



**BURNS PHILP FINANCE  
NEW ZEALAND LIMITED**

173 CAPTAIN SPRINGS ROAD  
ONEHUNGA  
AUCKLAND 1061  
PRIVATE BAG 92-106  
AUCKLAND  
NEW ZEALAND  
TEL: +64 9 635 1203  
FAX: +64 9 635 1207

25 August 2009

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

**Burns Philp Finance New Zealand Limited  
Preliminary Report - Interim Results Announcement**

In accordance with Listing Rule 10.4, please find attached Appendix 1, being the Preliminary Report - Interim Results announcement of Burns Philp Finance New Zealand Limited ("Burns Philp Finance New Zealand") for the six month period ended 30 June 2009.

Burns Philp Finance New Zealand is a wholly-owned subsidiary of Burns, Philp & Company Pty Limited ("Burns Philp"). It was 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.

Yours faithfully

A handwritten signature in black ink, appearing to be "Helen Golding", written over a horizontal line.

**HELEN GOLDING**  
Company Secretary  
Burns, Philp & Company Pty Limited

Encl.

# **BURNS PHILP FINANCE NEW ZEALAND LIMITED**

## **PRELIMINARY REPORT – INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2009**

### **CONTENTS**

	<b>Page</b>
Results for announcement to the market	2
Additional information required by Appendix 1	3 - 4
Interim Financial Statements	5 - 12

## INTERIM PRELIMINARY ANNOUNCEMENT

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

Appendix 1 requirements 2.1 & 2.2

#### BURNS PHILP FINANCE NEW ZEALAND LIMITED

Reporting Period: Six months ended June 30, 2009

Previous Corresponding Reporting Period: Six months ended June 30, 2008

	Amount (000's)	Percentage change
Revenue from ordinary activities <sup>(1)</sup>	\$NZ 2,250	down 81%
Profit / (loss) from ordinary activities after tax attributable to security holders <sup>(2)</sup>	\$NZ 89	down 65%
Net profit / (loss) attributable to security holders <sup>(2)</sup>	\$NZ 89	down 65%
<b>Interim Dividend</b>	<b>Amount per security</b>	<b>Imputed amount per security</b>
	It is not proposed to pay dividends.	N/A
Record Date	N/A	
Dividend Payment Date	N/A	

#### Comments:

- <sup>(1)</sup> Revenue from ordinary activities has reduced by 81% due to a lower related party interest bearing loan receivable balance as a result of repayment of the 2008 Capital Notes in December 2008.
- <sup>(2)</sup> Profit from ordinary activities after tax attributable to security holders and net profit attributable to security holders decreased as a result of a reduction in revenue from ordinary activities.

## BURNS PHILP FINANCE NEW ZEALAND LIMITED

### 2.3 ADDITIONAL INFORMATION REQUIRED:

(a) **A statement of financial performance.**

Refer to the attached unaudited condensed statements of comprehensive income – see page 5.

(b) **A statement of financial position. The statement of financial position may be condensed but must report as line items each significant class of asset, liability and equity element with appropriate sub-totals.**

Refer to the attached unaudited condensed statements of financial position – see page 6.

(c) **A statement of cash flows. The statement of cash flows may be condensed but must report as line items each significant form of cash flow.**

Refer to the attached unaudited condensed statements of cash flows – see page 8.

(d) **Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividends or distributions.**

No dividends or distributions have been declared.

(e) **Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.**

No dividend reinvestment plans were in operation during the period ended June 30, 2009. Currently there are no intentions to implement a dividend reinvestment plan.

(f) **Net tangible assets per security with the comparative figure of the previous corresponding period.**

Net tangible assets per security are set out in the table below:

	<b>June 30, 2009</b>	<b>December 31, 2008</b>	<b>June 30, 2008</b>
Net tangible asset backing per ordinary share (NZ\$)	18,331	17,443	15,526
Net asset backing per ordinary share (NZ\$)	18,331	17,443	15,526

## **BURNS PHILP FINANCE NEW ZEALAND LIMITED**

- (g) **Details of entities over which control has been gained or lost during the period, including the following:**
- (i) **name of the entity;**
  - (ii) **the date of the gain or loss of control; and**
  - (iii) **where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.**

Control has not been gained or lost over any entities during the period.

