

SunRice Update

RGA Branch Meetings

SunRice Chairman, Mr. Gerry Lawson AM
June 2013



C12 Being Finalised

- As expected, the second half of the year produced softening world prices and pressures for the C12 crop related to:
 - Competition with California for increased WTO volumes of medium grain rice.
 - Continued strength of the A\$ during C12.
 - Export ban lifted from Egypt.
- Maintained and grew market share.
- C12 indicative return revised from \$295 to \$305/t (mg) in April.
- We remain hopeful of delivering a further boost to the final payment, however this is dependant on finalising full year performance.

C13 Outlook

- Growers delivered more than a million tonnes, with good growing conditions producing yields averaging between 10.3 and 10.4t/ha.
- Hot conditions during grain filling resulted in above average levels of broken grains during milling.
- This will impact the C13 paddy price as it increases milling costs and will force us to sell more broken grain at lower prices.
- Other impacts include uncertainty surrounding the fluctuating Australian dollar.

C13 Outlook: Foreign Exchange Hedging

- SunRice has a hedging policy that ensures forecast foreign currency requirements are hedged throughout the period.
- Our hedging policy is designed to:
 - Minimise the risk associated with currency movements which impacts the A\$ value of export revenues.
 - Reduce volatility of revenue by controlling the rate we will convert US\$ receivables rather than the spot exchange rate when we receive payment.
- Our policy requires minimum hedging on a rolling basis as follows:

0-3 months	4-6 months	7-9 months	10-12 months
75%	50%	30%	20%

IE: for requirements up to 3 months out 75% is hedged, 4-6 months out 50% is hedged etc.

- The policy does allow us to hedge more than the minimum requirement from the start of the new crop year if we can improve against our budgeted FX rate.

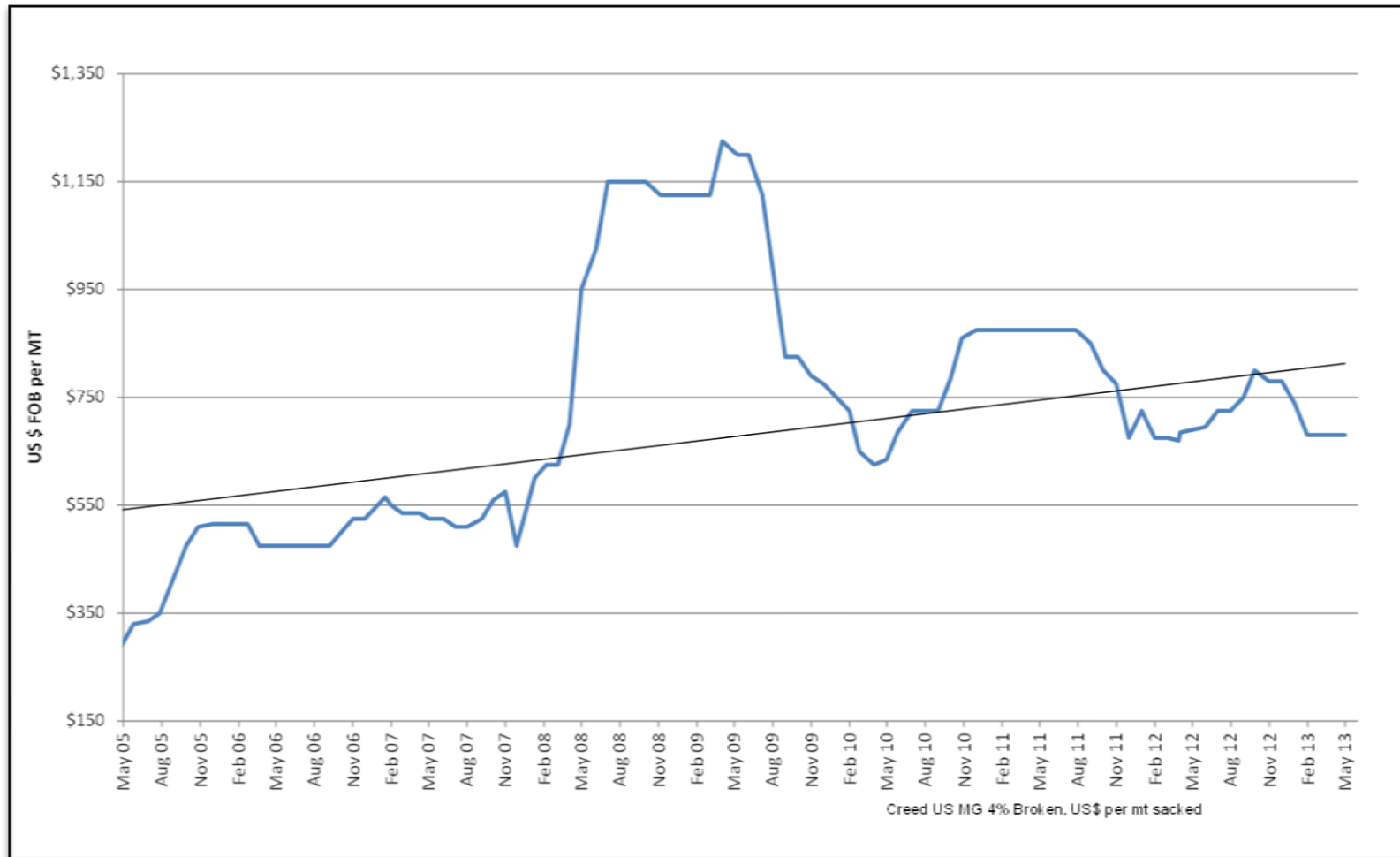
Foreign Exchange Hedging Cont..

