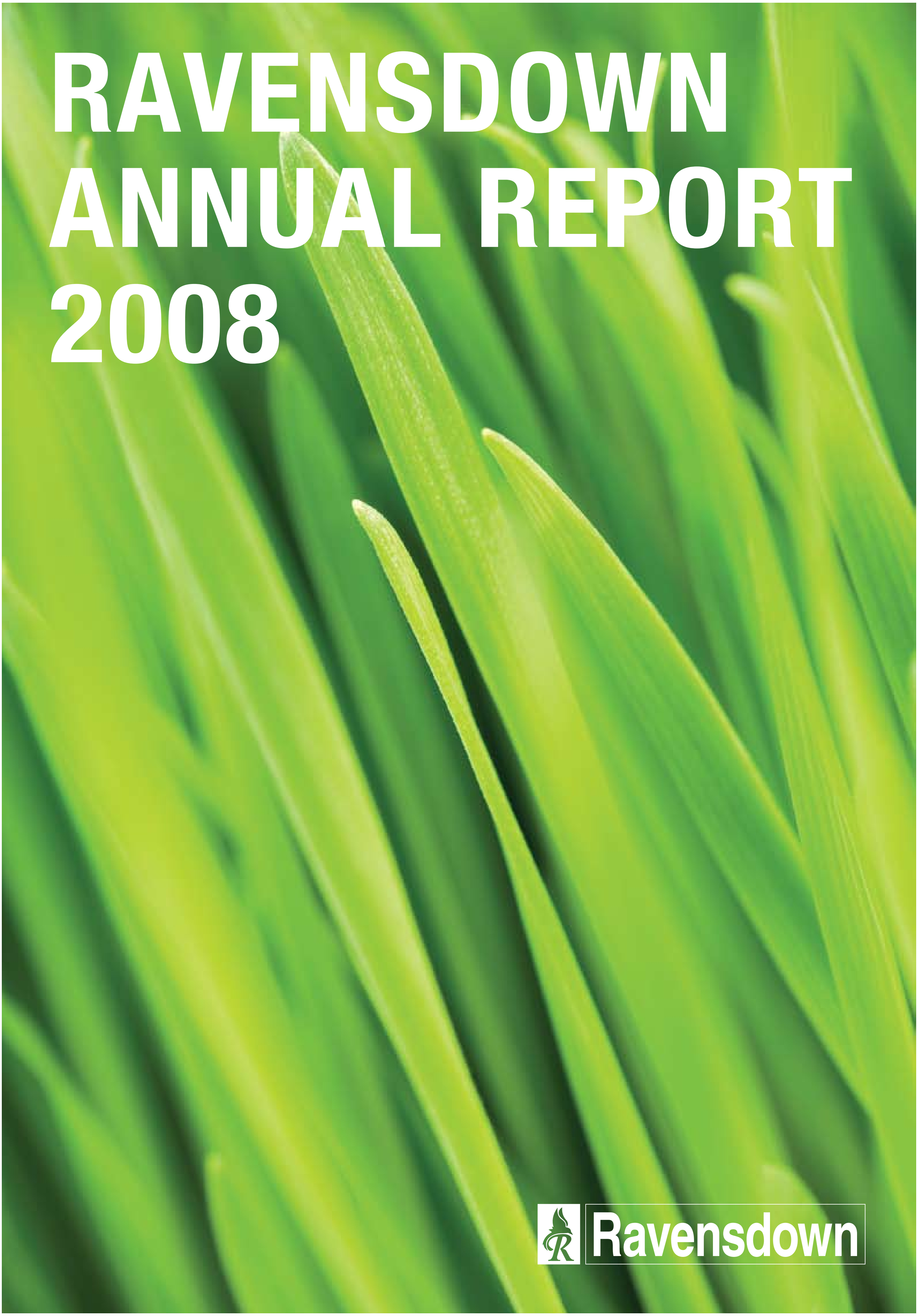
RAVENSDOWN ANNUAL REPORT 2008



Ravensdown

FINANCIAL HIGHLIGHTS

Before-tax profit **$40m**

compared with $16.7m in 2006/07

Total distribution to shareholders **$36m**

compared with $24.9m in 2006/07

Shareholder return per tonne **$27.04**

compared with $20.06 in 2006/07

Sales revenue **$672m**

compared with $496.1 in 2006/07

Fertiliser sales (tonnes) **1.453m**

compared with 1.354 m tonne in 2006/07 (NZ only)

Your co-operative is growing as a result of support from members in New Zealand and Western Australia.

HELPING FARMERS GROW FOR 30 YEARS...

From the “gumboot takeover” spear-headed by a group of hard-working pioneers determined that farmers should have control of their fertiliser, to a trans-Tasman co-operative with a comprehensive range of products. Ravensdown has come a long way in its 30-year history.

Bill McLeod
Ravensdown Chairman

Ravensdown’s first board pledged the new company would be "for the benefit of the farming industry and the interests of individual farmers". This pledge remains at the heart of our Co-operative today, and is inherent in our mission statement which is to enable land users to maximise the fertility of their soils through analysis, advice and supply of the appropriate materials where and when required – at the lowest sustainable net cost.

After 30 years, Ravensdown continues to be a successful and stable business. Not many businesses can boast such steady hands on the helm as Ravensdown. In our three decades we have had only four chairmen – Sir Peter Elworthy, Jack Mitchell and my predecessor Jim Pringle – and three CEOs Paul Sawers, Ross Smith and Rodney Green. I’d like to pay tribute to our founders and leaders who have demonstrated such dedication in taking our Co-operative forward.

There have been many highlights in our 30-year history and these are just some that stand out for me:

- **1978** – 1 November the new company starts trading
- **1987** – We became a 100% farmer-owned co-operative when we purchased the remaining 40% of FERNZ shares
- – We merged with East Coast Fertiliser
- **1997** – Ravensdown acquired FERNZ’s Taranaki operations
- **1998** – Ravensdown expanded into the upper North Island
- – Ravensdown achieved sales of 1m tonnes
- **2000** – We expanded our product range into animal health
- **2001** – We launched Ravensdown Direct, cutting out the middle man, and introduced our Customer Centre
- **2003** – Ravensdown launched its agrochemical range
- **2004** – We launched eco-n – our ground-breaking nitrification inhibitor
- **2005** – Ravensdown launched its anthelmintic range
- – Ravensdown bought Wanganui Aero Work
- **2006** – Ravensdown launched loyalty credits
- **2007** – 98% of dairy farmers have a nutrient budget
- **2008** – We expanded into Western Australia
- – We become New Zealand’s largest spreading company with the expansion of our spreading business

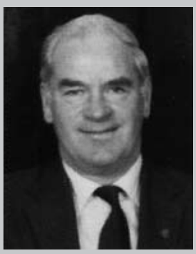
The list isn’t by any means a complete list of our highlights, but it does give a flavour of the successful and diverse organisation we are part of. Some people might question the Co-operative’s move into new product areas and new regions. I can assure you we enter markets only where we know we will add value and can be successful. We believe we have to make change to service you better.

Farming is nothing like it was 30 years ago. Just as you’ve had to proactively change, so has your Co-operative. We will continue to take new opportunities and move forward, because those who stand still simply get left behind.

So, as we celebrate our 30th birthday I’d like to thank you for your support and for being part of this thriving Co-operative. The future is bright as we continue to look for ways to enhance your agribusinesses and further strengthen our Co-operative.

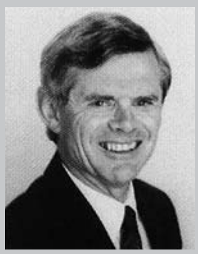
1978 – 82
Sir Peter Elworthy
Chairman

1978 – 95
Paul Sawers
CEO



1982 – 93
Jack Mitchell
Chairman

1993 – 05
Jim Pringle
Chairman

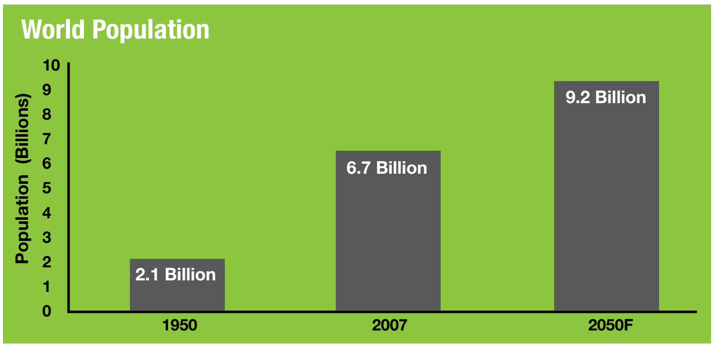


1995 – 97
Ross Smith
CEO

CEO AND CHAIRMAN'S REPORT

Global situation

The past year has been one in which the value of food has reached a position of international prominence. Food commodity prices have increased so significantly that many of the developing countries have become concerned about their ability to feed their people and some have taken unprecedented action to protect this. A year ago we were lamenting poor returns for farmers. We have certainly seen the prices for our dairy and arable farmers reach historically high levels. There are signs our sheep industry is approaching better times and of course this has been underpinned by a significant and probably not yet concluded devaluation of the New Zealand dollar against the US currency.



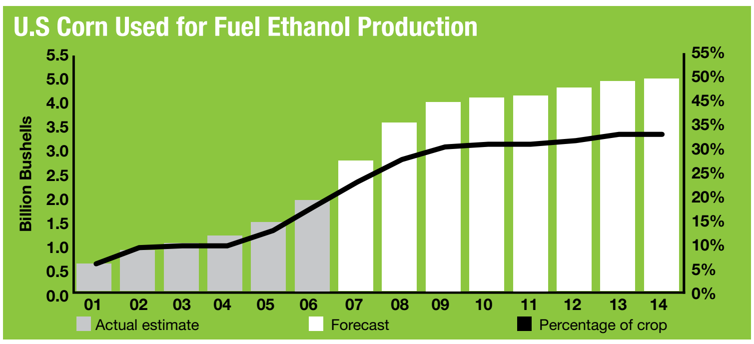
The demand for food has had a massive impact on fertiliser commodity prices. A year ago we thought we had seen the worst when we saw sulphur jumping over USD100 per tonne, phosphate rock reaching USD100 per tonne and urea and DAP being at USD300 and USD450 per tonne. The world-wide demand for fertiliser grew so significantly in the last 12 months that even procuring product has been difficult. This has driven up the price of fertiliser commodities to levels never seen before with DAP leading the charge to a price of almost USD1,200 and urea USD700. The price of sulphur reached close to USD1,000 before falling back and phosphate rock has followed the DAP pricing to be over USD400 per tonne.

> We have worked hard to minimise the effect of these price increases on New Zealand farmers. We have to pass these price increases on, but sought always to minimise the impact of this on you, our shareholders.

Some of these steps didn't work out how we planned. We were concerned about the very rapid increase in cost of superphosphate and to give you more price stability we announced in late December that we would hold the price of superphosphate through to the end of May. This had the consequence of shifting some of our traditional DAP users to superphosphate causing a much higher demand than we were able to manage with the limited availability of phosphate rock. This caused some shortages in supply of superphosphate during the year and we apologise for that.

One of the lessons we learned from this is that it is important to be quite clinical about price increases. The fertiliser price rises were exacerbated by the imposition of an export tax by the Chinese government. This ill-founded tax caused further strengthening in the prices of urea and DAP as it stopped the exporting of these commodities out of China. We know the Chinese phosphate and nitrogen manufacturers are suffering significant hardship because of this lack of export ability with a number of their facilities having to slow or shut. We hope for some sensible thinking from the Chinese government that will then allow these products back on to the world market and thus allow some relief from the higher pricing. This has yet to be revealed.

Because of competitive pressures we were forced into quarterly pricing for the second half of the 2008 calendar year. This, we believe, is a step that is inconsistent with the co-operative principles. Our worst fears were realised as a major rush on fertiliser products occurred in the last weeks of August, despite inclement weather in many parts of the country preventing this fertiliser from being applied. We ensured the price increase occurred on 1 September to minimise the effect of this loss of stock on forward fertiliser prices. The stock-piling that was occurring benefits



only those who are able to do it. We do believe it is important farmers recognise that the co-operative principle Ravensdown is founded on is farmers working for farmers. If nobody stock-piles, nobody buys outside the time they need to, then the price increases are minimised for all, and all farmers receive fair pricing.

Business performance

The other parts of Ravensdown have performed strongly. We have seen record sales of agricultural chemicals and animal health products. As with fertiliser, the focus here is to reduce your costs and it is gratifying so many of you are now taking advantage of this opportunity.

Our lime business had a very strong year with record sales and record profitability. The strategy is to own these assets so you share in the benefits of the ownership of the quarries and the minerals, so nobody else gets any cut from these businesses.

Eco-n had another strong year and is now being seen as a major part of the Government's push to minimise greenhouse gas emissions. Our patent for eco-n is still being pursued, but is dogged by increasing legal costs as a competitor is attempting to prevent this value to New Zealand farmers being retained.

We have not stood still with eco-n. We have a new and enhanced product based on a different active ingredient that is being trialled and we plan to have this available to New Zealand farmers for the application season in April-May 2009.

Leading-edge technology

Ravensdown has invested significantly in our information technology systems.

Our systems have been recognised for the past four to five years as being world class and we continue to enhance these.

Part of this has been focused on developing systems so you can be assured the fertiliser that you spread is put where you want it and you have an accurate record of this application. As the value of this is becoming apparent to farmers we are now being requested to provide this service for more and more of our clients. In the past 12 months, more than 10,000 spreading application maps have been issued to farmers.

Developing nations are driving demand

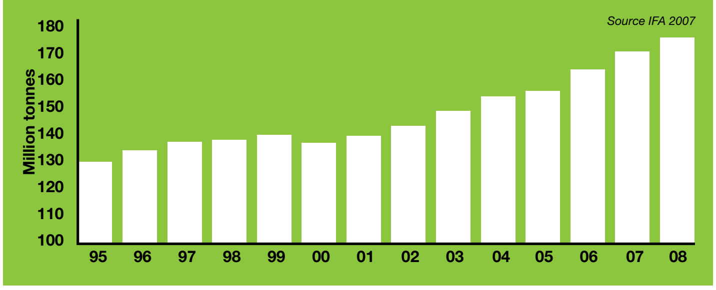
Developing nations are driving a 90% increase in the demand for food. They want to feed themselves and as they develop they want higher quality food.

Spreading

Our ground spreading operations have continued to expand with the new business being set up in Canterbury, expansion of the Ravensdown Sandford's joint venture business and the extension in South Otago of our joint venture, Advanced Spreading Limited. Our Southland business is growing rapidly because of the significant demand for the technology.

Wanganui Aero Work had a tough year because of very poor flying conditions in the spring and the poor market conditions that our hill country farmers have been experiencing. Hill country farmers are part of the core

World Nutrient Demand



of Ravensdown and we believe it is very important to continue to maintain and develop this extremely important application service.

Launch of nutrition

After many requests from farmers, Ravensdown entered into the feed business to help our dairy farmers obtain a reliable source of feed at the lowest possible cost, while also obtaining products which could enhance the pasture feed system which it is essential to keep as the core of our dairy platform. As we entered this market, we received significant support from many of our loyal shareholders. We appreciate this and we wish to maintain a strong forward position in this market.

Our people

Ravensdown is built on a very solid platform of world-class international procurement and shipping, dedicated operators in our superphosphate manufacturing plants, store managers and staff who are part of the rural farming community and who go to significant lengths to meet your needs, account managers who understand the soil fertility issues of farmers and our supportive and always available customer service centres. These are underpinned by world class IT systems that are the envy of many of our competitors. We wish to thank all the employees of Ravensdown for the dedicated work they carried out over the last 12 months in what have been difficult and trying times where many of you, our shareholders, were understandably concerned at the rapid evolutions taking place in farming.

Expansion into WA

Our Board has sought to further strengthen the Co-operative by building on these strengths. Part of this extension was realised by the acquisition of the United Farmers Co-operative Company Ltd (UFCC) in Western Australia (WA) in February 2008. On examination of UFCC, we recognised this could be easily incorporated as an extension of Ravensdown activities without draining those important resources that are necessary to continue the strong focus in New Zealand in changing times. This integration has gone seamlessly with the appointment of our senior executive, Alan Thomson, as General Manager Western Australia and the rapid realisation of all of the principal acquisition strategic and rationalisation benefits.

We now welcome 3,700 WA shareholders to Ravensdown as part of the first trans-Tasman rural co-operative.

This extension of Ravensdown's activities not only gave further strength to our international purchasing, but also has enabled us to spread our overheads over greater tonnage. The move decreases the risks for all Ravensdown shareholders by having another strong agricultural commodity present in the business.

Strong balance sheet

The Board of Ravensdown has been very focused to ensure your costs are as low as possible, but also to maintain the viability of your fertiliser co-operative. As such, the profit of $40m announced in July was very important in allowing retention of more cash in our business. The rapid escalation in fertiliser commodity prices has put a major pressure on our working capital requirements and we must continue to demonstrate to our funders that we retain a very strong balance sheet to enable continued growth.

The outlook

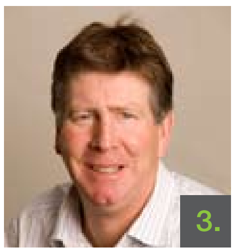
As we look forward to the 2008-09 year, we are continuing to manage fertiliser commodity prices to minimise the impact of these on you. We are also working hard to find ways to minimise your costs going forward. One of the exciting possibilities is the securing of the Clarendon phosphate deposit for Ravensdown shareholders. This deposit has been known since 1902, but was not viable when fertiliser rock prices were in the USD30-40 range. Now that rock prices are more than 10 times this, the exploitation of this deposit could have real benefits for Ravensdown shareholders.

