

FORM: FINAL REPORT

NAME OF ISSUER:
RICEGROWERS LIMITED

ABN:
55 007 481 156

PRELIMINARY FINAL

**FINANCIAL YEAR ENDED
("CURRENT PERIOD"):**
30 APRIL 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

\$A,000

Revenue	Up	5.8%	to	1,177,286
Profit for the period (after tax)	Up	31.8%	to	45,121
Profit after tax for the period attributable to members of Ricegrowers Limited	Up	24.8%	to	42,695

COMMENTARY ON RESULTS FOR THE PERIOD

SunRice's consolidated revenue for the Group in FY18 was \$1.2 billion, a 6% increase compared to the previous year (FY17) and Net profit After Tax (NPAT) was \$45.1 million, a 32% increase compared to the previous year. Financial results were driven by a combination of several factors that included: the largest Riverina rice crop in three years; ongoing success of selling premium Riverina rice into high returning markets and sourcing rice offshore to satisfy demand in lower returning markets; a rebound in medium grain rice prices following a 10-year low; and a recovery in profitability experienced by Trukai, CopRice and Riviana.

Rice Pool:

The larger 2017 crop drove a 57% increase in Rice Pool revenue to \$440 million in FY18. The Rice Pool's ability to recover following the small 2016 crop and to place Riverina rice into key premium markets, highlights the importance of SunRice's global sourcing strategy of meeting demand and keeping markets open. The complementary nature of the Rice Pool and International Rice businesses continues to strengthen SunRice's ability to weather cyclical market downturns, as well as position the Company to take advantage of improving market conditions.

The strength and benefits of the Rice Pool saw a \$79 per tonne increase in the base C17 paddy price range during FY18, from \$300 per tonne when the Pool opened to \$378.66 per tonne at the close, rewarding those growers who supported the Pool in C17.

International Rice:

With international trading reduced by the larger 2017 Riverina crop being placed back into key export markets, International Rice revenue declined by 10% to \$457 million and net profit before tax (NPBT) decreased by 14% to \$24 million in FY18. SunRice exports from Vietnam are approaching 600,000 paddy tonnes equivalent a year, and we now represent over 5% of the country's rice exports.

Trukai regained momentum through repositioning price points and product quality, with the business re-establishing profitability and recovering market share. Over recent years, SunFoods has flexed supply depending on the size of the Riverina crop. While in 2016 SunFoods enabled SunRice to continue supplying Middle East markets, its supply volumes returned to more normal levels in FY18 due to the larger 2017 Riverina crop.

Rice Food:

Sales volumes and revenues for the Rice Food business remained relatively flat compared to last year, with revenue declining 5% to \$107 million and NPBT decreasing to \$2 million. The downturn in NPBT was due to a combination of unfavourable factors, including: increased competition from Vietnamese flour imports; and costs associated with the launch of Adult Mini cakes. Despite private label competition, SunRice remains the number one ranked brand by sales value in the microwave rice category in Australia, with market share growing to 50% and the category now generating almost half of this segment's sales revenue.

COMMENTARY ON RESULTS FOR THE PERIOD (CONTINUED)

Riviana:

Riviana achieved a 6% NPBT increase to \$9 million primarily as a result of the Fehlbergs' acquisition, a continued focus on controlling costs and driving the sales volumes of higher quality product.

CopRice:

CopRice NPBT experienced a positive turnaround of \$7 million, with revenue increasing 12% to \$111 million. A partial recovery in the dairy industry, coupled with reduced pasture levels, increased farmer demand for supplementary stockfeed, driving a return to profitability for CopRice in FY18. A 'back to basics' focus enabled the business to also benefit from increased demand for its direct-to-farm sheep products and reinvigorated engagement with key agricultural retail partners.

Corporate:

Performance recovered positively in FY18, driven by the return of Australian rice supply to service international markets following the larger 2017 crop.

Capital restructure:

In May 2018, SunRice announced plans to move the listing of its B Class Shares from the National Stock Exchange (NSX) to the Australian Securities Exchange (ASX) to improve access to external capital and support the Company's growth strategy. If approved by shareholders, the ASX listing will remove current B Class Share ownership restrictions and the 5% shareholding cap and allow anyone to invest in SunRice B Class Shares, up to a new maximum 10% shareholding cap. This will allow the Company to take advantage of investor appetite for Australian branded FMCG and agri-stocks, while retaining its dual class structure and A Class grower shareholder control.

DIVIDENDS

	Current period	Previous corresponding period
Franking rate applicable:	100%	100%
Final dividend		
Amount per security	33.0 cents	33.0 cents
Franked amount per security	33.0 cents	33.0 cents
Special dividend		
Amount per security	n/a	n/a
Franked amount per security	n/a	n/a

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

N/A

Date the dividend is payable:	31 July 2018
Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)	11 July 2018
If it is a final dividend, has it been declared?	Yes

The dividend or distribution plans shown below are in operation.

Ricegrowers Limited Dividend Reinvestment Plan (DRP).

Any other disclosures in relation to dividends or distributions.

N/A

NTA BACKING

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security (\$)	7.49	7.10

5 YEAR SUMMARY OF PERFORMANCE FOR YEARS ENDING 30 APRIL

Consolidated Group		2014	2015	2016	2017	2018
Gross Revenue	\$'000	1,150,963	1,246,215	1,270,152	1,112,815	1,177,286
Net Profit Before Tax	\$'000	54,039	70,650	73,172	40,289	62,862
Total Assets	\$'000	849,937	950,184	970,579	810,502	1,034,160
Total Liabilities	\$'000	525,917	586,328	580,351	405,627	600,027
Shareholders' Funds	\$'000	324,020	363,856	390,228	404,875	434,133
Earnings per Share	Cents	53.3	77.9	88.0	61.3	75.9
Dividends per Share	Cents	23.0	31.0	33.0	33.0	33.0
Net Tangible Assets per Share	Cents	567.4	637.3	684.0	709.8	748.8
Price Earnings Ratio		6.10	5.90	4.77	6.98	5.26