



ASX RELEASE

Ruralco Continues Strong Growth

The Chairman of Ruralco Holdings Limited (Ruralco), Mr Richard England, announced today that the agribusiness Group returned a reported profit after tax for the full-year ended 30 September 2008 of \$16.05m, an increase of 43% over the previous financial year.

Directors have resolved to pay a final dividend of 13 cents per share fully franked, which together with the interim dividend of 9 cents per share, is a return of 22 cents per share fully franked for the 2007/2008 financial year. The dividend will be payable on 10 December 2008. The dividend reinvestment plan will not operate in respect of this dividend.

Mr England said a major highlight of the result was the increased underlying earnings (EBIT before non recurring items) of \$34.7m, 47% higher than last year. "Strong revenue growth across Ruralco's divisions despite the volatility of seasonal and economic conditions in the rural sector is an outstanding performance."

Ruralco's Managing Director, John Maher, said other highlights for the year included:

- Sales of \$885.8m, an increase of 18%
- EBITDA of \$37.8m, up 40%
- EBIT of \$34.3m, an increase of 45%
- Underlying profit after tax (before non recurring items) of \$16.33m*, compared to \$11.57m last year
- Earnings per share (EPS) of 35.3 cents up 41% on the corresponding period
- Return on equity (ROE) of 14.0% per annum compared to 10.6% last year

Mr. Maher paid tribute to the company's staff, JV partners and members for the strong result and the implementation of growth plans put in place over the last 2 years.

"The execution of our unique positioning in the market and strategic initiatives has been extremely successful and could not have taken place without the commitment and passion of our people.

The result is additionally pleasing given much of Ruralco's footprint, including one of our strongest bases, Tasmania, is in its second year of drought."

Over the year the organization continued to capture greater than expected integration benefits. Ruralco has also had success in improving and growing the activity from existing assets with a focus on new growth platforms, margin management, costs and working capital.

"Additionally, we are continuing to make acquisitions which meet our financial parameters and result in a broadening of Ruralco's geographic and business coverage."

Ruralco's shares will be placed in a trading halt today pending an announcement to the market.

Further information:

John Maher
Managing Director
0418 687016

24 November 2008

**In determining the underlying profit for the period, non recurring items of restructuring and other one off costs of \$442K and gain on disposal of property of (\$153K) with a total net effect of \$289K after tax have been taken into account.*

RURALCO HOLDINGS LIMITED

ABN 40 009 660 879

FULL YEAR REPORT

APPENDIX 4E

Full year ended 30 September 2008

Previous corresponding period – Full year ended 30 September 2007

Results for announcement to the market

				\$A'000
Revenue from ordinary activities	up	18%	to	885,834
Profit from ordinary activities	up	43%	to	16,045
after tax attributable to members				
Net profit for the period	up	43%	to	16,045
attributable to members				
		Amount per security	Franked amount per security	
Final dividend	13 cents		13 cents	
Previous corresponding period				
Final dividend	13 cents		13 cents	

Record date for determining entitlements to the dividend

5 December 2008

Date Final Dividend is payable

10 December 2008

Net Tangible Assets

Net tangible asset backing per ordinary security

2008 2007

\$1.53 \$1.44

Details of entities over which control has been gained or lost during the period

During the period the reporting entity gained control of the following entities:

Entity	Date	Percentage acquired
Ag Concepts Unlimited Pty Ltd	13 December 2007	50.1%
Davidson Cameron Board & Simmons Pty Ltd	20 November 2007	51.0% acquired by Davidson Cameron Pty Ltd
Brady & Runciman Pty Ltd	1 July 2008	51.0%
Territory Rural McPherson Pty Ltd	3 September 2008	51.0%
BR&C Real Estate Pty Ltd	16 September 2007	51.0%
Dairy Livestock Services Pty Ltd	21 August 2008	51.0%

During the period the reporting entity lost control of the following entities:

Entity	Date	Percentage divested
N/A		

Details of associates and joint venture entities

During the period the reporting entity entered into the following joint venture:

Entity	Date	Percentage acquired
Roberts Port Sorell Pty Ltd	25 March 2008	50%

Dividend Reinvestment Plan

The Dividend Reinvestment Plan will not apply to this dividend.