Our Board

We would also like to express our appreciation of the dedication shown by our Board of Directors in steering Ravensdown through what has been a tumultuous year where interaction with farmer shareholders has been very important, but even more so, the clear development and implementation of a comprehensive strategy to take Ravensdown to the next level.

At the Board election in 2007 we farewelled retiring Director David Baker. David has been a knowledgeable and hard working Director of the Board since 1986. He has been very involved with the FRMA and his participation in farm consultancy has been of benefit to Ravensdown for the last 20 years. We will miss David's valuable contribution.

We welcome new board members Jim Williams (Masterton) and Stuart Wright (Sheffield) along with our two new Western Australian Directors – Rhys Turton and Gary Cosgrove. These new Directors bring a host of strengths from their experiences in the arable-livestock sectors. We congratulate Bevin Watt on his reappointment. The contribution of these new Board members during the last year has added a new depth to Ravensdown's Board debate.



1. **David Baker**
2. **Rhys Turton**
3. **Stuart Wright**
4. **Jim Williams**
5. **Gary Cosgrove**

SOURCING PRODUCTS FROM AROUND THE WORLD

China
- Urea
- Phosphate rock
- Ammonium sulphate
- DAP
- Triple superphosphate

Morocco
- Phosphate rock
- DAP
- Triple superphosphate

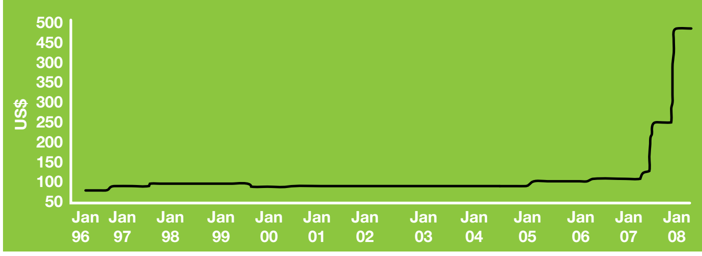
Australia
- Ammonium sulphate
- Urea
- DAP

Canada
- Sulphur
- Ammonium sulphate
- Potash

Saudi Arabia
- Urea

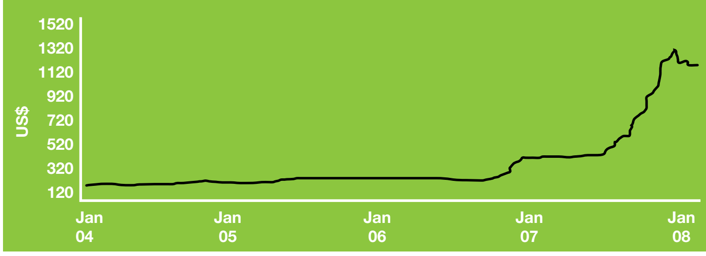
Belgium
- Sulphate of potash

Phosphate rock (FOB)



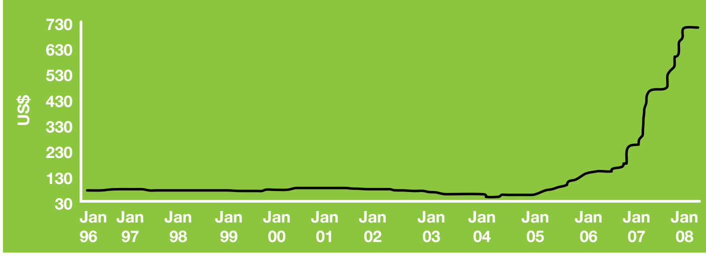
Phosphate rock prices have been driven by suppliers equalising the phosphate costs from either the ammonium phosphates or the phosphoric acid, whichever is higher.

DAP (FOB)



DAP prices have been driven up by demand resulting from high food prices. Prices have been held up by the imposition of the Chinese tax. New plants are under construction in China and Saudi Arabia, and these will eventually help supply.

Sulphur (FOB)



Sulphur is a by-product of petroleum. To comply environmentally it is scrubbed out during the manufacturing process.

A glut was expected during the last two years, however the extraction of sulphur from the Canadian oil sands recovery project has been delayed and there have also been delays with a number of petroleum projects. When these projects come on line we expect supply to increase and therefore the price to drop.

Food prices around the world are increasing. As a food exporting country this should be a golden age for agriculture in New Zealand.

Germany
- Sulphate of potash
- Ammonium sulphate
- Nitrophoska
- Potash

USA
- Triple superphosphate
- DAP
- Ammonium sulphate

Taiwan
- Sulphate of potash

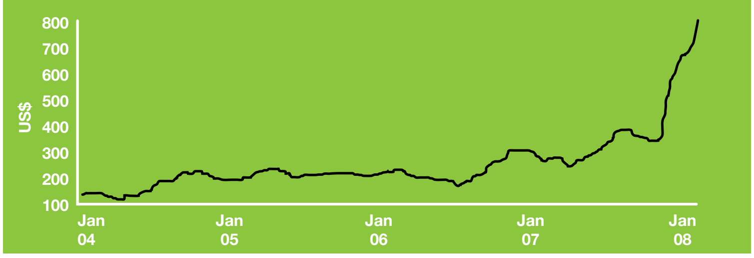
Israel
- Triple superphosphate
- Potash

Vietnam
- Phosphate rock

Qatar
- Urea

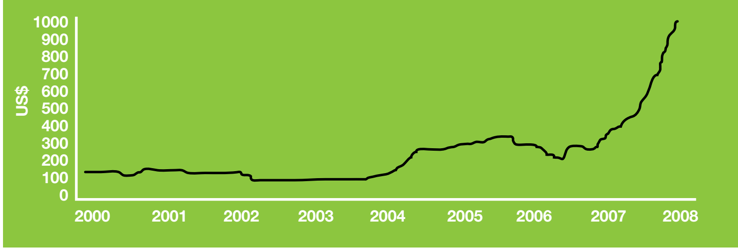
We are a long-term player. We are very well known and set up supply chains directly with suppliers. We have expertise in building long-term relationships with suppliers. We source products from around the world from different suppliers, providing security of supply.

Urea



The Chinese government introduced a tax of 135% in April 2008. They were worried about their own food security and so have used the export tax to ensure domestic supply of fertilisers is maintained.

Muriate of Potash



Potash demand continues to outstrip supply on a world basis. It is expensive to recover, and the capital and time required to develop new resources are driving up prices.

WE MAKE AND MIX IT

Imported phosphate rock and sulphur are converted into Superphosphate, Maxi-Sulphur Super, Serpentine Super and Sulphur Super 30 at our three manufacturing plants. These products provide customers with the key nutrients phosphate and sulphur. We also provide high-grade sulphuric acid for industrial use.

Improving quality

Since August 2007 we have been adding rock from Christmas Island to help improve the physical quality of superphosphate. Further improvements in quality are expected as a result of our Awatoto Works upgrade during 2008.

National training programme

As a result of our aim to improve our service we have introduced a national training programme for our stores focusing on achieving excellence in customer service. This covers operational issues, product range and knowledge and improved customer service.

Environmental focus

Environmental management is a key focus at our manufacturing sites and we have made some significant steps forward in this area and will continue to develop it.

Supplying power to the national grid

Ravensdown's three fertiliser works produce 80% of their own annual power requirements as part of the process of making sulphuric acid, an essential ingredient in the production of superphosphate. Last year we also exported $400,000 worth of power to Meridian for general consumption.

New Hokitika store

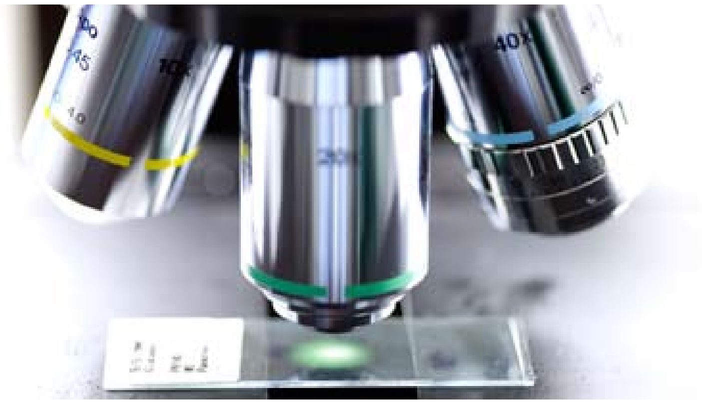
In the last four years tonnages through the Hokitika store have increased by 60% which has resulted in Ravensdown opening a new larger store during the year to accommodate the growth.

FIND OUT WHAT YOU NEED

Having our own independent lab means we can help farmers put on only the nutrients they need – so it's more cost efficient and better for the environment.

ARL is your laboratory

- ARL is Ravensdown's 100% owned analytical lab, carrying out soil, plant, fertiliser and water testing. It is the leading commercial feed testing lab in New Zealand and the only commercial lab utilising comprehensive NIR pastoral calibrations based on animal feeding studies.
- 56,000 soil tests (including additional tests) were completed in the last year.



System upgrade

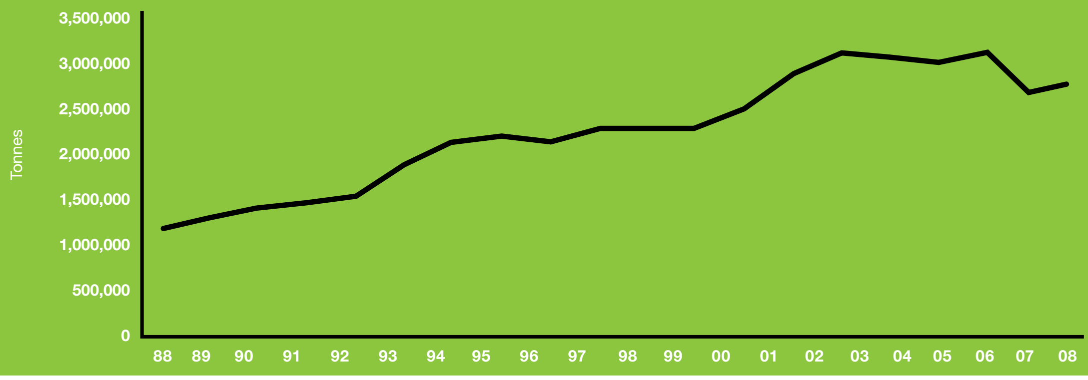
Laboratory information systems have been upgraded to streamline the flow of test requests and results between account managers, the laboratory and "My Ravensdown".

OPTIMISE YOUR PRODUCTIVITY AND PROFITABILITY

Fertiliser

From 1988 to 1992 fertiliser use grew quickly as farmers recovered from the cut in fertiliser subsidies in 1985 and the realisation fertiliser inputs below maintenance was not sustainable. Improving returns led to total industry annual sales peaking at over 3m tonnes between 2003 and 2006. Since then the market has contracted because of poor returns in drystock farming and rising fertiliser costs in real terms. Nutrient budgets have also had an impact in the dairy sector.

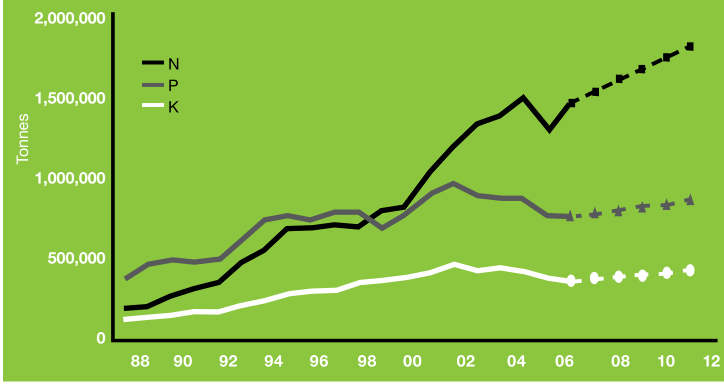
New Zealand Fertiliser Market - 20 years since 1988



NPKS sales

Phosphate applications rose steadily during the 1990s as drystock farmers restored their maintenance applications which halved after 1985. In the early 2000s improved returns saw farmers making capital applications of phosphate as well as developing an increasing realisation of the economic benefits of N fertiliser to quickly stimulate pasture production. Since 2006 applications of phosphate in the drystock sector have slipped below maintenance levels and the dairy sector has reduced applications of P through nutrient budgeting. Dairy farmers continue to see benefits of N fertiliser in maximising dry matter production and therefore milk production.

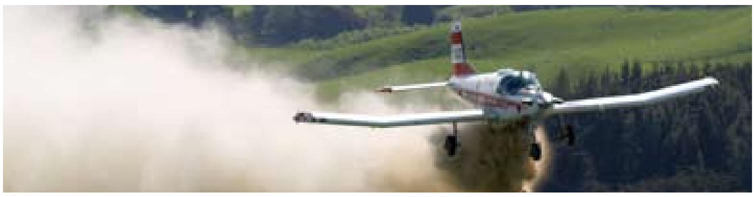
New Zeland NPK Sales - future



Lime

Sales up 10%

Ravensdown sold more than 655,000 tonnes of lime, up 10% on the previous year.



Innovation

Ravensdown is investing in development work to improve the flowability of lime and reduce the risks to aerial spreading operators. The aim of this development is to improve the consistency of the flowability of lime which can be a major issue when aerial applicators apply lime.

Agrochemicals

3rd in pastoral market

Ravensdown's agrochemical business is now 3rd in New Zealand's pastoral market *(AC Neilson Market Research)*.

Record agchem sales

Agrochemical sales grew by 31% compared with last year.

Animal health

New Products

To provide you with the animal health products you need we are continually expanding our range. This year we added facial eczema products Mycotak and Mycowet as well as Starter Drench, DCM Chelate and a spore count service.

3rd in drench market

Ravensdown is now the third largest supplier in the drench market *(AC Neilson Market Research)*.

Sales up 21%

Animal health sales increased 21% by revenue (parasiticides 24%, supplements 19%).

Nutrition

Nutrition business launched

Improved animal nutrition is part of helping farmers maximise returns from their farming businesses.

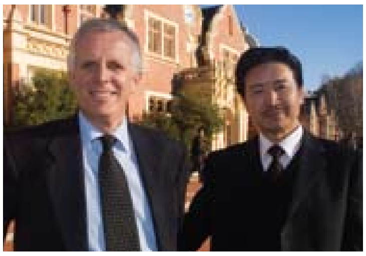
During the year we introduced the first of our animal nutrition products: PKE and Dairy Hi Carb 18. Dairy Hi Carb 18 is a PKE-grain blend that can increase production by 20% compared with straight PKE.

Our first season of Calf Milk Replacer went well. Based on dairy industry payout forecasts, Ravensdown's whey Calf Milk Replacer was extremely attractive.

Eco-n

Improved manufacture

Improvements in the eco-n manufacturing process resulted in an improved product and reduced mixing times.



Recognition

Eco-n was officially recognised with developers Dr Keith Cameron and Dr Hong Di of Lincoln University being appointed Officers of the New Zealand Order of Merit (ONZM) for services to agricultural research.

Proof-of-placement

Eco-n proof-of-placement application reports are now being produced and mailed as well as being available on "My Ravensdown".

New product coming soon

Ravensdown is investing in a second-generation eco-n product, based on a different active ingredient. Preliminary work in New Zealand under varied environmental conditions is showing very exciting results. We aim to have this new nitrification inhibitor available in 2009.

Eco-n DVD

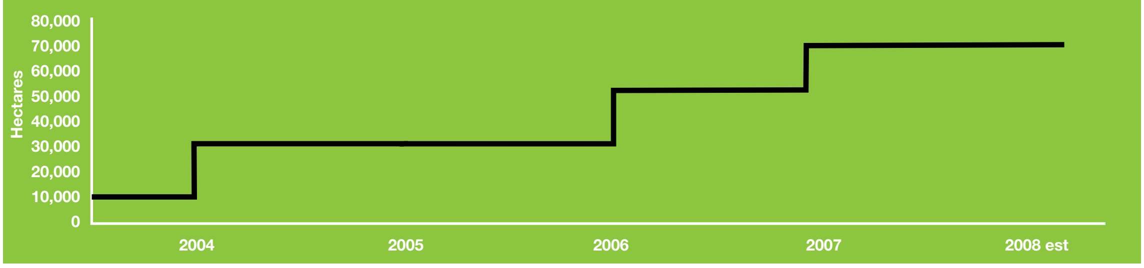
A DVD on eco-n was sent to dairy farmers as well as government ministers and relevant industry people.

Copies of the DVD are available by calling the Customer Centre on 0800 100 123.

Sales up 61%

Eco-n sales increased by 61% over the previous year.

Eco-n autumn applications for the last 5 years



PUT IT ONLY WHERE YOU NEED IT

Ravensdown is now the largest spreading operator in New Zealand

- A new joint venture was formed in May 2008 between Canterbury Spreading and Palmers Transport. This operation operates 10 spreading units and a sprayer, and is currently installing Ravensdown proof-of-placement technology in response to customer requests in Canterbury.
- RBS based in Bulls joined the Spreading Sandford group and has used Ravensdown technology to lift service levels to customers. RBS added another four spreading trucks to Sandford's operation.
- Advanced Spreading and Tuapeka Transport merged and now operate seven spreaders and a combination spray and spreading truck.
- Spreading Southland added another spreader to its fleet to meet customer demand and maintain a high level of service.

Leading proof-of-placement technology

55 spreading trucks are now fitted with Ravensdown's world leading proof-of-placement technology.

