

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

**Interim financial report  
for the half year ended  
31 October 2008**

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

**Contents**

Directors' Report	Page 1
Income Statements	Page 2
Balance Sheets	Page 3
Statements of Changes in Equity	Page 4
Cash flow statements	Page 5
Notes to the financial statements	Page 6
Directors' Declaration	Page 12
Independent Review Report	Page 13
Auditors' Independence Declaration	Page 15

**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 2008.

**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  
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 receival 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 \$58,998,000 (2007: \$8,292,000).

**4 Review of operations**

At the half year, 31 October 2008, consolidated profit before income tax amounted to \$81,806,000 (31 October 2007, \$9,717,000). This significant increase in half year performance was underpinned by excellent results from the company's global trading activities and growth of value added rice foods business, driven mainly by high rice prices in the first six months and effective cost management across the business. In line with the a contraction in global demand, softening commodity prices, including rice plus the continuing impact of the drought, the company is expecting to generate second half earnings more in line with historical performance.

**5 US acquisition**

As of 1st October 2008, Sunshine Rice Inc has acquired a 65% interest in SunFoods LLC, an owner and operator of rice mills in the US. This venture provides Ricegrowers Limited with a platform to leverage its branded rice food expertise in the US market, and to grow its international markets through the sourcing of high quality US rice.

**6 Dividends**

No dividend has been declared at the half year. Final dividend declared for the year ended 30 April 2008 of \$7,691,000 was paid in July 2008.

**7 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 15.

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

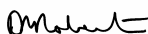
The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in 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  
18 December 2008



DM Robertson  
Deputy Chairman

**Ricegrowers Limited  
& Controlled Entities  
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**Income statements**

**For the half year ended 31 October 2008**

	Note	Ricegrowers Limited		Consolidated	
		October 2008 \$000's	Half year October 2007 \$000's	October 2008 \$000's	Half year October 2007 \$000's
Sales revenue	2	364,300	265,834	456,327	355,623
Other revenue	2	1,003	4,326	976	776
<b>Revenue from continuing operations</b>		<b>365,303</b>	<b>270,160</b>	<b>457,303</b>	<b>356,399</b>
Other income	3	4,205	172	2,907	377
Changes in inventories of finished goods		12,998	(7,915)	31,044	(1,338)
Raw materials and consumables used		(220,967)	(164,421)	(298,957)	(226,894)
Employee benefits expense		(22,276)	(27,745)	(30,492)	(35,081)
Depreciation and amortisation expenses		(5,847)	(5,873)	(11,170)	(11,013)
Finance costs		(7,291)	(8,593)	(10,314)	(11,186)
Other expenses	4	(45,345)	(53,458)	(59,030)	(61,717)
Share of net profit of associate accounted for using the equity method		-	-	515	170
<b>Profit before income tax</b>		<b>80,780</b>	<b>2,327</b>	<b>81,806</b>	<b>9,717</b>
Income tax (expense)/benefit		(23,828)	238	(21,882)	(1,252)
<b>Profit for the half year</b>		<b>56,952</b>	<b>2,565</b>	<b>59,924</b>	<b>8,465</b>
Profit attributable to minority interests		-	-	(926)	(173)
<b>Profit attributable to members of Ricegrowers Limited</b>		<b>-</b>	<b>-</b>	<b>58,998</b>	<b>8,292</b>
<b>Earnings per share for profit attributable to B class shareholders</b>					
Basic and diluted earnings	14			<b>1.67</b>	<b>0.30</b>

