

annual report
2010



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About the Company

Ridley Corporation proudly stands as a 100% Australian owned company running two successful businesses, Ridley AgriProducts, the country's largest commercial provider of high performance animal nutrition solutions, and Cheetham Salt, Australia's largest producer and refiner of value added solar salt.

Ridley AgriProducts

Is leading the industry in high quality, value added stock feed. As one of the largest domestic consumers of Australian grown cereal grains, we are continually supporting primary producers and rural communities. Ridley AgriProducts prides itself on providing premier products and service to animal producers, consistently delivering quality goods and adding value to customers. The 100% Australian operation supports the major food producers in the beef, dairy, poultry, pig, sheep, and aquaculture industries, laboratory animals and the equine and canines in the recreational sector. Major brands include Barastoc, Rumevite, Cobber and Ridley Aqua-Feed.

Cheetham Salt

Is the largest producer and refiner of solar salt in Australia. Cheetham Salt prides itself on offering superior value-added products and services to a large range of market segments. Our Company strives to deliver world class quality to industries such as water treatment, food manufacturing and the pool sector. With a comprehensive technical knowledge about salt production, a sound infrastructure and distribution network, we are well positioned to supply products throughout the Asia Pacific region. Major brands include Mermaid, Kooka, Crown and Saxa (through its 49% owned associate Salpak).

2010 features

- \$29.1 million after tax result for the year.
- Second successive record earnings for AgriProducts at \$29.0 million.
- Cheetham restored to historical profit reliability.
- No significant items.
- Earnings per share of 9.5¢, up 40%.
- Strong earnings conversion to cash.

Five Year Summary

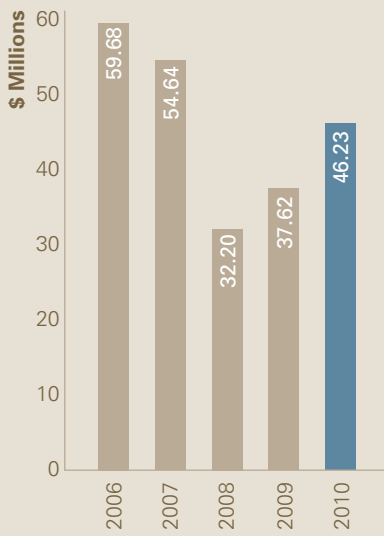
A'000 Unless Otherwise Stated	Actual 2010	Normalised 2009~	Actual 2009	Actual 2008	Actual 2007	Actual 2006
Operating results						
Revenue	727,968	818,362	818,362	1,546,649	1,439,826	1,258,675
Other income	1,102	1,515	1,515	1,995	3,960	5,074
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	58,486	55,509	48,709	44,038	77,327	81,493
Earnings before interest and tax (EBIT)*	46,234	44,424	37,624	32,198	54,636	59,683
Net interest expense/finance charge	8,156	8,000#	12,428	14,700	14,144	13,867
Operating profit before tax*	38,078	36,424	25,194	17,496	40,492	45,816
Tax expense	8,985	8,281	4,881	1,583	10,738	12,087
Net profit before significant items	29,093	28,142	20,313	15,913	29,754	33,729
Minority interest (MI)	-	-	-	2,270	4,115	6,040
Net profit before significant items after MI	29,093	28,142	20,313	13,643	25,639	27,689
Significant items – net of tax and MI	-	(7,404)	(7,404)	(3,100)	(2,966)	-
Net profit after tax and significant items	29,093	20,738	12,909	10,357	22,673	27,689
(Loss) on sale of Ridley Inc/profit from discontinued operations	-	(52,442)	(52,442)	7,219	-	-
Profit/(loss) attributable to members	29,093	(31,704)	(39,533)	10,505	22,673	27,689
Financial position						
Ridley shareholders' funds	285,157	276,211	276,211	320,519	335,797	338,197
Minority interest	-	-	-	48,925	52,433	55,873
Total assets	484,300	468,621	468,621	803,502	788,524	776,909
Total liabilities	199,143	192,410	192,410	434,058	400,294	382,839
Net debt	71,981	69,414	69,414	199,246	171,847	171,462
Market capitalisation	353,990	236,402	236,402	344,767	334,085	335,437
Enterprise value	425,971	305,803	305,803	544,013	505,932	506,899
Operating cash flow	39,426	52,966	52,966	16,424	37,384	39,536
Closing share price (cents)	115.00	78.00	78.00	116.50	116.00	121.00
Weighted average number of shares on issue – non-diluted (thousands)	307,817	303,080	303,080	295,938	288,004	277,221
Number of employees (number)	974	931	931	2,063	2,117	2,115
Key profitability ratios						
Return on shareholders' funds (%)*	10.4%	9.4%	6.8%	4.2%	7.6%	8.6%
Earnings per share (EPS) (cents) before significant items and discontinued operation*	9.5	9.3	6.8	1.9	8.9	10.0
EPS growth (%)	39.7%	389.5%	257.9%	-78.7%	-10.9%	-11.6%
EBIT growth	23%	38%	17%	-41%	-8%	29%
Operating cash flow/EBITDA (%)	67%	95%	109%	37%	48%	49%
Operating cash flow per share (cents)	0.13	0.18	0.18	0.06	0.13	0.14
Share price/operating cash flow per share	9.0	4.4	4.4	21.0	8.9	8.5
EBIT per employee (A\$'000)	47.5	47.7	40.4	15.6	25.8	28.2
Capital market and structure ratios						
EBITx (market cap/EBIT)	7.7x	5.3x	6.3x	10.7x	6.1x	5.6x
EBITDA per share (cents)*	19.0	18.6	16.3	14.9	26.8	29.4
EBITDA growth (%)	20%	26%	34%	-43%	-5%	12%
EBITDAx (market cap/EBITDA)	6.0x	4.2x	4.7x	7.8x	4.3x	4.1x
Enterprise value/EBITDA (multiple)*	7.3x	5.5x	6.3x	12.4x	6.5x	6.2x
P/E ratio (no. of times)	12.2	8.4	18.3	61.3	13.0	12.1
Net debt/shareholders' equity (%)	25.2%	25.1%	25.1%	53.9%	44.3%	43.5%
Equity/total assets	58.9%	59.2%	59.2%	39.9%	42.6%	43.5%
Net debt/EBITDA (times)*	1.2	1.3	1.4	4.5	2.2	2.1
EBIT/net interest (times)	5.7	5.6	3.0	2.2	3.9	4.3
Net tangible asset backing per share (cents)	83.1	83.3	83.3	91.0	98.3	100.9
Dividends per share (cents)	7.25	7.00	7.00	7.00	7.00	7.00
Dividend payout ratio*	77%	75%	104%	195%	88%	67%
Percentage franked	Nil	Nil	Nil	50%	50%	50%

* Before significant items but after equity accounted investments.

Interest – normalised at an assumed \$8 million for reduced net debt balance over full year (post sale of Ridley Inc).

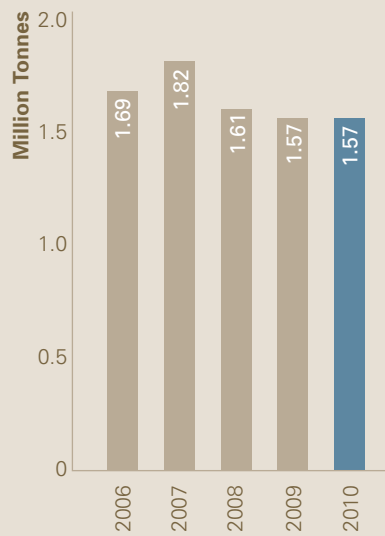
~ 2009 actual results normalised to reflect full year outcomes of 2009 debt retirement (\$4.4 million), AgriProducts cost saving initiatives (\$2.0 million), Cheetham crude salt write-offs (\$3.5 million) and ERP write-offs (\$1.3 million), minus the aggregate tax effect (\$3.4 million).

Consolidated operating EBIT*

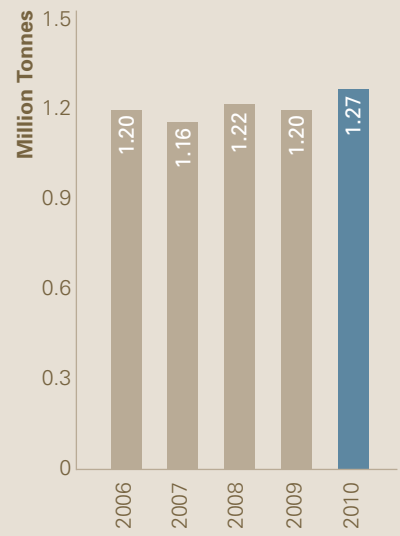


*Before significant items and 2009 exclusive Ridley Inc.

