

Good morning and allow me to welcome you to SunRice's 2009 Annual General Meeting – our 59th meeting.

I stand here before you today with mixed emotions....

- **PRIDE**....for the financial results I am about to present to our shareholders.
- **EMPATHY**...for those in our irrigation communities who are not able to grow rice and in some cases farm their land, due to circumstances beyond their control.
- **CAUTIOUS OPTIMISM**...that our 'water for food' message is gaining momentum, and that we will have a voice at the table as the Murray-Darling Basin Plan is shaped.
- **And HOPE**...that we will go forward together to rebuild an Australian production base for our successful industry....and in doing so create a brighter future for our shareholders, our regional communities, and for those people around the world that rely on rice as their staple food.

It is no secret that despite the ongoing challenge we face in water availability, SunRice has had an exceptional year.

Looking at the figures for 2009, we have every reason to be satisfied.

SunRice delivered an outstanding financial performance, with record consolidated revenue of \$902 million – a 27 % increase on last year's result.

A medium grain paddy return of \$450 per tonne was paid for the 2008 crop – the highest return in our organisation's history.

And we exceeded our previous profit result too, recording a net profit after tax of \$76.8 million – a 413 per cent increase on last year's figures.

Accordingly, the Board was delighted to be able to pay shareholders a dividend of 22.5 cents per B Class Share, and for the first time, this was fully franked.

As I noted earlier, I am very proud of our achievement, which has come from an outstanding effort by the people who make up the SunRice team.

The strong financial performance of 2009 underscores the continuing commitment and efforts of the management, employees and Board of SunRice.

Our results were built on a strategic mix of global procurement, profitable investments, lower operating costs and our expanding rice food businesses.

At a time of turmoil on world medium grain markets, our strategic investment in SunFoods in California gave us a foothold in one of the few reliable medium grain sources.

Our new American operation and our global procurement activities were instrumental in ensuring supply was maintained to our most critical markets in the face of a small Australian crop.

Over the past 12 months, our marketing and operations teams continued to break new ground in the convenience rice and snack foods categories...growing our market share and growing the rice food category, here and abroad.

2008 saw SunRice expand into the Ready-To-Go Meals market with a range of microwave meals that were an immediate success.

And our investments in Riviana, CopRice, Trukai, SunFoods and APC continue to contribute strongly to the profitability of our group results.

We are well positioned for the future, and our recent Capital Raising efforts have strengthened this further.

I am pleased to formally announce that existing shareholders, RMB Equity Holders and employees invested \$42.9 million in our company, together with \$76 million in retained earnings for the group (*after the payment of dividend in July - \$68 net*). This has strengthened the level of shareholder equity in the current volatile world financial environment.

This is a very pleasing result, particularly given the hardship that continues to confront irrigation communities. It also speaks volumes about the resilience and foresight of our

shareholders. This support and unity is something coveted by agricultural industries the world over and we should be proud to own it.

However, despite all our success, we continued to witness the ongoing impacts of low water availability in our rice growing regions.

Faced with a 19,000 tonne harvest in 2008 and no ability to carry over rice for the current year, we undertook a further small consolidation of paddy handling and milling infrastructure.

These decisions are never easy and are always made as a last resort.

As you know, the 2009 crop saw an increase in supply to 66,000 tonnes.

In an effort to encourage any available water to be devoted to rice in 2010, we will continue to pay a record paddy price for our premium pool. The 2009-2010 Premium Pool offers a price of \$550 per tonne for up to 65,000 tonnes of production. Significantly higher prices apply to our specialty varieties.

This offer is designed to ensure that we receive as much locally grown rice as possible, enabling us to use our regional facilities and meet the ever-present demand for Australian rice. I'm pleased to say the take up of this offer is almost at the 65,000 tonnes projected.

I would now like to speak briefly on the dual issues of water and food security.

I know many of you will have heard me speak on this topic in the past. You will continue to hear me speak on it in the future too, because this issue remains one of the most important of our time.

Just 10 days ago the United Nations released the results of a report showing that Asia faces an unprecedented food crisis and huge social unrest. With a population that's expected to grow by 1.5 billion over next 40 years, the report called for hundreds of billions of dollars to be invested on better irrigation systems in the region. Irrigation is of course the key to growing the much needed crops to feed Asian countries and avert a crisis of great magnitude.

While our population growth may be more modest, this is an issue for every continent and country in the world, including our own.

To that end, I am very pleased to see the good work Terry Hogan and RAMROC are doing to deliver the 'water for food' message to our politicians, our commentators and our communities.

We have an important part to play in feeding Australia and the world. The brutal reality is that people suffer when resources are scarce, and it is not the rich who will go hungry.

I am also pleased to see Mike Taylor appointed as Chairman of the Murray-Darling Basin Authority. We congratulate the Government on this appointment.

The development of the Murray-Darling Basin Plan will be a blueprint for not only our future as rice growers, but the future of all irrigated agriculture in the basin.

It is important that we have a united voice – as food producers – in the plan's architecture.

We will continue to make ourselves available at every opportunity to participate in the planning and strike the right balance between agriculture and the environment in our region. I encourage you to do the same.

If you have to have an Emissions Trading Scheme for agriculture, it should work as Russell Higgins and Geoff Camody have advocated – like GST. EVERYONE pays and exporters like us can claim credit.

Importers into Australia should also be subject to an Emissions Trading Scheme “levy”. This will ensure a level playing field for Australian industry.

Before I conclude, I want to touch on something a delegate at the recent RGA Annual Conference raised with me.

There is a growing awareness that the Australian rice industry may never return to the 1.2 to 1.7 million tonne crops of the last decade.

Weather, water availability and policy settings were in our favour when we regularly received paddy volumes in excess of the one million tonne mark. Our world has changed, but we can adapt to this new reality. Farmers and agribusiness have always led the way in embracing a challenge and adapting successfully to change.

When we talk of re-building, we must do so with today's conditions in mind. We have restructured our business to be successful at lower levels of Australian production. Our revised planning base is now 800,000 tonnes average production, with a lot more volatility.

Australian grown rice is the best in the world and we look forward to the time when all of our growers can again supply the rice we need. Of course there will be years when we grow significantly less than our planning base number and, God willing, there will be years when we grow more.

It is useful to remind ourselves that businesses and industries that have faced similar supply constraints have not always been as fortunate.

Where others have stumbled, SunRice has succeeded.

Where others have relinquished their products and markets, we have reinvented ours.

....And where others have walked away, we remain poised to re-build.

In closing, I would like to acknowledge my Deputy Chairman Mark Robertson, the Chair of our Finance and Audit Committee, Grant Latta, the Chairman of the Rice Marketing Board, Noel Graham, and my fellow Board members Russell Higgins, Laurie Arthur, Gillian Kirkup, Alan Walsh, and Norm McAllister. Their commitment to sharing their knowledge and expertise for the benefit of SunRice and our shareholders is unwavering and unbelievable.

I also thank our Chief Executive Officer, Gary Helou, for providing another year of strong, effective - and quite extraordinary - leadership. Thanks also go to the Corporate Management Team and all SunRice employees for their ongoing passion and commitment to the business.

I would like to thank Les Gordon, President of the Ricegrowers' Association of Australia Inc., and Executive Director, Ruth Wade, for their significant contribution to the industry.

Also a special thank you to all our amazing growers and shareholders who continue to support our business.

And of course I would like to thank my wife Sue.