



RGA Annual Conference

Locally Owned – Globally Focused

Rob Gordon - Chief Executive Officer

Thursday 2 August 2018



Globally we reach more than 50 markets



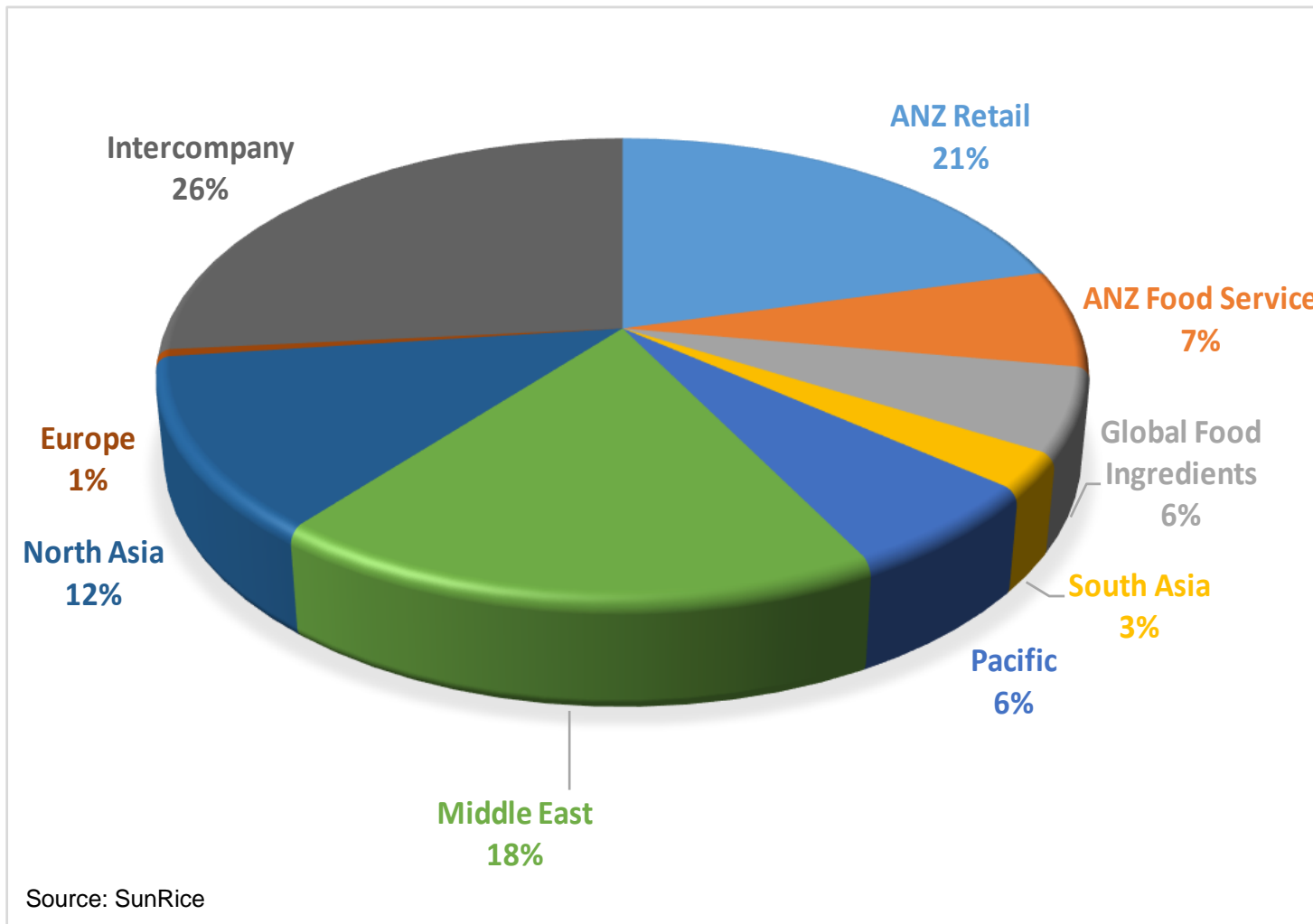
Origination Capability: Australia ~800,000 tonnes; California ~250,000 tonnes; and Vietnam ~550,000 tonnes

Sales Offices: Australia, Dubai, Singapore, California, Tokyo, PNG & Solomon Island and NZ