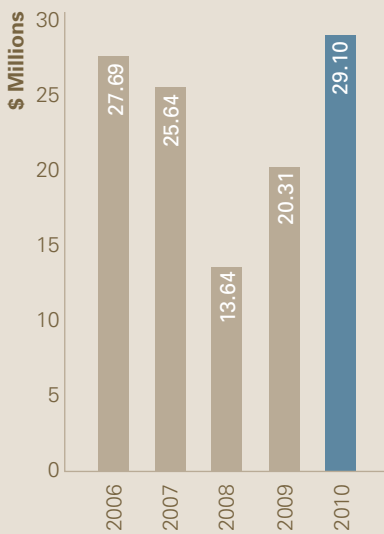
Ridley AgriProducts volume



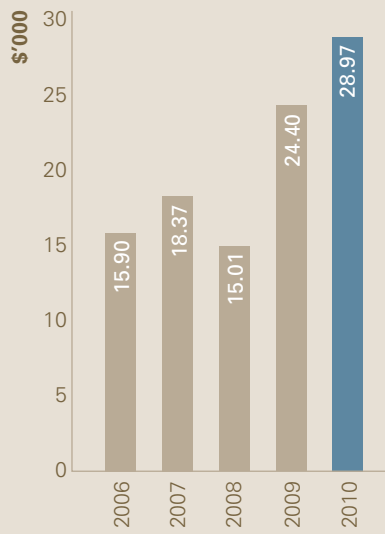
Cheetham Salt volume



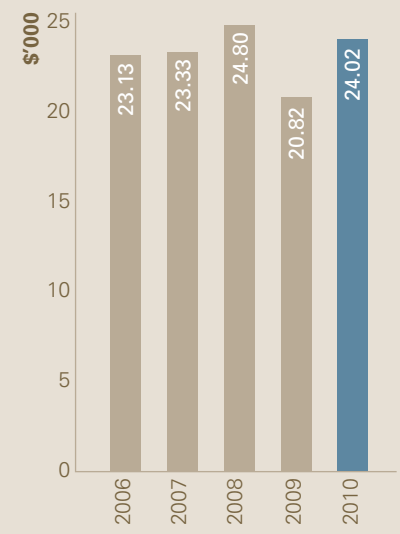
Consolidated net profit (2009 from continuing operations)



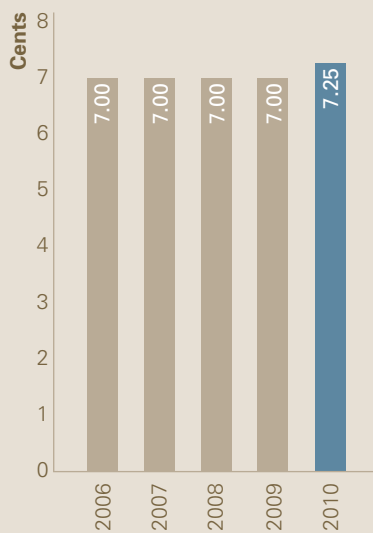
Ridley AgriProducts operating EBIT



Cheetham Salt operating EBIT and equity accounted investments



Consolidated dividends per share



Chairman's Address



John Keniry – Chairman

I am delighted to report, in my final year in the Chair at Ridley, a result that is very pleasing in terms of both its clarity and its underlying performance trends.

Both of our underlying businesses delivered strong results for 2010, with Cheetham returning to its historical performance reliability, and transformed to make a significant earnings uplift in the coming year through its refinery rationalisation and upgrade strategy and through production efficiencies and supply chain improvements.

AgriProducts recorded a second successive record result on a trend path that we believe can extend well into the future.

Significant items, which have been a feature of Ridley for many years, are conspicuous by their absence from this year's result, meaning that complex analytical adjustments are not required to understand the underlying performance.

The conduct of activities predominantly in Australia and the resilience of the Australian economy, with the notable exception of the downturn experienced in the dairy sector, has enabled Ridley to report what we believe is a standout result in the current reporting season for agribusiness companies.

The Ridley consolidated operating profit for the 2010 financial year was \$29.1 million, close to the midpoint of the market guidance of \$28.0 million to \$30.0 million issued at the half year, and some 43% above the prior year result from continuing operations.

At the divisional level, Ridley AgriProducts delivered Earnings Before Interest and Tax (EBIT) of \$29.0 million, up by 19% on the prior year result of \$24.4 million, and a second successive record result for that division. This is a particularly strong performance given the negative result recorded in the dairy sector which was more than \$7.0 million lower than the prior year as a result of the dramatic fall in milk prices and its flow on effects. The performance improvement was largely achieved through the signing of new contracts to accommodate expansion in the poultry and aqua-feed sectors, by improved margin and supply chain management, and by improvements in product and packaging quality.

Cheetham delivered an EBIT from its wholly-owned businesses of \$16.8 million, and a further \$7.2 million after tax profit from its joint ventures, for a total result of \$24.0 million, up by 19% on the prior year. The Cheetham result reflects a return to historical operating levels and the business is now well-positioned to take advantage of the three year transformation strategy which was effectively concluded by the end of the 2010 financial year.

Directors have declared a final dividend of 3.75 cents per share which is unfranked, bringing the total dividend for the year to 7.25 cents, up 0.25 cents from last year. The final dividend will be payable

wholly in cash and funded from the operating cash flows generated within the Ridley Group for the year. A return to partially franked dividends is anticipated in the 2011 financial year.

The 2010 year has been a year of consolidation within Ridley. The considerable changes of the prior year in terms of rationalisation of underperforming assets, centralisation of procurement, supply chain, nutrition and back office functions, and of the relocation of head office from Sydney to Melbourne, have been bedded down in the year and the anticipated benefits duly delivered. Solid foundations have been built for future growth, and as most commentators are predicting strong and growing demand for agricultural products, we have entered fiscal 2011 in a buoyant mood. We are mindful however that the world economy still faces considerable uncertainties and volatilities from both economic and weather-related events, as recent extreme volatility in the prices of wheat and other grains clearly demonstrates. Additionally, at the time of writing, we are facing uncertainties associated with a Federal election, with the major parties having quite different policies in relation to climate change, and in particular how agriculture will fit into their emissions reduction strategies.

2010 also saw a number of changes at Board level, and after an association dating back to my appointment as a



Director in 1990, in August last year I advised the Board of my intention to retire at the 2010 Annual General Meeting. A detailed succession planning process was then conducted internally which culminated in the appointment on 21 June 2010 of new Directors Dr Robert van Barneveld and Dr Gary Weiss. Deputy Chair Rick Lee also advised of his intention not to stand for the vacated Chair in the light of his other external commitments, and he therefore stood down from that role, whereupon Melbourne based Director John Spark was appointed as Deputy Chair.

Dr van Barneveld is a registered animal nutritionist who brings to the Board a wealth of experience in the AgriProducts sector and who sits on a number of boards in the pork industry. Dr Weiss has extensive experience in international capital markets, is an Executive Director of the Guinness Peat Group, and is a past and present Director of a number of public companies. Each new Director brings complementary skill sets to the existing Board and is expected to provide a valuable and positive contribution to the future growth of Ridley.

I would again like to express my sincere appreciation for the efforts and achievements of CEO John Murray and his young and energetic management team, many of whom

were new appointees last year or newly promoted to rectify areas of operational underperformance. The delivery of an operating result so close to the midpoint of a challenging market guidance range in the current environment is testament to the character and understanding of the Ridley leadership group, and I am fortunate and grateful to be able to retire in such favourable circumstances.

I will certainly miss the intellect, insight and debate of the Ridley boardroom and thank each of my fellow Directors for their contribution to the stewardship and direction of Ridley throughout the period of their tenure.

I will keenly follow the Ridley journey as a shareholder in years to come and wish every success to all those persons associated with this great Australian company.

A handwritten signature in black ink, reading 'John Keniry'.

John Keniry
Chairman

delivering a significantly more
efficient operating structure



Managing Director's Review



John Murray – Managing Director and Chief Executive Officer

2010 highlights

- Second successive record result for AgriProducts.
- Cheetham back to reliable earnings and positioned for step up.
- Clean, transparent result with no significant items.
- Continued strong conversion of EBIT to cash.
- Continued improvement in workplace safety.

Throughout the 2010 financial year, management has sought to build on the prior year's achievements and establish the framework for sustainable long term growth. The benefits from this organic growth strategy have delivered an after tax profit for 2010 of \$29.1 million and will underpin future earnings growth. The realisation of this strategy will be a further de-risking of the business and generation of confidence within Ridley shareholders that a strong operating result will be delivered each year irrespective of the harshness of the economic and/or climatic environments.

2009 was a watershed year for simplifying Ridley and a year in which we achieved strong growth in the underlying results of both core businesses. The 2009 result was clouded, however, by the sale of Ridley Inc and the existence of significant items. I am delighted to be able to report a clean and transparent result for 2010, where the financial consequences of all events that have occurred during the year, both favourable and unfavourable, are reported simply as operational outcomes. The divestment of Ridley Inc in 2009 has also freed up Ridley management to focus on core business in 2010.

Last August we reported a record result of \$24.4 million for the AgriProducts business. In 2010, AgriProducts has delivered a second successive record result of \$29.0 million, despite the severe downturn in the dairy sector which prevailed throughout the year.

In 2010, Cheetham Salt has generated earnings of \$24.0 million, of which \$7.2 million is after tax earnings from its joint ventures. This result represents a return to historical operating levels with Cheetham now well placed to achieve the step up in operational performance that is expected from the Bajool and Indonesian refinery capital projects which were completed in the year as part of the refinery rationalisation strategy embarked upon in 2008.

In addition to the core business, Ridley has continued throughout 2010 to pursue long term options to unlock the value of surplus land and secure the commercial development of the Dry Creek site. There are complex issues still to be resolved with this opportunity which should be regarded as a long term project with a three to five plus year time horizon. There are, however, a number of more straightforward opportunities for surplus properties that are currently idle and, with low carrying values, have the potential to generate significant incremental returns to Ridley shareholders in the medium term.

