

2011 Annual General Meeting

Gary Helou
CEO Report

26 August 2011



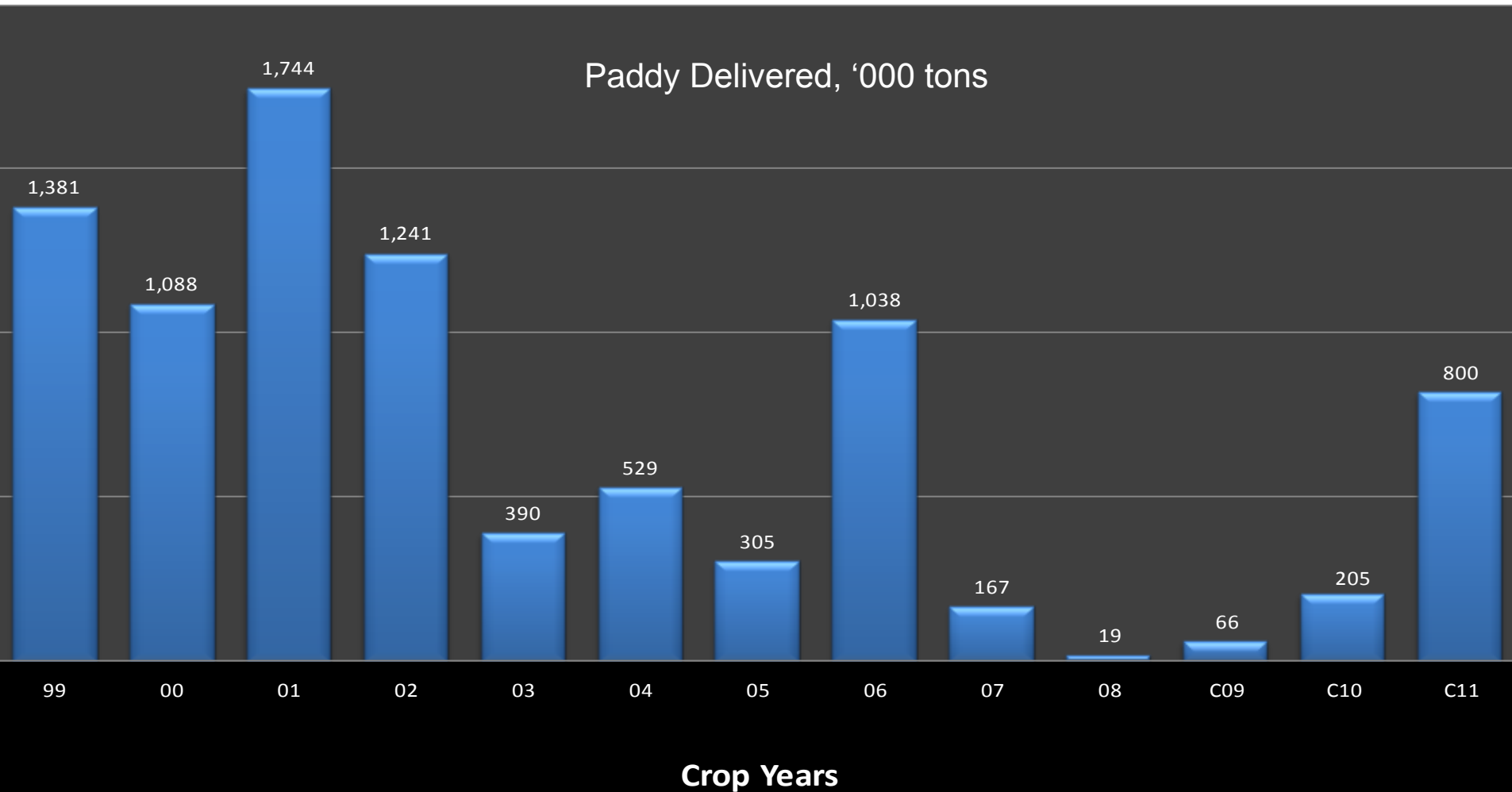
The Rice Food Experts

AGM Agenda

- **C10 Review**
 - Group highlights
 - Full year results
- **C11 Outlook**
 - World rice trade update
- **Closing Comments and Questions**



