

05 March 2010

EMERALD LINKS WITH STRATEGIC EQUITY PARTNER

Since it was founded in 2004, Emerald Group Australia Pty Ltd (Emerald) has successfully grown its business to become one of Australia's leading providers of marketing services to grain growers across Australia.

Over the past six years, Emerald has developed its accumulation network to include eight regional offices located across the grain belt with this network supported by the Emerald Head Office in Melbourne. The network, which includes joint ventures with grower partners as well as company offices, purchased over 2.5 million tonnes or approximately 8% of the recently completed 2009/10 harvest.

In the face of continuing industry consolidation and the move of international companies into the Australian market we have looked for a means to allow Emerald to accelerate its growth and further build its range of services. I am pleased to announce today that Emerald Group has taken a significant step toward increasing its access to international grain markets by placing a portion of its capital with Sumitomo Corporation of Japan (Sumitomo).

This investment will see Sumitomo acquire a 50% equity stake in Emerald. The other 50% will continue to be owned by the existing Emerald directors and staff. We anticipate that this strategic alignment with global powerhouse Sumitomo will provide Australian growers with unrivalled access to the premium Japanese market as well as many other key Asian markets where Sumitomo has invested in flour milling and other grain processing assets. Countries where investments have been made include China, Vietnam, Singapore and Sri Lanka.

Importantly, we want to make it very clear that this linkage with Sumitomo will not affect Emerald's core philosophy of working with growers and grower groups to ensure the products we develop are tailored to meet grower needs and to deliver best possible prices and services. Operationally for Emerald it will be business as usual with the Emerald name, office locations and key personnel all remaining in their current roles.

Throughout the Emerald network, including the Joint Venture companies SQP in Victoria, EP Grain in South Australia and Southern Ag Grain in Southern NSW, our grower customers will continue to have access to a range of flexible products to help minimise risk and maximise returns.

This equity placement formalises an alliance that has been operating between Emerald and Sumitomo in the marketing of Australian grain over the past two years. During this time, the two companies working together have become the number one importer of Australian wheat into the premium Japanese market and these sales have boosted our pool returns as a result.

Sumitomo has been active in Australia for nearly 50 years, with some of its businesses in the agricultural sector including fertiliser & agricultural chemicals group Summit Rural in WA and 50% ownership of the ABA grain storage network in eastern Australia. Other Sumitomo interests in Australia include investments in aluminium refineries, coal and copper mines, power plants and interests in automotive industries.

In Japan Sumitomo Corporation can trace its history back some 400 years and it has now developed into one of Japan's larger General Trading Companies. Its activities cover a wide range of areas from metals and minerals to food products, real estate, infrastructure and financial services. Sumitomo Corporation today is a global company with 145 offices in 66 countries which in 2009 generated a turnover of A\$44 billion and has delivered a Net Asset position of approximately A\$87 billion.

I am very much looking forward to the exciting opportunities presented by this new strategic partnership as we work toward our vision of being the premium provider of grain marketing services to our grower customers.

Additional information regarding the Sumitomo investment in Emerald can be accessed by visiting the Emerald website at www.emerald-group.com.au

Alan Winney
Chairman
Emerald Group Australia