

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 2011

For announcement to the market

| | | | | <u>\$A,000</u> |
|--|----|---------|----|----------------|
| Revenue | up | 24.04% | to | 481,684 |
| Profit (loss) for the period (after tax) | up | 134.33% | to | 12,157 |
| Profit (loss) for the period attributable to members of the parent | up | 125.91% | to | 11,115 |

Commentary on results for the period

Consolidated revenue of \$482 million for the half year was higher than the corresponding period by 24.0% or \$93.3 million. The higher revenues are mainly attributed to increased volumes in the Rice Milling and Marketing businesses. Export sales volumes in the first half have been positively affected by the timing of tender market sales and the decision to actively target higher sales in a market where medium grain prices are reducing.

Profit after Tax for the first half is \$12.2 million compared to \$5.2 million for the same period last year. This has been positively affected by the above strategy to target increased sales with medium grain rice prices continuing to soften.

| Dividends | Current period | Previous corresponding period |
|--|----------------|-------------------------------|
| Interim dividend Amount per <i>security</i> , Franked amount per <i>security</i> | N/A | N/A |
| Short details of any bonus or cash issue or other item(s) of importance not previously released to the market: N/A | | |
| Details of associates and joint venture entities Trukai Industries Limited, who are 66.23% owned by Ricegrowers Limited, have the following associate: <u>Name of associate or joint venture</u> Pagini Transport (incorporated in Papua New Guinea) Principal Activity : Transport <u>Reporting entities percentage holding</u> Pagini Transport 31.56% (30 April 2011: 31.56%) | | |
| Controlled entities 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 2011**

**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 2011.

1 Directors

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

GF Lawson AM
DM Robertson
G Andrezza (appointed 25 August 2011)
LJ Arthur
NG Graham
G Helou (resigned 14 September 2011)
R Higgins AO
G Kirkup
GF Latta AM
N McAllister (retired 25 August 2011)
AD Walsh

2 Company Secretary

Mandy Del Gigante

3 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.

4 Consolidated entity result

The net profit of the consolidated entity for the period after income tax and after outside equity interests was \$11,115,000 (2010: \$4,920,000).

5 Review of operations

At the half year, 31 October 2011, consolidated profit before income tax amounted to \$16,994,000 (31 October 2010, \$7,366,000).

6 Dividends

A final dividend of \$9,846,358 was declared on 21 June 2011 and paid on 29 July 2011 for the financial year 2011.

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 AM
Chairman
15 December 2011



DM Robertson
Deputy Chairman

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

**Income statements
For the half year ended 31 October 2011**

| | Note | Half year October 2011 \$000's | Half year October 2010 \$000's |
|--|------|--------------------------------------|--------------------------------------|
| Sales revenue | 2 | 480,245 | 387,570 |
| Other revenue | 2 | 1,439 | 766 |
| Revenue from continuing operations | | <u>481,684</u> | <u>388,336</u> |
| Other income | 3 | 149 | 232 |
| Changes in inventories of finished goods | | (8,232) | 6,208 |
| Raw materials and consumables used | | (270,938) | (252,877) |
| Employee benefits expense | | (47,855) | (35,787) |
| Depreciation and amortisation expenses | | (10,988) | (10,720) |
| Finance costs | | (10,264) | (13,249) |
| Other expenses | 4 | <u>(116,562)</u> | <u>(74,777)</u> |
| Profit before income tax | | <u>16,994</u> | <u>7,366</u> |
| Income tax expense | | <u>(4,837)</u> | <u>(2,178)</u> |
| Profit for the half year | | <u>12,157</u> | <u>5,188</u> |
| Profit for the half year is attributable to: | | | |
| Non-controlling interests | | 1,042 | 268 |
| Ricegrowers Limited shareholders | | <u>11,115</u> | <u>4,920</u> |
| | | <u>12,157</u> | <u>5,188</u> |
| Earnings per share for profit attributable to B class shareholders | | | |
| Basic and diluted earnings (cents per share) | 11 | <u>20.2</u> | <u>9.1</u> |

