



## **MEDIA RELEASE**

# **SunRice records a solid earnings performance for the 2008 Financial Year**

**Friday, 29 August 2008**

SunRice, a leading Australian exporter of branded food products, today announced a strong financial performance for the year ended 30 April 2008 with sales revenue of \$708 million.

Addressing members at the SunRice Annual General Meeting in Jerilderie, Chairman, Mr Gerry Lawson said he was pleased the business could deliver a medium-grain paddy return of \$328 per tonne for the 2007 crop year, despite the difficult conditions facing many Australian agricultural businesses with export markets.

"Market share in key product categories remained solid during the year. A remarkable job was done at keeping our brands on supermarket shelves around the world through our global trading program. This has been a very successful strategy for our business,"

In light of business performance, the Board was pleased to be able to deliver an increased dividend to shareholders of 22.5 cents per B Class Share. This dividend represented a total amount of approximately \$7.7 million," Mr Lawson said.

Mr Lawson also commented on a very important strategic initiative that was announced earlier in the month - the investment of US\$10.4 million to establish a 65% majority share in the California based rice milling and marketing company - SunFoods.

"This strategic acquisition provides SunRice with a platform to leverage our branded rice food expertise in the US market and to grow our international markets through the sourcing and processing of high quality rice,"

"I am confident SunFoods will help grow our business and will complement our traditional Australian rice supplies at a time of increasing global demand for rice and rice based foods," Mr Lawson said.

Chief Executive Officer, Gary Helou, highlighted SunRice's ability to supply its markets despite the volatility of recent crop sizes during the continuing drought.

"Given the business is facing another year of drought, we will continue to focus on global trading to defend brands around the globe, meet market demand and maintain profitability. We will also continue to reduce costs to deliver good results,"

"Our complementary businesses and value-add rice foods performed very well this year with Riviana and CopRice delivering record sales and profits. The continued focus on product innovation and marketing excellence maintained SunRice's leadership position across key rice food categories around the globe and was another pleasing achievement of the 2007 crop year," said Mr Helou.

The issue of global food security was also a topic of discussion at the AGM. Mr Lawson said there was now improved awareness that the global demand for food was increasing rapidly while supply was challenged by climate change, loss of farmland due to urbanisation and drought.

"Australian agriculture has a very important role to play in meeting this rising demand and accordingly, I believe the agriculture sector has a bright future,"

"However, we cannot address the issue of food security on our own,"

"It is incumbent on our policy makers to support and enhance our production capabilities and to recognise the important role we play as food producers for Australia and overseas,"

“Australian rice, for example, is a staple food across the Pacific and we have a great impact on the wellbeing and quality of life of our Pacific neighbours,”

“I urge Government to shift its water policy focus from removing water from productive use to increasing water storage, creating water savings by investing in infrastructure improvement both on and off farm and improving environmental outcomes through better water management,” Mr Lawson said.

Mr Lawson said the SunRice Board is encouraging rice growers who have water available to grow rice in the upcoming season by offering contracts at record prices.

“We are offering prices above those guaranteed last year. For our 2008/09 premium pool we are offering a guaranteed minimum price of \$550 per tonne for medium grain with varietal premiums taking the prices much higher for niche varieties,” Mr Lawson said.

### **About SunRice**

Ricegrowers Limited, trading as SunRice, is one of the world's largest branded rice food companies, exporting 80% of Australia's rice production to over 60 countries around the globe. A 58-year-old company based in New South Wales, SunRice sources paddy rice for processing and marketing globally under the SunRice brand portfolio and subsidiary brands. SunRice is a major employer in the Riverina region of NSW.

### ***For More Information:***

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