



9 May 2013

NOTICE TO SHAREHOLDERS AND UNSECURED NOTEHOLDERS

Cost Reduction Program

Mackay Sugar this week has commenced a significant Cost Reduction Program in order to support the performance of the business.

The crop estimate for the 2013 crush currently stands at a disappointing 5 million tonnes for the Mackay mills (2012: 5.6 million tonnes).

The combination of the poor crop and low sugar price means that, if we do not address our cost base, the business will not achieve an acceptable performance.

A wide range of initiatives have been identified by the senior management group as part of the Cost Reduction Program, with all aspects of the business examined.

We have identified 35 staff positions which potentially will no longer be required. However, no decision has been made at this time and we are consulting with staff to consider redeployment options. All affected personnel will receive the appropriate support to assist them through their transition.

The Cost Reduction Program is necessary to refocus our business to secure its success into the future.

Should you have any queries relating to the above information, please contact Mackay Sugar Company Secretary Donna Rasmussen on 4953 8241.

Quinton Hildebrand
Chief Executive Officer