Any injury in the workplace is a disturbing event. The Ridley management team is determined to deliver further safety improvements throughout the organisation and to drive home the message that no workplace task should be undertaken unless it can be accomplished safely. Although there has been a successive

reduction in lost time through injury in the delivery of the 2010 result, there remains room for further improvement and progressively more challenging safety targets have again been incorporated as a key performance measure for all operational managers throughout Ridley.

Improved earnings in AgriProducts

The progressive decline in the dairy industry throughout the 2009 calendar year was a significant influence on AgriProducts' performance in an otherwise 'unexceptional' operating environment.

Calendar year 2010 has seen stabilisation and then the emergence of a slow recovery in the dairy sector, however the extent of the malaise is evidenced by a decline in Earnings Before Interest and Tax (EBIT) of over \$7.0 million from the high returns of 2009 to a negative return for the 2010 financial year. A recovery to historical dairy operating levels is expected by the end of the 2012 financial year.

Despite the material impact of dairy on the operating performance of the AgriProducts business, it has nevertheless managed to generate a second successive record result of \$29.0 million, an increase of \$4.6 million over last year's record result and \$2.6 million in excess of the \$26.4 million normalised result referred to in our investor presentations last August.

The record AgriProducts result can be attributed to a number of factors, including growth in poultry and Aqua-Feed volumes, improved margin management of the Packaged Products business and the continuing turnaround of the Supplements business, which improved by \$2.5 million from the prior year to record a small profit in 2010. Ridley is striving to continue improvement in Supplements and an uplift in EBIT has been budgeted for 2011.

The new Ridley Aqua-Feed facility commenced operations in the year at Inverell and has provided an effective doubling of capacity, thereby removing the production constraints that had previously been restricting expansion in the Aqua-Feed business.

New Aqua-Feed and poultry contracts have been signed during the year which underpin the performance of these divisions for a number of years to come. The growth in these two sectors further reduces Ridley's exposure to the drought cycles of the past and provides a clear and valuable feature of differentiation from other companies in the agribusiness sector. The geographic location of the AgriProducts mills, together with the re-opening of the Clifton mill to accommodate additional volumes from the new Inghams contract signed during the year, provides a clear competitive advantage for AgriProducts and positions it well to take advantage of the expected industry consolidation opportunities over the next year or so.

The prior year centralisation of sales, procurement, supply chain, nutrition, engineering and manufacturing functions has reaped the anticipated rewards, not only in terms of improved operational efficiency, communication and cost control, but also particularly in the purchase of raw materials, where commodity prices have generally been falling for much of the year and where overly long positions would have exposed Ridley to significant unfavourable price risk.

Return to historical performance levels for Cheetham Salt

Cheetham Salt has now completed the third and final year of its transformational strategy designed to deliver a significantly more efficient operating structure across the entire breadth of the business.

Unforeseen delays in completion of the Bajool refinery upgrade in the second half of the 2010 financial year have deferred to 2011 the significant reduction in freight and logistics costs associated with supply of the Queensland markets from the southern states. With production capability now expanded and reliable at Bajool, the consolidation of the Cheetham Salt refinery operations in Australia from five facilities down to three is expected to result in significantly lower manufacturing and logistics costs, and reduced ongoing maintenance and capital requirements for 2011 and thereafter.

The processes put into place to avoid a material loss of inventory from severe rain events as had impacted the 2009 Cheetham Salt result, were severely tested during the year by Cyclone Ului which passed through the Port Alma, Bajool and Bowen sites in January 2010. Management is pleased to report that the initiatives proved to be highly effective and that salt losses were effectively minimised.

Cash flow

Ridley continues to demonstrate a high conversion of its operating result to cash. From operating cash flows for the year, Ridley paid out over \$21.0 million in cash dividends, settled \$7.9 million of outstanding Canadian tax liabilities, and incurred \$23.4 million of capital expenditure, \$17.5 million of which was internally designated as being in respect of profit improving activity, with the balance deemed to be stay in business-type activity.

During the 2010 year, \$5.5 million was incurred in implementing the new ERP for the AgriProducts business, and Ridley is pleased to report that the first mill site successfully went live on the new system in the fourth quarter. The roll out to other sites will be concluded in 2011, with the associated costs shifting from capital to operational in nature and thereby included in the 2011 operational budget.

Further organic growth forecast within the Ridley three year strategic plan is expected to deliver strong cash



conversion available for expansion opportunities, debt retirement, capital restructure, increased returns to shareholders, or a combination thereof.

Our people

The new management team has embraced the challenge to elevate Ridley to new levels of operating performance and wherever possible, to put the processes and procedures in place which will ensure that the gains achieved are all sustainable in the long term.

The increased focus on accountability introduced last year has continued, and the benefits anticipated from the 2009 cost reduction initiatives have largely been achieved, although some additional resources have been required to assist with the implementation of AgriProducts' new ERP. With its own ERP fully bedded down and operating effectively, further cost reduction targets have been set for Cheetham Salt for 2011.

During the year I decided it was time for me to focus more on Ridley strategic matters and the long term future for the business and less on operational matters that have been consuming most of my time during the turnaround of the last 24 months or so. Having made great strides in his role as Ridley AgriProducts' Chief Operating Officer, in April 2010 Peter Weaver was appointed as Chief Executive Officer (CEO) for Ridley AgriProducts, and a highly experienced successor was recruited to fill his vacated role. In a restructure designed to bring Ridley much closer to its key markets, the National Sales and Marketing Manager role has been dispensed with and the sales managers now report directly to the new AgriProducts' CEO.

Cheetham Salt CEO Andrew Speed has completed his management team restructure with two key appointments bringing a wealth of new experience and capability not previously existing within the business.

I know it has been another difficult year for staff as they have had to cope with further change, with many needing to find additional time over and above their day-to-day

duties in order to support the ERP implementation. Yet again, Ridley staff have risen to the challenges and performed admirably, and on behalf of the Board, management and shareholders, I thank all our people for their continuing efforts.

Since my appointment to Managing Director in May 2008, I have worked very closely with our Board, and in particular our retiring Chairman, John Keniry.

During this period, John's experience, knowledge and wisdom have been invaluable in helping to challenge and guide management to optimise the outcome for Ridley shareholders. Since early 2008, John has presided over both the transformation of Ridley and succession at Director level and will leave the Company at the 2010 Annual General Meeting with a refreshed and highly competent Board overseeing a business that is now simplified, reliable and poised for further growth.

On behalf of all at Ridley, I wish John and his family many years of good health and happiness in the future.

Outlook

Ridley has delivered a positive and transparent result for 2010, driven by a historically stable and reliable Cheetham Salt and a continuing improvement by Ridley AgriProducts.

New long term contracts signed by AgriProducts in 2010 coupled with the Cheetham Salt capital development projects completed in 2010 are expected to deliver bottom line improvements early in 2011.

The three year program of transformation for Cheetham Salt is now complete, and internal targets have been set for a step up in operating performance well in excess of the traditional 'CPI plus' increases which will be further underpinned by a new cost reduction program.

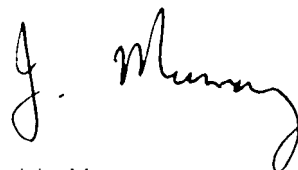
The new Inghams contract has allowed the re-opening of the Clifton mill and additional poultry volumes for our South Australian operations, whilst the new Inverell facility and plant efficiency improvements at the

Narangba facility provide Ridley Aqua-Feed with a solid platform for expansion. The progressive recovery of the dairy sector is expected to deliver a return to traditional volumes and returns by the end of the 2012 financial year.

Whilst we were surprised at the lower than expected number of consolidation opportunities in 2010, particularly in light of the severity of the dairy sector downturn, we still expect to see the emergence of consolidation opportunities in 2011 in the animal feed sector. We remain mindful of the need to continue to restore market confidence and to concentrate our non-organic growth efforts on opportunities which enhance our core competencies as a processor of value-added agricultural products.

Our significant surplus land portfolio will continue to be developed and unlocked, however we are not anticipating any windfall gains to occur in the 2011 financial year.

Ridley's transformation to a reliable and stable performer, far less exposed than our sector participants to the economic and climatic fluctuations that appear to be a permanent feature of the modern day global environment, remains a work in progress. Much has been achieved over the last 24 months, however we believe that significant opportunities for further improvement still exist and can be converted in 2011 and 2012. Management will strive over this period to realise this potential and for Ridley to be viewed by the market as the safe haven of the sector and worthy of a major market re-rating.



John Murray
Managing Director and
Chief Executive Officer

Financial Review



Alan Boyd – Chief Financial Officer and Company Secretary

Ridley Corporation has recorded a consolidated profit after tax of \$29.1 million for the year ended 30 June 2010 with no significant items, impairments or discontinuing operations.

Operating result

Sales revenue and gross profit

Sales revenue for the 2010 financial year (FY10) was \$728.0 million (2009: \$818.3 million), 11.0% or \$90.3 million down on the prior year primarily due to a reduction in dairy volumes in the Ridley AgriProducts' business. A \$92.0 million (12.4%) reduction in cost of sales led to an increase in gross profit of \$1.7 million, or 2.3%.

Profit after tax

Two material items included in the determination of profit after tax are finance costs incurred and share of profits generated from joint ventures, (referred to as 'Associates' in the statutory accounts).

