

28 March 2013

Dear Shareholder / Grower,

Summary of Capital Structure Review shareholder meetings

SunRice recently completed the second round of consultation meetings with shareholders and growers as part of the Capital Structure Review program. These meetings provided an opportunity for the Board to update attendees on the Review's progress and discuss a range of structures that may help position SunRice for the future.

This letter contains a brief summary of the meeting presentation and the discussions that took place.

Grower control will be protected

Of most importance I want to stress that grower control of SunRice will be preserved. The Board is only looking at possible future options and models that meet this condition. This means A Class shareholders will have voting rights on any change of control, along with the right to appoint directors.

As we've communicated previously, any future model or structural changes proposed as part of the Review will be subject to a shareholder vote. No change can occur without this.

Within this context the Board is committed to enhancing the SunRice business for its shareholders, its growers and its people, while protecting grower control.

A Class Share register

We also made it clear at the meetings that the SunRice A Share register will be unfrozen before the conclusion of the Capital Structure Review. This will allow Active Growers to apply for an A Class Share and have the application considered by the Board prior to any vote in which you may be asked to participate.

Change at SunRice

Change has been a constant at SunRice. The way we managed the drought is one of our finest examples. But there are many others, including our conversion from a cooperative to a company, our listing on the NSX, our purchase of the paddy sheds, our move from being a core rice marketer to a sophisticated, global food company, our ability to survive the Global Financial Crisis and the continued effects of the strong Australian dollar. Addressing change is how we have survived.

It is always preferable to change from a position of strength. We are now in an excellent position from which to build a stronger, more resilient company and one which delivers for our shareholders and our industry. There is a lot of work to be done on our business and the Capital Structure Review is a continuation of our journey.

Why we must continue to change

The Board recognises that SunRice must continue to change while preserving grower control.

With regard to qualifying tonnages for A Class Share eligibility and minimum B Class Share requirements, SunRice intends to resolve these outstanding issues, while also providing certainty for growers on paddy price setting.

We will also consider estate planning issues for an increasing number of our shareholders who are unable to pass their B Shares onto family members who are not shareholders.

While preserving grower control is essential, we also have an obligation to ensure fair value and improved tradability of B Class Shares. The issue of B Class Share value is an important priority, particularly given the increasing number of retired growers. In addition, improving the tradability of B Class Shares will encourage banks to treat them as assets and security for lending.

The Review has identified the need to provide better access to capital markets to build a more resilient SunRice. Better access to capital will allow the Board to grow the business to the benefit of both A and B Class shareholders, allow us to invest in existing complementary businesses, and further diversify SunRice's earnings.

Changes to SunRice's capital structure will be required to achieve these objectives.

Mechanisms and options

During the meetings SunRice presented several corporate models and mechanisms which have the potential to help achieve the objectives of the Review.

Many of our peers have faced similar challenges and have preserved grower control while expanding their capital bases. This has been achieved by implementing various mechanisms, including the issuance of non-voting shares, caps on individual shareholdings, or stipulating that only growers can appoint certain board members.

Above all else, it is possible to invite ordinary investors to invest in your company and at the same time protect grower control. In the presentation to shareholders we reviewed mechanisms used by some of our peers. The mechanisms also demonstrate that it is possible to continue to have a board with a broad skills base and maintain the presence of grower directors in the long term.

It is important to remember that none of the models used by our peers are directly suited to SunRice and some do not preserve control to the extent which SunRice aims to. SunRice has its own unique set of issues to resolve, so any model proposed by the Board is likely to draw from the mechanisms used by others, but ultimately be unique to SunRice. The Board still has more work to do in order to put forward a model that meets the specific objectives of the Capital Structure Review.

NSX/ ASX

As part of the Review we have also looked at the merits of the National Stock Exchange (NSX), where SunRice B Class Shares are currently listed, and the Australian Securities Exchange (ASX).

Only seven companies on the NSX have a market capitalisation in excess of \$20 million, with one particular company (African Petroleum Corporation) representing more than 57 per cent of the entire value of the exchange.

The NSX is much more accepting of restrictions and allows companies to restrict certain investors and cap individual ownership. In comparison the ASX is Australia's largest exchange. It offers companies a deeper pool of capital. There are more participating brokers and banks are more

willing to lend against equity. It can offer greater liquidity, which makes buying and selling shares relatively easy. However, the ASX is less flexible, although it has accepted differential voting and shareholding structures in the past.

As you know, SunRice B Class Shares are currently listed on the NSX. It is important to note that the existing restrictions on who can own SunRice B Class Shares are impacting their trading volumes and price. Removing these restrictions would likely improve the performance of B Class Shares on the NSX. However there are a limited number of quality listings on the NSX, therefore investor perceptions and valuations are likely to be lower than for the same company on the ASX (all things being equal).

We will continue to consider the benefits and draw backs of both exchanges as part of the Review process.

Next Steps

The Board is actively considering several models and mechanisms that have the potential to meet the Review objectives. We are also taking into consideration the requirements of regulators. Our objective is to develop a model for your consideration that works for our unique situation.

We plan to hold further meetings and strongly encourage you to attend so we can seek your input as we present the next steps in the Capital Structure Review process.

We would like to remind you that you have access to the Capital Structure Review website (<http://capitalstructurereview.sunrice.com.au>), which includes useful information and updates on the Review process, along with the ability to ask questions or provide feedback via the online feedback form. You can also ask questions and provide feedback via the dedicated hotline on 1800 643 977.

The full presentation can also be downloaded at <http://www.sunrice.com.au/shareholders-growers/nsx-announcements>. If you would like a printed copy of the presentation, please contact the hotline and we will arrange for one to be mailed to you.

As I communicated at the consultation meetings, we encourage you to pose questions, challenge assumptions, offer different perspectives and share your ideas. All of the feedback we receive will help inform and shape the structures and options being considered as part of the Capital Structure Review and that will be presented to you for consideration in due course.

Thank you again for your participation. We will be in touch again as the Review progresses, including with more detail around the next set of meetings.

Yours sincerely,



GERRY LAWSON AM
Chairman