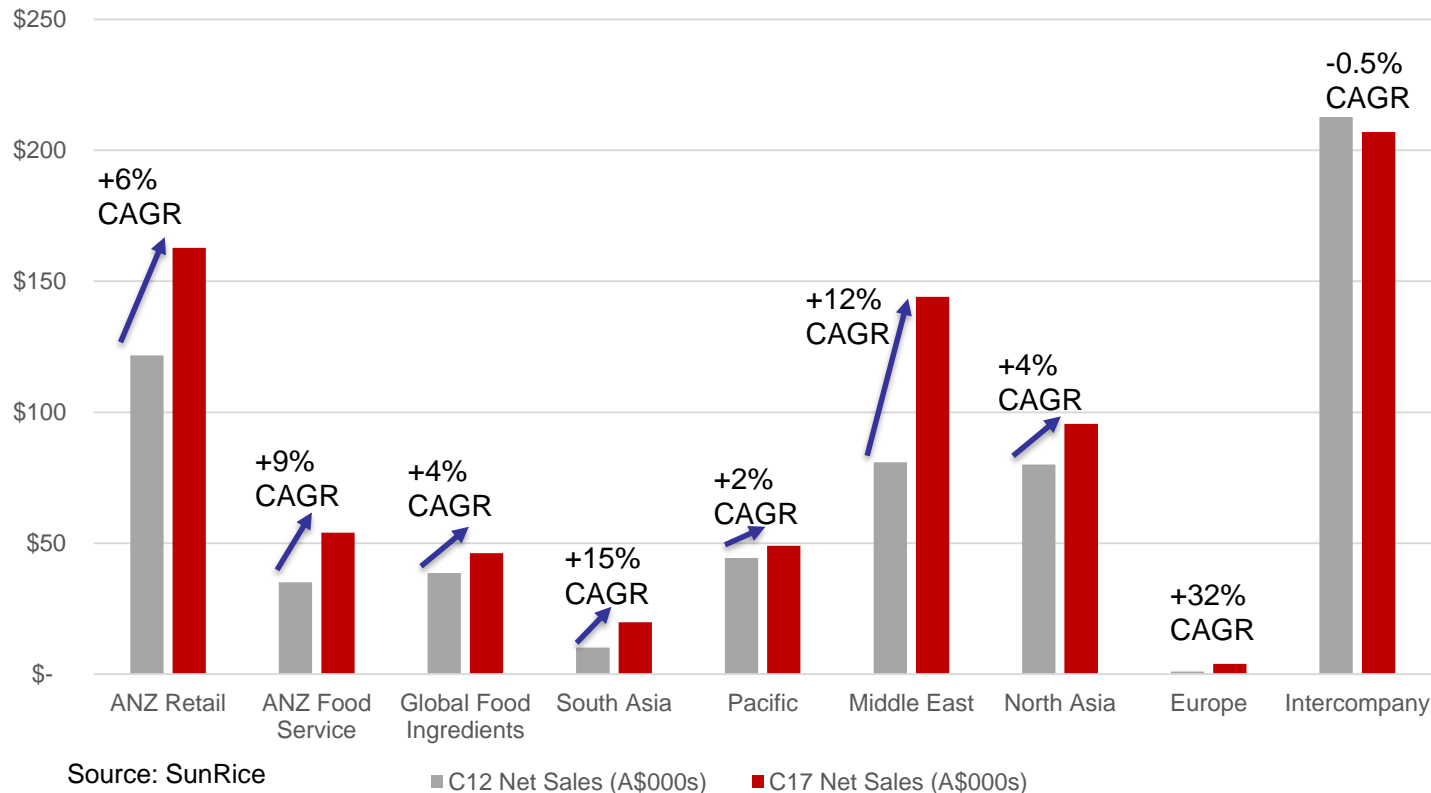
SunRice's business is well balanced across markets

CY17 Net Sales by Geography



Strong global momentum in every geography

Sales Growth by Geography



SunRice has expanded sales internationally beyond those original markets in the Middle East and Pacific that underpinned Australia's initial rice exports



Global expansion built on leading consumer brands...

