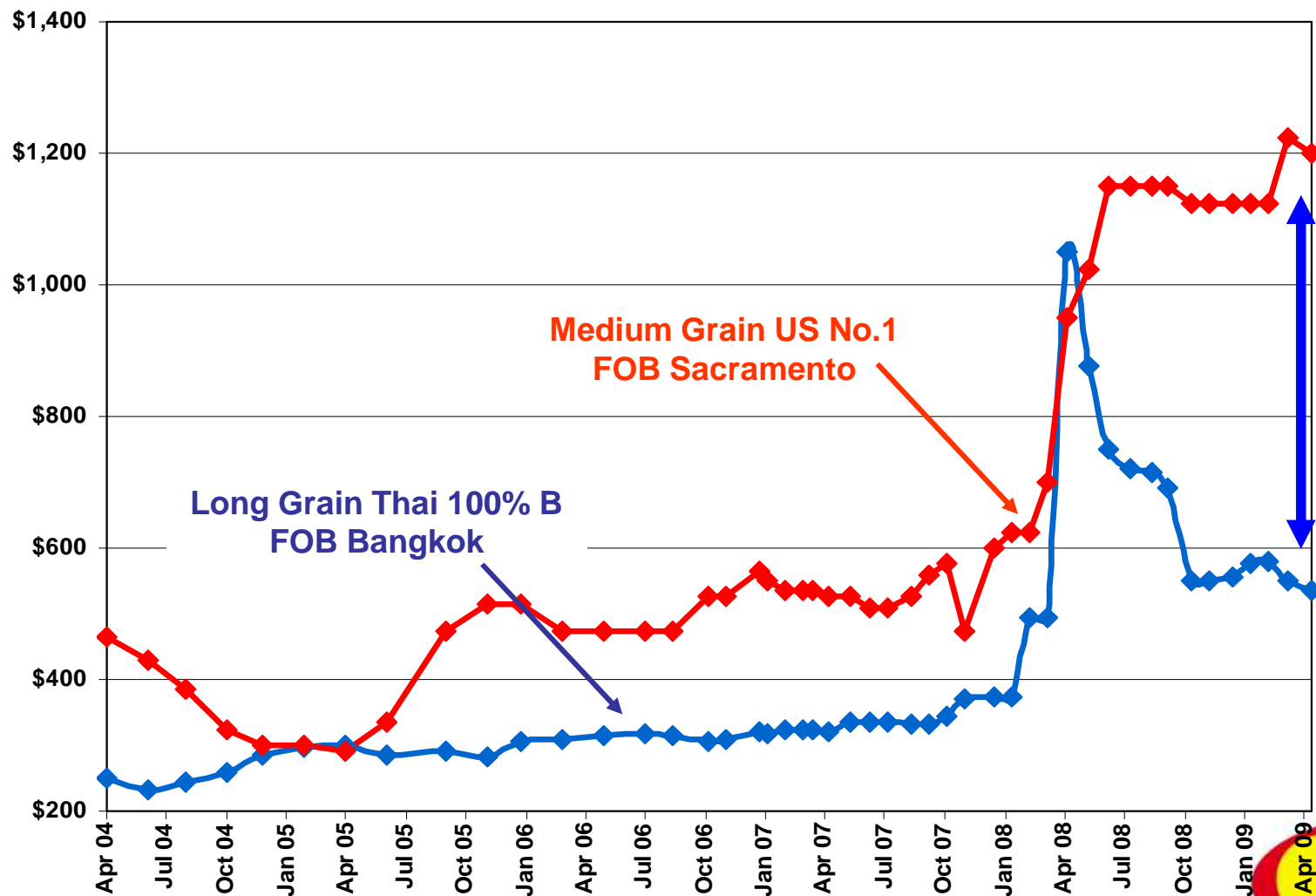
- Despite the ongoing Riverina drought, we continue to deliver strong results through:
  - Global Trading.
  - Rice Foods: Meals and Snacks.
  - Investments: Riviana and CopRice.

