

ANNUAL GENERAL MEETING

**CHIEF EXECUTIVE OFFICER
ADDRESS**

18 NOVEMBER 2010



GENERAL INFORMATION

- The information in this presentation is prepared for your general information only. It is not intended to be an investment recommendation by MSF or any of their officers, employees, associates or advisors. This presentation does not take into account the investment objectives, financial situation or the needs of any particular investor. You should not base your investment decision solely on the information in this presentation. You should consider the suitability in view of your financial position and investment objectives and needs and you should seek advice before making an investment decision.

No obligation to update

- You cannot assume that this presentation will be updated at any time subsequent to the date on the cover of this presentation. This presentation does not constitute a representation by MSF or their officers, employees, associates or advisers that the presentation will be updated at any time after the date of this presentation.

Forward Looking Statements

- MSF disclaims any responsibility for the accuracy or completeness of any forward-looking statements in this presentation. MSF disclaims any responsibility to update or revise any forward-looking statement to reflect any change in MSF's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law.
- The projections and forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of MSF.



Agenda

Review of the 2009/2010 year

Northern Milling Joint Venture Update

Update on the current season crushing activities

Update on sugar marketing and hedging

Overview of the current rally in sugar prices

Outlook

Conclusion



Overview...strong improvement over the previous year

Strong improvement in profit

- MSF PAT at \$7.0 million - increase of \$7.8 million over the previous year
- Fully franked final dividend of 4.0 cents per share; full year fully franked dividend of 6.5 cents per share, an increase of 6.5 cents over the previous year

Strong positive cash flow

- \$22.4 million inflow from operating activities
- \$4.8 million outflow for capital items
- \$2.7 million inflow from financing activities

Improved sugar and molasses market

- Average sugar price achieved of \$427 per tonne - 29% higher
- 2nd year of global sugar shortage pushed prices higher

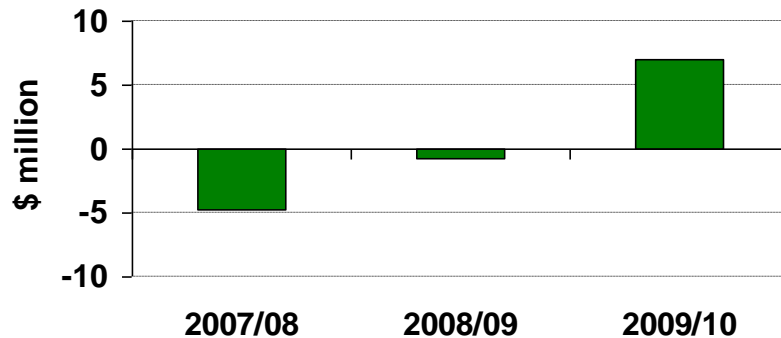
The continuation of our milling consolidation strategy

- Successful integration of Mulgrave Mill and marketing business into MSF
- Post Balance Date, Joint Venture agreement reached with Bundaberg Sugar

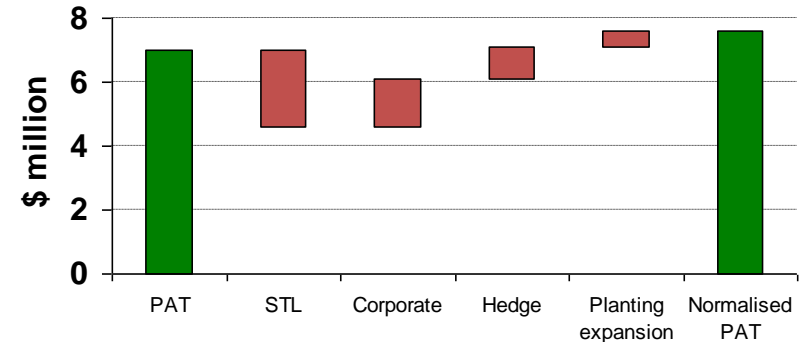


Strong improvement in Profit after Tax to \$7.015 million

Profit after Tax



“Normalised” Profit after Tax



Strong profit result from:

- Higher world sugar prices (increased from \$331 to \$427 per tonne IPS) and molasses prices (positive impact of \$1.4 million)
- Increased sugar production (up 7% or 16,599 tonnes)
- Special one-off \$2.7 million dividend (before tax) from STL - for the sale of Brisbane sugar terminal
- Continuing positive impact of the Mulgrave Mill acquisition in the previous financial year

Continued merger and acquisition focus:

- Negative impact from one-off costs in the short term
- However will create a lower unit cost and more profitable sugar business in the medium/long term



The results...strong improvement across all measures

	2009/10 \$'000	2008/09 \$'000	Change %
Revenue	159,807	138,402	15
EBITDA	14,606	1,854	688
EBIT	11,667	(1,174)	1,094
Finance Costs	(2,963)	(4,046)	(27)
Profit (loss) before tax	8,704	(5,220)	267
Profit (loss) after tax	7,015	(783)	996
Net cash flow from operating activities	22,370	(12,216)	283
Gross Assets	211,219	191,088	11
Liabilities	61,635	95,750	(36)
Net Debt	11,206	43,363	(74)

NTA per share	\$2.74	\$1.98	39
NTA (ex DFI net of tax) per share	\$2.71	\$2.37	14



