



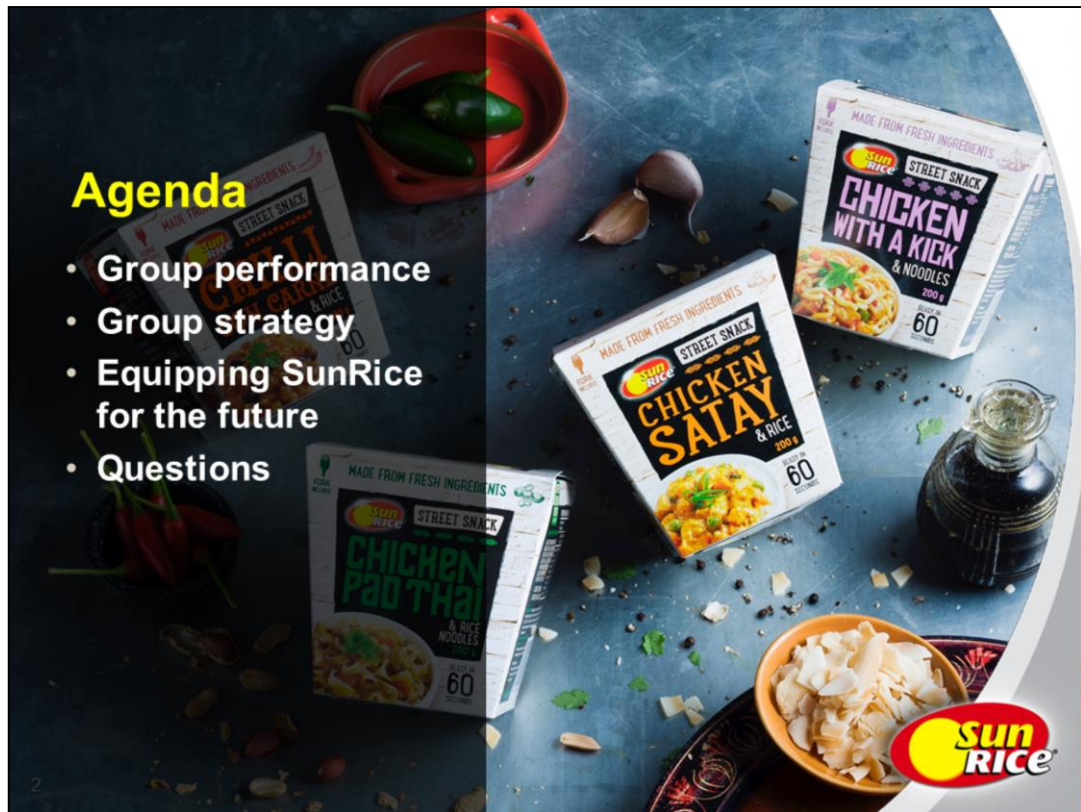
2015 SunRice AGM Reaping the rewards of investment

Rob Gordon
Chief Executive Officer
21 August 2015

Thank you Laurie. Good morning everyone. I am delighted to be here today.

As Laurie mentioned, SunRice had another strong year in 2014/15, delivering an outstanding set of results. It's pleasing to report that over the past 12 months we have successfully strengthened our position as a global food group and established a platform for accelerated growth. As a result, SunRice and our growers and shareholders are in an enviable position and there is much to look forward to.

Before sharing some of the detail regarding our performance, I'd like to outline the topics I will cover in my presentation today.



