



NSX ANNOUNCEMENT

22 April 2016

SunRice Offers Fixed Price Contract of \$400/tonne to Riverina Growers

To give Riverina growers greater certainty when making future planting and water allocation decisions, SunRice will offer a limited volume fixed price contract of \$400 per tonne for medium grain Reiziq and \$380 per tonne for Sherpa for crop to be harvested in 2017 (C17).

The contract will open on Monday 2 May 2016 for a limited volume. The contract will immediately close once the limited volume is reached. The contract will be administered on a first-in-first-served basis and a clear set of rules has been developed.

The traditional pool pricing system will continue to operate in parallel throughout the C17 rice season. As per usual, pool pricing and premiums for specialty varieties will be announced throughout the remainder of this year and into 2017.

The decision to offer a fixed price contract was made in response to requests from Riverina growers for earlier price signals and followed a rigorous Board review.

The fixed price contract setting of \$400/tonne for medium grain Reiziq should not be considered in any way as a forecast or guide as to the possible pricing level of traditional pool returns for C17.

Commenting on the decision to offer a fixed price contract, SunRice's Chairman, Mr Laurie Arthur, said:

"Independent research shows that on an overall farm system basis, return on capital from planting rice is compelling, particularly when compared with other commodities like wheat, canola and maize in the Riverina. Rice continues to maintain strong returns while other crops have experienced significant volatility in recent times, showing that rice has provided cash flow resilience against downward pricing trends for other crop commodities.

"We have significant demand for Australian rice and this contract is designed to ensure growers are able to make commercial decisions now to grow rice for C17 and participate in premium markets.

"SunRice wants our growers to confidently maintain rice as their summer crop of choice in the Riverina. The fixed price contract is designed to assist growers with their planning and to lock away some risk, while at the same time assisting SunRice to meet global demand for products made from high quality Australian-grown rice and to ensure a minimum quantity of rice production. This is in the best interests of the SunRice business as a whole, including both A and B Class Shareholders."