



5 April 2017

## CIRCULAR TO GROWERS and SHAREHOLDERS

I hope this note finds you safe and sound after the events last week with Cyclone Debbie and the damage she left in her wake. From what I understand there were extreme outcomes, ranging from little to no damage to very significant damage around the district. We still have some employees without power and mobile service, as I am sure some of our growers and shareholders are as well. Our thoughts and prayers are with those most affected, and for those still affected we hope for a speedy recovery.

I wanted to report to you on the state of the mills and rail assets to bring you up to date with the current situation. Inspections to date indicate that there was very little damage of consequence at the mills, with some superficial damage to roofs and some minor damage to equipment. For the most part the mills fared quite well considering the circumstances.

The rail assets of the business were affected to a higher degree with some significant track ballast and base washout as well as culvert destruction, and some track has been shifted while some bridges in the network have been overcome with water and lost the ballast down the waterway. Assessments are still under way, but early estimates put the work identified to date at over \$500,000 to repair. Most of our bins fared quite well, although around 1700 bins that had already been serviced have since sat under water, requiring at least a regreasing of the bearings if not more rework to ensure the integrity of the fleet.

With the cyclone affected week, we have lost a week of planned maintenance from our schedules, including the boiler at Marian and the calandria replacement of 5E effert in Racecourse. We will be evaluating how best to address this loss of schedule over the coming weeks, although it is likely that this will push back a start date by the corresponding number of days. With estimates of crop damage still coming in, it may be that this loss of a week isn't an issue for us. It is expected that there is some significant yield and sugar loss based on cyclone damage, and as such we believe the schedule will allow for this loss of time.

The good news here is that we were extremely lucky with the limited impact to the assets that we have had considering the size and path of Cyclone Debbie. The crop damage is still under investigation, and it is suspected that this might be major. I understand that different regions were hit with varying intensity, and therefore we can't generalise the damage but need to assess each area. As more information is made available and a clearer picture develops, we will work through the normal channels to secure a start date and build our work plan around this.

Again, I hope this note finds you safe and sound, and we will keep you apprised of the situation as more information is known.

**A.S. Cappello**  
**CHAIRMAN**