

The background is a warm, golden-yellow color with various abstract patterns. In the top left, there is a grid of thick yellow lines. To the right, there are several circular shapes with different internal patterns: some have fine grids, some have horizontal lines, and some have vertical lines. A faint, light blue globe is visible in the center, partially obscured by the text. The overall aesthetic is modern and professional.

# Australia: will Down Under get back on top?

Brent Casey

Kingsman Conference

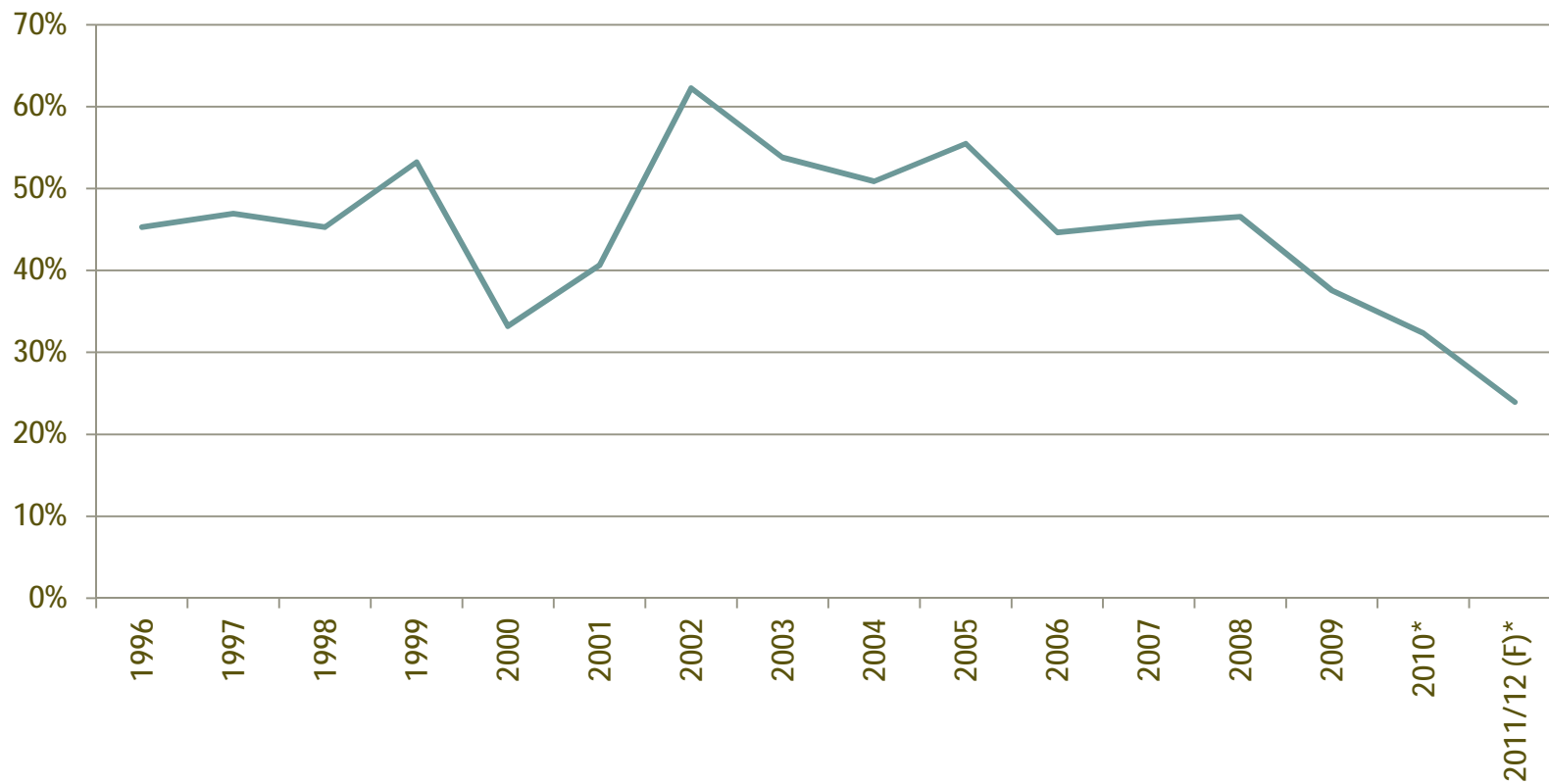
June 2012



.... Australian market share in Asia declining



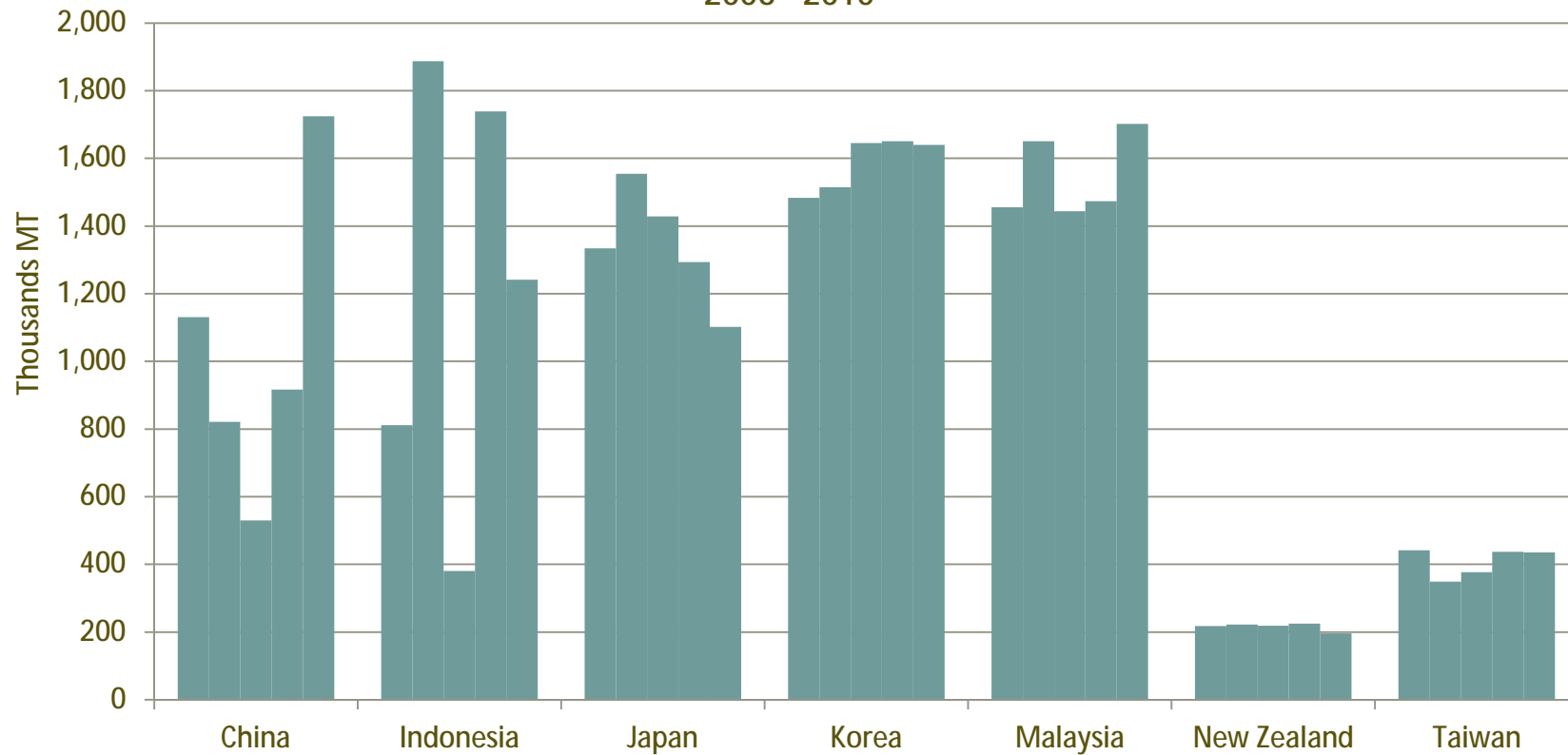
QSL Market Share in Asia Pacific