Wanganui Aero Work

Our aerial spreader, Wanganui Aero Work continues to expand its customer base and the regions it works in, including making planes available to the South Island during peak application times. During the year a fifth helicopter was fitted with purpose built spray equipment to enable eco-n and agrochemical application.

Applications by our spreading joint ventures increased by 43% over the previous year.

Application maps

During the year more than 10,000 proof-of-placement maps were sent out to customers proving fertiliser and lime were correctly applied to the target areas.

The "My Ravensdown" website gives farmers access to these maps on-line. The technology will also ensure you can be absolutely confident that the right product has been applied to the right paddock at the right rate and evenly, and not on to environmentally sensitive areas.

LEAVE THE PLANET A BETTER PLACE

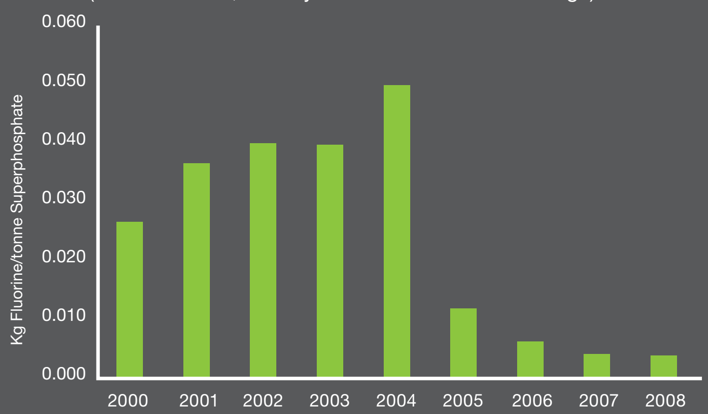
Agriculture faces the challenge of increasing productivity while decreasing its environmental impact. Ravensdown is here to help.

Awatoto Works – Napier:

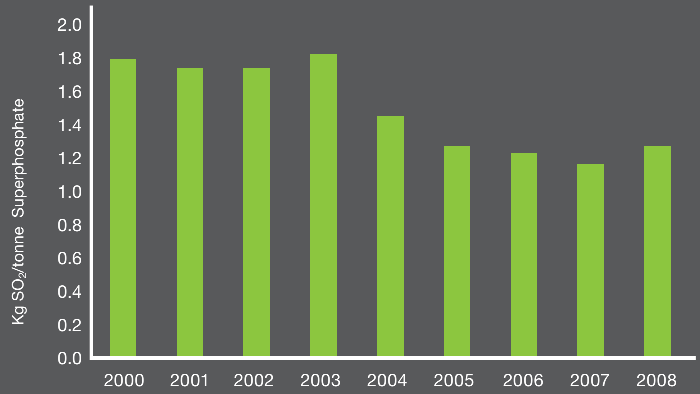
- The plant has focused on operating at the highest possible level of environmental performance, conscious of unsatisfactory incidents in 2005 and 2006, and working to exceed the resource consent conditions it was granted from the Hawke's Bay Regional Council in May 2007. Some conditions of the resource consent are still under appeal. The outstanding issues are expected to be resolved this year. As part of the process we have committed to major investment in the Awatoto site. We have already made significant progress in implementing these commitments.
- As part of the consent process we have committed to minimising emissions and their potential impact. We have introduced caustic dosing on our scrubber system to improve pH control of gaseous emissions from manufacture.
- During the year work started on a $6m manufacture upgrade which once completed will improve overall productivity, product quality and reduce plant emissions. We expect this work to be completed in September 2008.
- We are putting a lot of effort into technology to improve our plant operation and environmental monitoring and compliance. This has included new operating systems and infrastructure upgrades.

Emissions across all three superphosphate manufacturing sites are closely tracked. Fluoride and sulphur dioxide emissions per tonne of fertiliser output continue to be at reduced levels.

Fluoride Discharged to Air
(Ravensbourne, Hornby and Awatoto Works Average)



Sulphur Dioxide Discharged to Air
(Ravensbourne, Hornby and Awatoto Works Average)



Ravensbourne Works – Dunedin:

Saving energy has been a focus at the Ravensbourne Works. With the sulphuric acid plant able to generate electricity without emitting carbon dioxide, and with high seasonal spot prices, it is sound economics and sound environmental practice to optimise the power above the plant's own requirements that can be fed back into the national grid. This has been aided by upgrading the control room of the sulphur melter, making technical changes so the rock grinding mills can operate at off peak periods, and installing more energy efficient equipment.

Hornby Works – Christchurch:

- After three years of sustained work, the Resource Consent renewal process at the Hornby Works culminated in a four day hearing with Environment Canterbury in July 2008. Technical experts were used in the preparation of the application and the presentation of evidence covering, health assessments, air shed modelling, vegetation, impacts on building materials etc. The consultation process to support the consent was comprehensive resulting in only six submitters appearing at the hearing. The outcome of the 20 year consent applied for is still pending.
- Environmental projects for the year include modifications to the manufacturing stack cone to increase gas exit velocity, refurbishment of the mill bag house including dust sensors with automated shut-off, and further site tree planting.
- The sites recertification audit for ISO:14001 was conducted in December 2007. Key auditor comments were about good documentation being evident, no non-conformances, and continual progress between audits.
- Ravensdown was pleased with the outcome of the April 2008 Coroners inquest into three deaths in Christchurch from legionnaires disease in winter 2005. The Canterbury Medical Officer of Health at that time implicated the Hornby cooling towers in the legionella outbreak that affected 19 people. This was a very distressing allegation for our Hornby staff and for the whole company. Coroner Trevor Savage noted "*I hold that the evidence does not support a conclusion that the Ravensdown tower was the probable source of the infections contracted by any of the 19 persons who were infected and that it is impossible on the evidence to conclude what was the source of the infections of any of those 19 persons.*" Ravensdown remains disappointed that being one of the few companies that intensively tested its cooling towers and made that data freely available to the Medical Officer of Health actually made the company vulnerable to incorrect allegations.

Lime quarries

Greenleaf – A second water treatment facility at our Greenleaf quarry in Dargaville has been installed to improve the clarity of quarry run-off prior to discharge.

Waikaretu – Overburden has been used throughout the year to progressively rehabilitate the quarried out blocks of the Waikaretu Quarry.

Supreme – Stripped overburden from Supreme lime in Waitomo has been placed in stockpiles for reuse at the end of quarrying. The area has been grassed and the water treatment facilities fenced off to prevent access by stock.

Westport – Conversion of the diesel mechanical crusher drive to electric has reduced noise and emissions at our Westport lime site.

Dipton – Development of a quarry management plan has included consultation with concerned residents. The plan includes provisions for preserving large parts of a bluff area.

ON-FARM ENVIRONMENTAL INITIATIVES

AgRecovery Rural Recycling Programme

When users and suppliers of agrochemicals recognised the need to provide stewardship for used chemical containers some years back Ravensdown was one of the first brand owners to commit to AgRecovery.

Nutrient budgets and nutrient management plans

- Last year Ravensdown was able to ensure that more than 98% of its dairying shareholders had nutrient budgets in place for their farms, with our field staff using the Overseer® model.
- In March 2008 an initiative with Meat and Wool New Zealand was launched to encourage sheep and beef farmers to adopt nutrient budgeting, for good environmental stewardship and sound business strategy.
- Nutrient budgets provide an important first estimation of nutrient inflows and outflows from a farm. These will develop into nutrient management plans to specifically look at technologies and techniques to reduce nutrient losses, saving the farmer money and reducing those all-important losses to the environment.
- Ravensdown is continuing its in-house training programme, external training programmes from Massey University, and the accompanying internal and external audit programme to ensure it maintains of the high quality of nutrient advice shareholders continue to expect from their Co-operative.

Western Australia environmental audit

During the year Ravensdown merged with Western Australian co-operative United Farmers. With the merger due diligence process in the late part of 2007 the opportunity was taken to obtain comprehensive environmental reports on the seven main sites operated by United Farmers. The environmental audits conducted by SKM allowed for an up to date assessment of all environmental practices and risks, past and present, and regulatory compliance from each site. A clear programme of action has been developed to address any points raised in the audit. None of these matters were of consequence to the merger decision. One of the seven sites had a more detailed investigation conducted for site contamination, and was found to be free from any effects of past activities.

Eco-n to reduce nitrate leaching

Developed and launched in 2004 after extensive research by Lincoln University, eco-n is a vitally important technology that is increasingly being used by around 700 leading New Zealand dairy farmers to reduce environmental impacts and to grow more pasture.

Emissions trading scheme

The place eco-n can play in helping to reduce the greenhouse gas emissions from agriculture is increasingly being recognised. It is the most significant technology currently available to the dairy sector to reduce its carbon footprint. This has high significance as agriculture prepares to enter into the emissions trading scheme after 2012. It is proposed that reductions of nitrous oxide from the eco-n nitrification inhibitor will be incorporated into New Zealand's inventory levels in 2009, and this will be assessed by the United Nations Intergovernmental Panel on Climate Change. Once accepted, this will lower the Government's Kyoto liabilities.

In June 2008 Lincoln University professors Keith Cameron and Hong Di featured in a BBC World documentary on New Zealand and its quest to reduce greenhouse gas emissions from all sectors.

The South Island Dairying Development Centre, in which Ravensdown is a founding partner, modelled the greenhouse gas footprint of the Lincoln University Dairy Farm to assess the potential impacts of an emissions trading scheme, and included the mitigation potential offered by eco-n. Modelled conservatively over an annual cycle, eco-n reduced nitrous oxide by 35% and this meant the farm's total emissions under a (within the farm gate) lifecycle analysis reduced by 11.6%.

As currently proposed, during the first five years of an emissions trading scheme there will be a 90% allocation of 2005-level emissions for agriculture. If this was to be allocated to the farm level, and the farm was the point of obligation (as opposed to the processor) then the Lincoln University Dairy Farm would actually have a surplus of emissions units (carbon credits) from 2013 to 2018, assuming farm production stayed at around 2005 levels.

In conjunction with the Fertiliser Quality Council that administers the Fertmark and Spreadmark programmes, the South Island Dairying Development Centre assisted with the production of a DVD based on the sound environmental practices of the Lincoln University Dairy Farm. This highlights the use of soil testing, nutrient management plans, the use of Fertmark-registered products and Spreadmark-certified spreaders, and the use of eco-n. The package culminates in having a very high productivity farm with a measured low environmental effect. The DVD can be viewed through a broadband connection at **www.fertqual.co.nz**

S I D D C

SOUTH ISLAND DAIRYING DEVELOPMENT CENTRE

Lincoln University DairyNZ CROP & FOOD Ravensdown SIDE LIC

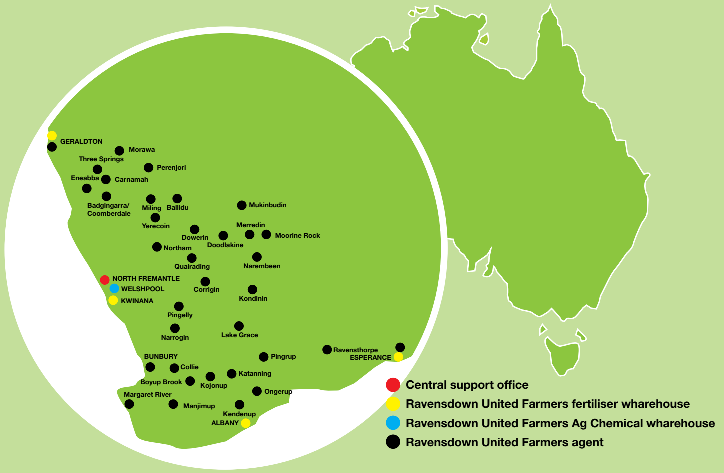
Partners networking to advance South Island dairying

LOOKING FOR NEW WAYS OF DOING THINGS TO MAKE YOUR CO-OPERATIVE EVEN MORE SUCCESSFUL

Ravensdown goes trans-Tasman

In February Ravensdown became the first farmer trans-Tasman co-operative. Western Australia's United Farmers Co-operative Company voted overwhelmingly to accept the New Zealand Co-operative's offer of $A6m ($NZ6.84m) for the business at its annual meeting in Perth.

For UFCC the merger means operational synergies estimated to be worth around $4m per year and will result in the provision of additional services to Western Australian farmers and rural communities. These savings have now been realised.



About Ravensdown United Farmers

- United Farmers Co-operative Company was established in 1992. It is based in Western Australia.
- It has around 3,700 co-operative members – 90% of whom are arable farmers.
- It has approximately 15% market share and is the third largest fertiliser supplier.
- It has supplied an average of 230,000 tonnes a year for the last four years and has also developed a strong chemical business several times the size of the New Zealand business.
- It has 35 agency outlets in Western Australia and owns stores in Kwinana, Geraldton, Albany and Esperance.
- The Western Australia season is different from New Zealand's. 80% of despatches occur between February and June.
- The majority of fertiliser orders are pre-paid.

- The merger will enable Ravensdown to spread our overheads over 200,000 more tonnes and give us more shipping and purchasing power.
- After two years of drought generally Western Australia has received early seasonal rains however some of these regions are now in need of urgent rain.

Ravensdown's assets in Western Australia include good port storage facilities at Kwinana, Geraldton, Albany and Esperance, a head office building, and the Kwinana compaction plant which cost $A10m to build about five years ago.

BEING 100% OWNED BY FARMERS IS AT THE HEART OF WHAT WE DO

We held the price of superphosphate from December 2007 until 31 May 2008, saving farmers $15m plus loyal shareholders received an additional $5m in loyalty credits.

Customer Centre excellence

The Customer Centre answered 97% calls and lifted productivity by 10% per customer service representative. Our sophisticated customer management software enables our staff to have more effective and efficient relationships with our customers.

Ravensdown Travel Dollars

Travel Dollars continue to give you the option of getting a direct debit discount of 1.5% or the equivalent value in Ravensdown Travel Dollars. You can spend your travel dollars on anything you can get through a travel agent – flights, car hire, hotels, theatre tickets. You can keep track of your Travel Dollars on "My Ravensdown".

Shareholder meetings

Getting out and talking to shareholders is a key focus for Ravensdown. During the year we held 40 shareholder meetings which were attended by 1,800 shareholders.

1.

2.

1. 2008 Young Horticulturalist Competition Winners.
2. Rob Barnett, winner – feed wheat section, Ravensdown Wheat Quality Awards, with Chairman Bill McLeod.
3. Nicky and Ben Allomes winners of the prestigious Sharemilker of the Year.
4. David Skiffington, winner – Young Farmer Contest 2008 after coming runner up in 2007.
4. Jackie Gibson - Hugh Williams scholarship recipient 2008

3.

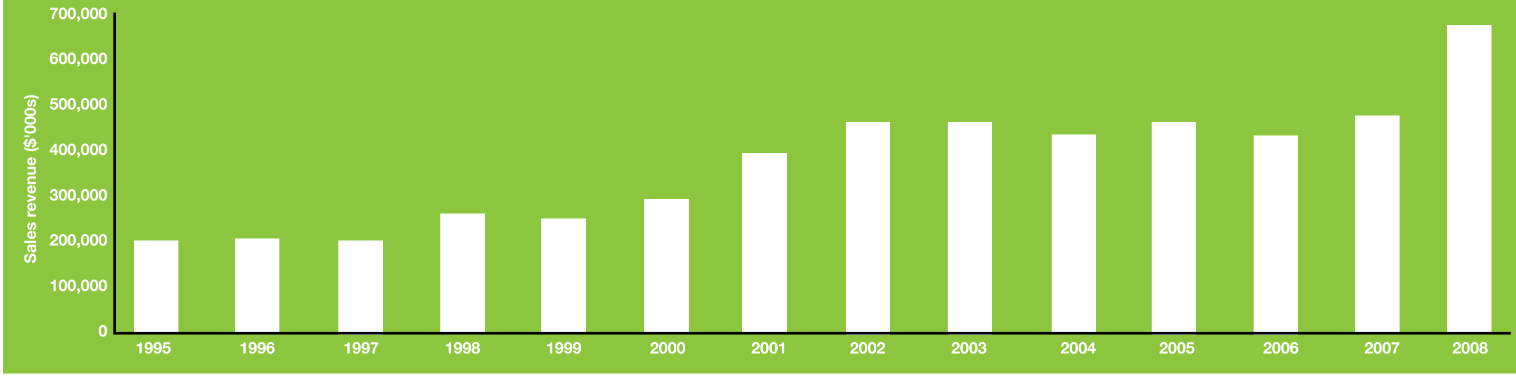
4.

5.