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 2011**

| | October 2011 \$000's | October 2010 \$000's |
|---|-------------------------|-------------------------|
| Profit for the half year | 12,157 | 5,188 |
| Other comprehensive income | | |
| Change in fair value of available-for-sale financial assets | - | 2 |
| Changes in fair value of cash flow hedges | (1,494) | 2,773 |
| Exchange differences on translation of foreign operations | 3,299 | (965) |
| Income tax relating to items of other comprehensive income | 449 | (833) |
| Other comprehensive income for the half year, net of tax | 2,254 | 977 |
| Total comprehensive income for the half year | 14,411 | 6,165 |
| Total comprehensive income for the half year is attributable to: | | |
| Non-controlling interests | 2,098 | (33) |
| Ricegrowers Limited shareholders | 12,313 | 6,198 |
| | 14,411 | 6,165 |

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

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

**Balance sheets
As at 31 October 2011**

| | Note | October 2011 \$000's | April 2011 \$000's |
|---|------|-------------------------|-----------------------|
| Current assets | | | |
| Cash and cash equivalents | | 19,931 | 15,820 |
| Receivables | 5 | 130,636 | 126,023 |
| Inventories | | 256,766 | 355,384 |
| Current tax receivable | | - | 65 |
| Derivative financial instruments | | 9,076 | 10,214 |
| Total current assets | | <u>416,409</u> | <u>507,506</u> |
| Non-current assets | | | |
| Receivables | 5 | - | 1,000 |
| Other financial assets | | 76 | 91 |
| Property, plant and equipment | | 208,222 | 206,304 |
| Investment properties | | 2,700 | 2,700 |
| Intangible assets | | 10,286 | 9,711 |
| Deferred tax assets | | 17,336 | 16,888 |
| Investments accounted for using the equity method | | 914 | 785 |
| Total non-current assets | | <u>239,534</u> | <u>237,479</u> |
| Total assets | | <u>655,943</u> | <u>744,985</u> |
| Current liabilities | | | |
| Payables | | 78,645 | 66,191 |
| Grower payables | | 71,564 | 86,170 |
| Borrowings | 6 | 76,017 | 172,958 |
| Current tax liabilities | | 3,766 | 1,221 |
| Provisions | | 10,081 | 10,026 |
| Derivative financial instruments | | 1,661 | 2,077 |
| Total current liabilities | | <u>241,734</u> | <u>338,643</u> |
| Non current liabilities | | | |
| Payables | | 12,232 | 20,152 |
| Grower payables | | - | 26,574 |
| Borrowings | 6 | 116,511 | 84,254 |
| Deferred tax liabilities | | 7,057 | 6,895 |
| Provisions | | 4,560 | 2,913 |
| Total non-current liabilities | | <u>140,360</u> | <u>140,788</u> |
| Total liabilities | | <u>382,094</u> | <u>479,431</u> |
| Net assets | | <u>273,849</u> | <u>265,554</u> |
| Equity | | | |
| Contributed equity | 7 | 107,819 | 104,256 |
| Reserves | | 21,801 | 20,603 |
| Retained profits | | 131,642 | 130,373 |
| Total parent entity interest | | 261,262 | 255,232 |
| Non-controlling interests | | 12,587 | 10,322 |
| Total equity | | <u>273,849</u> | <u>265,554</u> |

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 2011**

| | Attributable to owners of Ricegrowers Limited | | | | Non-controlling interests \$000's | Total \$000's |
|---|---|---------------------|------------------------------|------------------|--------------------------------------|------------------|
| | Contributed equity \$000's | Reserves \$000's | Retained earnings \$000's | Total \$000's | | |
| Balance as at 1 May 2011 | 104,256 | 20,603 | 130,373 | 255,232 | 10,322 | 265,554 |
| Profit for the year | - | - | 11,115 | 11,115 | 1,042 | 12,157 |
| Other comprehensive income | - | 1,198 | - | 1,198 | 1,056 | 2,254 |
| Total comprehensive income for the half year | - | 1,198 | 11,115 | 12,313 | 2,098 | 14,411 |
| Transactions with owners in their capacity as owners: | | | | | | |
| Distribution reversed | - | - | - | - | 167 | 167 |
| Contributions of equity, net of transaction costs | 3,563 | - | - | 3,563 | - | 3,563 |
| Dividends paid | - | - | (9,846) | (9,846) | - | (9,846) |
| | 3,563 | - | (9,846) | (6,283) | 167 | (6,116) |
| Balance as at 31 October 2011 | 107,819 | 21,801 | 131,642 | 261,262 | 12,587 | 273,849 |

