

# 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 2010

## For announcement to the market

				<u>\$A,000</u>
Revenue	down	14.63%	to	388,337
Profit (loss) for the period (after tax)	down	18.24%	to	5,189
Profit (loss) for the period attributable to members of the parent	down	19.88%	to	4,921

## Commentary on results for the period

Consolidated revenue of \$388 million for the half year was lower than the corresponding period by 14.6% or \$66.5 million. Lower revenue has been experienced across most markets due to increased competition, impacting sales prices and volumes.

Profit after Tax for the first half is \$5.2 million compared to \$6.3 million for the same period last year. The lower profit compared to the prior year is mainly due to the lower revenue and associated margins coupled with a higher Australian dollar and increased financing expenses.

<b>Dividends</b>	Current period	Previous corresponding period
<b>Interim dividend</b>		
Amount per <i>security</i> , Franked amount per <i>security</i>	N/A	N/A
<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><i>Name of associate or joint venture</i></u>  Pagini Transport (incorporated in Papua New Guinea) Principal Activity : Transport  <u><i>Reporting entities percentage holding</i></u>  Pagini Transport 31.56% (30 April 2010: 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 2010**

**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 2010.

**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 Consolidated entity result**

The net profit of the consolidated entity for the period after income tax and after outside equity interests was \$4,920,000 (2009: \$6,142,000).

**4 Review of operations**

At the half year, 31 October 2010, consolidated profit before income tax amounted to \$7,366,000 (31 October 2009, \$8,932,000).

**5 Dividends**

A final dividend of \$11,999,782 was declared on 21 June 2010 and paid on 30 July 2010 for the financial year 2010.

**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 15.

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

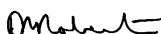
The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in 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  
16 December 2010



DM Robertson  
Deputy Chairman

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

**Income statements  
For the half year ended 31 October 2010**

	Note	Ricegrowers Limited Half year		Consolidated Half year	
		October 2010 \$000's	October 2009 \$000's	October 2010 \$000's	October 2009 \$000's
Sales revenue	2	289,794	355,736	387,570	452,909
Other revenue	2	2,744	2,022	766	1,969
<b>Revenue from continuing operations</b>		<b>292,538</b>	<b>357,758</b>	<b>388,336</b>	<b>454,878</b>
Other income	3	-	-	232	-
Changes in inventories of finished goods		4,846	(77,119)	6,208	(88,253)
Raw materials and consumables used		(216,133)	(202,728)	(252,877)	(241,876)
Employee benefits expense		(21,380)	(20,528)	(35,787)	(34,199)
Depreciation and amortisation expenses		(4,551)	(4,661)	(10,720)	(10,787)
Finance costs		(10,516)	(5,377)	(13,249)	(7,880)
Other expenses	4	(50,081)	(44,388)	(74,777)	(62,951)
Share of net profit of associate accounted for using the equity method		-	-	-	-
<b>(Loss)/Profit before income tax</b>		<b>(5,277)</b>	<b>2,957</b>	<b>7,366</b>	<b>8,932</b>
Income tax expense/(benefit)		1,690	(918)	(2,178)	(2,586)
<b>(Loss)/Profit for the half year</b>		<b>(3,587)</b>	<b>2,039</b>	<b>5,188</b>	<b>6,346</b>
Profit for the half year is attributable to:					
Non-controlling interests		-	-	268	204
Ricegrowers Limited shareholders		(3,587)	2,039	4,920	6,142
		<b>(3,587)</b>	<b>2,039</b>	<b>5,188</b>	<b>6,346</b>

**Earnings per share for profit attributable  
to B class shareholders**

Basic and diluted earnings (cents per share)	12	9	13
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The above income statements should be read in conjunction with the accompanying notes.

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

**Statements of comprehensive income  
As at 31 October 2010**

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>October 2010</b>	<b>October 2009</b>	<b>October 2010</b>	<b>October 2009</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>(Loss)/Profit for the half year</b>	<b>(3,587)</b>	<b>2,039</b>	<b>5,188</b>	<b>6,346</b>
<b>Other comprehensive income</b>				
Change in fair value of available-for-sale financial assets	-	-	2	-
Changes in fair value of cash flow hedges	2,959	1,063	2,773	2,414
Exchange differences on translation of foreign operations	-	-	(965)	(7,879)
Income tax relating to items of other comprehensive income	(888)	(319)	(833)	(613)
<b>Other comprehensive income for the half year, net of tax</b>	<b>2,071</b>	<b>744</b>	<b>977</b>	<b>(6,078)</b>
<b>Total comprehensive income for the half year</b>	<b>(1,516)</b>	<b>2,783</b>	<b>6,165</b>	<b>268</b>
Total comprehensive income for the half year is attributable to:				
Non-controlling interests	-	-	(33)	(573)
Ricegrowers Limited shareholders	(1,516)	2,783	6,198	841
	<b>(1,516)</b>	<b>2,783</b>	<b>6,165</b>	<b>268</b>