Net finance costs

Net finance costs of \$8.2 million for the year include an interest expense for 2010 of \$8.5 million (2009: \$13.0 million), a reduction

of \$4.8 million, or 37%, on last year. The interest charge for the 2010 year reflects a significant reduction compared to the prior year commensurate with the \$91.6 million debt retirement upon receipt of the proceeds from the 5 November 2008 sale of Ridley Inc.

Share of net profits from equity accounted investments

The Cheetham Salt joint ventures in New Zealand and Australia have delivered an operating result consistent with the prior year, with the equity accounted Ridley consolidated group profit share for 2010 being \$7.2 million, compared to \$7.1 million in the prior year. \$2.2 million of the after tax profit which would otherwise have been distributed in cash was retained in the 2010 year to fund major capital works at the Mount Maunganui joint venture site in New Zealand. Further funds of a similar amount will be withheld in 2011 to conclude the project by the half year end.

Significant items and discontinued operations

There have been no items during the 2010 financial year, favourable or unfavourable, that are considered to be outside of the ordinary business and thereby warranting separate disclosure by way of significant items.

All Cash Generating Units (CGUs) in the Ridley consolidated group have been tested for impairment and have met their required hurdle rates to support the current carrying values.

In the prior year, the sale of Ridley Inc combined with its operating result up to the date of sale gave rise to a consolidated loss of \$52.0 million. Other than the settlement of the final residual liability to the Canadian tax authorities, fully provided for as at 30 June 2009, there has been no other transaction during the 2010 financial year that relates to a discontinued operation.

Results summary

	2010 A\$'000	2009 A\$'000	Percentage Change
Sales revenue	727,968	818,362	Down 11.0%
Gross profit	78,774	77,029	Up 2.3%
Profit after tax from continuing underlying operations	29,093	20,313	Up 43.2%
Less: significant items net of tax	-	(7,404)	-
Loss from discontinuing operations	-	(52,442)	-
Operating profit/(loss) after tax	29,093	(39,533)	\$68.6 million improvement



Operating (loss)/profit after tax

In determining the after tax result for the 2010 year, an income tax expense of \$9.0 million has been recorded for the Ridley Tax Consolidated Group (TCG) (refer note 7 to the accounts). From the prima facie tax payable for the Ridley TCG at the standard company tax rate of 30%, there are significant permanent differences to be deducted which relate to the after tax profit distributions received from the New Zealand joint ventures and the additional allowance claimed under the R&D Tax Concession scheme. The Ridley TCG effective tax rate is traditionally significantly lower than the 30% prime tax rate as a result of these ongoing tax effect adjustments, which creates a positive cash flow impact on the amount of tax payable.

Dividend

Directors have declared a final dividend of 3.75 cents per share, unfranked, and up 0.25 cents from the previous final dividend. (Refer note 8 to the accounts). The dividend will be payable on 30 September 2010 to shareholders on the register at 5.00pm on Friday 10 September 2010.

The 2010 final dividend declared is unfranked and payable wholly in cash. The total dividend payable for the year is therefore 7.25 cents per share, which is 0.25 cents higher than the

same level of dividend as has been paid every year since 2006. Ridley expects to be in a position to recommence franking for the 2011 year and, for the second year in succession since divesting Ridley Inc, has the capacity to pay the dividend entirely in cash from its Australian operating cash flow for the year whilst remaining well within its borrowing covenants.

Cash flow and working capital

The operating cash inflow for the year was \$49.3 million before interest, dividends and taxes. Net interest and other finance cost cash outflows for the 2010 year were \$8.6 million, which reflects a reduction of \$4.6 million from the prior year. Net taxes paid amounted to \$6.7 million for the year, an increase of \$7.3 million.

After-tax cash dividends of \$5.4 million have been received from the Cheetham Salt joint ventures in 2010. These joint venture operations have traditionally been consistent providers of cash distributions and the \$2.2 million reduction from the prior year reflects the retention of funds for the capital works as referred to above and timing of receipts.

A total of \$17.2 million was expended on the purchase of property, plant and equipment in 2010, of which \$11.3 million was in respect of profit-accretive capital expenditure projects, the benefits of which are targeted for the years

ahead. \$4.9 million (2009: \$5.1 million) was expended during the year on the implementation of the new ERP system for Ridley AgriProducts and is reflected within the movement in Intangibles between periods. A further \$1.3 million was expended on the investment required to establish the new Ridley Aqua-Feed plant at Inverell, reflected as an investment in associate.

Cash generated from operations has been used to pay \$21.4 million of dividends, settle the brought forward Ridley Inc Canadian tax liability of \$7.9 million, and fund the significant capital expenditure program for the year. The focus on effective working capital management continued throughout the Ridley consolidated group to optimise the utilisation of the existing debt facility.

Banking facilities

In December 2008, the terms and limits of the bank loan facility were re-set for a three year period expiring in December 2011 and with a new facility loan limit of \$150.0 million plus overdraft facility of \$6.5 million (refer note 29 to the accounts). The key covenant ratios under the facility remain interest cover, debt cover, gearing and consolidated net worth. The facility is secured by fixed and floating charges over Ridley consolidated group assets, and the position at balance date including the bank overdraft, was as shown in the following table.

AUD	2010		2009	
	Limits \$'000	Utilised \$'000	Limits \$'000	Utilised \$'000
Australian dollars	156,500	69,564	156,500	68,000
United States dollars	4,811	4,323	2,707	1,439
	161,311	73,887	159,207	69,439

It is Ridley's intent to renegotiate the facility prior to December 2010 and thereby retain the non-current disclosure of all borrowings.

Earnings per share

Earnings per share is provided in the following table. For the 2009 year, the disclosure was normalised to take account of the distorting impact of Ridley Inc's contribution to the 2009 financial year for the period from 1 July 2008 to 5 November 2008. The underlying earnings per share from continuing operations shows a positive increase of 5.2 cents per share for the 2010 year, an increase of 121% (refer note 30 to the accounts).

	2010 Cents	2009 Cents
Earnings per share		
Basic earnings per share from continuing underlying operations	9.5	4.3
Basic earnings per share from discontinued operations	-	(17.3)
Basic earnings per share	9.5	(13.0)

Gearing

The Ridley consolidated group gearing ratio was significantly reduced during the 2009 financial year following the debt retirement afforded by the sale of Ridley Inc. The high level of profit-accretive capital expenditure (\$11.3 million) and settlement of Canadian tax liability (\$7.9 million) have combined to restrict the ability to retire debt in 2010. The closing positions at balance date are shown in the following table.

	2010 \$'000	2009 \$'000
Gross debt	78,988	69,414
Less: cash	(7,006)	(280)
Net debt	71,982	69,134
Total equity	285,157	276,211
Gearing ratio	25.2%	25.0%

Balance sheet

There are no material balance sheet movements between years. There has been no revaluation of property, plant and equipment during the year as this exercise was conducted last year and the valuations adopted as reflected in the comparative numbers.

The balance sheet movement in property, plant and equipment reflects the acquisitions for the year offset by the disposal of the Corio property and depreciation and amortisation charged, whilst the increase in intangibles reflects the capitalisation of ERP development costs incurred in the year.

Capital movements

There were no shares issued during the 2010 financial year and a total of 690,384 shares were acquired by the Company on market to satisfy the issue of 75,000 shares under the Ridley Performance Rights scheme and 615,384 shares under the Ridley Employee Share Scheme. There were no other movements in issued capital during the financial year (refer note 16 to the accounts).



Alan Boyd
Chief Financial Officer and
Company Secretary

solid foundations have been built for future growth



Ridley AgriProducts



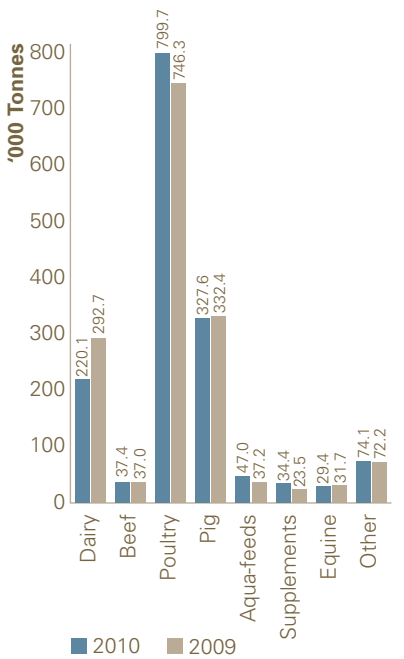
Peter Weaver – Chief Executive Officer,
Ridley AgriProducts

2010 highlights

- Second successive record result.
- Upgrading and reopening of Clifton mill.
- Long term poultry and Aqua-Feed contracts securing additional volumes.
- Doubling of Aqua-Feed capacity with low capital cost.
- Benefits realised from centralisation of procurement, supply chain and nutrition.



Australia feeds



Including sales of Packaged Products.

Operating result

Ridley AgriProducts recorded an Earnings Before Interest and Tax (EBIT) of \$29.0 million for the 2010 financial year, an increase of \$4.6 million, or 18.8%, over the prior year. The earnings improvement was achieved from execution of the initiatives started last year, which included a business-wide cost reduction program and the rationalisation of underperforming assets. New commercial agreements were concluded in the 2010 financial year with significant customers which underpin growth in the poultry and Aqua-Feed businesses in future years. The current year result is especially strong considering the market conditions faced in the ruminant business, where the dairy sector has been severely depressed for most of the financial year.