# Global Trading: Source of Profit and Growth

- SunRice brands are being drought-proofed:
  - Flexible and global supply network.
  - Strategic Investments and Alliances:
    - US Investment: SunFoods securing supply of MG rice.
    - Supply Alliances in China, Thailand, Vietnam and Egypt.
    - Storage and Processing Assets: PNG and Aqaba Jordan.
  - Specialist Quality and Supply Chain resources deployed around the globe.



# Global Rice Markets: World medium and long grain prices



Source: Creed Reports



The Rice Food Experts

# Continued Focus on Value Add via Marketing Innovation

## Table Rice Packaging Innovation



## Ultra Convenience Meals



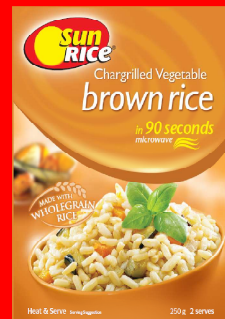
## Snacking



The Rice Food Experts

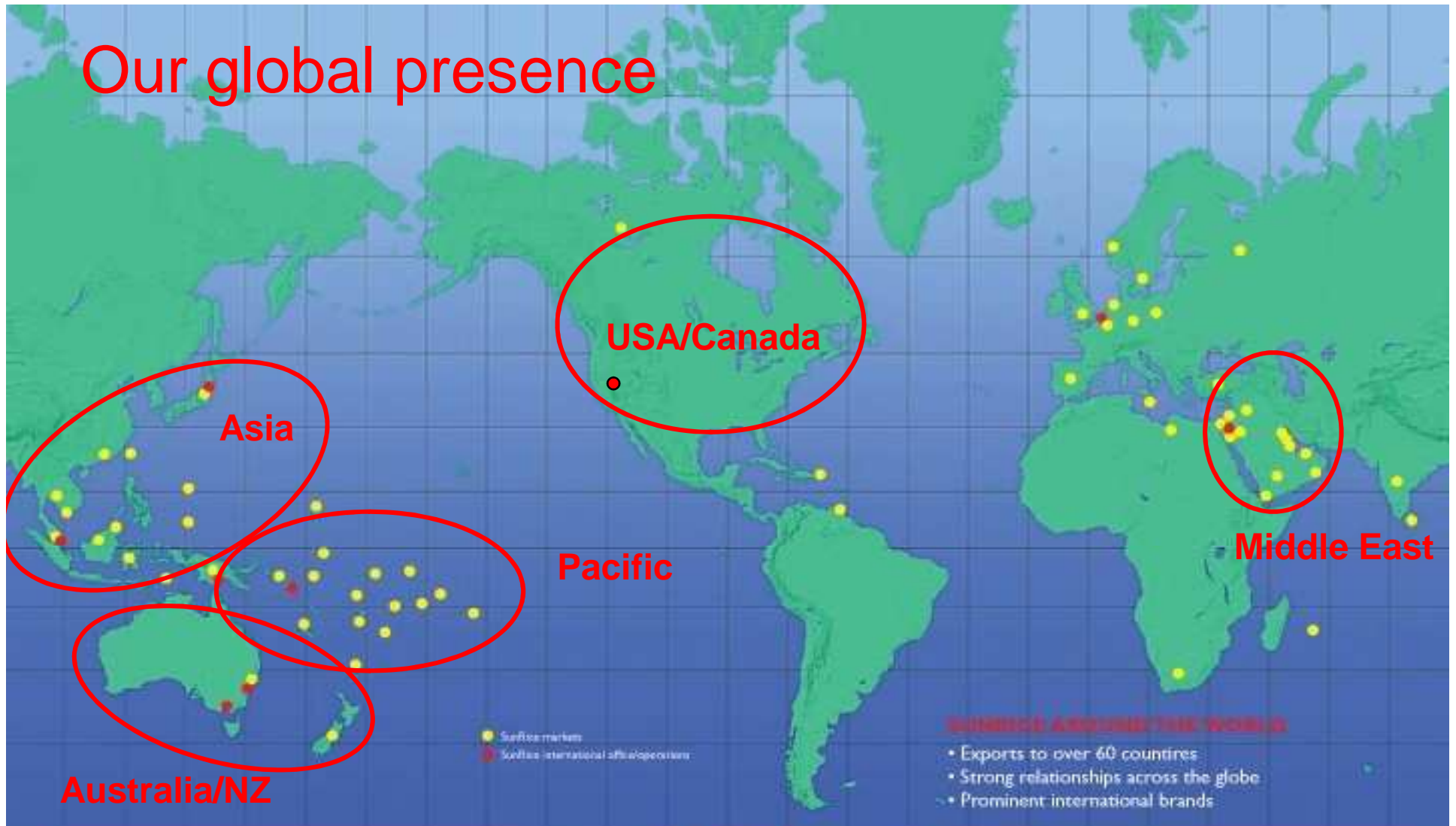
# Australian operations today

- A re-configured business structure.
- Retention of core skills and infrastructure in Australia.
- Integrated into flexible and global supply network.