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

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

**Statement of financial position  
As at 31 October 2010**

	Note	Ricegrowers Limited		Consolidated	
		October 2010	April 2010	October 2010	April 2010
		\$000's	\$000's	\$000's	\$000's
<b>Current assets</b>					
Cash and cash equivalents		4,651	8,124	19,764	9,066
Receivables	5	197,359	171,461	102,266	118,364
Inventories		184,953	220,146	313,606	333,653
Current tax receivable		207	-	475	111
Derivative financial instruments		5,946	1,877	5,946	3,409
Total current assets		393,116	401,608	442,057	464,603
<b>Non-current assets</b>					
Receivables	5	36,247	43,840	1,000	1,237
Available-for-sale financial assets		-	-	5	3
Other financial assets		4,204	4,203	91	105
Property, plant and equipment		65,296	67,866	215,690	221,659
Investment properties		2,650	3,458	2,650	3,458
Intangible assets		2,937	3,212	9,945	10,174
Deferred tax assets		10,900	10,232	17,424	17,663
Investments accounted for using the equity method		-	-	1,114	1,106
Total non-current assets		122,234	132,811	247,919	255,405
<b>Total assets</b>		<b>515,350</b>	<b>534,419</b>	<b>689,976</b>	<b>720,008</b>
<b>Current liabilities</b>					
Payables		52,536	77,947	63,837	65,676
Grower payables		36,320	49,774	36,320	49,774
Borrowings	6	159,706	115,512	229,069	181,204
Current tax liabilities		-	2,568	2,316	4,209
Provisions		7,208	7,773	9,270	9,611
Derivative financial instruments		470	499	1,910	775
Total current liabilities		256,240	254,073	342,722	311,249
<b>Non current liabilities</b>					
Payables		-	-	20,374	32,336
Grower payables		-	11,807	-	11,807
Borrowings	6	57,836	57,968	62,730	99,075
Deferred tax liabilities		3,299	1,876	4,168	2,503
Provisions		1,223	1,668	2,576	3,037
Total non-current liabilities		62,358	73,319	89,848	148,758
<b>Total liabilities</b>		<b>318,598</b>	<b>327,392</b>	<b>432,570</b>	<b>460,007</b>
<b>Net assets</b>		<b>196,752</b>	<b>207,027</b>	<b>257,406</b>	<b>260,001</b>
<b>Equity</b>					
Contributed equity	8	104,256	101,017	104,256	101,017
Reserves		21,625	19,554	19,098	17,820
Retained profits		70,871	86,456	122,603	129,682
Total parent entity interest		196,752	207,027	245,957	248,519
Non-controlling interests		-	-	11,449	11,482
<b>Total equity</b>		<b>196,752</b>	<b>207,027</b>	<b>257,406</b>	<b>260,001</b>

The above statement of financial position 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 2010**

**Consolidated**

	Attributable to owners of Ricegrowers Limited				Non-controlling interests	Total
	Contributed equity \$000's	Reserves \$000's	Retained earnings \$000's	Total \$000's	\$000's	\$000's
Balance as at 1 May 2010	101,017	17,820	129,682	248,519	11,482	260,001
Total comprehensive income for the half year	-	1,278	4,920	6,198	(33)	6,165
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	3,239	-	-	3,239	-	3,239
Dividends paid	-	-	(11,999)	(11,999)	-	(11,999)
	3,239	-	(11,999)	(8,760)	-	(8,760)
Balance as at 31 October 2010	104,256	19,098	122,603	245,957	11,449	257,406

	Attributable to owners of Ricegrowers Limited				Non-controlling interests	Total
	Contributed equity \$000's	Reserves \$000's	Retained earnings \$000's	Total \$000's	\$000's	\$000's
Balance as at 1 May 2009	58,072	21,103	129,073	208,248	15,211	223,459
Total comprehensive income for the half year	-	(5,301)	6,142	841	(573)	268
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	42,945	-	-	42,945	-	42,945
Dividends paid	-	-	(11,562)	(11,562)	-	(11,562)
	42,945	-	(11,562)	31,383	-	31,383
Balance as at 31 October 2009	101,017	15,802	123,653	240,472	14,638	255,110

