



SunRice and Ebro

Ebro



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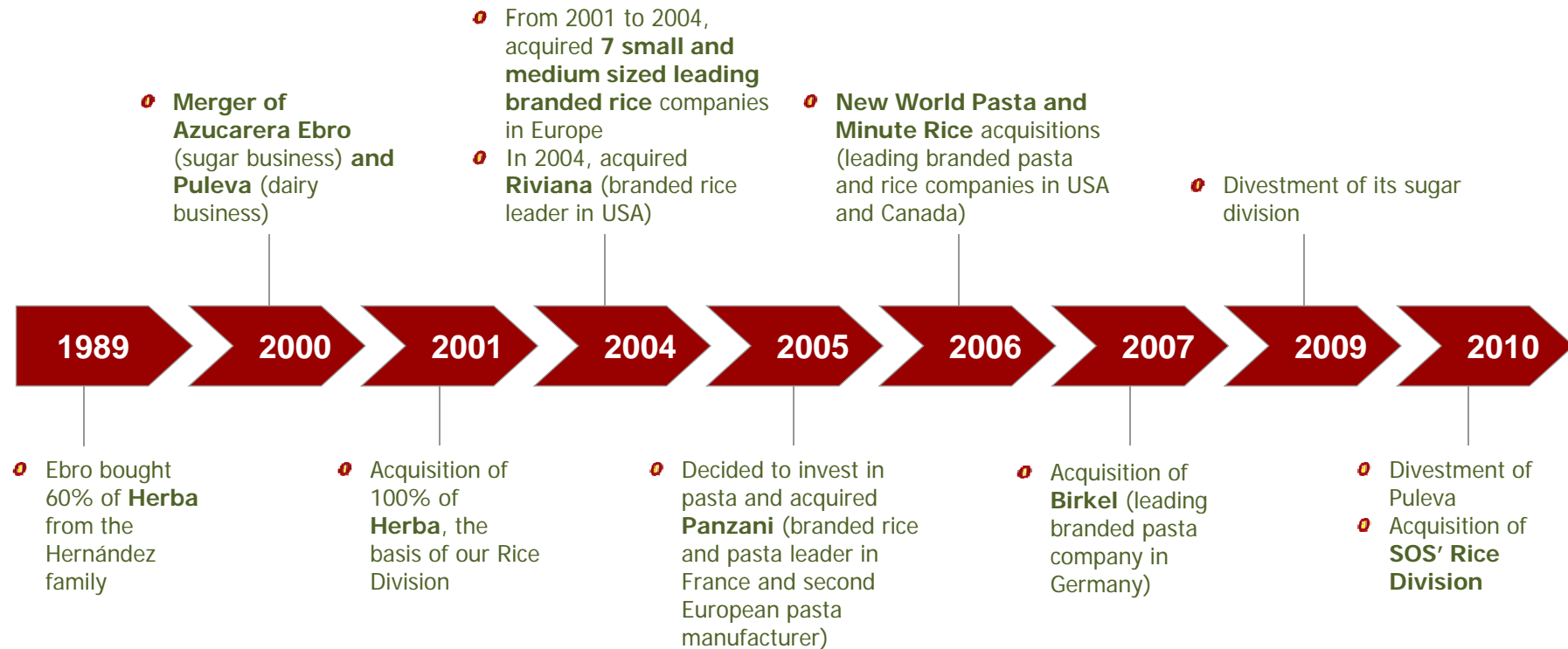
Introduction





1.1 Who is Ebro: history and highlights

Only focused on rice and pasta



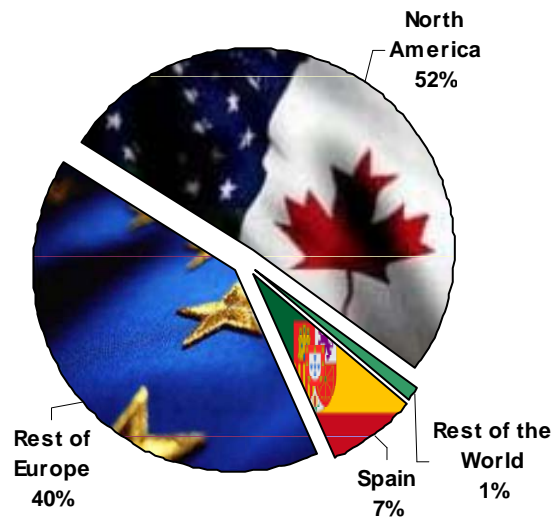
#1 Branded rice company worldwide & #2 Branded pasta company worldwide



Breakdown of Ebitda

Sales (EURm)

Ebitda by Geographical Zone E2010



Sales (EURm)