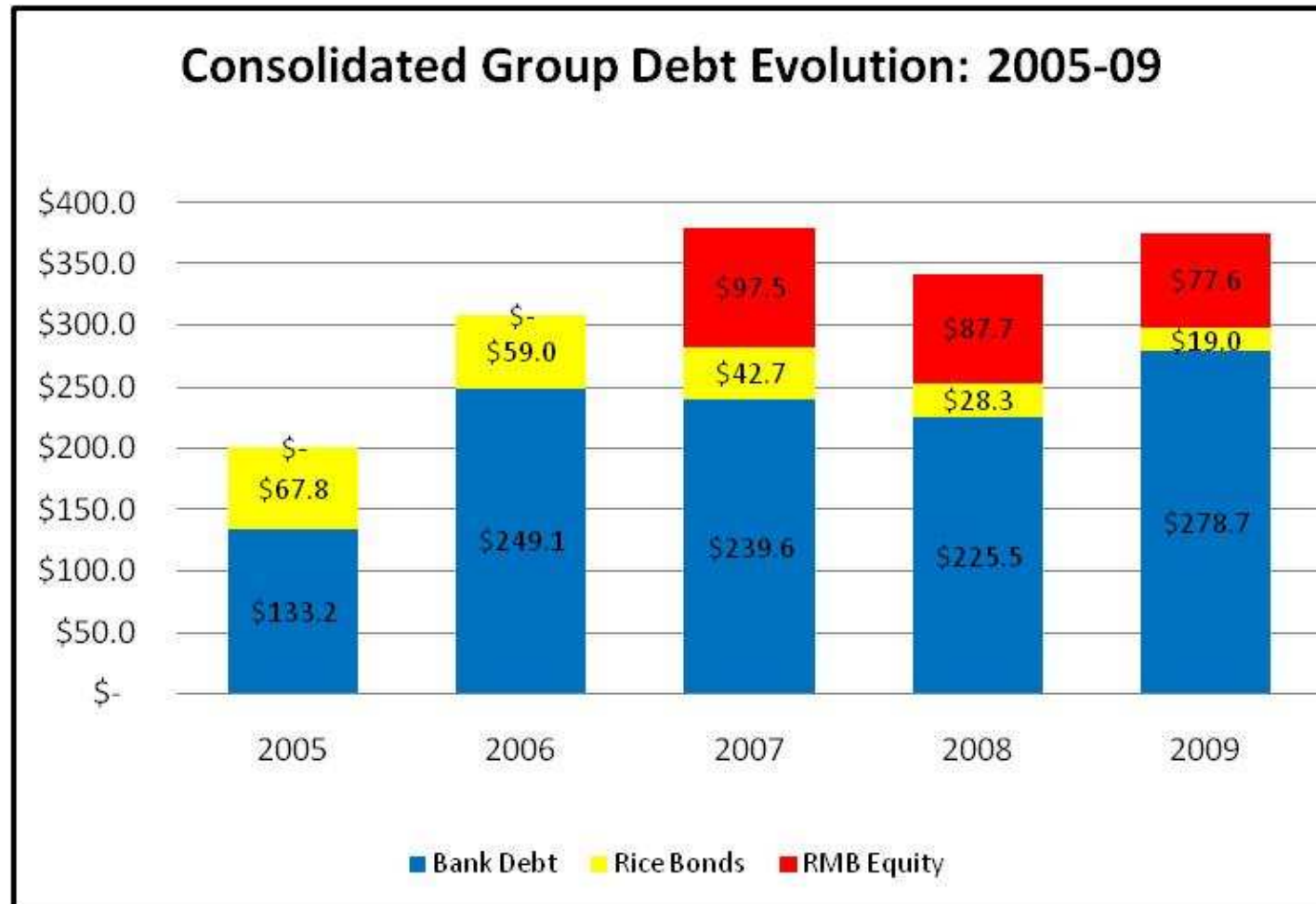
# Our global presence



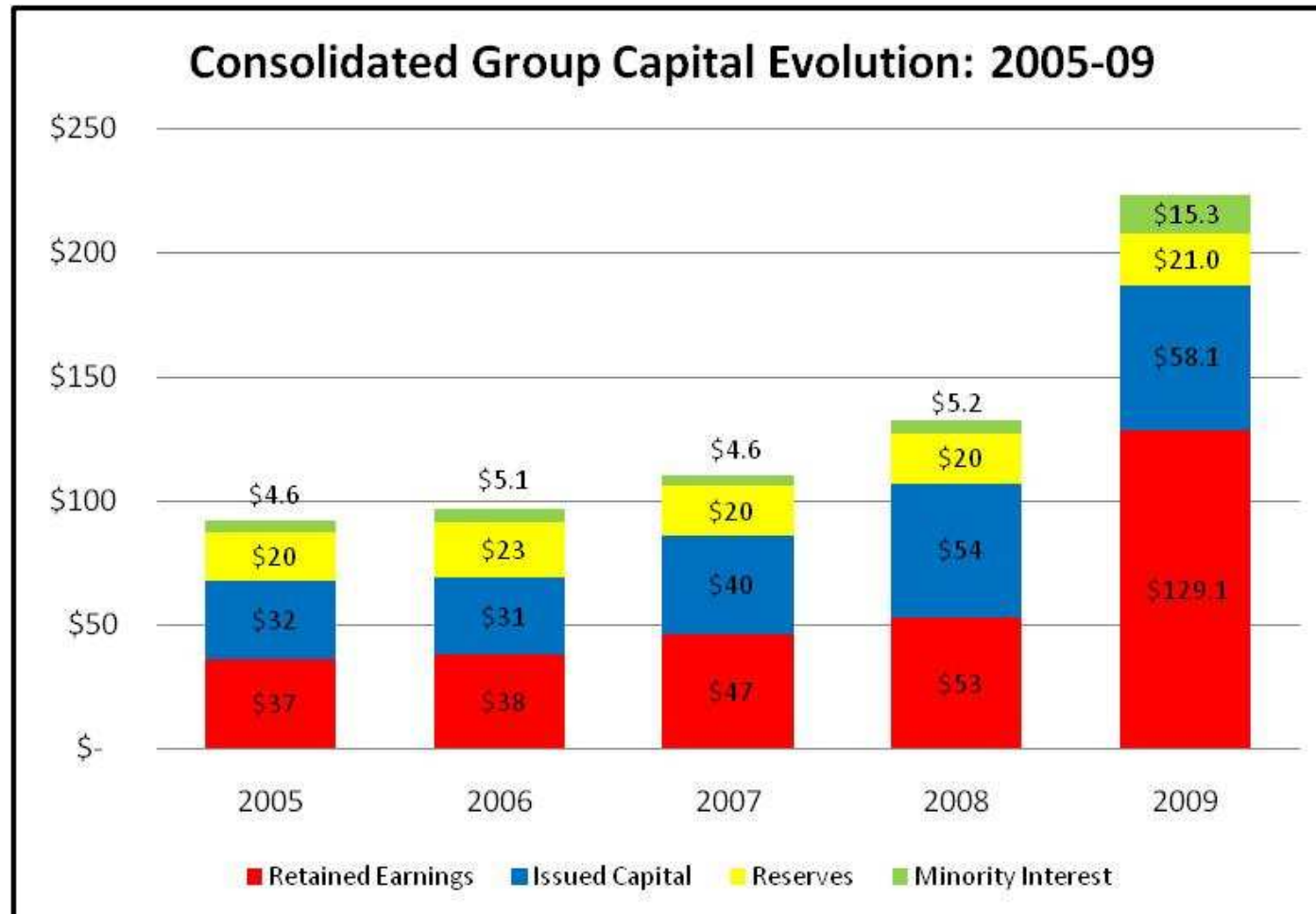
## SunRice needs to address its Capital Structure in order to fund growth ....

