

27 April 2011

SUNRICE SCHEME BOOKLET LODGED WITH NSX AND SENT TO SHAREHOLDERS

Dear Shareholder

SunRice today released the attached Scheme Booklet in relation to the proposal for Ebro Foods S.A. (**Ebro**) to acquire SunRice by way of a Court approved scheme of arrangement (**Proposal**). This document is also available on the SunRice website, www.sunrice.com.au. The Scheme Booklet has been prepared to provide SunRice shareholders with information that should be considered prior to voting on the Proposal. The Scheme Booklet was registered with ASIC on 19 April 2011 and will be despatched to SunRice shareholders today. SunRice shareholders are advised to read the Scheme Booklet thoroughly as it contains important information that will assist shareholders to make an informed decision on how to vote.

The meetings to vote on the Proposal, for both A Class and B Class shareholders, are scheduled to be held at the Jerilderie Civic Hall on 31 May 2011.

The Proposal

If the Proposal is implemented, SunRice shareholders will sell all their A Class and B Class Shares to Ebro and receive cash. Holders of A Shares will receive a cash payment of \$50,000 per A Share. Holders of B Shares will receive \$5.025 per B Share, \$1.407 of which is expected to be a fully franked dividend. Therefore holders of B Shares may also benefit from a further \$0.603 per B Share of franking credits. In addition, commitments of SunRice/Ebro in respect of paddy pricing, rice industry and Riverina community support and the Grower Advisory Board, which are contained in the Continuity Undertaking Deed Poll, will take effect if the Proposal is implemented.

Directors' recommendation

The Board of SunRice unanimously recommends that shareholders vote in favour of the Proposal, in the absence of a Superior Proposal. Details of the reasons for the recommendation of the Board are contained in the Scheme Booklet.

Independent Expert's Report

The Scheme Booklet contains a report from the Independent Expert, Lonergan Edwards and Associates Limited.

Lonergan Edwards and Associates Limited has concluded "*the Scheme is fair and reasonable and in the best interests of the A and B Class shareholders of SunRice in the absence of a superior proposal*".

The scheme consideration of \$50,000 per A Class share is at the top end of the Independent Expert's assessed valuation range of \$37,500 to \$51,875. The cash payment of \$5.025 per B Class share is above the midpoint of the Independent Expert's assessed valuation range of \$4.54 to \$5.30.

The Independent Expert believes that, without the Proposal, holders of A Class shares will have limited ability to realise monetary value for their A Class shares. The Independent Expert has also concluded that the Proposal provides holders of B Class shares with an opportunity to realise cash for their B Class shares which is consistent with their full underlying value.

The Independent Expert considers the Proposal to be a "*superior outcome for Shareholders and Growers*" compared to the alternatives of maintaining the status quo with additional capital being provided by existing

shareholders and/or growers, divesting certain SunRice businesses, listing on the ASX, delisting from the NSX or building capital through a cornerstone investor, all of which were considered by the Board.

Information Meetings

SunRice shareholders will be given the opportunity to meet with representatives of both SunRice and Ebro in the period preceding the Scheme Meetings.

The first of 6 meetings with representatives of SunRice will be held on Tuesday 10 May. Representatives from Ebro will hold meetings for SunRice shareholders from mid-May onward. Further details of these meetings will be provided shortly.

Regardless of whether you attend a meeting with representatives of SunRice and/or Ebro, you are encouraged to evaluate the Proposal only after considering the Scheme Booklet which includes information on the advantages and disadvantages of the Proposal.

Key dates

Outlined below is a summary of the proposed key dates for the Scheme. Further details are contained in the Scheme Booklet and any changes to the proposed dates will be announced through NSX and on the SunRice website at www.sunrice.com.au.

Scheme Booklet and Notices of Meetings despatched to Shareholders	Wednesday, 27 April 2011
Scheme Meetings	Tuesday, 31 May 2011
If SunRice Shareholders approve the Scheme	
Second Court Date for approval of the Scheme	Monday, 6 June 2011
Court order is lodged with ASIC and the Scheme takes effect (Effective Date)	Tuesday, 7 June 2011
Suspension of B Shares from NSX trading	Tuesday, 7 June 2011
Date for payment of SunRice Dividend	Friday, 10 June 2011
Transfer of A Shares and B Shares to Ebro. Payments by cheque and EFT to be made within five Business Days (Implementation Date)	Friday, 17 June 2011

If you have any questions about your Shares or any other matter in this Scheme Booklet, please call the SunRice Information Line on 1800 643 604 (toll free in Australia) or +61 2 8256 3383 (if overseas) between 9.00am and 5.00pm (Local Time), Monday to Friday.



Gerry Lawson
Chairman