



MEDIA RELEASE

23 August 2013

## **Strong year enables SunRice to invest for growth**

Leading Australian branded foods business SunRice today presented its full financial results to the Annual General Meeting of shareholders held in Jerilderie, describing 2012/13 as a year of “investing for growth” across every aspect of the SunRice business.

Financial results for the 12 months ended 30 April 2013 (FY13) included a consolidated revenue for the SunRice Group of \$1.068 billion, up 6.8% on the previous year’s \$1.000 billion. Net profit after tax was \$35.8 million, up 5.5% on last year’s \$33.9 million.

SunRice Chairman, Mr. Gerry Lawson AM, said the company continued to address its gearing in 2012/13, with gearing at year end falling from 66% to 61%, and average gearing across the 12 months falling from 73% to 43%. He said the company’s strong financial performance was achieved despite challenging trading conditions and had benefited from a more certain investment environment.

“Although we are only two years on from the drought, SunRice has rapidly returned to a position of strength,” Mr Lawson told shareholders.

“The SunRice Directors and staff have been committed to this goal, and the improvement in our balance sheet reflects the hard work which has gone into bringing SunRice to this point.

“Accordingly, we were able to deliver a significantly increased C12 paddy price to our growers of \$317.34 per tonne for medium grain. This improved price is a fantastic achievement, despite competing against other countries which provide substantial subsidies to their rice growers.

“In addition, the Board announced a fully franked dividend of 23.0 cents per share for B Class shareholders – a 28% increase on last year’s dividend and a record for our company.”

SunRice CEO Rob Gordon said the company’s stronger balance sheet had enabled the Group to begin reinvesting across the SunRice Group.

“In 2012/13 we continued to improve our market share globally, strengthened our operations and extracted additional operating efficiencies,” Mr Gordon told shareholders.

“Importantly, our improved balance sheet also allowed us to start the process of reinvesting in SunRice’s subsidiary businesses, as well as our operations, supply chain, brands and employees, to help underpin a more certain future for our business and shareholders.

“This included a significant brand repositioning for SunRice and the renovation of the rice category in Australia and New Zealand; the approval of an \$18 million capital investment program; and a series of internal initiatives designed to create a high performance culture across the Group.”

However Mr Gordon provided a caution to shareholders regarding the current financial year, noting that a range of factors had the potential to impact the company’s profitability, including softening world prices, foreign exchange impacts on key SunRice subsidiary companies, and reduced milling yields for the C13 crop. He said while Net Profit After Tax for the half year is anticipated to be in line with 2012/13, given current foreign exchange rates, Net Profit After Tax for the full year could be lower by up to 15% year-on-year.

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In line with this, the company also announced an indicative paddy return for medium grain (Reiziq) of \$260 per tonne for C13, noting that the potential for further increases was “limited” at this stage.

Mr Lawson also referred to the Capital Structure Review, launched last year, acknowledging again that SunRice requires a unique solution to its unique challenges, which include preserving existing A Class shareholder rights and controls. He said the Board had made good progress to date, however would not return to shareholders until it had an appropriate solution to discuss.

A Class shareholders today considered a range of matters, with the results as follows:

RESOLUTION	OUTCOME
1. Financial reporting	N/A
2. Remuneration Report	CARRIED
3. Appointment of Peter Margin	CARRIED
4. Constitution change to minimum paddy tonnes (A Class Share qualification)	CARRIED
5. Constitution change to minimum B Class Shares (A Class Share qualification)	CARRIED
6. Appointment and removal of Directors	NOT CARRIED
7. Non-Executive Director remuneration	CARRIED

Following the meeting, Mr Lawson said: “We are very pleased with today’s outcome. Five of our six voting resolutions were strongly endorsed by A Class Shareholders. We have listened carefully to what shareholders said on the one resolution that was not carried and look forward to further dialogue with them on this matter.”

Note - the full voting results, along with the AGM presentations and speeches, will be available on the NSX or in the shareholder section of the SunRice website.

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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 AUD1 billion. Information – [www.sunrice.com.au](http://www.sunrice.com.au)

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