

# SunRice Update

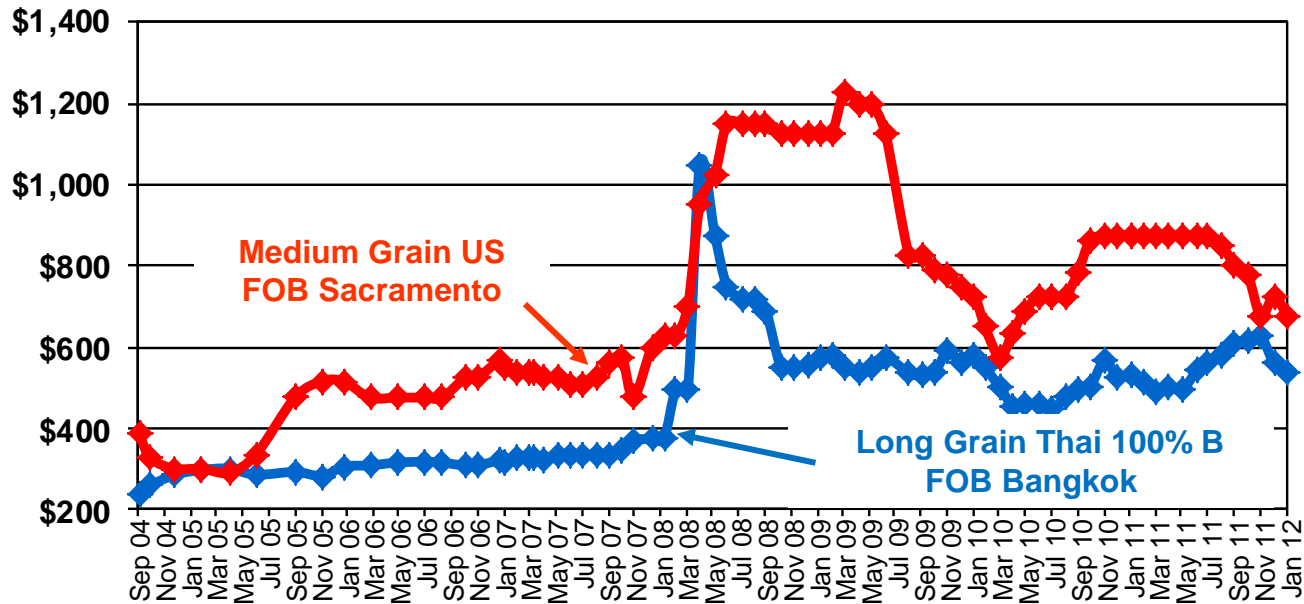
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The Rice Food Experts

# Global Rice Markets:

## Processed Medium and Long Grain Prices US\$/t



Source: Creed Reports

- MG and LG price convergence
- US Medium Grain prices continue to soften, with latest intelligence of prices at sub US\$600/t

# Foreign Currency US\$: A\$



- A\$ continues to trade around parity and higher
- RL has approximately 93% of C11 covered.
- Cover for C12 is at approximately 24%
- Every one cent increase in the A\$ can reduce paddy prices by \$3.13 per tonne for an 800,000 tonne crop.

# SunRice Debt

- At October 2010 total debt was \$303m (Ebro and Scheme Booklet)
- Debt at April 2011 was \$272m and at October 2011 was \$191m
- SunRice's debt fluctuates due to the seasonal nature of our business as a result of paddy receipts, crop payments, tender market participation etc
- We continue to focus on debt reduction through:
  - Retained earnings including paddy price reductions
  - Reductions in future dividends
  - Targeting lower working capital
- Quantum of year end debt will be impacted by the timing and size of C12 crop volumes and receipts

# Outlook for C12: Issues

- The high A\$ continues to adversely impact A\$ revenues
- This is being compounded by softening world MG and LG rice prices
- Electricity costs for C12 are estimated to be higher than C11
- The effect of the carbon tax and renewable energy charges are adding costs to the business
- SunRice is a significant user of power, but does not have access to alternate sources such as natural gas, at some sites

# Outlook for C12: Opportunities

- Strong crop outlook, despite varying temperatures and large numbers of ducks
- Market shares in our consumer businesses remain firm
- New products are performing to plan
- SunRice welcomes new CEO, Rob Gordon

# Questions