2015 Rice Field Day

Rice Market Update
SunRice CEO

5 March 2015

Today's Agenda

- Rice market update
- New Product Development
- Industry outlook

RICE MARKET UPDATE

Where we are now

Our business and industry is in a strong position

- We are now targeting 950,000 tonnes of rice annually and have markets available for 1.15 million tonnes
- We are re-investing further capital in our milling and manufacturing infrastructure to drive improved productivity and efficiency and reduce costs
- We are undertaking product innovation and brand investment to attract new customers
- We are focusing on high growth markets to deliver increased returns for growers
- We recently revised upwards our 2014/15 profit outlook to an anticipated 40% uplift in Consolidated Net Profit After Tax versus the prior year

Paddy return outlook

C14 update

- We anticipate a significant year-on-year improvement in the paddy price
- C14 paddy return of at least $360 per tonne for Medium Grain (Reiziq) with a $20 per tonne uplift paid in December
- This translates to higher pricing for specialty varieties, including $490 per tonne for Koshihikari
- Varietal premiums at least $10 a tonne higher than prior year

C15 outlook

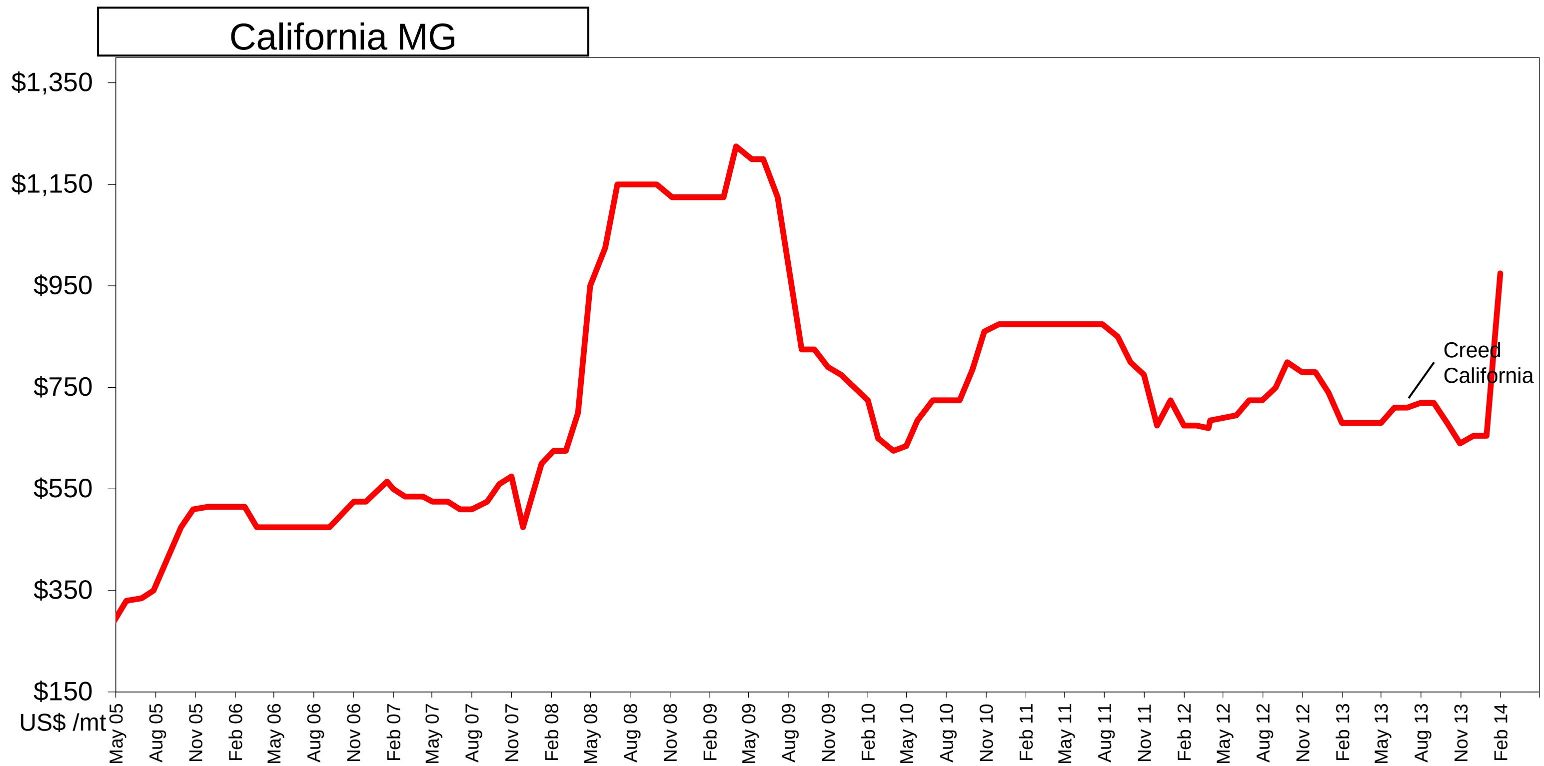
- Production of around 700,000 tonnes expected
- Impacted by water availability and allocations
- Positive price prospects based on current market conditions

Factors impacting paddy return

- Global rice prices, both Medium Grain and Long Grain
- Foreign exchange movements
- Paddy milling yield
- Size of crop and overhead recovery