Australian Paddy Production



C2010 Review

- May 10 – April 11 = 205KT
- Continued reliance on global sourcing in our last year of drought
- Ongoing innovations in Rice Foods
- Preparation for the return to a normal crop was a major focus



C10 Marketing Highlights - Domestic

- Total volume share of rice category is 59%
 - SunRice volume share is 58%
- Microwave Rice is 18% of total rice category in value
 - SunRice volume share is 62.7%
- Rice Cakes: SunRice volume share is 55%
- Ready-to-Go Meals: SunRice volume share is 62%



* Aztec Monthly Data effective 31.7.2011

C10 Marketing Highlights - Domestic

- Successful extension of microwave range to include Quick Cups
- Strong growth in Ready-to-Go Meals segment, incorporating the launch of new Indian meals
- New sweet flavoured rice cakes released, creating new snacking opportunities
- Promotional arrangements established with the Seven Network's *The Morning Show* and *New Idea* magazine
- SunRice wins two 'Supplier of the Year' Awards



C10 Marketing Highlights - International

Middle East

- Maintained consistent sales and share in Levant and Gulf regions

United States

- Achieved national accounts listings for HINODE

Pacific

- Sunwhite and Island Sun performed well, despite strong competition

Asia

- Growth in Double Ram and Kangaroo brands



C10 Operational Highlights

- **Milling** – Deniliquin Mill reopened and ramped up ready to supply local and international markets, including Japan, Middle East and the Pacific
- **Supply Chain** – Significant initiatives were implemented to support the return to a normal crop and the reopening of Deniliquin, including recommencement of rail and port services in Melbourne

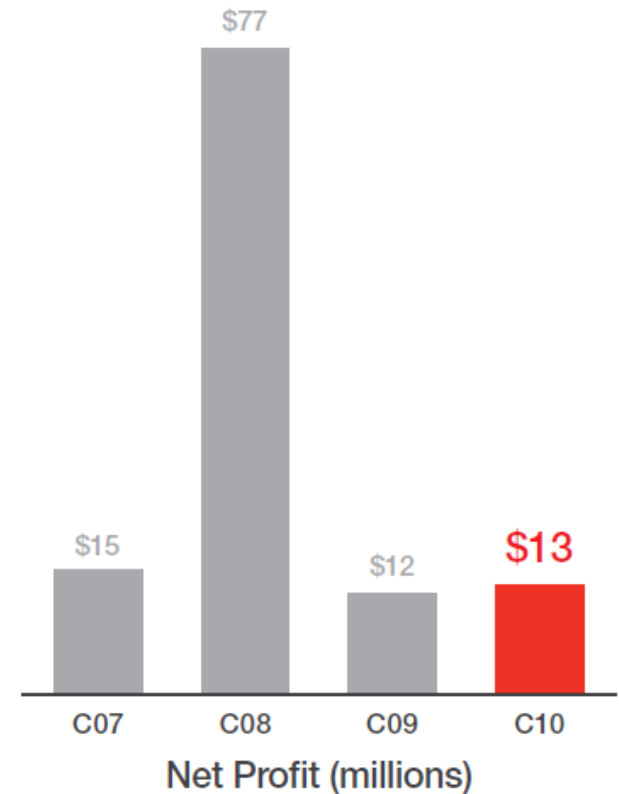


C10 Operational Highlights (cont)

- **Safety and Environment** – We continued to implement world class safety systems. Our Aqaba facility was also awarded a Certificate of Excellence in OH&S
- **Quality** – Deniliquin Mill achieved HACCP and AQIS accreditation. Our continuous improvement initiatives drove further quality improvements, especially in our specialty rice food plants



Business Highlights



Business Highlights (cont)