Balance sheet...strong growth in net assets

- Capital raising generated net \$13.2 million, strong operating cash flow and paid down debt
- But impacted by unrealised marked to market position of sugar and currency hedging for future years

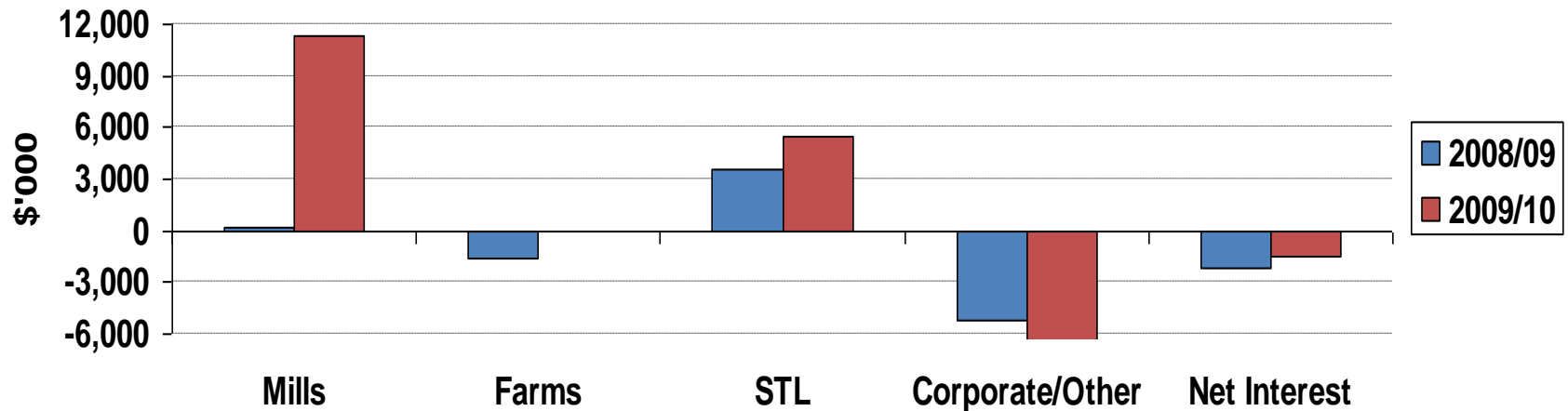
Assets	2009/10 \$'000	2008/09 \$'000
Cash	22,695	4,690
Sugar and Molasses inventory	13,504	12,267
Derivative financial instruments	9,018	5,503
Other current assets	10,103	10,356
STL shares	36,292	36,292
Cane Farms	61,536	59,739
Mills and other PP&E	53,002	53,627
Other non-current assets	5,069	8,614
Total Assets	211,219	191,088

Liabilities	2009/10 \$'000	2008/09 \$'000
Trade payables	12,286	13,697
Derivative financial instruments	6,145	31,699
Working capital debt	-	12,400
Other current liabilities	3,169	2,023
Term debt	33,901	35,651
Other non-current liabilities	6,134	280
Total Liabilities	61,635	95,750

Net Assets	149,584	95,338
-------------------	----------------	---------------



Strong growth in EBIT performance across all business units



- Profitability in the Mills driven by higher prices and increase in throughput and production.
- Farms generated a small EBIT due to higher cane prices and increased throughput.
- Corporate expense high due to corporate development activities. In a normal year we expect corporate activities to be reduced by around \$1.5 million.
- Other had a loss of approximately \$1.0 million due to having to bring to account a sugar hedge transaction. A corresponding gain will be made in the 2010/11 financial year.
- Lower interest cost due to lower debt levels.



Sugar Milling...increasing performance on higher prices and throughput

	2009/10			2008/09		
	Tonnes			Tonnes		
	Cane	Sugar	CCS	Cane	Sugar	CCS
Maryborough	661,606	94,742	14.05	614,549	83,109	13.47
Sunshine Coast	25,862	2,313	13.94	-	-	-
Mulgrave	1,078,703	160,681	14.35	1,083,216	158,028	14.07
MSF Group Total	1,766,171	257,736		1,697,765	241,137	

Performance of Mulgrave Mill

- Record efficiency and availability
- Higher sugar production in the region

Maryborough Mill

- Good efficiencies but throughput impacted from carry-over effects of poor 2007/08 season
- High raw sugar prices made it financially sensible to buy cane from Sunshine Coast cane growers
- Focus on increased cane production in the Maryborough region



Cane Growing...increasing production

MSF Qld Farms	2009/10 Tonnes	2008/09 Tonnes
Company Managed	136,680	76,898
Tenanted	76,081	88,301
Total Company Owned	212,761	165,199

Ongoing expansion of the company's southern plantation

- Increased utilisation of the land
- Conversion of dry land into irrigated farm land
- Utilisation of sugar cane farming best practice

Increasing productivity

- Production will increase in 2010/11

Currently cash flow negative due to the high costs associated with the expansion and productivity drive



Investment in Sugar Terminals Limited...providing a strong cash dividend

STL is a listed company on the NSX with restrictions on share ownership

- G class shares can only be owned by a grower and M class shares only by a miller