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

**Ricegrowers Limited  
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**Balance sheets  
As at 31 October 2008**

	Note	Ricegrowers Limited		Consolidated	
		October 2008	April 2008	October 2008	April 2008
		\$000's	\$000's	\$000's	\$000's
<b>Current assets</b>					
Cash and cash equivalents		3,322	1,734	10,171	13,532
Receivables	5	129,205	97,170	106,800	80,091
Inventories		139,391	156,090	242,490	230,800
Derivative financial instruments		1,151	522	2,126	814
Total current assets		273,069	255,516	361,587	325,237
<b>Non-current assets</b>					
Receivables	5	21,718	6,985	1,000	1,000
Available-for-sale financial assets		73	321	81	332
Other financial assets		4,202	4,199	127	140
Property, plant and equipment		88,568	92,741	263,847	242,114
Investment properties		5,108	5,108	5,108	5,108
Intangible assets		3,252	3,473	11,975	7,455
Deferred tax assets		4,995	6,534	13,262	9,774
Investments accounted for using the equity method		-	3,588	1,286	5,712
Total non-current assets		127,916	122,949	296,686	271,635
<b>Total assets</b>		<b>400,985</b>	<b>378,465</b>	<b>658,273</b>	<b>596,872</b>
<b>Current liabilities</b>					
Payables		45,831	63,970	71,915	83,781
Grower payables		1,723	14,403	1,723	14,403
Borrowings	6	91,406	145,431	148,641	190,441
Current tax liabilities		18,909	1,914	21,603	2,945
Provisions		7,444	7,670	8,848	8,826
Derivative financial instruments		1,194	-	1,363	247
Total current liabilities		166,507	233,388	254,093	300,643
<b>Non current liabilities</b>					
Payables		-	-	65,323	79,215
Grower payables		-	1,154	-	1,154
Borrowings	6	68,771	42,029	114,673	77,081
Deferred tax liabilities		5,576	2,010	8,191	3,396
Provisions		1,353	1,358	3,023	2,603
Total non-current liabilities		75,700	46,551	191,210	163,449
<b>Total liabilities</b>		<b>242,207</b>	<b>279,939</b>	<b>445,303</b>	<b>464,092</b>
<b>Net assets</b>		<b>158,778</b>	<b>98,526</b>	<b>212,970</b>	<b>132,780</b>
<b>Equity</b>					
Contributed equity	8	58,072	54,194	58,072	54,194
Reserves		18,702	19,280	25,838	20,068
Retained profits		82,004	25,052	112,260	53,262
Total parent entity interest		158,778	98,526	196,170	127,524
Minority interest	9	-	-	16,800	5,256
<b>Total equity</b>		<b>158,778</b>	<b>98,526</b>	<b>212,970</b>	<b>132,780</b>

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

**Ricegrowers Limited  
& Controlled Entities  
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**Statements of changes in equity  
For the half year ended 31 October 2008**

	<b>October 2008 \$000's</b>	<b>Consolidated Half year October 2007 \$000's</b>
<b>Total equity at the beginning of the half year</b>	<b>132,780</b>	111,075
Changes in fair value of available-for-sale financial assets, net of tax	(200)	(16)
Changes in the fair value of cash flow hedges, net of tax	(301)	(142)
Movement in minority interest in reserves	11,544	(187)
Exchange differences on translation of foreign operations	6,271	(383)
<b>Net income recognised directly in equity</b>	<b>17,314</b>	(728)
<b>Profit for the half year</b>	<b>58,998</b>	8,292
<b>Total recognised income and expense for the half year</b>	<b>76,312</b>	7,564
Transactions with equity holders in their capacity as equity holders: Contributions of equity, net of transaction costs	3,878	2,780
<b>Total equity at the end of the half year</b>	<b>212,970</b>	121,419

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

**Ricegrowers Limited  
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ABN 55 007 481 156**

**Cash flow statements  
For the half year ended 31 October 2008**

	Ricegrowers Limited		Consolidated	
	Half year		Half year	
	October 2008	October 2007	October 2008	October 2007
	\$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)	338,326	285,873	429,618	362,978
Payments to suppliers	(259,187)	(163,759)	(337,024)	(231,417)
Payments to growers	(15,330)	(55,108)	(15,330)	(55,108)
Payments of wages, salaries and on-costs	(22,507)	(28,412)	(29,643)	(35,627)
Dividends received	434	371	50	15
Interest received	477	193	361	204
Other revenue	685	464	275	285
Interest paid	(8,049)	(9,827)	(11,073)	(11,186)
Production incentive paid	(1,320)	-	(1,320)	-
Income taxes paid	(3,467)	(2,123)	(3,467)	(2,294)
<b>Net cash inflow from operating activities</b>	<b>30,062</b>	<b>27,672</b>	<b>32,447</b>	<b>27,850</b>
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(1,492)	(2,559)	(4,386)	(5,224)
Proceeds from sale of property, plant and equipment	12	99	312	379
Proceeds from sale of investments	4,105	178	4,105	189
Payments for purchase of subsidiary, net of cash	13	-	(12,433)	-
Payments for intangibles	-	(102)	(80)	(102)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>2,625</b>	<b>(2,384)</b>	<b>(12,482)</b>	<b>(4,758)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	84,800	128,752	95,998	141,005
Repayment of borrowings	(102,800)	(124,082)	(102,839)	(125,465)
Rice bonds redeemed	(8,056)	(10,041)	(8,056)	(10,041)
Shares issued	593	708	593	708
Repayment of finance leases	(78)	(52)	(78)	(52)
RMB equity redemptions	-	-	(10,019)	(9,863)
Dividends paid	(5,558)	(3,808)	(5,558)	(3,808)
<b>Net cash outflow from financing activities</b>	<b>(31,099)</b>	<b>(8,523)</b>	<b>(29,959)</b>	<b>(7,516)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,588</b>	<b>16,765</b>	<b>(9,994)</b>	<b>15,576</b>
Cash at the beginning of the financial year	1,734	(3,365)	12,739	221
Effect of exchange rate changes on cash	-	-	(62)	162
<b>Cash and cash equivalents at period end</b>	<b>3,322</b>	<b>13,400</b>	<b>2,683</b>	<b>15,959</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	3,322	13,400	10,171	19,603
Deduct bank overdraft	-	-	(7,488)	(3,644)
	<b>3,322</b>	<b>13,400</b>	<b>2,683</b>	<b>15,959</b>