C13 Global pricing – Medium Grain

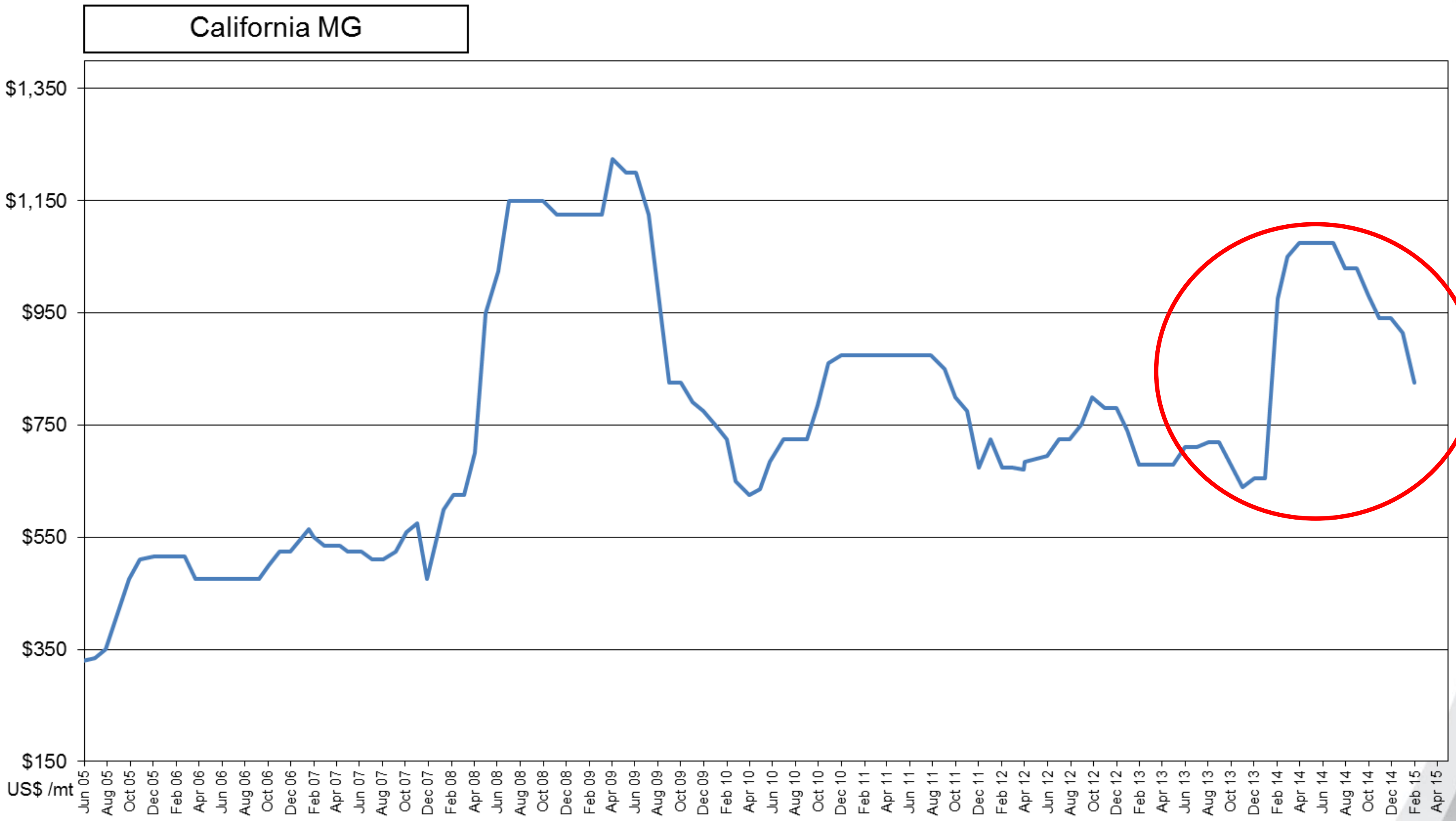
Creed – California MG Prices
2005 – 2013 US$/t (FOB)