| | Attributable to owners of Ricegrowers Limited | | | | Non-controlling interests \$000's | Total \$000's |
|---|---|---------------------|------------------------------|------------------|--------------------------------------|------------------|
| | Contributed equity \$000's | Reserves \$000's | Retained earnings \$000's | Total \$000's | | |
| Balance as at 1 May 2010 | 101,017 | 17,820 | 129,682 | 248,519 | 11,482 | 260,001 |
| Profit for the year | - | - | 4,920 | 4,920 | 268 | 5,188 |
| Other comprehensive income | - | 1,278 | - | 1,278 | (301) | 977 |
| 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 |

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 2011**

| | Half year October 2011 \$000's | Half year October 2010 \$000's |
|---|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of goods and services tax) | 489,929 | 392,150 |
| Payments to suppliers | (251,377) | (271,791) |
| Payments to growers | (84,955) | (49,754) |
| Payments of wages, salaries and on-costs | (46,152) | (36,934) |
| Dividends received | 2 | - |
| Interest received | 300 | 142 |
| Other revenue | 1,138 | 1,019 |
| Interest paid | (9,232) | (11,507) |
| Income taxes paid | (2,343) | (3,287) |
| Net cash inflow from operating activities | <u>97,310</u> | <u>20,038</u> |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (9,739) | (5,168) |
| Proceeds from sale of property, plant and equipment | 182 | 307 |
| Proceeds from sale of investments property | - | 808 |
| Payments for intangibles | (1,002) | (356) |
| Net cash outflow from investing activities | <u>(10,559)</u> | <u>(4,409)</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 516,075 | 128,051 |
| Repayment of borrowings | (583,469) | (106,894) |
| Rice bonds redeemed | - | (6,862) |
| Repayment of loan by RMB | 1,000 | - |
| Shares issued | 892 | - |
| Repayment of finance leases | (212) | (304) |
| RMB equity redemptions | (11,865) | (5,644) |
| Dividends paid | (7,174) | (8,761) |
| Net cash outflow from financing activities | <u>(84,753)</u> | <u>(414)</u> |
| Net increase in cash and cash equivalents | 1,998 | 15,215 |
| Cash at the beginning of the financial year | 14,459 | 5,241 |
| Effect of exchange rate changes on cash | 30 | (1,163) |
| Cash and cash equivalents at period end | <u>16,487</u> | <u>19,293</u> |

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 | 19,931 | 19,764 |
| Deduct bank overdraft | (3,444) | (471) |
| | <u>16,487</u> | <u>19,293</u> |

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 2011 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 2011 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.

| | Half Year October 2011 \$000's | Half Year October 2010 \$000's |
|--|--------------------------------------|--------------------------------------|
| 2 Revenue | | |
| Sale of goods | 478,990 | 386,448 |
| Services | 1,255 | 1,122 |
| Sales revenue | <u>480,245</u> | <u>387,570</u> |
| Interest received | 300 | 142 |
| Dividends received | 1 | 1 |
| Other sundry items | 1,138 | 623 |
| Other revenue | <u>1,439</u> | <u>766</u> |
| Revenue from continuing operations | <u>481,684</u> | <u>388,336</u> |
| 3 Other income | | |
| Net gain on disposal of property, plant and equipment | - | 232 |
| Unrealised foreign exchange gains | 149 | - |
| Total other income | <u>149</u> | <u>232</u> |
| 4 Expenses | | |
| Profit before income tax includes the following expense items: | | |
| Other expenses | | |
| Net loss on disposal of property, plant and equipment | 363 | - |
| Freight and distribution costs | 58,371 | 31,183 |
| Energy | 11,997 | 6,736 |
| Contracted services | 7,000 | 7,108 |
| Operating lease expenditure | 4,068 | 3,909 |
| Research and development | 1,333 | 449 |
| Advertising and artwork | 7,460 | 5,580 |
| Other | 25,970 | 19,812 |
| | <u>116,562</u> | <u>74,777</u> |

