

## **ANNOUNCEMENT**

21 June 2011

### **SunRice announces solid 2011 financial year performance**

Leading Australian branded food business, SunRice, has announced a solid financial result for the year ended 30 April 2011.

While consolidated revenue for the year was \$809 million, down only 1% on the previous year's \$817 million; profit after tax was \$13.1 million, up 11.5% on the \$11.7 million recorded in 2010.

SunRice Chairman, Mr Gerry Lawson, said the result was pleasing, particularly given the challenges the company faces.

"SunRice performed strongly in the face of last year's drought, volatile commodity prices, increased competition, the strengthening Australian dollar and increased financing costs," he said.

"As expected, the group's Rice Milling and Marketing division's Contributed EBIT for 2011 was 25% (or \$9 million) lower than that achieved in 2010. However this result was offset by the strong financial performances of Riviana Foods, CopRice and other Rice Foods businesses, which were up by \$12 million.

"The company also confirmed the medium grain paddy price for the 2010 Crop of \$550 per tonne for the Premium Pool and \$320 per tonne for the No 2 Pool."

In addition, the SunRice Board announced a fully franked dividend to shareholders of 18.0 cents per B Class Share; 4.5 cents per share lower than the dividend issued in 2010.

Mr Lawson noted that the lower dividend was in line with advice to shareholders that profit retention and reduced paddy prices would be considered by the Board to reduce the company's gearing level.

SunRice will also be reinstating its Dividend Reinvestment Plan (DRP) and advised the share price for the DRP will be \$3.36 per share.

The price takes into account a number of factors, including the Net Tangible Asset Value per B Class Share of \$4.68 and the valuation contained in the recent Independent Expert's Report prepared by Lonergan Edwards & Associates. After removing the implied control premium linked to the Ebro proposal, the valuation delivered a share price range of \$3.36 to \$3.93, which the Board considers is appropriate and reflects the underlying value of the business.

Chief Executive Officer Gary Helou said SunRice performed well in the face of intense competition and the high Australian dollar.

"We are delighted with the strong performance of our various businesses including the growing Rice Foods portfolio. Our focus on product and marketing innovation as well as cost management continue to position our various businesses well into the future," he said.

“With the Australian rice industry’s first 800,000 tonne crop harvested in five years, there is also an increased focus on reclaiming market share as well as securing new international markets. This is a significant undertaking, however our people, brands and customer relationships will hold us in good stead.”

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#### **About SunRice**

Ricegrowers Limited, trading as SunRice, is Australia’s leading branded rice food company, with products marketed in close to 60 countries around the globe. SunRice has annual sales of approximately AUD800 million. Information – [www.sunrice.com.au](http://www.sunrice.com.au)