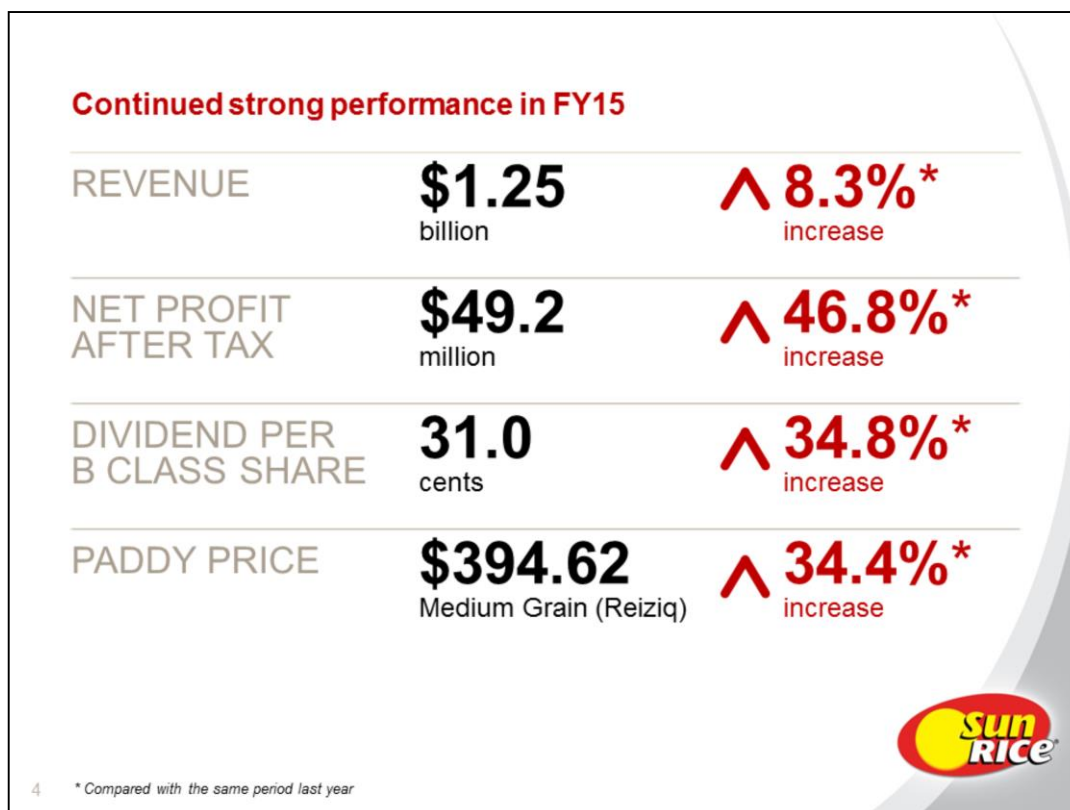
Firstly, I will look at the performance of the Group for Financial Year 2014/15, or Crop Year 14, including an overview of the year's financial and business highlights. For the purposes of today, I will refer to this period as FY15.

I will then provide an update on our Group Strategy, including achievements and results since its introduction in FY12.

I'd like to finish by expanding on Laurie's address to provide an insight as to how we are looking to equip SunRice for the future, for the benefit of all stakeholders including our growers, shareholders, employees and the many communities which we help to sustain.



Firstly to Group performance.



On the screen are our headline financial results for FY15.

Consolidated revenue reached \$1.25 billion, up 8.3% on FY14. Net profit after tax for the full year was \$49.2 million, up 46.8% compared to the year prior.

As Laurie has already covered, B Class shareholders received a record fully franked total dividend of 31 cents per share in FY15. This included a special dividend of 5 cents per B Class Share paid in January 2015. The dividend payment is a 34.8% increase compared with the same period last year and represents a dividend payout ratio of 40% and a dividend yield of 6.7%.

The final paddy price of \$394.62 per tonne for medium grain (Reiziq) paid in FY15 is a 34.4% increase on the previous year; while the \$524.62 per tonne for Koshihikari is up 30%.

These are an exceptionally strong set of results and it is particularly pleasing to improve returns for both our A and B class shareholders.

I'd like to now provide further detail on our operating performance and the drivers that have underpinned our results this past year.

FY15: Business highlights

Paddy price

- Delivered more than \$330 million in payments to our growers
- Strong price driven by performance of our Rice Pool business

Group profit

- Successful execution of our strategy to grow sales in value added, branded products
- Performance driven by improved capacity and capability across the Group
- Capital investment program of recent years has supported this growth
- Global businesses contributed to the profit improvement

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Driving the full year performance was the successful execution of the Group's strategy to focus on premium branded markets and build capacity and capability across the organisation to deliver strong results for both the Rice Pool and Profit businesses.

Looking firstly at the Rice Pool business which drives the returns to growers in the form of paddy payments. The business delivered another solid year of performance, driven by impressive sales and profit growth across international markets. When combined with improved milling yields for the C14 crop and strong global pricing, this had a positive effect on the paddy price.

Our achievements in overseas markets throughout the year included the implementation of our Pan-Arab growth strategy, which resulted in significant year-on-year revenue growth of 41% in the highly-competitive Middle East region. We recorded strong volume and profit performance in Asia despite challenging pricing dynamics in several markets; and we also continued to achieve gains in volume and profits across the Pacific.

To add to Laurie's earlier comments, it is particularly pleasing to have delivered such a strong paddy price in C14, with total payments of more than \$330 million to our growers and A Class shareholders demonstrating SunRice's ability to generate the best possible returns.

Turning to the Profit businesses, the success of our strategy to focus on premium

branded markets continued in FY15 and this was underpinned by our investment in consumer-insights research, improved business capability and the establishment of Centres of Excellence in new product development and marketing.

In domestic markets, innovation continued to be a key driver for success as we exceeded sales targets across key categories. These results were achieved in a dynamic trading environment that included ongoing pressure from private label and aggressive discounting.

