



The Rice Food Experts

MEDIA RELEASE

17 December 2012

SunRice reports 24% increase in group profits at half year

Leading Australian branded foods business, SunRice, has announced a good financial result for the six months to 31 October 2012, with group profits up 24% on the same period last year.

Consolidated revenue for the first half was \$519 million; 7.7 % higher than the six months to 31 October 2011. Group profit after tax was \$15 million, a 24% increase on the comparable six months.

SunRice CEO Mr. Rob Gordon said the results were driven by increased sales volumes in SunRice's Global Rice Milling and Marketing businesses, as well as a solid first half in the company's complementary business, CopRice.

"The Australian Rice Milling and Marketing business also performed strongly, with export rice prices holding up well alongside improvements in operational efficiency and productivity. The higher revenues and improved performance demonstrate SunRice's successful re-entry into many export rice markets, following nearly a decade of drought" he said.

"Of critical importance has been the Rice Milling and Marketing businesses ability to efficiently handle increased volumes, rapidly re-establish export markets and seek out new marketing opportunities.

"The strength of the Australian Rice business also reflects increased efficiencies across the business following the one-off startup costs associated with the reinstatement of two of our rice mills. We have also successfully improved capacity utilization across the supply chain, reduced working capital and gearing."

Mr Gordon said while the first half has performed ahead of the same period last year, the company remains cautious about the second half. The Medium Grain commodity market prices are expected to soften in the second half which could result in lower selling prices. The challenges our subsidiary Riviana has in achieving price realisation, particularly in retail markets, may also impact our second half performance."

SunRice Chairman Mr. Gerry Lawson AM said it was the strong first half result in the Australian Rice Milling and Marketing business that underpinned the October increase in the indicative Australian 2012 medium grain paddy price, from \$260 per tonne to \$280 per tonne.

"Having returned from drought, reinstated two of our regional mills and taken Australian rice back to the world, SunRice is in robust shape," he said.

"In line with our expectations and our continued focus on working capital management, gearing continues to improve and at the half year end was 53%. We were delighted to provide our growers with an early and increased payment, reflecting the strength of our global sales, the pricing premium our marketing arrangements afford and continued improvements in operational efficiency.

"Looking ahead, we have another large crop on the way and we will now focus on investment in our operations and brands to ensure SunRice can deliver healthy returns to shareholders and growers in the coming years."

ENDS

Media inquiries:

Polly McDougall

Contact: 02 6953 7382 / 0427 728 245 / polly@saucecommunications.com.au

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 AUD1 billion. Information – www.sunrice.com.au