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

**Ricegrowers Limited  
& Controlled Entities  
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**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 2008 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 2008 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 2008</b>	<b>October 2007</b>	<b>October 2008</b>	<b>October 2007</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>2 Revenue</b>				
Sale of goods	364,300	265,834	455,285	354,459
Services	-	-	1,042	1,164
<b>Sales revenue</b>	<b>364,300</b>	<b>265,834</b>	<b>456,327</b>	<b>355,623</b>
Interest received	477	193	361	204
Dividends received	26	15	55	16
Other sundry items	500	178	560	556
Subsidiary performance fee income	-	3,940	-	-
<b>Other revenue</b>	<b>1,003</b>	<b>4,326</b>	<b>976</b>	<b>776</b>
<b>Revenue from continuing operations</b>	<b>365,303</b>	<b>270,160</b>	<b>457,303</b>	<b>356,399</b>
<b>3 Other income</b>				
Net gain on disposal of property, plant and equipment	-	3	79	48
Net gain on sale of investments	1,377	-	-	-
Net gain on disposal of available-for-sale financial assets	-	169	-	169
Unrealised foreign exchange gains	2,828	-	2,828	160
<b>Total other income</b>	<b>4,205</b>	<b>172</b>	<b>2,907</b>	<b>377</b>
<b>4 Expenses</b>				
Profit before income tax includes the following expense items:				
Other expenses				
Net loss on disposal of property, plant and equipment	27	-	-	-
Net loss on sale of investments	-	-	308	-
Freight and distribution costs	17,361	19,938	26,200	27,371
AGS storage asset charge	6,198	6,198	-	-
Energy	2,625	3,370	2,959	3,653
Water procurement	-	1,182	-	1,182
Contracted services	4,847	5,202	5,115	4,784
Operating lease expenditure	1,714	1,766	3,450	3,296
Research and development	333	750	98	513
Advertising and artwork	1,961	1,780	4,195	3,623
Other	10,279	13,272	16,705	17,295
	<b>45,345</b>	<b>53,458</b>	<b>59,030</b>	<b>61,717</b>



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

**Notes to the financial statements**

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>October 2008</b>	<b>April 2008</b>	<b>October 2008</b>	<b>April 2008</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	54,470	42,191	95,847	72,800
Owing by subsidiaries	70,735	51,367	-	-
Other receivables	1,594	918	3,677	2,930
GST receivables	-	1,186	26	1,193
Prepayments	2,406	1,508	7,250	3,168
	<b>129,205</b>	<b>97,170</b>	<b>106,800</b>	<b>80,091</b>
<b>Non current</b>				
Loan receivable	1,000	1,000	1,000	1,000
Owing by subsidiaries	20,718	5,985	-	-
	<b>21,718</b>	<b>6,985</b>	<b>1,000</b>	<b>1,000</b>
<b>6 Borrowings</b>				
<b>Current</b>				
<b>Secured</b>				
Bank overdrafts	-	-	7,488	793
Bank loans	80,000	136,700	129,747	180,917
Lease liability	162	156	162	156
<b>Unsecured</b>				
Rice bonds	11,244	8,575	11,244	8,575
	<b>91,406</b>	<b>145,431</b>	<b>148,641</b>	<b>190,441</b>
<b>Non current</b>				
<b>Secured</b>				
Bank loans	60,700	22,000	106,602	57,052
Lease liability	257	338	257	338
<b>Unsecured</b>				
Rice bonds	7,814	19,691	7,814	19,691
	<b>68,771</b>	<b>42,029</b>	<b>114,673</b>	<b>77,081</b>
<b>(a) Bank loans</b>				
Details of the Group's bank loans include:				
Seasonal debt	58,000	76,000	66,087	83,217
Core debt	82,700	82,700	139,762	124,252
AGS debt	-	-	30,500	30,500
	<b>140,700</b>	<b>158,700</b>	<b>236,349</b>	<b>237,969</b>
Representing:				
Current bank loans	80,000	136,700	129,747	180,917
Non-current bank loans	60,700	22,000	106,602	57,052
	<b>140,700</b>	<b>158,700</b>	<b>236,349</b>	<b>237,969</b>

