

Risk Management Statement

3 November 2008

Ruralco's effective identification and management of risk is critical to achieving its operational and strategic goals.

Risk presents itself in a number of ways throughout the Ruralco business and has the potential to impact upon health and safety, financial, operational, environment and market performance. These impacts may affect the advancement of Ruralco's strategic plan, reputation and directors/executives liabilities unless prudently managed.

Ruralco's risk framework provides the infrastructure for how we identify, analyse and rank risks and how we may consider them when pursuing business opportunities.

The risk management policy governs the steps taken in the risk management process, the key stakeholders involved and the ongoing monitoring required.

The diversity of the Ruralco businesses will assist its risk management. Ownership of the risk management framework will rest with the business units to encourage an enterprise-wide risk approach.

Ruralco's understanding of the risks faced by its business and its tolerance for risk will be key factors in all decision making processes.

Risk controls will assist in achieving Ruralco's strategic goals. Ruralco will adhere to established risk control mechanisms which will be regularly reviewed and improved upon.

A risk reporting framework encompassing all levels of business will be utilised to monitor, review and report on risk. Senior management will play an active role in overseeing the risk management framework to provide assurance to the Board and stakeholders.

Ruralco recognises that its continued growth and success is dependent on responsibly managing its risks.

John Maher
Managing Director