Overall sales for the 2010 financial year of \$620.0 million were \$96.9 million (13.5%) down on last year, and reflect the widespread fall in commodity prices compared to last year and slightly lower sales tonnages for the year of 1.570 million compared to 1.573 million last year, largely due to volume decline in the dairy sector offset by poultry and Aqua-Feed growth. The primary drivers for the earnings uplift have been widespread efficiency improvements, continued focus on margin management, and annualised reductions in manufacturing and overhead costs.

The following is a sector by sector analysis of performance for the 2010 financial year and outlook for the 2011 financial year, referred to as FY10 and FY11 respectively.

Ridley AgriProducts operations



- 1 Townsville
- 2 Dalby
- 3 Narangba
- 4 Toowoomba
- 5 Wacol
- 6 Inverell
- 7 Tamworth
- 8 Taree
- 9 Corowa
- 10 Mooroopna
- 11 Maffra
- 12 Pakenham
- 13 Dandenong
- 14 Bendigo
- 15 Gunbower
- 16 St Arnaud
- 17 Noorat
- 18 Terang
- 19 Murray Bridge
- 20 Wasleys

Poultry

As previously announced, during FY10 Ridley AgriProducts entered into long term feed agreements with key customers which culminated in an upgrading and reopening of the Clifton mill in south east Queensland. This mill specialises in the manufacture of poultry feed and will continue to support the new contracts as well as servicing the increasing demand for poultry feeds in the region.

Revenues from Ridley AgriProducts' broad geographic spread of poultry mills increased in FY10 compared to the prior year as demand for poultry products continues to grow, with the consumer trend of switching from red to white meat expected to continue into FY11 and beyond. Ridley AgriProducts mills are ideally located to service the poultry industry, where the majority of growth is in south east Queensland and South Australia.

Pig

Domestic producers of fresh pork products have generally enjoyed high levels of profitability in FY10, largely assisted by lower commodity input prices. Whilst sales volumes for FY10 reached 327,600 tonnes, which is in line with tonnages recorded for the 2009 financial year, the FY11 budgeted volumes are expected to decline by approximately 110,000 tonnes as three customers vertically integrate their businesses into feed milling. New customers will be sought to replace as much of this volume reduction as possible and the net fall in pork sector volumes is expected to be more than offset by increases in dairy, poultry, Aqua-Feed and Packaged Products in FY11.

Ruminant – dairy, lamb, sheep and beef

The dramatic drop in farm gate milk prices in March 2009 forced many dairy farmers to re-evaluate their farming practices, and many were encouraged to take a short term view and reduce their input costs through cutting back on their feed requirements. The impact on the farmer from the fall in dietary intake was a more than commensurate drop in milk production.

Although the FY10 impact on Ridley AgriProducts was an 18% fall in dairy sales volumes and a loss of contribution in excess of \$7.0 million compared to the prior year, the dairy sector outlook for FY11 is one of considerable upside, with indicative farm gate milk prices already significantly higher than the prices received by the farmers in the previous season. A combination of higher milk prices, competition between milk manufacturers to cater for increasing export demands, and lower commodity prices, should combine to restore Ridley AgriProducts dairy feed sales volumes and margins in FY12 to levels experienced prior to the severe downturn.

There has been strong domestic and export demand for lamb and sheep over the last year and high prices are set to continue into FY11. The consumer is demanding more and more consistency in lamb and sheep products generally and this has led to an increase in demand for the higher quality feed and supplements provided by Ridley AgriProducts to this sector.

Good summer rains have improved the seasonal beef outlook, increasing demand and prices for cattle. A reduction in the value of the dollar during the last quarter has also seen some quiet optimism return to the beef industry. The medium to long term outlook for beef remains strong, and Australia is well placed to meet increased demand.

Packaged Products

Although Packaged Product volumes in FY10 were approximately 8% down on the 2009 financial year, primarily due to the downturn in demand for dairy sector feed, further improvements in contribution were recorded during the year. This was achieved through improved margin management, supply chain efficiencies and improvements in product and packaging quality. Despite the decline in volumes and heavy discounting from competitors, the strength and resilience of the Barastoc brand and the introduction of a new pricing strategy designed to better manage fluctuations in commodity input prices, underpinned the improvement in profitability of the Packaged Products business.

Supplements

The Supplements business executed year two of its three year strategy by delivering a \$40,000 positive result, which represents a turnaround of \$5.5 million from the 2008 financial year operating result. The Supplements business is now well positioned to deliver the positive and budgeted FY11 result in the third and final year of the turnaround strategy, and a sustainable contribution thereafter.

The progressive earnings improvements for the Supplements business can be largely attributed to improved customer relationships, reduced costs and increased manufacturing efficiencies. The dedication and accountability of the new management team which was installed in 2008 to establish and execute a viable long term strategy for the Supplements business is to be highly commended.

Aqua-Feed

Ridley Aqua-Feed (Aqua-Feed) sales growth and market penetration continued throughout FY10, and Aqua-Feed is now a market leader across all major finfish and prawn species in Australia. Sales volumes increased from 37,000 tonnes in the 2009 financial year to 47,000 tonnes in FY10, an increase of 27%.

New capacity was brought on line during the year through the establishment of a joint venture with Indigenous Business Australia (IBA). The joint venture saw the recently closed pet food manufacturing plant located at Inverell, NSW extensively refurbished to enable high quality aqua-feed to be manufactured. Coupled with capacity improvements at Aqua-Feed's existing Narangba facility, the Aqua-Feed business is now ideally placed in FY11 to cater for the rapidly expanding aquaculture market.

A number of long term supply agreements have been established in FY10 with major Aqua-Feed customers that support the growth strategy, and significantly, another milestone achieved by the Aqua-Feed business was its first export offering into the Asia Pacific region during the year.

The Aqua-Feed competitive advantage lies in its ability to continue to develop and improve specialised diets which meet customer requirements and to this end, the allocation of resources focused on diet improvement will be increased in the coming year.

Procurement

The global markets, as well as Australian commodity markets, have experienced a high level of volatility over the past 12 months as the world's economy endeavours to recover from the uncertainty and fluctuation experienced in recent times.

As a result of a recovery in grain and oil seed production, combined with a strong resurgence in the Australian dollar, grain and oilseed prices have fallen back in the last 12 months to levels not seen by Australia's domestic consumers for over a decade. These two developments combined to push domestic commodity prices down to 10 year lows, which was welcome news for the intensive livestock sector which had struggled to absorb the high, drought-influenced, input costs of recent years.

In periods of falling commodity prices, Ridley AgriProducts must manage its commodity positions extremely tightly in order to ensure that it can pass on the full benefits of falling raw material prices to its customers and at the same time ensure that it does not overly expose itself to write downs of uncommitted inventory by way of mark to market pricing adjustments. The centralisation and management experience of the procurement team have contributed to a strong performance and the minimisation of inventory loss positions in FY10.

Supply chain

The last 12 months represents the first full year of operation for the new centralised, dedicated supply chain team, and a period in which many of the planned efficiency gains have been realised. Outbound bulk transport deliveries are now managed under standardised contract arrangements, and this has delivered cost savings, improvements in practices, and better risk management around delivery and bio-security.

The centralised replenishment team is now fully resourced and operational, and improvements in contract execution and the day-to-day deliveries of raw materials have reduced costs and increased customer service levels. Opportunities for further improvement still exist in this area, especially in respect of supplier performance and continuity of supply, which when realised, will have a positive impact on future operations.

Enterprise Resource Planning (ERP)

The implementation of the brand new ERP system was in progress throughout FY10 and when fully implemented, will improve supply chain management through better performance reporting and cost management. Due to its complexity and far reaching coverage, the roll-out of the new system is being managed as a staged process. Upon completion of the roll-out to all operating sites in FY11, the ERP system is expected to be a key contributor to expanding not only supply chain capability but also communications and efficiencies throughout the organisation.

R&D and innovation

Ridley AgriProducts prides itself on being Australia's leading supplier of high quality stockfeeds, with a product range that has been scientifically-formulated to ensure optimal animal health and performance.

Research and Development (R&D) is becoming increasingly important in business generally, as the levels of competition, production processes and methods are developing more rapidly than ever before. To maintain its position of leadership within the industry, Ridley AgriProducts is dedicated to supporting a dynamic Research, Development and Extension (R,D&E) program which has strong alliances with industry, university and research organisations.

Operational review

In summary, after the restructuring activities of the 2009 financial year, FY10 has been a year of consolidation and review, with a strong focus on

identifying growth opportunities, securing permanent efficiency improvements, and further reducing unnecessary costs. Ongoing capital investment in support of new opportunities and extracting further improvements in asset utilisations continued throughout FY10 in tandem with a focus on reduction of manual handling in the workplace.

The elimination in the prior year(s) of outflows from non-performing assets has contributed to the improvement in the FY10 operating result, and the concentration of volume into key strategic mills has driven operational efficiencies and improved utilisation rates which have had a positive impact on the operating result. The foundation has now been established to facilitate a more focused look at the remaining assets and for a further lifting of operating standards and financial hurdles as part of the FY11 drive towards higher asset utilisation.

The savings originally predicted from the centralisation of sales, procurement, nutrition, supply chain and manufacturing support functions have now been realised, and the organisation has adjusted well to the new structures and processes. The process is one of continuous improvement however, and there are further changes planned for FY11 that will better position the business to capitalise on the achievements to date.

