

ABB Grain Ltd

Appendix 4D

Preliminary Final Report under ASX Listing Rule 4.3A

For the period ended 31 March 2009

ABN

59 084 962 130

Previous corresponding period

31 March 2008

Results for announcement to the market				
\$A Million				
Revenue from ordinary activities		Up	25%	to 1,382.9
Net profit attributable to members of ABB Grain Ltd		Down	12%	to 29.7
Dividends	Total Dividend	Amount per security	Franking	Record date for determining dividend entitlement
	\$Million	cents	%	
2008 final dividend	24.0	14.0	100%	7 January 2009
2009 interim dividend (payable 30 June 2009)	17.3	10.0	100%	16 June 2009
Net tangible asset backing per ordinary share		2009	2008	
		\$4.18	\$3.76	

The remainder of the information requiring disclosure to comply with listing rule 4.3A is contained in the attached Interim Financial Report for the half-year ended 31 March 2009 and should be read in conjunction with this Preliminary Final Report (Appendix 4D).

The information provided in this report is based on financial statements which have been subject to independent review by PricewaterhouseCoopers.

Further information regarding the company and its business activities can be obtained by visiting the company's website at www.abb.com.au.



ABB Grain Ltd

ABN 59 084 962 130

Interim financial report

for the half-year ended 31 March 2009

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Interim financial report for the half-year ended 31 March 2009

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Directors' report

The directors of ABB Grain Ltd ("ABB Grain") submit herewith the interim financial report for the half-year ended 31 March 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the company during or since the end of the half-year are:

P R (Perry) Gunner (Chair)	P W (Paul) Daniel	R M (Ross) Johns
M F (Max) Venning (Deputy Chair)	T M (Trevor) Day	T J (Timothy) Ryan
A R (Andrew) Barr	K G (Kevin) Osborn	M A (Michael) Iwaniw (Managing Director)

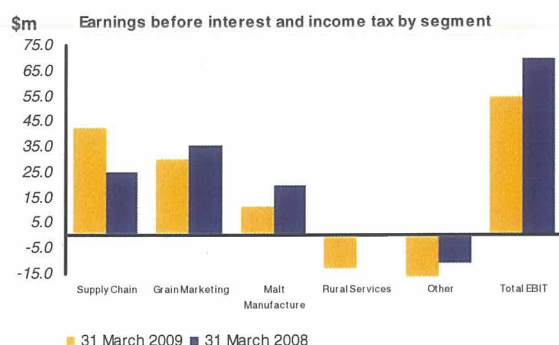
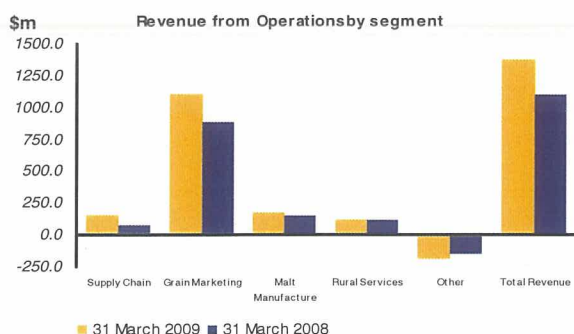
Review of operations

The consolidated entity recorded an underlying net profit after tax of \$30.6 million for the half-year ended 31 March 2009 which is \$3.0 million or 9% down on the on the previous half-year ended 31 March 2008. This result is affected by the write-down of stock values and losses incurred in the fertiliser business of \$9.8 million after tax due to a significant fall in global fertiliser prices.

After net one-off items of \$0.9 million loss, net profit after tax is \$29.7 million, down \$3.9 million or 12% on the previous half-year. One-off items comprise merger and acquisition costs in relation to the proposed AWB merger, employee termination payments, and income tax benefit from a prior year.

Grain receivals into the storage and handling network of 3.9 million tonnes for the 2008/09 season represented an increase of 11% on the 3.5 million tonnes received in the previous season, however this is still below normal receival expectations, due to continuing drought conditions.

