



NSX Announcement

4 October 2016

SunRice Group Recent Business Acquisitions

SunRice Moves to 100% Ownership of SunFoods

Ricegrowers Limited (SunRice) has moved from 65% to 100% ownership of SunFoods LLC (SunFoods), having acquired the minority interests in the Company.

SunFoods is a rice milling, packaging, distribution, sales and marketing company based in California, which was established in 2008 (during the Australian Millennium Drought). The Company operates across the US mainland and Hawaiian retail, distributor and food service channels, as well as in international tender markets. SunFoods is the owner of the medium grain Hinode brand that is ranged in 8,000 retail outlets. Over recent years, SunFoods has leveraged SunRice's expertise in consumer insights to revitalise and expand the Hinode brand's offering and to drive market share. SunFoods' assets include a rice mill and packaging plant with an annual production capacity of 200,000 tonnes. SunFoods provides flexible options for sourcing high quality rice for both domestic US and diversified international markets.

This acquisition satisfies one of SunRice's six strategic priorities: to establish secure and sustainable sources of supply to complement the Australian harvest, which is becoming increasingly critical given the demand for SunRice products continues to expand and the size of Australian rice crops continue to vary.

Riviana Acquires Fehlbergs Fine Foods

Riviana has acquired Fehlbergs Fine Foods (Fehlbergs), with the integration of the business anticipated to be completed in the first half of October 2016. Established in the early 1980s, Fehlbergs is a family owned business that ranges quality products in Australian supermarkets. Pickled Onions represents the core business and the Fehlbergs brand has a strong and growing position in the market. The business has experienced impressive growth over the past four years through step outs into Jalapenos and Gherkins, as well as gaining a number of private label contracts. Total sales in Financial Year 2016 exceeded \$4 million with strong operating profits.

Fehlbergs' business has demonstrable synergies with Riviana's operations and the acquisition represents a strategic and low risk transaction that offers immediate financial benefits and operational efficiencies.

There are synergies between the two businesses in the areas of manufacturing operations, importation and distribution processes, and brand and customer management activities. Strategically, Fehlbergs' product mix in Pickled Onions will fill a present gap in Riviana's Pickled Vegetable portfolio, and Riviana's sales and marketing activities will create opportunities for the Fehlbergs brand in new channels and with new customers.

This acquisition satisfies another one of SunRice's six strategic priorities: to differentiate and build value in domestic consumer markets.