**Seasonal debt**

Seasonal debt represents borrowings used for the purpose of funding working capital requirements and is liquidated over the financial period.

**Core debt**

Core debt represents borrowings used to fund fixed assets and investments.

Current bank loans for the company include \$22.0m (\$60.7m - 30 April 2008) that has previously been included in non current bank loans in prior periods. These loans are being re-negotiated as part of the normal review of the company's three year facility. As at 31 October 2008, two facilities have been re-negotiated and the final facility is currently in negotiation. The company is confident the remaining facility will be renewed.

**AGS debt**

The AGS debt represents loans to Australian Grain Storage Pty Ltd to pay the Rice Marketing Board annually as part of the acquisition of the RMB storage assets.

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

**Notes to the financial statements**

**7 Rice bonds**

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>October 2008</b>	<b>April 2008</b>	<b>October 2008</b>	<b>April 2008</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Due for repayment:				
Within one year	<b>11,244</b>	8,575	<b>11,244</b>	8,575
Within one to two years	<b>7,814</b>	11,588	<b>7,814</b>	11,588
Within three years	-	8,103	-	8,103
	<b>19,058</b>	28,266	<b>19,058</b>	28,266

**8 Contributed equity**

**(a) Share capital**

Fully paid Ordinary B Class Shares	<b>58,072</b>	54,194	<b>58,072</b>	54,194
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**(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 2008	Opening balance	34,180,889		54,194
15 July 2008	Dividend Reinvest (i)	996,638	2.14	2,133
31 July 2008	Share issue offer (ii)	815,359	2.14	1,745
31 October 2008	Closing balance	<b>35,992,886</b>		<b>58,072</b>

**B Class shares**

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

*(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) Share issue offer*

On 13 June 2008, Ricegrowers Limited issued a prospectus for the issue of B class shares to existing shareholders. As at 31 July 2008 the issue resulted in 815,359 fully paid shares being issued. 538,220 shares (\$1,151,792) were paid for by the conversion of rice bonds, 264,239 (\$565,471) were paid for by the use of proceeds from RMB Equity Rollover payments and 12,900 shares (\$27,606) were paid in cash.

**A Class shares**

A Class shares have no value but are voting shares held by active growers only. At 31 October 2008 1,106 A Class shares were on issue (30 April 2008: 1,106).

**9 Minority interests**

	<b>October 2008</b>	<b>Consolidated</b>
	<b>\$000's</b>	<b>April 2008</b>
		<b>\$000's</b>
Interest in:		
Contributed equity	<b>7,053</b>	359
Reserves	<b>4,843</b>	919
Retained profits	<b>4,904</b>	3,978
	<b>16,800</b>	5,256

**Ricegrowers Limited  
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**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, SunFoods 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 2008</b>					
Total segment revenue	<b>312,900</b>	<b>272,291</b>	<b>335</b>	<b>(128,223)</b>	<b>457,303</b>
Segment result	<b>74,284</b>	<b>16,925</b>	<b>886</b>	<b>(10,289)</b>	<b>81,806</b>
<b>Half Year - October 2007</b>					
Total segment revenue	<b>212,687</b>	<b>226,115</b>	<b>400</b>	<b>(82,803)</b>	<b>356,399</b>
Segment result	<b>(857)</b>	<b>8,519</b>	<b>5</b>	<b>2,050</b>	<b>9,717</b>

The half year segment result for October 2008 does not include the asset financing charge and paddy price supplement, both of which will be determined at the financial year end. The prior period 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.

**11 Dividends**

**31 October 2008**

No interim dividend has been declared for the half year.

**30 April 2008**

Final dividend declared for the year ended 30 April 2008 of 22.5 cents per fully paid share totalling \$7,691,000 was paid on 15 July 2008.