Creed US MG 4% Broken, US$ per mt sacked containerised

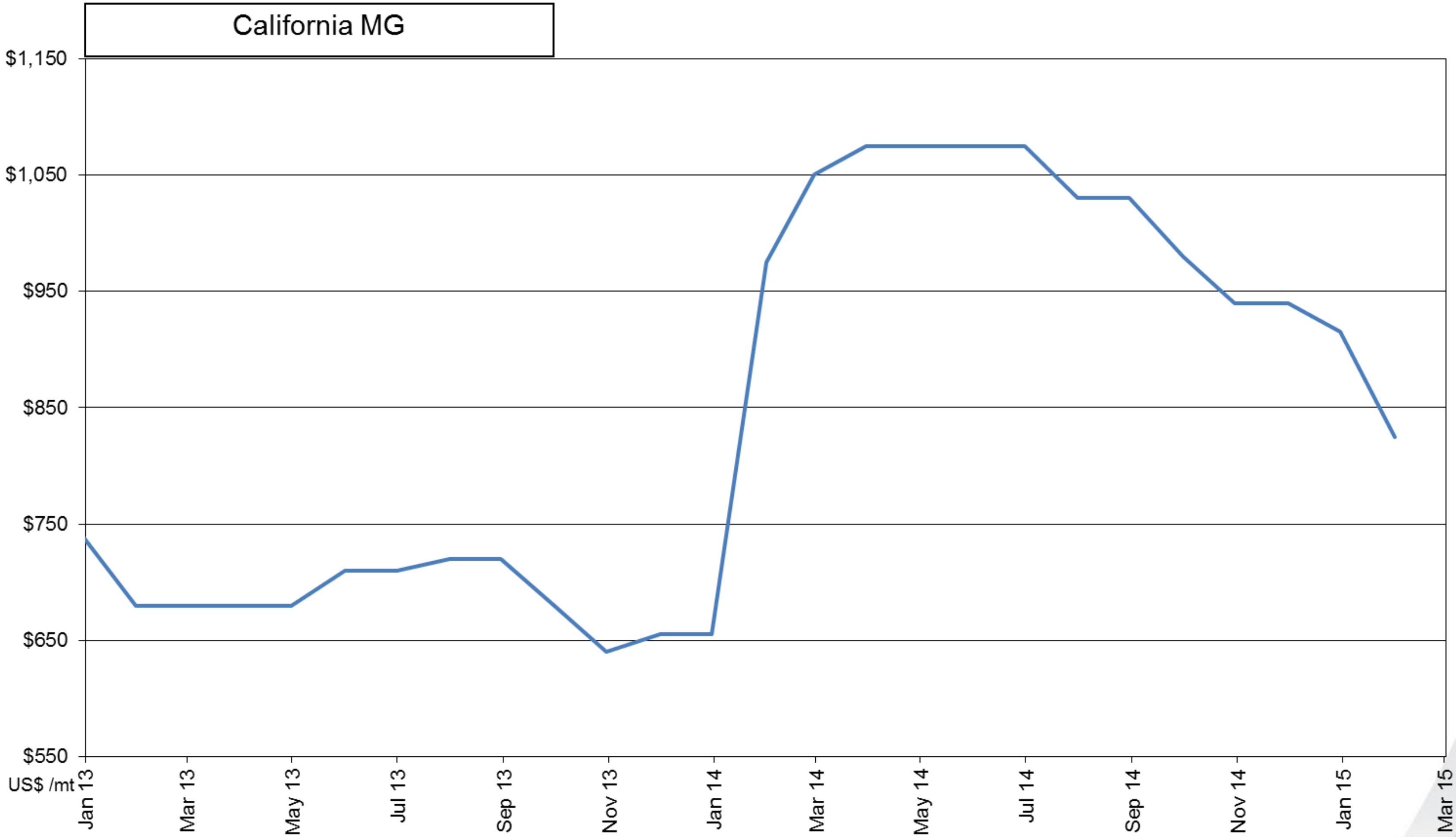
Sources: Creed Rice Market Report

C14 Global pricing - Medium Grain



Creed US MG 4% Broken, US$ per mt sacked containerised Oakland

C14 Global pricing - Medium Grain (cont'd)



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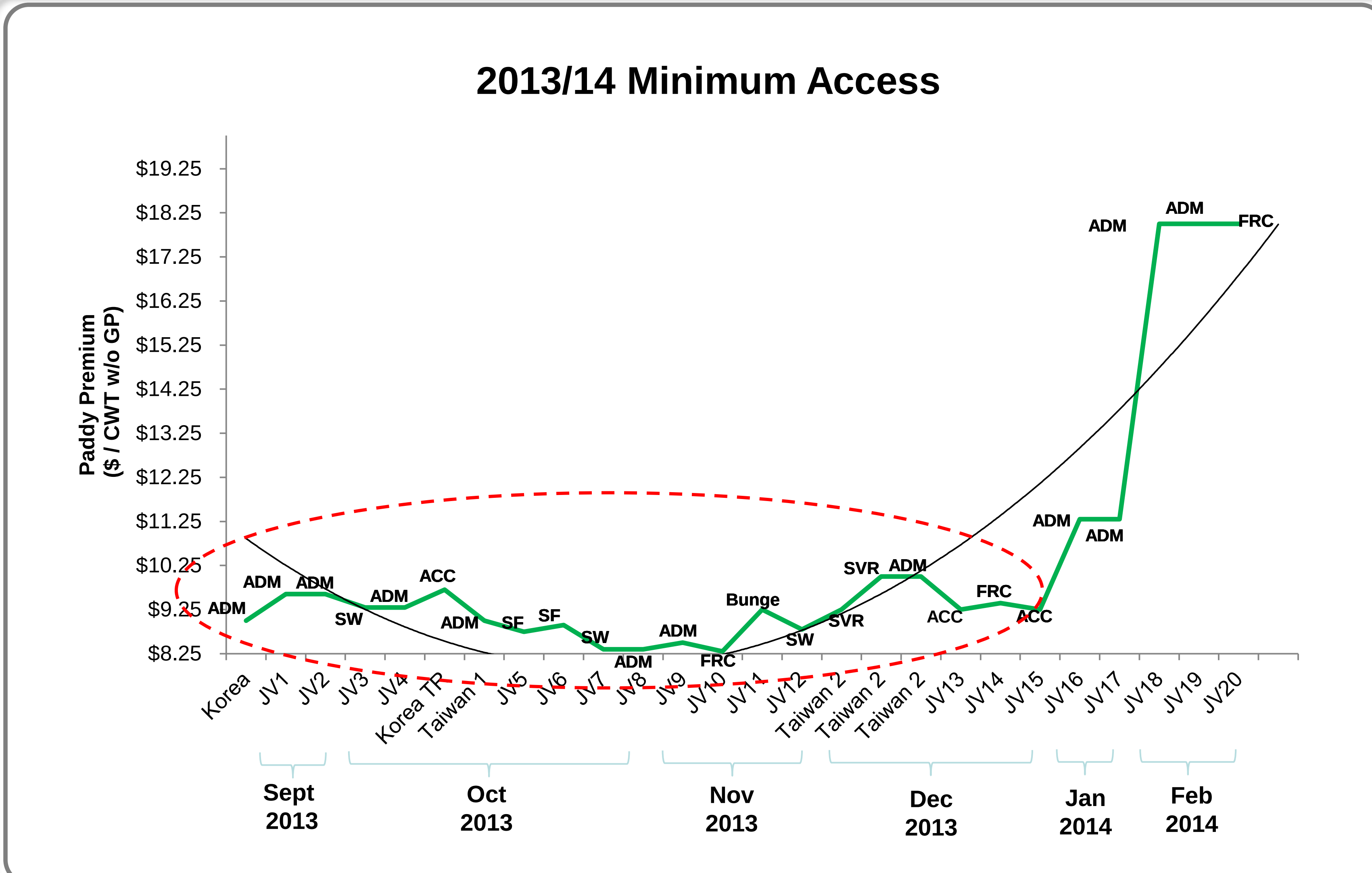
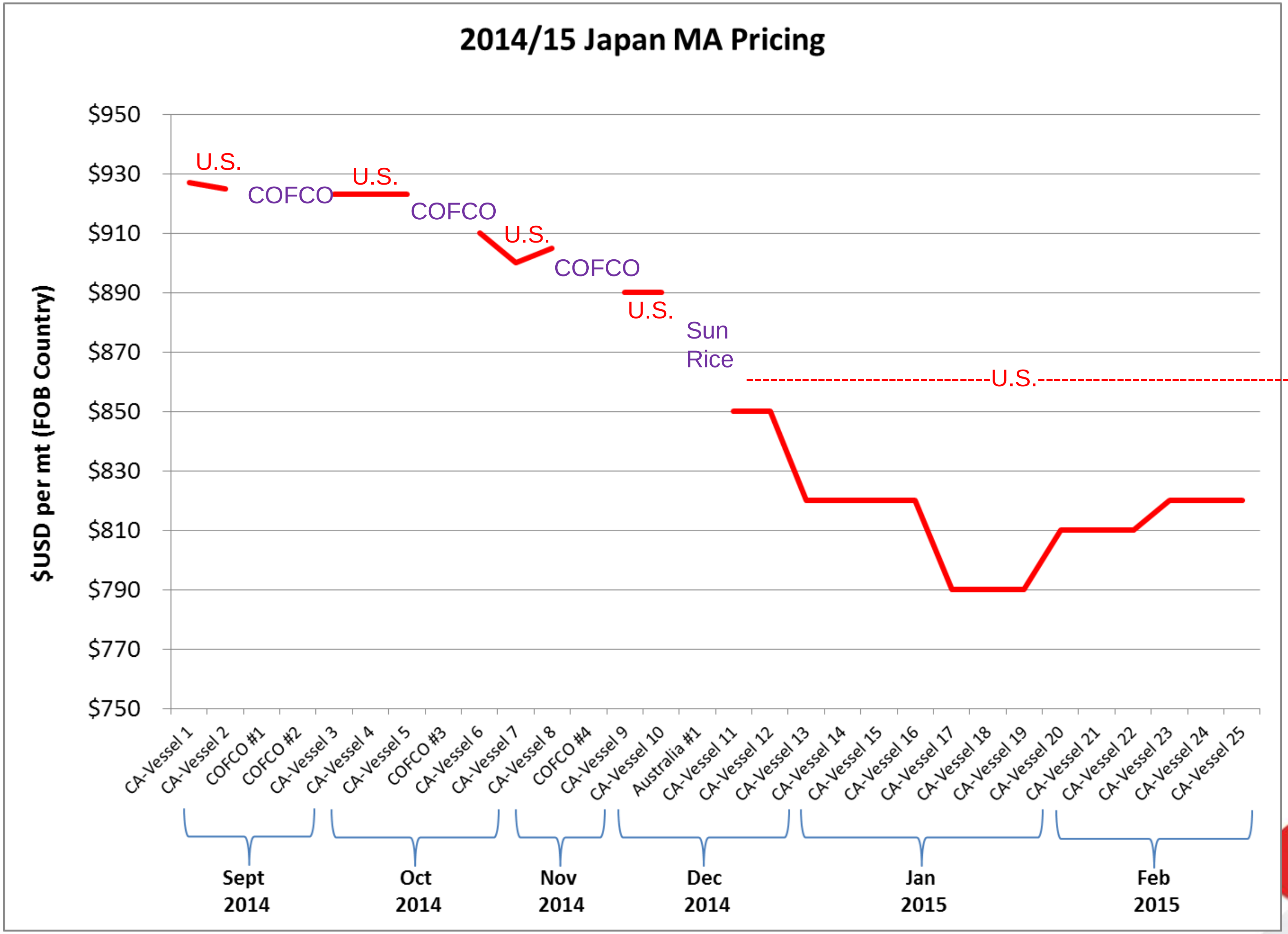
C13 government tender markets