- It is important that SunRice develop and grow its permanent share capital base to:
  - Reduce reliance on short term funding.
  - Reduce overall debt.
  - Reduce gearing ratio.
  - Fund its growing rice and rice food businesses.
  - Capitalise on strategic investment opportunities as they arise.

# Consolidated Group Debt Evolution: 2005-09

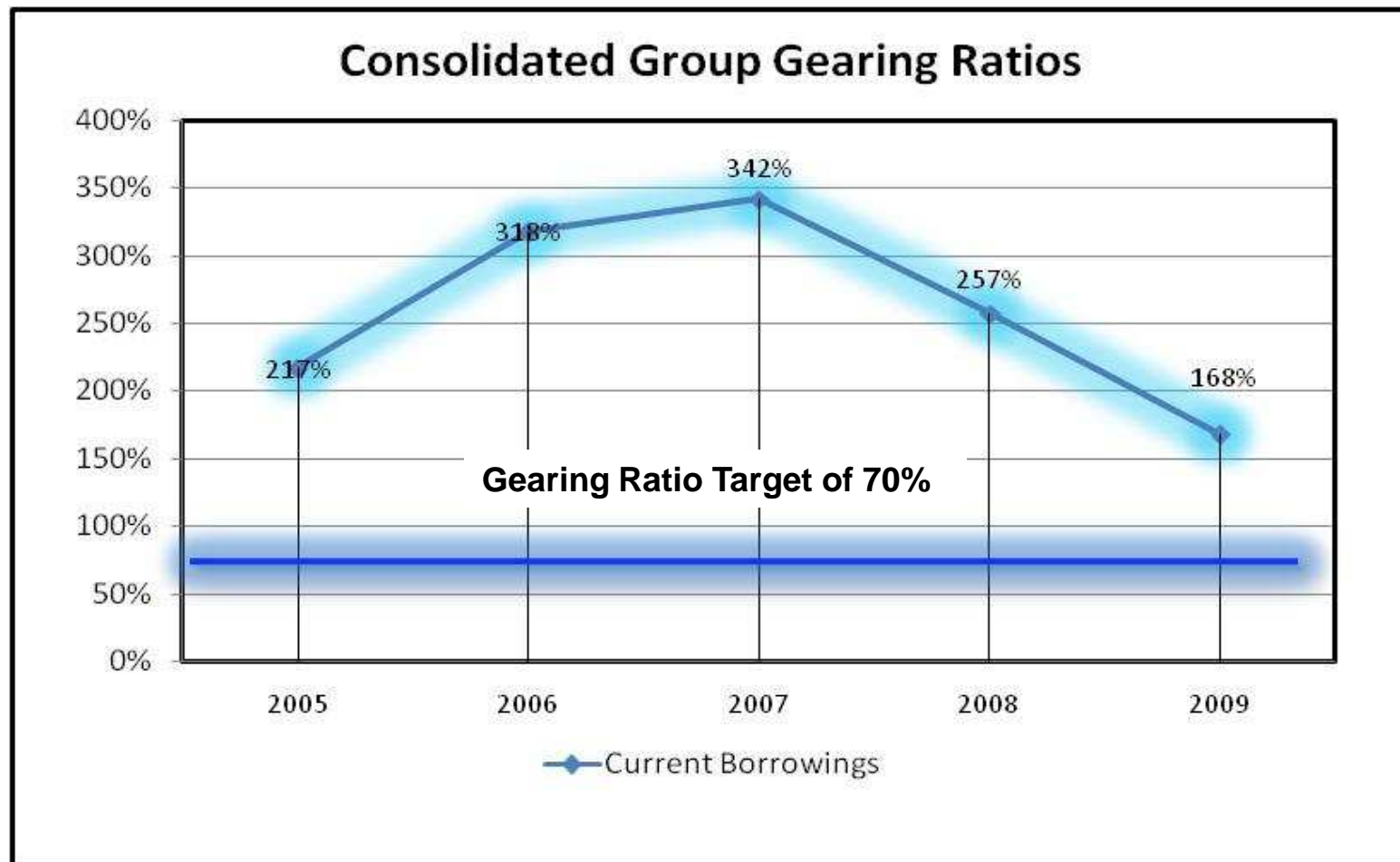


# Consolidated Group Capital Evolution: 2005-09



The Rice Food Experts

# Consolidated Group Gearing Ratios





# Gearing Ratio Reduction

- Gearing Ratio (Debt/Equity) is a measure of financial leverage, demonstrating the degree to which a firm's activities are funded by owner's funds versus borrowed funds. Gearing is a key financial benchmark in today's credit squeezed financial markets.
- Gearing Ratios of peer group businesses are approximately –
  - ABB: 55%
  - Graincorp: 85%
  - Goodman Fielder: 65%
  - Ridley: 30%
- Ricegrowers' targeting to reduce Gearing Ratio from 168% to 70%.
- \$100m Capital Raising and/or retention will be needed to deliver a Gearing Ratio in the range of 70%.