Cheetham Salt



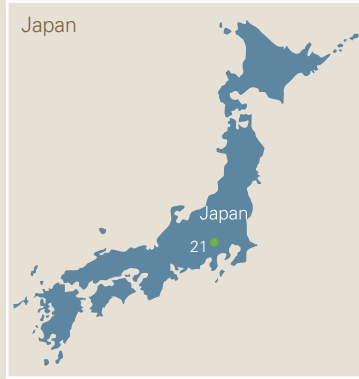
Andrew Speed – Chief Executive Officer,
Cheetham Salt

2010 highlights

- Return to historical earnings.
- Stability of joint venture returns.
- Completion of Bajool and Indonesian refineries.
- Reopening of Port Alma salt field.
- Execution of three year transformation strategy.

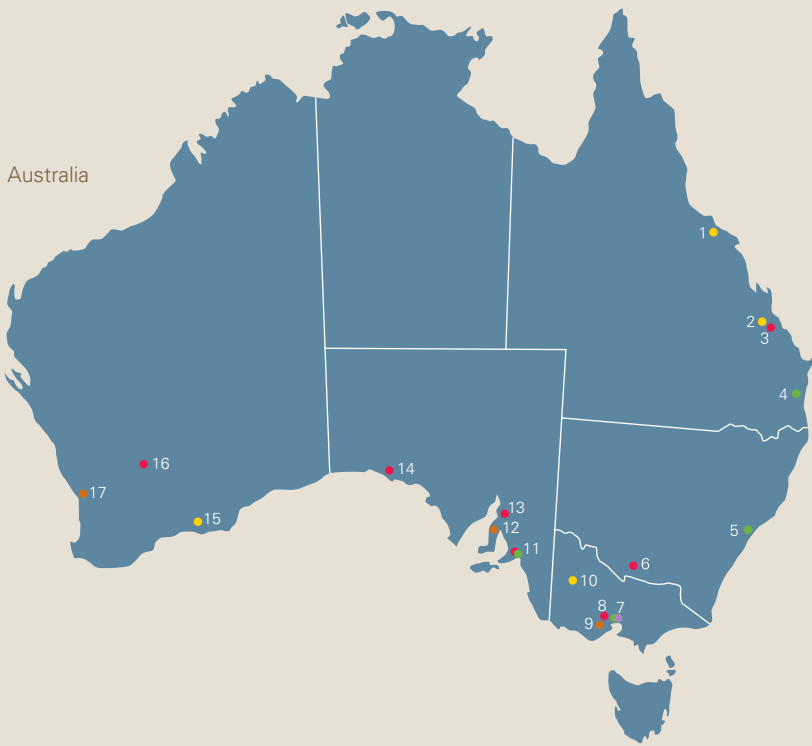


Cheetham Salt operations



- 1 Bowen
- 2 Bajool
- 3 Port Alma
- 4 Brisbane
- 5 Sydney
- 6 Wakool
- 7 Melbourne
- 8 Lara & Moolap
- 9 Corio
- 10 Sea Lake
- 11 Dry Creek
- 12 Price
- 13 Lochiel
- 14 Kevin
- 15 Esperance
- 16 Koolyanobbing
- 17 Fremantle
- 18 Mount Maunganui
- 19 Lake Grassmere
- 20 Cilegon
- 21 Tokyo

- Head office
- Sales office
- Production
- Refinery
- Production and refinery



Operating result

Cheetham Salt (Cheetham) delivered a solid performance for the 2010 financial year of \$24.0 million, which comprised Earnings Before Interest and Tax (EBIT) of \$16.8 million plus after tax profits from the joint ventures of \$7.2 million. The overall result represents a return to historical earnings levels following a 2009 result which was adversely affected by \$4.8 million of abnormally large physical losses of crude salt and Enterprise Resource Planning (ERP) system implementation costs.

The operating performance was favourably influenced by continued volume and earnings growth in Japan and Indonesia, combined with robust sales into the swimming pool, chemical and industrial sectors domestically. In contrast, 2010 sales into the hide market were lower than the prior year as a result of the decline in slaughter numbers and strong competitive activity. Offsetting the strong sales performance were incremental operational and logistics costs associated with unforeseen delays in completing the Bajool refinery upgrade, which are not expected to recur in the 2011 financial year.

The following is an analysis of the key contributors to the operating result for the 2010 financial year and the outlook for the 2011 financial year, referred to as FY10 and FY11 respectively.

Joint ventures

The contribution from the equity accounted joint ventures continues to grow steadily, with higher earnings from Salpak and Western Salt Refinery in Australia and Dominion Salt Limited (Dominion) in New Zealand. The contribution recorded in the operating result is the Cheetham share of after tax profits, which is generally distributed wholly in cash to leave the carrying value of the joint venture investment unchanged. This year, however, in response to a steadily increasing demand for premium Pure Dried Vacuum Salt for supply into food and pharmaceutical applications,

Dominion commenced construction of an expanded facility to provide additional vacuum salt capacity.

As a consequence of the above, cash otherwise distributable to Cheetham has been retained to finance the capital expansion program and capitalised to the carrying value of the joint venture in the balance sheet. Further funds will be retained in the first half of FY11, with the additional capacity expected to come on line in early calendar 2011. The new capacity will enable Dominion to satisfy the growing export pharmaceutical salt market which is targeted at end products such as saline drips, haemodialysis, eye washes and contact lens solutions.

Bajool refinery

Throughout FY10, Cheetham was focused on completing the major upgrade of the Bajool refinery, strategically located near Rockhampton in central Queensland to service the growing demand of the Queensland market.

The new facility, which replaces the former 50 year old facility at the Bajool salt field, was commissioned in late FY10 and has significantly improved both the quality of product and the capacity of the plant.

In recent years it has been necessary for Cheetham to satisfy the growing Queensland demand with product manufactured at one or more of the Cheetham refineries located in the southern states. The requirement to freight this product north to satisfy the Queensland market has introduced significant stress in terms of production capacity at the southern manufacturing site(s) and also material incremental costs into the supply chain.

It is anticipated that the successful completion of the Bajool upgrade will enable Cheetham in FY11 to supply the Queensland market from Bajool with all but a few specialised grades of salt, and this will translate into significantly lower supply chain costs compared to FY10 and the prior year.

Port Alma salt field

The Port Alma salt field, located adjacent to the Bajool site, was reopened in FY10 following five years of hibernation and after recording crude salt losses of \$3.5 million in the 2009 financial year. Reopening the field presented Cheetham with a number of unique challenges which have been successfully addressed during FY10, with the result that the field is now back in operation on the normal salt production cycle of two years, with new, high quality salt being grown in the crystallisers which will be suitable for refining or bulk dispatch.

Following the crude salt losses in 2009 as a consequence of unusually high rainfall events, management developed a Wet Management Plan (Plan) for each of the Cheetham salt fields. The Plan focuses on the security of both stock harvested on the bank and unharvested stock in the crystallisers to prevent a reoccurrence of these losses. In January and February 2010, the Plan was severely stress tested and successfully implemented with minimal losses, despite central Queensland experiencing further significant weather events, including Cyclone Ului.

Cilegon, Indonesia refinery

Construction of a new refinery in Cilegon, Indonesia was also completed towards the end of FY10. The new state-of-the-art refinery is located near the port of Cigading in West Java, Indonesia's deepest sea port. Proximity to a port of this nature provides Cheetham with a major competitive advantage, as imported bulk salt can be efficiently unloaded and transported to the refinery for processing.

Indonesia has a population of around 230 million and this investment uniquely positions PT Cheetham Garum Indonesia, Cheetham's wholly owned Indonesian subsidiary, to supply premium value added solar salt into the West Java industrial market. In particular, the new refinery will enable Cheetham to meet the increasingly stringent

Indonesian quality expectations and provide the refining capacity to benefit from the population and market growth.

Developments with the Government of Indonesia

For some time now, Cheetham has been working with the Indonesian Government to help reduce the nation's reliance on imported salt. Indonesia is a significant net importer of salt, given that much of the local salt is not suitable for industrial applications.

In FY10, Cheetham extended the existing East Java program of salt technology transfer into Central Java, with the same objective of encouraging local subsistence salt farmers to manage their fields using Australian techniques and processes. By adopting higher quality standards in their production processes, the local farmers can significantly improve the quality of their salt, potentially to the level of being fit for industrial applications.

If the quality uplift can be achieved by the local farmers, then Cheetham will have been instrumental in reducing Indonesia's dependence on imported salt. This program has been developed in close consultation with the Indonesian Government, which considers salt to be a strategic commodity and the improvement of their domestic salt production capability a national priority. This initiative has led to Cheetham signing a Memorandum

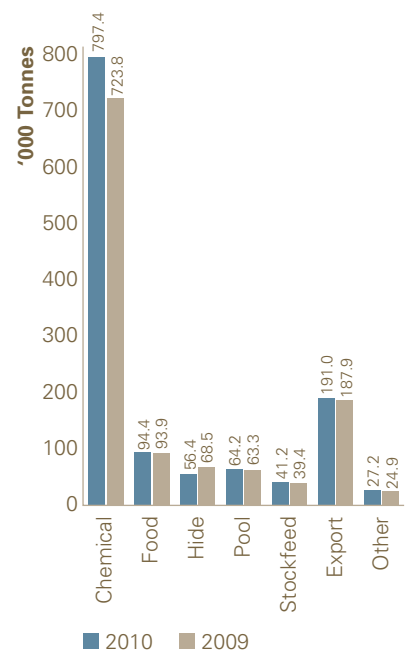
of Understanding with the Indonesian Government to explore the feasibility of constructing a modern salt field in Indonesia.

