



**BURNS PHILP FINANCE
NEW ZEALAND LIMITED**

173 CAPTAIN SPRINGS ROAD
ONEHUNGA
AUCKLAND
PRIVATE BAG 92-106
AUCKLAND
NEW ZEALAND
TEL: +64 9 635 1248
FAX: +64 9 635 1252

27 August 2008

Market Information Services
New Zealand Exchange Limited
Level 2, NZX Centre
11 Cable Street
WELLINGTON, NEW ZEALAND

**Burns Philp Finance New Zealand Limited -
Interim Report for the six months ended 30 June 2008**

In accordance with Listing Rule 10.5.2, I enclose for lodgment a copy of the Burns Philp Finance New Zealand Limited unaudited Interim Report for the six months ended 30 June 2008.

The Interim Report is dated 27 August 2008 and is in final terms as prepared for printing. The Interim Report will be posted to Noteholders on 5 September 2008.

Burns Philp Finance New Zealand Limited is the issuer of NZ\$212,500,000 Capital Notes, which were issued during the period from 5 May 2003 to 27 June 2003.

Yours faithfully

A handwritten signature in black ink, appearing to read "Helen Golding".

HELEN GOLDING
Company Secretary
Burns, Philp & Company Pty Limited

Encl

Burns Philp Finance New Zealand Limited

Interim Report

For the six months ended
June 30, 2008

Directory

DIRECTORS

Graeme R Hart (Chairman)

Thomas J Degnan

Allen P Hugli

Bryce M Murray

AUDIT COMMITTEE

Graeme R Hart

Thomas J Degnan

REGISTERED OFFICE

173 Captain Springs Road

Onehunga

Auckland

New Zealand

CONTACT

Corporate Controller

Burns Philp Finance New Zealand Limited

Telephone: +64 9 635 1248

Facsimile: +64 9 635 1252

Email: shareholder.enquiries@burnsphilp.com

PARENT CONTACT

Company Secretary

Burns, Philp & Company Pty Limited

GPO Box 543

Sydney NSW 2001

Australia

Telephone: +61 2 9259 1111

Facsimile: +61 2 9247 3272

WEBSITE

www.burnsphilp.com

AUDITORS

KPMG

18 Viaduct Harbour Avenue

Auckland

New Zealand

CAPITAL NOTES REGISTRAR

Computershare Investor Services Limited

Level 2

159 Hurstmere Road

Takapuna, Auckland

(Private Bag 92119, Auckland 1142)

New Zealand

Telephone: +64 9 488 8777

Facsimile: +64 9 488 8787

Email: enquiry@computershare.co.nz

Website: www.computershare.co.nz

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Chairman's Report

The Directors of Burns Philp Finance New Zealand Limited ("Burns Philp Finance New Zealand") present the interim report on the unaudited results of Burns Philp Finance New Zealand for the six months to June 30, 2008.

Change in Financial Year

During the period ended December 31, 2007, Burns Philp Finance New Zealand changed its financial year from June 30 to December 31. As a result, the current financial period being reported is for the interim six month period ended June 30, 2008 with comparatives being for the six month period ended June 30, 2007. This change is consistent with and aligns Burns Philp Finance New Zealand with the change in financial period of its parent, Burns, Philp & Company Pty Limited ("Burns Philp").

Activities of Burns Philp Finance New Zealand

Burns Philp Finance New Zealand is a wholly-owned subsidiary of Burns Philp. It is a company incorporated for the sole purpose of issuing Capital Notes. Burns Philp Finance New Zealand does not conduct any trading activities, but receives interest from a Burns Philp subsidiary in order to fund interest payable on the Capital Notes.

Burns Philp Finance New Zealand has reported a profit after tax of \$255,707 for the six months ended June 30, 2008 (compared to a loss after tax of \$174,310 for the six months ended June 30, 2007). The current period's increased profit is a result of interest revenue generated on intercompany loans exceeding interest payments on the Capital Notes during the six month period.

Burns Philp and one of its wholly-owned subsidiaries, BPC Foods International Pty Limited, guarantee the obligations of Burns Philp Finance New Zealand in relation to the Capital Notes on an unsecured and subordinated basis. Accordingly, the information in the interim report should be read in conjunction with the Burns Philp annual report for the six month period ended December 31, 2007.

2008 and 2011 Capital Notes

Burns Philp Finance New Zealand has issued \$212.5 million Capital Notes, comprising \$173.684 million 9.75% Five Year Capital Notes ("the 2008 Capital Notes") and \$38.816 million 9.95% Eight Year Capital Notes ("the 2011 Capital Notes"). The 2008 Capital Notes have an election date of December 15, 2008 ("2008 Capital Notes Election Date"). The 2011 Capital Notes have an election date of November 15, 2011.