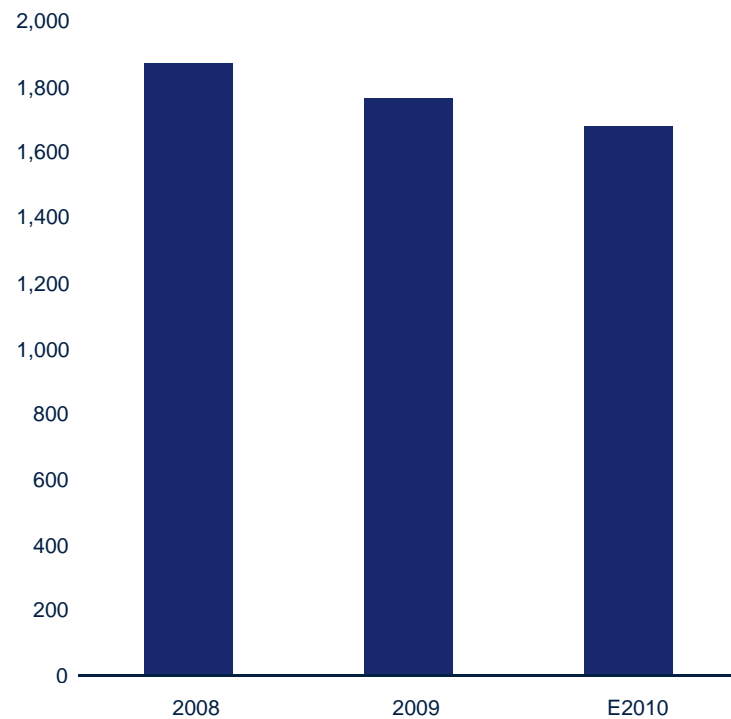
Ebitda by Division E2010



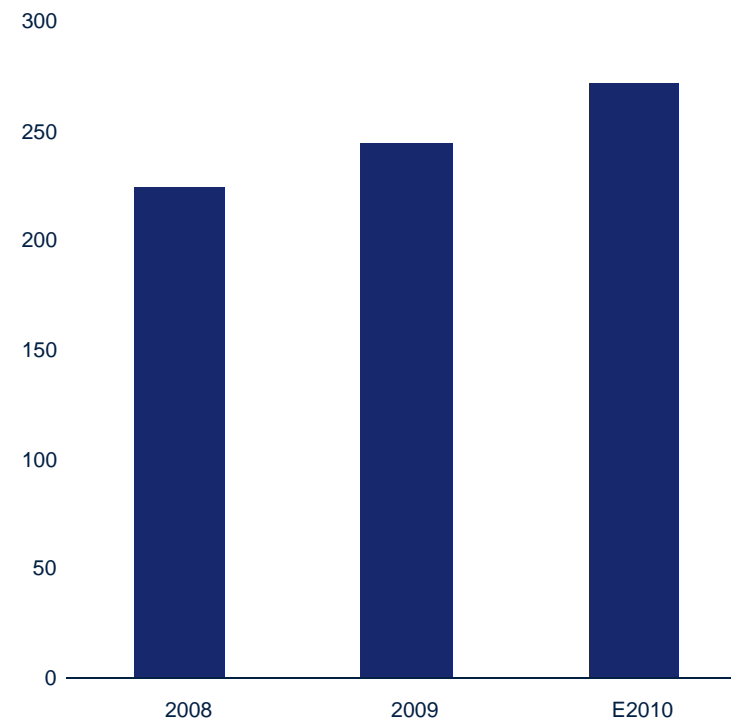


Key financials: consolidated figures

Sales (EURm)



EBITDA (EURm)