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

Notes to the financial statements

| | October 2011 \$000's | April 2011 \$000's |
|--|-------------------------|-----------------------|
| 5 Receivables | | |
| Current | | |
| Trade receivables | 102,975 | 100,040 |
| Other receivables | 8,618 | 3,040 |
| GST receivables | 460 | 6,599 |
| Prepayments | 18,583 | 16,344 |
| | <u>130,636</u> | <u>126,023</u> |
| Non current | | |
| Loan receivable | - | 1,000 |
| | <u>-</u> | <u>1,000</u> |
| 6 Borrowings | | |
| Current | | |
| Secured | | |
| Bank overdrafts | 3,444 | 1,360 |
| Bank loans | 71,857 | 170,921 |
| Lease liability | 716 | 677 |
| | <u>76,017</u> | <u>172,958</u> |
| Non current | | |
| Secured | | |
| Bank loans | 115,500 | 83,018 |
| Lease liability | 1,011 | 1,236 |
| | <u>116,511</u> | <u>84,254</u> |
| (a) Bank loans | | |
| Details of the Group's bank loans include: | | |
| Seasonal debt | 66,506 | 133,751 |
| Core debt | 76,851 | 84,188 |
| AGS debt | 44,000 | 36,000 |
| | <u>187,357</u> | <u>253,939</u> |
| Representing: | | |
| Current bank loans | 71,857 | 170,921 |
| Non-current bank loans | 115,500 | 83,018 |
| | <u>187,357</u> | <u>253,939</u> |

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

| | October 2011 \$000's | April 2011 \$000's | |
|--|-----------------------------|-----------------------|----------------|
| 7 Contributed equity | | | |
| (a) Share capital | | | |
| Fully paid Ordinary B Class Shares | <u>107,819</u> | <u>104,256</u> | |
| (b) Movement in Ordinary B Class shares | | | |
| Date | Number of shares | Issue price | \$000's |
| 1 May 2011 | Opening balance | | 104,256 |
| 29 July 2011 | Dividend reinvestment (i) | \$3.36 | 2,671 |
| 5 August 2011 | Share Issue Offer (ii) | \$3.36 | 892 |
| 31 October 2011 | Closing balance | | <u>107,819</u> |

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 6 July 2011, Ricegrowers Limited issued a prospectus for the issue of B class shares to existing shareholders and RMB Equity holders. As at 27 July 2011 this resulted in 265,356 fully paid shares being issued at a price of \$3.36. 190,960 (\$641,627) were paid for from the conversion of RMB Equity and 74,396 shares (\$249,970) were paid in cash.

A Class shares

A Class shares are issued at nil value but are voting shares held by active growers only. At 31 October 2011, 913 A Class shares were on issue (30 April 2011: 794).

(c) Capital risk management

The Group's and Company's objectives when managing capital are to safeguard their ability to continue as a going concern, continue to grow the business, provide returns for shareholders and to maintain an optimal capital structure.

The group monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including 'borrowings' and 'RMB equity certificates' as shown in the balance sheet) less cash and cash equivalents. Total equity is calculated as 'equity' as shown in the balance sheet (including non-controlling interests).

The objective of the Board is to reduce Ricegrowers Limited's gearing ratio to an annual average of 70% over approximately four years. The Board has not determined how to raise the capital to achieve a gearing ratio of 70%, however it is considering using one or more of the following options; paddy price reductions, retentions, reduction in future dividends on B Class shares and raising external capital.

Due to the seasonal nature of the business, gearing fluctuates during the course of the year. The average gearing for the 6 months to 31 October 2011 was 98% (average for 6 months to 31 October 2010 123%).