Long term fixed price lease with Queensland Sugar Limited

STL settled the sale of Brisbane bulk sugar terminal for \$34.2 million

- Resulted in a one-off special dividend being paid of 5.8 cents per share
- The ordinary dividend was a partially franked dividend of 6.1 cents per share

Provides an attractive investment income whilst retaining a strategic stake in an important sugar infrastructure asset

	Number of Shares	Relative shareholding
G Class	34,455,836	13.2%
M Class	11,775,965	9.0%
Total	46,231,801	12.84%



Land Portfolio...focused on unlocking value



- The MSF cane land and farm plant and equipment book value is \$61.5 million
- Valued at current use
- Current holding is 5,808 ha with 7,650 ML of water allocation
- Assessing opportunities to unlock the value of the land without impacting on cane supply to Maryborough Mill
- Large strategic land holdings which have access to a very reliable irrigation scheme
- Located in the SE Qld growth region

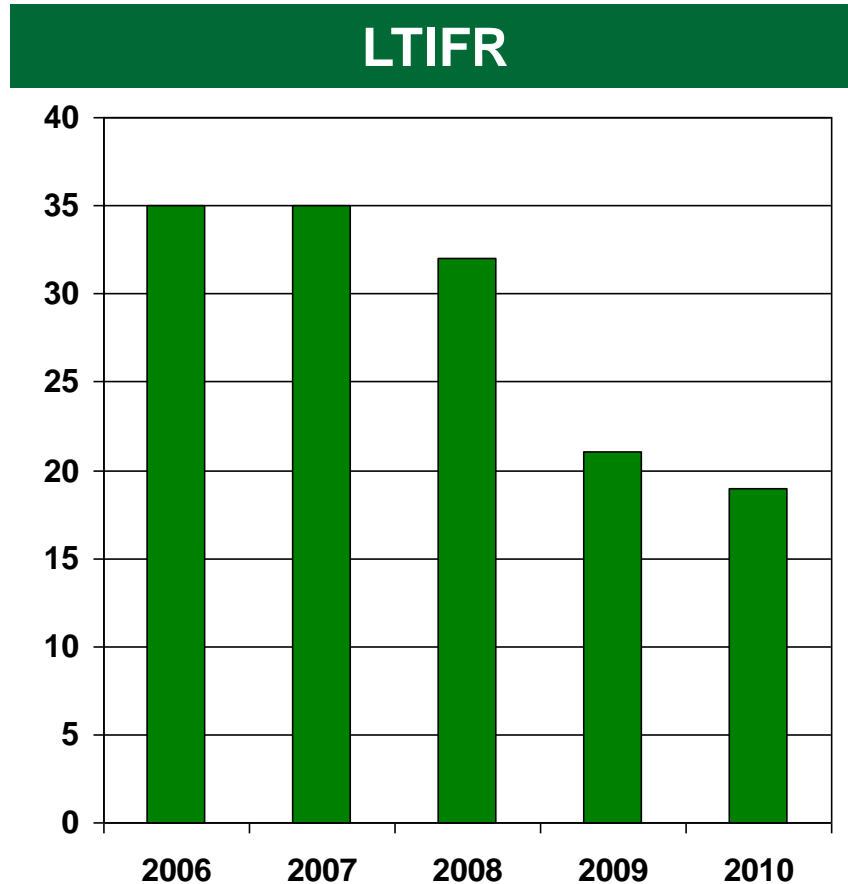


Land Portfolio...focused on unlocking value



- The Mary Harbour residential project is a 174 ha site adjacent to Maryborough
- A final submission will be made to the State Government, prior to 24 December 2010, seeking to have the land included in Maryborough's urban footprint under the Wide Bay Burnett Regional Plan
- The Granville area, including the site, has been identified as a future Urban Growth Area for Maryborough in the Draft Wide Bay Burnett Regional Plan (released in October 2010)

Safety and Environment...improving performance in safety



- Increased attention to safety performance
- Ongoing investment in safety training and improvement of the work environment
- Lost time injury frequency rate (LTIFR) has improved at our major sites
- No reported environmental issues
- MSF will be an active participant in alternative green energy solutions



Community Involvement

Employer

- Over 300 employees
- Apprentice and Work Experience programs
- Pathways for indigenous members of our workforce
- Development training and sugar industry contributor

Supporter

- Sponsorship of community and educational facilities
- Provision of products, equipment and labour to community projects
- Contributor to assist young members of the community represent their schools and groups



Leader

- Encouragement of employees to participate in community causes and groups
- Part sponsorship of Professor in Economic Development at Uni of Southern Queensland
- Active involvement and representation in various sugar industry groups
- Recognition of responsibilities of being a major corporate and acting accordingly



Agenda

Review of the 2009/2010 year

Northern Milling Joint Venture Update

Update on the current season crushing activities

Update on sugar marketing and hedging

Overview of the current rally in sugar prices

Outlook

Conclusion



Strategic endeavours in 2010/11...Update on the Northern Milling Joint Venture

The Northern Milling Joint Venture will include the following assets:

- Mulgrave Mill
- Tableland Mill
- Babinda Mill
- South Johnstone Mill
- Mourilyan Mill site