Audit

The accounts are not subject to any audit dispute or qualification.

J M O'Reilly
Company Secretary
24 November 2008

Ruralco Holdings Limited – Full-Yearly Report

Twelve months to 30 September 2008

OPERATIONAL REVIEW

Ruralco is pleased to report that underlying earnings before non recurring items was \$16.3 million, a 41.2% increase compared to last year, and net profit after tax (NPAT) including significant items was \$16.0 million for the twelve months ended 30 September 2008. This is an increase of 43% on the same period last year.

During the year total sales were \$885.8 million, up 18% on last year, and earnings before tax and minority interests of \$25.0 million was up 43% on the corresponding period.

Earnings per share of 35.3 cents was up 41% on last year.

Finance

The Company's gearing (as measured by the ratio of net interest bearing debt to equity) is 89.0%.

Final Dividend

A fully franked dividend of 13 cents per share payable to shareholders on 10 December 2008 has been declared by directors.

The Dividend Reinvestment Plan will not operate in respect of the final dividend.

Safety

Following a review of the OHS systems and processes across the Group, Ruralco has launched a new Group-wide OHS framework and system. This comprehensive framework will provide consistency and a common process for all businesses. The system was piloted in five locations and training has been conducted in four States. The framework provides an accessible system upon which safety action plans can be developed at a local site level. In the coming year Ruralco will continue to focus on the development of safety action plans across all business units.

Outlook

Ruralco expects its unique business model and on-going growth strategies will provide a solid platform for continued performance and the delivery of increased earnings for shareholders.

Internationally tight credit markets have temporarily slowed Australian exports, reducing the impact of a weaker Australian dollar on commodity prices locally, however continuing strong demand for meat and grain worldwide should see prices stabilising at stronger levels in 2009 after recent volatility.

For producers the expected lower cost of inputs such as finance, fertiliser, agricultural chemicals and fuel together with generally reasonable commodity prices should encourage production next year.

Ruralco Holdings Limited – Full Year Report

The strong agricultural commodity prices of the first six months of 2008 have eased and will place pressure on the returns of all producers, in particular those impacted further by another dry spring occurring in the southern states.

Divisional Overview

Throughout the year Ruralco's trading was structured into five trading divisions, Rural Supplies, Wool & Livestock, Stockfeed & Grain, Financial Services and Real Estate. A short report on each of these follows.

Wool & Livestock

The Wool and Livestock division performed strongly in difficult conditions with sales up 55.4% compared to last financial year, despite the continued reduction in livestock numbers and drought conditions in most regions.

EBIT increased due to the full year impact of acquisitions of private agency businesses, expansion into adjacent sectors and stronger livestock prices.

During the period there was a 63% growth in cattle sales and 17.9% growth in sheep and lamb sales.

Sheep and cattle prices were up 14.6% and 7.5% respectively due to the improving AU/US dollar, increasing international demand and restocking activity.

The Group's wool market share improved whilst national wool production continued to decline. The wool businesses performed well under difficult trading conditions with prices down 1.0% compared to the Eastern Market Indicator which fell 10% during the year.

Rural Supplies

The Ruralco Rural Supplies division performed well growing sales by 14.3% compared to the previous year.

CRT had a very successful year. Highlights included record sales revenue, reflecting improved seasonal conditions and an increase in the price of crop protection chemical inputs due to worldwide shortages. EBIT growth was driven not only through sales revenue but also margin improvement and a focus on expense management. CRT welcomed a net growth of eleven members and held a successful National Conference in February for over nine hundred members, suppliers and staff at the Gold Coast Convention Centre.

Roberts Rural Supplies again enjoyed considerable sales growth of 9% across most sectors during the period. Whilst revenue growth was aided by increased prices for fertiliser and agricultural chemicals, overall demand was high and EBIT improved for the year.

Grow Force Fertilisers achieved a record profit largely due to increased demand for speciality fertiliser products and improved trading arrangements with major suppliers.

The organic fertiliser business, Terra Firma had a positive turnaround after recording a trading loss last year. A review of the product range and processes within the Terra Firma operation was the main catalyst for this improvement.