- (h) **Details of associates and joint venture entities including the following:**
- (i) **name of the associate or joint venture entity;**
  - (ii) **details of the reporting entity’s percentage holding in each of these entities; and**
  - (iii) **where material to an understanding of the report – aggregate share profits (losses) of these entities, details of contributions to net profit for each of these entities and with comparative figures for each of these disclosures for the previous corresponding period.**

Burn Philp Finance New Zealand Limited does not hold interests in any associates or joint ventures.

**Burns Philp Finance New Zealand Limited****Interim unaudited condensed statements of comprehensive income**

For the six month period ended

NZ\$	Note	June 30,	
		2009	2008
Financial income	6	2,249,833	11,953,540
Financial expenses	6	(2,059,233)	(11,446,766)
<b>Net financial income</b>		<b>190,600</b>	<b>506,774</b>
General and administration expenses		(63,790)	(141,479)
<b>Profit before income tax</b>		<b>126,810</b>	<b>365,295</b>
Income tax expense	7	(38,043)	(109,588)
<b>Profit for the period</b>		<b>88,767</b>	<b>255,707</b>
<b>Other comprehensive income for the period net of income tax</b>		-	-
<b>Total comprehensive income for the period</b>		<b>88,767</b>	<b>255,707</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		88,767	255,707
<b>Total other comprehensive income attributable to:</b>			
Equity holders of the Company		-	-
<b>Earnings per share</b>			
Basic earnings per share		888	2,557
Diluted earnings per share		888	2,557

## Burns Philp Finance New Zealand Limited

### Interim unaudited condensed statements of financial position

As at

NZ\$	Note	June 30, 2009	December 31, 2008	June 30, 2008
<b>Assets</b>				
Cash and cash equivalents		60,564	217,074	64,823
Other receivables	8	40,677,952	40,815,494	173,684,000
<b>Total current assets</b>		<b>40,738,516</b>	<b>41,032,568</b>	<b>173,748,823</b>
Other receivables	8	-	-	40,659,337
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>	<b>40,659,337</b>
<b>Total assets</b>		<b>40,738,516</b>	<b>41,032,568</b>	<b>214,408,160</b>
<b>Liabilities</b>				
Other payables	9	552,150	600,509	1,307,056
Interest bearing borrowings	10	-	-	172,782,349
Current tax liabilities		249,864	712,461	635,521
<b>Total current liabilities</b>		<b>802,014</b>	<b>1,312,970</b>	<b>174,724,926</b>
Interest bearing borrowings	10	38,103,430	37,975,293	37,853,875
Deferred tax liabilities		-	-	276,786
<b>Total non-current liabilities</b>		<b>38,103,430</b>	<b>37,975,293</b>	<b>38,130,661</b>
<b>Total liabilities</b>		<b>38,905,444</b>	<b>39,288,263</b>	<b>212,855,587</b>
<b>Net assets</b>		<b>1,833,072</b>	<b>1,744,305</b>	<b>1,552,573</b>
<b>Equity and reserves</b>				
Share capital	11	100	100	100
Retained earnings		1,832,972	1,744,205	1,552,473
<b>Total equity</b>		<b>1,833,072</b>	<b>1,744,305</b>	<b>1,552,573</b>
<b>Net tangible assets</b>				
Net tangible asset backing per ordinary share		18,331	17,443	15,526
Net asset backing per ordinary share		18,331	17,443	15,526

The interim unaudited condensed statements of financial position should be read in conjunction with the notes to the interim unaudited condensed financial statements.