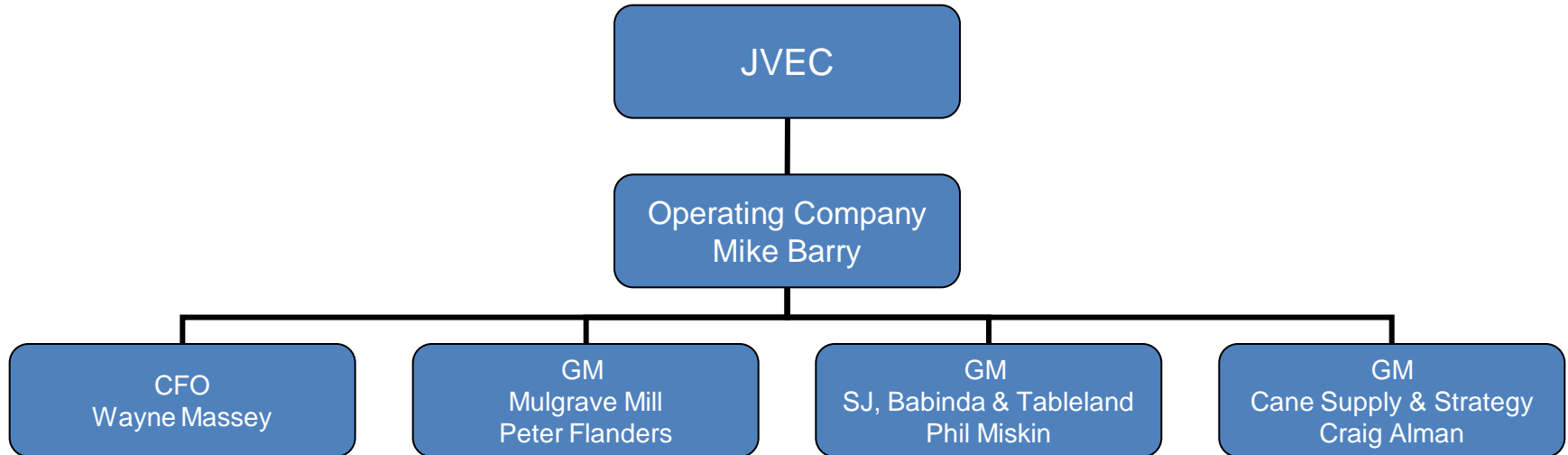
MSF have the option to acquire BSL's share of the NMJV for an additional \$50 million

The NMJV will commence 1st January 2011

- Has been delayed due to the wet harvest delaying the 2010 season harvest finish dates
- Planning for the 2011 Season is well under way
- Joint BSL and MSF teams have been working since August 2010 to allow a smooth transition post 1st January 2011



The NMJV will be managed....



- Each Sugar Mill will be operated as a stand alone business unit
- Each business unit will have responsibility for cane supply, cane logistics, maintenance and factory operation
- Key strategy function for the whole business focused on increasing cane supply, improvement of cane logistics and fulfilling Tableland Mill potential



2011 Season Operations...detail being finalised

Planning is well underway on how the mills will operate for the 2011 season

Final decisions have not been made but the major drivers are:

- Creating value for MSF shareholders
- Providing a reliable logistics and milling units for our cane suppliers
- Supply consistent high quality raw sugar to our customers

Decisions will occur for new capital expenditure at the mills in the next month

- Work has finished to allow cane to be transferred between Babinda and Mulgrave Mill areas

Information sessions will be held with cane suppliers post the commencement of the Joint Venture

- Focus of the JV is to create improved milling performance for our cane suppliers
- The JV is focused on maintaining crushing season length



Agenda

Review of the 2009/2010 year

Northern Milling Joint Venture Update

Update on the current season crushing activities

Update on sugar marketing and hedging

Overview of the current rally in sugar prices

Outlook

Conclusion



2010 Season Update....Difficult harvest at both mills – due to wet weather

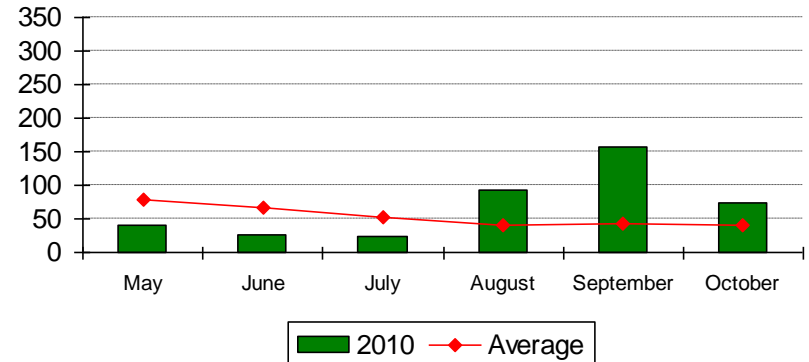
Maryborough Mill

- Crushing commenced 12 July 2010
- 9 day stop to repair No. 1 Mill main gear wheel
- 34 days lost to wet weather
- Forecast finish date 21st December 2010

