



5 December 2017

## Circular to Growers

Dear Growers,

It was agreed at our consultation meeting of 4 December 2017, that the assessment of viable crushing operations was a paramount factor in respect of termination of crushing operations. It was further agreed that we would meet again on Wednesday 6 December to review the supply outlook and make a decision regarding a 48-hours' notice to terminate the crushing operations, barring weather events. Unfortunately rainfall overnight and this morning has resulted in the majority of our potential supply area receiving between 20mm and 70mm according to reports from harvest groups and field staff. For that reason the consultation meeting scheduled for 6 December was brought forward to today to discuss the termination of the 2017 season.

As of this afternoon we have now had 138 harvest groups let us know that they are completed for the season. Additionally, many groups have confirmed that they cannot fill bins due to wet conditions. Supply for Marian dropped to approximately 3,000 tonnes of the 7,600 tonnes estimated early this morning. Indications from the harvest groups, field staff and MAPS employees is that it is very unlikely supply will reach the required 12,000 tonnes over the next four to five days.

This information was discussed in consultation with those bargaining representatives that were in attendance. It was decided that Marian mill will close in 48 hours, following the processing of any cane cut on Thursday 7 December. For clarity, last bins will need to be on the line at 19:00, 7 December. It is not economically viable to hold the mill open in the hope that the weather conditions improve, and as of Thursday we will have sustained 5 days with less than 12,000 tonnes supply.

It is unfortunate that weather conditions have not allowed for economical processing of the remaining cane. We acknowledge the hardship that this may place on some individual growers, and we sincerely appreciate the efforts of the harvest sector and growers that have made every effort to supply under these trying conditions. Mackay Sugar doesn't make this decision lightly, and we have an obligation to conserve funds to achieve the best possible performance for next years' crop.

Regards,

Jason Lowry  
Chief Executive Officer