A summary of consolidated revenues and earnings before interest and income tax for the half-year by business segment is set out below.



Business segment	Revenue from operations Half-year ended		Earnings before interest & income tax Half-year ended		Profit before income tax Half-year ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	\$million	\$million	\$million	\$million	\$million	\$million
Supply chain	150.7	80.4	43.1	25.0	42.3	25.1
Grain marketing	1,108.0	886.9	30.2	35.9	16.0	19.9
Malt manufacture	178.8	157.0	11.5	20.0	9.9	17.6
Rural services	126.2	126.3	(12.6)	(0.1)	(15.8)	(3.5)
Other	(180.8)	(142.8)	(12.3)	(10.7)	(7.2)	(10.1)
Underlying total	1,382.9	1,107.8	59.9	70.1	45.2	49.0
Income tax expense					(14.6)	(15.4)
Underlying NPAT					30.6	33.6
One-off items						
Merger and acquisition costs			(4.0)	-	(4.0)	-
Employee termination payments			(1.4)	-	(1.4)	-
Income tax expense on above			-	-	1.6	-
Income tax benefit from prior years			-	-	2.9	-
Net one-off items after income tax expense			(5.4)	-	(0.9)	-
Net profit					29.7	33.6

Revenue

Revenue of \$1,382.9 million for the half-year ended 31 March 2009 is \$275.1 million (or 25%) higher than the previous half-year reflecting higher grain marketing volumes, higher grain receivables and higher malt prices.

Underlying net profit

Underlying net profit after income tax before net one-off items of \$30.6 million for the half-year ended 31 March 2009 is \$3.0 million (or 9%) lower than the previous half-year ended 31 March 2008. Underlying profit before income tax of \$45.2 million is \$3.8 million (or 8%) lower than the previous half-year. These decreases are principally due to fertiliser stock values write-downs and losses in the Rural Services business.

Supply Chain underlying profit before income tax of \$42.3 million is \$17.2 million or 69% higher than the previous half-year principally due to higher receivables, increased storage and handling prices and continued cost containment.

Grain receivables of 3.9 million tonnes for the 2008/09 season are up 11% on the previous season receivables of 3.5 million tonnes. This is still below a normal season's receivables due to continuing drought conditions.

Storage and handling prices were increased 11% for the 2008/09 season.

Costs continued to be tightly managed in the 2009 half-year with the closure of 30 sites (compared to 21 sites closed in the prior half-year). 84% of grain receivables were delivered into 42 major strategic sites and terminals

Earnings continue to be further diversified with 1.3 million tonnes of non-grain commodities (including salt, gypsum, mineral sands and dolomite) handled at ABB ports in the half-year.

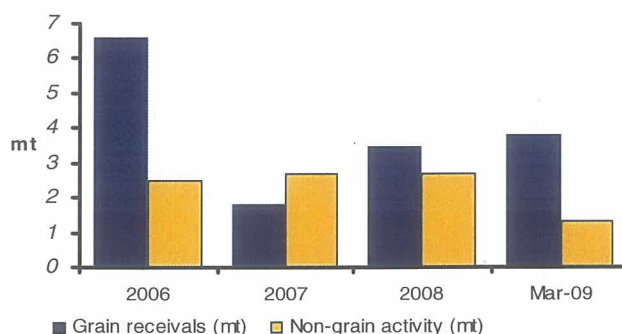
NZ Supply Chain business continues to expand in the first half of the financial year with the of operations for NZ Grain and Seeds (TAG) and PCL Feeds, which were acquired in 2008. In March 2009, the NRM feed business was acquired for \$33.9 million.

Grain marketing underlying profit before income tax of \$16.0 million is \$3.9 million or 20% lower than the previous half-year.