# Capital Raising Offer

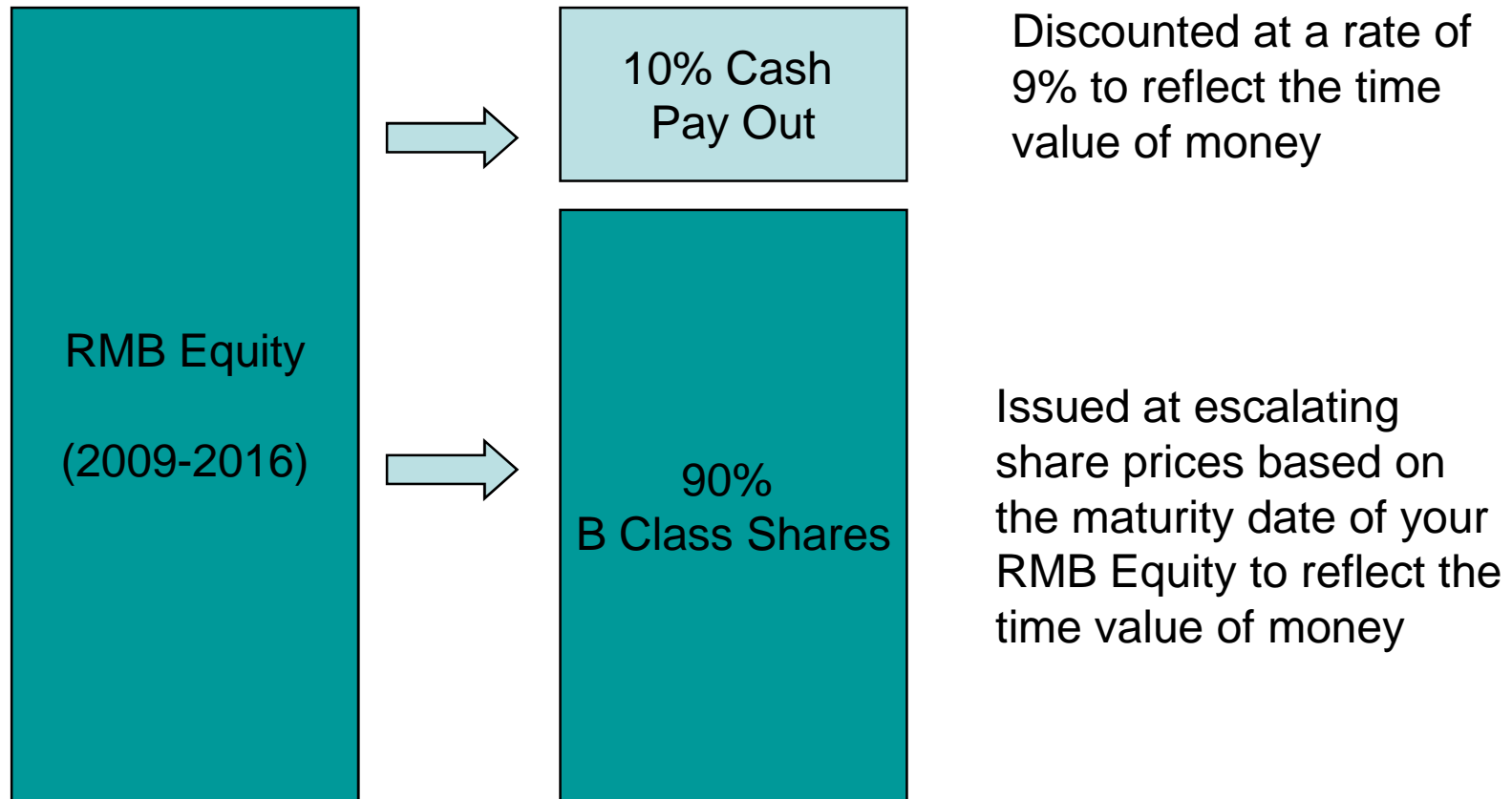
## Grant Latta



# Capital Raising Prospectus

- SunRice Capital Raising Prospectus allows you to subscribe for B Class Shares via:
  - Cash
  - Rice Bonds
  - July 2009 RMB Equity Rollover Payment.
  - A **new** voluntary RMB Equity Conversion Offer allowing you to convert **ALL** of your RMB Equity into a partial upfront cash payment, with the balance in B Class Shares.

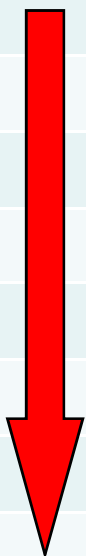
# RMB Equity Conversion Offer



# The Time Value of Money

- \$100 today is worth \$55 in seven years time, discounted at 9% pa.

Maturity Date	NPV of \$100 @ 9%
2009	100
2010	92
2011	84
2012	77
2013	71
2014	65
2015	60
2016	55



## Cash Component Calculation

- 10% of your RMB Equity (2009-2016).
- Amounts payable from 2010 will be discounted at the net present value (NPV) rate of 9%.
- This reflects the time value of money.

# Share Issue Component

- 90% of your RMB Equity (2009-2016) will be converted to B Class Shares.
- Share prices will range depending on your RMB Equity maturity date

Year of Maturity	Share Issue Price
2009	\$2.140
2010	\$2.365
2011	\$2.590
2012	\$2.815
2013	\$3.040
2014	\$3.265
2015	\$3.490
2016	\$3.715

## Dividend Entitlements

- All new shares will be issued as fully paid, and eligible for dividends, including the fully franked dividend just announced for 08-09:
  - **22.5 cents per B Class Share**