We continued to focus on product innovation and brand investment to extend our market presence. This was highlighted by the launch of 13 new products, including the new 100% wholegrain brown rice chips, which has successfully opened a new segment for SunRice in the health food aisle of major retailers.

In this past year, we also achieved significant volume growth across our microwave rice category through new packaging and positioning initiatives; further growth in our snacking business; and an increase in market share across our core rice categories.

Overall, our subsidiary and complementary Profit businesses achieved strong results in FY15, despite political instability, currency fluctuations and market access in key regions impacting the performance of several businesses.

Trukai Industries delivered a solid financial performance through revitalised branding, improved distributor relationships and currency management. Following the rapid growth of Trukai's market share in FY14, the company achieved a further 3% increase in sales volumes this past year, with key drivers including updated product positioning and brand investment, coupled with supply chain improvements.

A strategic focus on sustainable margins and cost control delivered a significant turnaround in profit performance for our import business Riviana Foods in FY15, following the prior year's currency related challenges. A suite of changes were executed around pricing and portfolio management, as well as sales, operations and the supply chain functions. Pleasingly, at year end, these changes delivered a strong result, with a year-on-year uplift in Net profit before tax and an underlying final result consistent with those delivered in the years prior to FY14 .

In CopRice, capital investment and product development underpinned a fourth consecutive year of revenue growth, however overall profit performance was impacted by challenging conditions in the first half.

SunFoods continued to build momentum in FY15 to secure sales and profit increases across the U.S. mainland. However, difficult operating conditions including drought and export shipments being impacted by industrial action in the U.S. resulted in the business finishing the year still in a loss making position, in

spite of improved profitability compared with the prior year.

Supporting all of this growth across the Group has been the company's capital investment program. \$34 million was invested in capital expenditure in FY15 alone to build operational capacity. This included equipment upgrades and process improvements at the Leeton rice cakes and packaging plants; and the commissioning of the new \$9 million steamed rice retort production facility in Leeton, which has allowed the company to repatriate steamed rice production to the Riverina from Thailand, securing additional employment to further demonstrate our commitment to rural Australia.

This investment in capital expenditure is already delivering improvements in productivity and efficiency, while reducing costs and ensuring the business is able to benefit from a greater ability to process and add value to our Australian crop.

FY16: Overall positive outlook with some challenges

Paddy price

- C15 harvest complete. Production of 690,000 tonnes
- Anticipated C15 paddy return likely to be in the range of \$360-\$380/t for Medium Grain (Reiziq)

Group profit after tax

- Group profit anticipated to be broadly in line with FY15 result, subject to continuation of existing market conditions

Further guidance to be provided at the Half Year in December



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If we now turn to the immediate outlook for the current financial year; and firstly to the paddy price.

As Laurie outlined in his address, the C15 harvest was successfully completed with our growers delivering 690,000 tonnes.

The positive market outlook for the year ahead is reflected in the C15 indicative return, which is anticipated to be in the range of \$360-\$380 per tonne for Medium Grain (Reiziq). This is a strong return and with the potential for further positive movement in the price subject to market conditions, we trust our growers will be encouraged by these indicators.

Moving to the outlook for Group profit in FY16. We are pleased to report we expect to maintain our strong financial performance this year, with profit likely to be in line with the results we've just shared, subject to the continuation of existing market conditions.

Importantly, we continue to closely monitor a number of issues which impacted the risk profile for Trukai in the past year, including the liquidity of the Kina and the announcement by the PNG Government of its intent to develop a National Rice Policy that seeks to align investment in the local industry with the right to import rice. We also note recent reports of a further deterioration in the economic outlook for PNG, largely due to lower energy prices.

In the Riverina, we are very conscious of water availability and pricing ahead of the next planting and while continuing to encourage local production, we are also putting in place contingency plans for a smaller crop than the one delivered this year.

Further guidance on financial performance will be provided at the Half Year in December.



I'd like to now focus on our Group Strategy.



On the screen are the key elements of our Group Strategic Framework, some of which you would be familiar with from our recent Annual Reports.

Three years ago we developed a meticulous and ambitious strategy for the Group, designed to secure our future profitability and resilience. As you can see, we are focused on four Strategic Goals which are to:

- Substantially increase annual revenue within the next 10 years;
- Maximise grower returns by optimising market, channel and varietal mix;
- Grow shareholder value and increase resilience of earnings by pursuing diversified and stable growth; and
- Maintain or improve Return on Capital Employed.

I will shortly provide you with an update on performance against these strategic goals. For now, I'd like to speak about our six Value Drivers in the yellow section on screen. These are the key sources of our differentiation and competitive advantage.

