



MSF Sugar

Recommended Takeover Offer of MSF Sugar Limited by Mitr Phol Sugar Corp., Ltd.

16 November 2011

Overview Of Recommended Offer

Offer Structure	<ul style="list-style-type: none"> • Takeover offer for all shares not currently controlled by Mitr Phol
Price and Consideration	<ul style="list-style-type: none"> • \$4.45 cash per MSF share <ul style="list-style-type: none"> – Implies total equity value of A\$313m⁽¹⁾ – 30.9% premium to the closing price of MSF shares on 4 November 2011, last trading day before MSF trading halt – 37.8% premium to the one month VWAP (up to and including 4 November 2011) – 37.3% premium to the three month VWAP (up to and including 4 November 2011) • Offer to be adjusted for any distributions made
Key Conditions	<ul style="list-style-type: none"> • 50.1% minimum acceptance condition • Approval of Foreign Investment Review Board • Approvals from regulatory authorities (including Bank of Thailand approval) • No material adverse change in MSF during the offer period • No prescribed occurrences • Other customary conditions (see Appendix A for further details)
Exclusivity Arrangements	<ul style="list-style-type: none"> • Customary exclusivity arrangements (see Appendix B for further details)
Board Recommendation	<ul style="list-style-type: none"> • Unanimous recommendation from the Board of MSF • Each director intends to accept the offer for any shares held by them • Above is subject to no superior proposal and subject to the independent expert determining that the offer is fair and reasonable for non-Mitr Phol shareholders • Loneragan Edwards and Associates Limited appointed as independent expert