## Conversion Offer Benefits

- The Offer releases non-interest bearing future equity into:
  - Immediate Cash, and
  - Tradeable B Class Shares, delivering:
    - A liquid instrument you can trade.
    - Access to an annual dividend stream.
    - An instrument you may be able to borrow against.
    - Ownership in the company.

## Conversion Offer Benefits

10% RMB Equity Conversion  
Cash Component  
Payable end July 09

+

Dividends from new B  
Class Shares  
Payable end July 09

=

On average, the  
value of your  
maturing July  
2009 RMB Equity  
Rollover payment

## Conversion Offer Risks

- The Offer may bring forward a tax event.
- Thinly traded shares on the NSX.
- Future Dividend is not guaranteed.

# Share Offer Mechanics

Claude Cassar

# Your Capital Raising Pack

- Personalised letter detailing what the Offer means to you.
- Prospectus, including full details of the Offer.
- KPMG Independent Experts Report.
- Colour coded application forms and detailed instructions based on your category.
- Dividend Reinvestment Plan details

# How to Participate: Determine Your Category and follow the Instruction Form

1. RMB Equity Holders participating in the Conversion Proposal:
  - 1(a): Existing Shareholders.
  - 1(b): Non Shareholders.
2. RMB Equity Holders who want to acquire shares in other ways – Cash, Rice Bonds and 2009 RMB Equity Rollover Payment.
3. Existing Shareholders who are not RMB Equity Holders and want to acquire shares via Cash or Rice Bonds.