C14 government tender markets - falling prices for Californian rice supplied to Japan

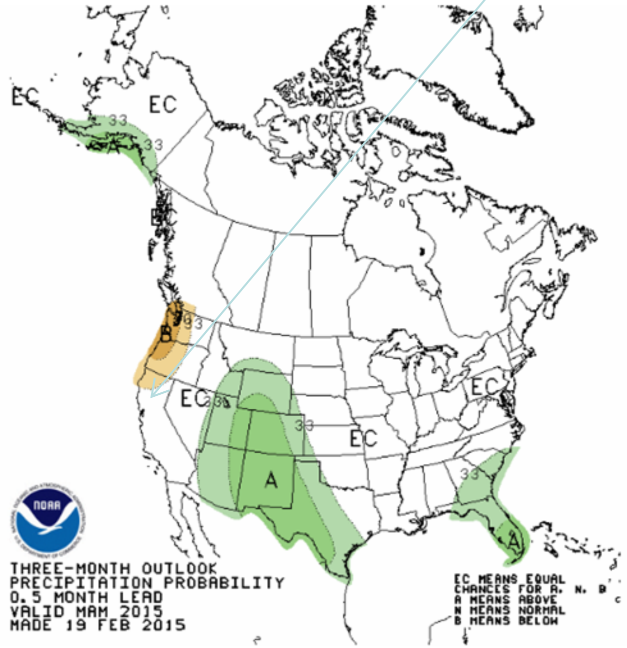


California rain and reservoirs

- Improved on last year, however, tracking below average - 86% YTD
- Key reservoirs running at half to two thirds normal
- 90 day rain forecast range for Northern California below normal to normal

Northern Sierra Precipitation Accumulation (1)	
Rainfall & Snow Water Content (in inches)	
Water Year Amount to Date (since Oct. 1, 2014):	23.07
Average to Date:	26.70
Percent of Average to Date:	86 %
Average for the Water Year (Oct. 1 through Sep. 30)	50.00
Percent of Average for the Water Year (Oct. 1 through Sep. 30)	46 %

(1) Northern Sierra (Sacramento, Feather, Yuba, and American River Basins)



Key Reservoir Storage As of 01/31/2015 midnight

Reservoir	River	Storage (in 1000 AF)	Avg Storage (in 1000 AF)	% Average	Capacity (in 1000 AF)	% Capacity	Flood Control (4) Encroachment (in 1000 AF)
Trinity Lake	Trinity	874	1,730	50	2,448	36	---
Shasta Lake	Sacramento	2,001	3,072	65	4,552	44	-1,805
Lake Oroville	Feather	1,444	2,317	62	3,538	41	-1,718