**12 Contingent liabilities**

The estimated maximum amounts of contingent liabilities not provided for in the accounts of Ricegrowers Limited and its controlled entities as at 31 October 2008 are:

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>October 2008</b>	<b>April 2008</b>	<b>October 2008</b>	<b>April 2008</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Discounted export bill proceeds (guarantees)	<b>60</b>	589	<b>60</b>	589
Letters of credit	<b>36,570</b>	12,251	<b>36,570</b>	12,251
Guarantee of bank advances	<b>953</b>	197	<b>1,751</b>	1,015
	<b>37,583</b>	13,037	<b>38,381</b>	13,855

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

**Notes to the financial statements**

**13 Business Combination**

**(a) Summary of acquisition**

On 1 October 2008 Sunshine Rice, Inc acquired 65% of the issued capital of SunFoods LLC, a newly formed company. SunFoods LLC purchased assets from Gold River Mills and Pacific Basin Milling for US\$16,000,000.

The contribution from SunFoods for both revenue and profit since the date of acquisition was immaterial.

Details of the fair value of the assets acquired are as follows:

	<b>\$000's</b>
Total purchase consideration (65%) (refer to (b) below)	<b>12,433</b>
Fair value of net identifiable assets acquired (refer to (c) below)	<b>12,433</b>
Goodwill	<b>-</b>

**(b) Purchase consideration**

	<b>Sunshine Rice, Inc</b>		<b>Consolidated</b>
	<b>October 2008</b>	<b>April 2008</b>	<b>October 2008</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>April 2008</b>
			<b>\$000's</b>
Outflow of cash	<b>12,433</b>	<b>-</b>	<b>12,433</b>
			<b>-</b>

**(c) Assets and liabilities acquired**

The assets and liabilities arising from the acquisition (100%) are as follows:

	<b>Acquiree's carrying amount \$000's</b>	<b>Fair value* \$000's</b>
Property, plant and equipment	15,302	15,302
Intangible assets: brands	3,825	3,825
Net assets	<b>19,127</b>	<b>19,127</b>
Minority interests		<b>(6,694)</b>
Net identifiable assets acquired		<b>12,433</b>

\* Fair values are provisional as at 31 October 2008. As the acquisition only occurred on the 1st October 2008, the purchase price allocation has not yet been finalised. The allocation will be finalised within the 12 month period following the acquisition date.

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

**Notes to the financial statements**

**14 Earnings per share**

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

	<b>October 2008</b>	<b>Consolidated</b>
	<b>Cents</b>	<b>October 2007</b>
		<b>Cents</b>
Basic and Diluted earnings per share	<b>1.67</b>	<b>0.30</b>

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

	<b>October 2008</b>	<b>Consolidated</b>
	<b>\$000's</b>	<b>October 2007</b>
		<b>\$000's</b>
Profit for the half year	<b>58,998</b>	<b>8,292</b>

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

	<b>October 2008</b>	<b>Consolidated</b>
	<b>000's</b>	<b>October 2007</b>
		<b>000's</b>
Weighted average number of B Class shares	<b>35,336</b>	<b>27,974</b>

**15 Net tangible assets**

	<b>October 2008</b>	<b>Consolidated</b>
		<b>October 2007</b>
Net tangible asset backing per B Class share	<b>\$ 5.58</b>	<b>\$ 3.98</b>

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

The Directors are not aware of any 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 financial 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 11 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 2008 and of their performance, as represented by the results of their operations and their cash flows for the half year ended on that date;

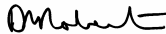
(b) there are reasonable grounds to believe that Ricegrowers Limited will be able to pay its debts as and when they become due and payable.

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  
18 December 2008

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## **Independent auditor's review report to the members of Ricegrowers Limited and its controlled entities**

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

We have reviewed the accompanying half-year financial report of Ricegrowers Limited (the company) and its controlled entities which comprises the balance sheet as at 31st October 2008, 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 and its controlled entities. 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 2008 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 and its controlled entities, 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.

**Independent auditor's review report to the members of  
Ricegrowers Limited and its controlled entities (continued)**

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 the Company for the half-year ended 31 October 2008 included on Ricegrowers Limited's web site. The company's directors are responsible for the integrity of the Ricegrowers Limited's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. 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's 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 2008 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  
18 December 2008



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### Auditor's Independence Declaration

As lead auditor for the review of Ricegrowers Limited for the half-year ended 31 October 2008, 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 *audit*.

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



Paddy Carney  
Partner  
PricewaterhouseCoopers

Sydney  
18 December 2008