- Net profit of \$13.1 million, up 11.5% on last year
- Revenue of \$809 million, down only 1% on last year
- A fully franked dividend of 18 cents per B Class Share
- Premium Pool paddy price of \$550 per tonne
- Number Two Pool paddy price of \$320 per tonne
- Increased capital by \$6.4 million over the past three months to help reduce gearing ratio to our target 70%, via:
 - \$2.8M in retained profits, \$2.67M in the Dividend Reinvestment Program and \$892K raised through the Prospectus
- Continued growth in the Rice Foods businesses, including Microwave Rice, Ready-to-Go Meals and Snacks
- Strong financial performances by Riviana Foods, CopRice and other Rice Foods businesses

Crop C11

Outlook



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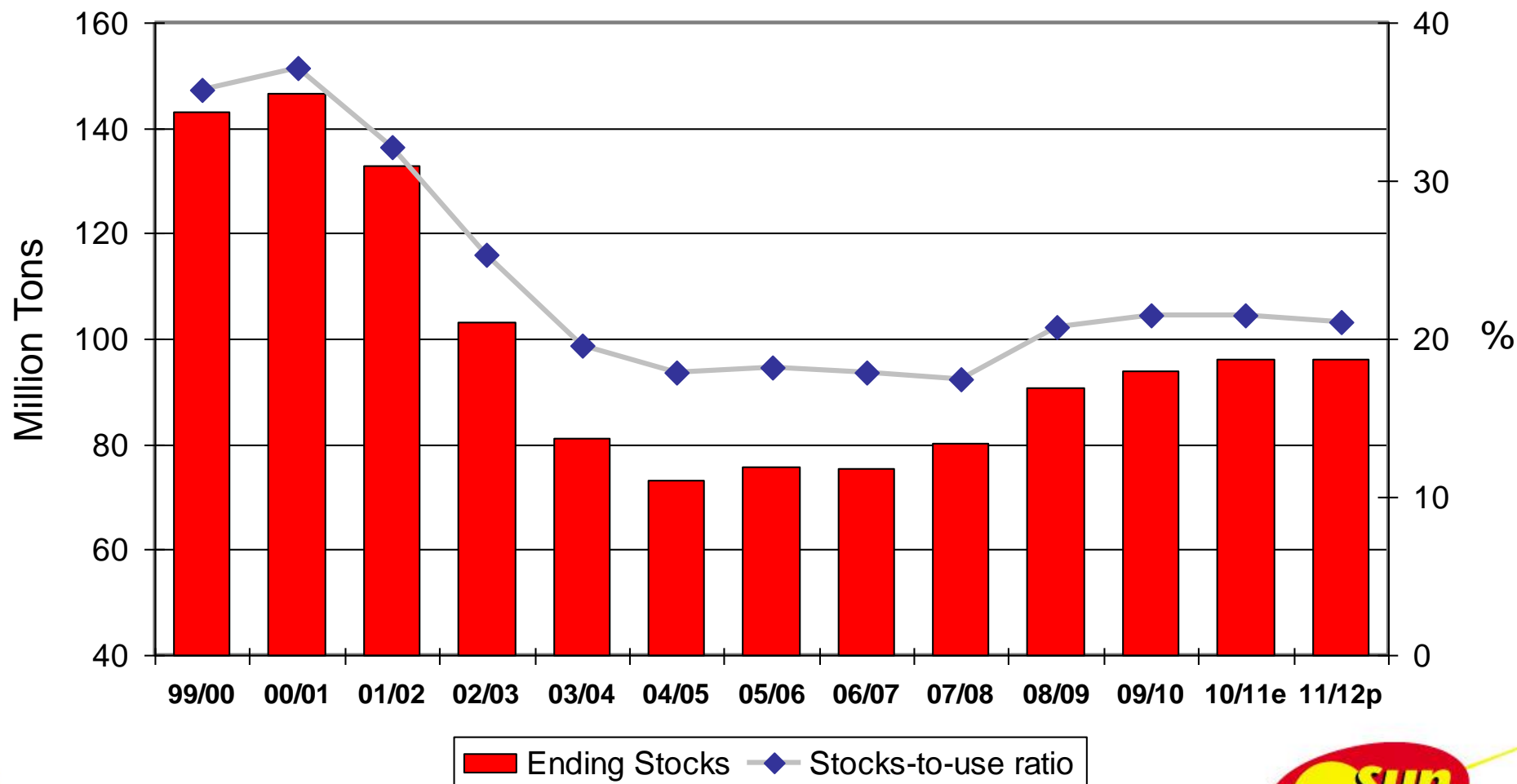
C11 Outlook

