

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 2012

For announcement to the market

				<u>\$A,000</u>
Revenue	up	7.7%	to	518,989
Profit (loss) for the period (after tax)	up	23.9%	to	15,060
Profit (loss) for the period attributable to members of the parent	up	24.8%	to	13,868

Commentary on results for the period

Consolidated revenue of \$519 million for the half year was higher than the corresponding period by 7.7% or \$37.3 million. The higher revenues are mainly attributed to increased volumes in the Rice Milling and Marketing Australian and Global businesses.

Consolidated Profit after Tax for the half year is \$15.1 million compared to \$12.1 million for the same period last year. This has largely been driven by higher sales volumes in the Rice Milling and Marketing Global business and improved performance in CopRice and Other businesses.

Outlook for the 2nd half is likely to be impacted by lower selling prices in the Rice Milling and Marketing Global businesses, softer volumes in CopRice and challenges in achieving price realisation in the Riviana business.

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 2012: 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 2012**

**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 2012.

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
LJ Arthur
R Gordon
NG Graham
R Higgins AO (Resigned 24 August 2012)
GL Kirkup
GF Latta AM
P Margin (Appointed 28 September 2012)
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 was \$15,060,000 (2011: \$12,157,000). Excluding outside equity interests, profit was \$13,868,000 (2011: \$11,115,000).

5 Review of operations

At the half year, 31 October 2012, consolidated profit before income tax amounted to \$27,111,000 (31 October 2011: \$16,994,000).

6 Dividends

A final dividend of \$10,037,231 was declared on 18 June 2012 and paid on 27 July 2012 for the financial year 2012.

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 16.

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

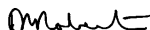
The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in 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
14 December 2012



DM Robertson
Deputy Chairman

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

**Income statements
For the half year ended 31 October 2012**

	Note	Half year October 2012 \$000's	Half year October 2011 \$000's
Sales revenue	2	516,355	480,245
Other revenue	2	<u>2,634</u>	<u>1,439</u>
Revenue from continuing operations		518,989	481,684
Other income	3	450	149
Changes in inventories of finished goods		13,300	(8,232)
Raw materials and consumables used		(310,458)	(270,938)
Employee benefits expense		(51,147)	(47,855)
Depreciation and amortisation expenses		(10,663)	(10,988)
Finance costs		(6,663)	(10,264)
Asset writedown		(2,600)	-
Other expenses	4	<u>(124,097)</u>	<u>(116,562)</u>
Profit before income tax		<u>27,111</u>	<u>16,994</u>
Income tax expense		<u>(12,051)</u>	<u>(4,837)</u>
Profit for the half year		<u>15,060</u>	<u>12,157</u>
Profit for the half year is attributable to:			
Non-controlling interests		1,192	1,042
Ricegrowers Limited shareholders		<u>13,868</u>	<u>11,115</u>
		<u>15,060</u>	<u>12,157</u>
Earnings per share for profit attributable to B class shareholders			
Basic and diluted earnings (cents per share)	11	<u><u>24.9</u></u>	<u><u>20.2</u></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 2012**

	October 2012 \$000's	October 2011 \$000's
Profit for the half year	15,060	12,157
Other comprehensive income		
Changes in fair value of cash flow hedges	(775)	(1,494)
Exchange differences on translation of foreign operations	2,105	3,299
Income tax relating to items of other comprehensive income	<u>232</u>	<u>449</u>
Other comprehensive income for the half year, net of tax	<u>1,562</u>	<u>2,254</u>
Total comprehensive income for the half year	<u>16,622</u>	<u>14,411</u>
Total comprehensive income for the half year is attributable to:		
Non-controlling interests	1,880	2,098
Ricegrowers Limited shareholders	<u>14,742</u>	<u>12,313</u>
	<u>16,622</u>	<u>14,411</u>

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 2012**

	Note	October 2012 \$000's	April 2012 \$000's
Current assets			
Cash and cash equivalents		29,093	29,170
Receivables	5	138,921	124,277
Inventories		308,935	378,637
Derivative financial instruments		5,056	4,745
Total current assets		<u>482,005</u>	<u>536,829</u>
Non-current assets			
Other financial assets		65	76
Property, plant and equipment		191,872	196,728
Investment properties		1,200	1,200
Intangible assets		6,134	7,532
Deferred tax assets		12,867	13,580
Investments accounted for using the equity method		885	834
Total non-current assets		<u>213,023</u>	<u>219,950</u>
Total assets		<u>695,028</u>	<u>756,779</u>
Current liabilities			
Payables		84,400	80,178
Grower payables		95,072	107,649
Borrowings	6	28,470	61,928
Current tax liabilities		15,081	17,680
Provisions		12,312	12,511
Derivative financial instruments		1,631	1,227
Total current liabilities		<u>236,966</u>	<u>281,173</u>
Non current liabilities			
Payables		9,897	12,230
Grower payables		-	25,368
Borrowings	6	146,133	141,498
Provisions		5,480	3,586
Total non-current liabilities		<u>161,510</u>	<u>182,682</u>
Total liabilities		<u>398,476</u>	<u>463,855</u>
Net assets		<u>296,552</u>	<u>292,924</u>
Equity			
Contributed equity	7	107,819	107,819
Reserves		19,992	19,118
Retained profits		156,141	152,310
Total parent entity interest		283,952	279,247
Non-controlling interests		12,600	13,677
Total equity		<u>296,552</u>	<u>292,924</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 2012**

