

# FORM: Half yearly

Name of *issuer*

Ricegrowers Limited

ACN or ARBN

55 007 481 156

Half yearly  
(tick)

✓

Preliminary  
final (tick)

Half year ('Current period')

31 October 2007

## For announcement to the market

				\$A,000
Revenue	up	1.8 %	to	356,399
Profit (loss) for the period (after tax)	up	201.8 %	to	8,465
Profit (loss) for the period attributable to members of the parent	up	200.2%	to	8,292
<b>Commentary on results for the period</b>				
<p>For the six months ended 31st October the company's trading performance is substantially ahead of last year despite the continued adverse drought conditions. This is primarily due to the results achieved from our Global Trading unit and the Complementary Businesses.</p>				
<p>Consolidated revenue of \$356 million was 1.8% higher than the corresponding period due to increased sales in Riviana 12%, Solrice 25% and Complementary Businesses 23%. This was partially offset by lower sales in Rice Marketing and Milling down 15% as a result of the lower crop.</p>				
<p>Profit after tax was up 201.8 % over the corresponding period due to the sale increases referred to above plus good cost control and improved margins. Profit before tax increased at Riviana up 19% (before management fees), Solrice up 43% and Complementary Businesses up 42%.</p>				
<p>As a result of redundancy and other restructuring costs due to the drought we anticipate the performance in the balance of the financial year will be lower than the 1<sup>st</sup> half year.</p>				
<p>The business remains on track to deliver its committed grower return of \$320 per tonne for medium grain for rice delivered in respect of the 2007/2008 financial year. As outlined in the Capital Raising Prospectus, it is the Board's objective to pay a dividend on fully paid B class shares in July of 2008 of at least 21.5c per issued share.</p>				
<b>Subsequent Event</b>				
<p>On 8 November 2007, Ricegrowers announced that the Deniliquin and Coleambally mills were to be placed on a care and maintenance program with no processing as from 21 December 2007. Paddy Operations will be significantly reduced progressively until April 2008 while the Leeton mill will reduce shifts from three to two effective 30 April 2008. This will result in approximately 180 redundancies across Ricegrowers with an estimated cost of \$8.3 million.</p>				

<b>Dividends</b>	Current period	Previous corresponding period
<b>Interim dividend</b>	N/A	N/A
Amount per <i>security</i> , Franked amount per <i>security</i>		
<b>Short details of any bonus or cash issue or other item(s)</b> of importance not previously released to the market:  N/A		
<b>Details of associates and joint venture entities</b>  <u>Name of associate or joint venture</u>  Herto NV (incorporated in Belgium) Principal Activity: Manufacturing  Pagini Transport (incorporated in Papua New Guinea) Principal Activity : Transport  <u>Reporting entities percentage holding</u>  Herto NV 33.00% (30 April 2007: 33.00%)  Pagini Transport 31.56% (30 April 2007: 31.56%)		
<b>Controlled entities</b>  No control was gained or lost over controlled entities during the period.		

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Interim financial report  
for the half year ended  
31 October 2007**

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

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**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Directors' Report**

Your Directors present their report on the consolidated entity consisting of Ricegrowers Limited and the entities it controlled at the end of, or during the half year ended 31 October 2007.

**1 Directors**

The following persons were Directors of Ricegrowers Limited during the financial period and up to the date of this report:

GF Lawson  
DM Robertson  
LJ Arthur (appointed 24/8/07)  
BL Barber (resigned 24/8/07)  
NG Graham  
G Helou  
R Higgins  
G Kirkup  
GF Latta  
N McAllister  
AD Walsh

**2 Principal activities**

The principal activities of Ricegrowers Limited and its controlled entities consist of receipt and storage of paddy rice, milling of rice, manufacture of rice based products, marketing of rice and grocery products, research and development into the growing of rice, and the processing of rice and related products.

**3 Economic entity result**

The net profit of the consolidated entity for the period after income tax and after outside equity interests was \$8,292,000 (2006: \$2,762,000).

**4 Review of operations**

At the half year, 31 October 2007, consolidated profit before income tax amounted to \$9,717,000. As a result of the redundancy costs and paddy price supplement it is anticipated the performance in the second half will be lower. However, as committed by the Board, we will still be in a position to make a minimum paddy price payment of \$320 per tonne for medium grain rice delivered in respect of the 2007/2008 financial year.