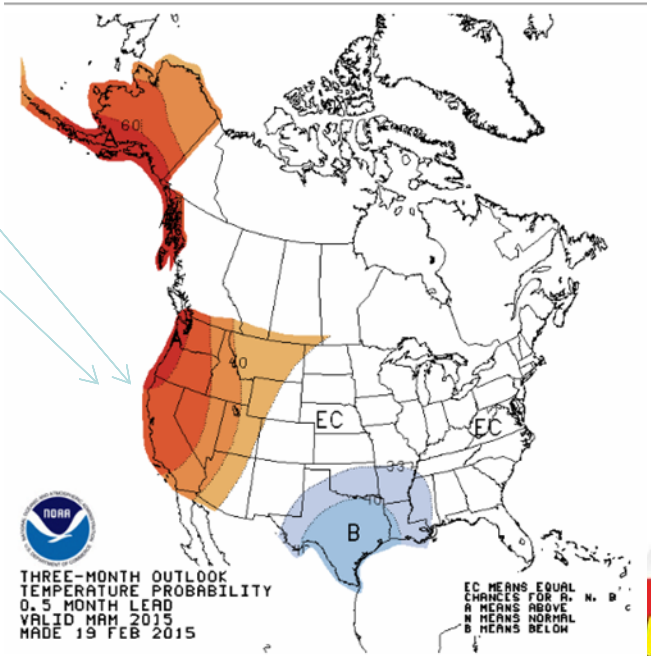
California snow

- Improved on last year, however, only 24% average YTD
- 90 day Temperature range forecast for Northern California is above normal
- Conditions for substantial additional snowfall accumulation not favorable
- Overall statewide forecast predicting 3rd consecutive water critical year for California

Snowpack Water Content

Region	Water Content (in inches)	% Avg to Date	% April 1 Avg (2)
Northern Sierra	4.40	24	15
Central Sierra	4.50	24	15
Southern Sierra	3.90	26	15
Statewide	4.30	25	15

(2) April 1 is the date of normal maximum accumulation for the season.



Forecast of Regional Water Supply Indices (3)

Index	Value	Year Type
8 River Index for January (in 1000 AF)	810	n/a
Sacramento Valley Water Year Type Index (40-30-30) @ 50%	5.1	Critical
Sacramento Valley Water Year Type Index (40-30-30) @ 90%	3.7	Critical
San Joaquin Valley Water Year Type Index (60-20-20) @ 50%	1.5	Critical
San Joaquin Valley Water Year Type Index (60-20-20) @ 75%	1.1	Critical

(3) For more information see Sacramento & San Joaquin Valley Water Year Type Index forecast: Latest | Previous
(Issued monthly from December 1 through May 1)

California water sales

- Water sales likely for 2015
  - Water Prices $150/acre-foot higher than 2014
  - Rice market $100/mt below last year
- Buyers offering $650/acre-ft.
  - Equivalent to $541/ML
- Rice price equivalent for BE to water sale
  - 2014 / $19.38 O.L.
  - 2015 / $26.15 O.L.
- Final water allocations and planting decision not expected until April.

CA Water Sales Proforma

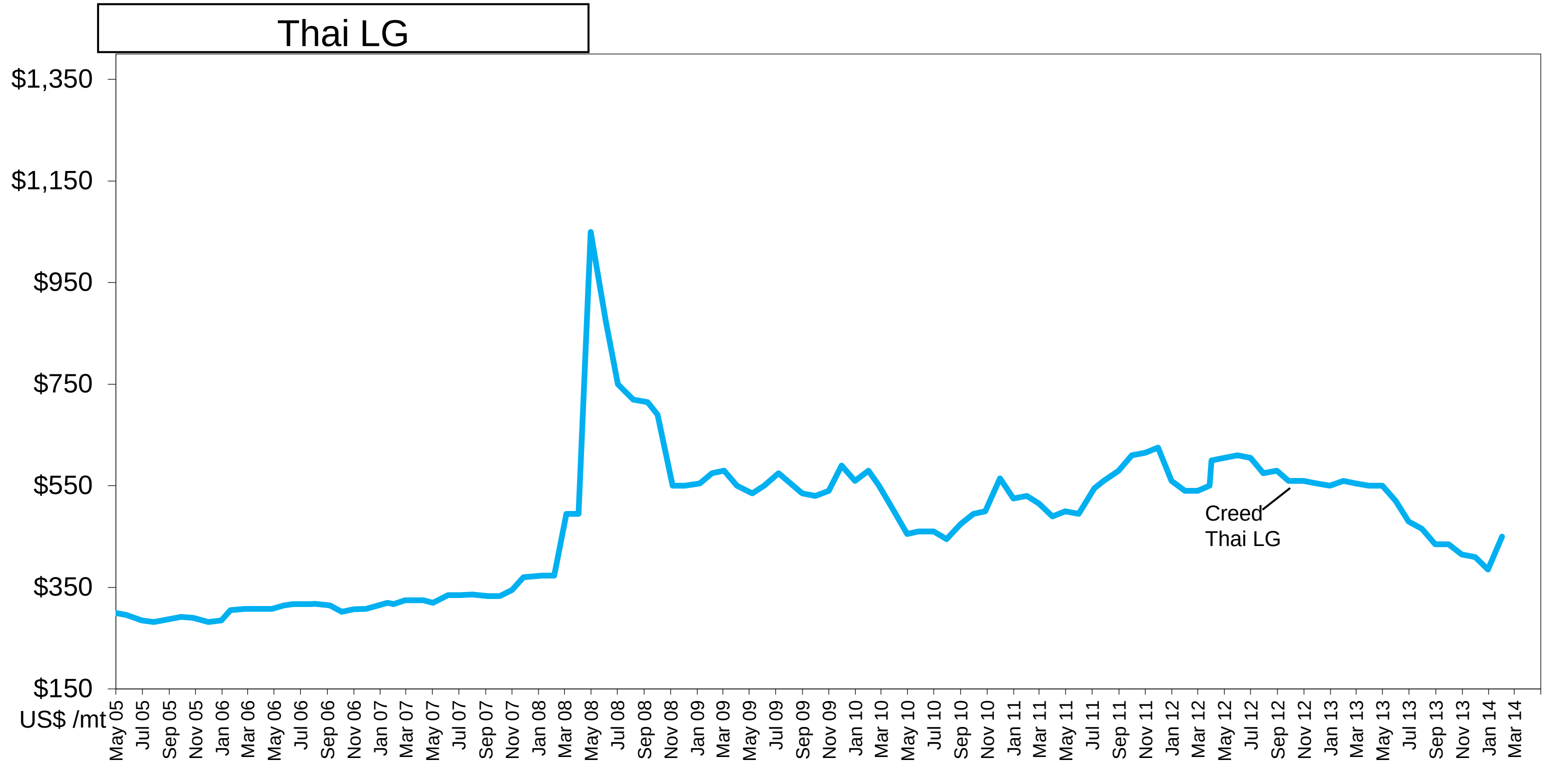
SELL WATER	**CY 2014**	**CY 2015**
Sales Price	$500	$650
Depletion Factor	12%	12%
Net Price	$440	$572
Crop Factor	5.0	5.0
Revenue/Acre	$2,200	$2,860
OR SELL RICE…		
Comp Revenue	$2,200	$2,860
Yield/Ac	85	85
Rice Price Needed	$25.88	$33.65
Less Loan Value	$6.50	$7.50
Premium Over Loan	$19.38	$26.15