**Burns Philp Finance New Zealand Limited****Interim unaudited condensed statements of changes in equity**

For the six month period ended

NZ\$	Share capital	Retained earnings	Total equity
Balance at the beginning of the period	100	1,296,766	1,296,866
Total comprehensive income for the period	-	255,707	255,707
<b>Balance at June 30, 2008</b>	<b>100</b>	<b>1,552,473</b>	<b>1,552,573</b>
Balance at the beginning of the period	100	1,744,205	1,744,305
Total comprehensive income for the period	-	88,767	88,767
<b>Balance at June 30, 2009</b>	<b>100</b>	<b>1,832,972</b>	<b>1,833,072</b>

The interim unaudited condensed statements of changes in equity should be read in conjunction with the notes to the interim unaudited condensed financial statements.

**Burns Philp Finance New Zealand Limited****Interim unaudited condensed statements of cash flows**

For the six month period ended

NZ\$	Note	June 30,	
		2009	2008
<b>Cash flows from operating activities</b>			
Interest received		2,387,375	11,032,906
Interest paid		(1,931,096)	(10,398,191)
Payments for transfer of tax losses from related entities		(500,640)	(411,637)
Payments to suppliers		(112,149)	(163,559)
<b>Net cash (used in) from operating activities</b>		<b>(156,510)</b>	<b>59,519</b>
<b>Net cash from (used in) investing activities</b>		-	-
<b>Net cash from (used in) financing activities</b>		-	-
<b>Net (decrease) increase in cash and cash equivalents</b>		(156,510)	59,519
Cash and cash equivalents at the beginning of the period		217,074	5,304
<b>Cash and cash equivalents at June 30</b>		<b>60,564</b>	<b>64,823</b>

**Reconciliation of the profit for the period with the net cash from operating activities**  
For the six month period ended

NZ\$	June 30,	
	2009	2008
Profit for the period	88,767	255,707
Adjustments for:		
Net financial (income)	(190,600)	(506,774)
Income tax expense	38,043	109,588
Interest paid	(1,931,096)	(10,398,191)
Interest received	2,387,375	11,032,906
Payments for transfer of tax losses from related entities	(500,640)	(411,637)
Change in other payables	(48,359)	(22,080)
<b>Net cash (used in) from operating activities</b>	<b>(156,510)</b>	<b>59,519</b>

**Significant non-cash financing and investing activities**

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

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

### **Notes to the interim unaudited condensed financial statements For the six month period ended June 30, 2009**

#### **1. Reporting entity**

Burns Philp Finance New Zealand Limited (the "Company") is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is an issuer as defined by the Financial Reporting Act.

The Company does not conduct any trading activities, but receives interest from a Burns Philp subsidiary in order to fund interest payable on the 2011 Capital Notes which were issued by the Company in 2003. There have been no changes to its activities during, or subsequent to, the financial period.

The address of the registered office of the Company is 173 Captain Springs Road, Onehunga, Auckland 1061, New Zealand.

#### **2. Basis of preparation**

##### **2.1 Statement of compliance**

The interim unaudited condensed financial statements have been prepared in accordance with NZ IAS 34 "Interim Financial Reporting". The disclosures required in these interim unaudited condensed financial statements are less extensive than the disclosure requirements for an annual financial report.

The interim unaudited condensed financial statements comprise the statements of financial position, comprehensive income, cash flows and changes in equity as well as the relevant notes to the interim unaudited condensed financial statements.

The interim unaudited condensed financial statements do not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Company for the year ended December 31, 2008.

The interim unaudited condensed financial statements were approved by the Board of Directors ("the Directors") on August 25, 2009.

##### **2.2 Going concern**

The interim unaudited condensed financial statements have been prepared using the going concern assumption.

##### **2.3 Basis of measurement**

The interim unaudited condensed financial statements have been prepared under the historical cost convention.

The accounting policies applied by the Company in these interim unaudited condensed financial statements are the same as those applied by the Company in the annual financial report for the year ended December 31, 2008.

##### **2.4 Presentation currency**

The interim unaudited condensed financial statements are presented in New Zealand dollars ("NZ\$"), which is the Company's presentation currency.