2

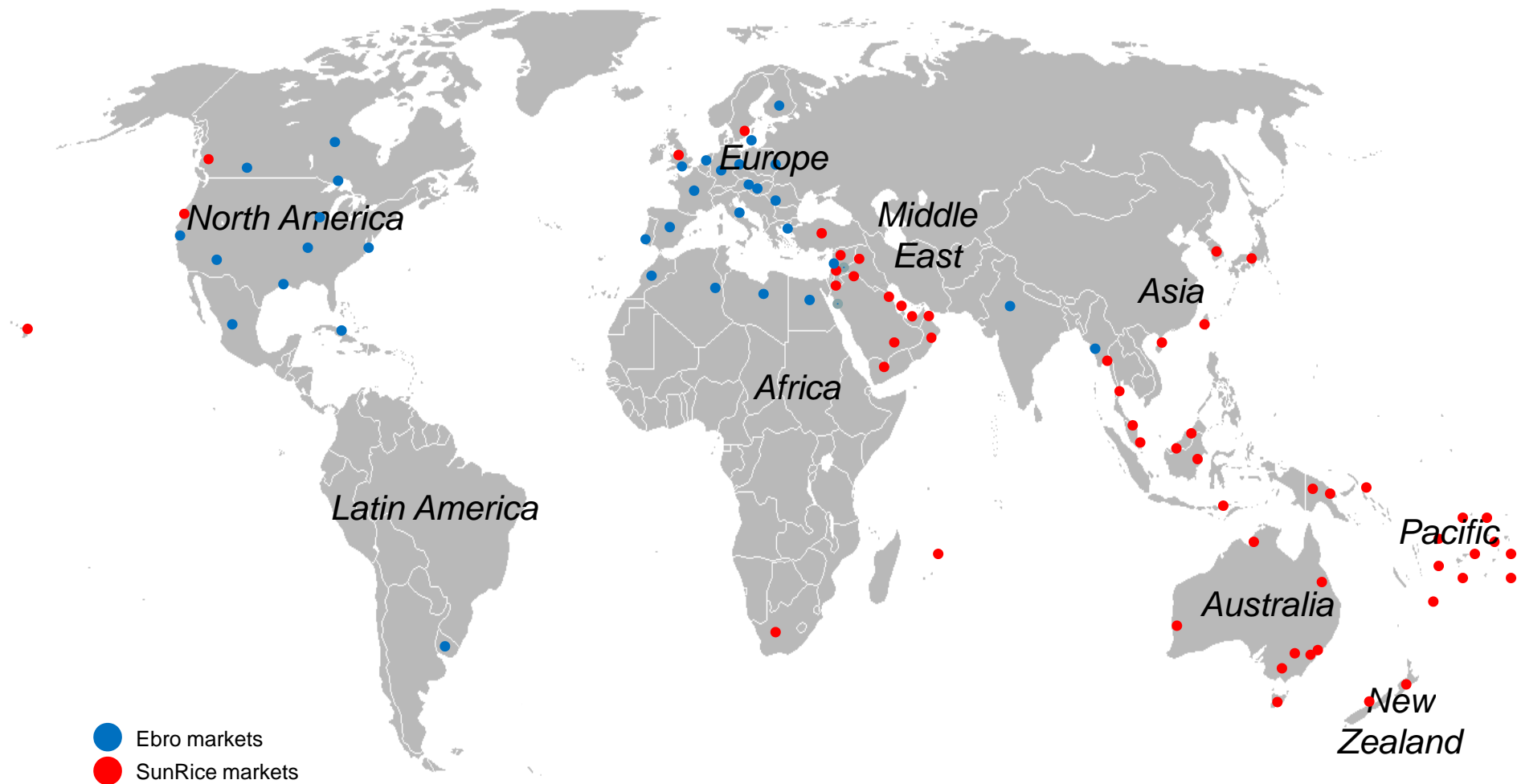
Ebro's Rice Business





2.1 The rice business

- Ebro acquired 60% of Herba in 1989
- After joining the European Union started the expansion in Europe buying different rice businesses in Denmark, Hungary, Finland, Germany, UK and Italy
- We became partners of SunRice in Anglo Australian Rice and Herto
- In 2004 we acquired Riviana Foods (US\$374m) and Minute Rice in 2006 (US\$280m). That development allowed us to become a leader in rice in the USA
- Riviana is leader in the USA Market with 22% market share. Riviana is solid number one in Instant rice, Regular, Brown and Aromatics and number two in RTS
- Riviana has several production units in the USA. Among them, the new state-of-the-art Memphis plant dedicated to instant and RTS rice, where we have invested US\$120 million
- Apart from owning farms, we are fully integrated into all aspects of rice production including bulk rice, branded rice and fertilizer
- Ten days ago, Ebro have reached an agreement with SOS Group for acquiring its rice division for €195 million
 - It has leading brands such as SOS, Lassie, Blue Ribbon and Abu Bint and strong market positions in Spain, the Netherlands, Saudi Arabia and certain markets in the USA
 - With Abu Bint brand in Saudi Arabia we will reinforce the Australian brands position in the Middle East



We have rice mills and plants in:

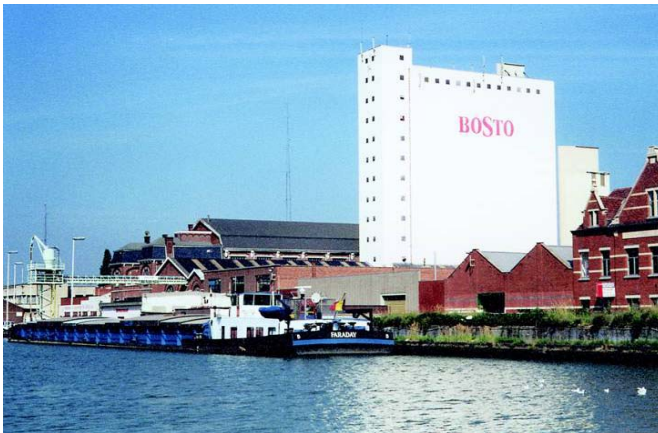
- | | |
|----------|----------|
| Spain | Hungary |
| Italy | USA |
| Portugal | Egypt |
| Belgium | Morocco |
| Germany | Uruguay |
| UK | Thailand |