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 2010**

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>Half year</b>		<b>Half year</b>	
	<b>October 2010</b>	<b>October 2009</b>	<b>October 2010</b>	<b>October 2009</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
	<b>Inflows/(Outflows)</b>		<b>Inflows/(Outflows)</b>	
<b>Cash flows from operating activities</b>				
Receipts from customers (inclusive of goods and services tax)	270,491	381,162	392,150	474,029
Payments to suppliers	(230,091)	(269,880)	(271,791)	(303,997)
Payments to growers	(49,754)	(17,113)	(49,754)	(17,113)
Payments of wages, salaries and on-costs	(22,734)	(21,077)	(36,934)	(34,151)
Dividends received	-	-	-	-
Interest received	889	1,339	142	221
Other revenue	48	194	1,019	233
Interest paid	(8,361)	(7,564)	(11,507)	(9,999)
Income taxes paid	(3,291)	(30,185)	(3,287)	(31,427)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(42,803)</b>	<b>36,876</b>	<b>20,038</b>	<b>77,796</b>
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(1,442)	(2,025)	(5,168)	(5,945)
Proceeds from sale of property, plant and equipment	-	-	307	62
Proceeds from sale of investments property	808	-	808	-
Payments for intangibles	(2)	-	(356)	(9)
<b>Net cash outflow from investing activities</b>	<b>(636)</b>	<b>(2,025)</b>	<b>(4,409)</b>	<b>(5,892)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	128,051	43,000	128,051	44,512
Repayment of borrowings	(77,051)	(96,000)	(106,894)	(96,932)
Repayment of loans by related parties	4,869	-	-	-
Rice bonds redeemed	(6,862)	(9,853)	(6,862)	(9,853)
Shares issued	-	36,475	-	36,475
Repayment of finance leases	(280)	(109)	(304)	(139)
RMB equity redemptions	-	-	(5,644)	(40,195)
Dividends paid	(8,761)	(7,391)	(8,761)	(7,391)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>39,966</b>	<b>(33,878)</b>	<b>(414)</b>	<b>(73,523)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(3,473)</b>	<b>973</b>	<b>15,215</b>	<b>(1,619)</b>
Cash at the beginning of the financial year	8,124	13,457	5,241	22,877
Effect of exchange rate changes on cash	-	-	(1,163)	(1,573)
<b>Cash and cash equivalents at period end</b>	<b>4,651</b>	<b>14,430</b>	<b>19,293</b>	<b>19,685</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	4,651	14,430	19,764	20,024
Deduct bank overdraft	-	-	(471)	(339)
	<b>4,651</b>	<b>14,430</b>	<b>19,293</b>	<b>19,685</b>

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

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

**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 2010 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 2010 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>October 2010</b>	<b>Half Year October 2009</b>	<b>October 2010</b>	<b>Half Year October 2009</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>2 Revenue</b>				
Sale of goods	289,794	355,736	386,448	451,706
Services	-	-	1,122	1,203
<b>Sales revenue</b>	<b>289,794</b>	<b>355,736</b>	<b>387,570</b>	<b>452,909</b>
Interest received	1,378	1,702	142	221
Dividends received	1	1	1	1
Other sundry items	295	319	623	1,747
Subsidiary performance fee income	1,070	-	-	-
<b>Other revenue</b>	<b>2,744</b>	<b>2,022</b>	<b>766</b>	<b>1,969</b>
<b>Revenue from continuing operations</b>	<b>292,538</b>	<b>357,758</b>	<b>388,336</b>	<b>454,878</b>
<b>3 Other income</b>				
Net gain on disposal of property, plant and equipment	-	-	232	-
<b>Total other income</b>	<b>-</b>	<b>-</b>	<b>232</b>	<b>-</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	-	31	-	54
Freight and distribution costs	18,703	15,058	31,183	27,044
AGS storage asset charge	6,100	6,270	-	-
Energy	4,071	2,333	6,736	3,769
Contracted services	5,295	4,066	7,108	4,879
Operating lease expenditure	1,412	1,523	3,909	3,779
Research and development	758	444	449	134
Advertising and artwork	3,275	2,679	5,580	4,293
Other	10,467	11,984	19,812	19,000
	<b>50,081</b>	<b>44,388</b>	<b>74,777</b>	<b>62,951</b>