- 800 KT delivered
- Good outlook for water availability for C12 and C13
- Sales and Marketing Team has been set aggressive targets to secure new business and reclaim markets lost during the drought



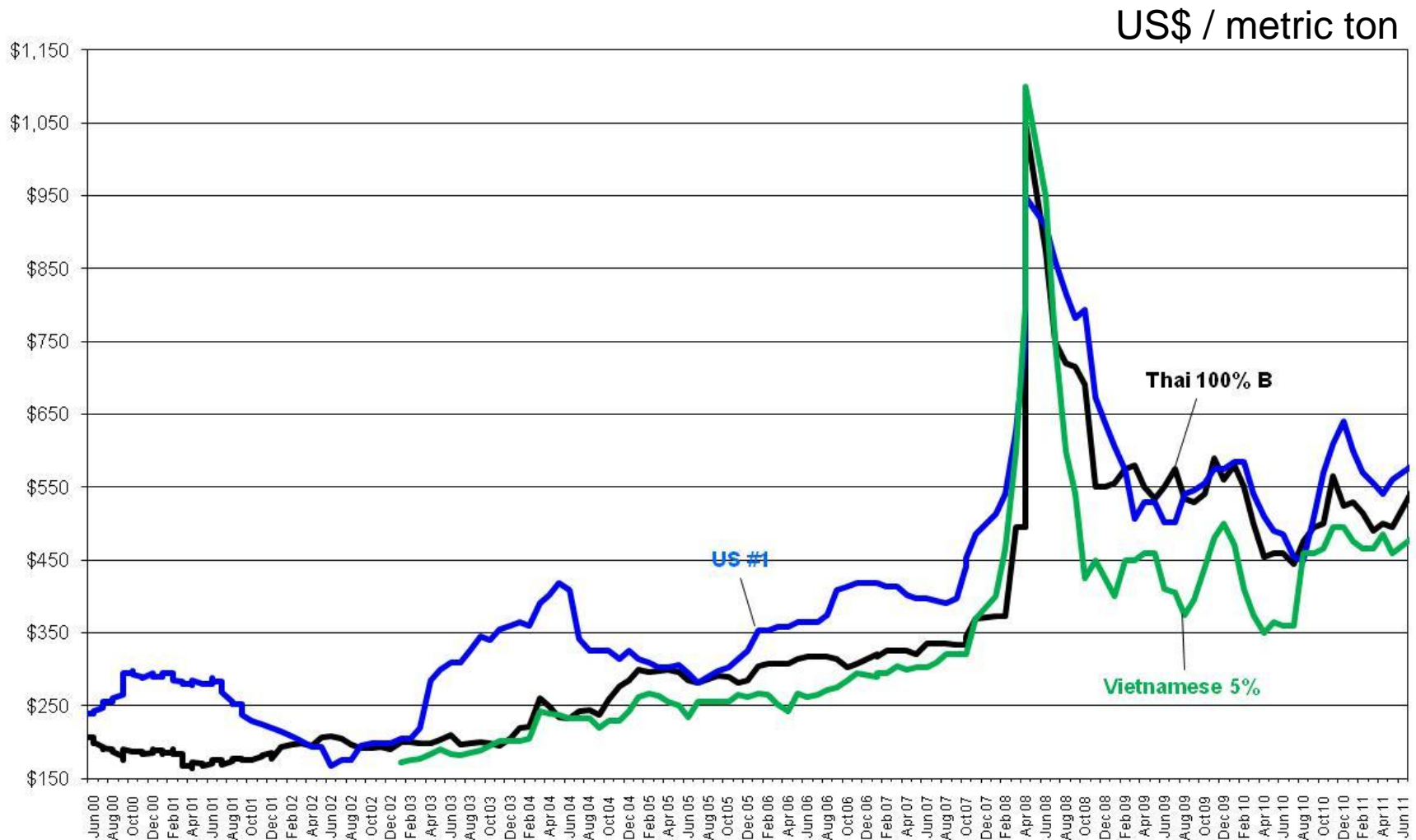
World Rice Stocks

Average Global Consumption ~445 MMT



USDA WASDE July 2011 (Milled Basis)

