



The Rice Food Experts

20 March 2015

Dear Shareholder / Grower,

Summary of Capital Structure Review shareholder and grower meetings

SunRice has now completed the initial series of shareholder and grower meetings regarding the Capital Structure Review. During these meetings CEO Rob Gordon and I outlined a potential new capital structure model designed to underpin SunRice's growth, while preserving A Class shareholder control and enhancing the value of B Class shareholders' investment.

The review is an important initiative in determining the future of SunRice, and the input of our shareholders and growers is vital. With this in mind, the Board has taken great encouragement from both the number of attendees and the active participation at the meetings.

The Board would like to thank those that were able to attend the meetings, and is looking forward to future communication with those who have been unable to participate in this stage of the process.

Preliminary feedback

While the Board is continuing to consolidate the feedback received during the meetings, we are pleased by the positive overall response to the potential new capital structure model.

A majority of growers and shareholders agree that SunRice should continue to change while preserving grower control; that we need to have better access to capital; and that investing in our future is critical to reduce business risk and grow our markets in order to compete with a growing number of large, global agribusinesses.

It is the Board's position that the potential new model preserves A Class shareholder control on an ongoing basis; and it does not affect the existing SunRice business, including the way paddy returns and dividends are determined. The positive response from many of our shareholders and growers has confirmed that they also share this view.

However there were attendees that expressed concern regarding potential change and therefore the Board will be seeking to provide additional information and opportunities for discussion in order to better understand, and hopefully address, these concerns.

Key benefits

I would like to take the opportunity to reiterate the key benefits of the potential new capital structure model:

- Preserves the current structure of the industry, including A Class Shareholder / Grower control on an ongoing basis with B Class shareholders retaining economic rights in the business through the new SunRice Fund;
- The listing of the new SunRice Fund provides access to a deeper pool of equity capital to enable SunRice to raise funds to minimise business risk and invest in future growth for the benefit of **all** shareholders; and
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- Provides an open ASX market for interests in the SunRice Fund, which should enhance the value of B Class shareholders' investment.

Next Steps

The Board plans to provide growers and shareholders with a booklet that sets out information on the potential model and answers to questions which were raised at a number of the meetings.

This booklet is being prepared and will be mailed to you in the coming weeks.

After you have had time to read the booklet, it is intended that an independent research firm, Georgesons, will call you on a confidential basis, to seek your individual feedback on the potential model.

While the Board believes this is a strong workable model, that is in the best interests of SunRice as well as its growers and shareholders, your feedback to Georgesons will be a most important factor in determining whether or not the Board decides to put the proposal to a shareholder vote.

We therefore urge you to continue to review the available material, to discuss the proposal with your fellow growers and shareholders, and to participate fully in responding to the call from Georgesons.

Further information on the potential new capital structure, including a short video and copies of the presentation materials, can be found on the "Corporate" section of the SunRice website (www.sunrice.com.au); or by phoning the Shareholder Information Helpline on 1800 020 806.

Tours of SunRice operations

The Board is delighted with the overwhelmingly positive feedback to the tours of SunRice's operations in Leeton and Deniliquin, which were conducted as part of the Capital Structure Review meetings.

Our shareholders and growers expressed a strong sense of pride in seeing the extent of SunRice's operations, some for the very first time. This sense of pride was also felt by SunRice employees, who were delighted to be able to showcase their workplaces to those that play such an integral role in the success of SunRice – you, our shareholders and growers.

Given the success of these tours, we will look to conduct them on a more regular basis in the future.

I look forward to hearing from you regarding the Capital Structure Review. In the meantime, I wish our growers a successful harvest.

Yours sincerely,



Laurie Arthur
Chairman