.... growth markets have been Indonesia and China



Imports by Core Markets in Asia (Raw Sugar Only)  
2006 - 2010

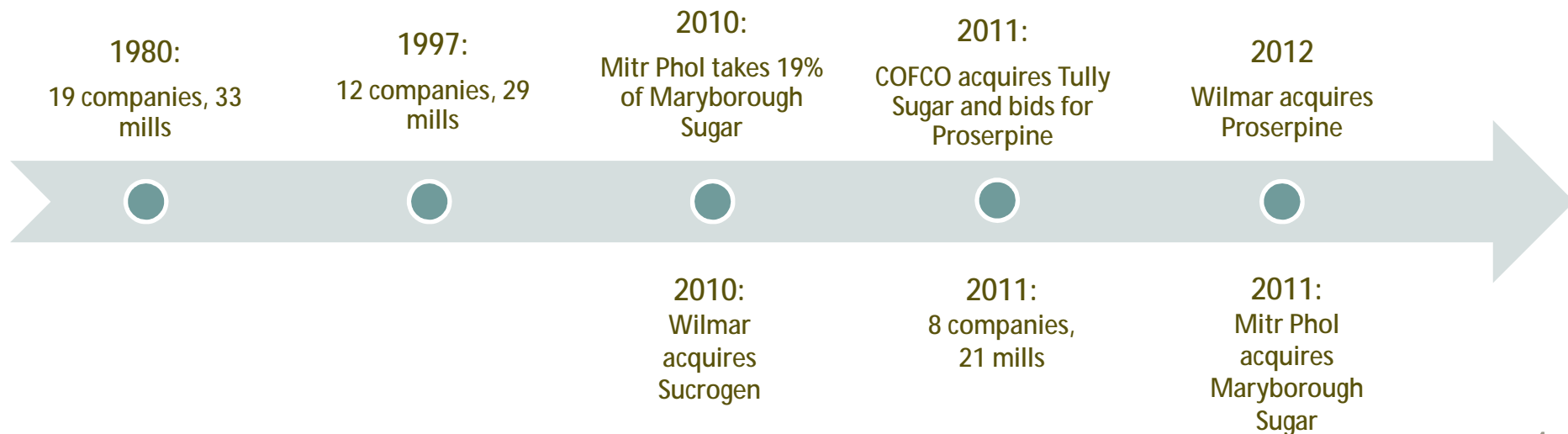


.... lots of M&A activity recently in Australia



- 5 large transactions over the last 24 months

1. Bundaberg Sugar to MSF
2. Sucrogen to Wilmar
3. Tully to COFCO
4. Proserpine Mill to Wilmar
5. MSF to Mitr Pohl



... the last 15 years have been tough in Australia



- Late 90's cane production was 40 mmt in Australia  
.... then the Brazilian Reiz devalued  
.... And sugar went to 3.9 USC/lb in 2003  
.... WTO challenged the European Sugar Regime  
.... then the financial crisis hit
- World demand kept growing at 2% p.a. tracking population growth and income growth.

.... so where is the new cane going to come from?



- Next expansion area in Brazil is 400 km from port
- Analyst believe producers need US\$450/tonne to incentivise new expansion
- At this price, other parts of the world become viable
- Thailand has responded
- Africa has potential, as does South East Asia  
..... but requires infrastructure investment
- Which brings Australia into play

.... but there is further value add in Australia



- Marketing proximity to Asia
- Technical knowledge
- Value adding opportunities



.... to sum up



- The industry in Australia has endured a tough decade
- The world is going to need more sugar in the future
- Australia is one of the cheapest expansion options