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

**Notes to the financial statements**

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>October 2010</b>	<b>April 2010</b>	<b>October 2010</b>	<b>April 2010</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	39,580	35,912	82,378	78,316
Owing by subsidiaries	142,314	125,782	-	-
Other receivables	5,986	1,114	7,096	3,178
GST receivables	-	1,896	74	1,929
Prepayments	9,479	6,757	12,718	34,941
	<b>197,359</b>	<b>171,461</b>	<b>102,266</b>	<b>118,364</b>
<b>Non current</b>				
Loan receivable	1,000	1,237	1,000	1,237
Owing by subsidiaries	35,247	42,603	-	-
	<b>36,247</b>	<b>43,840</b>	<b>1,000</b>	<b>1,237</b>
<b>6 Borrowings</b>				
<b>Current</b>				
<b>Secured</b>				
Bank overdrafts	-	-	471	3,825
Bank loans	159,000	108,000	227,857	169,825
Lease liability	706	650	741	692
<b>Unsecured</b>				
Rice bonds	-	6,862	-	6,862
	<b>159,706</b>	<b>115,512</b>	<b>229,069</b>	<b>181,204</b>
<b>Non current</b>				
<b>Secured</b>				
Bank loans	56,500	56,500	61,318	97,508
Lease liability	1,336	1,468	1,412	1,567
	<b>57,836</b>	<b>57,968</b>	<b>62,730</b>	<b>99,075</b>
<b>(a) Bank loans</b>				
Details of the Group's bank loans include:				
Seasonal debt	159,000	108,000	164,507	132,787
Core debt	56,500	56,500	88,668	98,546
AGS debt	-	-	36,000	36,000
	<b>215,500</b>	<b>164,500</b>	<b>289,175</b>	<b>267,333</b>
Representing:				
Current bank loans	159,000	108,000	227,857	169,825
Non-current bank loans	56,500	56,500	61,318	97,508
	<b>215,500</b>	<b>164,500</b>	<b>289,175</b>	<b>267,333</b>

*Seasonal debt*

Seasonal debt represents borrowings used for the purpose of funding working capital requirements.

*Core debt*

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

*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 2010</b>	<b>April 2010</b>	<b>October 2010</b>	<b>April 2010</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Due for repayment:				
Within one year	-	6,862	-	6,862
	-	6,862	-	6,862

**8 Contributed equity**

**(a) Share capital**

Fully paid Ordinary B Class Shares	<b>104,256</b>	<b>101,017</b>	<b>104,256</b>	<b>101,017</b>
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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 2010	Opening balance	53,332,341		101,017
30 July 2010	Dividend reinvestment (i)	1,369,647	2.37	3,239
31 October 2010	Closing balance	54,701,988		104,256

**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.

**A Class shares**

A Class shares have no value but are voting shares held by active growers only. At 31 October 2010, 800 A Class shares were on issue (30 April 2010: 790).

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

**Notes to the financial statements**

**9 Segment information**

The following reportable segments have been identified based on a product/service perspective determined by the Corporate Management Team.

Rice Milling & Marketing (RM&M) - the milling, marketing and distribution of rice.

Riviana Foods (Riviana) - importation and distribution of food products.

Australian Grain Storage (AGS) - receipt and storage of paddy rice in Australia

All other segments.

The Corporate Management Team evaluates results based on Contributed EBIT which is defined as gross profit after direct sales and marketing costs and excludes group financing expenses, centralised corporate services, one off expenses and other income. Other unallocated expenses refers to impairment losses, redundancy expenses, restructuring costs and unrealised gains/losses on financial instruments. Other revenue refers to management fees, dividends and sale of corporate assets.

Sales between segments are carried out at arms length and are eliminated on consolidation. The revenue from external customers is measured in a manner consistent with that in the income statement.

The following table sets forth the segment results for the half year ended 31 October 2010.