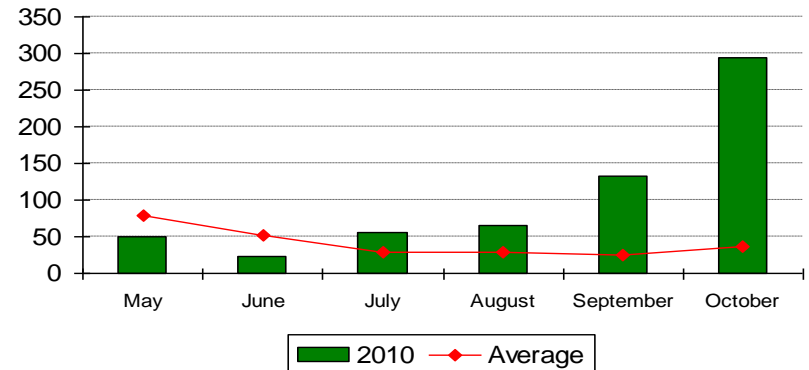
Mulgrave Mill

- Crushing commenced 16 June 2010
- Reliability running at 95% and crushing rate 443 t/hr
- 19 days lost to wet weather
- Forecast finish date 23rd November 2010

Maryborough Mill Rainfall



Mulgrave Mill Rainfall



Agenda

Review of the 2009/2010 year

Northern Milling Joint Venture Update

Update on the current season crushing activities

Update on sugar marketing and hedging

Overview of the current rally in sugar prices

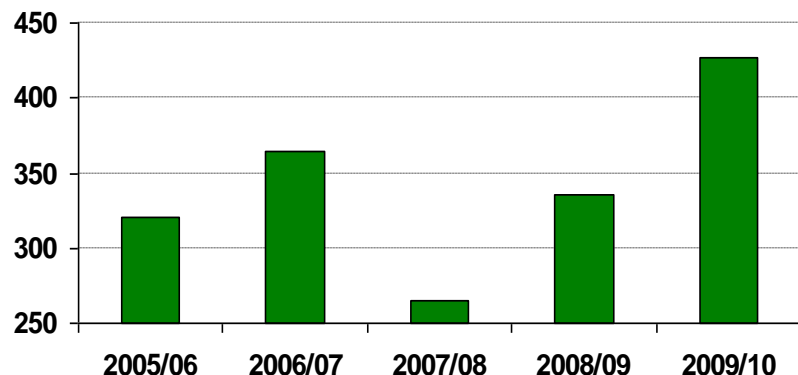
Outlook

Conclusion



Sugar Marketing and Pricing...control of our own destiny

Sugar Price Achieved (actual)



Sugar Price per Tonne (actual)

Season	Percent Priced	Price Achieved	Current Market Prices
2010	95%	\$477	\$607
2011	69%	\$445	\$470
2012	24%	\$462	\$416

- Forward hedging of raw sugar prices have been possible at prices comfortably above MSF cost of production
- Only Australian producer which is in total control of their revenue
 - Total management of raw sugar hedging – direct relationships with banks for hedging lines
 - Direct marketing relationships with East Asian customers
 - Able to quickly adjust marketing plan to take advantage of sugar market dynamics – e.g. producing raw sugar for Japan at Maryborough Mill for the first time when J-spec FOB premiums spiked
- Self reliant organisation in pricing, physical marketing and logistics



Agenda

Review of the 2009/2010 year

Northern Milling Joint Venture Update

Update on the current season crushing activities

Update on sugar marketing and hedging

Overview of the current rally in sugar prices

Outlook

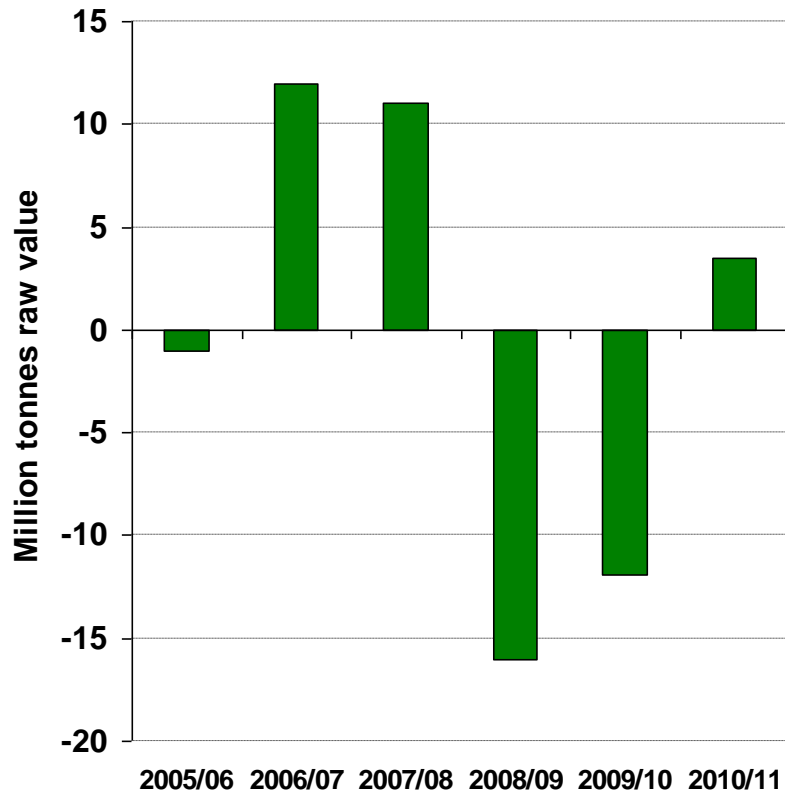
Conclusion



ICE No11 prices...very strong rally in prices



Recent higher sugar prices driven by sugar shortage..... in Asia



Large world sugar deficit for the last two years

- Indian importing sugar
- Lower production than expected out of Brazil due to wet harvest period