Ruralco Holdings Limited – Full Year Report

The Rural Supplies National Procurement team based in Sydney has continued its focus on maximising trading terms with key suppliers to the benefit of the Ruralco Group, including the CRT member base. This focus will be ongoing and is expected to continue to deliver more trading term improvements in the future.

Stockfeed and Grain

Sales for the Stockfeed and Grain division decreased 4.6%, and profitability was reduced as a result of the increased volatility of the international and domestic grain markets which in turn put pressure on sales growth and gross profit.

Domestic grain market volatility was driven by another poor harvest in Australia last season due to the prolonged drought. When coupled with the failure of a number of other harvests in major grain producing countries this resulted in world grain stocks falling to their lowest levels on record. Early concerns that the Australian domestic supply would not meet demand were only alleviated late in the season.

Financial Services

The Financial Services division provides seasonal finance to primary producers and also offers a complete range of insurance products tailored to primary production and CRT member activity through its association with CGU.

AgConcepts Unlimited, the company's soft commodity and risk management advisory group has become an increasingly important part of the division.

Sales from financial services activities grew by 25.6% during the year, which was in line with the overall growth in activity.

Real Estate

The Real Estate division experienced a tough trading period due to the combined impacts of drought early in the period, rising interest rates and the global financial crisis in the latter part of the period.

Whilst Roberts Residential Real Estate division performed strongly and maintained its market share, the Tasmanian residential real estate market declined significantly in terms of the number of sales, during the period.

The Tasmanian rural real estate market was particularly buoyant during the period with solid enquiry both from within Australia and overseas particularly in relation to property suitable for dairy.

Businesses located on mainland Australia produced strong real estate sales performances due to sound commodity prices. The drought had its greatest impact on south eastern Australia and north western Queensland, with strong enquiry, particularly in the first half, for cattle property in Queensland and the Northern Territory.

South western WA property sales performed well off the back of strong grain prices early in the year.

The ongoing development of Ruralco Property has produced significant results in building awareness of a national brand utilising local connections and we will continue to build that profile.

Ruralco Holdings Limited - Preliminary Final Report

Income Statement for the Year Ended 30 September 2008

	Notes	Consolidated Entity	
		2008 \$'000	2007 \$'000
Revenue	1a	885,834	751,209
Other income		500	74
Cost of goods sold		(719,101)	(610,896)
Depreciation and amortisation expenses	1c	(3,505)	(3,358)
Finance costs	1c	(9,800)	(6,227)
Personnel expenses		(83,434)	(74,068)
Property and equipment expenses		(13,722)	(9,548)
Motor vehicle expenses		(9,264)	(7,780)
Other expenses		(22,481)	(21,950)
Profit (loss) before income tax		25,027	17,456
Income tax (expense)/benefit		(7,007)	(5,385)
Profit (loss) after income tax expense		18,020	12,071
Profit attributable to minority interest		(1,975)	(843)
Profit (loss) attributable to members of the parent		16,045	11,228
Earnings per share (cents per share)			
Basic earnings per share (cents per share)	5	35.3	25.1
Diluted earnings per share (cents per share)	5	35.2	25.1

The accompanying notes form part of these financial statements.

Ruralco Holdings Limited - Preliminary Final Report

Balance Sheet as at 30 September 2008

	Notes	Consolidated Entity	
		2008 \$'000	2007 \$'000
Current Assets			
Cash and cash equivalents		18,417	21,498
Trade and other receivables		265,180	216,362
Inventories		74,226	58,224
Current tax assets		-	2,215
Total Current Assets		357,823	298,299
Non-Current Assets			
Receivables		1,256	1,651
Investments accounted for using the equity method		1,571	947
Other financial assets		1,392	2,163
Property, plant and equipment		48,550	48,149
Deferred tax assets		7,269	6,946
Intangible assets		49,236	43,806
Total Non-Current Assets		109,274	103,662
Total Assets		467,097	401,961
Current Liabilities			
Trade and other payables		193,521	175,408
Interest bearing loans and borrowings		99,541	83,650
Current tax payable		4,622	-
Provisions		11,306	9,829
Total Current Liabilities		308,990	268,887
Non-Current Liabilities			
Interest bearing loans and borrowings		30,023	15,655
Deferred tax liabilities		1,788	1,728
Provisions		1,521	1,760
Total Non-Current Liabilities		33,332	19,143
Total Liabilities		342,322	288,030
Net Assets		124,775	113,931
Equity			
Issued capital		75,584	72,473
Retained earnings		31,036	25,168
Other reserves		12,719	12,646
Parent interests		119,339	110,287
Minority interests		5,436	3,644
Total Equity		124,775	113,931