- Firstly, our World Class Rice. We have clean, green, sustainable and non-genetically modified rice; and we are at the cutting edge of rice breeding and research; and have leading edge processing and packaging.

- Secondly, our Integrated Supply Chain. We possess end-to-end capability, from the paddock to the plate, which affords us a number of competitive advantages, particularly given the growing importance consumers are placing on quality and provenance.
- Thirdly is our Consumer Led Innovation. We have the ability to rapidly bring to market insights from our customers and markets and we connect the knowledge of food and crops to what the consumer ultimately wants.
- Next is our Customer Focus. We manage all our customer relationships to a world class standard and are focused on delivering value to them.
- Then comes our Distributor Management capabilities. We use the best regional partners and network of distributors and agents to leverage these relationships for greater in-market success, including in regions with strong growth in population and GDP, placing us in an enviable position.
- And finally, our move towards a High Performance Culture, which is focused around a “one SunRice, one business” mindset to ensure we are performing both as individual employees and collectively as a Group.

The final row on the framework are our six Strategic Priorities, which are designed to drive the achievement of our Goals. While I'll provide more detail on these on the next slide, our priorities are tailored to each business in the Group and are united by our company mission to transform nature's goodness into healthy, enjoyable and nutritious foods that meet the needs of discerning consumers around the world.

Delivering on our strategic priorities



Establish a Secure and Sustainable Supply Base

- Encouraging Riverina production – **43.5%** increase in paddy price since FY12
- Expanding global sourcing – more than **843,000 tonnes** secured since FY11
- Investing in new regions – Brandon, QLD (plans for **50,000 tonnes** by 2020) and three trial sites in PNG with plans to expand commercial production of local rice



Premiumise Commodity Markets

- Rice Pool business has increased branded sales by **42%** between FY11 and FY15
- Significant growth in ANZ food service market and higher value branded markets internationally

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Over the past three years post-drought, we have invested significantly in plant and equipment, talent and capability, and products and brands across the Group. In the execution of the Group Strategy, we have deliberately transitioned from bulk to branded sales in key global markets with capability and expertise in taking value added products to high growth markets using our established global distribution networks.

In line with each of the six priorities of the Strategy, we have achieved a significant number of gains, some of which are on the screen. These include:

- Establishing a secure and sustainable supply base, by firstly, encouraging Riverina production. This has included achieving a 43.5% increase in the paddy price since FY12. Then secondly, by expanding global sourcing, with the equivalent of more than 843,000 paddy tonnes secured from international sources since FY11. And finally, by investing in new regions, which includes the acquisition of Blue Ribbon Rice in North Queensland and the rice development program in Papua New Guinea.
- The next priority is premiumising commodity markets, which has included achieving significant growth in the Australia New Zealand food service market and sales in higher value branded markets internationally. Of particular note here is the 42% increase in branded sales of Australian rice we've achieved, which delivers value to our growers in the form of higher paddy pricing.

Delivering on our strategic priorities



Differentiate & Build Value in Domestic Consumer Markets

- Revitalised domestic product offering
- Boosted retail rice market share in FY15 through consumer-led innovation from 52% to 57% (moving annual total)
- Achieved net sales growth of 12% across the major retailers in FY15



Build Presence in High Growth Consumer Markets

- Reinvigorated the Sunwhite brand across the Middle East to deliver 41% revenue growth in FY15
- Increased sales across the Pacific, delivering a 40% increase in profit in FY15
- Leveraged long standing brand presence in Hong Kong and Singapore to launch Pan-Asia strategy into high growth South East Asia markets

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- In relation to the third strategic priority - differentiating and building value in domestic consumer markets - achievements have included revitalising our domestic product offering and boosting retail rice market share in FY15 from 52% to 57% through consumer-led innovation. We also achieved net sales growth of 12% across the major national retailers this past year via fully integrated retailer joint business planning combined with an innovation and communication program.
- To the next strategic priority, building presence in high growth consumer markets. Examples of progress here include reinvigorating the Sunwhite brand across the Middle East and growing sales across the Pacific to deliver substantial increases in revenue and profit, respectively. Again, many of these activities flow through to the paddy price for our Riverina growers.