Memphis , Carlisle (USA)



SAN JUAN DE AZNALFARACHE, SEVILLE (SPAIN)



Belgium and Germany



THAILAND



Brands

- ❶ Ebro buys over 1.5 million tones of paddy and brown rice per year and has long lasting agreements with cooperatives in Europe and also in USA where we have a joint venture with Riceland Food
- ❷ Nowadays our strategy is to be the largest rice Marketer in the world with leading brands in most countries in Europe, USA and Canada and specially in high value and convenience
- ❸ Marketing and Research and Development is vital for us:
 - ❶ Ebro dedicates €27 million to advertising per year promoting its rice brands
 - ❷ Ebro has 3 Research and Development centers in Spain, France and USA, employing 160 technicians
 - ❸ RTS microwaveable rice was first launched by Ebro and Mars

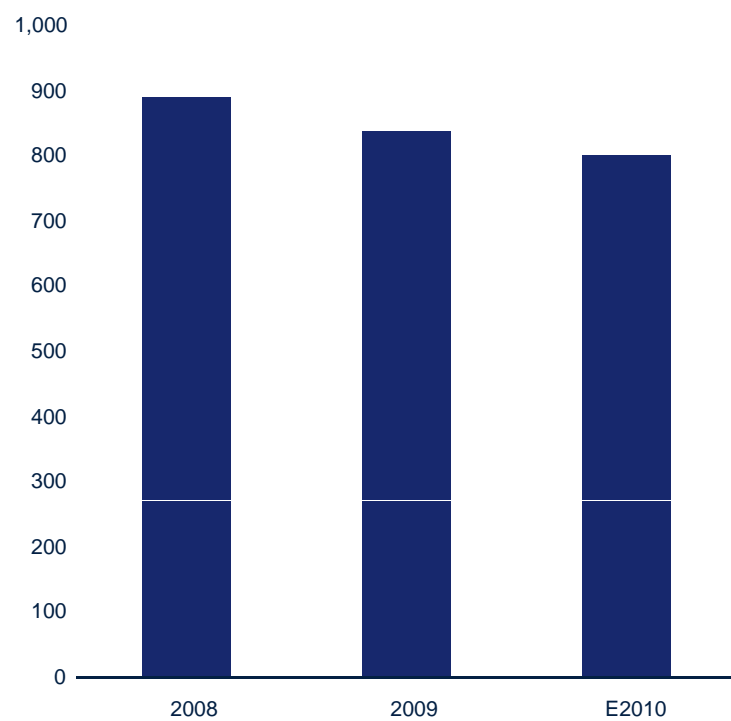


Ebro

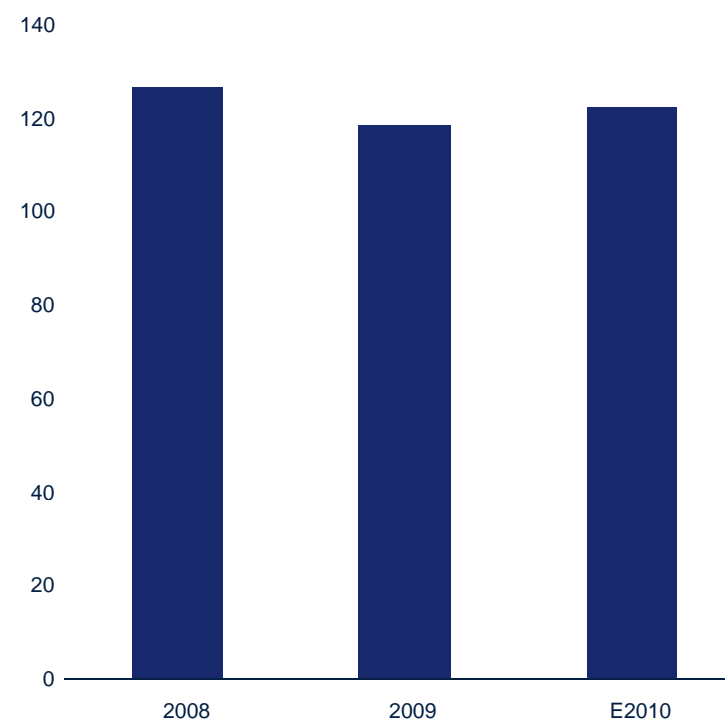


Key financials: rice

Sales (EURm)