The accompanying notes form part of these financial statements.

Ruralco Holdings Limited - Preliminary Final Report

Statement of Changes in Equity for the Year Ended 30 September 2008

	Attributable to equity holders of the parent				Minority interest	Total equity
CONSOLIDATED	Issued Capital \$'000	Retained earnings \$'000	Other reserves \$'000	Total \$'000	\$'000	\$'000
At 1 October 2007	72,473	25,168	12,646	110,287	3,644	113,931
Revaluation of assets	-	-	17	17	-	17
Other reserve movements	-	(219)	(50)	(269)	78	(191)
Performance rights granted	-	-	106	106	-	106
Total income and expense for the period recognised directly in equity	-	(219)	73	(146)	78	(68)
Profit for the period	-	16,045	-	16,045	1,975	18,020
Share capital issued	3,111	-	-	3,111	-	3,111
Equity dividends	-	(9,958)	-	(9,958)	(650)	(10,608)
Minority interest of newly acquired entities	-	-	-	-	258	258
Sale of shares	-	-	-	-	131	131
At 30 September 2008	75,584	31,036	12,719	119,339	5,436	124,775

Statement of Changes in Equity for the Year Ended 30 September 2007

	Attributable to equity holders of the parent				Minority interest	Total equity
CONSOLIDATED	Issued Capital \$'000	Retained earnings \$'000	Other reserves \$'000	Total \$'000	\$'000	\$'000
At 1 October 2006	70,011	23,749	8,901	102,661	3,812	106,473
Revaluation of assets	-	-	3,745	3,745	19	3,764
Other reserve movements	-	-	-	-	(292)	(292)
Total income and expense for the period recognised directly in equity	-	-	3,745	3,745	(273)	3,472
Profit for the period	-	11,228	-	11,228	843	12,071
Share capital issued	2,462	-	-	2,462	-	2,462
Equity dividends	-	(9,809)	-	(9,809)	(674)	(10,483)
Minority interest of newly acquired entities	-	-	-	-	(64)	(64)
At 30 September 2007	72,473	25,168	12,646	110,287	3,644	113,931

The accompanying notes form part of these financial statements.

Ruralco Holdings Limited - Preliminary Final Report

Cash Flow Statement for the Year Ended 30 September 2008

	Notes	Consolidated Entity	
		2008 \$'000	2007 \$'000
Cash flow from operating activities			
Receipts from customers		916,965	801,449
Payments to suppliers and employees		(933,746)	(771,104)
Dividends received		2	1
Interest received		11,668	8,590
Finance costs		(9,800)	(6,218)
Income taxes paid		(958)	(4,374)
Net cash flows provided by (used in) operating activities		(15,869)	28,344
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		2,320	115
Proceeds from sale of investment		1,416	125
Proceeds from disposal of shares in subsidiaries		146	-
Proceeds from sale of intangible assets		479	-
Proceeds from sale of business		-	433
Purchase of businesses		(1,120)	(2,359)
Purchase of property, plant and equipment		(5,343)	(4,736)
Purchase of intangible assets		(1,451)	(1,327)
Purchase of investments		(690)	(1,051)
Purchase of shares in subsidiaries		(373)	-
Purchase of equity investments		(42)	(838)
Acquisition of interests in controlled entities net of cash acquired.		(3,048)	(4,519)
Net cash flows (used in) investing activities		(7,706)	(14,157)
Cash flow from financing activities			
(Repayment)/proceeds of borrowings		24,033	(10,838)
Dividends on ordinary shares		(7,290)	(8,021)
Net cash flows provided by (used in) financing activities		16,743	(18,859)
Net (decrease) in cash and cash equivalents		(6,832)	(4,672)
Cash and cash equivalents at beginning of period		8,023	12,695
Cash and cash equivalents at end of period		1,191	8,023
Represented by			
Cash and cash equivalents		18,417	21,498
Ovedraft at end of period		(17,226)	(13,475)
Cash and cash equivalents at end of period		1,191	8,023

The accompanying notes form part of these financial statements.