Small global surplus for the upcoming year

- Recovery in production in India,....but
- Lower production in key producers of Thailand, Russia, USA, EU, Australia, Indonesia and Pakistan
- Good harvest conditions in Brazil...but lower production than initial expectation

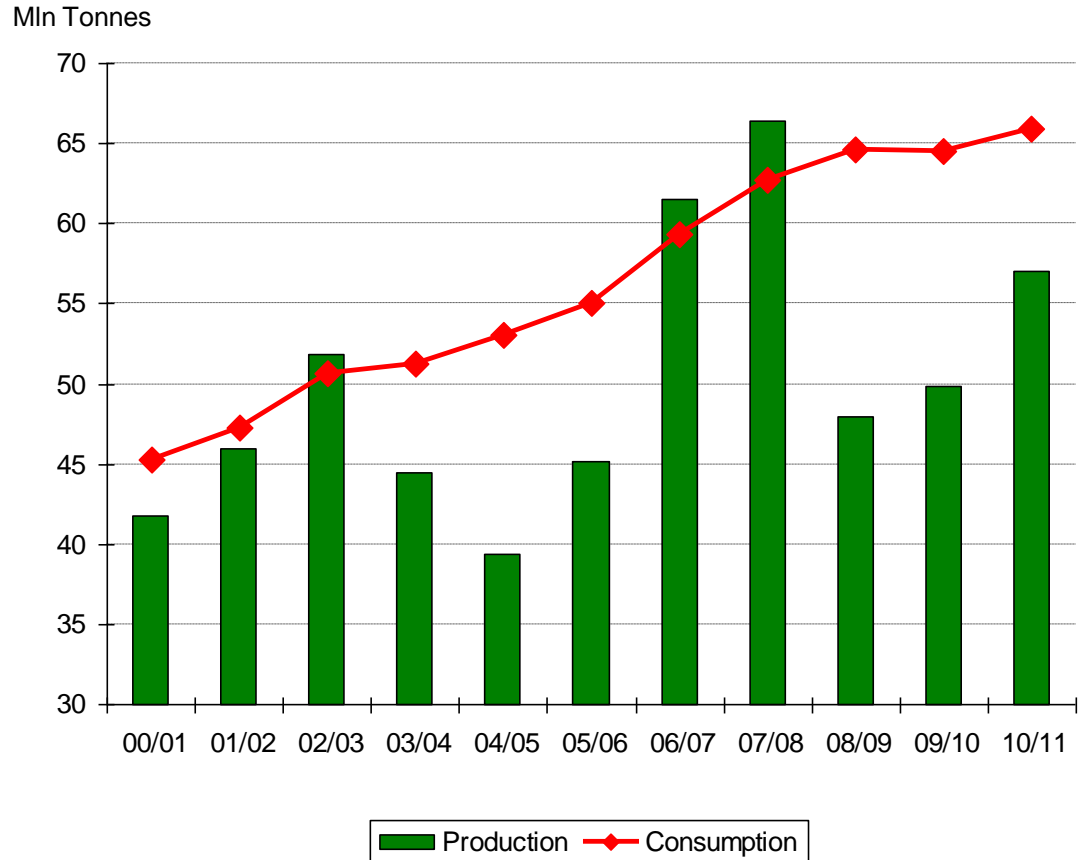
However shortages of sugar still in many countries as stocks were run down in 2009/10

- Large shipping delays from Brazil
- Record sugar price premiums being paid for sugar in Asia



