



The Rice Food Experts

15 July 2011

Dear Shareholder

### **Issue and Redemption of A Class Shares and Minimum Number of B Class Shares**

I am writing to provide an update regarding Active Growers and the issue and redemption of A Class Shares. Please note that capitalised terms used in this letter are defined in the Ricegrowers Limited Constitution.

The main requirements of the Constitution for the issue and redemption of A Class Shares are:-

- The person applying must be an Active Grower, or a person who the Board believes will become an Active Grower. An Active Grower is a grower who has delivered not less than one tonne of paddy rice (being the produce of that grower and not acquired for delivery) to the Company during the two most recent crop years.
- The person applying or their Approved Entity (e.g. a superannuation fund of which the person is a beneficiary) must hold or have entered into an agreement with the Company to acquire the minimum number of B Class Shares specified in the Constitution (currently 1,000 B Class Shares).

A review of rice growers' Active Grower status was carried out by Ricegrowers Limited in December 2009. A review was not able to be carried out in December 2010 due to the Ebro Proposal being under consideration. However a review of Active Grower status was conducted recently that took into account each rice grower's deliveries in the two most recent crop years as at December 2010 (i.e. C2009 and C2010) and in addition, whether deliveries were made in the recent C2011 harvest.

The review identified:-

#### **1. Active Growers eligible to apply for the issue of one A Class Share**

Three hundred and thirty three Active Growers eligible to apply for an A Class Share. These Active Growers were notified of their eligibility by letter dated 17 June 2011. The Board requested that applications be returned by 7 July 2011 to enable new A Class shareholders to stand as a candidate and/or vote in the upcoming Director election.

Two hundred and thirty eight applications have been received to date and were approved by the Board on Wednesday 13 July 2011. Of these, 108 applications are from Active Growers who did not hold any B Class Shares at the time of making their application. In signing and submitting an application for an A Class share, these Active Growers undertook to acquire the minimum number of B Class Shares within three months from the date of the application if their application was approved.

B Class Shares can be acquired by these 108 Active Growers via purchase on the National Stock Exchange (NSX) through a registered broker; through an off-market transfer; or through subscription under the Prospectus dated 7 July 2011.

Active Growers who were not able to return the application by 7 July 2011 may still complete the application and return it to Grower Services. Such applications will be considered by the Board at an appropriate time and applicants will be advised of the outcome.

**2. A Class shareholders who did not hold the required minimum number of B Class Shares**

Twelve A Class shareholders who did not hold the required minimum number of B Class Shares at the date of review. To avoid redemption of their A Class Share, these shareholders must ensure that they hold, or have entered into an agreement with the Company to acquire, the minimum number of B Class Shares by 23 September 2011 or their A Class Share may be redeemed. B Class Shares can be acquired by these A Class shareholders through the mechanisms outlined above.

**3. A Class shareholders no longer Active Growers**

One hundred and twenty one A Class shareholders whose most recent rice delivery was prior to C2009. An A Class shareholder whose most recent delivery was prior to C2009 is no longer an Active Grower. Accordingly the A Class Shares held by these shareholders were redeemed on Wednesday 13 July 2011 in accordance with the Constitution.

If you require any information regarding the Constitution and eligibility for Ricegrowers Limited A Class Shares, please contact Grower Services on 1800 654 557 or 02 6953 0568.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gerry Lawson', written in a cursive style.

Gerry Lawson AM  
Chairman