Ruralco Holdings Limited - Preliminary Final Report

Notes to the Preliminary Financial Report For the Year Ended 30 September 2008

Consolidated Entity
2008 2007
\$'000 \$'000

1. REVENUE AND EXPENSES

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity

(a) Revenue

Sales revenue

Sale of goods	785,525	666,535
Services revenue	80,341	69,017
	<u>865,866</u>	<u>735,552</u>

Other revenue

Rent and sublease rental	566	255
Sundry revenue	7,733	6,812
Dividend income:		
Other persons/corporations	2	-
Interest revenues		
Other persons/corporations	11,667	8,590
	<u>19,968</u>	<u>15,657</u>

Total Revenue from continuing operations

<u>885,834</u>	<u>751,209</u>
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(b) Other income

Profit on sale of investments	297	65
Net gain on disposal of property, plant and equipment	203	9
	<u>500</u>	<u>74</u>

(c) Expenses

Profit before income tax includes the following specific expenses:

Depreciation

Buildings	(132)	(143)
Property, plant and equipment	(2,927)	(2,957)
Total depreciation	<u>(3,059)</u>	<u>(3,100)</u>

Amortisation

Application Software	(446)	(258)
Total Amortisation	<u>(446)</u>	<u>(258)</u>
Total depreciation and amortisation	<u>(3,505)</u>	<u>(3,358)</u>

Finance Costs

	(514)	-
Interest paid and payable	(9,286)	(6,227)
Total financing costs	<u>(9,800)</u>	<u>(6,227)</u>

Rental expense on operating leases

	(2,406)	(2,423)
Minimum lease payments	(18)	(1,304)
Total rental expense on operating leases	<u>(2,424)</u>	<u>(3,727)</u>

Ruralco Holdings Limited - Preliminary Final Report

Notes to the Preliminary Financial Report For the Year Ended 30 September 2008

Consolidated Entity	
2008	2007
\$'000	\$'000

2. NET TANGIBLE ASSET BACKING

Net tangible backing per ordinary security	\$1.53	\$1.44
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3. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST

During the period the reporting entity gained control of the following entities:

Entity	Date	Percentage acquired
Ag Concepts Unlimited Pty Ltd	1st October 2007	50.1
Macquarie Chambers Pty Ltd as trustee for the Board Family Settlement trading as Graeme Board & Company (now Davidson Cameron Board & Simmons Pty Ltd)	1st December 2007	26.01
Roberts Port Sorell Pty Ltd (now Roberts Shearwater Pty Ltd)	1st May 2008	50
Brady & Runciman Pty Ltd	1st July 2008	51
BR&C Real Estate Pty Ltd	1st July 2008	51
Territory Rural McPherson Pty Ltd	1st July 2008	51
Dairy Livestock Services Pty Ltd	21st August 2008	51

Acquisition of Business on the following dates:

Thomas Parker Real Estate Pty Ltd as trustee for the Thomas Unit Trust trading as Mansfield Lifestyle Property.COM.AU	1st November 2007
Vic Water Brokers Pty Ltd trading as Vic Water Brokers & Waternet	1st February 2008
Settlers Realty Pty Ltd trading as Settlers Realty (Tatura)	1st February 2008
NL & JA Rockliff Pty Ltd trading as Roberts Shearwater	1st May 2008
Blister Securities Pty Ltd as trustee for the Rohan & Deanne McDougall Family Trust trading as Professionals - St George	1st June 2008
Gregory Charles Gartner's insurance books being CGU insurance book account number 5315078 and NTI insurance book account number 2914	1st July 2008
Angkar Pty Ltd as trustee for the Clan Mackenzie Family Trust trading as Mackenzie & Mackenzie	1st July 2008
Seacrews Pty Ltd trading as Meander Country Realty	25th August 2008