2008 Capital Notes Election Date

If Burns Philp Finance New Zealand proposes to compulsorily redeem or purchase all of the 2008 Capital Notes on the 2008 Capital Notes Election Date, it must, on or before November 3, 2008, give notice of such election to holders of the 2008 Capital Notes.

If Burns Philp Finance New Zealand does not propose to compulsorily redeem or purchase all of the 2008 Capital Notes on the 2008 Capital Notes Election Date, it is required to send notices to holders of the 2008 Capital Notes on or before November 3, 2008:

- a) offering to redeem or purchase all of the 2008 Capital Notes; and
- b) specifying any new conditions of the 2008 Capital Notes which may be offered instead of redemption or purchase (which, if offered, may be a continuation of the existing conditions other than the 2008 Capital Notes Election Date).

Burns Philp Finance New Zealand may also choose to compulsorily redeem or purchase a proportion of the 2008 Capital Notes on the 2008 Capital Notes Election Date, by giving notice to holders of the 2008 Capital Notes on or before November 3, 2008. Any such compulsory proportionate redemption or purchase must be made on a pro rata basis and must also be coupled with an offer to purchase or redeem the remaining 2008 Capital Notes (which offer may also include an offer of new conditions in respect of Notes not compulsorily redeemed or purchased).

If new conditions are offered, such conditions are not binding on the holders of the 2008 Capital Notes who will be entitled to:

- a) accept the new conditions (if offered) with respect to all or part of the relevant Capital Notes, with effect from the 2008 Capital Notes Election Date; and
- b) with respect to those Capital Notes for which the Noteholder does not accept the new conditions (if offered), elect to have those Notes redeemed or purchased on the 2008 Capital Notes Election Date.

Payment of Interest

Interest on the Capital Notes is payable quarterly in arrears as follows:

- March 15, June 15, September 15 and December 15 in respect of 2008 Capital Notes; and
- February 15, May 15, August 15 and November 15 in respect of 2011 Capital Notes.

If the interest date is not a business day, payment will occur on the next business day after that date.



Graeme R. Hart

Chairman

August 27, 2008

Income Statement

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008

NZ\$	Note	Unaudited Six months ended June 30	
		2008	2007
Interest income and similar items		11,953,540	11,122,558
Interest expenses and similar items		(11,446,766)	(11,338,266)
Net interest income/(loss)		506,774	(215,708)
General administrative expenses		(141,479)	(109,803)
Profit/(loss) from operations		365,295	(325,511)
Profit/(loss) before tax		365,295	(325,511)
Income tax (expense)/benefit		(109,588)	151,201
Net profit/(loss) after tax	4	255,707	(174,310)
Earnings per share (NZ\$ per share)			
Basic earnings per share		2,557	(1,743)
Diluted earnings per share		2,557	(1,743)

The accompanying notes to the interim financial statements form part of, and should be read in conjunction with, these interim financial statements.

Balance Sheet

AS AT JUNE 30, 2008

NZ\$	Note	Unaudited June 30 2008	Audited June 30 2007	Audited December 31 2007
Current assets				
Cash at bank		64,823	59,202	5,304
Receivable – related party	6	173,684,000	-	213,422,703
		173,748,823	59,202	213,428,007
Non-current assets				
Receivable – related party		40,659,337	211,881,364	-
		40,659,337	211,881,364	-
Total assets		214,408,160	211,940,566	213,428,007
Current liabilities				
Payables		1,307,056	1,331,441	1,329,131
Interest bearing borrowings	2	172,782,349	-	171,848,814
Current tax liabilities		635,521	408,338	756,228
		174,724,926	1,739,779	173,934,173
Non-current liabilities				
Interest bearing borrowings	2	37,853,875	208,594,485	37,738,840
Deferred tax liabilities		276,786	644,177	458,128
		38,130,661	209,238,662	38,196,968
Total liabilities		212,855,587	210,978,441	212,131,141
Net assets		1,552,573	962,125	1,296,866
Equity				
Issued capital	3	100	100	100
Retained earnings	3	1,552,473	962,025	1,296,766
Total equity		1,552,573	962,125	1,296,866
Net tangible assets				
Net tangible asset backing per ordinary share		15,526	9,621	12,969
Net asset backing per ordinary share		15,526	9,621	12,969

The accompanying notes to the interim financial statements form part of, and should be read in conjunction with, these interim financial statements.

Statement of Changes in Equity

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008

NZ\$	Note	Issued capital	Retained earnings	Total equity
Balance at January 1, 2008		100	1,296,766	1,296,866
Net profit after tax		-	255,707	255,707
Balance at June 30, 2008 (unaudited)	3	100	1,552,473	1,552,573
Balance at January 1, 2007		100	1,136,335	1,136,435
Net loss after tax		-	(174,310)	(174,310)
Balance at June 30, 2007 (unaudited)	3	100	962,025	962,125

The accompanying notes to the interim financial statements form part of, and should be read in conjunction with, these interim financial statements.

