

BUNDABERG SUGAR



ABOUT BUNDABERG SUGAR Bundaberg Sugar is the largest cane grower in Australia. It is also a major raw sugar miller, regional sugar refiner, and marketer of sugar and related products.

The majority of its operations are in Queensland, with farms and mills located in a number of significant cane growing areas from Atherton Tableland in far North Queensland to South Queensland.

Bundaberg Sugar participates in all levels of the raw sugar industry in the districts in which it operates. The company's activities span the full sugar processing cycle, including cane growing, milling, refining, packaging, distributing and marketing of sugar products to retail, industrial and export customers.

The company's value adding operations include Bundaberg Walkers Engineering Ltd (BWEL), one of Australia's longest established heavy engineering and foundry enterprises, and Bundaberg Molasses which supplies molasses and related products to industrial and rural markets.

Bundaberg Sugar continues to expand and strengthen its core sugar operations.

In 1998 on the Atherton Tableland, west of Cairns, Bundaberg Sugar built, with BFEL as project manager, the first new mill in Queensland for some 73 years. The Tableland Mill incorporates state-of-the-art technology and has been recognised as a major success for the sugar industry.

In 2001, the company also purchased the assets of the South Johnstone Mill in the Innisfail region.

Bundaberg Sugar is wholly owned by Finasucre s.a., a Belgium-based group producing sugar and sugar derivatives from both beet and cane. Finasucre has significant operations in Belgium and Central Africa as well as Queensland. It has nearly 75 years' experience in the sugar sector.



QUEENSLAND SUGAR INDUSTRY The Queensland sugar industry is one of the most efficient and technically advanced in the world.

Each crushing season, around 1,300 mechanical cane harvesters cut about 35 million tonnes of cane from 400,000 hectares of farm land. The cane is delivered either by cane railway or road to 24 sugar mills located throughout the State. More than 85 per cent of Queensland's annual raw sugar production is exported.



HISTORY OF BUNDABERG SUGAR Sugar cane has been part of the Queensland heritage for more than 135 years.

During this time, the companies which now form the Bundaberg Sugar Group have played a major role in the prosperity and development of their local areas, from the Atherton Tableland in Far-North Queensland to Bundaberg in South Queensland.

The company's most significant growth period began in 1972, when the listed Fairymead Sugar Company Limited merged with Gibson & Howes Limited and changed its name to Bundaberg Sugar Company Limited.



Bundaberg Sugar has added to its operations the Millaquin Sugar Company Pty Limited (including Millaquin Mill and Bundaberg Refinery), a further four sugar mills (Moreton, Babinda, Mourilyan and South Johnstone), Bundaberg Walkers and the Bundaberg Sugars packaging business. As well, substantial capital funds have been invested in upgrading plant equipment, increasing the capacity of Bundaberg Refinery and constructing the Tableland Mill.

SIGNIFICANT DATES

1880's

- 1 8 8 0 Fairymead established
- 1 8 8 2 Millaquin refinery established
- Fairymead's first cane crop harvested, yielding 500 tonnes of cane for 100,000 gallons of juice
- 1 8 8 5 Bingera Mill opened
- 1 8 8 8 Bundaberg Foundry Engineers Ltd established at Bundaberg in Queensland

1910's

- 1 9 1 2 Fairymead floated to become a public company

1930's

- 1 9 3 2 Prolonged drought led to first cane irrigation experiments
- 1 9 3 8 Fairymead developed mechanical cane harvesters

1960's

- 1 9 6 5 Fairymead installed Queensland's first diffuser



1970's

- 1 9 7 2 Fairymead changed its name to Bundaberg Sugar Company Limited and merged with Gibson & Howes Pty Limited
- 1 9 7 5 Millaquin Sugar Company Pty Limited (including the Bundaberg Distillery) joined Bundaberg Sugar

1980's

- 1 9 8 1 Bundaberg Sugar invested in the Blair Athol Coal joint venture, adding to its West Moreton mining interests
- 1 9 8 6 Fifty percent of Bundaberg Distilling Company Pty Limited sold to Carlton & United Breweries Limited
- 1 9 8 7 A food packaging and wholesale company was purchased and became Bundaberg Sugars Pty Ltd
- Mourilyan and Babinda Mills became the first Queensland mills to commence continuous crushing
- 1 9 8 8 Mourilyan Mill at Innisfail and Moreton Mill in Nambour were purchased, increasing the company's milling capacity by 50 percent
- Bundaberg Sugar's major commercial beef cattle interests were sold
- Bundaberg Sugar donated historical Fairymead House to the city of Bundaberg
- 1 9 8 9 Babinda Mill was purchased
- Bundaberg Foundry was purchased
- Bundaberg Sugar's share in Blair Athol Coal was sold completing the disposal of the company's coal mining interests