Ruralco Holdings Limited - Preliminary Final Report

Notes to the Preliminary Financial Report For the Year Ended 30 September 2008

	Consolidated Entity		
	2008	2007	
	\$'000	\$'000	
4. DIVIDENDS			
Total dividends by Ruralco Holdings Limited security			
Ordinary securities	22.0 cents	20.0 cents	
	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend	9.0 cents	9.0 cents	NA
Final dividend	13.0 cents	13.0 cents	NA
Previous corresponding period			
Interim dividend	7.0 cents	7.0 cents	NA
Final dividend	13.0 cents	13.0 cents	NA

The record date to determine entitlements to the final dividend (that is, on the basis of proper instruments of transfer received by 5.00pm if securities are not CHESS approved, or security holding balances established by 5.00pm or such later time permitted by SCH Business Rules if securities are CHESS approved) is 5 December 2008. The dividend is payable on 10 December 2008. The Dividend Reinvestment Plan will not operate on this dividend.

5. EARNINGS PER SHARE

	2008	2007
	\$'000	\$'000
Basic profit per share (cents)	35.3	25.1
Diluted profit per share (cents)	35.2	25.1

Reconciliation of earnings used in calculating earnings per share

Basic and diluted earnings per share

Profit from operations	18,020	12,071
Profit from operations attributable to minority interests	(1,975)	(843)
Profit from operations attributable to the ordinary equity holders of the company used in calculating basic earnings per share	16,045	11,228

	No.	No.
Weighted average number of shares used as a denominator		
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	45,500,070	44,757,277
Weighted average number of options/performance rights outstanding	115,077	44,418
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	45,615,147	44,801,695

Ruralco Holdings Limited - Preliminary Final Report

Notes to the Preliminary Financial Report For the Year Ended 30 September 2008

6. OTHER INFORMATION

Segment reporting details are set out in Attachment 1. Commentary on the results for the period is contained in the press release dated 24 November 2008 accompanying this report. The report is based on accounts, which are in the process of being audited.

Annual General Meeting

The Annual General meeting will be held as follows:

Place	2 Collins Street, Hobart
Date	2 February 2009.
Time	2.00 pm
Approximate date the annual report will be available	18 December 2008.

J O'Reilly

Secretary

24 November 2008

Ruralco Holdings Limited - Preliminary Final Report

Segment Reporting for the Year Ended 30 September 2008

	Rural Services		Property Services		Other		Consolidated Entity TOTAL	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Revenue								
External sales to customers outside the consolidated entity	834,742	715,327	31,118	25,668	6	-	865,866	740,995
Other revenue from customers outside the consolidated entity	18,783	7,994	660	1,722	525	572	19,968	10,288
Total Segment Revenue	853,525	723,321	31,778	27,390	531	572	885,834	751,283
Results								
Segment result	38,284	26,033	2,757	2,576	529	401	41,570	29,010
Unallocated expenses								
Corporate Overheads							(13,008)	(5,336)
Corporate Interest							(3,535)	(6,218)
Profit from ordinary activities before tax							25,027	17,456
Income tax expense							(7,007)	(5,385)
Profit after tax							18,020	12,071
Assets								
Segment assets	392,200	318,198	13,734	8,837	48,413	59,235	454,347	386,270
Tax assets							7,269	9,161
Unallocated assets							5,481	6,530
Total Assets							467,097	401,961
Liabilities								
Segment liabilities	230,426	205,725	6,409	4,686	58,190	22,480	295,025	232,891
Tax liabilities							6,410	1,728
Unallocated liabilities							40,887	53,411
Total Liabilities							342,322	288,030
Other Segment Information								
Acquisitions of non-current segment assets	6,605	5,945	843	332	4,986	248	12,434	6,525
Depreciation and amortisation of segment assets	2,447	2,227	818	530	240	601	3,505	3,358
Non cash expenses other than depreciation and amortisation	1,092	473	184	252	418	160	1,694	885