FINANCE AT A GLANCE

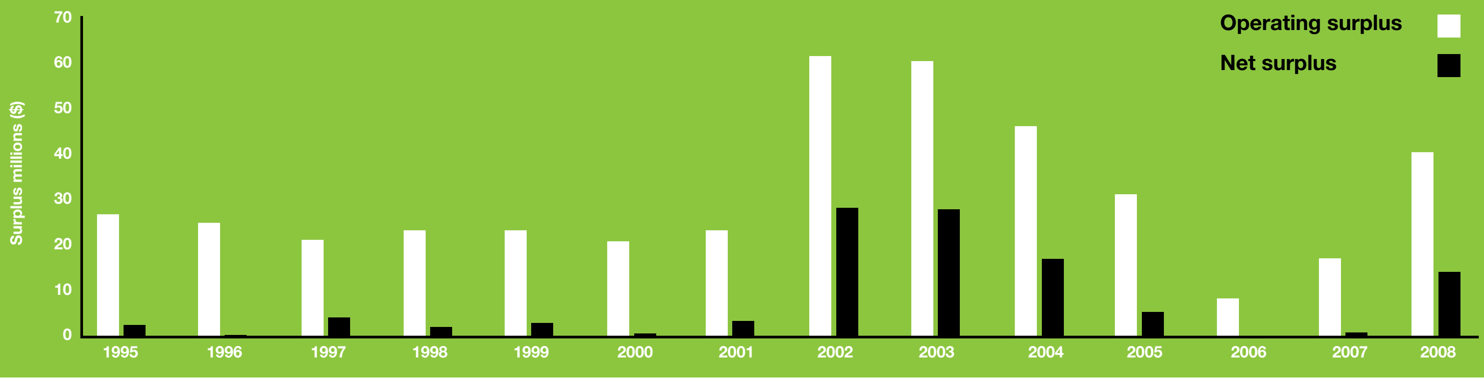
Sales revenue

Total sales made by Ravensdown after removing inter-company transactions



Operating surplus compared with net surplus after rebate and tax

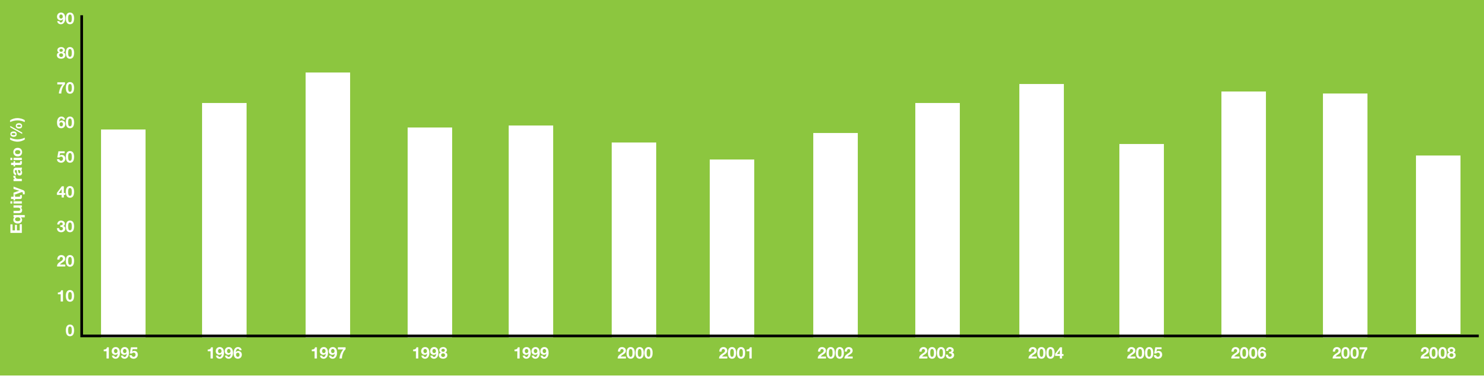
Compares the profit achieved by the company prior to rebate distribution and tax with the profit retained by the company



(2007 and 2008 in accordance with NZIFRS)

Equity ratio

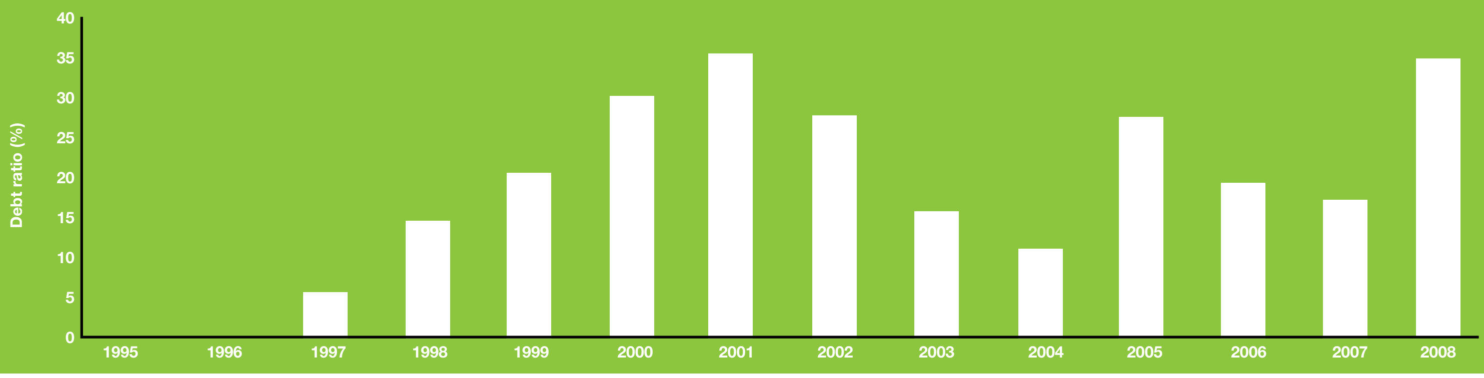
The ratio of equity to total assets compares the money creditors contribute to the business with the money owners contribute



(Calculation excludes financial derivatives, provisions and deferred tax)

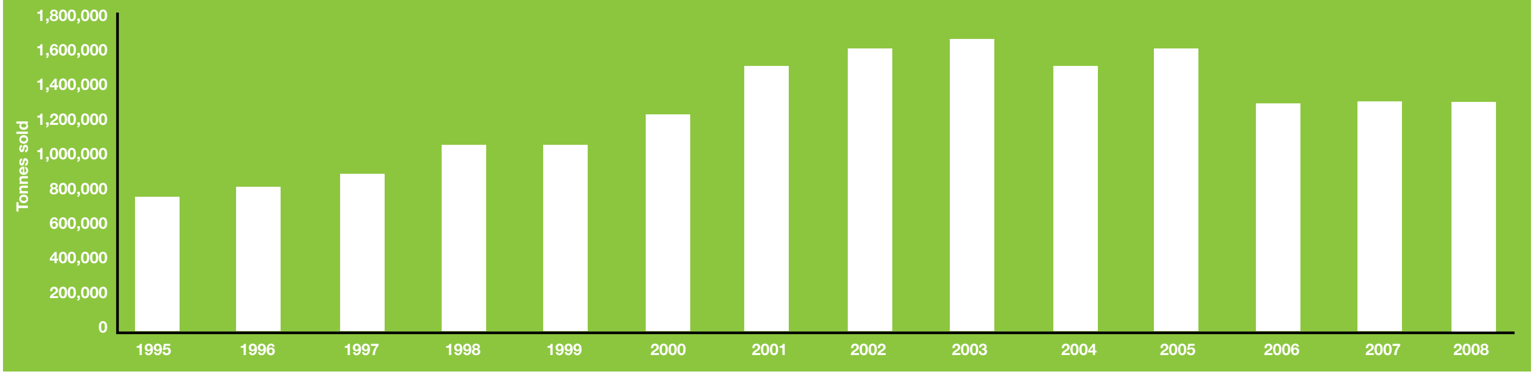
Debt ratio

Bank debt divided by total assets – illustrates how much bank debt is used to fund assets



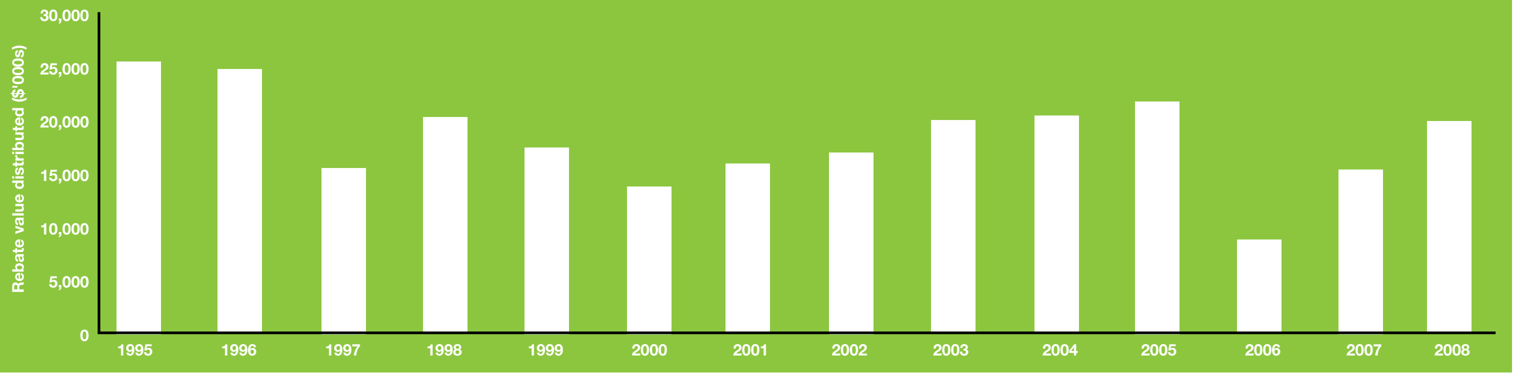
Fertiliser sales

Total shareholder fertiliser purchases



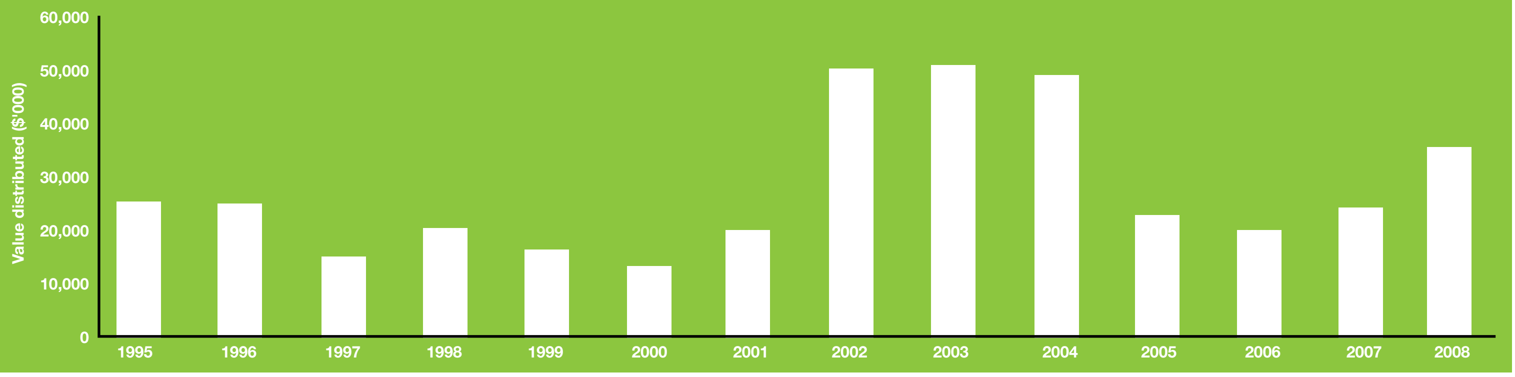
Value of rebate to shareholders

Total dollar value of distribution to shareholders comprising rebates



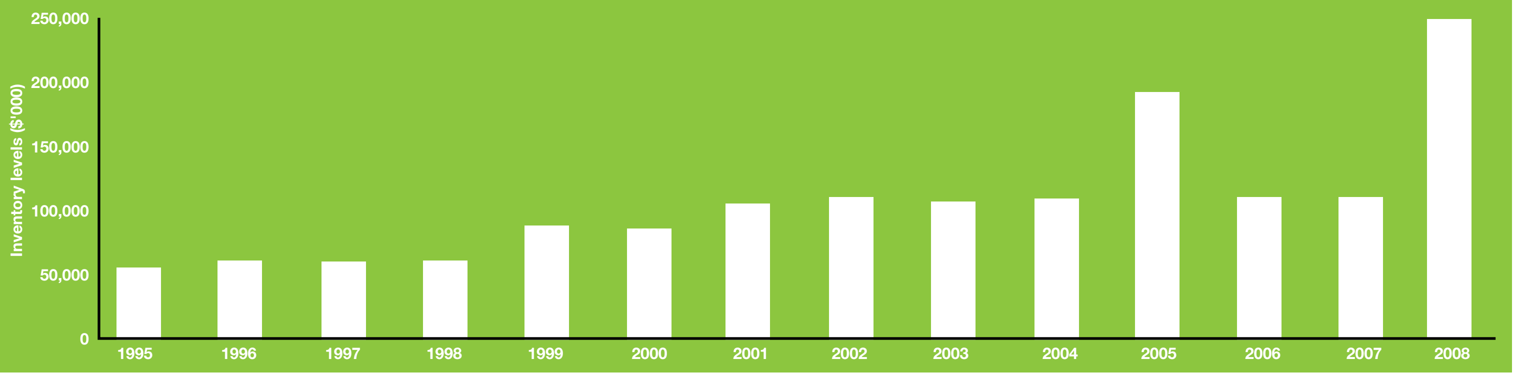
Value of distribution to shareholders

Total dollar value of distribution to shareholders comprising rebates and bonus issues



Inventory

Total inventory held by Ravensdown including manufactured product, raw materials, stock in transit at balance date and spare parts



CORPORATE GOVERNANCE

Directors' meetings
The table below sets out the number of meetings and attendance for the Board and main committees throughout the financial year.

Approach
The Board and Management of Ravensdown view corporate governance as an important issue and are committed to ensuring the Co-operative maintains best practice governance structures and adheres to the highest ethical standards.

Responsibility of the Board of Directors
The Board is elected by, and responsible to, the shareholders for the performance of the Co-operative. The focus of the Board is to protect and enhance long-term shareholder value. The Board oversees the management and approves overall strategy, pricing, rebates, budgets and plans, and also ensures effective safeguards and controls are in place to protect the business. The day-to-day running of the business has been delegated by the Board to the Chief Executive Officer. The Board utilises a number of committees to help in its work, the main ones being as follows:

Audit Committee
The Committee comprises four Directors who meet at least four times per year. The Committee provides a forum for communication between the Board and the external and internal auditors, and its main responsibilities are:

- Reviewing and reporting to the Board on annual budgets, financial statements, proposed rebates and pricing.
- Reviewing the effectiveness of the organisation's internal control environment.
- Determining the resource and scope of the internal audit function.
- Overseeing the effective operation of the risk management framework and the legislative compliance system.
- Recommending to the Board the appointment, removal and remuneration of the external auditors.

Remuneration Committee
The Remuneration Committee makes recommendations to the Board on the remuneration of Directors and the CEO, and also reviews the remuneration of other senior managers within Ravensdown. The Committee consists of four Directors and receives information from the Hay Group (remuneration consultants) and the Directors Remuneration Survey to assist in its decisions.

Share Surrenders Committee
The Share Surrenders Committee consists of four Directors who meet by teleconference to consider surrender applications from shareholders.

Superannuation Committee
The Superannuation Committee is the trustee of the Ravensdown Staff Superannuation Scheme. The Committee consists of two Directors, two management representatives and a staff representative, and is responsible for the Scheme, including the ongoing investment strategy.

Directors' performance
All Directors' performances are evaluated using the Institute of Directors Evaluation System. The evaluation is designed to measure performance through peer review and self-assessment, and appropriate strategies for personal development are then agreed and actioned. The evaluation system also gives feedback on the Chairman's performance.

Risk identification and management
The Company has developed a comprehensive risk management framework to identify, assess and monitor new and existing risks. Annual risk updates are performed and risk improvement plans created and acted on. As part of this work, management is also responsible for ensuring an appropriate insurance programme exists.

Ethical conduct
The Co-operative has published a Code of Business Conduct and an Employee Handbook to guide management and employees in carrying out their duties.

Duty to Shareholders
Ravensdown keeps shareholders informed of all major developments affecting their company through regular communications. Shareholders' input and participation is actively encouraged at the Annual Meeting and regional meetings.

	Board of Directors		Audit Committee		Remuneration Committee		Surrenders Committee		Superannuation Committee	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
W T McLeod	11	11	4	4	3	3			3	3
P D Willock	11	11	4	4	3	3				
JFC Henderson	11	10	3	3			10	8		
B R Irvine	8	7	3	3						
A P Reilly	11	10			3	3	5	5	1	1
C J Dennison	11	11			2	2				
B D Watt	11	11					10	9		
S G Gower	11	11					5	5		
A C Howey	11	11							2	2
P G Inger	11	11								
J L Williams	8	8								
A S Wright	8	8								
R T Turton	3	3								
G J Cosgrove	3	3								
D O Baker	3	3	1	1						
J D McFarlane	3	2	1	1						
R W Davison	3	3			1	1				

Directors' declaration

In the opinion of the Directors of Ravensdown Fertiliser Co-operative Limited, the financial statements and notes, on pages 28 to 54:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company and the Group as at 31 May 2008 and the results of their operations and cash flows for the year ended on that date.

- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and the Group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company and the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of Ravensdown Fertiliser Co-operative Limited for the year ended 31 May 2008.