Delivering on our strategic priorities



Diversify Earnings by Accelerating Growth of Profit Businesses

- Strategic investment by CopRice to pursue higher growth, higher margin animal feed segments
- Established stockfeed businesses in PNG and Solomon Islands
- Overall, SunRice has successfully diversified earnings as reflected in strong Group financial performance since FY12



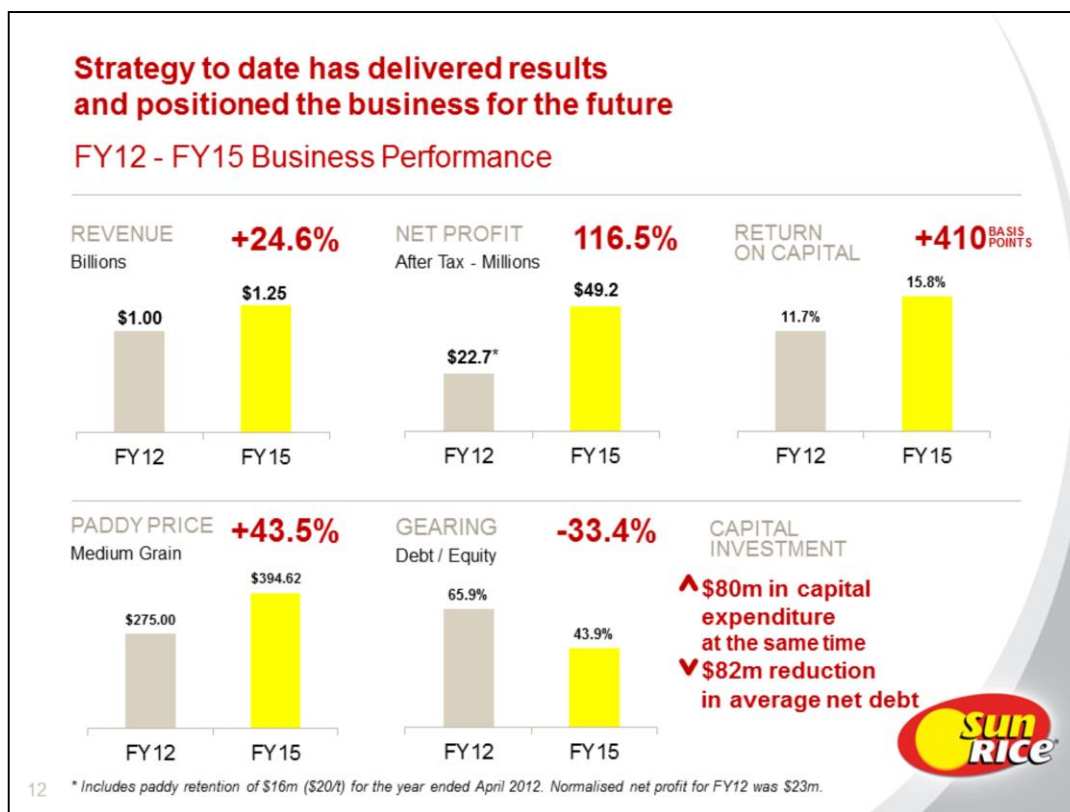
Operational Excellence through Efficiency & Innovation

- Return on capital employed (ROCE) has increased by 410 basis points to 15.8% since FY12. Reflects more than \$80m of capital expenditure
- Manufacturing costs per tonne have reduced by 15% since FY12
- Throughput and efficiency gains have been achieved across Operations

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- In terms of our priority to diversify earnings by accelerating growth of our Profit businesses, some of the highlights have included CopRice's strategic investment to pursue higher growth, higher margin animal feed segments; and elsewhere, establishing stockfeed businesses in Papua New Guinea and the Solomon Islands. Overall, our ability to diversify Group earnings is reflected in our financial performance in recent years, which I will cover in more detail next.
- To the last of our six strategic priorities, achieving operational excellence through efficiency and innovation. Progress against this priority has included a 410 basis point increase in Return on Capital Employed to 15.8% since FY12 and a 15% reduction in manufacturing costs per tonne over the same period.

Pleasingly, these and other achievements against the Group Strategy have seen us exceed our expectations.



In the three year period since introducing the Group Strategy we have increased Group revenue by \$0.25 billion or 24.6%, with a strong compound annual growth rate of 7.6%. We have established a new level of profitability, with net profit after tax having increased by \$26.5 million or 116.5%.

As I just mentioned, our Return on Capital Employed has increased substantially, reflecting more than \$80 million invested in capital expenditure aligned to plant efficiencies and market opportunities across the Group. At the same time, we have strengthened our balance sheet by reducing our average net debt by \$82 million and improving gearing levels, with our Debt to Equity ratio falling by 33.4% to 43.9% in FY15. Our Debt to Debt plus Equity ratio has also fallen from 39.7% to 30.5% over the same period.

Over the past three years we have optimised value for both grower and investor shareholders. Rice pool payments for Medium Grain (Reiziq) have increased by 43.5% in that time, representing an additional \$120 million paid to our growers and A Class shareholders. Varietal premiums have also increased for Koshihikari and other specialty rices to encourage their production.

Similarly, the dividend paid per B Class Share has increased by 72% since FY12, with a 40% dividend payout ratio for our B Class shareholders this past year.