Statement of Cash Flows

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008

NZ\$	Note	Unaudited Six months ended June 30	
		2008	2007
Net cash from operating activities			
<i>Cash provided from:</i>			
Interest income received		11,032,906	10,526,619
		11,032,906	10,526,619
<i>Cash applied to:</i>			
Interest paid		(10,398,191)	(10,397,576)
Payment on transfer of tax losses		(411,637)	-
Other operating expenses		(163,559)	(72,385)
		(10,973,387)	(10,469,961)
Net cash from operating activities	4	59,519	56,658
Net cash used in investing activities		-	-
Net cash from financing activities		-	-
Net increase in cash held		59,519	56,658
Cash and cash equivalents at beginning of the financial period			
Cash at bank		5,304	2,544
Cash and cash equivalents at end of the financial period			
Cash at bank		64,823	59,202

The accompanying notes to the interim financial statements form part of, and should be read in conjunction with, these interim financial statements.

Notes to the Financial Statements

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

Burns Philp Finance New Zealand Limited (“Burns Philp Finance New Zealand” or “the Company”) is a company domiciled in New Zealand and is registered under the Companies Act 1993. Burns Philp Finance New Zealand is an issuer for the purposes of the Financial Reporting Act 1993 and its interim financial statements comply with that Act. The reporting currency used in the preparation of these interim financial statements is New Zealand dollars, rounded to the nearest dollar.

The interim financial statements have been prepared in accordance with NZ IAS 34: Interim Financial Reporting, and should be read in conjunction with the annual financial statements for the six months ended December 31, 2007. The disclosures required in the interim financial statements are less extensive than that required for the December 31, 2007 annual financial statements.

The interim financial statements comprise the following: income statement, balance sheet, statement of changes in equity and statement of cash flows, as well as the notes to these financial statements.

The accounting policies set out herein have been applied consistently to all periods presented in these interim financial statements.

The interim financial statements are unaudited.

The interim financial statements are prepared on the historical cost basis.

(b) Estimates

The preparation of financial statements in conformity with NZ IAS 34: Interim Financial Reporting requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Financial risk management

During the six months ended June 30, 2008 the Company continued to apply the risk management objectives and policies consistently as disclosed in the financial statements for the six month period ended December 31, 2007.

(d) Interest-bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(e) Interest income

Interest income is recognised in the income statement as it accrues, using the effective interest rate method.

(f) Interest expenses

Interest payable on borrowings is calculated using the effective interest rate method.

(g) Cash and cash equivalents

For the purpose of the statement of cash flows, cash comprises bank cash balances.

(h) Income tax

The income tax expense recognised in the income statement is the estimated income tax payable in the current year, adjusted for any difference between the estimated and actual income tax payable in prior periods. Deferred tax is provided 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. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences 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.

(i) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax ("GST"), except for receivables and payables that are stated inclusive of GST.

(j) Receivables

Amounts receivable from related parties are stated at cost.

(k) Payables

Trade and other payables are stated at cost.

Notes to the Financial Statements (continued)

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount

The recoverable amount of receivables is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration, less than 12 months, are not discounted.

2. INTEREST BEARING BORROWINGS

NZ\$	Unaudited June 30 2008	Audited June 30 2007	Audited December 31 2007
2008 Capital Notes 9.75% p.a.	173,684,000	173,684,000	173,684,000
Unamortised debt issue costs	(901,651)	(2,719,345)	(1,835,186)
	172,782,349	170,964,655	171,848,814
2011 Capital Notes 9.95% p.a.	38,816,000	38,816,000	38,816,000
Unamortised debt issue costs	(962,125)	(1,186,170)	(1,077,160)
	37,853,875	37,629,830	37,738,840
Total interest bearing borrowings	210,636,224	208,594,485	209,587,654

Burns Philp Finance New Zealand has on issue Capital Notes with a principal value of \$212.5 million. As at the date of preparation of this report, the Capital Notes are guaranteed by Burns, Philp & Company Pty Limited ("Burns Philp") and BPC Foods International Pty Limited, a wholly owned subsidiary of Burns Philp. The Capital Notes and the guarantees are unsecured and subordinated obligations of Burns Philp Finance New Zealand and the guarantors, ranking behind all their other secured and unsecured liabilities. The Capital Notes were issued in two series, one series which has an election date of December 15, 2008 ("2008 Capital Notes Election Date") and bears an interest rate of 9.75% per annum ("2008 Capital Notes") and the other series which has an election date of November 15, 2011 and bears an interest rate of 9.95% per annum.

