



The Rice Food Experts

## MEDIA RELEASE

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### **SunRice reports uplift in half year revenue and profit and boosts paddy price**

Leading Australian branded foods business, SunRice, today announced an uplift in half year consolidated revenue and profit, as well as a \$20 increase to the indicative paddy price for the C13 crop.

SunRice reported Group net profit after tax of \$16.3 million for the six months to 31 October 2013; 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.

The Board also revised the indicative full year C13 paddy price from \$260 to \$280 per tonne.

SunRice CEO Mr Rob Gordon said the first half result had been achieved despite a challenging global trading environment and reflected the strength of the SunRice Group and its focus on driving growth across the business. "The first half results were driven by improved performance in our global rice businesses, particularly across our markets in the Pacific and Middle East," he said.

"This 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."

Mr Gordon said while the first half profit had shown improvement against the same period last year, the company expected 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."

SunRice Chairman, Mr Gerry Lawson AM said in addition to the strong half year profit performance, the company was delighted to revise the outlook for the indicative C13 full year paddy return price for medium grain Reiziq 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 will help growers to boost cash flow for the start of the New Year."

Mr Lawson commented that while C13 was SunRice's third successive large crop, the company has faced significant issues with low milling yields due to crop quality this year which has led to additional milling costs.

He also advised that the C14 harvest would be smaller given lower water allocations across the growing regions. "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 and we remain focused on delivering both the best possible price to growers and capital returns to shareholders," he said.

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