Water Allocation announcement - 1-April 2015

C13 Global pricing – Long Grain

Creed – Thai LG Prices

2005 – 2013 US$/t (FOB)



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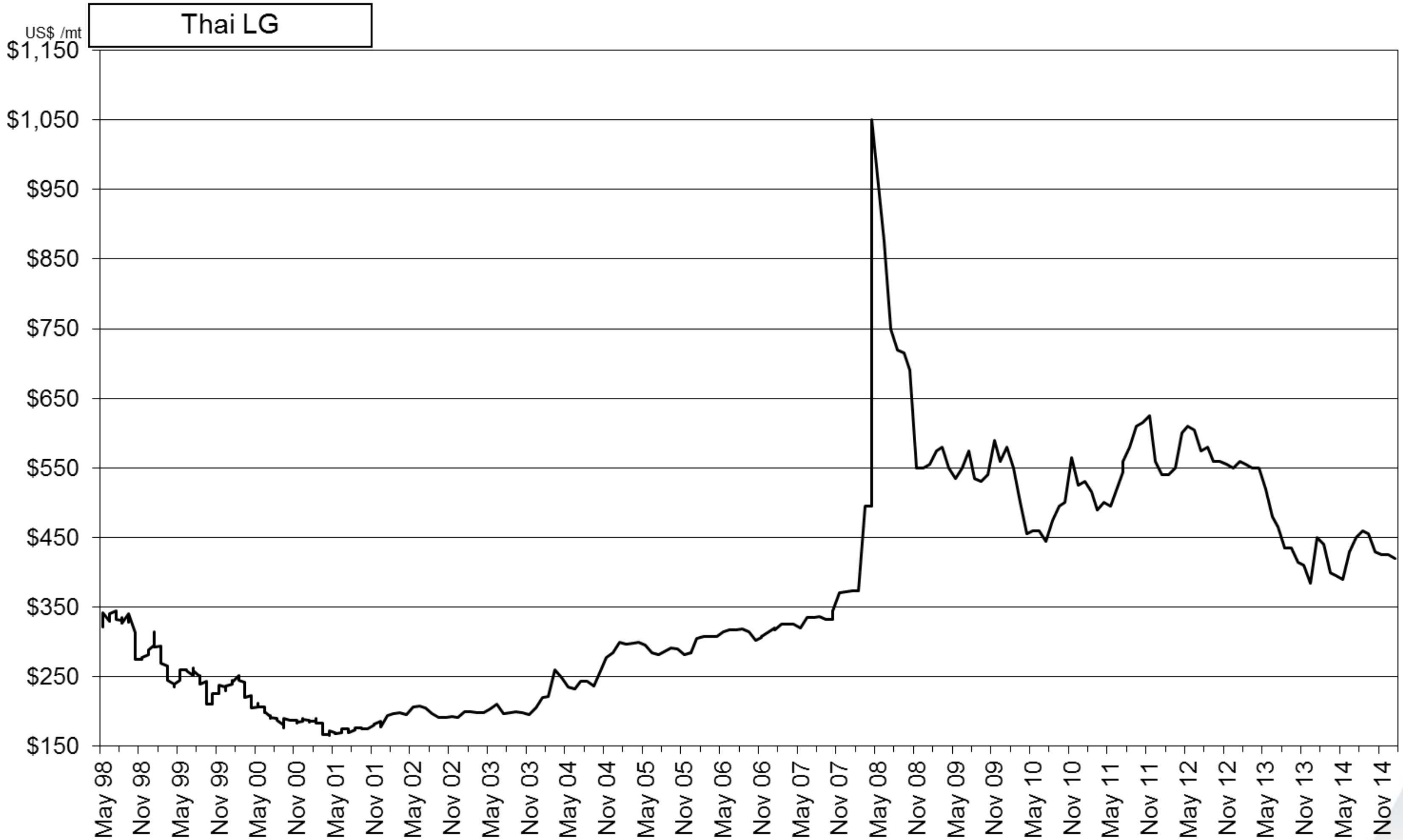
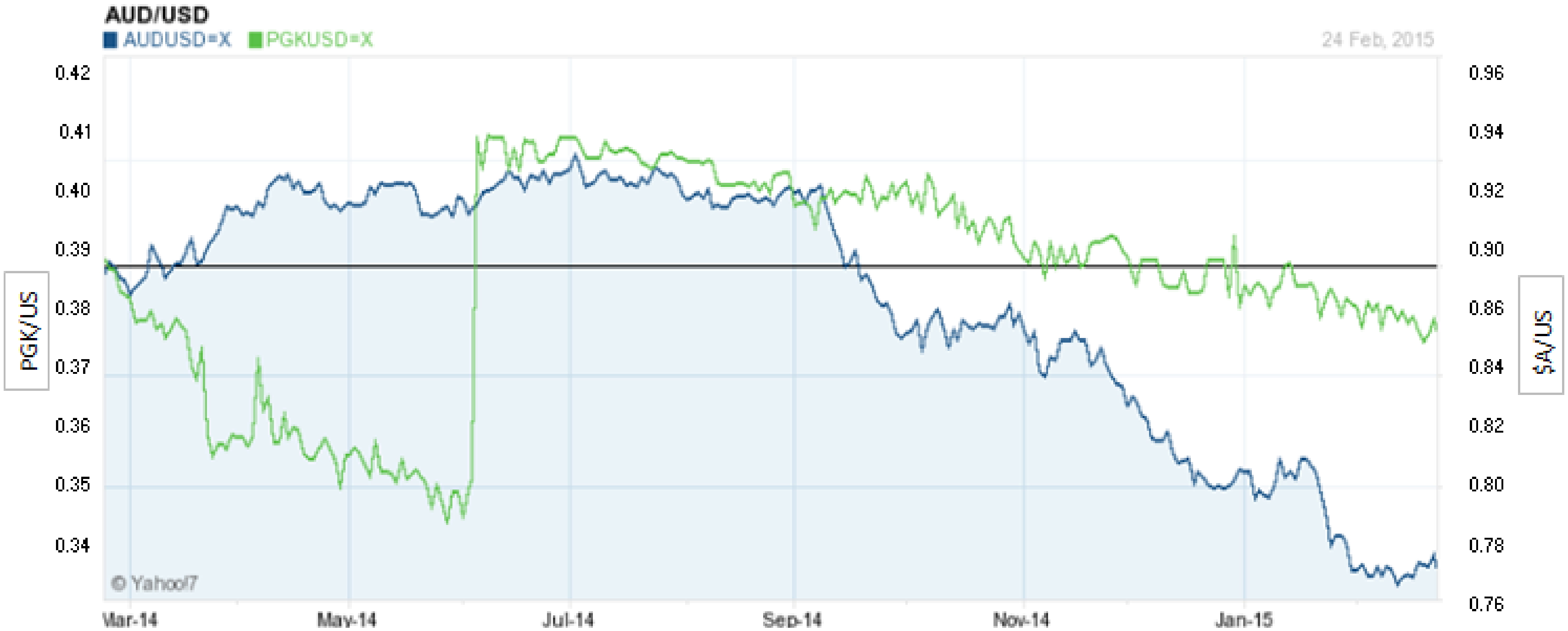