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

Notes to the financial statements

8 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 2011.

| | RM&M \$000's | Riviana \$000's | AGS \$000's | All other segments \$000's | Total \$000's |
|--|-----------------------------|----------------------------|------------------------|---|--------------------------|
| Total segment revenue | 325,153 | 70,690 | 33,077 | 96,930 | 525,850 |
| Inter-segment revenue | (15,666) | - | (29,939) | - | (45,605) |
| Revenue from external customers | 309,487 | 70,690 | 3,138 | 96,930 | 480,245 |
| Other revenue | | | | | 1,439 |
| Total revenue from continuing operations | | | | | 481,684 |
| Contributed EBIT | 26,876 | 8,742 | 3,415 | 11,833 | 50,866 |
| Intersegment eliminations | | | | | 314 |
| Finance expense (net) | | | | | (10,184) |
| Centralised corporate services | | | | | (20,682) |
| Other unallocated (expenses)/income | | | | | (3,320) |
| Profit before income tax | | | | | 16,994 |
| Total segment assets | 445,081 | 90,816 | 103,257 | 81,922 | 721,076 |
| Intersegment eliminations | | | | | (82,469) |
| Deferred tax assets | | | | | 17,336 |
| Total assets | | | | | 655,943 |

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

| | RM&M \$000's | Riviana \$000's | AGS \$000's | All other segments \$000's | Total \$000's |
|--|-----------------------------|----------------------------|------------------------|---|--------------------------|
| 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 |

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

Notes to the financial statements

9 Dividends

31 October 2011

No interim dividend has been declared for the half year.

On 21 June 2011 a fully franked final dividend of 18.0 cents per share was declared for the financial year 2011. The amount of \$9,846,358 was paid on 29 July 2011.

10 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 2011 are:

| | October 2011 \$000's | April 2011 \$000's |
|----------------------------|-------------------------|-----------------------|
| Letters of credit | 1,507 | 701 |
| Guarantee of bank advances | <u>1,586</u> | <u>1,512</u> |
| | <u>3,093</u> | <u>2,213</u> |

11 Earnings per share

(a) Basic and Diluted earnings per share

| | October 2011 Cents | October 2010 Cents |
|--------------------------------------|-----------------------|-----------------------|
| Basic and Diluted earnings per share | <u>20.2</u> | <u>9.1</u> |

(b) Reconciliation of earnings per share

| | October 2011 \$000's | October 2010 \$000's |
|--------------------------|-------------------------|-------------------------|
| Profit for the half year | <u>11,115</u> | <u>4,920</u> |

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

| | October 2011 000's | October 2010 000's |
|------------------------------------|-----------------------|-----------------------|
| Weighted average number of B Class | <u>54,973</u> | <u>54,032</u> |

12 Net tangible assets

| | October 2011 | October 2010 |
|--|----------------|----------------|
| Net tangible asset backing per B Class share | <u>\$ 4.73</u> | <u>\$ 4.52</u> |

13 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 2011 and of their performance, as represented by the results of their operations and their cash flows for the half year ended on that date;

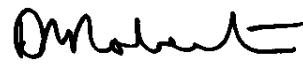
(b) there are reasonable grounds to believe that Ricegrowers Limited will be able to pay its debts as and when they become due and payable.

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

For and on behalf of the Board.



GF Lawson AM
Director



DM Robertson
Director

15 December 2011



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 which comprises the balance sheet as at 31 October 2011, 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, 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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 2011 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. 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 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 2011 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

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PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
DX 77 Sydney, Australia
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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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 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script, appearing to read 'PricewaterhouseCoopers', written in black ink.

PricewaterhouseCoopers

A handwritten signature in cursive script, appearing to read 'S J Bourke', written in black ink.

S J Bourke
Partner

Sydney
15 December 2011



Auditor's Independence Declaration

As lead auditor for the review of Ricegrowers Limited for the half year ended 31 October 2011, 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.

A handwritten signature in black ink, appearing to read 'S J Bourke', with a long horizontal flourish extending to the right.

S J Bourke
Partner
PricewaterhouseCoopers

Sydney
15 December 2011