**5 Dividends**

No dividend has been declared at the half year. Final dividend declared for the year ended 30 April 2007 of \$5,880,000 was paid in July 2007.

**6 Auditor's independence declaration**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 14.

**7 Rounding of amounts to the nearest thousand dollars (\$000's)**

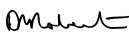
The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with the Class Order.

This report is made in accordance with a resolution of the Directors.

For and on behalf of the Board.



GF Lawson  
Chairman  
Leeton  
20 December 2007



DM Robertson  
Deputy Chairman

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Income statements  
For the half year ended 31 October 2007**

	Note	Ricegrowers Limited		Consolidated	
		October 2007	October 2006	October 2007	October 2006
		\$000's	\$000's	\$000's	\$000's
Sales revenue	2	265,834	274,683	355,623	349,253
Other revenue	2	4,326	1,539	776	936
<b>Revenue from continuing operations</b>		<b>270,160</b>	<b>276,222</b>	<b>356,399</b>	<b>350,189</b>
Other income	3	172	52	377	35
Changes in inventories of finished goods		(7,915)	23,195	(1,338)	10,468
Raw materials and consumables used		(164,421)	(173,866)	(226,894)	(210,022)
Employee benefits expense		(27,745)	(30,990)	(35,081)	(38,150)
Depreciation and amortisation expenses		(5,873)	(5,828)	(11,013)	(9,633)
Finance costs		(8,593)	(11,613)	(11,186)	(12,744)
Other expenses	4	(53,458)	(78,472)	(61,717)	(86,856)
Share of net profit of associate accounted for using the equity method		-	-	170	306
<b>Profit before income tax</b>		<b>2,327</b>	<b>(1,300)</b>	<b>9,717</b>	<b>3,593</b>
Income tax (expense)/benefit		238	1,300	(1,252)	(788)
<b>Profit for the half year</b>		<b>2,565</b>	<b>-</b>	<b>8,465</b>	<b>2,805</b>
Profit attributable to minority interests		-	-	(173)	(43)
<b>Profit attributable to members of Ricegrowers Limited</b>		<b>-</b>	<b>-</b>	<b>8,292</b>	<b>2,762</b>
<b>Earnings per share for profit attributable to B class shareholders</b>					
Basic and diluted earnings	13			0.30	0.12

The above income statements should be read in conjunction with the accompanying notes.

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Balance sheets  
As at 31 October 2007**

	Note	Ricegrowers Limited		Consolidated	
		October 2007	April 2007	October 2007	April 2007
		\$000's	\$000's	\$000's	\$000's
<b>Current assets</b>					
Cash and cash equivalents		13,400	-	19,603	6,966
Receivables	5	80,915	95,446	77,696	85,051
Inventories		136,721	210,602	210,365	275,096
Derivative financial instruments		3,035	227	3,294	330
Current tax receivable		1,516	-	1,516	-
Total current assets		235,587	306,275	312,474	367,443
<b>Non-current assets</b>					
Receivables	5	6,992	7,775	915	1,000
Available-for-sale financial assets		355	386	364	397
Other financial assets		4,203	4,199	191	202
Property, plant and equipment		97,729	100,649	247,660	254,231
Investment properties		4,725	4,725	4,725	4,725
Intangible assets		3,719	3,896	7,468	7,717
Deferred tax assets		10,215	11,161	11,826	12,748
Investments accounted for using the equity method		3,588	3,588	5,497	5,334
Total non-current assets		131,526	136,379	278,646	286,354
<b>Total assets</b>		367,113	442,654	591,120	653,797
<b>Current liabilities</b>					
Payables		37,663	57,247	60,657	75,057
Grower payables		19,255	62,134	19,255	62,134
Borrowings	6	102,685	102,231	123,143	117,525
Current tax liabilities		-	1,715	144	1,767
Provisions		9,212	9,850	10,432	10,983
Derivative financial instruments		-	83	1,778	393
Total current liabilities		168,815	233,260	215,409	267,859
<b>Non current liabilities</b>					
Payables		-	-	79,244	88,962
Grower payables		-	8,585	-	8,585
Borrowings	6	104,128	113,157	168,462	171,957
Deferred tax liabilities		2,885	1,832	3,821	2,533
Provisions		1,607	1,702	2,765	2,826
Total non-current liabilities		108,620	125,276	254,292	274,863
<b>Total liabilities</b>		277,435	358,536	469,701	542,722
<b>Net assets</b>		89,678	84,118	121,419	111,075
<b>Equity</b>					
Contributed equity	8	42,353	39,573	42,353	39,573
Reserves		19,343	19,128	19,451	19,992
Retained profits		27,982	25,417	55,149	46,857
Total parent entity interest		89,678	84,118	116,953	106,422
Minority interest	9	-	-	4,466	4,653
<b>Total equity</b>		89,678	84,118	121,419	111,075

