



## **MEDIA ANNOUNCEMENT**

26 November 2010

### **SunRice Signs Scheme Implementation Agreement with Ebro**

SunRice announced today that it had executed a Scheme Implementation Agreement with Ebro Foods, an important next step in allowing shareholders to consider the company's offer to purchase SunRice.

The proposed transaction will require the approval of A and B Class Shareholders in a March 2011 vote, as well as meeting other key conditions.

SunRice Chairman Mr. Gerry Lawson said the Scheme Implementation Agreement signaled the end of the five week exclusivity period, in which the key commercial terms of the potential acquisition were negotiated further.

"The terms are consistent with those announced on 21 October 2010, with additional detail included on Ebro's rice purchasing commitment to SunRice shareholders. The SunRice Board emphasised the importance of the purchasing commitment during negotiations with Ebro," he said.

The Scheme Implementation Agreement key terms include:

- A Class shareholders will receive \$50,000 per share in cash;
- B Class shareholders will receive \$5.025 per share in cash together with 60.3 cents per share of franking credits (subject to receipt of a positive ruling from the Australian Taxation Office);
- A Grower Advisory Board will be established comprising three grower representatives and three representatives from Ebro, with one of the grower representatives to be the Chairman;
- Ebro will work with the Grower Advisory Board in conducting its minimum five year commitment to purchase rice from New South Wales rice growers using a formula linked to Californian Medium Grain prices;
- Ebro will maintain SunRice's level of support for research and development on a scale that is not less than the amount expended on average for the last three years, increased annually by the consumer price index; and
- Ebro will continue SunRice's support of the Australian rice industry, including support for the Ricegrowers' Association of Australia and the rice growing communities.

Mr Lawson said now that the Scheme Implementation Agreement is in place, representatives from Ebro, including the Chairman, Antonio Hernandez Callejas, will visit Australia in early December to meet with shareholders. The purpose of the meetings will be to introduce Ebro and explain the key terms of the proposed transaction to shareholders.

"Shareholders will have an opportunity to raise their concerns and questions directly with Ebro's Chairman, while also hearing Ebro's rationale for the transaction and its intentions. I will also attend these meetings along with members of the SunRice Board and management team," said Mr Lawson.

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SunRice plans to release a scheme booklet for the proposed transaction, along with an Independent Expert's Report, to shareholders in February 2011.

In the absence of a superior proposal, or the failure of an independent expert to provide an opinion supporting the terms of the Scheme Implementation Agreement, each of the Directors of SunRice have recommended this proposal so that the offer could be put to shareholders to consider.

SunRice is being advised by Rothschild Australia Limited and Chang Pistilli & Simmons.

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**About SunRice**

SunRice is an Australian company that supplies high quality and innovative consumer branded rice food products to approximately 60 countries around the world. Anchored in regional New South Wales, it operates state-of-the-art processing facilities that mill and pack rice and rice flour, and manufacture rice cakes and specialty rice foods.

SunRice's operations extend to the USA, the Middle East, Papua New Guinea and the Solomon Islands. Its strong portfolio of brands include SunRice, SunWhite, Always Fresh, CopRice, Trukai, Roots, Hinode, Harvest and Tumbles. For more information visit [www.sunrice.com.au](http://www.sunrice.com.au)

**About Ebro**

Ebro Foods ([www.ebrofoods.es](http://www.ebrofoods.es)) is the leading Group in the Spanish food sector in terms of turnover, profit, market capitalisation and international presence. Ebro Foods is the world leader in the rice sector and the second largest group in the international pasta sector. It has leading brands in each of these sectors, including: Panzani®, Ronzoni®, Skinner®, Healthy Harvest®, American Beauty®, Saint Giorgio®, Catelli®, Lancia®, Birkel®, 3 Glocken®, Schuele®, Minuto® and Nudel Up® in pastas and sauces; and Mahatma®, Success®, Carolina®, Minute Rice®, Lustucru®, Taureau Ailé®, Oryza®, Bosto®, Reis-Fit®, Riceland®, Danrice®, Risella®, Brillante®, Nomen®, La Cigala® and La Fallera® in the rice sector.

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