- Under our policy, FX hedging for a new crop commences in October (i.e. October 12 for the C13 crop). This is when we start to have a better understanding on the crop size and likely US\$ receivables.
- Generally this means at the start of each new crop year, around 48% of our estimated FX requirements are hedged.
- For the balance of our C13 requirements each 1c movement would impact approximately \$0.9m or around \$0.78 per paddy tonne.

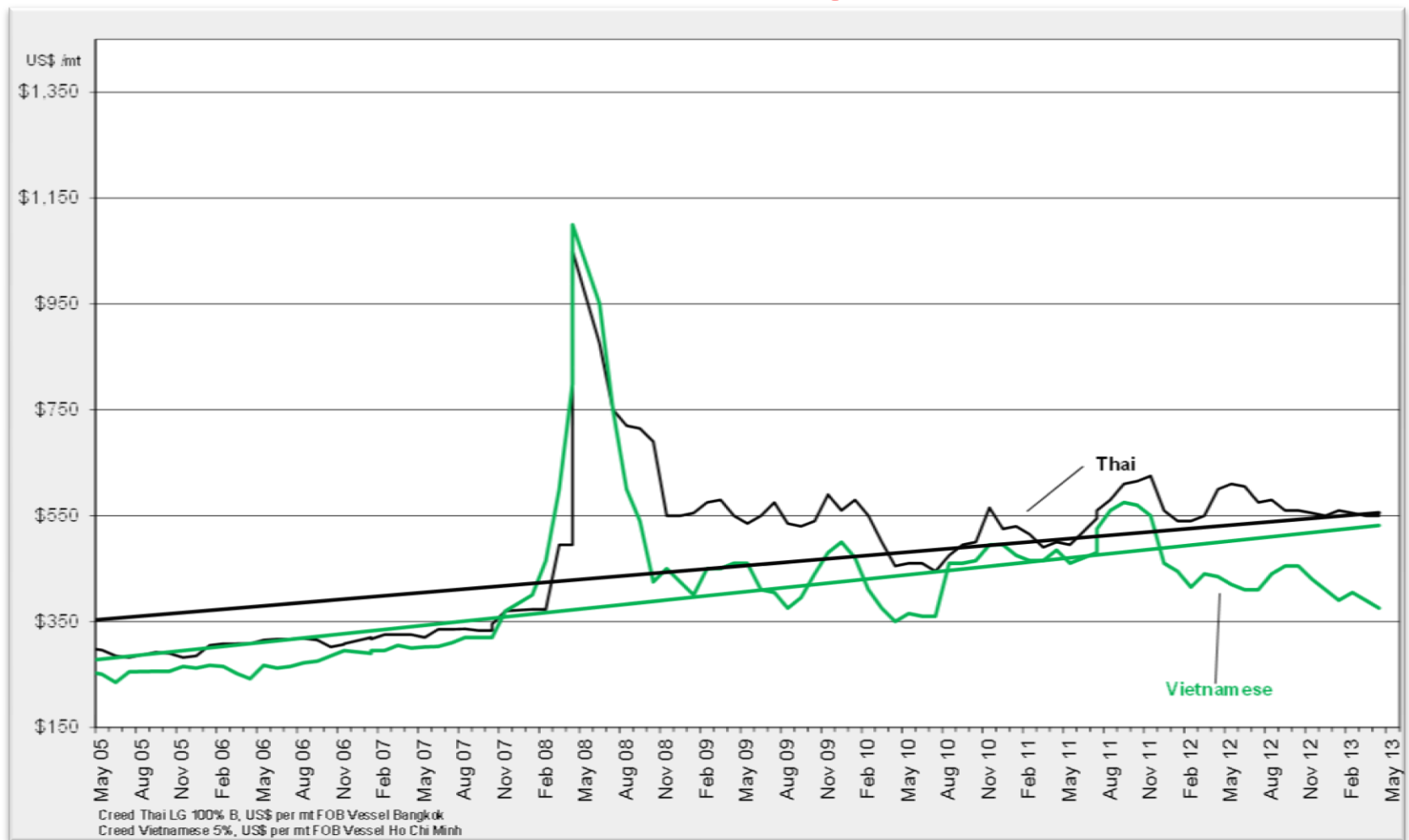
AUD/USD (May 11 - May 13)