Following three years of strategic investment, SunRice is well advanced in the execution of its growth agenda. We are adding value, innovating and fulfilling our potential as an Australian agricultural icon in a way few companies can lay claim to.

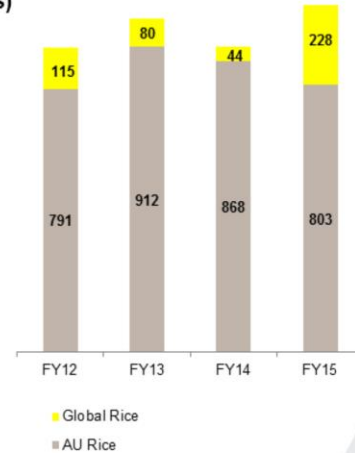


With shareholder and grower support, we are now well positioned for change that enables us to deliver further value in the years ahead, which leads me to the next section of my presentation, equipping SunRice for the future.

The strategic opportunity

- Vision to be an Australian-owned organisation successfully competing in a dynamic global business environment
- Riverina rice is placed in the best markets
- International presence with integrated supply chains in a number of different countries
- Further diversify the Group's earnings
- Leverage our expertise and capabilities
- Build on strong brand and reputation

Rice sales volumes (paddy equivalent tonnes)
FY12-FY15
(000's)



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A significant opportunity now exists to build on the gains we have made. We have a vision to firmly remain an Australian-owned company successfully competing in a dynamic global business environment which includes increasing competition from large multi-national agribusinesses.

It is clear that SunRice is now in a position of strength. We have well and truly moved beyond drought to absolute growth across our domestic and international markets. You can see from the chart on the right of screen that we have achieved consistent growth in rice sales post drought and, as I will expand on shortly, with demand increasing across key markets, so will our need for more rice.

While access to Riverina rice will always be fundamental to SunRice and we continue to commercially encourage local production, global customers have an expectation that SunRice will continue to supply rice, irrespective of Australian conditions. The ability to fulfil this expectation is in the best interests of growers and shareholders as it will ensure we reduce business risk and remain resilient against all manner of potential shocks, including drought and economic volatility. Building branded presence and growing demand beyond the Riverina supply base will also put us in a powerful position to either place a larger Riverina crop in the best returning markets or accommodate a smaller crop through trading. I will talk briefly about our strategies in this area shortly.

In looking to the future, a number of potential opportunities have been identified across the Group to diversify earnings and achieve stable growth. These include

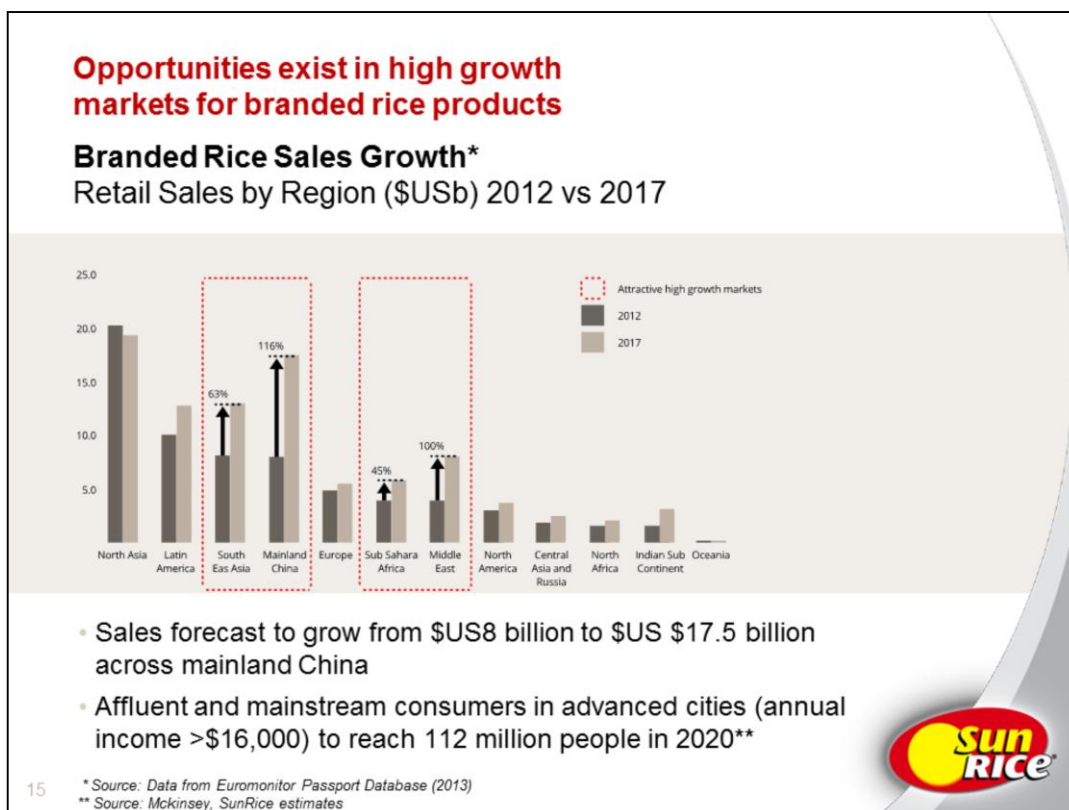
expanding our international footprint by establishing joint ventures and strategic alliances to launch rice businesses in other global locations in order to underpin participation in new international markets. And also considering the acquisition of complementary food companies in regions that enhance our food service and retail offerings.