For and on behalf of the Board of Directors:

W T McLeod

Director

Date 29 July 2008

P D Willock

Director

Date 29 July 2008

Ravensdown Fertiliser Co-operative Limited

2008 Financial Statements

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Income statement

for the year ended 31 May

In thousands of New Zealand dollars	Note	Group 2008	Group 2007	Company 2008	Company 2007
Revenue	7	672,410	496,094	659,988	481,990
Cost of sales		(571,513)	(429,320)	(560,976)	(421,437)
Gross profit		100,897	66,774	99,012	60,553
Sales and marketing		(21,093)	(16,502)	(21,073)	(16,345)
Administrative expenses	8	(24,123)	(23,566)	(21,586)	(18,204)
Other operating expenses		(5,182)	(3,375)	(5,180)	(3,329)
Results from operating activities before transactions with shareholders and finance costs		50,499	23,331	51,173	22,675
Finance income	10	970	911	1,167	1,031
Finance expenses	10	(12,500)	(7,868)	(12,275)	(7,547)
Net finance costs	10	(11,530)	(6,957)	(11,108)	(6,516)
Discount on acquisition	6	581	-	581	-
Share of profit of equity-accounted investees (after tax)	14	650	283	-	-
Profit before rebate and income tax		**40,200**	**16,657**	**40,646**	**16,159**
Rebates		(18,555)	(15,720)	(18,555)	(15,720)
		21,645	937	22,091	439
Income tax (expense)/credit	11	(7,497)	420	(7,524)	434
Profit for the year attributable to the equity holders of the Company		**14,148**	**1,357**	**14,567**	**873**

Statement of recognised income and expense

for the year ended 31 May

In thousands of New Zealand dollars	Note	Group 2008	Group 2007	Company 2008	Company 2007
Foreign currency translation differences for foreign operations		2,171	-	2,171	-
Revaluation of property, plant and equipment		8,535	5,287	8,535	5,287
Revaluation reserve transferred to profit on disposal of assets		-	(570)	-	-
Effective portion of changes in fair value of cash flow hedges		(37,599)	(52,191)	(37,599)	(52,191)
Net change in fair value of cash flow hedges transferred to inventory		35,716	(2,329)	35,716	(2,329)
Net change in fair value of cash flow hedges transferred to profit or loss		(661)	(294)	(661)	(294)
Income tax on income and expense recognised directly in equity		(994)	17,924	(994)	17,822
Income and expense recognised directly in equity		7,168	(32,173)	7,168	(31,705)
Profit for the period		14,148	1,357	14,567	873
Total recognised income and expense for the period	19	**21,316**	**(30,816)**	**21,735**	**(30,832)**

The notes on pages 32 to 54 are an integral part of these financial statements.

Balance sheet

as at 31 May

In thousands of New Zealand dollars	Note	Group 2008	Group 2007	Company 2008	Company 2007
Assets					
Property, plant and equipment	12	215,324	169,825	197,710	152,081
Intangible assets	13	5,107	4,473	5,076	4,417
Mining deposits		1,370	1,042	1,370	1,042
Investments in equity-accounted investees	14	11,790	9,273	10,654	8,787
Other financial assets	15	1,199	555	28,226	27,605
Deferred tax assets	16	1,862	4,032	2,474	4,137
Total non-current assets		**236,652**	**189,200**	**245,510**	**198,069**
Inventories	17	249,758	116,571	248,369	115,172
Other financial assets	15	2,001	767	2,001	767
Current tax assets		568	-	124	-
Trade and other receivables	18	128,351	76,541	128,178	75,090
Cash and cash equivalents		10,170	7,153	4,355	675
Total current assets		**390,848**	**201,032**	**383,027**	**191,704**
Total assets		**627,500**	**390,232**	**628,537**	**389,773**
Liabilities					
Loans and borrowings		25,000	40,200	25,000	40,200
Other financial liabilities	20	11,289	13,665	11,289	13,665
Total non-current liabilities		**36,289**	**53,865**	**36,289**	**53,865**
Loans and borrowings		193,031	25,089	193,031	25,089
Trade and other payables	22	76,254	34,815	77,162	34,014
Other financial liabilities	20	33,043	31,265	33,043	31,265
Current tax liabilities		-	988	-	1,620
Provision for rebate		18,582	14,866	18,582	14,866
Provisions	21	13,210	-	13,210	-
Total current liabilities		**334,120**	**107,023**	**335,028**	**106,854**
Total liabilities		**370,409**	**160,888**	**371,317**	**160,719**
Net assets		**257,091**	**229,344**	**257,220**	**229,054**
Equity					
Share capital	19	220,520	207,902	220,520	207,902
Reserves	19	12,780	5,612	12,780	5,612
Retained earnings	19	23,791	15,830	23,920	15,540
Total equity		**257,091**	**229,344**	**257,220**	**229,054**

The notes on pages 32 to 54 are an integral part of these financial statements.

Statement of cash flows

for the year ended 31 May

In thousands of New Zealand dollars	Group 2008	Group 2007	Company 2008	Company 2007
Cash flows from operating activities				
Cash receipts from customers	627,351	478,084	612,508	464,036
Dividend received	41	1	1,341	1
Income tax refunded	-	1,228	-	1,549
	627,392	**479,313**	**613,849**	**465,586**
Cash was applied to				
Cash paid to suppliers and employees	733,468	436,918	720,845	420,474
Income tax paid	3,250	2,109	3,975	2,000
	736,718	439,027	724,820	422,474
Net cash from/(used in) operating activities	**(109,326)**	**40,286**	**(110,971)**	**43,112**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	9,737	1,406	8,270	100
Proceeds from sale of mining deposit	-	1,107	-	-
Cash acquired on acquisition	3,928	9	3,928	-
Loans repaid by subsidiaries	-	-	1,800	963
Loans repaid by equity-accounted investees	320	364	320	364
	13,985	2,886	14,318	1,427
Cash was applied to				
Acquisition of property, plant and equipment	22,274	11,675	19,005	8,280
Acquisition of other non-current assets	1,272	65	1,272	405
Purchase of investments	900	-	900	-
Loans advanced to subsidiaries	-	-	1,746	6,296
Loans advanced to equity-accounted investees	1,217	1,105	1,217	1,105
	25,663	12,845	24,140	16,086
Net cash from/(used in) investing activities	**(11,678)**	**(9,959)**	**(9,822)**	**(14,659)**
Cash flows from financing activities				
Interest received	4,604	4,086	4,753	4,381
Bank advances	661,794	406,600	661,794	406,600
Proceeds from issue of share capital	157	98	157	98
	666,555	410,784	666,704	411,079
Cash was applied to				
Interest paid	12,577	7,096	12,275	6,959
Repay bank advances	515,463	418,075	515,463	418,075
Repay share capital	5,986	6,406	5,986	6,406
Payment of rebates	9,077	8,752	9,077	8,752
	543,103	440,329	542,801	440,192
Net cash from/(used in) financing activities	**123,452**	**(29,545)**	**123,903**	**(29,113)**
Net (decrease) increase in cash and cash equivalents	2,448	782	3,110	(660)
Cash and cash equivalents at 1 June	7,153	6,371	675	1,335
Effect of exchange rate fluctuations on cash held	570	-	570	-
Cash and cash equivalents at 31 May	**10,171**	**7,153**	**4,355**	**675**
Cash and cash equivalents comprises				
Cash on hand	7,233	6,488	1,416	10
Bank balances	2,937	665	2,939	665
Cash and cash equivalents in the statement of cash flows	**10,170**	**7,153**	**4,355**	**675**

Statement of cash flows

for the year ended 31 May (continued)

Reconciliation of the profit for the period with the net cash from operating activities

In thousands of New Zealand dollars	Group 2008	Group 2007	Company 2008	Company 2007
Profit for the period	14,148	1,357	14,567	873
Adjustments for:				
Items classified as financing activities				
Rebates to shareholders	18,555	15,720	18,555	15,720
Interest received	(4,604)	(4,086)	(4,753)	(4,381)
Interest paid	12,577	7,096	12,275	6,959
Discount on acquisition/business combination	(581)	-	(581)	-
Items not involving cash flows				
Depreciation and loss (gain) on disposals	13,717	13,819	11,786	11,675
Amortisation of intangible assets	315	176	286	129
Increase (decrease) in doubtful debts provision		(9)		(9)
Net (gain) loss on financial instruments	(11,834)	13,077	(11,834)	13,077
Decrease (increase) in deferred taxation	5,801	(4,720)	5,295	(4,365)
Revaluation of Government Bond	(2)	13	-	-
Gain on sale of associates	(147)	-	(147)	-
Equity-accounted (profits) losses from associated companies	(650)	(283)		-
Income tax expense	-	660	-	763
(Increase) decrease in inventories	(111,224)	7,123	(110,981)	6,713
(Increase) decrease in trade and other receivables and prepayments	(40,817)	(13,957)	(42,376)	(13,472)
(Increase) decrease in tax refund due	(1,554)	2,297	(1,746)	2,822
Increase (decrease) in trade and other payables	(3,042)	1,998	(1,221)	6,603
Change in provisions and employee benefits	16	5	(96)	5
Net cash from operating activities	**(109,326)**	**40,286**	**(110,971)**	**43,112**

The notes on pages 32 to 54 are an integral part of these financial statements.

1 Reporting entity

Ravensdown Fertiliser Co-operative Limited (the "Company") is a company domiciled in New Zealand, registered under the New Zealand Companies Act 1993, the New Zealand Co-operative Companies Act 1996, the Australian Corporations Act 2001 and the Western Australia Companies Co-operative Act 1943. The Company is an issuer in terms of the Financial Reporting Act 1993.

Financial statements for the Company (separate financial statements) and consolidated financial statements are presented. The consolidated financial statements of Ravensdown Fertiliser Co-operative Limited as at and for the year ended 31 May 2008 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

Ravensdown Fertiliser Co-operative Limited is primarily involved in the analysis, advice and supply of inputs and services to the agricultural sector.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. Compliance with NZ IFRS ensures that the financial statements also comply with International Financial Reporting Standards ("IFRS"). These are the Group's first financial statements and NZ IFRS 1 has been applied.

An explanation of how the transition to NZ IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 29.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS balance sheet at 1 June 2006 for the purposes of the transition to NZ IFRS.

The financial statements were approved by the Board of Directors on 29 July 2008.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- certain items of property, plant and equipment that are revalued in accordance with the Group's policy of revaluation

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These financial statements are presented in New Zealand dollars ($), which is the Company's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand unless otherwise noted.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following notes contain balances subject to significant estimates and judgements:

- Business combinations (note 6)
- Fair value of derivatives (note 23)
- Fair value of land and buildings (note 12)

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures are accounted for using the equity method (equity-accounted investees). The consolidated financial statements include the Group's share of the income and expenses of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation (see (iii) below).

3 Significant accounting policies (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to New Zealand dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to New Zealand dollars at exchange rates at the dates of the transactions. Foreign currency differences are recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as an adjustment to the profit or loss on disposal.

(iii) Hedge of net investment in foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in foreign operation are recognised directly in equity, in the FCTR, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, held-to-maturity investments, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents for the purpose of financial asset classification are classified as loans and receivables.
Accounting for finance income and expense is discussed in note 3(m).

Held-to-maturity investments

If the group has the positive intent and ability to hold debt securities to maturity then they are classified as held-to-maturity. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any impairment losses.

Other

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses. Other than those classified as held-to-maturity all non-derivative financial assets are classified as loans and receivables. All non-derivative financial liabilities are classified as other amortised cost.

Investments in equity securities

Investments in equity securities of subsidiaries, associates and joint ventures are measured at cost in the separate financial statements of the Company.

Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

Interest-bearing borrowings

Interest-bearing borrowings are classified as other non-derivative financial instruments.

Trade and other payables

Trade and other payables are stated at cost.

(ii) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational and financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However derivatives that do not qualify for hedge accounting are accounted for as held-for-trading instruments.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship (see below).

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, except for land and buildings which are revalued with changes in fair value recognised directly in equity.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

3 Significant accounting policies (continued)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation
Depreciation is recognised in profit or loss to allocate the cost or revalued amount of an asset, less any residual value, over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives and the depreciation methodology for the current and comparative periods are as follows:

Land	Indefinite	
Land Improvements	25 years	Diminishing value
Buildings	30 years	Straight line
Fixed plant and equipment	15 years	Straight line
Mobile plant and motor vehicles	5 years	Diminishing value
Office equipment	2-10 years	Diminishing value
Fixed and rotary wing aircraft	7 years	Hours flown

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(e) Intangible assets

(i) Resource consents
Costs incurred in obtaining resource consents for the three manufacturing sites owned by the Company are capitalised and amortised from the granting of the consent on a straight-line basis for the period of the consent.

(ii) Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred. Development costs are capitalised if they can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

(iii) Other intangible assets
Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

(v) Amortisation
Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Patents and registrations	6-20 years
Resource consents	14-20 years

(f) Leased assets

Leases where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leases that are not finance leases are classified as operating leases, refer to note 3(m).

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement.

(i) Impairment of equity instruments
Equity instruments are deemed to be impaired whenever there is a significant or prolonged decline in fair value below the original purchase price.

(ii) Impairment of receivables
The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (that is the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis.

(iii) Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss, except to the extent they are used to offset a credit balance previously

3 Significant accounting policies (continued)

recognised directly in equity as a revaluation surplus. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

(ii) Long-term employee benefits

The Group provides certain employees with long service leave. An accrual is recognised on an actuarial basis over the period of service. The discount rate applied is the Government Bond rate for terms equivalent to the expected utilisation of the long service leave. Actuarial gains and losses are recognised in the profit or loss in the period in which they arise.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and trade discounts.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Services

Revenue from services rendered is recognised in profit or loss at the date when the service is rendered.

(iii) Dividends received

Dividend income is recognised on the date that the right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(l) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(m) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, and gains or losses on interest rate hedging instruments that are recognised in profit or loss. All borrowing costs other than those relating to hedging instruments are recognised in profit or loss using the effective interest method.

(n) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and equity-accounted investees to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

New standards and interpretations adopted early

NZ IAS 32 Financial Instruments Presentation was issued in February 2008. The amendment allows the Group to continue to classify its co-operative shares as equity. Mandatory adoption is required for periods commencing on or after 1 January 2009. NZ IFRS 8 Operating

Segments replaces NZ IAS 14 Segment Reporting. NZ IFRS 8 requires qualitative and quantitative disclosures regarding the Group's reportable segments, which are determined based on information reported internally. Mandatory adoption is required for periods commencing on or after 1 January 2009.

3 Significant accounting policies (continued)

NZ IFRS 1 First Time Adoption of NZ IFRS has been amended to allow a previous GAAP carrying value of investments in subsidiaries to be used as deemed cost on transition to NZ IFRS. There are consequential amendments to other standards that do not impact the Group. Mandatory adoption is required for periods commencing on or after 1 January 2009.

(o) New standards adopted and interpretations not yet adopted

A number of new amendments and interpretations are not yet effective for the year ended 31 May 2008, may impact the Group, and have not been applied in preparing these consolidated financial statements, namely:

- NZ IAS 1 Presentation of financial statements (revised) supersedes the 2003 version of NZ IAS 1.The revised standard introduces “total comprehensive income” (i.e. changes in equity during a period, other than those resulting from transactions with owners in their capacity as owners), and a “Statement of comprehensive income”. It requires all non-owner changes in equity to be presented in one statement (i.e. a Statement of Comprehensive Income) or two statements (i.e. an Income Statement and a Statement of Comprehensive Income). The revised standard will be mandatory for the Group’s 2010 financial statements and will impact the disclosures in the Group’s primary statements.

- NZ IAS 23 Borrowing Costs supersedes the earlier version of the standard. The main change from the previous version is the removal of the option to expense borrowing costs incurred in respect of “qualifying assets” for full reporting entities. The amended standard will be effective for the 2010 Group financial statements. The Group has not yet considered the impact of the amended standard on its financial statements.

- NZ IFRIC 13 Customer Loyalty Programmes provides guidance on accounting for customer loyalty programmes. The interpretation will be effective for the 2009 Group financial statements and is not expected to have any impact on the Group’s consolidated financial statements.

- NZ IFRS 3 Business Combinations (revised) superseded the 2004 version of NZ IFRS 3. The revised standard impacts the measurement of minority interests in an acquisition and the acquisition of minority interests subsequent to acquisition. The amendments also deal with accounting for step acquisitions, contingent considerations, acquisition costs and contingent liabilities of the acquiree. The revised standard will be mandatory for the Group’s 2011 financial statements. In respect of the 2008 financial statements, the $1.3 million transaction costs arising on acquisition of United Farmers Co-operative Limited (see note 6) would have been expensed had this revised standard been adopted early by the Group.

4 Determination of fair values

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.
Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property, plant and equipment

The fair value of property, plant and equipment is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion. External valuations are obtained to determine fair value.

(b) Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

(c) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(d) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(e) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest at the reporting date.

5 Segment reporting

The Group has two reportable segments, being its New Zealand and Australian operations. These segments are based on the Group’s management and internal reporting structure. Corporate is included within the New Zealand segment.

Inter-segment pricing is determined on an arm’s-length basis.
Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment expenditure on reportable non-current assets is the total cost incurred during the period to acquire non-current assets other than financial instruments and deferred tax assets.

5 Segment reporting (continued)

In thousands of New Zealand dollars	New Zealand 2008	New Zealand 2007	Australia 2008	Eliminations 2008	Total 2008	Total 2007
Total external revenues	596,885	496,094	75,525	-	672,410	496,094
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	596,885	496,094	75,525	-	672,410	496,094
Segment result before transactions with shareholders and finance costs	49,475	23,331	1,024	-	50,499	23,331
Net finance costs					(11,530)	(6,957)
Discount on acquisition					581	-
Share of profit of equity-accounted investees					650	283
Rebates					(18,555)	(15,720)
Income tax expense					(7,497)	420
Profit for the period					**14,148**	**1,357**

In thousands of New Zealand dollars	New Zealand 2008	New Zealand 2007	Australia 2008	Eliminations 2008	Total 2008	Total 2007
Total assets	488,127	390,232	141,483	(2,110)	627,500	390,232
Total liabilities	(238,718)	(160,888)	(133,801)	2,110	(370,409)	(160,888)
Investment in equity-accounted investees (included in total assets)	11,790	9,273			11,790	9,273
Expenditure on reportable non-current assets	23,144	18,566	36,275	-	59,419	18,566
Depreciation expense	13,401	13,431	633	-	14,034	13,431
Amortisation expense	297	169	-	-	297	169
Entity wide products and services						
Farm inputs - external revenue					653,063	477,303
Services and other income					19,347	18,791
Total Group revenue					**672,410**	**496,094**

6 Acquisition and disposal of businesses

Business combination

On 8 February 2008 the Group acquired certain business assets and liabilities of United Farmers Co-operative Limited. The business sells farm inputs in Western Australia.