ANZ		Middle East	Pacific		Asia
Australia	New Zealand	Middle East	Melanesia	Polynesia	Hong Kong
#1	#1	#1	#1	#1	#3



SunRice brands have a trusted reputation for quality, with new customers beyond traditional markets acknowledging the superior price-value proposition of our products



...and outstanding customer relationships

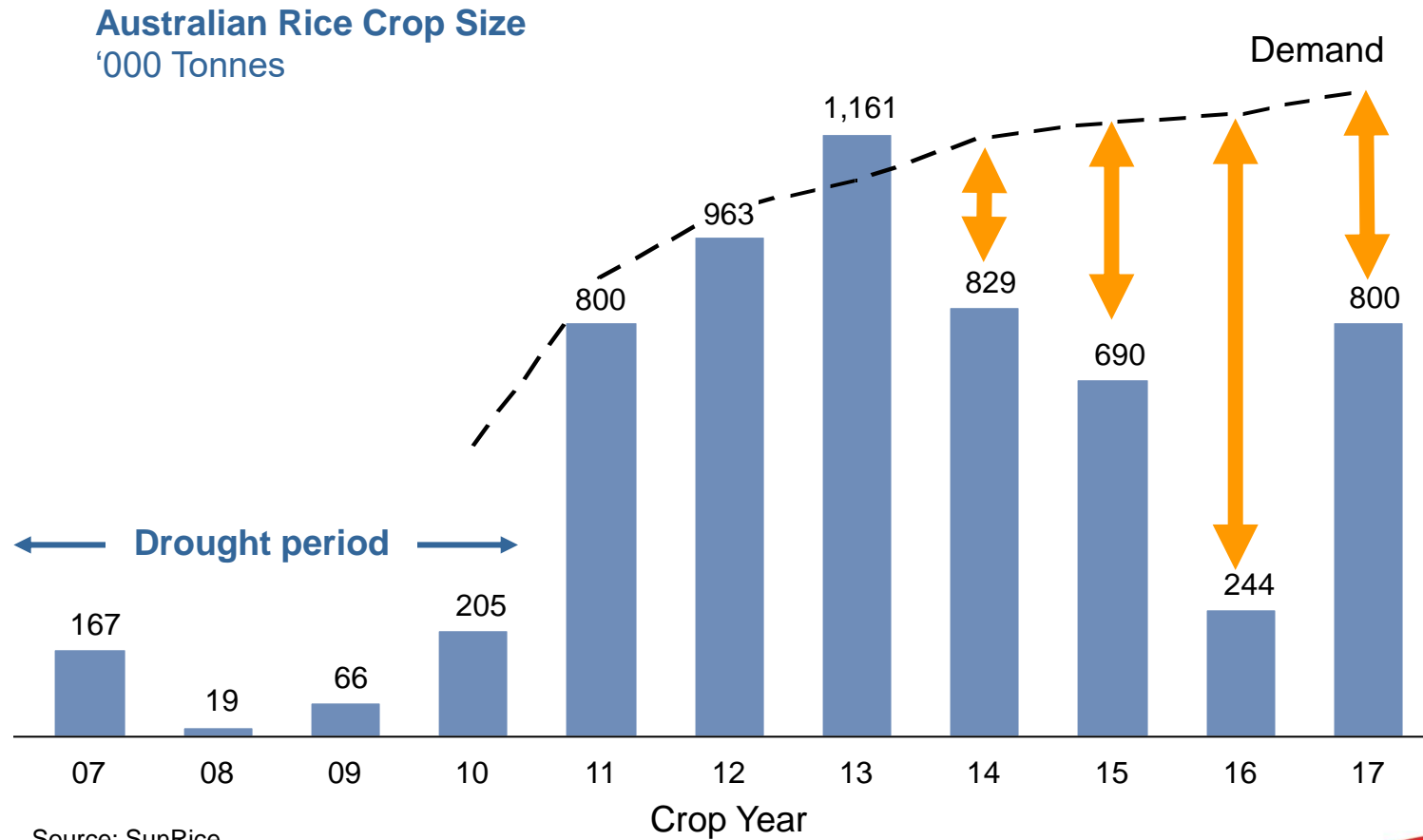
As a **Food Ingredient Supplier**



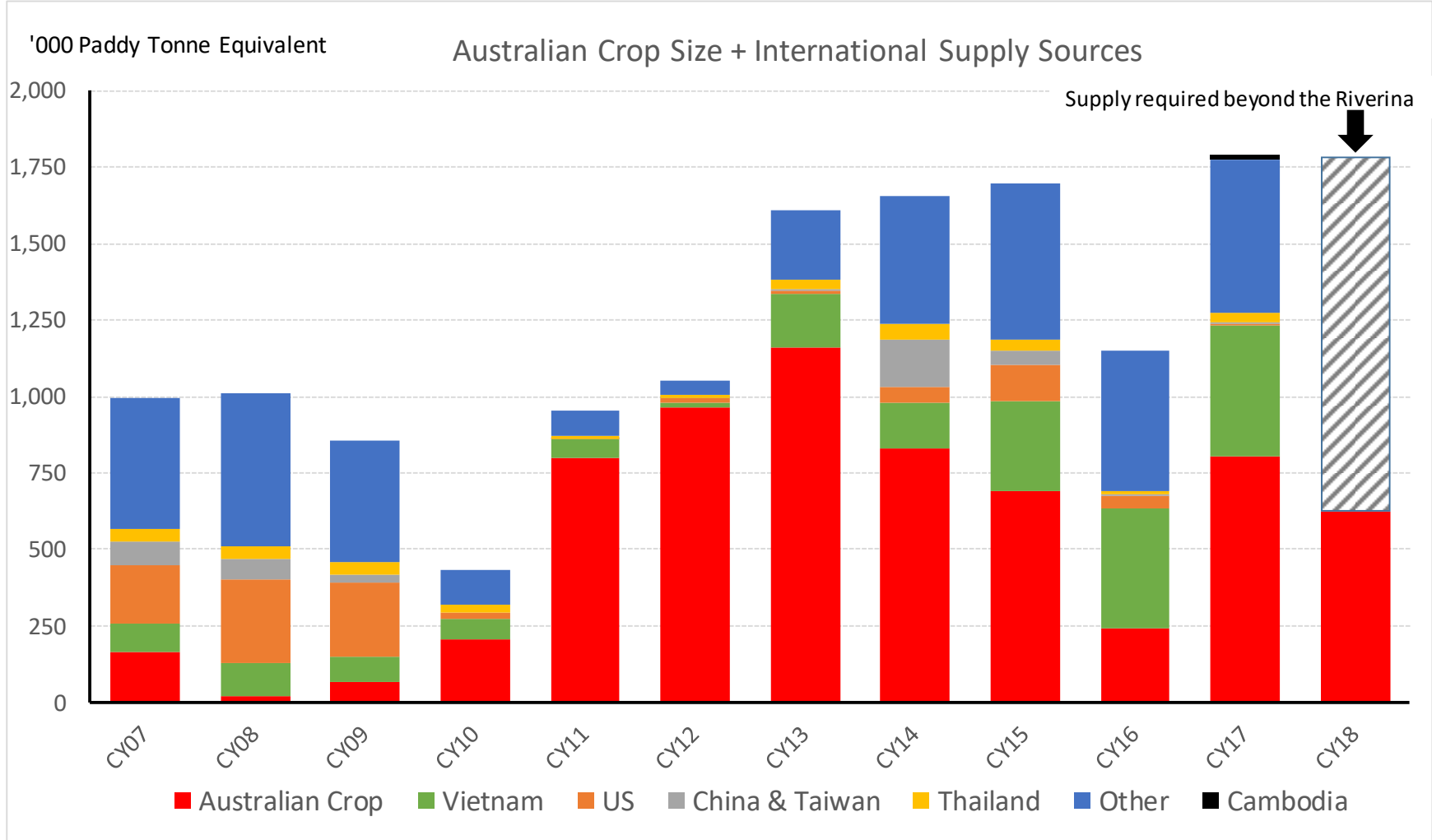
...and a **Food Service Partner**



Riverina supply cannot meet growing demand



Riverina and international supply sources since CY07



Source: SunRice



Global rice sourcing has intensified

- Australian rice harvest in CY16 declined to 244,000 tonnes: lowest since 2010.
- During FY17, secured a total of 500,000 paddy tonnes from international sources (300,000 tonnes in FY16)
 - successfully filled the supply shortfall caused by lower CY16 Riverina crop, which represented less than 25% of total the demand for SunRice product
 - Vietnam supplied 320,000 paddy tonnes
 - US supplied 115,000 paddy tonnes
 - Taiwan supplied 47,000 paddy tonnes
- Global sourcing of rice to complement Australian harvest and meet growing demand will remain an ongoing requirement