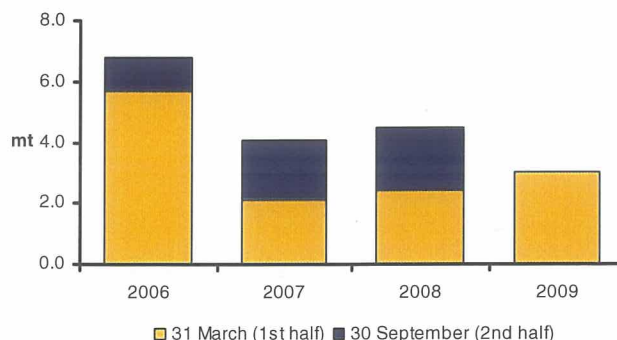
Grain volumes marketed of 3.0 million tonnes represents an increase of 25% on the previous half-year reflecting increased international marketing activity.

Global grain prices have declined and stabilised in the last six months. While lower margins were achieved in the 2009 first half-year, returns on capital employed for have increased. Prudent risk management practices have continued along with restrictions on working capital usage.

National Supply Chain Receivables



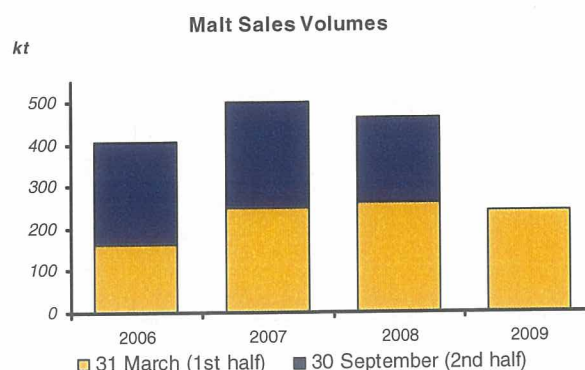
Grain Marketing Volumes



Malt manufacture underlying profit before income tax of \$9.9 million is \$7.7 million or 44% lower than the previous half-year.

Sales deliveries of 240 thousand tonnes are in marginally lower than the previous half year.

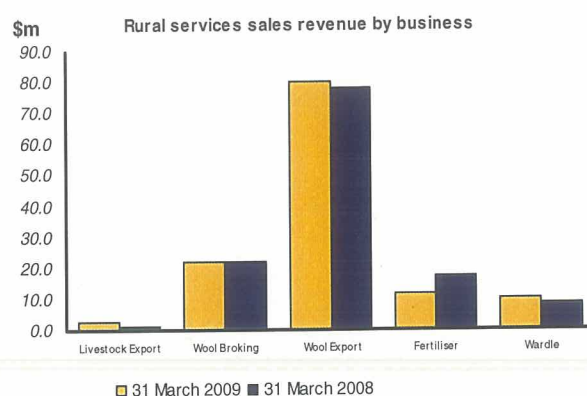
Earnings for the half year have been impacted by higher energy and transportation costs, and foreign exchange volatility.



Rural Services underlying loss before income tax of \$15.8 million is \$12.3 million or 351% lower than the previous half-year loss.

The fertiliser business recorded a \$14.0 million loss, including a write-down in the value of stocks, due to a 70% fall in global fertiliser (MAP and DAP) prices in AUD terms. New fertiliser purchases are trading profitably.

In addition, earnings were impacted by slow sales in farm inputs, including fertiliser, agricultural chemicals and rural merchandise, due to adverse climatic conditions. Fertiliser sales deliveries have increased since the half-year with the commencement of seasonal rains and seeding.



The wool export business performed strongly with gains in market share.

Other underlying loss before income tax of \$7.2 million is \$2.9 million or 29% lower than the previous half-year loss principally due to lower interest expenses with lower interest rates. Other includes other businesses, corporate expenses, corporate interest and the elimination of intersegment transactions and balances. Corporate expenses that can be directly attributed to individual business segments are allocated to those segments accordingly.

Balance sheet

Net assets of \$1,122.8 million have increased \$195.8 million compared to 31 March 2008 and \$11.9 million since 30 September 2008.

Current assets of \$916.5 million and current liabilities of \$554.5 million have increased \$122.6 million and \$181.9 million respectively since 30 September 2008. The increase reflects the seasonal working capital investment and an increase in short term funding for capital projects.

