

The Australian

Sucrogen likely to win Proserpine as Thais pursue three sugar mills

- by: Andrew Fraser
- From: The Australian
- November 17, 2011 12:00AM



Mitr Phol has completed due diligence on Maryborough Sugar. Picture: John Wilson

Source: The Australian

AUSTRALIA'S biggest sugar mill operator, Sucrogen, has emerged as the likely new owner of the Proserpine facility in north Queensland, while Thailand's Mitr Phol has indicated it will proceed with its takeover of another three mills in the region operated by Maryborough Sugar.

The Chinese government-owned COFCO had made an offer for Proserpine that valued it at \$122 million, ahead of Sucrogen's \$120m offer. But mill administrators said yesterday they would accept Sucrogen's bid as it offered more certainty for creditors.

Sucrogen chief executive Ian Glasson said the company, which split from CSR in 2009 and was purchased by Singapore's Wilmar International last year, would provide a short-term loan of \$15m to the mill and it hoped to have full control of Proserpine by Christmas.

The Proserpine Sugar Mill, near Airlie Beach and the Whitsundays, is in receivership as a result of a smaller sugar crop because of cyclones and violent storms earlier this year.

Farther north, Mitr Phol indicated it had completed due diligence on Maryborough Sugar, which operates three mills in north Queensland and another at Maryborough in southern Queensland. The Mitr Phol offer was dependent on satisfactory due diligence.

The board of Maryborough Sugar yesterday recommended that shareholders accept the offer of \$4.45 a share.

Mitr Phol now owns 22 per cent of Maryborough Sugar. A Mitr Phol spokesman said yesterday this minority ownership had helped the company gain a good understanding of the Australian sugar industry.

"Mitr Phol started from cane growing in rural Thailand 70 years ago and currently we work with over 60,000 cane farmers in Thailand and China. Our track record demonstrates an ability to work with sugar cane communities for their long-term benefit," the spokesman said.

Many sugar cane farmers are struggling with reduced crops because of last summer's extreme weather.

But the annual meeting of Queensland Sugar, the body that sells most Australian sugar on overseas markets, yesterday heard the outlook for prices for in coming months was excellent.

Greg Beashel, acting chief executive of QSL, said it was anticipating returns of between \$500 and \$550 a tonne, well up from the \$300 a tonne being paid four years ago.