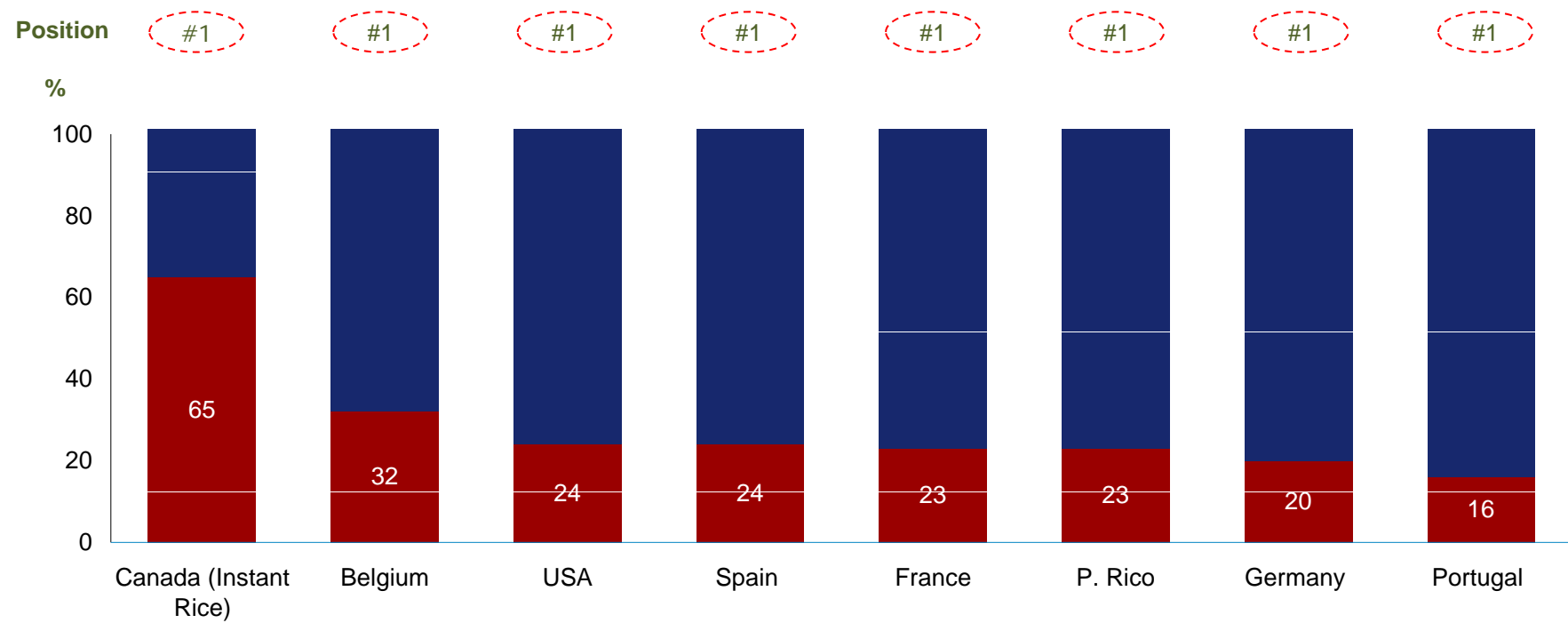


EBITDA (EURm)





Our market shares



 Ebro Foods' Market Share



3

Ebro's pasta business





3.1 The pasta business

- Our first step in the pasta business was the acquisition of Panzani in 2005 (€639 m)
- Panzani is the leading dry pasta, fresh pasta, rice and sauces branded leader in France and it was the perfect platform to develop our new pasta business
- It brought to our group an expertise in pasta marketing and R+I+D, along with a specialized management team that allowed us to transfer all these knowledge to other countries
- In 2006 we bought New World Pasta ("NWP"), the pasta branded leader in USA and Canada
- We integrated NWP with our rice businesses in North America generating important synergies
- In 2008 we acquired Birkel, the branded pasta leader in Germany
- Now, we have 12 factories in EU and 3 in USA and Canada and more of 20 brands around the world with significant market shares in their respective countries



Factories: We have pasta facilities in France, Germany, USA and Canada





Factories: We have pasta facilities in France, Germany, USA and Canada





Brands

- Ebro buys 582,000 tm/annum of durum wheat in Europe and 280,000 tm/annum in North America and has long lasting agreements with coops in France. All purchases from the Northern Tier are made on the open market, in the desert we contract acres with farmers, and in Canada is through the Canadian Wheat Board
- Our strategy in pasta is focused in:
 - Core classical pasta with strong brands: Panzani, Ronzoni and Birkel
 - Health segment: whole grain, high fiber, veg. pasta: Healthy Harvest, Smart Taste
 - Convenience: pasta quick cook and microwable
 - Fresh pasta and meals solutions
- Our goal is:
 - Be number one in worldwide branded pasta business