Other current financial assets have decreased \$77.0 million while other current financial liabilities have decreased \$60.5 million reflecting movements in the fair value of financial instruments, including commodity and foreign exchange forward contracts.

Working capital of \$664.2 million has decreased by \$171.2 million since 31 March 2008, due to rationing of working capital limits across the business.

Net debt as at 31 March 2009 of \$604.4 million compares to \$361.8 million as at 30 September 2008 and \$829.4 million as at 31 March 2008, representing a gearing ratio of 35% (net debt / total capital).

The Company paid its 2008 final dividend of \$24.0 million in January 2009 and has now declared a 2009 interim dividend of \$17.3 million from the half-year profit of \$29.7 million. The dividend reinvestment plan operated for the 2008 final dividend. Shareholders reinvested \$9.2 million dividends with the issue of 1.3 million ordinary shares. Share placements of 0.2 million shares for \$1.2 million were also issued.



Cash flows

Operating activities used net cash of \$147.2 million for the half-year ended 31 March 2009 reflecting the seasonal investment in working capital, principally grain and fertiliser inventories. This compares to \$354.5 million for the previous half-year.

Cash used in investing activities of \$80.6 million for half-year ended 31 March 2009 largely reflects capital expenditure on the Outer Harbor deep sea port terminal development, New Zealand storage developments and the acquisition of the NRM business.

Net cash provided by financing activities of \$252.9 million during the half-year ended 31 March 2009 principally reflects the drawdown of borrowings to fund the seasonal operating and long term investing activities.

Auditor's independence declaration

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001. A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out in the section of the report titled "Auditor's Independence Declaration".

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors


P R Gunner
Director
Adelaide
19 May 2009

**Auditor's independence declaration
to the members of ABB Grain Ltd**



PricewaterhouseCoopers
ABN 52 780 433 757

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ADELAIDE SA 5001
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Australia
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Facsimile +61 8 8218 7999

Auditor's Independence Declaration

As lead auditor for the review of ABB Grain Limited for the half-year ended
31 March 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in blue ink, appearing to read 'DR Clark', followed by a long horizontal stroke.

DR Clark
Partner
PricewaterhouseCoopers

Adelaide
19 May 2009

**Independent review report
to the members of ABB Grain Ltd**



PricewaterhouseCoopers
ABN 52 780 433 757

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**Independent auditor's review report to the
members of ABB Grain Limited**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ABB Grain Limited, which comprises the balance sheet as at 31 March 2009, and the income statement, statement of recognised income and expense and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the ABB Grain Limited Group (the consolidated entity). The consolidated entity comprises ABB Grain Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ABB Grain Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance



**Independent audit's review report to the members of
ABB Grain Limited (continued)**

that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ABB Grain Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in blue ink that appears to read "DR Clark".

DR Clark
Partner

Adelaide
19 May 2009

Directors' declaration

The directors declare that, in the directors' opinion:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position as at 31 March 2009 and performance of the consolidated entity for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



P R Gunner
Director
Adelaide
19 May 2009

**Condensed consolidated income statement
for the half-year ended 31 March 2009**

	Consolidated	
	Half-year ended 31 March 2009 \$ million	Half-year ended 31 March 2008 \$ million
Revenue	1,382.9	1,107.8
Other income (including fair value gains/(losses))	(20.2)	29.8
Share of profits/(losses) of associates and jointly controlled entities	(4.5)	(1.3)
Changes in inventories	162.9	368.8
Cost of grain and commodities sold	(1,141.8)	(1,180.7)
Employee benefits expense	(58.2)	(47.8)
Depreciation and amortisation expense	(17.7)	(15.7)
Transport and handling charges	(189.3)	(136.4)
Finance costs	(17.6)	(23.0)
Other expenses	(56.7)	(52.5)
Profit before income tax	39.8	49.0
Income tax expense	(10.1)	(15.4)
Profit attributable to the members of ABB Grain Ltd	29.7	33.6
Earnings per share:		
Basic (cents per share)	17.3	22.4
Diluted (cents per share)	17.2	22.4

Notes to the financial statements are included on pages 13 to 16.