	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 2012	107,819	19,118	152,310	279,247	13,677	292,924
Profit for the half year	-	-	13,868	13,868	1,192	15,060
Other comprehensive income	-	874	-	874	688	1,562
Total comprehensive income for the half year	-	874	13,868	14,742	1,880	16,622
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Dividends paid	-	-	(10,037)	(10,037)	(2,957)	(12,994)
	-	-	(10,037)	(10,037)	(2,957)	(12,994)
Balance as at 31 October 2012	107,819	19,992	156,141	283,952	12,600	296,552

	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 half 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

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 2012**

	Half year October 2012 \$000's	Half year October 2011 \$000's
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	521,340	489,929
Payments to suppliers	(277,171)	(251,377)
Payments to growers	(122,841)	(84,955)
Payments of wages, salaries and on-costs	(49,392)	(46,152)
Dividends received	-	2
Interest received	345	300
Other revenue	1,457	1,138
Interest paid	(6,323)	(9,232)
Income taxes paid	(14,032)	(2,343)
Net cash inflow from operating activities	<u>53,383</u>	<u>97,310</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(5,393)	(9,739)
Proceeds from sale of property, plant and equipment	113	182
Payments for intangibles	(329)	(1,002)
Net cash outflow from investing activities	<u>(5,609)</u>	<u>(10,559)</u>
Cash flows from financing activities		
Proceeds from borrowings	328,007	516,075
Repayment of borrowings	(342,490)	(583,469)
Repayment of loan by RMB	-	1,000
Shares issued	-	892
Repayment of finance leases	(368)	(212)
RMB equity redemptions	(7,878)	(11,865)
Dividends paid	(10,037)	(7,174)
Net cash outflow from financing activities	<u>(32,766)</u>	<u>(84,753)</u>
Net increase in cash and cash equivalents	15,008	1,998
Cash at the beginning of the financial year	11,003	14,459
Effect of exchange rate changes on cash	(409)	30
Cash and cash equivalents at period end	<u><u>25,602</u></u>	<u><u>16,487</u></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	29,093	19,931
Deduct bank overdraft	(3,491)	(3,444)
	<u>25,602</u>	<u>16,487</u>

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 2012 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 2012 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 2012 \$000's	Half Year October 2011 \$000's
2 Revenue		
Sale of goods	514,589	478,990
Services	<u>1,766</u>	<u>1,255</u>
Sales revenue	<u>516,355</u>	<u>480,245</u>
Interest received	345	300
Dividends received	-	1
Other sundry items	<u>2,289</u>	<u>1,138</u>
Other revenue	<u>2,634</u>	<u>1,439</u>
Revenue from continuing operations	<u>518,989</u>	<u>481,684</u>
3 Other income		
Foreign exchange gains	<u>450</u>	<u>149</u>
Total other income	<u>450</u>	<u>149</u>
4 Expenses		
Profit before income tax includes the following expense items:		
Other expenses		
Net loss on disposal of property, plant and equipment	9	363
Freight and distribution costs	65,321	58,371
Energy	12,757	11,997
Contracted services	10,208	9,490
Advertising and artwork	7,484	7,460
Operating lease expenditure and equipment hire	5,028	5,086
Repairs and maintenance	4,680	4,385
Motor vehicle and travelling expenses	2,782	2,526
Research and development	1,697	1,333
Insurances	1,467	1,379
Other	<u>12,664</u>	<u>14,172</u>
	<u>124,097</u>	<u>116,562</u>

**Ricegrowers Limited
& Controlled Entities
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Notes to the financial statements