US #1 Medium Grain Milled Rice - 4% broken



Thai and Vietnamese Long Grain Milled Rice



Capital Structure Review update

- Meetings held in March 2013 were well attended and provided further constructive feedback
- The process has shown strong support for preserving existing A Class shareholder rights and we acknowledge that this is not negotiable.
- Our company faces a unique set of challenges requiring a unique solution – which takes time to achieve.
- This process must not be rushed and we will only return to our shareholders with a potential model once we have a solution that is appropriate for our specific needs.

A Class Share Register

- The Board has determined to unfreeze the A Class Share Register to ensure all eligible growers have an opportunity to vote at the SunRice AGM in August 2013.
- Applications for A Shares have been invited from growers who delivered paddy during the 2012 and 2013 Crops:
 - These applications will be considered using the existing qualifications (i.e. minimum one tonne over two years and 1,000 B Shares).
- A Class Shareholders will be asked to consider changes to future A Share qualification (minimum tonnages and B Shares) at the AGM.
- At this stage, the Board has not made a determination on the future of the B Class Share Register. No B Shares will be issued until a determination is made. However B Shares can continue to be bought and sold on the NSX.

Board Structure and Paddy Charter

- As part of the Capital Structure Review, the Board has made significant progress in determining its preferred structure for the future, including:
 - Proposed changes to the Board's size, skills mix and remuneration; and
 - Maintenance of the Grower Director majority, in line with shareholder feedback
- These changes will be voted on by shareholders at the AGM
- The proposed Paddy Charter is also nearing completion and will be discussed with shareholders in due course

New consumer campaign launched

- This year we have launched our most significant consumer communications campaign since the rice sculptures advertisements.
- TV advertising and integrated in-program and advertorial content showcases “Hundreds of Grains. Millions of possibilities.”
- The campaign responds to extensive research revealing that consumers are seeking more adventurous cuisine experiences. They are looking to SunRice as a brand leader to show the endless possibilities with rice.
- In line with this, we’ll launch new packaging and products in July – focusing on consumer needs surrounding health and wellbeing, and providing healthy alternatives for adults and children.
- CEO Rob Gordon will share more about this at the AGM.



New SunRice TVCs



The Rice Food Experts

Questions