Creed Thai LG 100% B, US$ per mt FOB Vessel Bangkok

Supply: Demand summary

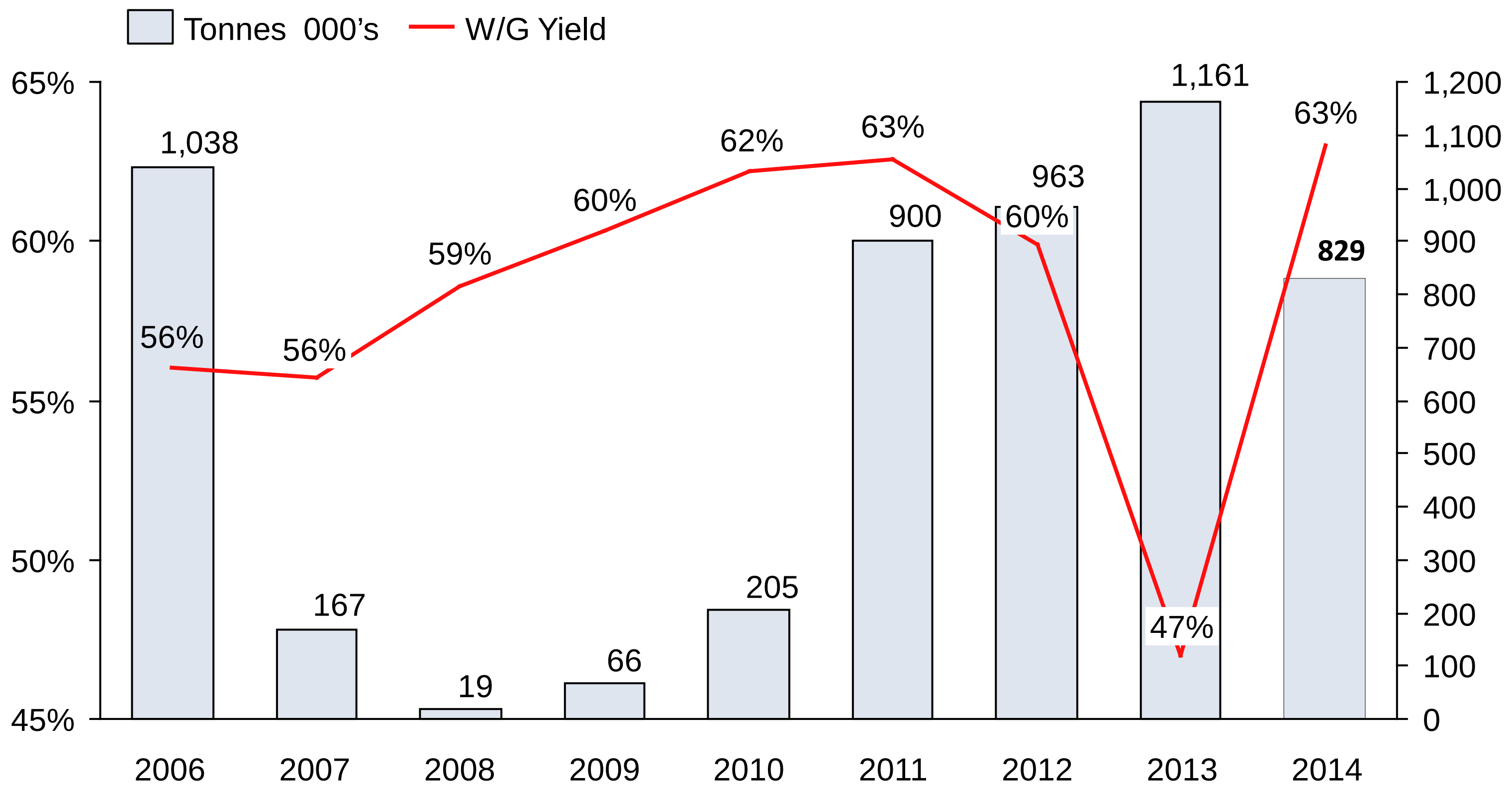
- Long Grain is heavily over supplied and price is bearish
- Medium Grain markets are holding high inventory
- California likely to be in drought
- Other MG exporters emerging i.e. Vietnam and China