Condensed consolidated balance sheet as at 31 March 2009

	Consolidated		
	31 March 2009 \$ million	30 September 2008 \$ million	31 March 2008 \$ million
Current assets			
Cash and cash equivalents	57.2	32.1	60.6
Trade and other receivables	311.4	301.3	296.8
Other financial assets	57.3	134.3	113.6
Inventories	490.6	326.2	705.1
Total current assets	916.5	793.9	1,176.1
Non-current assets			
Trade and other receivables	9.5	10.5	12.0
Investments accounted for using the equity method	-	3.5	2.9
Other financial assets	2.3	2.4	2.3
Deferred tax assets	0.3	-	-
Property, plant and equipment	665.7	634.3	575.1
Intangibles	400.5	365.1	361.8
Total non-current assets	1,078.3	1,015.8	954.1
Total assets	1,994.8	1,809.7	2,130.2
Current liabilities			
Trade and other payables	92.0	142.5	164.1
Borrowings	359.4	93.1	589.1
Other financial liabilities	45.4	105.9	97.6
Provisions	18.9	13.9	13.5
Current tax liabilities	0.6	9.9	3.0
Other	38.2	7.3	1.9
Total current liabilities	554.5	372.6	869.2
Non-current liabilities			
Borrowings	302.2	300.8	300.9
Provisions	1.3	1.1	1.2
Deferred tax liabilities	14.0	24.3	31.9
Total non-current liabilities	317.5	326.2	334.0
Total liabilities	872.0	698.8	1,203.2
Net assets	1,122.8	1,110.9	927.0
Equity			
Issued capital	1,019.9	1,009.5	816.1
Reserves	(14.5)	(10.3)	3.9
Retained earnings	117.4	111.7	107.0
Total equity	1,122.8	1,110.9	927.0

Notes to the financial statements are included on pages 13 to 16.

Condensed consolidated statement of recognised income and expense for the half-year ended 31 March 2009

	Consolidated	
	Half-year ended 31 March 2009 \$ million	Half-year ended 31 March 2008 \$ million
Gain/(loss) on cash flow hedges taken to equity	(8.8)	(7.6)
Exchange differences arising on translation of foreign operations	1.6	(0.2)
Income tax benefit / (expense) on items taken directly to equity	2.6	2.3
Net income/(expense) recognised directly in equity	(4.6)	(5.5)
Profit after tax	29.7	33.6
Total recognised income and expense for the period	25.1	28.1

Notes to the financial statements are included on pages 13 to 16.

Condensed consolidated cash flow statement for the half-year ended 31 March 2009

		Consolidated	
		Half-year ended 31 March 2009 \$ million	Half-year ended 31 March 2008 \$ million
	Note		
Cash flows from operating activities			
Receipts from customers (and on behalf of grain pools)		1,455.2	1,129.4
Payments to suppliers and employees (and on behalf of grain pools)		(1,555.2)	(1,450.1)
Interest and other costs of finance paid		(22.5)	(23.0)
Interest received		3.0	1.9
Income tax (paid)/refund		(27.7)	(12.7)
Net cash used in operating activities		(147.2)	(354.5)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		0.2	-
Payments for property, plant and equipment		(47.5)	(35.2)
Payments for business acquisitions	9	(33.9)	(7.4)
Payments for investments		-	(2.9)
Dividend income received		0.6	0.2
Net cash used in investing activities		(80.6)	(45.3)
Cash flows from financing activities			
Proceeds from issues of equity securities		-	4.2
Payment for share issue costs		-	(0.1)
Proceeds from borrowings		267.7	448.4
Dividends paid		(14.8)	(4.2)
Net cash provided by financing activities		252.9	448.3
Net increase in cash and cash equivalents		25.1	48.5
Cash and cash equivalents at the beginning of the period		32.1	12.1
Cash and cash equivalents at the end of the period		57.2	60.6

Notes to the financial statements are included on pages 13 to 16.