Our market shares

Pasta

COUNTRY	MARKET SHARE VOLUME
France	40.8%
Canada	39.4%
USA	25.8%
Germany	11.2%
Czech Republic	12.5%
Belgium	13.7%

Fresh Pasta

COUNTRY	MARKET SHARE
France	30.5%

Sauce

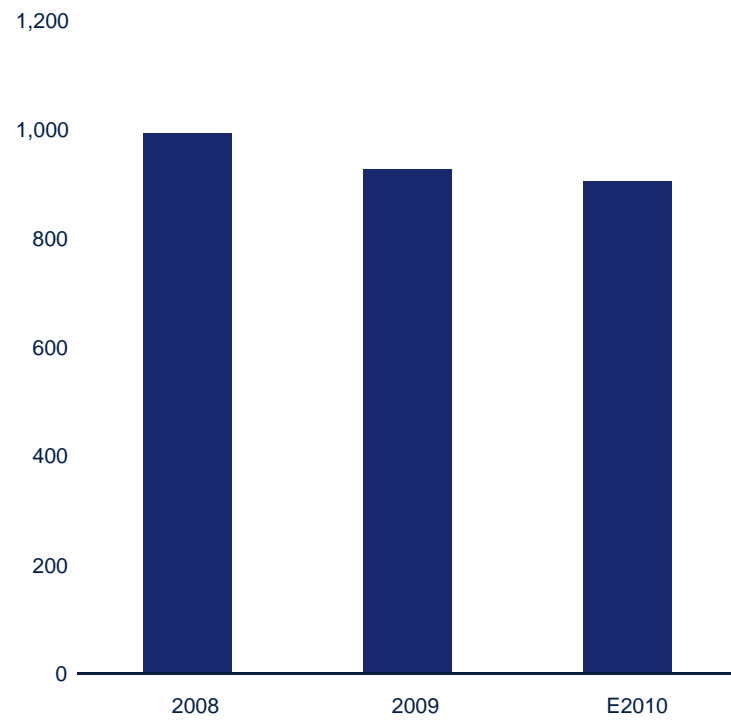
COUNTRY	MARKET SHARE
France	33.6%



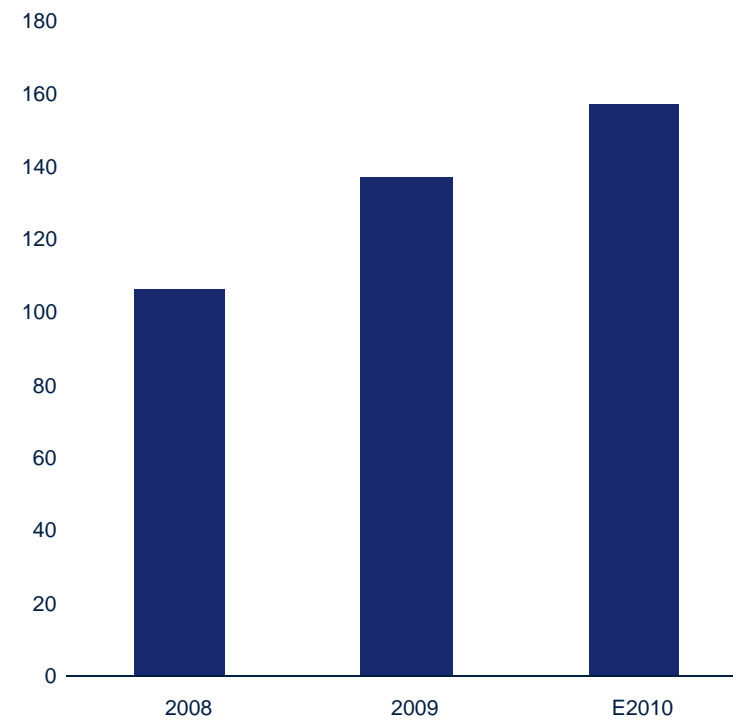


Key financials: pasta

Sales (EURm)



EBITDA (EURm)





4

Ebro's commitment to you





4.1 Ebro's working relations with growers and cooperatives

- ❶ **Because everything at Ebro does begins with agriculture, our partnership with farmers is vital**
 - ❶ We strive to forge closer working relationships with farmers based on trust and support, by ensuring them the best deal
 - ❶ We have also been strong supporters of local family farms to increase the number of active family farms in the world
- ❷ **Research and Development is crucial to our strategy.** Its application in the farms has been part of our service, developing new varieties and being competitive
 - ❶ We have Research and Development farms in Europe, California, Morocco and Uruguay
 - ❶ In rice we have been the leader in the introduction of highly productive new long grain varieties in Europe
- ❸ **Our farmers are visited regularly throughout the crop season by technical experts,** who disseminate timely advice and updated information on their crops