	<b>RM&amp;M \$000's</b>	<b>Riviana \$000's</b>	<b>AGS \$000's</b>	<b>All other segments \$000's</b>	<b>Total \$000's</b>
Total segment revenue	250,867	68,313	8,514	80,631	408,325
Inter-segment revenue	(12,330)	-	(8,424)	(1)	(20,755)
Revenue from external customers	238,537	68,313	90	80,630	387,570
Other revenue					766
Total revenue from continuing operations					388,336
Contributed EBIT	16,323	8,263	2,346	9,980	36,912
Intersegment eliminations					1,352
Finance expense (net)					(13,156)
Centralised corporate services					(18,388)
Other unallocated (expenses)/income					646
Profit before income tax					7,366
Total segment assets	479,490	82,916	106,329	82,454	751,189
Intersegment eliminations					(78,637)
Deferred tax assets					17,424
Total assets					689,976

The following table sets forth the segment results for the half year ended 31 October 2009.

	<b>RM&amp;M \$000's</b>	<b>Riviana \$000's</b>	<b>AGS \$000's</b>	<b>All other segments \$000's</b>	<b>Total \$000's</b>
Total segment revenue	309,223	69,336	6,276	94,887	479,722
Inter-segment revenue	(19,323)	-	(6,270)	(1,220)	(26,813)
Revenue from external customers	289,900	69,336	6	93,667	452,909
Other revenue					1,969
Total revenue from continuing operations					454,878
Contributed EBIT	20,420	5,617	3,515	5,874	35,426
Intersegment eliminations					1,071
Finance expense (net)					(7,738)
Centralised corporate services					(18,539)
Other unallocated (expenses)/income					(1,288)
Profit before income tax					8,932
Total segment assets	407,463	90,154	111,525	84,707	693,849
Intersegment eliminations					(70,059)
Deferred tax assets					15,874
Total assets					639,664

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

**Notes to the financial statements**

**10 Dividends**

31 October 2010

No interim dividend has been declared for the half year.

On 21 June 2010 a fully franked final dividend of 22.5 cents per share was declared for the financial year 2010. The amount of \$11,999,782 was paid on 30 July 2010.

**11 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 2010 are:

	<b>Ricegrowers Limited</b>		<b>Consolidated</b>	
	<b>October 2010</b>	<b>April 2010</b>	<b>October 2010</b>	<b>April 2010</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
Letters of credit	2,112	7,088	2,112	7,088
Guarantee of bank advances	692	933	1,510	1,754
	<b>2,804</b>	<b>8,021</b>	<b>3,622</b>	<b>8,842</b>

**12 Earnings per share**

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

	<b>October 2010</b>	<b>Consolidated</b>
	<b>Cents</b>	<b>October 2009</b>
	<b>Cents</b>	<b>Cents</b>
Basic and Diluted earnings per share	<b>9</b>	<b>13</b>

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

	<b>October 2010</b>	<b>Consolidated</b>
	<b>\$000's</b>	<b>October 2009</b>
	<b>\$000's</b>	<b>\$000's</b>
Profit for the half year	<b>4,920</b>	<b>6,142</b>

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

	<b>October 2010</b>	<b>Consolidated</b>
	<b>000's</b>	<b>October 2009</b>
	<b>000's</b>	<b>000's</b>
Weighted average number of B Class shares	<b>54,032</b>	<b>45,928</b>

**13 Net tangible assets**

	<b>October 2010</b>	<b>Consolidated</b>
	<b>October 2010</b>	<b>October 2009</b>
Net tangible asset backing per B Class share	<b>\$ 4.52</b>	<b>\$ 4.58</b>

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

On 26 November 2010 a Scheme Implementation Agreement with Ebro Foods S.A. was executed.

Under the proposed transaction, Ebro has offered A class shareholders \$50,000 per share and B class shareholders \$5.025 per share.

To ensure successful implementation, the proposed transaction will require the approval of both A and B class shareholders of SunRice and the Australian courts. Shareholders will vote on the proposed transaction in March 2011.

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 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 2010 and of their performance, as represented by the results of their operations and their cash flows for the half year ended on that date;

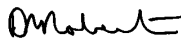
(b) there are reasonable grounds to believe that Ricegrowers Limited will be able to pay its debts as and when they become due and payable.

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  
16 December 2010



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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 statements of Ricegrowers Limited, which comprise the statement of financial position as at 31 October 2010, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Ricegrowers Limited (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 2010 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.

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

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

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 2010 included on SunRice web site. The company's directors are responsible for the integrity of the SunRice 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 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 2010 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



SJ Bourke  
Partner

Sydney  
16 December 2010

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### Auditor's Independence Declaration

As lead auditor for the review of Ricegrowers Limited for the half year ended 31 October 2010, 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.



SJ Bourke  
Partner  
PricewaterhouseCoopers

Sydney  
16 December 2010