1. Significant accounting policies**Statement of compliance**

The interim financial report for the half-year ended 31 March 2009 is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The interim financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's previous annual financial report for the financial year ended 30 September 2008.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

2. Segment information

The consolidated entity operates within the following business segments, the primary basis for segmentation.

- Supply Chain;
- Grain Marketing;
- Malt Manufacture;
- Rural Services; and
- Other includes other business operations, corporate expenses and elimination of intersegment transactions and balances.

Half-year ended 31 March 2009	Supply Chain	Grain Marketing	Malt Manufacture	Rural Services	Other	Total
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue						
Revenue	104.1	972.4	178.8	126.2	1.4	1,382.9
Intersegment revenue	46.6	135.6	-	-	(182.2)	-
Total segment revenue	150.7	1,108.0	178.8	126.2	(180.8)	1,382.9
Results						
Segment EBITDA	53.4	30.3	14.6	(12.1)	(14.0)	72.2
Depreciation and amortisation expense	(10.3)	(0.1)	(3.1)	(0.5)	(3.7)	(17.7)
Segment EBIT	43.1	30.2	11.5	(12.6)	(17.7)	54.5
Net interest revenue/(expense)	(0.8)	(14.2)	(1.6)	(3.2)	5.1	(14.7)
Segment result	42.3	16.0	9.9	(15.8)	(12.6)	39.8
Income tax expense						(10.1)
Net profit attributable to the members of ABB Grain Ltd						29.7
Assets						
Segment assets	692.1	712.8	298.3	180.4	110.9	1,994.5
Unallocated assets						0.3
Total assets						1,994.8
Liabilities						
Segment liabilities	67.1	153.8	40.5	40.9	555.1	857.4
Unallocated liabilities						14.6
Total liabilities						872.0
Net Segment Assets / (Liabilities)	625.0	559.0	257.8	139.5	(444.2)	1,137.1
Net Unallocated Liabilities						(14.3)
Net Assets						1,122.8

2. Segment information (cont.)

Half-year ended 31 March 2008	Supply Chain	Grain Marketing	Malt Manufacture	Rural Services	Other	Total
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue						
Revenue	44.6	776.8	157.0	126.3	3.1	1,107.8
Intersegment revenue	35.8	110.1	-	-	(145.9)	-
Total segment revenue	80.4	886.9	157.0	126.3	(142.8)	1,107.8
Results						
Segment EBITDA	35.2	36.1	23.1	0.2	(8.8)	85.8
Depreciation and amortisation expense	(10.2)	(0.2)	(3.1)	(0.3)	(1.9)	(15.7)
Segment EBIT	25.0	35.9	20.0	(0.1)	(10.7)	70.1
Net interest revenue/(expense)	0.1	(16.0)	(2.4)	(3.4)	0.6	(21.1)
Segment result	25.1	19.9	17.6	(3.5)	(10.1)	49.0
Income tax expense						(15.4)
Net profit attributable to the members of ABB Grain Ltd						<u>33.6</u>
Assets						
Segment assets	493.2	1,012.0	282.6	160.9	181.5	2,130.2
Liabilities						
Segment liabilities	20.4	163.5	29.6	47.1	907.7	1,168.3
Unallocated liabilities						<u>34.9</u>
Total liabilities						<u>1,203.2</u>
Net Segment Assets / (Liabilities)	472.8	848.5	253.0	113.8	(726.2)	961.9
Net Unallocated Liabilities						<u>(34.9)</u>
Net Assets						<u>927.0</u>

3. Dividends

	Consolidated Half-year ended 31 March 2009		Consolidated Half-year ended 31 March 2008	
	Cents per share	Total \$ million	Cents per share	Total \$ million
Recognised amounts				
Fully paid ordinary shares				
Final dividend				
Franked to 100% (Prior year: 100%)	14.0	24.0	5.0	7.5
Unrecognised amounts				
Fully paid ordinary shares				
Interim dividend				
Franked to 100% (Prior year: 100%)	10.0	17.3	7.0	10.5