2008 Capital Notes Election Date

If Burns Philp Finance New Zealand proposes to compulsorily redeem or purchase all of the 2008 Capital Notes on the 2008 Capital Notes Election Date, it must, on or before November 3, 2008, give notice of such election to holders of the 2008 Capital Notes.

If Burns Philp Finance New Zealand does not propose to compulsorily redeem or purchase all of the 2008 Capital Notes on the 2008 Capital Notes Election Date, it is required to send notices to holders of the 2008 Capital Notes on or before November 3, 2008:

- a) offering to redeem or purchase all of the 2008 Capital Notes; and
- b) specifying any new conditions of the 2008 Capital Notes which may be offered instead of redemption or purchase (which, if offered, may be a continuation of the existing conditions other than the 2008 Capital Notes Election Date).

Burns Philp Finance New Zealand may also choose to compulsorily redeem or purchase a proportion of the 2008 Capital Notes on the 2008 Capital Notes Election Date, by giving notice to holders of the 2008 Capital Notes on or before November 3, 2008. Any such compulsory proportionate redemption or purchase must be made on a pro rata basis and must also be coupled with an offer to purchase or redeem the remaining 2008 Capital Notes (which offer may also include an offer of new conditions in respect of Notes not compulsorily redeemed or purchased).

If new conditions are offered, such conditions are not binding on the holders of the 2008 Capital Notes who will be entitled to:

- a) accept the new conditions (if offered) with respect to all or part of the relevant Capital Notes, with effect from the 2008 Capital Notes Election Date; and
- b) with respect to those Capital Notes for which the Noteholder does not accept the new conditions (if offered), elect to have those Notes redeemed or purchased on the 2008 Capital Notes Election Date.

3. CAPITAL AND RESERVES

At June 30, 2008 the share capital comprised 100 ordinary shares (2007: 100).

All shares in the Company carry equal rights in respect of voting, dividend payments and distribution on winding up.

No dividends or distributions were declared or paid and no dividend reinvestment plans were in operation in the current period.

Notes to the Financial Statements (continued)

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2008

4. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES

- a) The following is a reconciliation between the net profit after tax shown in the income statement and the net cash flow from operating activities.

NZ\$	Unaudited Six months ended June 30	
	2008	2007
Net profit/(loss) after income tax	255,707	(174,310)
Non-cash items:		
Amortisation of deferred debt issue costs	1,048,570	940,690
Movements in working capital:		
Increase in receivables	(920,634)	(595,939)
(Decrease)/increase in payables	(22,075)	37,418
Decrease in tax liabilities	(302,049)	(151,201)
Net cash from operating activities	59,519	56,658

- b) There were no other significant non-cash financing or investing activities and no unrealised gains or net changes during the current period.

5. CONTINGENT LIABILITIES

Burns Philp Finance New Zealand has provided a guarantee and security which secures a number of financings typically involving small amounts extending to other companies in the Burns Philp Group (being Burns Philp and its controlled entities), all of which are senior in right of repayment to the Capital Notes.

Burns Philp Finance New Zealand has also provided an indemnity ("Indemnity") in respect of a bank bond provided to the New Zealand Stock Exchange for NZ\$75,000 in connection with the Capital Notes. The Indemnity has been granted on an unsecured basis and is not subordinated to other debt.

6. RELATED PARTIES

Burns Philp Finance New Zealand is a wholly-owned subsidiary of Burns Philp. On December 19, 2006, Burns Philp became wholly owned by certain subsidiaries of Rank Group Limited, a company incorporated in New Zealand, following completion of a takeover offer.

With effect from June 30, 2008, Burns Philp Finance New Zealand and a Burns Philp subsidiary agreed to an extension of the related party debt receivable. The extension provides for repayment of \$173,684,000 together with any interest thereon on or before December 12, 2008, with the remaining balance repayable on or before November 14, 2011.

During the six months ended June 30, 2008 Burns Philp Finance New Zealand received \$11,015,122 (2007: \$10,515,077) in interest from a Burns Philp subsidiary in order to fund interest payable on the Capital Notes.

7. SEGMENT REPORTING

A segment is a distinguishable component of the entity, that is engaged either in providing products or services ("business segment"), or in providing products or services within a particular economic environment ("geographical segment"), which is subject to risks and rewards that are different from those of other segments.

Burns Philp Finance New Zealand operates in one business segment and one geographical segment only. All interest payments are made from, and all interest is received in, New Zealand in New Zealand dollars.

8. SUBSEQUENT EVENTS

There have been no events subsequent to the reporting date that would require accrual or disclosure in these interim financial statements.

***Burns Philp Finance
New Zealand Limited***

Interim Report

For the six months ended
June 30, 2008