The above balance sheets should be read in conjunction with the accompanying notes.

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Statements of changes in equity  
For the half year ended 31 October 2007**

	<b>October 2007 \$000's</b>	<b>Consolidated Half year October 2006 \$000's</b>
<b>Total equity at the beginning of the half year</b>	<b>111,075</b>	<b>97,017</b>
Changes in fair value of available-for-sale financial assets, net of tax	(16)	(41)
Changes in the fair value of cash flow hedges, net of tax	(142)	(1,185)
Movement in minority interest in reserves	(187)	(290)
Exchange differences on translation of foreign operations	(383)	(698)
<b>Net income recognised directly in equity</b>	<b>(728)</b>	<b>(2,214)</b>
<b>Profit for the half year</b>	<b>8,292</b>	<b>2,762</b>
<b>Total recognised income and expense for the half year</b>	<b>7,564</b>	<b>548</b>
Transactions with equity holders in their capacity as equity holders: Contributions of equity, net of transaction costs	2,780	1,524
<b>Total equity at the end of the half year</b>	<b>121,419</b>	<b>99,089</b>

The above statements of changes in equity should be read in conjunction with the accompanying notes.



**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Cash flow statements  
For the half year ended 31 October 2007**

	Ricegrowers Limited		Consolidated	
	Half year		Half year	
	October 2007	October 2006	October 2007	October 2006
	\$000's	\$000's	\$000's	\$000's
	Inflows/(Outflows)		Inflows/(Outflows)	
<b>Cash flows from operating activities</b>				
Receipts from customers (inclusive of goods and services tax)	285,873	283,548	362,978	371,812
Payments to suppliers	(163,759)	(128,675)	(231,417)	(198,977)
Payments to growers	(55,108)	(78,118)	(55,108)	(78,118)
Payments of wages, salaries and on-costs	(28,412)	(29,796)	(35,627)	(36,956)
Dividends received	371	21	15	23
Interest received	193	941	204	291
Other revenue	464	577	285	622
Interest paid	(9,827)	(14,331)	(11,186)	(15,283)
Income taxes paid	(2,123)	(28)	(2,294)	(28)
<b>Net cash inflow (outflow) from operating activities</b>	<b>27,672</b>	<b>34,139</b>	<b>27,850</b>	<b>43,386</b>
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(2,559)	(2,721)	(5,224)	(5,675)
Proceeds from sale of property, plant and equipment	99	55	379	87
Proceeds from sale of investment property	-	2,400	-	2,400
Proceeds from sale of investments	178	-	189	-
Payments for business	-	-	-	(2,700)
Payments for intangibles	(102)	(1,000)	(102)	(1,000)
<b>Net cash (outflow) from investing activities</b>	<b>(2,384)</b>	<b>(1,266)</b>	<b>(4,758)</b>	<b>(6,888)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	128,752	116,500	141,005	119,130
Repayment of borrowings	(124,082)	(138,600)	(125,465)	(138,600)
Rice bonds redeemed	(10,041)	(7,999)	(10,041)	(7,999)
Proceeds from controlled entity loan	-	1,000	-	-
Shares issued	708	32	708	32
Repayment of finance lease	(52)	(11)	(52)	(11)
RMB equity redemptions	-	-	(9,863)	(318)
Dividends paid	(3,808)	(3,530)	(3,808)	(3,530)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(8,523)</b>	<b>(32,608)</b>	<b>(7,516)</b>	<b>(31,296)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,765</b>	<b>265</b>	<b>15,576</b>	<b>5,202</b>
Cash at the beginning of the financial year	(3,365)	661	221	(591)
Effect of exchange rate changes on cash	-	-	162	298
<b>Cash and cash equivalents at period end</b>	<b>13,400</b>	<b>926</b>	<b>15,959</b>	<b>4,909</b>