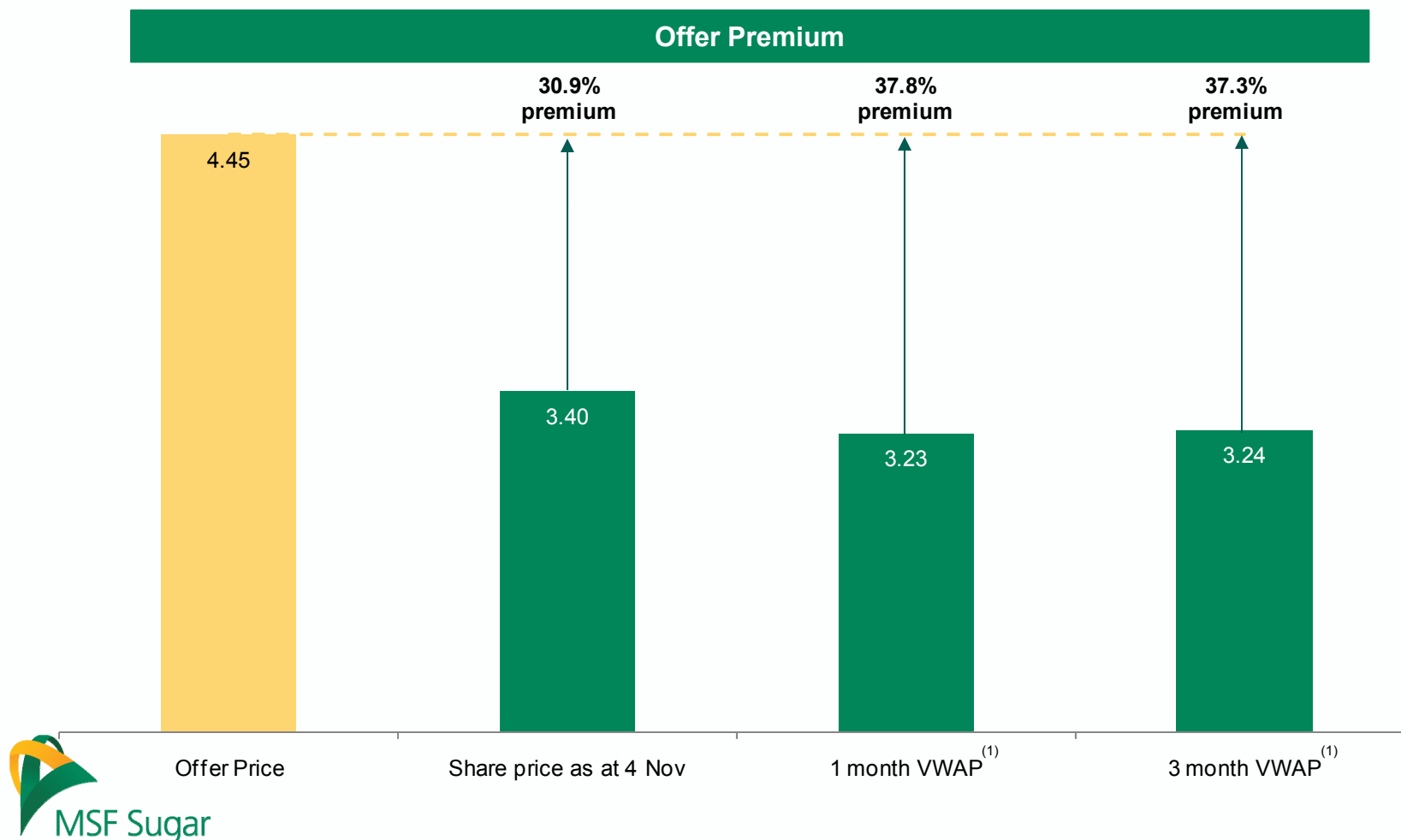


Note:

1. Based on 69.25m shares outstanding as at 9 November 2011 plus 1.1 million options and performance rights

Premium for MSF Shareholders

- The offer consideration of A\$4.45 cash per share represents a premium for MSF shareholders



Note:

1. VWAP represents the volume weighted average share price rounded to the nearest cent in the relevant period up to and including 4 Nov 2011

Overview of Mitr Phol

- Mitr Phol is one of Asia's largest sugar producers with a history going back 70 years
 - It is a major sugar organisation that began and continues to operate as a canegrower itself
 - Annually ranked among the world's leading 5 - 6 sugar producers globally with 2010 / 11 output of 2.84 million tonnes
 - Estimated market share of 19% in Thailand (#1 in production and exports, with estimated current capacity of ~1.8 mtpa)
 - #2 ranked producer in China, with ~9% market share (estimated capacity of ~1.2 mtpa). Chinese operations account for ~45% of sales
- Mitr Phol has six principal lines of business. Apart from sugar production, Mitr Phol also has ethanol, energy, logistics and particle board operations
- Mitr Phol is privately owned by the Vongkusolkit family



Process

- Mitr Phol's Bidder's Statement expected to be dispatched early December 2011
- MSF expects to dispatch Target's Statement soon thereafter



Note:
1. Indicative only and is subject to change

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Mitr Phol

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Appendix A – Conditions to Offer⁽¹⁾

- The Offer is subject to a number of conditions, being:
 - 50.1% minimum acceptance condition;
 - Approval by the Foreign Investment Review Board;
 - Required approvals from regulatory authorities (including Bank of Thailand approval in respect of the Mitr Phol Offer and its financing);
 - No material breach by MSF of the “prohibited actions” provision of the Takeover Implementation Agreement
 - No prescribed occurrences
 - There not occurring a material adverse change in MSF during the Mitr Phol Offer period;
 - No actions from regulatory authorities other than those detailed above;
 - Mitr Phol does not become aware of any statements in any document filed by MSF with ASX or ASIC between 9 November 2011 and the end of the Offer Period which are incorrect or misleading in any material particular or from which there is a material omission; and
 - No change of control rights other than those disclosed in information provided by MSF to Mitr Phol that would have a material adverse effect on the business, assets, financial condition, operations, reputation or prospects of the MSF group.



Note:

1. Please refer to Appendix 2 of MSFs ASX release on 9 November 2011 for a more detailed description of the offer conditions.