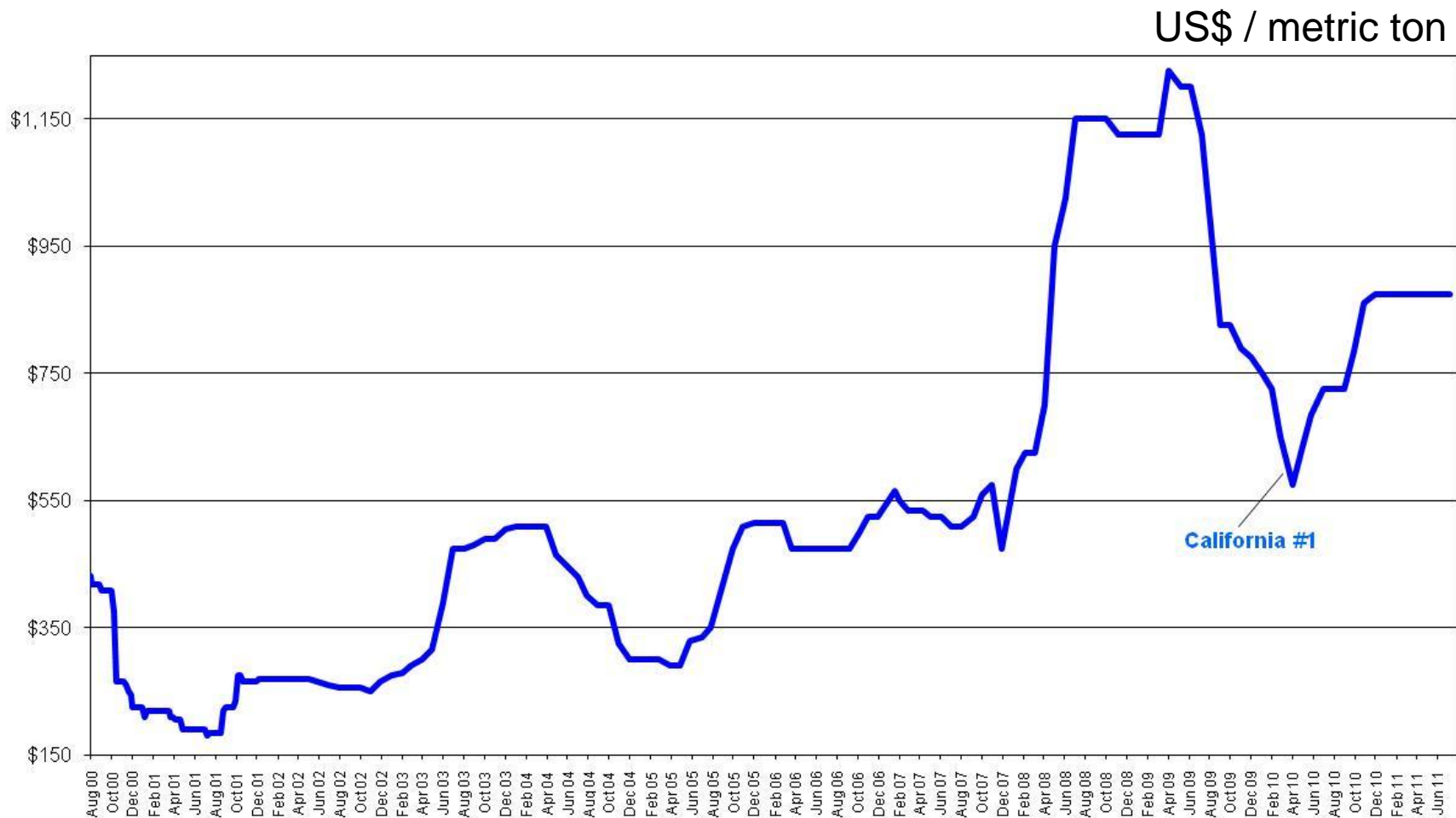
Long Grain Global Price Benchmarks



Global Factors Affecting Long Grain Rice

- Surplus rice in the world at present....but Governments are constricting world trade:
 - India has over 25 million tons of stock with a large crop to be harvested in October, but the Government is limiting exports due to concerns about domestic food inflation
 - The new Thai Government has “promised” a minimum price which could raise prices from the world’s largest exporter
- Few factors affecting global supply at present:
 - Some regions in China have had poor rainfall but offset by higher production elsewhere
 - Southern US production is 1.5 million tons below average, which is offset by higher supply from Asia and South America