**Reconciliation to cash at end of half year**

Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the balance sheets as follows:

Cash and cash equivalents	13,400	926	19,603	6,097
Deduct bank overdraft	-	-	(3,644)	(1,188)
	<b>13,400</b>	<b>926</b>	<b>15,959</b>	<b>4,909</b>

The above cash flow statements should be read in conjunction with the accompanying notes.

**Notes to the financial statements**

**1 Basis of preparation of half year report**

This general purpose financial report for the interim half year reporting period ended 31 October 2007 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report.

Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 April 2007 and any public announcements made by Ricegrowers Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>Half Year</b>		<b>Half Year</b>	
	<b>October 2007</b>	<b>October 2006</b>	<b>October 2007</b>	<b>October 2006</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>2 Revenue</b>				
Sale of goods	265,834	274,683	354,459	348,343
Services	-	-	1,164	910
<b>Sales revenue</b>	<b>265,834</b>	<b>274,683</b>	<b>355,623</b>	<b>349,253</b>
Interest received	193	941	204	291
Dividends received	15	21	16	23
Other sundry items	178	577	556	622
Subsidiary performance fee income	3,940	-	-	-
<b>Other revenue</b>	<b>4,326</b>	<b>1,539</b>	<b>776</b>	<b>936</b>
<b>Revenue from continuing operations</b>	<b>270,160</b>	<b>276,222</b>	<b>356,399</b>	<b>350,189</b>
<b>3 Other income</b>				
Net gain on disposal of property, plant and equipment	3	52	48	52
Net gain on disposal of available-for-sale financial assets	169	-	169	-
Foreign exchange gain/(loss)	-	-	160	(17)
<b>Total other income</b>	<b>172</b>	<b>52</b>	<b>377</b>	<b>35</b>
<b>4 Expenses</b>				
Profit before income tax includes the following expense items:				
Other expenses				
Freight and distribution costs	19,938	29,515	27,371	36,096
RMB agency fee	350	874	350	874
AGS storage asset charge	6,198	3,864	-	-
Energy	3,370	5,953	3,653	6,160
Water procurement	1,182	5,512	1,182	5,512
Contracted services	5,202	5,478	4,784	5,134
Operating lease expenditure	1,766	2,095	3,296	2,322
Research and development	750	3,455	513	3,160
Advertising and artwork	1,780	3,545	3,623	5,116
Other	12,922	18,181	16,945	22,482
	<b>53,458</b>	<b>78,472</b>	<b>61,717</b>	<b>86,856</b>

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Notes to the financial statements**

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>October 2007</b>	<b>April 2007</b>	<b>October 2007</b>	<b>April 2007</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>5 Receivables</b>				
<b>Current</b>				
Trade receivables	39,719	45,899	70,909	74,929
Owing by subsidiaries	37,282	42,657	-	-
Other receivables	153	227	1,066	2,377
GST receivables	111	5,556	113	5,556
Prepayments	3,650	1,107	5,608	2,189
	<b>80,915</b>	<b>95,446</b>	<b>77,696</b>	<b>85,051</b>
<b>Non current</b>				
Loan receivable	915	1,000	915	1,000
Owing by subsidiaries	6,077	6,775	-	-
	<b>6,992</b>	<b>7,775</b>	<b>915</b>	<b>1,000</b>
<b>6 Borrowings</b>				
<b>Current</b>				
<b>Secured</b>				
Bank overdrafts	-	3,365	3,644	6,745
Bank loans	91,000	86,330	107,814	98,244
Lease liability	82	79	82	79
<b>Unsecured</b>				
Rice bonds	11,603	12,457	11,603	12,457
	<b>102,685</b>	<b>102,231</b>	<b>123,143</b>	<b>117,525</b>
<b>Non current</b>				
<b>Secured</b>				
Bank loans	82,700	82,700	147,034	141,500
Lease liability	431	273	431	273
<b>Unsecured</b>				
Rice bonds	20,997	30,184	20,997	30,184
	<b>104,128</b>	<b>113,157</b>	<b>168,462</b>	<b>171,957</b>
<b>7 Rice bonds</b>				
Due for repayment:				
Within one year	11,603	12,457	11,603	12,457
Within one to two years	12,293	9,185	12,293	9,185
Within three years	8,704	20,999	8,704	20,999
	<b>32,600</b>	<b>42,641</b>	<b>32,600</b>	<b>42,641</b>