Appendix B – Exclusivity Arrangements⁽¹⁾

- Exclusivity
 - During the Exclusivity Period⁽²⁾, MSF has agreed not to solicit, invite, encourage or initiate any enquiries, negotiations or discussions with any person in relation to a “Competing Transaction”.
 - Subject to the fiduciary duties of its directors in relation to a bona fide “Competing Transaction”, during the Exclusivity Period, MSF must ensure that it does not negotiate or enter into, or participate in negotiations or discussions with any other person regarding a “Competing Transaction”, even if that “Competing Transaction” was not directly or indirectly solicited, invited, facilitated, encouraged or initiated by MSF. Similarly, but again subject to the fiduciary duties of its directors in relation to a bona fide “Competing Transaction”, MSF must not without Mitr Phol’s prior written consent allow another party to undertake due diligence investigations in relation to MSF with a view to facilitating a “Competing Transaction”.



Note:

1. Please refer to Appendix 2 of MSF’s ASX release on 9 November 2011 for a more detailed description of the Exclusivity Arrangements.
2. “Exclusivity Period” means the period commencing on 9 November 2011 and ending on 30 April 2012 unless the Takeover Implementation Agreement is terminated earlier in accordance with its terms (including if Mitr Phol withdraws the takeover offer or allows its bid to lapse)

Appendix B – Exclusivity Arrangements (cont'd)

- Exclusivity
 - Subject to the fiduciary duties of its directors in relation to a bona fide “Competing Transaction”, during the Exclusivity Period, MSF must promptly inform Mitr Phol if it receives any unsolicited approach with respect to any "Competing Transaction" which is or which is reasonably likely to develop into a “Superior Proposal” and must disclose to Mitr Phol all material details of the "Competing Transaction".
 - If MSF is permitted under the “fiduciary carve-outs” to respond to a bona fide "Competing Transaction", MSF must not enter into any agreement, arrangement or understanding in relation to a "Competing Transaction" or announce a "Competing Transaction" publicly (and must contractually prohibit the person or persons who are proposing the "Competing Transaction" from announcing or pursuing publicly the "Competing Transaction" in advance of the matching mechanism having been exhausted in accordance with its terms) unless it has given Mitr Phol notice of the "Competing Transaction" and allowed Mitr Phol the period of three business days from the giving of such notice to propose a counterproposal. If Mitr Phol proposes such a counterproposal, the MSF Board must review the counterproposal in good faith to determine whether Mitr Phol’s counterproposal is at least as favourable to MSF shareholders than the relevant "Competing Transaction" taking into account all terms and conditions of both proposals. If the MSF Board determines, in good faith and after having obtained written advice from its legal and financial advisers, that the Mitr Phol counterproposal is more favourable to MSF shareholders than the relevant "Competing Transaction", then MSF must recommend the counterproposal.

Appendix B – Exclusivity Arrangements (cont'd)

- Break Fee
 - MSF has agreed to pay Mitr Phol a break fee of \$3.1m if:
 - a "Competing Transaction" is announced during the Exclusivity Period and at any time during the Exclusivity Period or on or prior to the date six months after end of the Exclusivity Period the maker of the "Competing Transaction" or its associates acquire a relevant interest in more than 15% of MSF shares;
 - any director of MSF does not recommend the Mitr Phol Offer, or withdraws his or her recommendation, unless:
 - the Takeover Implementation Agreement has already been terminated by MSF for a breach by Mitr Phol; or
 - the Independent Expert opines that the Mitr Phol Offer is not fair and is not reasonable; or
 - Mitr Phol terminates the Takeover Implementation Agreement for a material breach by MSF.
 - Notwithstanding the above, no break fee is payable by MSF if Mitr Phol ultimately acquires 50.1% or more of MSF shares and the Mitr Phol offer is unconditional

Disclaimer

- The Offer described in this arrangement is conditional and may not complete. It is subject to conditions and contingencies referred to in this presentation, and in the Bidder's Statement and Target's Statement in respect of the Offer which will be provided in due course
- This presentation is not investment or financial product advice and is of a general nature only. It was prepared without taking into account the objectives, financial situation or needs of any particular investor or prospective investor ('Investors'). Investors should seek their own advice. Before any Investor makes any decision on the basis of this presentation, the Investor should consider the Investor's particular needs, objectives and financial circumstances
- The information in this presentation is of a summary nature. More detailed information will be contained in the Bidder's Statement and Target's Statement which will be provided in due course