Medium Grain Global Rice Price Benchmarks

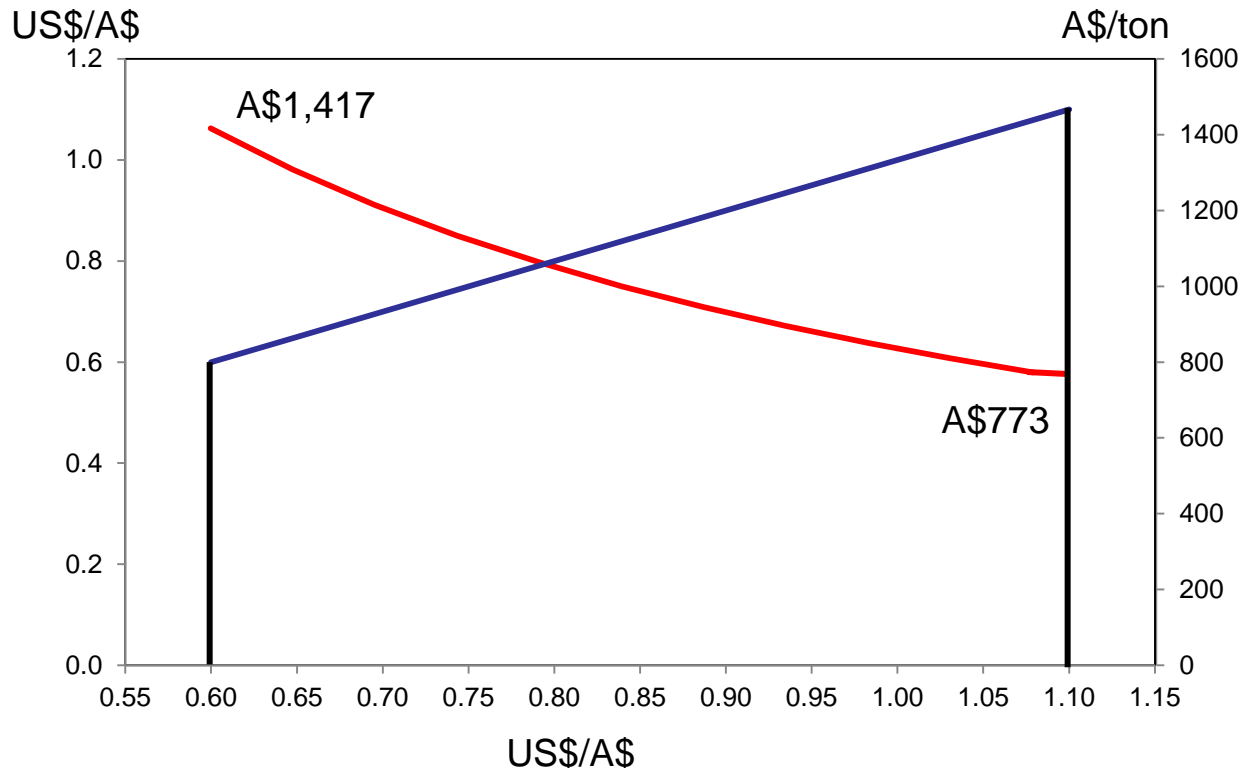


Global Factors Affecting Medium Grain Rice

- Australia and California are currently the only sources of Medium Grain in world trade:
 - China is limiting exports to key WTO markets – Japan and Korea
 - Egypt has stopped exports – the political situation will take some time to resolve
 - Upcoming crop in California is above average
 - Australian supply is back in world markets
- Australian supply is filling the gap from Egypt and China
- Prices are steady but expected to fall when the Californian crop is harvested
- The large premium over Long Grain continues to affect Medium Grain demand, with some consumers / markets switching over to cheaper Long Grain

Foreign Exchange Impact

- For example, an export selling price of US\$850 per tonne was A\$1,417 per tonne October 2008 (fx low of 0.60) and is A\$773 per tonne at an exchange rate of 1.10