The consolidated entity has had a Dividend Reinvestment Plan in previous periods under which holders of ordinary shares may elect to acquire additional ordinary shares in lieu of cash dividends. Shares are issued at a discount not exceeding 10% of their market value which is determined by reference to the weighted average price of shares during the five business days preceding and inclusive of the record date and five days of trading immediately following the record date for that dividend. The Dividend Reinvestment Plan will not operate for the 2009 interim dividend.

4 Equity securities issued

	Consolidated Half-year ended 31 March 2009		Consolidated Half-year ended 31 March 2008	
	No. million	\$ million	No. million	\$ million
Fully paid ordinary shares				
Dividend reinvestment plan issues	1.3	9.2	0.4	3.3
Share placement (net of transaction costs)	-	-	0.5	4.1
Exempt employee share plan	0.1	0.6	-	-
Deferred employee share plan	0.1	0.6	-	0.2
	1.5	10.4	0.9	7.6

5 Seasonality of ordinary operations

The handling of grain and other commodities is affected by seasonality. Due to the nature of the grain industry, the majority of supply chain earnings are derived during the harvest period in the first half of the financial year. Other businesses are not materially impacted by seasonality.

6 Contingencies and commitments

The consolidated entity has been advised of a number of claims that have arisen in the ordinary course of business. The directors believe these claims will not result in material loss to the consolidated entity. Since the last annual reporting date, there has been no material change in contingent liabilities.

7 Other expenses

Included in other expenses are merger and acquisition costs of \$4.0 million.

8 Investments accounted for using the equity method

Name of entity	Principal activity	Ownership interest		Contribution to net profit	
		Half-year ended		Half-year ended	
		31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
		%	%	\$ million	\$ million
Jointly controlled entities					
Australian Bulk Alliance Pty Ltd	Grain handling	50	50	(1.0)	(1.0)
National Grower Register Pty Ltd	Grower services	50	50	-	-
New World Grain Ltd	Grain marketing	50	50	(3.5)	(0.2)
Wheat Australia Pty Ltd	Grain export	33	33	-	(0.1)
				(4.5)	(1.3)

9 Business combinations

On 20 March 2009, the consolidated entity acquired the NRM business including inventory, plant and brands for cash consideration of \$33.9 million. The primary activity of NRM is milling and provision of feed requirements of dairy, poultry, pigs, horses and working dogs. Goodwill of \$3.5 million was recognised reflecting expected future benefits from expected synergies, tonnage growth and the assembled workforce. These benefits were not recognised separately from goodwill as the future economic benefits cannot be reliably measured. At the date of finalisation of this report, the necessary inventory valuations under the acquisition agreement and other calculations had not been finalised and therefore have only been provisionally determined based on the directors' best estimate.

The net assets acquired in the NRM business combination, and the goodwill arising, are as follows:

	Acquiree's carrying amount \$ million	Fair value adjustments \$ million	Fair value \$ million
Net assets acquired:			
Other receivables	-	2.4	2.4
Inventory	3.5	-	3.5
Intangibles	-	18.6	18.6
Property, plant and equipment	6.5	3.4	9.9
Other provisions	-	(3.7)	(3.7)
Employee benefits	(0.3)	-	(0.3)
	9.7	20.7	30.4
Goodwill arising on acquisition			3.5
Total cash consideration			33.9

10 Events occurring after reporting date

The Company has entered into an Implementation Agreement ("IA") with Viterro Inc on the date of this report. The effect of the IA is that in the absence of a superior proposal and subject to a number of conditions precedent the Company's shareholders will vote in respect of a scheme of arrangement for the acquisition by Viterro Inc. of all of the issued ordinary shares of the Company. If the scheme is approved and implemented the Company would become a wholly owned subsidiary of Viterro Inc.