Business transformation

In the 2009 financial year, Cheetham successfully installed a new ERP system. Throughout FY10, the business worked tirelessly to deliver the benefits offered by this comprehensive business systems solution. During this time, the new system has been leveraged to consolidate and standardise business processes, and this has improved productivity, visibility and controls throughout the entire Cheetham business.

The past three years have been very challenging for Cheetham as it undertook an ambitious three year program of business transformation, including a substantial upgrading of domestic refining capability and consolidation of five refineries down to three. A state-of-the-art refinery has been constructed in Indonesia and at Bajool, the Port Alma salt field reopened, a new ERP system implemented and Head Office relocated from Corio to Melbourne. With the transformation complete and the operating platform now in place, Cheetham is well positioned to benefit in FY11 from the more efficient and effective operating structure delivered by these initiatives.

Salt products



Property Development



Stephen Butler – Property Development Manager

2010 highlights

- Continuation of Dry Creek Master Plan and feasibility.
- Confirmation of Dry Creek capacity for potential large scale, inner urban residential solution.
- Commencement of Lara investigations.
- Subdivision approval at Pakenham.
- Sale of Corio for \$2.5 million.

With the increasing number of property divestment and redevelopment opportunities in South Australia and Victoria, in late 2008 Ridley confirmed its commitment to unlocking the inherent value of certain sites within its property portfolio across Australia by appointing a Property Development Manager as a dedicated resource to develop and implement a clear divestment strategy.

Whilst pleased with the progress to date and successful divestment of some surplus properties, including the sale of the Corio site as announced in August 2009, Ridley believes that the greatest potential lies in the long term opportunities, and accordingly is focusing on delivering long term shareholder value.

Many of Ridley's larger property holdings benefit from proximity to major urban centres, coastal areas, and from being located within areas earmarked for future urban expansion by Government. These factors generate considerable long term income potential, and Ridley is actively pursuing opportunities for redevelopment or sale of such assets. Ridley is confident and excited about these opportunities and the values that could be generated from the divestment of these sites in the future.

A summary of each of the two higher profile opportunities is provided below.

Dry Creek

The potential redevelopment of Dry Creek in South Australia remains a key component of Ridley's long term property development strategy. Ridley and Delfin Lend Lease are continuing to work under a Heads of Agreement to investigate the feasibility of redeveloping the Dry Creek salt fields, located 12kms from Adelaide Central Business District (CBD), for residential/mixed-use development. Whilst the investigation period has been extended by mutual agreement to resolve some key technical issues, Ridley is pleased with the progress that has been achieved during the 2010 financial year, which includes completion of the initial technical investigations, a project Master Plan and financial feasibility. Strategies to address many of the key technical aspects, including land fill and provision of major infrastructure, have been developed in the last 12 months which can be adopted irrespective of the development timeframe.

The completion of work to date has confirmed that the redevelopment of the Dry Creek site has the potential to deliver up to 10,000 homes as well as a range of commercial, educational and environmental benefits to the community.

It is evident that the strategic redevelopment of the Dry Creek land is consistent with the State Government's 30 year plan for Adelaide. Ridley is now working closely with a number of stakeholders, including the State Government and Land Management Corporation, to establish a pathway to address the outstanding issues and enable the redevelopment of the site to occur.

Ernst & Young have been engaged as Ridley's external advisors for the Dry Creek project, and are assisting with the assessment of the opportunity, including consideration of returns and potential risks of the project. A value analysis and risk assessment are both well progressed, and upon completion, will assist Ridley in its strategic decision making expected to take place in the 2011 financial year (FY11).

Lara

Investigations into the divestment or long term redevelopment of the former Cheetham Salt site at Lara, just outside Geelong in Victoria, are well underway. The 912 hectare former salt field at Lara has many significant strategic possibilities. It is located adjacent to Avalon Airport, which is proposed for expansion as Melbourne's second international airport, and within



a future employment hub nominated by 'Melbourne @ 5 million', the Victorian Government's long term planning framework for managing the growth for Melbourne and its surrounding regions. A number of desktop planning and technical investigations have now been completed for the Lara site which indicate that a large portion of the land may have redevelopment potential.

The City of Greater Geelong recently placed Amendment C198 (Lara Structure Plan) on exhibition, and an independent panel was established to hear submissions from key stakeholders about the future growth of Lara. Ridley has nominated the site to Government for investigation of the redevelopment opportunities for airport-associated or compatible uses, and has requested that this be incorporated within the proposed Lara Structure Plan. The successful incorporation of the Lara site within any regional plan will help substantiate further investigation and investment into redevelopment options for the site. The independent panel is expected to report back on its findings in the first half of FY11.

Other opportunities

In addition to the two opportunities detailed above, a number of property divestment activities have been completed during the 2010 financial year, including the sale and leaseback of the former Cheetham head office site at Corio, the issue of a planning permit to allow the subdivision of three hectares of surplus industrial land at Pakenham into 13 industrial lots, and the sale of some smaller rural and industrial surplus properties in Victoria.

Other potential opportunities in Victoria and South Australia are being investigated and Ridley remains positive that if successful, these will deliver significant future returns for Ridley and its shareholders.

Safety and Environment Report



Anne-Marie Mooney – Group General Manager, Commercial

Safety

As a core value at Ridley, safety is critical to the way we do business. Our safety focus, which begins at Board and executive management level, is underpinned by three elements: embedding proactive safety behaviours, developing and implementing a safety management system, and finding engineering solutions for the physical safety hazards that are present in the manufacturing environment. Safety performance is rigorously monitored, reported to management and the Board, and is a component of individual performance appraisal and management remuneration.

The key measures we use to assess safety performance are the lost time injury frequency rate (LTIFR), the serious injury frequency rate (SIFR), and the duration rate (DR). The LTIFR is the number of injuries incurring lost time for every million hours worked, the SIFR is the sum of the number of medical treatment injuries that did not result in lost time plus the number of lost time injuries, per million hours worked. The DR is simply the average duration rate for lost time injuries, calculated as the total number of days lost divided by the number of lost time injuries. In 2007 the Board approved a three-year target for both Ridley

AgriProducts and Cheetham Salt for a LTIFR of less than five and a SIFR of less than 20.

The overall results for 2010 were as follows: the LTIFR was 9.48, down from the 2009 result of 9.94 and representing a 5% decrease in the rate of incidents that resulted in lost time to the business. The SIFR, which represents our total injury rate, was a disappointing 21.67, which was up slightly from 20.78 last year. The DR improved significantly to 6.38, down by 9.48 days or 60% from last year's 15.86 average duration.

Whilst the above results continue to be encouraging overall, the annual targets were not achieved. It is however pleasing that the seriousness of workplace injuries continues to reduce. The management team is committed to drive continuous improvement in the workplace at all levels. This coming year will be no different, with even greater rigour applied to incident investigation and follow up to ensure that the root causes of all incidents are identified and behavioural changes are made across the business.

Safety objectives and action plans have been reviewed to set the Ridley priorities for the coming year, with the Ridley Group Safety Plan focusing on the key safety risks for both Cheetham Salt and Ridley AgriProducts that management must address to improve the overall safety management system and culture. The long term target for all safety incidents is zero however it is recognised that this can only be achieved through the development over time of a culture that is committed to continuous, progressive improvement in all aspects of safety. Safety performance targets for all levels of management, including the Managing Director, have been further strengthened for the coming year.

Ridley AgriProducts

Ridley AgriProducts' LTIFR for 2010 was 9.82, compared with last year's 11.17. Similarly, the SIFR was 22.32 compared to last year's 25.77, representing a 13% year on year reduction in total injuries.

Cheetham Salt

Cheetham Salt had an LTIFR for 2010 of 9.27, compared with last year's 8.72. The SIFR was 21.31, compared to 15.51 in 2009.

The above result has identified a number of behavioural challenges within the Cheetham Salt business. The key focus in 2011 will be the elimination of behavioural-related incidents and to ensure that safety risks are effectively reduced at the sites. Cheetham Salt continues to operate the safety management system in accordance with AS4801 and all Cheetham Salt sites are certified to this standard.

Work environment improvement

A Ridley Group Safety Plan has been implemented to identify safety hazards within each business and provide solutions to effectively manage these hazards. Improper manual handling and poor housekeeping practices were identified as causes of injury in the 2010 financial year and have been designated as areas for significant improvement throughout Ridley AgriProducts in 2011.

The Ridley operations team will be involved in implementing a physical work environment improvement program, commonly known as 5S, which will initiate the improvements to the sites. Five AgriProducts and four Cheetham Salt sites have been selected to pilot this program and assess its suitability, with the 12 month program commencing in the second quarter of the 2011 financial year.

Environment

Energy

The Federal Government's National Greenhouse and Energy Reporting Bill (NGER), introduced in August 2007, established a national reporting framework for carbon and energy consumption. The intention for this legislation was to provide baseline data for the proposed Emissions Trading Scheme. Last year Ridley submitted a compliant NGER report to the Federal Government in accordance with its obligations and will again submit a complying report for 2010.