Assuming the business has approximately US\$250m of exports per annum, every 1 cent increase in A\$ would reduce paddy price by A\$3.13 per tonne (assuming a crop size of 800K tonnes)

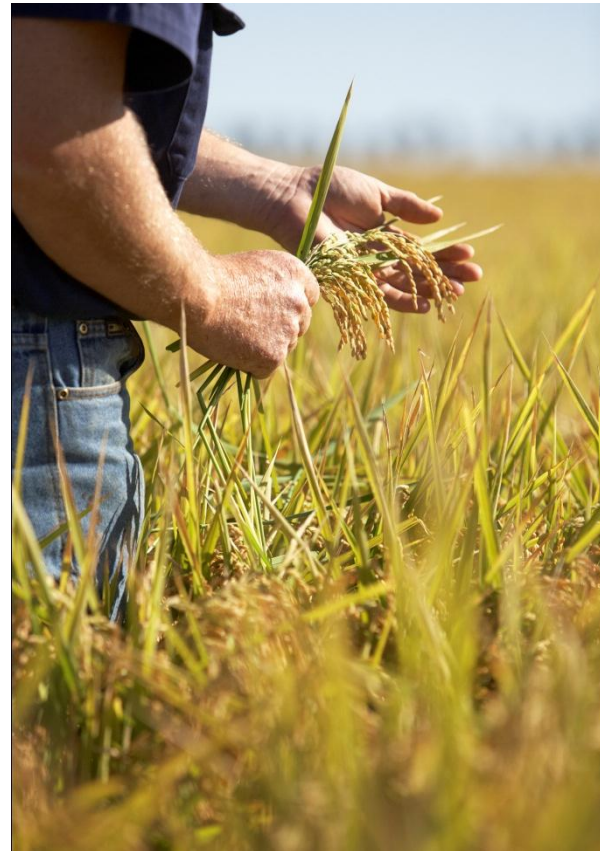
C11 Outlook – Brands and Markets

- Recover market share in traditional markets:
 - SunRice has aggressively targeted its traditional markets to recover share from California and other suppliers
 - This marketing commitment has a high cost
 - SunRice is maximising sales in a market where prices continue to soften



C11 Outlook – Brands and Markets (cont)

- Support of the growers is essential to recover these markets:
 - Producing the varieties in the quantities based on market demand is critical to maximise the price e.g. Reiziq variety
 - Early harvest helps better manage the milling and marketing program in this phase of recovery



Our Brands....



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Closing Comments and Questions