4.2 We want your rice

- We are a very large purchaser of rice globally
- In Europe we purchase 500 mt/annum of rice of different types and varieties: medium grain, long grain and other important specialties. All purchases are made from farmers and cooperatives
- In North America we purchase 400 mt/annum of paddy and milled rice
- We also purchase another 500 mt/annum paddy basis from countries such as Uruguay, Guyana, Thailand, Egypt and fragrant rice from India, Pakistan and Thailand
- If you vote for the transaction, in SunRice we will acquire a significant infrastructure for an enterprise value of c.\$600m which needs rice to operate efficiently
- The most efficient way to process your rice is in the Riverina. We do not want the sheds and mills empty, it makes no sense
- Australian rice is high quality and in demand
- Australian rice is counter seasonal
- We know we have to pay a fair price for your rice, as we do from other farmers



4.2 We want your rice

• 3 questions

1. Will Ebro provide a fair price after six years?
2. Will Ebro continue to source Australian rice for SunRice's brands?
3. Will Ebro continue to process paddy in the Riverina?



4.2 We want your rice

1. Will Ebro provide a fair price after six years? – Yes

- In 60 years of history we have maintained excellent relationships with farmers – which means we have paid a fair price
- We want all the rice you can provide – this means a fair price
- We are investing over \$600m into SunRice, which includes a substantial investment in infrastructure which needs rice to operate
- The Grower Advisory Board remains in place providing you with a voice
- The last outcome we want is to give anyone an excuse to build a competing mill



4.2 We want your rice

2. Will Ebro continue to source Australian rice for SunRice's brands? – Yes

- We are paying over \$600m to acquire significant infrastructure
 - To work efficiently this infrastructure needs rice
- Your brands are strongly associated with variety and source of the rice (i.e. Sunwhite in the Middle East) – launching Sunwhite with another variety or source does not deliver the same brand equity
- SunRice brands are recognised for Australian Medium Grain – a change in source of rice for SunRice's brands would devalue the brands and reduce the premium they attract
- Australian Medium Grain is very competitive for the markets where it is sold
- We want your rice not only to supply your brands but for other markets, such as Europe



4.2 We want your rice

3. Will Ebro continue to process paddy in the Riverina? – Yes

- The Riverina infrastructure is the most efficient way to process local paddy
- We are making a large investment in Riverina infrastructure
- Ebro is aware of the heritage that SunRice has in the Riverina
- We would look to increase local infrastructure, for example establishing a parboil factory to replace the one that was closed some years ago
- We intend to use SunRice as a launch pad for a larger Asia Pacific business, including sourcing of durum wheat
 - This will require infrastructure
- We are looking to increase local employment, there is no overlap



4.3 We also want your Durum wheat

- We are also a large purchaser of Durum wheat globally
- In Europe we purchase 582 mt/annum of Durum wheat from France and North America
- In North America we purchase 280 mt/annum of Durum wheat
- We understand Durum wheat can be successfully grown in the Riverina
- Australian Durum wheat is also high quality and counter seasonal
- We have existing infrastructure part of which can be used for wheat
- We will look to expand Grower Services to support your crops of wheat
- Rice and durum wheat can be loaded together on ships to achieve freight advantages



4.4 We will continue to support you

- Ebro and SunRice have entered into a binding Continuity Undertaking which governs the matters set out below
- The RGA is also a beneficiary and can enforce the Continuity Undertaking
- **Paddy Pricing**
 - Committed to buy all the rice produced in NSW if we maintain the sole and exclusive export license
 - Purchases of rice structured in three pools, and priced based off Californian Paddy and Cash Markets
 - This is similar to what you receive today from Sunrice, we want to partner with you and continue to offer you attractive prices for your rice
 - The Grower Advisory Board will review the pricing and ensure that these are appropriate
 - Sunrice presentation and the Scheme Implementation Agreement include further details of the purchase mechanisms for each individual pool



4.4 We will continue to support you

Grower Services

- Grower Services for rice to continue without material change. We understand this is a key service to you
- Grower services to be enhanced to provide services for wheat
- Appraisal regime to remain unchanged unless changes agreed with the Grower Advisory Board
- Any changes to the following elements can only happen after consultation with the Grower Advisory Board:
 - On farm rice production enhancement
 - Harvest management
 - Post harvest review
 - Grower communications
 - Policies and procedures governing efficient grower financial management and procurement of inputs, suppliers and services