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Notes to the financial statements**

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>October 2007</b>	<b>April 2007</b>	<b>October 2007</b>	<b>April 2007</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>8 Contributed equity</b>				
<b>(a) Share capital</b>				
Fully paid Ordinary B Class Shares	<b>42,353</b>	<b>39,573</b>	<b>42,353</b>	<b>39,573</b>

**(b) Movement in Ordinary B Class shares**

<b>Date</b>		<b>Number of shares</b>	<b>Issue price</b>	<b>\$000's</b>
1 May 2007	Opening balance	27,348,495		39,573
16 July 2007	Dividend Reinvest (i)	967,998	2.14	2,072
27 July 2007	Issue shares (ii)	330,965	2.14	708
31 October 2007	Closing balance	<b>28,647,458</b>		<b>42,353</b>

*(i) Dividend Reinvestment*

The Company has established a dividend reinvestment plan under which holders of B Class shares may elect to have all or part of their dividend entitlements satisfied by the issue of new B Class shares rather than by being paid in cash.

*(ii) Issue shares*

As at 30 April 2007, 330,965 shares remained unpaid from the November 2006 share issue offer. In July 2007 these shares were fully paid.

*B Class shares*

B Class shares are non-voting shares with dividend rights.

*A Class shares*

A Class shares have no value but are voting shares held by active growers only. At 31 October 2007 1,138 A Class shares were on issue (30 April 2007:1,139).

	<b>October 2007</b>	<b>Consolidated</b>
	<b>\$000's</b>	<b>April 2007 \$000's</b>
<b>9 Minority interests</b>		
Interest in:		
Contributed equity	<b>359</b>	359
Reserves	<b>624</b>	984
Retained profits	<b>3,483</b>	3,310
	<b>4,466</b>	<b>4,653</b>

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Notes to the financial statements**

**10 Segment information**

**(a) Description of segments**

**Business Segments**

The business is organised on a global basis into the following divisions by product and service type.

**Rice Milling & Marketing**

The main entity (Ricegrowers Limited less Coprice division, Rice Flour, Rice Cakes and Specialty), Australian Grain Storage, Aqaba Processing Company - packaging plant, Solrice, SunArise - insurance company and SunRice Trading.

**Complementary Businesses**

This includes Riviana, Trukai and the divisions of Coprice, Rice Flour, Rice Cakes and Specialty businesses.

**Other**

Businesses included are RRAPL - research into rice growing and development of new varieties for RL, Silica - investment company, Herto nv (associate company), Seatide and Sunshine Rice.

**(b) Primary reporting - business segments**

	<b>Rice Milling &amp; Marketing \$'000's</b>	<b>Complementary Businesses \$'000's</b>	<b>Other \$'000's</b>	<b>Intersegment Eliminations/ Unallocated \$'000's</b>	<b>Total \$'000's</b>
<b>Half Year - October 2007</b>					
Total segment revenue	212,687	226,115	400	(82,803)	356,399
Segment result	(857)	8,519	5	2,050	9,717
<b>Half Year - October 2006</b>					
Total segment revenue	249,591	201,821	390	(101,613)	350,189
Segment result	(5,906)	12,958	(6)	(3,454)	3,593

The half year segment result includes a paddy price supplement of \$8,651,000 but does not include the asset financing charge which is determined at the financial year end. The prior period segment result does not include the asset financing charge and paddy price supplement, both of which were determined at the financial year end.

**11 Dividends**

**31 October 2007**

No interim dividend has been declared for the half year.