The acquisition had the following effect on the Group's assets and liabilities on acquisition date:

In thousands of New Zealand dollars	Note	Recognised values on acquisition
Cash and cash equivalents		3,928
Trade and other receivables		9,456
Inventories		52,412
Property, plant and equipment	12	36,275
Deferred tax asset	16	3,626
Trade and other payables		(85,948)
Employee entitlements		(443)
Net identifiable assets and liabilities		**19,306**
6.8 million shares issued in the company (non-cash)		6,808
Deferred rebate incentive (non-cash)		11,917
Total consideration paid (non-cash)		18,725
Discount on acquisition (recognised in the income statement)		**581**

6 Acquisition and disposal of businesses (continued)

The values of assets, liabilities, and contingent liabilities recognised on acquisition are their estimated fair values. Transaction costs of $1.3 million are included within trade and other payables. In determining the present value of the deferred rebate incentive, the Group has used a discount rate of approximately 9%. The deferred rebate incentive, is contingent based on achieving volume targets over the four years subsequent to acquisition.

7 Revenue

	Group		Company	
In thousands of New Zealand dollars	**2008**	**2007**	**2008**	**2007**
Sales	670,686	494,344	656,649	480,318
Dividends received	41	1	1,341	1
Other Income	1,683	1,749	1,998	1,671
Total revenues	**672,410**	**496,094**	**659,988**	**481,990**

8 Administrative expenses

The following items of expenditure are included in administrative expenses:

	Group		Company	
In thousands of New Zealand dollars	**2008**	**2007**	**2008**	**2007**
Auditor's remuneration to KPMG comprises:				
Audit of financial statements	111	96	108	94
Other fees	41	8	41	8
Total auditor's remuneration	**152**	**104**	**149**	**102**

Other audit-related services include services in relation to accounting advice and NZ IFRS conversion services.

9 Personnel expenses

	Group		Company	
In thousands of New Zealand dollars	**2008**	**2007**	**2008**	**2007**
Wages and salaries	38,608	36,746	34,272	31,521
Superannuation - defined contribution	2,467	1,937	2,300	1,799
Increase in liability for long-service leave	77	5	77	5
Total personnel expenses	**41,152**	**38,688**	**36,649**	**33,325**

10 Finance income and expense

	Group		Company	
In thousands of New Zealand dollars	**2008**	**2007**	**2008**	**2007**
Interest income on held-to-maturity assets	37	41	-	-
Intercompany interest	-	-	433	346
Interest income other	933	870	734	685
Finance income	970	911	1,167	1,031
Interest expense on financial liabilities measured at amortised cost	(12,849)	(8,162)	(12,624)	(7,841)
Fair value of cash flow hedges transferred from equity	661	294	661	294
Unwinding of discount on contingent deferred consideration	(312)	-	(312)	-
Finance expense	(12,500)	(7,868)	(12,275)	(7,547)
Net finance costs	**(11,530)**	**(6,957)**	**(11,108)**	**(6,516)**

11 Income tax expense in the income statement

In thousands of New Zealand dollars	Group 2008	Group 2007	Company 2008	Company 2007
Current tax expense				
Current period	2,526	2,966	2,857	3,103
Adjustment for prior periods	169	231	372	193
	2,695	3,197	3,229	3,296
Deferred tax expense				
Origination and reversal of temporary differences	4,802	(2,278)	4,295	(2,411)
Reduction in tax rate	-	(1,339)	-	(1,319)
	4,802	(3,617)	4,295	(3,730)
Total income tax expense	**7,497**	**(420)**	**7,524**	**(434)**

Reconciliation of effective tax rate

In thousands of New Zealand dollars	Group 2008	Group 2007	Company 2008	Company 2007
Profit/(loss) for the period	14,148	1,357	14,567	873
Total income tax expense	7,497	(420)	7,524	(434)
Profit excluding income tax	21,645	937	22,091	439
Income tax using the Company's domestic tax rate	7,143	309	7,290	145
Non-deductible expenses	35	233	33	50
Tax exempt income	(649)	(226)	(648)	-
Other	799	372	477	497
Reduction in tax rate	-	(1,339)	-	(1,319)
Under/(over) provided in prior periods	169	231	372	193
	7,497	**(420)**	**7,524**	**(434)**

Income tax recognised directly in equity

In thousands of New Zealand dollars	Group 2008	Group 2007	Company 2008	Company 2007
Derivatives	(6)	(17,965)	(6)	(17,965)
Revaluation of property, plant and equipment	1,000	41	1,000	143
Total income tax recognised directly in equity	**994**	**(17,924)**	**994**	**(17,822)**

Imputation credits

	Group 2008	Group 2007	Company 2008	Company 2007
Imputation credits at 1 June	24,597	27,264	22,540	25,358
New Zealand tax payments, net of refunds	5,252	889	6,108	738
Imputation credits attached to bonus share issues	(3,050)	(3,556)	(3,050)	(3,556)
Imputation credits at 31 May	**26,799**	**24,597**	**25,598**	**22,540**

The imputation credits are available to shareholders of the Company:	Group 2008	Group 2007
Through the Company	25,598	22,540
Through subsidiaries	1,201	2,057
	26,799	**24,597**

A corporation tax rate change was substantively enacted in New Zealand in May 2007 from 33% to 30%.

12 Property, plant and equipment

Group

In thousands of New Zealand dollars

	Note	Land & improvements	Buildings & improvements	Plant, machinery and vehicles	Capital works in progress	Total
Cost or valuation						
Balance at 1 June 2006		21,844	66,025	173,768	7,333	268,970
Additions		25	453	11,527	4,775	16,780
Disposals		(285)	(824)	(1,124)	(6,680)	(8,913)
Revaluations		3,658	(582)	-	-	3,076
Balance at 31 May 2007		**25,242**	**65,072**	**184,171**	**5,428**	**279,913**
Balance at 1 June 2007		25,242	65,072	184,171	5,428	279,913
Acquisitions through business combinations	6	2,400	24,402	9,473	-	36,275
Other additions		2,530	275	10,910	8,498	22,213
Revaluations		5,202	1,132	-	-	6,334
Disposals		-	(40)	(2,528)	(8,196)	(10,764)
Effect of movements in exchange rates		192	1,953	758	-	2,903
Balance at 31 May 2008		**35,566**	**92,794**	**202,784**	**5,730**	**336,874**
Depreciation and impairment losses						
Balance at 1 June 2006		-	331	99,335	-	99,666
Depreciation for the year		-	2,248	11,183	-	13,431
Revaluations		-	(2,212)	-	-	(2,212)
Disposals		-	33	(830)	-	(797)
Balance at 31 May 2007		**-**	**400**	**109,688**	**-**	**110,088**
Balance at 1 June 2007		-	400	109,688	-	110,088
Depreciation for the year		-	2,292	11,742	-	14,034
Revaluations		-	(2,200)	-	-	(2,200)
Disposals		-	-	(372)	-	(372)
Balance at 31 May 2008		**-**	**492**	**121,058**	**-**	**121,550**
Carrying amounts						
At 1 June 2006		21,844	65,694	74,433	7,333	169,304
At 31 May 2007		**25,242**	**64,672**	**74,483**	**5,428**	**169,825**
At 1 June 2007		25,242	64,672	74,483	5,428	169,825
At 31 May 2008		**35,566**	**92,302**	**81,726**	**5,730**	**215,324**

12 Property, plant and equipment (continued)

Company

In thousands of New Zealand dollars

	Note	Land & improvements	Buildings & improvements	Plant, machinery and vehicles	Capital works in progress	Total
Cost or valuation						
Balance at 1 June 2006		21,553	63,514	153,715	7,333	246,115
Additions		24	271	8,531	4,752	13,578
Disposals/capitalised		-	(44)	(254)	(6,680)	(6,978)
Revaluations		3,658	(582)	-	-	3,076
Balance at 31 May 2007		**25,235**	**63,159**	**161,992**	**5,405**	**255,791**
Balance at 1 June 2007		25,235	63,159	161,992	5,405	255,791
Acquisitions through business combinations	6	2,400	24,402	9,473	-	36,275
Other additions		2,530	275	7,832	8,371	19,008
Disposals/capitalised		-	(40)	(549)	(8,196)	(8,785)
Revaluations		5,202	1,132	-	-	6,334
Effect of movements in exchange rates		192	1,953	758	-	2,903
Balance at 31 May 2008		**35,559**	**90,881**	**179,506**	**5,580**	**311,526**
Depreciation and impairment losses						
Balance at 1 June 2006		-	-	94,441	-	94,441
Depreciation for the year		-	2,230	9,414	-	11,644
Revaluations		-	(2,212)	-	-	(2,212)
Disposals		-	(2)	(161)	-	(163)
Balance at 31 May 2007		**-**	**16**	**103,694**	**-**	**103,710**
Balance at 1 June 2007		-	16	103,694	-	103,710
Depreciation for the year		-	2,239	10,415	-	12,654
Revaluations		-	(2,200)	-	-	(2,200)
Disposals		-	(1)	(347)	-	(348)
Balance at 31 May 2008		**-**	**54**	**113,762**	**-**	**113,816**
Carrying amounts						
At 1 June 2006		21,553	63,514	59,274	7,333	151,674
At 31 May 2007		**25,235**	**63,143**	**58,298**	**5,405**	**152,081**
At 1 June 2007		25,235	63,143	58,298	5,405	152,081
At 31 May 2008		**35,559**	**90,827**	**65,744**	**5,580**	**197,710**

Revaluations

Land and buildings were independently valued as at 31 May 2008 by Mr H Doherty SNZPI, ANZIV, AREINZ of Harcourts Team Wellington. The methods used by the valuer are described in Note 4.

If the cost model had been used, the carrying value of land and buildings would have been $78.1 million (2007: $48.6 million) for the Company and Group.

13 Intangible assets

	Group			Company		
In thousands of New Zealand dollars	Patents and registrations	Resource consents	**Total**	Patents and regisstrations	Resource consents	**Total**
Cost						
Balance at 1 June 2006	913	2,129	3,042	763	2,129	2,892
Acquisitions	405	1,381	1,786	405	1,381	1,786
Balance at 31 May 2007	**1,318**	**3,510**	**4,828**	**1,168**	**3,510**	**4,678**
Balance at 1 June 2007	1,318	3,510	4,828	1,168	3,510	4,678
Other acquisitions		931	931		931	931
Balance at 31 May 2008	**1,318**	**4,441**	**5,759**	**1,168**	**4,441**	**5,609**
Amortisation						
Balance at 1 June 2006	138	48	186	79	48	127
Amortisation for the year (administrative expenses)	99	70	169	64	70	134
Balance at 31 May 2007	**237**	**118**	**355**	**143**	**118**	**261**
Balance at 1 June 2007	237	118	355	143	118	261
Amortisation for the year (administrative expenses)	102	195	297	77	195	272
Balance at 31 May 2008	**339**	**313**	**652**	**220**	**313**	**533**
Carrying amounts						
At 1 June 2006	775	2,081	2,856	684	2,081	2,765
At 31 May 2007	1,081	3,392	4,473	1,025	3,392	4,417
At 1 June 2007	**1,081**	**3,392**	**4,473**	**1,025**	**3,392**	**4,417**
At 31 May 2008	**979**	**4,128**	**5,107**	**948**	**4,128**	**5,076**

Total research and development expense recognised in profit and loss is $2.1 million (2007: $1.7 million).

14 Equity-accounted investees

Movements in carrying value of equity-accounted investees:

	Group		Company	
In thousands of New Zealand dollars	**2008**	**2007**	**2008**	**2007**
Balance at 1 June	9,273	8,442	8,787	8,347
Share of profit/(loss)	650	283	-	-
Associate becoming subsidiary in the year	-	91	-	(17)
Loans to associates	1,867	457	1,867	457
Balance at 31 May	**11,790**	**9,273**	**10,654**	**8,787**

Summary financial information for equity-accounted investees, not adjusted for the percentage ownership held by the Group:

In thousands of New Zealand dollars	**Total assets**	**Total liabilities**	**Revenues**	**Profit/(loss)**
2007 Equity-accounted investments	17,442	6,005	9,195	636
2008 Equity-accounted investments	21,445	7,198	11,017	1,300

15 Other financial assets

In thousands of New Zealand dollars	Group 2008	Group 2007	Company 2008	Company 2007
Investments in subsidiaries	-	-	27,537	27,561
Held-to-maturity investments	510	511	-	-
Other investments	44	44	44	44
Derivatives	645	-	645	-
Other financial assets - non-current	**1,199**	**555**	**28,226**	**27,605**
Derivatives	2,001	767	2,001	767
Other financial assets - current	**2,001**	**767**	**2,001**	**767**

Held-to-maturity investments have interest rates of 7% percent (2007: 7%) and mature within 2 years.

16 Deferred tax assets and liabilities

Unrecognised deferred tax assets
The Company and Group do not have any unrecognised deferred tax assets.

Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

Group

In thousands of New Zealand dollars	Assets 2008	Assets 2007	Liabilities 2008	Liabilities 2007	Net 2008	Net 2007
Property, plant and equipment	(11)	-	15,459	13,388	15,448	13,388
Derivatives	(13,300)	(14,417)	794	253	(12,506)	(14,164)
Inventories	-	-	130	-	130	-
Trade and other payables	(1,128)	(3,253)	164	-	(964)	(3,253)
Provisions	(3,963)	-	-	-	(3,963)	-
Other items	(8)	(15)	1	12	(7)	(3)
Tax (assets)/liabilities	**(18,410)**	**(17,685)**	**16,548**	**13,653**	**(1,862)**	**(4,032)**

Company

In thousands of New Zealand dollars	Assets 2008	Assets 2007	Liabilities 2008	Liabilities 2007	Net 2008	Net 2007
Property, plant and equipment	(11)	-	14,788	13,185	14,777	13,185
Derivatives	(13,300)	(14,417)	794	253	(12,506)	(14,164)
Inventories	-	-	130	-	130	-
Trade and other payables	(1,069)	(3,143)	164	-	(905)	(3,143)
Provisions	(3,963)	-	-	-	(3,963)	-
Other items	(7)	(15)	-	-	(7)	(15)
Tax (assets)/liabilities	**(18,350)**	**(17,575)**	**15,876**	**13,438**	**(2,474)**	**(4,137)**

Movement in temporary differences during the year:

Group

In thousands of New Zealand dollars	Property, plant and equipment	Derivatives	Payables	Tax losses	Provisions	Other	Total
Balance 1 June 06	14,491	8,268	(3,655)	(1,699)	-	104	17,509
Recognised in profit or loss	(1,144)	(4,467)	402	1,699	-	(107)	(3,617)
Recognised in equity	41	(17,965)	-	-	-	-	(17,924)
Balance 31 May 07	**13,388**	**(14,164)**	**(3,253)**	**-**	**-**	**(3)**	**(4,032)**
Acquired in business combination	-	-	(51)	-	(3,575)	-	(3,626)
Recognised in profit or loss	1,060	1,664	2,340	-	(388)	126	4,802
Recognised in equity	1,000	(6)	-	-	-	-	994
Balance 31 May 08	**15,448**	**(12,506)**	**(964)**	**-**	**(3,963)**	**123**	**(1,862)**

16 Deferred tax assets and liabilities (continued)

Company

In thousands of New Zealand dollars	Property, plant and equipment	Derivatives	Payables	Tax losses	Provisions	Other	Total
Balance 1 June 06	14,367	8,268	(3,610)	(1,699)	-	89	17,415
Recognised in profit or loss	(1,325)	(4,467)	467	1,699	-	(104)	(3,730)
Recognised in equity	143	(17,965)	-	-	-	-	(17,822)
Balance 31 May 07	**13,185**	**(14,164)**	**(3,143)**	**-**	**-**	**(15)**	**(4,137)**
Acquired in business combination	-	-	(51)	-	(3,575)	-	(3,626)
Recognised in profit or loss	592	1,664	2,289	-	(388)	138	4,295
Recognised in equity	1,000	(6)	-	-	-	-	994
Balance 31 May 08	**14,777**	**(12,506)**	**(905)**	**-**	**(3,963)**	**123**	**(2,474)**

17 Inventories

	Group		Company	
In thousands of New Zealand dollars	2008	2007	2008	2007
Manufactured stocks and raw materials	245,026	111,858	245,026	111,733
Plant spare parts	4,732	4,713	3,343	3,439
	249,758	**116,571**	**248,369**	**115,172**

18 Trade and other receivables

	Group		Company	
In thousands of New Zealand dollars	2008	2007	2008	2007
Trade receivables	127,004	75,077	126,751	72,795
Other receivables	265	230	692	1,801
Prepayments	1,082	1,234	735	494
	128,351	**76,541**	**128,178**	**75,090**

19 Capital and reserves

Reconciliation of movement in capital and reserves:

Group

	Attributable to equity holders of the Company					
In thousands of New Zealand dollars	Co-operative shares	Translation reserve	Hedging reserve	Revaluation earnings	Retained reserve	Total equity
Balance at 1 June 2006	206,992	-	10,515	27,270	21,692	266,469
Total recognised income and expense	-	-	(37,136)	4,963	1,357	(30,816)
Co-operative shares issued	98	-	-	-	-	98
Co-operative shares surrendered	(6,407)	-	-	-	-	(6,407)
Co-operative shares allotted on bonus issue	7,219	-	-	-	(7,219)	-
Balance at 31 May 2007	**207,902**	**-**	**(26,621)**	**32,233**	**15,830**	**229,344**
Balance at 1 June 2007	**207,902**	**-**	**(26,621)**	**32,233**	**15,830**	**229,344**
Total recognised income and expense	-	2,171	(2,538)	7,535	14,148	21,316
Co-operative shares issued	12,417	-	-	-	-	12,417
Co-operative shares surrendered	(5,986)	-	-	-	-	(5,986)
Co-operative shares allotted on bonus issue	6,187	-	-	-	(6,187)	-
Balance at 31 May 2008	**220,520**	**2,171**	**(29,159)**	**39,768**	**23,791**	**257,091**

19 Capital and reserves (continued)

Company

In thousands of New Zealand dollars	Co-operative shares	Translation reserve	Hedging reserve	Revaluation earnings	Retained reserve	Total equity
Balance at 1 June 2006	206,992	-	10,515	26,802	21,886	266,195
Total recognised income and expense	-	-	(37,136)	5,431	873	(30,832)
Co-operative shares issued	98	-	-	-	-	98
Co-operative shares surrendered	(6,407)	-	-	-	-	(6,407)
Co-operative shares allotted on bonus issue	7,219	-	-	-	(7,219)	-
Balance at 31 May 2007	**207,902**	**-**	**(26,621)**	**32,233**	**15,540**	**229,054**
Balance at 1 June 2007	**207,902**	**-**	**(26,621)**	**32,233**	**15,540**	**229,054**
Total recognised income and expense	-	2,171	(2,538)	7,535	14,567	21,735
Co-operative shares issued	12,417	-	-	-	-	12,417
Co-operative shares surrendered	(5,986)	-	-	-	-	(5,986)
Co-operative shares allotted on bonus issue	6,187	-	-	-	(6,187)	-
Balance at 31 May 2008	**220,520**	**2,171**	**(29,159)**	**39,768**	**23,920**	**257,220**

Translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign branch.