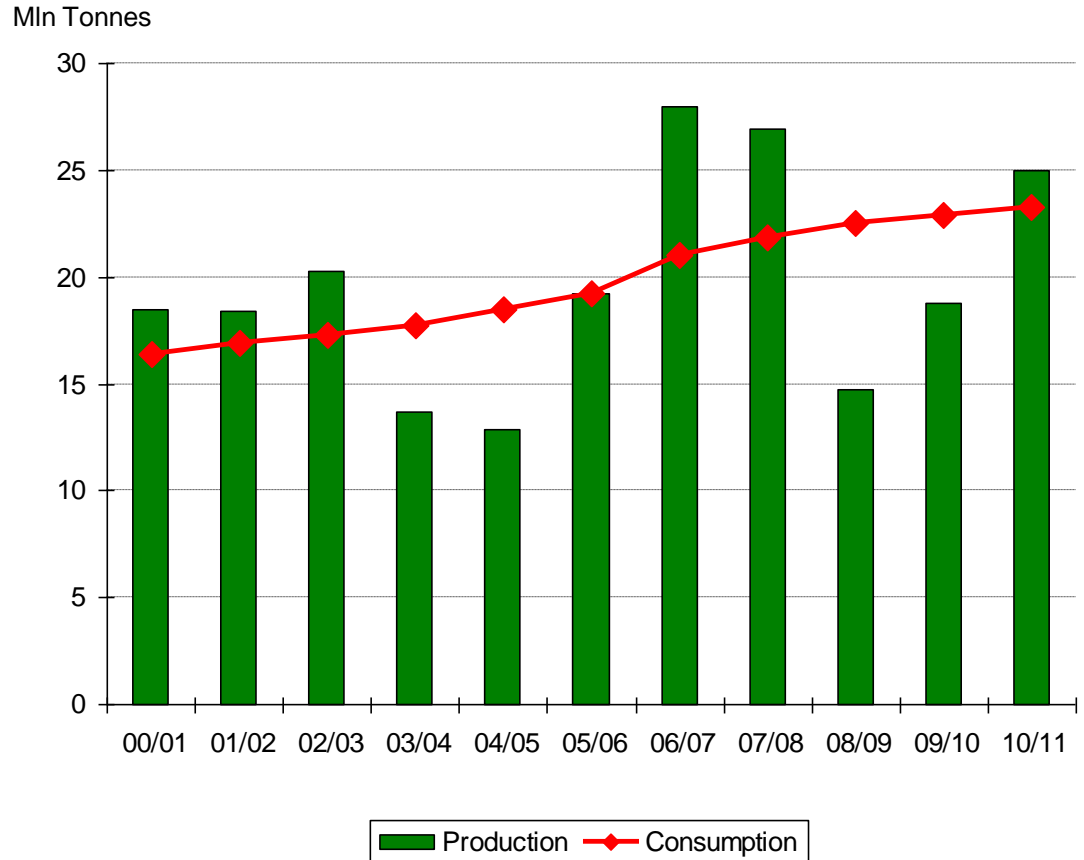
Demand for sugar in Asia....expected to grow at a faster pace than Asian production

- Forecast sugar deficit of 8.8 million tonnes in Asia
- Australia able to supply less than half the deficit
- Recovery in Indian production to 26 million tonnes in 2010/11
- India to export up to 1 million tonnes in FH 2011
- The sugar deficit will be supplied from Brazil
- MSF have a competitive advantage versus Brazil in lower freight cost and faster delivery time



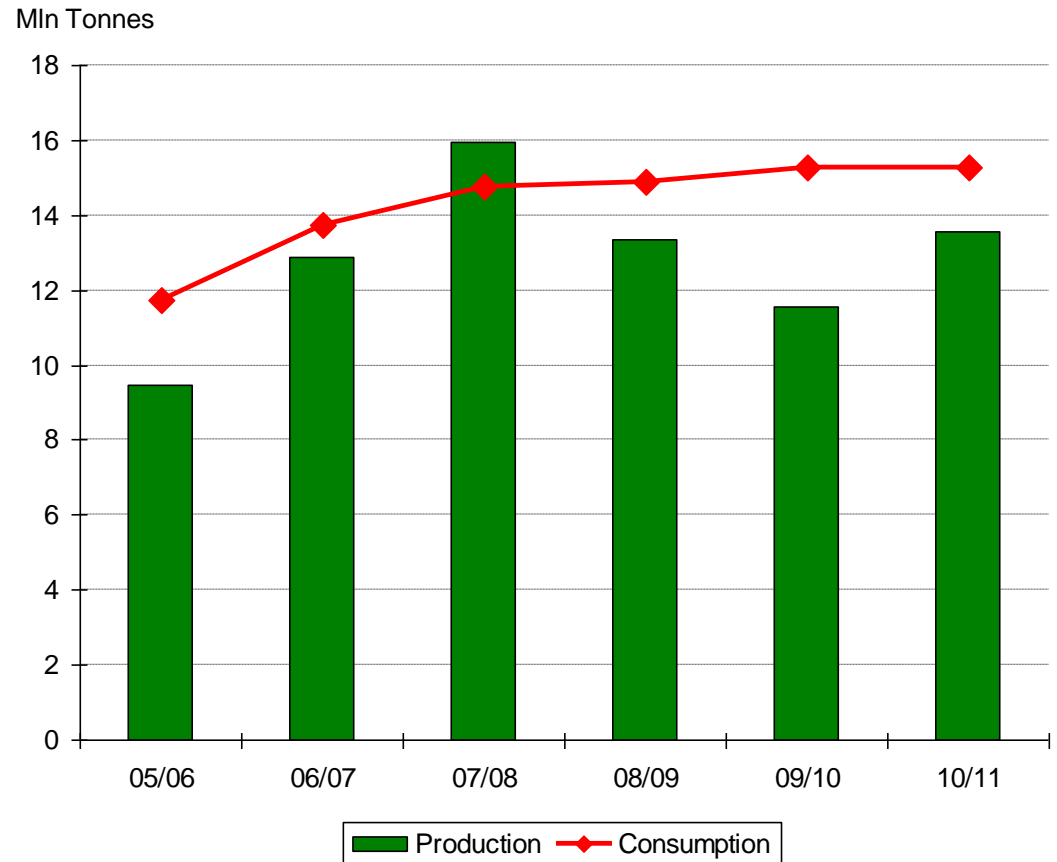
Indian production has wild production fluctuations...can it continue to meet demand?

- Indian consumption is growing at around 0.5 million tonnes per year
- At this rate it will overtake peak production within 10 years
- Wheat prices have an impact on the crop in India as farmers switch between sugar and wheat....need to watch wheat prices!
- 2010/11 season start delayed due to wet weather....common problem in the Eastern Hemisphere this year!