4.4 We will continue to support you

Grower Advisory Board

- o Operates in perpetuity, not just 5 years
- o Composed of 6 Board Members
- o Three Grower representatives
- o Three Ebro representatives
- o The Chairman must be a Grower representative
- o Research, receive, review and consider information in relation to prices bought and sold in California for cash or through pools
- o Determines the:
 - o Two appropriate Californian pools for reference
 - o Most appropriate cash price reference
 - o Appropriate weighting of pool and cash price references
 - o Final price for pool 1
 - o Discount for Medium Grain Pool 2
- o Will be appropriately resourced and funded such that it can function
- o Constitutes an avenue for Grower Interface
- o Provides information and makes recommendations in relation to grower issues



4.5 We will continue to support the region and the Industry

• Research and Development

- Ebro has agreed to support RRAPL at a level that is equal to the average of the last 3 years expenditure increased each year by CPI
- We will share our global Research and Development expertise with you through the RGA or other appropriate industry body

• Community and Industry support

- Ebro acknowledges the significance of SunRice to the region
- Support for the local community and RGA will continue, consistent with past practice
- This includes continuing sponsorship of regional events



5 Reasons to accept the offer for SunRice





5.1 Reasons to accept Ebro's Offer

1. **Rice is central to Ebro's strategy**
2. Ebro is a world leader in the rice sector with **access to international rice markets**
3. **Long term partnership:** Ebro and SunRice have enjoyed a strategic relationship for over 50 years participating in two successful joint ventures: Anglo Australia and Herto
4. **SunRice's Board recommends this transaction**
 - Value per share is materially above the value likely to be realised for other options
 - Promotes the ongoing viability of The Australian rice industry
 - Less execution risk than other options
 - Rice purchasing commitment provides certainty for Growers



5.1 Reasons to accept Ebro's Offer

5. Strong commitment by Ebro to SunRice and Australian rice Growers

- Long term purchase agreement: Purchase rice and the price for at least the 5 years commencing 2012 based on Californian prices for Medium Grain rice
- Grow in international markets through Ebro's global network
- Increase SunRice's R&D and use of the best technologies
- Continue SunRice's support of the Australian rice industry. Ebro wants to keep all the factories and industrial network in NSW
- New business opportunities (sourcing durum wheat for pasta business, etc)
- Grower Advisory Board including Grower representatives



5.2 Valuation of SunRice

Consideration per Share¹

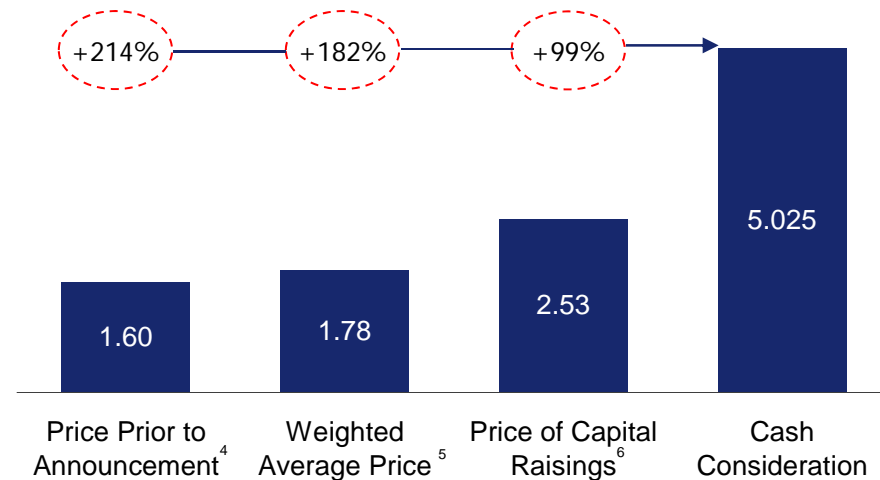
	<u>A Class Share</u>	<u>B Class Share</u>
Total Cash Consideration	A\$50,000	A\$5.025
Franking Credits ³	n.a.	A\$0.603
Total Consideration plus Franking Credits	A\$50,000	A\$5.628

Note

1. This is based on the current number of eligible A Class and B Class shares
2. Total cash consideration of A\$5,025
3. Subject to receipt of positive ruling from the Australian Tax Office
4. Last trade before announcement on 4-Oct-10
5. From 19-Oct-09 to 4-Oct-10
6. The average issue price in the capital raising exercise

B Class Shares' Premium

Cash Consideration per B Class Share² vs. Price at Different Moments
A\$





6 Conclusion

- Our partnership with the farming community is vital and has been for 60 years
- We want your rice
- We also want your durum wheat
- We will continue to support you
- We will continue to support the region, employment and the industry
- SunRice is the launch pad for a larger Asia Pacific rice and pasta business – this means more markets for your produce