The Rice Food Experts

SHAREHOLDER LETTER

19 December 2013

Dear Grower/Shareholder,

SunRice reports uplift in half year consolidated revenue and profit, increased paddy return price of $280 per tonne, and supplementary payment of $15 per tonne for all varieties

I am pleased to today confirm SunRice's half year results, which include an uplift in consolidated revenue and profit; as well as announce a $20 per tonne increase to the indicative paddy price for the C13 crop.

For the six months to 31 October 2013, SunRice Group net profit after tax was $16.3 million; up 8.5% compared with the same period last year. Consolidated revenue for the first half was $554.3 million; 6.8% higher than the six months to 31 October 2012.

These results were achieved despite a challenging global trading environment and reflect the strength of the SunRice Group and our focus on driving growth across the business. The positive outcome was driven by improved performance in our global rice businesses, particularly across our markets in the Pacific and Middle East. This has helped to offset the continued challenging trading environment faced by our import business, Riviana, which has been affected by negative foreign exchange impacts and increased competition in the domestic retail and food service sectors.

While the first half profit has shown improvement against the same period last year, we expect second half profits to be lower. In light of world rice prices, fluctuations in foreign exchange rates which impact key subsidiary businesses and operational challenges with the C13 crop, we are predicting net profit after tax for the full year may be up to 15% lower than last year.

In addition to the strong half year profit performance, the Board is delighted to revise the outlook for the indicative C13 full year paddy return price for medium grain Reiziq from $260 to $280 per tonne.

As part of this increase, we are pleased to also announce a one off supplementary payment of $15 per tonne for all rice varieties, payable immediately, which we hope will help growers to boost cash flow for the start of the New Year.

As many of you are aware, while C13 was our third successive large crop, we have faced significant issues with low milling yields due to crop quality this year which has led to additional milling costs.

Given lower water allocations across the growing regions we wish to advise that the harvest for C14 will be smaller than the previous year. While at this stage it is too early to comment on the specific implications of a lower crop size, we will be evaluating the situation as the season progresses. We of course remain focused on delivering both the best possible price to growers and capital returns to shareholders.

Yours sincerely,

GERRY LAWSON AM
Chairman