**30 April 2007**

Final dividend declared for the year ended 30 April 2007 of 21.5 cents per fully paid share totalling \$5,880,000 was paid on 16 July 2007.

**12 Contingent liabilities**

The estimated maximum amounts of contingent liabilities not provided for in the accounts of the Ricegrowers Limited and its controlled entities as at 31 October 2007 are:

	<b>Ricegrowers Limited October 2007 \$000's</b>	<b>April 2007 \$000's</b>	<b>October 2007 \$000's</b>	<b>Consolidated April 2007 \$000's</b>
Discounted export bill proceeds (guarantees)	426	22,778	426	22,778
Guarantee of bank advances:				
- controlled entities	3,556	2,751	4,324	2,751
- other guarantees	200	452	215	511
	<b>4,182</b>	<b>25,981</b>	<b>4,965</b>	<b>26,040</b>

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Notes to the financial statements**

**13 Earnings per share**

**(a) Basic and Diluted earnings per shares**

	<b>October 2007 Cents</b>	<b>Consolidated October 2006 Cents</b>
Basic and Diluted earnings per share	<b>0.30</b>	0.12

**(b) Reconciliation of earnings per share**

	<b>October 2007 \$000's</b>	<b>Consolidated October 2006 \$000's</b>
Profit for the year	<b>8,292</b>	2,762

**(c) Weighted average number of shares used as a denominator**

	<b>October 2007 000's</b>	<b>Consolidated October 2006 000's</b>
Weighted average number of B Class shares	<b>27,974</b>	23,791

**14 Net Tangible Assets**

	<b>October 2007</b>	<b>Consolidated April 2007</b>
Net tangible asset backing per B Class share	<b>\$ 3.98</b>	\$ 3.78

**15 Events occurring after the balance sheet date**

On 8 November 2007, the Company announced that the Deniliquin and Coleambally mills were to be placed on a care and maintenance program with no processing as from 21 December 2007. Paddy Operations will be significantly reduced progressively until April 2008 while the Leeton mill will reduce shifts from three to two effective 30 April 2008. This will result in approximately 180 redundancies across the Company with an estimated cost of \$8.3 million.

On 8 October 2007, the Company issued a prospectus to existing shareholders, to subscribe for additional B Class Shares at \$2.14. The subscription for shares closed on 16 November 2007 at which time the Company received subscriptions for 5,533,431 shares totalling \$11,841,542.

Other than the matters above, the Directors are not aware of any other matter or circumstance, since the end of the half year, not otherwise dealt with in the report that has significantly, or may significantly, affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent periods.

**Ricegrowers Limited  
& Controlled Entities  
ABN 55 007 481 156**

**Directors' Declaration**

In the directors' opinion :

(a) the financial statements and notes set out on pages 2 to 10 are in accordance with the *Corporations Act 2001* , including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the company and consolidated entity's financial position as at 31 October 2007 and of their performance, as represented by the results of their operations and their cash flows for the half year ended on that date;

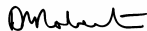
(b) there are reasonable grounds to believe that Ricegrowers Limited will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Directors.

For and on behalf of the Board.



GF Lawson  
Director



DM Robertson  
Director

Leeton  
20 December 2007

PricewaterhouseCoopers  
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## **Independent Auditor's Review Report to the members of Ricegrowers Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Ricegrowers Limited (the company) and Ricegrowers Limited Group (the consolidated entity), which comprises the balance sheet as at 31 October 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Ricegrowers Limited Group (the consolidated entity). The consolidated entity comprises both Ricegrowers Limited (the company) and the entities it controlled during that half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 October 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ricegrowers Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

## *Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of Ricegrowers Limited (the Company) for the half-year ended 31 October 2007 included on Ricegrowers Limited web site. The company's directors are responsible for the integrity of the Ricegrowers Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

## *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ricegrowers Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 October 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



Paddy Carney  
Partner

Sydney  
20 December 2007

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## Auditor's Independence Declaration

As lead auditor for the review of Ricegrowers Limited for the half year ended 31 October 2007, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ricegrowers Limited and the entities it controlled during the period.



Paddy Carney  
Partner  
PricewaterhouseCoopers

Sydney  
20 December 2007