1990's

- 1 9 9 1** Bundaberg Sugar was acquired by Tate & Lyle PLC
- 1 9 9 2** Bundaberg Foundry was awarded major contracts to supply sugar milling equipment in South-East Asia
- Bundaberg Refinery capacity expanded
- New Bundaberg brand sugar products launched
- 1 9 9 3** Bundaberg Sugar's mills crushed a record total 5.33 million tonnes of cane
- Company cane farms in Babinda and Innisfail areas expanded
- Purchase offer documents mailed to Shareholders of South Johnstone and Tully Mills
- Dark & Stormy rum and brewed ginger beer drink launched
- 1 9 9 4** A Bundaberg Molasses plant producing liquid feed for animals was established at Oakey
- A shareholder in Mourilyan Molasses Terminal Company Pty Ltd the owner of the molasses terminal facility at Mourilyan Harbour
- Obtained the molasses terminal facility at Port Bundaberg
- 1 9 9 5** A cane crop of 5.57 million tonnes was crushed at company mills
- Bundaberg Foundry again exported the world's largest mills
- Bundaberg Rum launches the 10 year old premium product of Bundaberg Black
- 1 9 9 6** New safety seal introduced for Bundaberg 2kg White Sugar packets
- Bundaberg Sugar was refined in Saudi Arabia
- 1 9 9 7** Company's six mills crush a record 5.97 million tonnes of cane

1 9 9 8

New Tableland Mill commenced operation incorporating BHEM's (Bundaberg High Extraction Mill)

Bundaberg Rum launched Bundaberg Premium

Launch of pasture supplement, Prolix, a fully serviced program incorporating product delivery by Agents covering South-East Queensland and Northern New South Wales

2000's

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Bundaberg Sugar acquired by Finasucre sa

Bundaberg Distillery and Rum sold

Prolix Agency Network is expanded to double tonnage. Coverage is now Northern New South Wales, through South-East and Central Queensland

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Bundaberg Sugar purchased South Johnstone Mill assets

Company's eight Mills crush a record cane crop of 6.12 million tonnes

First commercial sale of BHEM to a Queensland mill

A new bulk supplement, Pasture Plus, is released and aimed at the larger scale cattlemen wanting a ready mixed molasses supplement

2 0 0 2

Announcement of the closure of Moreton Sugar industry

Bundaberg Regional Milling Project underway for 2002 crushing season

Prolix Agency Network is expanded into Central New South Wales

First BHEM's exported to Mauritius and Pacific regions

2 0 0 3

Bundaberg Foundry acquired Walkers Sugar Business

Moreton Mill closed

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Fairymead Mill closed

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Mourilyan Mill closed

2 0 0 8

Bundaberg Foundry Engineers changed its name to Bundaberg Walkers Engineering



CANE FARMING Bundaberg Sugar is the largest cane grower in Australia, owning more than 9,000 hectares of cane farms, producing 644,000 tonnes of cane per year.

The geographical spread of its cane farms in North Queensland and Bundaberg reduces the impact of seasonal variations on the crop supplied to the company's mills. In the Bundaberg area where rainfall is variable, extensive irrigation systems are utilised.

Cane is also grown for Bundaberg Sugar's mills by approximately 920 other canegrowers with a total crop area of about 59,000 hectares (other growers).

The growers supply cane to the mills on a contract basis and are an integral part of the Bundaberg Sugar story.



All the farmers use cane varieties developed to suit their specific growing areas. Queensland growers are widely regarded as being amongst the best and most productive in the world.

Each season, which typically runs from late May to November, Bundaberg Sugar's mills crush approximately 4.3 million tonnes of cane.

The majority of cane is delivered to Bundaberg Sugar mills using a light (2 foot) gauge rail network utilising over 1,000 km of railway track with a fleet of some 63 locomotives and more than 8,600 cane bins.

Increasing amounts of cane are now being transported to Bundaberg Sugar mills by road. At the Tableland Mill all cane is still delivered by road.

SUGAR MILLING Sugar milling has advanced greatly since the late 1880s when small juice mills crushed 80 tonnes of cane per hour. Now Bundaberg Sugar's technically advanced sugar mills crush up to 450 tonnes of cane per hour and convert the cane juice to raw sugar crystals.

In total, the company's mills have a daily crushing capacity of more than 52,000 tonnes of cane and produce more than 700,000 tonnes of raw sugar per year.

Tableland Mill, west of Cairns near Mareeba, is a new 'state of the art' sugar mill, which began operations in 1998. The fully automated mill utilises advanced technology to process cane through to the syrup stage. It is considered one of the most cost efficient, productive and environmentally friendly mills in Australia.

Babinda Mill is located south of Cairns in tropical north Queensland, where the cane farms enjoy a high average rainfall in one of the wettest areas of Australia.



Mourilyan and South Johnstone Mills near Innisfail supply raw sugar to the bulk sugar terminal at Mourilyan Harbour, one of Queensland's major loading terminals for raw sugar exports.