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Revaluation reserve
The revaluation reserve relates to the revaluation of freehold land and freehold buildings.

Co-operative shares
The movement in shares for the Company and Group is as follows:
Share capital

	Ordinary shares	
In thousands of shares	**2008**	**2007**
On issue at 1 June	208,602	207,697
Shares allotted on bonus issue	6,187	7,219
Shares allotted during the year	12,481	99
Less: shares surrendered during the year	(5,986)	(6,413)
On issue at 31 May	**221,284**	**208,602**

At 31 May 2008, 219,915,916 shares (2007: 206,640,022) were fully paid. 1,367,799 shares (2007: 1,961,798) are paid up to an average value of $0.47 per share. The share qualification quota is 164 shares per tonne.

Voting rights are held by transacting shareholders who are entitled to one vote per share held. For votes on area issues no transacting shareholder shall vote more than 3.5% of the total number of shares held by transacting shareholders in respect of the relevant area. On other issues no transacting shareholder shall vote more than that number of shares which equates to 0.125% of the shares held by all transacting shareholders. The Company may redeem shares in accordance with the Companies Act 1993. Upon winding up, shares rank equally with regard to the Company's residual assets.

The co-operative shares are repayable under certain conditions and will mature when shares are redeemable by the shareholder. Co-operative shares may be repaid when there is a deceased estate or when the shareholder has ceased farming. Shares may also be repaid if there has been a 5-year time lapse since the last transaction.

20 Other financial liabilities

In thousands of New Zealand dollars	Group 2008	Group 2007	Company 2008	Company 2007
Non-current liabilities				
Derivatives	11,289	13,665	11,289	13,665
	11,289	**13,665**	**11,289**	**13,665**
Current liabilities				
Derivatives	33,043	31,265	33,043	31,265
	33,043	**31,265**	**33,043**	**31,265**

21 Provisions

In thousands of New Zealand dollars	Group and Company 2008	Group and Company 2007
Balance at start of period		
Provisions made during the period	11,917	-
Unwind of discount	312	-
Effects of movements in exchange rates	981	-
Balance at the end of the period	**13,210**	**-**

Deferred consideration

The provision for deferred consideration relates to the acquisition of UFCC in 2008. Please refer to note 6 for further information.

22 Trade and other payables

In thousands of New Zealand dollars	Group 2008	Group 2007	Company 2008	Company 2007
Trade payables	48,941	29,252	48,496	28,376
Non-trade payables and accrued expenses	20,784	-	20,784	-
Employee benefits	5,639	4,860	5,425	4,547
Other payables	890	703	2,457	1,091
	76,254	**34,815**	**77,162**	**34,014**

23 Financial instruments

Exposure to credit, interest rate, foreign currency, commodity price and liquidity risks arises in the normal course of the Group's business.

Credit risk

The Group's exposure to credit risk is mainly influenced by its customer base and banking counterparties. Management has a credit policy in place under which each new customer is rigorously analysed for credit-worthiness. The Group's customer base is primarily concentrated in the agriculture sector. The risk is mitigated through most customers also being shareholders of the Company. There is no material exposure to an individual counterparty. Investments and derivatives are only made with reputable financial institutions.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

Market risk

The Group enters into derivative arrangements in the ordinary course of business to manage foreign currency and interest rate risks. A financial risk management committee provides oversight for risk management and derivative activities. The Board re-evaluates risk policies on a regular basis.

Foreign currency risk

The Group is exposed to foreign currency risk on purchases and borrowings that are denominated in a currency other than the Company's functional currency, New Zealand dollars ($), which is the presentation currency of the Group.

23 Financial instruments (continued)

The currencies in which transactions are primarily denominated is U.S. dollars (USD) and Australian dollars (AUD). The Group hedges up to 100% percent of all trade payables denominated in a foreign currency. At any point in time, the Group also hedges up to 100% percent of its estimated foreign currency exposure in respect of forecasted purchases over a period that is approved by the Board. The Group uses forward exchange contracts to hedge its foreign currency risk.

The investment in the Australian branch is hedged by way of Australian dollar denominated borrowings.

Interest rate risk
Interest rate swaps have been entered into to achieve an appropriate mix of fixed and floating rate exposure within the Group's policy.

Commodity price risk
The Group is exposed to commodity price risk. This is partially mitigated through negotiated long-term supply contracts and through geographical diversity of suppliers.

Quantitative disclosures

Credit risk
The carrying amount of financial assets represents the Group's maximum credit exposure.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status.

The status of trade receivables at the reporting date is as follows:

In thousands of New Zealand dollars	Gross receivable		Impairment	
	2008	**2007**	**2008**	**2007**
Trade receivables				
Not past due	124,948	73,644	-	-
Past due 1 - 30 days	2,287	1,619	-	-
Past due more than 30 days	1,000	89	966	45
Total	**128,235**	**75,352**	**966**	**45**

Liquidity risk

Group 2008

The following table sets out the contractual cash flows for all financial liabilities and all derivatives.

In thousands of New Zealand dollars	**Carrying value**	**Contractual cash flows**	**0-3 months**	**3-12 months**	**1-3 years**
Non-derivative financial liabilities					
Trade and other payables	76,254	76,254	76,254	-	-
Loans and borrowings	218,031	232,713	4,720	201,237	26,756
	294,285	308,967	80,974	201,237	26,756
Derivative financial instruments					
Gross settled cash flow hedge derivatives:					
Inflow		836,677	154,249	341,214	341,214
Outflow		(916,977)	(165,307)	(374,381)	(377,289)
	(42,007)	(80,300)	(11,058)	(33,167)	(36,075)
Net settled cash flow hedge derivatives	321	774	143	373	258

23 Financial instruments (continued)

Group 2007

The following table sets out the contractual cash flows for all financial liabilities and all derivatives.

In thousands of New Zealand dollars	Carrying value	Contractual cash flows	0-3 months	3-12 months	1-3 years
Non-derivative financial liabilities					
Trade and other payables	34,815	34,815	34,815	-	-
Loans and borrowings	65,289	70,883	1,339	22,985	46,559
	100,104	105,698	36,154	22,985	46,559
Derivative financial instruments					
Gross settled cash flow hedge derivatives:					
Inflow		469,607	42,667	78,222	348,718
Outflow		(525,938)	(49,389)	(93,682)	(382,867)
	(44,930)	(56,331)	(6,722)	(15,460)	(34,149)
Net settled cash flow hedge derivatives	767	647	105	268	274
Other gross settled derivatives					
Inflow		68,376	12,718	55,658	-
Outflow		(74,978)	(13,701)	(61,277)	-
	(5,043)	(6,602)	(983)	(5,619)	-

Company 2008

The following table sets out the contractual cash flows for all financial liabilities and all derivatives.

In thousands of New Zealand dollars	Carrying value	Contractual cash flows	0-3 months	3-12 months	1-3 years
Non-derivative financial liabilities					
Trade and other payables	77,162	77,162	77,162	-	-
Loans and borrowings	218,031	232,713	4,720	201,237	26,756
	295,193	309,875	81,882	201,237	26,756
Derivative financial instruments					
Gross settled cash flow hedge derivatives:					
Inflow		836,677	154,249	341,214	341,214
Outflow		(916,977)	(165,307)	(374,381)	(377,289)
	(42,007)	(80,300)	(11,058)	(33,167)	(36,075)
Net settled cash flow hedge derivatives	321	774	143	373	258

23 Financial instruments (continued)

Company 2007

The following table sets out the contractual cash flows for all financial liabilities and all derivatives.

In thousands of New Zealand dollars	Carrying value	Contractual cash flows	0-3 months	3-12 months	1-3 years
Non-derivative financial liabilities					
Trade and other payables	34,014	34,014	34,014	-	-
Loans and borrowings	65,289	70,883	1,339	22,985	46,559
	99,303	104,897	35,353	22,985	46,559
Derivative financial instruments					
Gross settled cash flow hedge derivatives:					
Inflow		469,607	42,667	78,222	348,718
Outflow		(525,938)	(49,389)	(93,682)	(382,867)
	(44,930)	(56,331)	(6,722)	(15,460)	(34,149)
Net settled cash flow hedge derivatives	767	647	105	268	274
Other gross settled derivatives					
Inflow		68,376	12,718	55,658	-
Outflow		(74,978)	(13,701)	(61,277)	-
	(5,043)	(6,602)	(983)	(5,619)	-

The bank loans are secured by a Negative Pledge Deed dated 28 September 1999.

Group 2007

Foreign currency exchange risk

The exposure to foreign currency risk can be summarised as follows:

	Group and Company	
	USD	AUD
In thousands of foreign currency		
2008		
Foreign currency risk		
Trade payables	(11,467)	-
Net balance sheet - foreign operations	-	(6,269)
Net balance sheet exposure before hedging activity	(11,467)	(6,269)
Forward exchange contracts relating to trade payables	11,467	-
Net unhedged exposure	-	(6,269)
NZD Equivalent	-	(7,683)
Sensitivity to 10% strengthening of NZD (pre tax):		
Increase/(decrease) on equity	(82,885)	698
Increase/(decrease) on profit	1,332	-
Sensitivity to 10% weakening of NZD (pre tax):		
Increase/(decrease) on equity	102,276	(768)
Increase/(decrease) on profit	(1,465)	-

23 Financial instruments (continued)

	Group and Company	
In thousands of foreign currency	**USD**	**AUD**
2007		
Foreign currency risk		
Trade payables	(4,140)	-
Net balance sheet exposure before hedging activity		
Forward exchange contracts relating to trade payables	4,140	-
Net unhedged exposure	-	-
Sensitivity to 10% strengthening of NZD (pre tax):		
Increase/(decrease) on equity	(24,626)	-
Increase/(decrease) on profit	(5,095)	-
Sensitivity to 10% weakening of NZD (pre tax):		
Increase/(decrease) on equity	30,392	-
Increase/(decrease) on profit	6,237	-

Foreign exchange derivatives

Gains or losses on held for trading derivatives recognised in profit during 2008 was $5.0 million credit (2007: $14.2 million debit)

Interest rate risk

Cashflow sensitivity

At 31 May 2008 it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before income tax by approximately $1.8 million (2007: $0.4 million). A decrease of one percentage point would increase the Group's profit before income tax by the same amounts. Cashflow sensitivity for the Company is materially the same as the Group.

Fair value sensitivity

At 31 May 2008 it is estimated that a general increase of one percentage point in interest rates would increase the Group's equity (pre tax) by approximately $0.5 million (2007: $0.7 million). A decrease of one percentage point would decrease the Group's equity (pre tax) by the same amounts. Fair value sensitivity for the Company is materially the same as the Group.

Capital management

The Group's capital includes share capital, reserves and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. This target is achieved through balancing retention of certain reserves with the allocation of bonus issues and the Group's share rebate process. The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

There have been no material changes in the Group's management of capital during the period.

The Group is subject to external banking covenants. There have not been any breaches of the Group's banking covenants in the year.

Fair values

Carrying values approximate the fair values of all financial assets and liabilities.

24 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

In thousands of New Zealand dollars	Group		Company	
	2008	**2007**	**2008**	**2007**
Less than one year	3,397	2,655	3,393	2,649
Between one and five years	7,824	4,997	7,824	4,993
More than five years	3,473	1,060	3,473	1,060
Total lease commitments	**14,694**	**8,712**	**14,690**	**8,702**

The Group leases motor vehicles and store premises. The leases typically run for a period of 3 years, with an option to renew the lease after that date. Lease payments are increased every 3 years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in a local price index.

During the year ended 31 May 2008, $3.5 million was recognised as an expense in the income statement in respect of operating leases (2007: $3.3 million).

25 Capital commitments

At 31 May 2008, the Group had capital commitments of $6.7 million (2007: $1.8 million)

26 Contingencies

The Company and the Group have no material contingent liabilities at balance date (2007: $42,933).
The Group is currently defending a claim before the courts. The Group does not believe the claim has substance based on expert advice received and no estimate of any contingent liability has been determined.

27 Related parties

In thousands of New Zealand dollars	Group		Company	
	2008	**2007**	**2008**	**2007**
Transactions with subsidiaries				
Dividends received	-	-	1,300	-
Loan funds received	-	-	1,800	963
Loan funds paid	-	-	(1,746)	(6,296)
Closing advances/receivables	-	-	174	1,288
Closing loans/payables	-	-	(1,567)	(388)
Transactions with associates				
Dividends received	40	-	40	-
Loan funds received	320	645	320	645
Loan funds paid	(1,217)	(1,942)	(1,217)	(1,942)
Closing advances/receivables	704	359	704	359
Closing loans/payables	(890)	(703)	(890)	(703)
Transactions with key management personnel (including directors)				
Sales of goods and services	1,421	767	1,421	767
Purchases of goods and services	(41)	(48)	(41)	(48)
Closing advances/receivables	3	-	3	-
Closing loans/payables	(24)	(7)	(24)	(7)
Key management personnel compensation comprised:				
Short-term employee benefits	(3,969)	(3,245)	(3,969)	(3,245)
Superannuation contributions	(284)	(234)	(284)	(234)

All transactions with related parties are priced on an arm's-length basis.

28 Group entities

Significant subsidiaries and associates

	Country of Ownership Incorporation	Interest (%) 2008	2007
Subsidiaries			
Analytical Research Laboratories Limited	New Zealand	100%	100%
Ravensdown Growing Media Limited	New Zealand	100%	100%
Ravensdown Fertiliser Insurance Company Limited	New Zealand	100%	100%
Wanganui Aero Work (2004) Limited	New Zealand	100%	100%
Profarmer Limited	New Zealand	100%	100%
Spreading Southland Limited	New Zealand	100%	100%
Equity-accounted investees			
Supreme Lime Limited	New Zealand	50%	50%
Ravensdown Windy Point Limited	New Zealand	50%	50%
Steve Forbes Bulk Spreading Limited	New Zealand	50%	50%
Advanced Spreading Limited	New Zealand	33.3%	50%
Spreading Sandford Limited	New Zealand	50%	50%
Spreading Canterbury Limited	New Zealand	50%	0%
Spreading FBT Limited	New Zealand	50%	50%
Clarence Valley Lime Limited	New Zealand	0%	50%

29 Explanation of transition to NZ IFRS

As stated in note 2 (a), these are the Group's first financial statements prepared in accordance with NZ IFRS.