Foreign exchange movements delivering mixed results



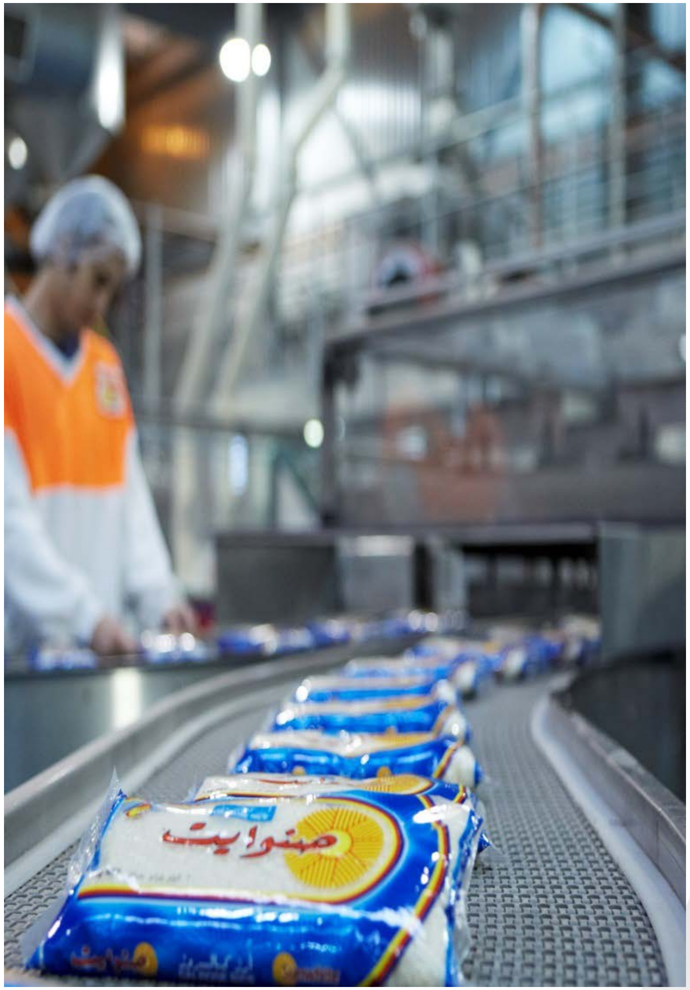
C14 - significant improvement in paddy quality

Whole Grain Milling Yield
2005-2014, %



Overhead recoveries

- Coleambally Mill placed into Care and Maintenance
- Other cost cutting measures will be considered
- We will trade a significant volume of rice this year



Pricing summary

World Rice Prices

Foreign Exchange

Milling Yields

Crop Size

NEW PRODUCT DEVELOPMENT

New Product Development

- **NPD a significant driver of incremental growth for SunRice:**
  - Over 30 new products launched in C14
  - Driving significant growth and diversifying the portfolio
- **Our Global team leveraging consumer trends to build branded premiums and value-added innovation:**
  - Healthier eating, driving appeal for Rice and Rice based value added products
  - Consumer desire for greater transparency has seen provenance trend grow
  - Move towards authenticity building continued growth in rice based cuisines, particularly Asian, Mexican and Middle Eastern

New Product Development (cont'd)

- **Core Rice:**
  - New Rice & Lentils blend launched
  - Relaunch of Food Service range
- **Microwave Rice:**
  - Single Serve format launched
  - Health & Wellbeing range expanded into Cup format
  - Global Kitchen flavoured range launched
- **Snacking:**
  - Entered the Salty Snacks category with launch of Brown Rice Chips
  - Expanded range offer to continue growth in Kids Mini Cakes and Rice & Grain Squares
- **Ready to Go:**
  - Introduced new Rice Noodle based meals
  - Next month will enter the Snack market with SunRice Street Snack range

INDUSTRY OUTLOOK

Rice continues to be an attractive prospect for C16

- Price prospects are positive for C16
- Independent analysis recently updated by Booth Associates based on current crop prices shows profit and returns on capital are superior for rice
- Compared to other summer crops, rice:
  - Is resilient to our variable climate, as demonstrated in C14
  - Is less costly to grow and requires less capital investment
  - Is a great fit in a sustainable farming system
  - Allows flexibility to pay for crop inputs via Grower Deduction Authorities
  - Provides predictable, reliable and safe cash flow. We are also able to utilise our competitive borrowing costs and time our payments to benefit growers
- We want to make it easier and more attractive for you to grow rice. Options being considered include:
  - Providing rice market and price outlook earlier and more frequently
  - A very early crop payment during the growing season to assist with purchase of crop inputs
  - Following feedback on intake rates, reviewing the cost of improvements to relevant infrastructure and assessing opportunities to further improve the levels of grower services

QUESTIONS