Vietnam is now a key supply source

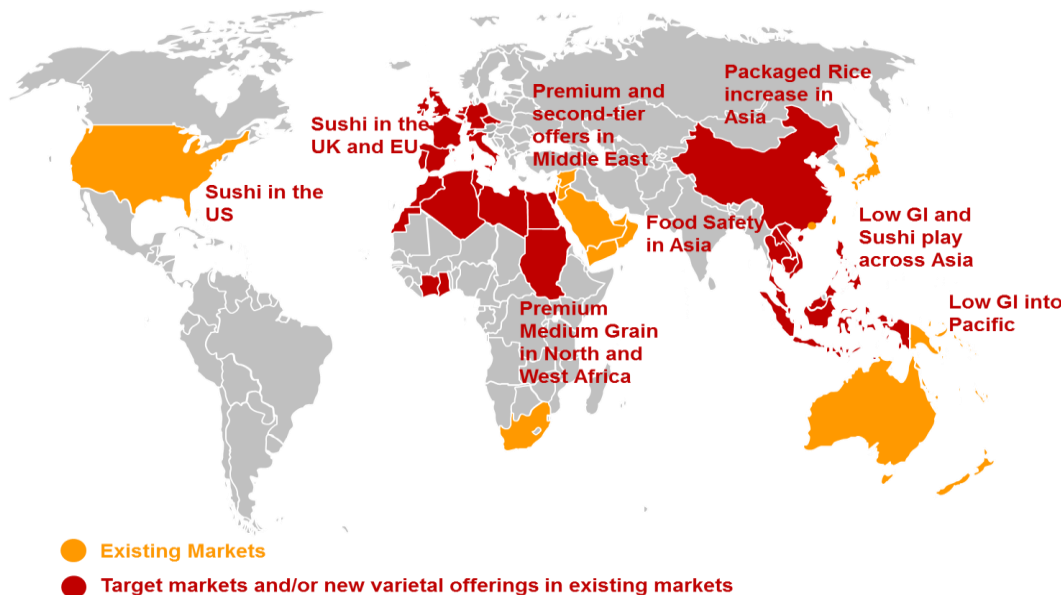
- 600,000 paddy tonnes of exports per annum: SunRice is one of Vietnam's larger rice exporters (5% of total exports and ~50% of Japonica exports)
- SunRice has ensured that the mills we contract are ISO and HACCP accredited
- Pesticide, fertiliser and input management through using certified growers, and through working directly to control agronomic practices
- Competitive pricing: over four years have delivered an increase in returns over long grain to farmers by an average of 30% at farm-gate
- Export and logistics capability through extensive network of providers: over the past 18 months there were 724 shipments across 24 ports
- Establish breeding programmes to improve yields and address consumer preferences: yields have increased from 7 to 10 tonnes/hectare
- Acquisition of milling assets now being considered



Traded portfolio is critical

International procurement allows SunRice business to :

- Service markets unable to afford Australian rice (Pacific regions, PNG)
- Capitalise on geographic indicators – Basmati, Thai Hom Mali
- Flex supply in times of shortage
- Take advantage of favourable world rice prices
- Service tender markets



In CY17 an additional ~400,000 tonnes was supplied into markets that could not be supplied from Australian rice

Trading rice not only increases the total turnover and profitability of the business it enhances the returns for Australian grown rice



Positioning the Riverina as our premium supply source

- Supply Riverina rice into premium end-markets to lift paddy returns
 - Sushi
 - Low GI
- Requires our growers to focus on higher-returning varieties. SunRice will promote fewer, higher-earning varieties
 - Focus on Premium-market Medium Grain, Short Grains and Low GI
 - More streamlined supply chain
 - Supportive agronomic packages
- Low value markets will be serviced from lower cost supply chains
 - Vietnam and US
- Requires SunRice investment in
 - Equipment that ensures a premium finish and increases efficiency
 - Operations and storage to streamline operations and reduce cost

Riverina is well positioned to grow high-returning varieties with increasing demand and less global competition. We aim to ensure that Riverina growers can leverage this advantage.



SunRice: A Long Term Commitment to the Riverina

- We appreciate present circumstances will probably drive the size of the Riverina crop considerably lower in CY19
- While many growers may not plant rice in CY19, SunRice wants to be there for growers when environmental conditions improve to make rice a critical part of your farm mix
 - Our strategy has built business resilience through the establishment of secure international supply chains
 - The Riverina has a critical and ongoing role in servicing SunRice's premium markets into the future
- SunRice has learnt from previous drought periods 'to swap, not stop'
 - We will not exit or abandon existing markets due to a low Riverina rice crop
- New sources of funding beyond the capacity of Australian growers will enable SunRice to continue global expansion and diversification

Our objective is to build a global company to the benefit of future Australian rice growing generations – our growers own the company and will be rewarded by this strategy