In preparing its opening NZ IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to NZ IFRS has affected the Group's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Group

Reconciliation of NZ IFRS equity with Previous GAAP at 1 June 2006

In thousands of New Zealand dollars	Note	Equity	Total liabilities	Total assets
Reported under Previous GAAP		268,937	118,451	387,388
Financial instruments	a	15,822	2,581	18,403
Deferred taxation	b	(19,017)	17,509	(1,508)
Resource consents	c	1,092	-	1,092
Employee benefits	d	(216)	216	-
Other adjustments		(149)	-	(149)
Total NZ IFRS adjustments		(2,468)	20,306	17,838
Restated under NZ IFRS		266,469	138,757	405,226

Reconciliation of NZ IFRS equity and profit with Previous GAAP at and for the year ended 31 May 2007

In thousands of New Zealand dollars	Note	Equity	Total liabilities	Total assets	Net profit
Reported under Previous GAAP		267,952	120,778	388,730	37
Financial instruments	a	(39,121)	39,888	767	-
Deferred taxation	b	(168)	-	(168)	923
Resource consents	c	1,036	-	1,036	(56)
Employee benefits	d	(221)	221	-	(5)
Other adjustments		(134)	1	(133)	458
Total NZ IFRS adjustments		(38,608)	40,110	1,502	1,320
Restated under NZ IFRS		229,344	160,888	390,232	1,357

29 Explanation of transition to NZ IFRS (continued)

Company

Reconciliation of NZ IFRS equity with Previous GAAP at 1 June 2006

In thousands of New Zealand dollars	Note	Equity	Total liabilities	Total assets
Reported under Previous GAAP		268,510	113,049	381,559
Financial instruments	a	15,822	2,581	18,403
Deferred taxation	b	(19,059)	17,414	(1,645)
Resource consents	c	1,092	-	1,092
Employee benefits	d	(216)	216	-
Other adjustments		46	-	46
Total NZ IFRS adjustments		(2,315)	20,211	17,896
Restated under NZ IFRS		266,195	133,260	399,455

Reconciliation of NZ IFRS equity and profit with Previous GAAP at and for the year ended 31 May 2007

In thousands of New Zealand dollars	Note	Equity	Total liabilities	Total assets	Net profit
Reported under Previous GAAP		267,328	120,610	387,938	247
Financial instruments	a	(39,121)	39,888	767	-
Deferred taxation	b	(420)	-	(420)	819
Resource consents	c	1,036	-	1,036	(56)
Employee benefits	d	(221)	221	-	(5)
Investment in subsidiaries	e	407	-	407	-
Other adjustments		45	-	45	(132)
Total NZ IFRS adjustments		(38,274)	40,109	1,835	626
Restated under NZ IFRS		229,054	160,719	389,773	873

Explanation of transition to NZ IFRS on the Company's financial statement

(a) Under NZ GAAP, derivative financial instruments that are designated as hedges of anticipated future costs are recognised with any gains or losses when the hedged transaction occurs. Under NZ IFRS, these derivative financial instruments are recognised on the statement of financial position at their fair value at the inception of the contract. Any subsequent changes to the fair value of the instrument must be recognised in the statement of financial performance unless the derivative qualifies for hedge accounting. The Group has applied hedge accounting wherever practicable. Where derivatives qualify as cash flow hedges the effective portion of changes in fair value is recorded directly in equity until the hedged transaction occurs.

(b) Deferred tax adjustments arise due to the adoption of a "balance sheet" approach in place of the "income statement" approach required under NZ GAAP. Adjustments to deferred tax also arise as a result of recognising new assets and liabilities as a result of the transition to IFRS.

The deferred tax impact on transition to NZ IFRS is set out below:

In thousands of New Zealand dollars	**Group**	**Company**
Property, plant and equipment	(14,221)	(14,097)
Recognition of foreign currency derivatives under NZ IFRS	(5,221)	(5,221)
Resource consents	(360)	(360)
Employee benefits	71	71
Other	714	548
	(19,017)	(19,059)

(c) $1,131,000 of additional resource consents have been recognised as an asset. This is the cost of the Ravensbourne consent expensed prior to the change in accounting policy during the 2005/06 year, less the additional amortisation ($39,000).

29 Explanation of transition to NZ IFRS (continued)

Notes to the consolidated financial statements

(d) Employees receive a long-service leave benefit. Under Previous GAAP the Group accrued for long-service leave for employees who had already become entitled to the leave. NZ IAS 19: Employee Benefits also requires an accrual to the extent that it is probable that long-service leave and any other benefits will vest with employees from commencement of employment.

(e) Under Previous GAAP investments in subsidiaries were recognised at their net asset values. Under NZ IFRS investments in subsidiaries are recognised at either cost or fair value. The carrying value on transition has been used as the deemed cost in accordance with NZ IFRS 1.

30 Subsequent event

On 29 July 2007 the Board of Directors approved, subject to ratification at the Annual Meeting, a fully imputed bonus share issue to shareholders of 8 shares per tonne based on qualifying fertiliser purchases during the year ended 31 May 2008.

	To be issued 2008	Actual bonus issue 2007
Bonus shares issued per tonne	8	5
Total number of bonus shares issued (000's)	10,546	6,197

AUDIT REPORT

To the shareholders of Ravensdown Fertiliser Co-operative Limited

We have audited the financial statements on pages 28 to 54. The financial statements provide information about the past financial performance and financial position of the company and group as at 31 May 2008. This information is stated in accordance with the accounting policies set out on pages 32 to 36.

Directors' responsibilities
The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position of the company and group as at 31 May 2008 and the results of their operations and cash flows for the year ended on that date.

Auditors' responsibilities
It is our responsibility to express an independent opinion on the financial statements presented by the Directors and report our opinion to you.

Basis of opinion
An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements;
- whether the accounting policies are appropriate to the company's and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no relationship with or interests in the company.

Unqualified opinion
We have obtained all the information and explanations we have required.
In our opinion:

- proper accounting records have been kept by the company as far as appears from our examination of those records;
- the financial statements on pages 28 to 54:
  - comply with New Zealand generally accepted accounting practice;
  - give a true and fair view of the financial position of the company and group as at 31 May 2008 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 29 July 2008 and our unqualified opinion is expressed as at that date.

KPMG.

Christchurch

EXECUTIVE COMMITTEE

Rodney Green
B.Sc, M.Sc, Tech, FNZIM
Chief Executive Officer

Rodney has been CEO for 12 years. After graduating with degrees in chemistry and geology he had 10 years experience in the ceramic industry. He also worked for 17 years in the cement industry in a variety of works and general management roles including two years managing a cement business in China.

Ross Aimer
B.Com.Admin
General Manager Sales

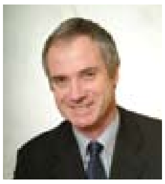
Ross started with Ravensdown in 1998 as Chief Information Officer. He held this position for five years before spending four years as General Manager Lower North Island. He became General Manager Sales 18 months ago.

Richard Christie
B.Ag.Sc, M.B.A
General Manager Strategic Development

Richard has worked in the fertiliser industry for 18 years – starting as a Field Officer. He has also worked in the dairy industry and for Federated Farmers. He has been in his current role since starting with Ravensdown in 1998.

Sean Connolly
B.Com, C.A
Chief Financial Officer

Sean has been with Ravensdown for five years, starting as Financial Controller - New Ventures. He has been CFO since 2005.



Andrew Grundy
B.Ag.Sc
General Manager Supply

Andrew started work in the agricultural sector in 1978 and joined Ravensdown as a Field Officer in 1994. He was then South Island Logistics Manager before becoming General Manager Supply in 2002.

Shane Harold
B.Ag
General Manager Lime and Spreading

Shane joined Ravensdown as a Field Officer 20 years ago before becoming Sales Manager in Nelson in 1993. In 1998 he was Sales Manager for upper North Island helping us expand into this new area. Shane became General Manager Lime and Spreading in 2002.

Mark McAtamney
B.Com
Chief Information Officer

Mark started with Ravensdown in 2001 as Business Systems Manager. For the last five years he has been the Chief Information Officer developing our leading edge technologies.

Mike Manning
B.Ag.Sc, CP Ag
General Manager Key Clients and R&D

Mike started work with Ravensdown in 1981 and has held a number of roles including Product Manager, Marketing Manager, R and D Manager and Supply Manager. He has been in his current role for the last 18 months.

Tracey Paterson
B.A, Dip. PR, Dip. Comm
General Manager Human Resources

Tracey started working for Ravensdown in Human Resources seven years ago moving from AFFCO. Prior to working in primary industry based roles, she spent 10 years in health as an HR practitioner through a period of massive change and development.

Alan Thomson
B.Com, Dip. Ag
General Manager Western Australia

Alan joined Ravensdown in 1984 as a Field Officer. He was promoted to Sales Manager and then moved into marketing. He was General Manager Marketing for 10 years and was appointed General Manager Western Australia in January 2008.

Mike Whitty
B.Ag.Com, C.A
General Manager Manufacturing and Stores

Mike has been with Ravensdown for 11 years. He started in 1997 as Chief Financial Officer and then became General Manager South Island. He was appointed General Manager Manufacturing and Stores 18 months ago.

Janet Wright
Dip. Org Comm, FPRINZ
Group Manager Corporate Communications

Janet joined Ravensdown in January 2008. Before this she was Communications Manager at Te Runanga o Ngai Tahu.

Ravensdown Fertiliser Co-operative Limited

Resolution of directors

RESOLVED that in the opinion of the Board of Directors, Ravensdown Fertiliser Co-operative Limited has through the year ended 31 May 2008 & since that date of registration of the company under the Co-operative Companies Act 1996, been a Co-operative Company within the meaning of that Act on the following grounds:

1. Ravensdown Fertiliser Co-operative Limited carried on, as its principal activity, a Co-operative activity as that term is defined in the Co-operative Companies Act 1996;

2. The constitution of Ravensdown Fertiliser Co-operative Limited states its principal activities as being Co-operative activities; and

3. Not less than 60% of the voting right of Ravensdown Fertiliser Co-operative Limited were held by Transacting Shareholders as that term is defined in the Co-operative Companies Act 1996.

Dated 29 July 2008

William Thomas McLeod

Antony Charles Howey

Allan Stuart Wright

John Francis Clifford Henderson

Bruce Robertson Irvine

Scott Gordon Gower

Christopher John Dennison

James Leonard Williams

Bevin David Watt

Patrick David Willock

Rhys Trevor Turton

Anthony Page Reilly

Gary John Cosgrove

Peter Glen Inger

RAVENSDOWN BOARD OF DIRECTORS

(From left to right) Back row: Bevin Watt, Bruce Irvine, Tony Howey, Glen Inger, Scott Gower, Gary Cosgrove, Chris Dennison, Stuart Wright, John Henderson
Front row: Jim Williams, Patrick Willock, Rodney Green (CEO), Bill McLeod, Tony Reilly and Rhys Turton


Ravensdown

BOARD OF DIRECTORS' WARDS

1. Bevin Watt
Dip Ag, MNZIPM
Gore
Contract grazing broker, sheep farmer
Elected 2001
Committees: Share Surrenders

2. Chris Dennison
B Com Ag
Oamaru
Dairy and arable farmer, trading livestock
Elected 2005
Committees: Hugh Williams Scholarship, Superannuation Fund

3. Tony Howey
Timaru
Arable farmer
Elected 2006

4. Tony Reilly
B Com Ag
Takaka
Dairy farmer
Elected 2004
Committees: Share Surrenders, Remuneration

5. Stuart Wright
B Ag Com
Sheffield
Arable farmer
Elected 2007

6. Jim Williams
Masterton
Arable farmer /livestock finisher
Elected 2007

7. John Henderson
LLB
Hunterville
Lawyer, sheep, beef and deer farmer
Elected 2004
Committees: Share Surrenders

8. Scott Gower
Ohura
Sheep and beef farmer
Elected 2006

9. Patrick Willock
Deputy Chairman
Gisborne
Sheep, beef and agroforestry farmer
Elected 2000
Committees: Hugh Williams Scholarship, Audit, Remuneration

10. Bill McLeod
Chairman
Morrinsville
Dairy farmer, transport operator
Elected 2000
Committees: Audit, Superannuation Fund, Remuneration

Independent Directors

Bruce Irvine
Independent Director and Chartered Accountant
Elected 2007
Committees: Audit Committee

Glen Inger
Auckland
Dairy, beef and agroforestry farmer
Appointed 2007

Western Australia Directors

G.J Cosgrove
Elected 2008

R.T. Turton
Elected 2008

for the year ended 31 May 2008

DIRECTORS AND REMUNERATION

Remuneration (in New Zealand dollars) of Directors or former Directors of the company received during the year was as follows:

W.T. McLeod	$107,500	
P.D. Willock	$53,750	
B.R. Irvine	$34,703	appointed 18 September 2007
J. L. Williams	$19,825	elected 18 September 2007
J.F.C. Henderson	$43,000	
A.P. Reilly	$43,000	
D.O. Baker	$38,101	resigned 18 September 2007
R.W. Davison	$35,115	resigned 18 September 2007
B.D. Watt	$43,000	
A.S. Wright	$19,825	elected 18 September 2007
C.J. Dennison	$43,000	
A .C. Howey	$43,000	
S.G. Gower	$43,000	
J.D. McFarlane	$23,175	resigned 18 September 2007
P.G. Inger	$36,333	
G.J. Cosgrove	$12,087	elected 26 February 2008
R.T. Turton	$12,087	elected 26 February 2008

The Chairman is provided with a company motor vehicle.

ENTRIES RECORDED IN THE INTERESTS REGISTER

Per Section 140(2) of the Companies Act 1993 the Directors gave notice that they are Directors or Members of the following named organisations and will therefore be interested in all transactions between these organisations and Ravensdown Fertiliser Co-operative Limited and its subsidiaries:

William Thomas McLeod	Managing Director/Shareholder	Morrinsville Transport Ltd.
	Managing Director/Shareholder	Regional Transport Ltd.
	Director/Shareholder	Morrinsville Transport Management Services Ltd.
	Chairman	Fertiliser Manufacturers Research Association
	Director/Shareholder	MTL Properties Ltd.
	Director/Shareholder	Dunvegan Farms Ltd.
	Director	New Zealand Phosphate Company Ltd.
James Leonard Williams	Partner	J L Williams Partnership
Allan Stuart Wright	Director/Shareholder	Annat Farms Ltd.
	Director/Shareholder	Otarama Investments Ltd.
	Chairman	Foundation for Arable Research
	Chairman	NZ Nuffield Farming Scholarship Trust
Scott Gordon Gower	Trustee	Riverhills Trust
	Director/Shareholder	High Glades Station
	Director/Shareholder	Toe Toe Farms
	Director	Gordon Gower & Co.
	Chairman	Southern King Country Monitor Farm
Bruce Robertson Irvine	Chair	Christchurch City Holdings Ltd.
	Chair	House of Travel Holdings Ltd.
	Director	Market Gardeners Ltd.
	Director	Godfrey Hirst (NZ) Ltd.
	Director	Pyne Gould Corporation
	Director	Rakon Ltd.
	Director	Vbase Ltd.
	Director	Skope Industries Ltd.
	Director	Scenic Circle Hotels Ltd.
	Director	Provenco Cadmus
	Director	Canterprise
	Director	SYFT Technologies Ltd.

Statutory Information

for the year ended 31 May 2008

Antony Charles Howey	Director/Shareholder	Seedlands N.Z.Ltd.
	Director/Shareholder	Elite Seeds Ltd.
	Director/Shareholder	Levels Plain Irrigation Company Ltd.
	Director	Levels Plain Holdings Ltd.
	Director/Shareholder	Levels Irrigation Ltd.
	Director/Shareholder	Alpine Fresh Ltd.
	Director/Shareholder	Opuha Water Ltd.
	Director	Opuha Dam Ltd.
	Director	Grainstor Ltd.
	Trustee	Te Aiterakihi Trust
	Director/Shareholder	Southern Packers
	Director/Shareholder	Meadowlinks Farm Estate
	Director/Shareholder	Seedlands Ltd.
	Director/Shareholder	Seedlands Property Ltd.
	Director/Shareholder	Meadows Road Investment Ltd.
Bevin David Watt	Partner	Independent Enterprises
	Managing Director	The Grazing Bank Ltd.
	Managing Director	Southern Oil Ltd.
Anthony Page Reilly	Director	Avondale Dairies Ltd.
	Chairman	Waingaro Dairy Ltd.
	Director	Cold Storage Co-operative Ltd.
	Councillor	New Zealand Co-operative Association
	Director/Shareholder	A.P & K.M. Reilly Ltd.
	Director	Network Tasman Ltd.
John Francis Clifford Henderson	Director/Shareholder	Hinau Station Ltd.
	Director/Shareholder	C-Dax Systems Ltd.
	Partner	Evans Henderson Woodbridge
	Director	Athlumney Farms Ltd.
	Director	Clearsky Dairies Ltd.
	Director	Premier Dairies Ltd.
	Trustee	Lagore Enterprises Trust
Christopher John Dennison	Managing Director/Shareholder	Dennison Farms Ltd.
	Chairman/Shareholder	Lower Waitaki Irrigation Company
	Director	South Island Barley Society
Peter Glen Inger	Director/Shareholder	Journeys End Ltd.
	Director/Shareholder	Pukeko Creek Ltd.
	Director/Shareholder	Topuni Holdings Ltd.
	Director	Topuni Timber Ltd.
	Director	Subway Investments Ltd.
	Director/Shareholder	The Promised Land 2005 Ltd.
	Director	Sleepy Hollow Farm Ltd.
	Director	Blue Moon Ltd.
	Director	Ormiston Road Developments Ltd.
	Director/Shareholder	Tall Kauri Ltd.
	Director	Stonebridge Investments Ltd.
	Director	Karoola Ltd.
Rhys Trevor Turton	Director/Shareholder	Turton Partners
	Councillor	Co-operative Federation of Western Australia
Gary John Cosgrove	Director	Irwin Valley Pty. Ltd.
	Director	Cosgrove Farming Co.
	Director	Westwind Pty. Ltd.
	Director	Depothill Pty. Ltd.

DONATIONS

No donations were made to any charities during the year.

EXECUTIVE OFFICERS REMUNERATION

	No. of Officers
$100,000 - $110,000	15
$110,000 - $120,000	10
$120,000 - $130,000	11
$130,000 - $140,000	3
$140,000 - $150,000	8
$150,000 - $160,000	2
$210,000 - $220,000	1
$220,000 - $230,000	1
$250,000 - $260,000	1
$260,000 - $270,000	2
$280,000 - $290,000	1
$290,000 - $300,000	1
$300,000 - $310,000	2
$390,000 - $400,000	1
$830,000 - $840,000	1

Executive remuneration includes salary, bonuses, employer's contribution to superannuation and health schemes and the provision of a company car received in their capacity as employees.