# RMB Equity Holders participating in the Conversion Proposal

10% RMB Equity Conversion  
Cash Component  
Payable end July 09

+

Dividends from new B  
Class Shares  
Payable end July 09

=

On average, the  
value of your  
maturing July  
2009 RMB Equity  
Rollover payment

# RMB Equity Holders participating in the Conversion Proposal

- Your personalised RMB Equity Holder Acceptance Form (**pink**) sets out the conversion proposal.

RMB EQUITY HELD BY ANON GROWER							
		(1)	(2) (3) (8)	(4)	(5)	(6)	(7) (8)
Year of Maturity	Total Face Value of RMB Equity	10% Component	Discounted 10% Cash Payment	90% Component	Share Issue Price	Shares Issued	2009 Dividend
2009	\$5,434.77	\$543.48	\$543.48	\$4,891.29	\$2.140	2,285	
2010	\$2,688.21	\$268.82	\$246.62	\$2,419.39	\$2.365	1,023	
2011	\$10,587.48	\$1,058.75	\$891.13	\$9,528.73	\$2.590	3,679	
2012	\$9,602.85	\$960.29	\$741.52	\$8,642.57	\$2.815	3,070	
2013	\$0.00	\$0.00	\$0.00	\$0.00		-	
2014	\$2,553.10	\$255.31	\$165.93	\$2,297.79	\$3.265	704	
2015	\$3,044.53	\$304.45	\$181.54	\$2,740.08	\$3.490	785	
2016	\$7,071.08	\$707.11	\$386.81	\$6,363.97	\$3.715	1,713	
Total	\$40,982.02	\$4,098.21	\$3,157.03	\$36,883.82		13,259	\$2,983.28



# RMB Equity Holders participating in the Conversion Proposal

- Existing Shareholders - **Pink** Form:
  - Page 1 – Overview.
  - Page 2 – Acceptance.
  - Page 3 – Nomination of shareholding.
  - Page 4 – NA.
  - Pages 5 & 6 – RMB Deed of Release.
  - Page 7 – Checklist.

# RMB Equity Holders participating in the Conversion Proposal

- Non Shareholders - **Pink** Form:
  - Page 1 – Overview.
  - Page 2 – Acceptance.
  - Page 3 – NA.
  - Page 4 – New Shareholder Information.
  - Pages 5 & 6 – RMB Deed of Release.
  - Page 7 – Checklist.

## RMB Equity Holders and Shareholders using Rice Bonds, Cash & 09 RMB Equity Rollover

- For those who want to acquire shares using Cash, Rice Bonds and 2009 RMB Equity Rollover Payment.
- **Blue Form**
  - Complete, regardless of whether you are an existing shareholder.
- **Green and Sand Payment Direction Forms**
  - If using Rice Bonds or the 2009 RMB Equity Rollover Payment please complete the required Direction Form.

## RMB Equity Holders and Shareholders who want to participate in the Dividend Reinvestment Plan

- **Grey** Dividend Reinvestment Form:
  - Complete if you wish to participate in the Dividend Reinvestment Plan.

## Next Steps

- You should consider the Prospectus and consult your financial advisor before applying for B Class Shares under the Offer.
- All applications will need to be made on the application forms in the Prospectus.
- Contact Grower Services for assistance.
- Closing Date is Monday 6 July 2009.

# Chairman's Close

# Your Company. Your Future.

- This Capital Raising Offer is important to shareholders, RMB Equity Holders, and SunRice.
- The RMB Equity Conversion Offer is a significant opportunity for all, delivering:
  - A liquid instrument you can trade.
  - Access to an annual dividend stream.
  - An instrument you may be able to borrow against.
  - Ownership in the company.

On average, the equivalent of RMB Equity Holders' 2009 Rollover Payment will equate to the dividend on the shares issued under the Conversion Offer and the 10% cash component.

# Questions