There is the potential to increase CopRice's scale in supplementary dairy feed, with the global dairy industry forecast to grow from 375 billion litres today to more than 500 billion litres by 2024.

Multiple opportunities also exist for us to utilise our global supply chain, new product development and marketing expertise, and our subsidiary portfolio to seek to deliver growth for both the Rice Pool and Profit businesses.

These include building on our existing supply chain network and expertise to extend our 'Pan-Arab' Sunwhite brand into new rice varieties and adjacent categories and to drive growth across consumer categories in Asia and the Pacific. And there is the potential to expand the current Pacific stockfeed business into new geographies.

Opportunities also exist to build on our strong brand and reputation for quality and provenance across a number of high growth markets, which I will now expand on.

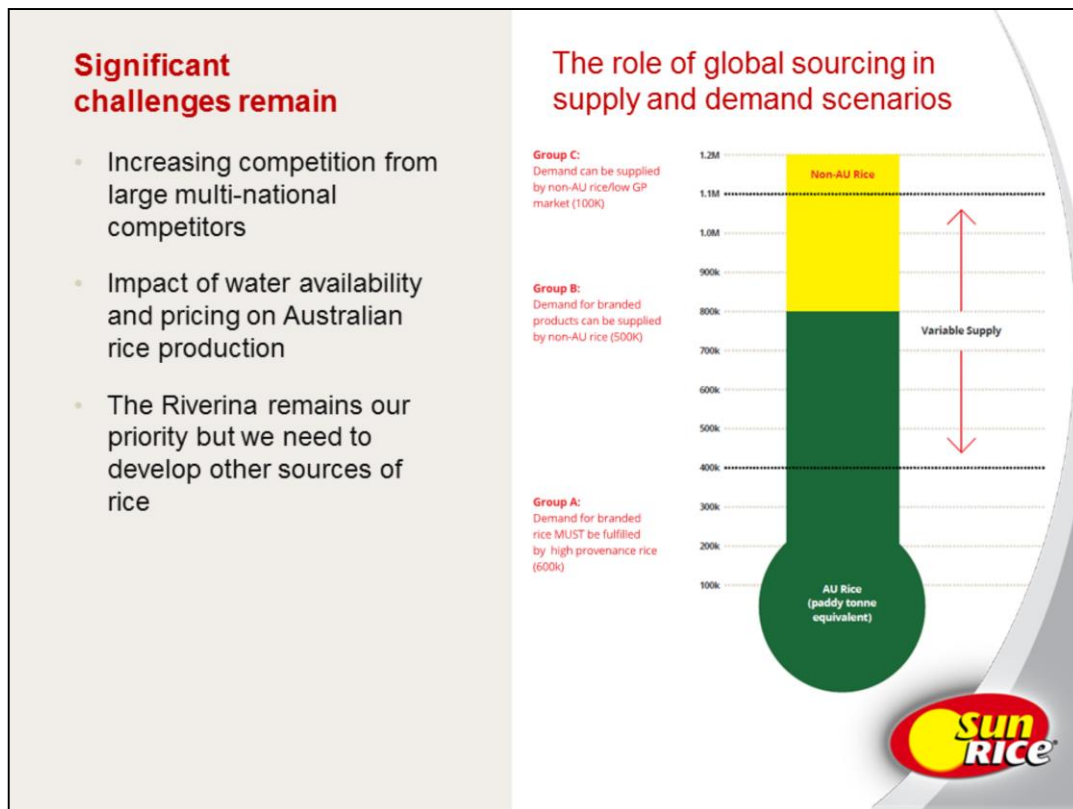


On screen is the forecast growth for branded rice sales for the five year period between 2012 to 2017 in various regions. In that time, sales are forecast to grow by more than 100% from \$US8 billion to \$US17.5 billion across mainland China alone. High growth is also forecast for South East Asia, the Middle East and Sub Saharan Africa.