	October 2012 \$000's	April 2012 \$000's
5 Receivables		
Current		
Trade receivables	106,382	98,592
Other receivables	11,386	4,904
GST receivables	6,220	12,729
Prepayments	14,933	8,052
	<u>138,921</u>	<u>124,277</u>
6 Borrowings		
Current		
Secured		
Bank overdrafts	3,491	18,167
Bank loans	24,142	42,963
Lease liability	837	798
	<u>28,470</u>	<u>61,928</u>
Non current		
Secured		
Bank loans	145,839	140,949
Lease liability	294	549
	<u>146,133</u>	<u>141,498</u>
Bank loans		
Details of the Group's bank loans include:		
Seasonal debt	23,435	42,173
Core debt	102,546	97,739
AGS debt	44,000	44,000
	<u>169,981</u>	<u>183,912</u>
Representing:		
Current bank loans	24,142	42,963
Non-current bank loans	145,839	140,949
	<u>169,981</u>	<u>183,912</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
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Notes to the financial statements

	Oct-12	Apr-12
	\$000's	\$000's
7 Contributed equity		
(a) Share capital		
Fully paid Ordinary B Class Shares	<u>107,819</u>	<u>107,819</u>

(b) Movement in Ordinary B Class shares

Date	Number of shares	\$000's
1 May 2012 Opening balance	<u>55,762,392</u>	<u>107,819</u>
31 October 2012 Closing balance	<u>55,762,392</u>	<u>107,819</u>

B Class shares

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

A Class shares

A Class shares are issued at nil value but are voting shares held by active growers only. At 31 October 2012, 864 A Class shares were on issue (30 April 2012: 889).

(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).

Recent volatility in global financial markets has encouraged the Board to review its capital structure and reduce its level of gearing to more conservative levels. To this end the business will look to reduce its average level of gearing to below 30%.

The increase in equity driven by higher profits and the continued working capital reductions across the group have been the primary contributors to lower gearing at the half year. The average gearing for the 6 months to 31 October 2012 was 54% (actual at 31 October 2012 - 53%) compared to the average for the 6 months to 31 October 2011 of 98% (actual at 31 October 2011 - 70%).

**Ricegrowers Limited
& Controlled Entities
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Notes to the financial statements

8 Segment information

Business segments

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

Rice Milling & Marketing Australian Rice (RM&M Au Rice)

The milling, marketing and distribution of rice from Australian sources through intermediaries to consumers and directly to food service and processing customers where the supply of Australian rice is a key driver of the economies of the business.

Rice Milling & Marketing Global (RM&M Global)

The milling, marketing and distribution of rice from all other sources through intermediaries to consumers, food services and processing customers where the economics of the business reflects profit generated as a result of managing supply and demand.

Riviana Foods (Riviana)

The importation, manufacture, distribution and sales of consumer food products to intermediaries.

Australian Grain Storage (AGS)

The receipt and storage of paddy rice and non-rice grain in Australia.

CopRice

The manufacture, distribution and sales of petfood and stock feed products through intermediaries to consumers and primary producers.

All other segments.

Segments that do not meet the quantitative thresholds set by AASB 8.

The Corporate Management Team evaluates results based on NPBT which is defined as net profit before tax and intersegment eliminations.

Interest allocations to CopRice, RM&M Global, RM&M Au Rice and the 'other' segment are based on a computation of working capital and fixed capital employed multiplied by Ricegrowers Limited's variable interest rate on seasonal borrowings. The finance charge is designed to reflect the true cost of capital employed in each segment.

Sales between segments are carried out at arms length and are eliminated on consolidation. The revenue from external customers, assets and liabilities are measured in a manner consistent with that of the financial statements. Other revenue refers to management fees, dividends and sale of corporate assets. The segment result includes an asset financing charge that is allocated to the appropriate segment.

Changes from prior periods

The Corporate Management Team has changed the measure for segment results from contributed EBIT to NPBT. The change in this measure has resulted in a lower result from each segment as these results now include an allocation for financing expense, centralised corporate services and one off expenses and income. Prior half year numbers have been restated.

The Corporate Management Team has determined that the RM&M Au Rice segment has different economic characteristics from the other businesses in the RM&M Global segment. The RM&M Au Rice segment therefore warrants dis-aggregation from the RM&M segment presented in prior years. The 2011 crop is the first crop since the introduction of segment reporting to be of a significant size and, as a result, the nature of the business and the decisions required to be made have changed due to the obligation RM&M Au Rice has as the sole buyer of the last resort. This obligation does not exist in any of the other businesses in the RM&M Global segment. Prior half year numbers have been restated to reflect this change.

The CopRice segment has been disclosed this year due to it meeting the quantitative thresholds prescribed by AASB 8. Prior half year numbers have been restated and include the CopRice segment.

**Ricegrowers Limited
& Controlled Entities
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Notes to the financial statements

8 Segment information (continued)

The following table sets forth the segment results for the half year ended 31 October 2012.