#### **3. Use of estimates and judgements**

The preparation of interim unaudited condensed financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are:

##### **3.1 Impairment of assets**

Other assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

##### **3.2 Realisation of deferred tax assets**

The Company assesses the recoverability of deferred tax assets with reference to estimates of future taxable income. To the extent that actual taxable income differs to management's estimate of future taxable income, this may affect the value of recognised deferred tax assets. Deferred tax assets have been recognised to offset deferred tax liabilities to the extent that the deferred tax assets and liabilities are expected to be realised in the same jurisdiction and reporting period. Deferred tax assets have also been recognised based on management's best estimate of the recovery of these assets against future taxable income.

#### **4. Financial risk management**

During the six month period ended June 30, 2009 the Company continued to apply the risk management objectives and policies consistently as disclosed in the annual financial report of the Company for the year ended December 31, 2008.

## Burns Philp Finance New Zealand Limited

### Notes to the interim unaudited condensed financial statements For the six month period ended June 30, 2009

#### 5. Segment reporting

NZ IFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker ("CODM") in order to allocate resources to the segment and to assess its performance.

The Company 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 NZ\$.

#### 6. Financial income and expenses

NZ\$	For the six month period ended June 30,	
	2009	2008
Interest income on bank accounts	6,273	17,784
Interest income on related party loans	2,243,560	11,935,756
<b>Financial income</b>	<b>2,249,833</b>	<b>11,953,540</b>
Interest expense on financial liabilities measured at amortised cost		
9.75% 2008 Capital Notes	-	(8,467,095)
9.95% 2011 Capital Notes	(1,931,096)	(1,931,096)
Amortisation of deferred debt transaction costs	(128,137)	(1,048,575)
<b>Financial expenses</b>	<b>(2,059,233)</b>	<b>(11,446,766)</b>
<b>Net financial income</b>	<b>190,600</b>	<b>506,774</b>

#### 7. Income tax

NZ\$	For the six month period ended June 30,	
	2009	2008
<b>Reconciliation of effective tax rate</b>		
<b>Profit before income tax</b>	<b>126,810</b>	<b>365,295</b>
Income tax using the Group's domestic tax rate of 30% (2008: 30%)	(38,043)	(109,588)
<b>Total current period income tax (expense)</b>	<b>(38,043)</b>	<b>(109,588)</b>

During the current and prior periods, the Company acquired tax losses from certain related entities for cash consideration as outlined in Note 12.

#### 8. Other receivables

##### As at

NZ\$	June 30,	December 31,	June 30,
	2009	2008	2008
Related party receivables	40,677,952	40,815,494	173,684,000
<b>Total current other receivables</b>	<b>40,677,952</b>	<b>40,815,494</b>	<b>173,684,000</b>
Related party receivables	-	-	40,659,337
<b>Total non-current other receivables</b>	<b>-</b>	<b>-</b>	<b>40,659,337</b>

#### 9. Other payables

##### As at

NZ\$	June 30,	December 31,	June 30,
	2009	2008	2008
Interest payable	493,050	493,050	1,246,704
Other payables	59,100	107,459	60,352
<b>Total current other payables</b>	<b>552,150</b>	<b>600,509</b>	<b>1,307,056</b>

**Burns Philp Finance New Zealand Limited**  
**Notes to the interim unaudited condensed financial statements**  
**For the six month period ended June 30, 2009**

**10. Interest bearing borrowings**

**As at**

NZ\$	June 30, 2009	December 31, 2008	June 30, 2008
Capital Notes – 2008 (i)	-	-	172,782,349
<b>Total current interest bearing borrowings</b>	<b>-</b>	<b>-</b>	<b>172,782,349</b>
Capital Notes – 2011 (ii)	38,103,430	37,975,293	37,853,975
<b>Total non-current interest bearing borrowings</b>	<b>38,103,430</b>	<b>37,975,293</b>	<b>37,853,975</b>
(i) 2008 Capital Notes 9.75% p.a.	-	-	173,684,000
Deferred debt transaction costs	-	-	(901,651)
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>172,782,349</b>
(ii) 2011 Capital Notes 9.95% p.a.	38,816,000	38,816,000	38,816,000
Deferred debt transaction costs	(712,570)	(840,707)	(962,125)
<b>Carrying amount</b>	<b>38,103,430</b>	<b>37,975,293</b>	<b>37,853,975</b>