Looking at China further, the number of affluent and mainstream consumers in advanced cities is expected to reach 112 million people in 2020, with the total volume of rice consumption by this group expected to reach four million tonnes at that time. These are just some of the consumers across these high growth regions that place a value on provenance – safe, clean and green foods – and are willing to pay a premium for it. That means we need more Australian rice.

With rice a fundamental part of consumer diets in these regions as opposed to a meal accompaniment, there exists enormous opportunities for us to grow our presence in existing markets and to enter new ones. These include leveraging our existing positions in core branded markets such as Hong Kong and Singapore and those in the Middle East; and improving product packaging and marketing capability to enable additional market share growth across retail segments.

However, with these exciting opportunities, also comes some challenges, which I'd like to now discuss in further detail.



As I outlined in the previous two slides, there are a wide number of opportunities for SunRice. However, we aren't the only company pursuing these. There is significant consolidation happening across the food and agriculture industries in Australia and around the world. Large global agribusinesses have acquired a range of domestic companies in Australia in recent years, leveraging the value of these businesses as part of their global networks and footprint. The same is true in off-shore markets, with multinationals making aggressive bids for peer companies to build competitiveness.

An example of the dynamic business environment is the anticipated move by a major Asian food player to extend its presence in Papua New Guinea by moving into the country's rice industry.

At the same time, we are facing a changing policy and natural environment, in which there is increasing competition for reduced water resources. With global demand for rice continuing to grow, so will the gap in the supply and demand equation. The diagram on right of screen illustrates the increasingly important role of global sourcing in ensuring we can address the imbalance.

At more than 1 million tonnes, current SunRice demand is already larger than can be consistently supplied from the Riverina. While we will continue to do everything possible to encourage local production, supplementing Australian-grown rice with reliable long-term overseas sources of quality rice remains a key strategic focus to grow the business and underpin premium returns for grower

shareholders and trading profits for investor shareholders.

With this in mind, we are also focused on securing additional sustainable supply bases, developing additional trading arrangements and leveraging our sales and marketing capabilities with the intention of providing opportunities for growth into existing and new markets.

Given the changing landscape and issues such as water availability, our growers have had to make changes to their businesses to adapt. Now we as a company must adapt in the same way.

Changing the way we fund SunRice to exploit opportunities and overcome challenges

- Investment is required to build a stronger, independent, Australian controlled food business of scale
- This investment will require access to a larger pool of equity capital
- The listing of the SunRice Fund on the ASX will provide this access
- Benefits include:
 - Improved ability to raise equity capital at more attractive rates when we need it to support growth opportunities for the benefit of **all** shareholders
 - Expected enhanced liquidity for B Class shareholders
 - Potential for significant increase in security price for B Class shareholders over time
 - Importantly, it is able to deliver these outcomes while preserving the key features of our current structure, including **enduring A Class grower shareholder control**



To expand further on Laurie's address, investment is required to build a stronger, independent, Australian-controlled food business of scale that has a better ability to compete with multinationals and greater resilience to accommodate local production constraints.

This investment will require access to a larger pool of equity capital than can be expected to come from just existing shareholders. Our ability to raise equity capital is currently limited to a restricted group of around 2,200 shareholders. While this structure served the company well on conversion from a cooperative to a company, it is unlikely to be able to provide all of the new equity capital needed to fund the next phase of growth for a company of our size.

As you know we have been working on a potential new capital structure that would see the listing of a SunRice Fund on the ASX, Australia's largest securities exchange. This would provide access to a significantly larger pool of investors in Australia, adding to our pool of existing shareholders. This last point is an important one. We absolutely want your investment in SunRice and will be encouraging you at every point. However we require access to additional capital sources to fund any shortfall.

In the Board's view, listing a SunRice Fund on the ASX would bring benefits to SunRice and its shareholders that are not available through the NSX. These include:

- An improved ability to access equity capital in a timely manner when we need it and at more attractive rates than are currently available to support our growth opportunities.
- This improved ability to raise capital is expected to allow us to manage business risk and pursue new markets and activities that in turn flow through to improved paddy returns per tonne for A Class shareholders and growers.
- For B Class shareholders - and I note many of you hold B Class shares - building a stronger company is also expected to deliver dividend and capital growth. A listing on the ASX is also expected to provide enhanced liquidity and an improved market value for SunRice B Securities over time.
- Importantly, the potential new structure is able to achieve all of this while preserving grower shareholder control, not for just a short period of time but on an ongoing basis, as it is today.

I hope my presentation has given you an overview of what has been achieved and a sense of what's planned for the future. As I said at the beginning, there is much to look forward to. Few businesses have the opportunity to present a set of three-year results as robust as ours; nor the opportunity to secure the future from a position of such strength.



I would now be happy to take any questions or comments. Thank you.