	RM&M Au Rice \$000's	RM&M Global \$000's	Riviana \$000's	AGS \$000's	CopRice \$000's	All other segments \$000's	Total \$000's
Total segment revenue	254,447	191,543	72,421	31,327	53,838	42,137	645,713
Inter-segment revenue	(95,266)	(2,885)	-	(31,207)	-	-	(129,358)
Revenue from external customers	159,181	188,658	72,421	120	53,838	42,137	516,355
Other revenue							2,634
Total revenue from continuing operations							518,989
Contributed EBIT	10,108	21,048	7,321	7,645	7,724	5,279	59,125
Finance expense (net)	(1,914)	(1,272)	(810)	(992)	(659)	(720)	(6,367)
Centralised corporate services	(11,782)	(7,152)	(2,106)	(940)	(2,135)	(968)	(25,083)
Asset writedowns	-	(2,600)	-	-	-	-	(2,600)
Other (expenses)/income	3,588	776	(107)	(2,935)	(21)	(463)	838
Contributed NPBT	-	10,800	4,298	2,778	4,909	3,128	25,913
Intersegment eliminations							1,198
Profit before income tax							27,111
Segment assets	393,098	95,675	89,659	92,586	31,540	49,570	752,128
Intersegment eliminations							(69,967)
Deferred tax assets							12,867
Total assets							695,028

The following table sets forth the segment results for the half year ended 31 October 2011.

	RM&M Au Rice \$000's	RM&M Global \$000's	Riviana \$000's	AGS \$000's	CopRice \$000's	All other segments \$000's	Total \$000's
Total segment revenue	212,760	157,895	70,690	33,077	48,211	36,795	559,428
Inter-segment revenue	(45,794)	(3,450)	-	(29,939)	-	-	(79,183)
Revenue from external customers	166,966	154,445	70,690	3,138	48,211	36,795	480,245
Other revenue							1,439
Total revenue from continuing operations							481,684
Contributed EBIT	10,569	10,432	8,742	8,347	7,281	3,987	49,358
Finance expense (net)	(4,647)	(1,567)	(985)	(1,281)	(807)	(897)	(10,184)
Centralised corporate services	(8,521)	(5,875)	(2,078)	(992)	(2,234)	(982)	(20,682)
Other (expenses)/income	3,968	(476)	(1,766)	(3,940)	18	(1,623)	(3,819)
Contributed NPBT	1,369	2,514	3,913	2,134	4,258	485	14,673
Intersegment eliminations							2,321
Profit before income tax							16,994
Segment assets	367,385	84,019	90,816	103,257	29,265	46,749	721,491
Intersegment eliminations							(82,884)
Deferred tax assets							17,336
Total assets							655,943

**Ricegrowers Limited
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Notes to the financial statements

9 Dividends

31 October 2012

No interim dividend has been declared for the half year.

On 18 June 2012 a fully franked final dividend of 18.0 cents per share was declared for the financial year 2012. The amount of \$10,037,231 was paid on 27 July 2012.

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 2012 are:

	October 2012 \$000's	April 2012 \$000's
Letters of credit	1,474	649
Guarantee of bank advances	<u>1,650</u>	<u>1,586</u>
	<u><u>3,124</u></u>	<u><u>2,235</u></u>

11 Earnings per share

(a) Basic and Diluted earnings per share

	October 2012 Cents	October 2011 Cents
Basic and Diluted earnings per share	<u>24.9</u>	<u>20.2</u>

(b) Reconciliation of earnings per share

	October 2012 \$000's	October 2011 \$000's
Profit for the half year	<u>13,868</u>	<u>11,115</u>

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

	October 2012 000's	October 2011 000's
shares	<u>55,762</u>	<u>54,973</u>

12 Net tangible assets

	October 2012	October 2011
Net tangible asset backing per B Class share	<u>\$ 5.21</u>	<u>\$ 4.73</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 12 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 2012 and of their performance, as represented by the results of their operations and their cash flows for the half year ended on that date;

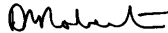
(b) there are reasonable grounds to believe that Ricegrowers Limited will be able to pay its debts as and when they become due and payable.

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

14 December 2012



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 2012, 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 internal 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 a 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 2012 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.

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⁽³⁾ financial position as at 31 October 2012 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*.

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 2012 included on the Sunrice website. The company's directors are responsible for the integrity of the Sunrice website. We have not been engaged to report on the integrity of this website. 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.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written over the printed name.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'S J Bourke', is written above the printed name.

S J Bourke
Partner

Sydney
14 December 2012



Auditor's Independence Declaration

As lead auditor for the review of Ricegrowers Limited for the half year ended 31 October 2012, 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 blue ink, appearing to be 'S J Bourke', with a horizontal line extending to the right.

S J Bourke
Partner
PricewaterhouseCoopers

14 December 2012