In 2003 the Company issued Capital Notes with a principal value of NZ\$212,500,000. The Capital Notes were issued in two series, one series which had an initial election date of December 15, 2008 and bore an interest rate of 9.75% per annum ("2008 Capital Notes") and the other series which has an initial election date of November 15, 2011 and bears an interest rate of 9.95% per annum ("2011 Capital Notes").

On December 15, 2008 the Company redeemed all of the 2008 Capital Notes.

Until May 20, 2009, the 2011 Capital Notes were guaranteed by Burns Philp and another of its subsidiaries, BPC Foods International Pty Limited (now LQ56 (BPF1) Pty Limited). Since that date the 2011 Capital Notes have been solely guaranteed by Burns Philp. The 2011 Capital Notes and the guarantee are unsecured and subordinated obligations of the Company and the guarantor, ranking behind all their other secured and unsecured liabilities.

There are 20 noteholders holding Capital Notes with a face value greater than 10% of the Company's equity.

**11. Equity and reserves**

**11.1 Share capital**

**As at**

Number of ordinary shares	June 30, 2009	December 31, 2008	June 30, 2008
Balance at the beginning and the end of the period	100	100	100

All issued ordinary shares are fully paid and have no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share. All ordinary shares rank equally with regard to the Company's residual assets in the event of a wind-up.

**11.2 Dividends**

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

**12. Related parties**

**Parent and ultimate controlling party**

The immediate parent of the Company is Burns, Philp & Company Pty Limited. The ultimate controlling entity of the Company is Rank Group Limited and the ultimate shareholder is Mr G.R. Hart.

## Burns Philp Finance New Zealand Limited

### Notes to the interim unaudited condensed financial statements For the six month period ended June 30, 2009

#### Related party transactions

The entities, the nature of the relationship and the types of transactions with which the Company entered into related party transactions during the period are detailed below:

Entity name	Nature of relationship	Nature of transactions
BPC Finance (N.Z.) Limited	Related party	Loan to related party
BPC Finance (N.Z.) Limited	Related party	Transfer of tax losses in prior period
Rank Commercial Limited	Related party	Transfer of tax losses in current period

  

NZ\$	Transaction values for the six month period ended		Balances outstanding as at		
	June 30, 2009	June 30, 2008	June 30, 2009	December 31, 2008	June 30, 2008

#### Transactions with other related parties

BPC Finance (N.Z.) Limited					
Interest bearing receivable	-	-	40,677,952	40,677,952	214,343,337
Interest received					
- accrued receivable at December 31, 2008	137,542	-	-	137,542	-
- interest charged and received during the period	2,243,560	11,935,756	-	-	-
BPC Finance (N.Z.) Limited - payment for transfer of tax losses	-	(411,637)	-	-	-
Rank Commercial Limited - payment for transfer of tax losses	(500,640)	-	-	-	-

All transactions and outstanding balances with BPC Finance (N.Z.) Limited are conducted on an arm's length basis and are to be settled in cash. The interest rate for the loan is fixed at 11.45% and the loan is repayable on demand. No related party debts have been written off or forgiven during the period.

During the current and prior periods, the Company acquired tax losses from certain related entities for cash consideration of NZ\$500,640 (2008: NZ\$411,637). These tax losses have been utilised to offset the Company's New Zealand tax liability.

#### 13. Contingencies

The Company 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.

The Company has provided an indemnity ("Indemnity") in respect of a bank bond provided to the New Zealand Exchange Limited 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.

#### 14. Subsequent events

There have been no events subsequent to balance date which would have a material effect on the Company's interim unaudited condensed financial statements at June 30, 2009.