China....Is it now a structural importer?

- Chinese sugar production appears to have peaked at around 13 to 14 million tonnes pa
- Consumption is growing, albeit at a slower rate than witnessed between 2005 and 2008
- Domestic prices are rallying
- China has done a good job in managing supply/demand for many years however it looks like China will now always be an importer....like many other commodities



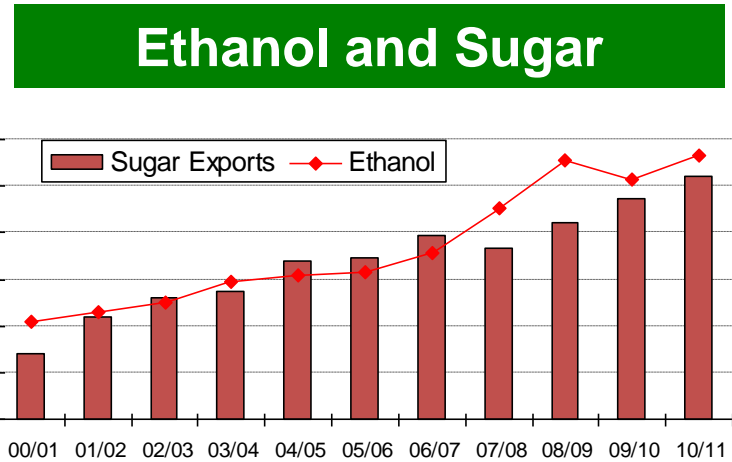
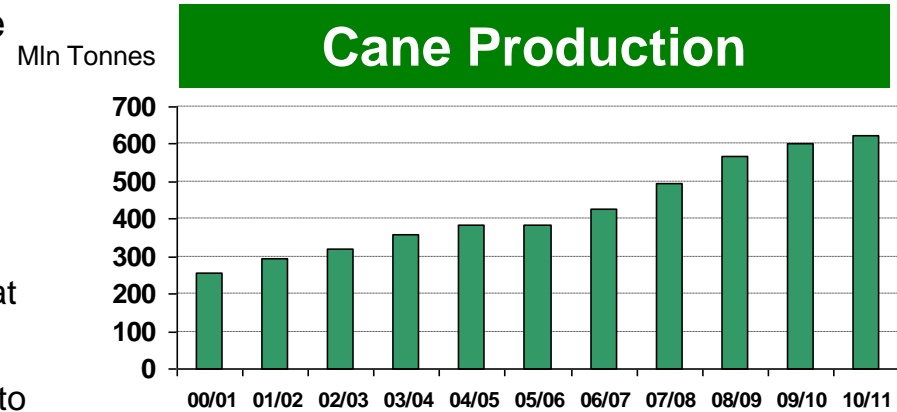
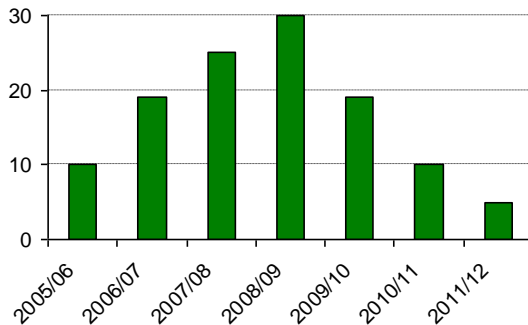
Brazil....Can it supply what is needed?

Brazilian cane expansion is slowing – current forecast for 2011/12 is for no increase in cane production – 620 million tonnes

GFC has impacted the rate of new mill construction

- Lead time between decision and operation is at least 2 years
- Market commentary is that future price needs to be above US 22 c/lb to make a new project

New mills in Brazil



Agenda

- Review of the 2009/2010 year
- Northern Milling Joint Venture Update
- Update on the current season crushing activities
- Update on sugar marketing and hedging
- Overview of the current rally in sugar prices

Outlook

Conclusion



Outlook for 2010/11

Price

- Currently 96 percent price hedged at \$477 per tonne actual for 2010/11

Sugar Volume

- The late finish date makes final volumes difficult to predict

Northern Milling Joint Venture

- As previously disclosed, operating costs for all of the NMJV mills will be shared between MSF and Bundaberg Sugar from the start of the Joint Venture (1 January 2011) causing a one-off timing impact on a financial year basis of approximately \$5 million pre tax
- The conversion to the reporting on a calendar year basis will ensure that costs and revenues are largely contained within the reporting period.



Agenda

Review of the 2009/2010 year

Northern Milling Joint Venture Update

Update on the current season crushing activities

Update on sugar marketing and hedging

Overview of the current rally in sugar prices

Outlook

Conclusion



MSF is well placed to take advantage....

- Positive outlook for sugar prices in the medium term
- Located adjacent to the fast growing Asian region
- Upon exercising the NMJV, we will be a significant raw sugar supplier to East Asia
- Specialise in supplying high quality, Australian origin raw sugar from our own production facilities
- Have the skills and resources to manage the revenue side of our business
- Capacity for organic growth within Australia
- World cost competitive operation



ANNUAL GENERAL MEETING

CEO Address

18 NOVEMBER 2010

