



## NSX ANNOUNCEMENT

25 August 2017

### SunRice AGM: Stronger Profit Outlook for FY18\*

- **FY18 Net Profit after Tax (NPAT) presently anticipated to be around \$40 million**
- **Market conditions improving and strong business performance since start of FY18**
- **C17 paddy price outlook is \$320-360/tonne (medium grain)**

SunRice today held its 2017 Annual General Meeting in Jerilderie, at which issues addressed included: provision of FY18 profit guidance; current market conditions; and C17 paddy price outlook.

#### FY18 Guidance

The SunRice Group has performed strongly since the start of the year, including Trukai and also CopRice, which is benefitting from a gradual recovery in the dairy industry. SunRice currently anticipates that NPAT for FY18 will be around \$40 million, but this will be dependent on market conditions and factors such as: trends in global rice markets; exchange rate movements, including issues specific to the PNG Kina; and conditions in key markets over the remainder of FY18.

#### Paddy Price Outlook

While FY17 was characterised by a challenging trading environment, signals indicate the global rice market is moving beyond the bottom of the cycle. Medium grain rice prices are improving, largely driven by a short supply situation in the California market. The medium grain cash paddy price in the California market has increased 40% since March, and Japan tender prices are expected to open around US\$745/tonne\*\* in October, up from US\$530/tonne in March.

SunRice is confident of achieving the C17 paddy price range of \$320-360/tonne (medium grain: Reiziq), but market factors and trends will need to continue to be in SunRice's favour for the upper-end of this range to be realised. In line with SunRice's strategy to encourage our growers to improve returns through planting higher value varieties, we have announced attractive fixed price contracts for C18 for varieties such as Koshihikari (\$520/tonne), Doongara (\$450/tonne) and Reiziq (\$360/tonne).

#### AGM Resolution Results

A Class Shareholders today voted on three resolutions at the AGM, with the results as follows:

RESOLUTION	OUTCOME
1. Remuneration report	Carried
2. Change definition to 'Approved Entity'	Carried
3. Directors' participation in Grower Share Purchase Plan	Carried

\* FY18 is present Financial Year ending 30 April 2018, in which rice crop harvested in 2017 (C17) is marketed

\*\* Source: Creed Rice Market Report