Millaquin Mill is located at its original site on the bank of the Burnett River in Bundaberg. This is an integrated site at which cane is crushed, raw and refined sugar is produced. Nearby, alcohol is distilled and rum is bottled.

Bingera Mill is 22 kilometres south-west of Bundaberg and receives cane via some 160 kilometres of company-owned cane railway network.





SUGAR SALES Retail and industrial refined sugars and food grade raw sugar are marketed and distributed to domestic and export sugar customers by Bundaberg Sugar.

A full range of sugars, packaged at the Bundaberg refinery and in Brisbane, is available for delivery throughout Australia.

Capacity at Bundaberg Refinery has been greatly increased in recent years and a constant emphasis on quality has been maintained. This has resulted in the extended range of branded and other retail products achieving a greater market share.



Customers can choose from a full range of sugars, including brown, coffee, caster and liquid sugar.

Bundaberg Refinery has a strong focus on quality, with ISO9002 and HACCP systems in place.

Quality product and reliable supply are important parts of the successful marketing mix which has seen this business sector achieve good growth.



BUNDABERG WALKERS ENGINEERING LTD (BWEL) is recognised as a world leader in cane sugar engineering technology. For more than 100 years BWEL has designed, manufactured and erected equipment and plant for sugar, mining, marine power generation and general industries in Australia, North America, Africa, South-East Asia and Pacific Rim regions.

BWEL also developed new milling technology installed in Bundaberg Sugar's Tableland factory. This extremely efficient and innovative two roll technology utilises the very best low friction design techniques to minimise power consumption and maximise performance. The unique mill is referred to as the "BHEM" and is only available from Bundaberg Walkers Engineering Ltd. The equipment is sold as a package and includes a full ongoing service program.



BWEL plays an integral support role in Bundaberg Sugar's milling and refining and also provides sugar milling contract management and technical services. For example, it was responsible for the design, construction and commissioning of Bundaberg Sugar's Tableland Mill, also the project management of a 6,000 tonnes of cane per day joint venture factory constructed in Vietnam and had a major involvement in Bundaberg Regional Milling Project.

In 2001, BWEL succeeded with the commercial sale of the BHEM (Bundaberg High Extraction Mill, having two rollers) in Queensland and has exported BHEMs to Mauritius and the Pacific region

To complement its sugar industry expertise, BWEL offers a complete technical service that covers the full spectrum of factory operations. BWEL specialises in plant audits and also plant operation and training on short and long term contracts. A complete maintenance service ranging from on site staff training to the establishment and commissioning of maintenance regimes is offered, as well as a full range of general engineering services.

Well equipped facilities, including a Computer Numeric Control (CNC) machine centre and one of the largest lathes in Australia, means Bundaberg Walkers can take on the largest jobs as well as providing one-off machining jobs such as sugar mill rollers and refurbishing work.



BWEL has made equipment ranging from cane haulage locomotives, to ships, to components for sugar mills around the world. It regularly supplies the mining industry and other industry sectors, including aluminium smelters, pump manufacturers, construction companies and consulting engineers.

Exports of engineered products account for more than 50% of BWEL's output.

The purchase by BWEL of the Walkers Sugar Business, completed in July 2003, included all sugar related technology, intellectual property and some workshop machinery.



BUNDABERG MOLASSES Bundaberg Molasses is Australia's largest supplier of molasses for animal feed and is considered a leader in liquid feeds.

Produced at each of our cane milling operations throughout Queensland, molasses is in growing demand, particularly in the cattle feedlot and stockfeed industries where its unique properties make it an essential part of the feed mix.

Over the years, a number of molasses-based, value added stock feed products have been developed, including:

- » Peak-F, a liquid suspension supplement for the feedlot industry
- » Prolix, a protein-enriched liquid vitamin and mineral supplement with consumption control
- » Pasture Plus, an in-field, molasses based supplement for bulk users.

A Bundaberg Molasses Agency Network markets products including Prolix from Central Queensland through to New South Wales.



PEOPLE, THE ENVIRONMENT AND THE COMMUNITY As a major Queensland employer with a seasonal workforce of approximately 1,200 people across the range of operations, Bundaberg Sugar places great importance on workplace safety, the environment, the community and importantly its people.

With a focus on maintaining strong relationships with suppliers and customers, the experience, ability and dedication of the company's people provides a valuable resource and is one of its particular strengths.

An award-winning Equal Opportunity program encourages employees to extend their career options within the company and the industry. These efforts and general support for employee career development have been recognised in such forums as the Queensland Training Awards. Similarly, commitment to occupational health and safety has been recognised through a series of Best Practice Awards from the Queensland Government's Division of Workplace Health and Safety including an Innovation Award for the Company's program, Kids Off Trains (KOT), to deter children from the practice of playing near or on cane train bins.

As a significant employer in most of its operating areas, Bundaberg Sugar recognises its responsibility to the community. The company recruits locally and actively supports education, youth, health, welfare, emergency services, the environment, sport, culture and the arts.



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