Safety Measure	Ridley AgriProducts			Cheetham Salt		
	2010 Result	2010 Target	2011 Target	2010 Result	2010 Target	2011 Target
LTIFR	9.82	<5	<5	9.27	<5	<5
SIFR	22.32	<20	<15	21.31	<20	<15
DR	9.18	<4	<3	3.30	<4	<3

Under the Energy Efficiency Opportunities (EEO) Act, which came into effect in 2007, Ridley is required to report its energy usage. The Commonwealth legislation applies to all companies that use more than 0.5PJ of total energy and requires them to conduct assessments to identify potential opportunities to reduce energy use. Energy use across the Ridley business includes electricity, LPG, natural gas and diesel.

In 2009, energy audits were conducted on three Ridley sites. These audits identified opportunities for improvement in the efficiency of the boilers, pellet presses and compressors. No further audits were conducted in 2010 as the 2009 audits were deemed to be representative assessments. Further information on Ridley's initiatives can be found in the EEO public report which has been published on Ridley's website.

Emissions trading scheme

Ridley has been actively involved in discussions concerning the implications of a Carbon Pollution Reduction Scheme (CPRS) on the agricultural sector. In 2010, the focus for Ridley was on understanding the implications of emissions on the agricultural sector and potential opportunities and associated threats.

Our focus has also been on understanding how Ridley can assist customers and industry to reduce overall emissions through product innovations. An internal Ridley innovation working group has been established to focus on emission reduction throughout the agricultural industry and ensure that Ridley maintains its role as a leader in innovative animal nutrition solutions.

Ridley is also studying the potential impacts of the scheme on our business, particularly in terms of identifying opportunities to reduce energy usage across our own sites. This will continue to be a key focus for the coming years.

Water

Ridley continues to look for opportunities to reduce water usage. As detailed in last year's annual report, both Australian businesses have implemented water management plans at some of their key mill and refinery sites and identified a number of solutions to reduce water consumption.

Reducing potable water has been the focus for majority of sites. All sites are now closely monitoring their water consumption, many through formal water management plans that have been lodged with local and state authorities. Current initiatives include the collection, treatment and use/reuse of rainwater, storm water run-off and boiler blow down and have the potential to significantly reduce the amount of water used through our boilers.

Waste

Ridley AgriProducts and Cheetham Salt continue to reduce waste at refining and feed mill sites by diverting as much waste as possible into recycling streams. The two businesses do not generate a significant amount of waste, however both demonstrate a real commitment to their recycling program. Ridley continues to be a signatory of the National Packaging Covenant and has submitted a compliant plan for 2010.

Flora and fauna

Salt fields provide important ecosystems for a variety of flora and fauna. A number of the Cheetham Salt sites contain birds or plants of state, national or international significance. Over the coming months, the extent of the biodiversity issues at the sites, and the implications for site management, will be reviewed. Currently the most significant known issues exist at the Dry Creek and Bajool sites.

At the Bajool site there is a population of the Capricorn Yellow Chat, a bird listed as critically endangered under the Commonwealth Environment and Biodiversity Conservation Act 1999 (EPBC Act). Research supported by the site has shown that the local population of these birds is larger than originally thought.

Both the Price and Dry Creek sites are listed as Sites of International Significance for Shorebirds. 208 species of birds have been recorded at Dry Creek with the total recorded faunal biodiversity being 375. There are seven shorebirds listed as having international significance and three others having national significance. From a fauna perspective, 361 plants have been recorded with 54 having conservation interest, including one nationally vulnerable species that is listed under the EPBC Act and two species that are protected at the state level.

Board of Directors



John S Keniry AM
BSc PhD FTSE FRACI FAICD

Independent Chairman,
Age 67

A Director of the Company since 1990 and Chairman since March 1994, John formerly held executive positions with CSR Ltd and Goodman Fielder Ltd. He is presently Chairman of First Opportunity Fund Ltd and a Director of NSW EPA, as well as a number of other corporations and statutory bodies. He is a past President of the Australian Chamber of Commerce and Industry.

Other current listed company directorships

First Opportunity Fund Ltd from 1998; Mikoh Corporation Ltd from 1994; Biosignal Ltd from 2004.

Former listed company directorships in the last three years

Australian Biodiesel Group Ltd from 2005 to 2008.



John M Spark
BComm FCA

Independent
Deputy Chairman,
Age 61

Appointed in January 2008, John is a Director of Newcrest Mining Ltd. John was the Managing Partner of Ferrier Hodgson Melbourne and a global partner of Arthur Andersen Melbourne. He was a Director and Chairman of the Audit Committee of ANL Ltd and Baxter Group Ltd. He has an extensive background in accounting, auditing and financial analysis.

Other current listed company directorships

Newcrest Mining Ltd from 2007.

Former listed company directorships in the last three years

Baxter Group Ltd 2006 to 2007.



John Murray GAICD

Managing Director,
Age 59

John Murray joined Ridley as CEO of Cheetham Salt in December 2005 and was appointed Managing Director and Chief Executive Officer of Ridley Corporation Ltd in May 2008. John was previously Group General Manager – International Operations with Elders Ltd. Prior to that he was Managing Director of the South Australian based grain business AusBulk Ltd until its merger with ABB Grain Ltd in September 2004. John has an extensive background of senior management experience in the food, industrial and agribusiness sectors.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.



Richard J Lee
BEng (Chem) (Hons)
MA (Oxon) FAICD

Independent
Non-Executive
Director, Age 60

A Director since 2001, Rick is Chairman of Salmat Ltd, Chairman of C. Czarnikow Ltd, an Independent Director of CSR Ltd, Newcrest Mining Ltd, and Australian Rugby Union. He is also President of the NSW Council and Chairman of the Australian Institute of Company Directors. He was formerly Chief Executive of NM Rothschild Australia Group and prior to that spent 16 years in the CSR sugar division.

Other current listed company directorships

Salmat Ltd from 2002; CSR Ltd from 2005; Newcrest Mining Ltd from 2007.

Former Listed company directorships in the last three years

None.



Patria M Mann
BEc CA MAICD

Independent
Non-Executive
Director, Age 48

Appointed in March 2008, Patria is currently a Non-Executive Director of First State Superannuation Trustee Corporation, The Doctors' Health Fund Ltd and Perpetual Superannuation Ltd. Formerly a Partner at KPMG, Patria brings strong audit, investigation, risk management and compliance experience to the Board. Patria is a member of the Institute of Chartered Accountants and the Institute of Company Directors.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.



Associate Professor Andrew L Vizard
BVSc(Hons) MPVM

Independent
Non-Executive Director,
Age 52

A Director since 2001, Andrew is a senior consultant and former Director of the Mackinnon Project at the University of Melbourne. Andrew is an experienced Company Director and has served on the board of numerous companies, statutory bodies and scientific organisations. He is currently a board member of Animal Health Australia and a trustee of the Australian Wool Education Trust.

Other current listed company directorships

None.

Former listed company directorships in the last three years

Phosphagenics Ltd from July 1999 to May 2010.



Dr Robert J van Barneveld B.Agr.Sc.

(Hon), PhD, R.An.Nutr., FAICD
Independent
Non-Executive Director,
Age 42

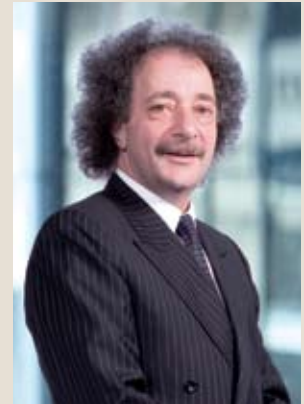
Dr van Barneveld is a registered animal nutritionist, has a Bachelor of Science with a major in Animal Production and a PhD from University of Queensland. Appointed in June 2010, Dr van Barneveld brings to the Board a wealth of experience in the agricultural sector, and currently serves on the Boards of Pork CRC Ltd, Australian Pork Ltd, and Porkscan Pty Ltd, and is also Chairman and President of Autism Queensland Inc.

Other current listed company directorships

None.

Former listed company directorships in the last three years

None.



Dr Gary H Weiss
LLB (Hons) LLM (NZ) JSD

Non-Executive Director,
Age 57

Appointed in June 2010, Dr Weiss is an Executive Director with the Guinness Peat Group, an associated entity of Ridley's largest shareholder, GPG Nominees Pty Ltd. Dr Weiss has LL.B (Hons) and LLM (Dist.) degrees from Victoria University of Wellington, New Zealand and a JSD from Cornell University, New York. Dr Weiss has extensive experience in international capital markets and is a Director of a number of public companies.

Other current listed company directorships

Ariadne Australia Ltd from 1989; Guinness Peat Group (UK) from 1990; Premier Investments Ltd from 1994; Tag Pacific Ltd from 1988.

Former listed company directorships in the last three years

Capral Ltd from 2003 to 2008; Tower Ltd (NZ) from 2003 to 2006; Westfield Holdings Ltd (Group) from 2004 to May 2010; Tower Australia Group Ltd from 2006 to 2008.

Corporate Governance Statement

Ridley Corporation and the Board are committed to achieving the highest standards of corporate governance.

The Australian Securities Exchange Listing rules require companies to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council – the Corporate Governance Principles and Recommendations and accordingly, in accordance with ASX Listing Rule 4.10.3, the Company will disclose when it has not adhered to any of the recommendations. The Company considers that it complies with all Recommendations except for Recommendation 2.4 and Recommendation 8.1. These recommendations suggest that the Remuneration Committee and Nominations Committee have at least three Non-Executive Director members. The Company has a combined Remuneration and Nominations Committee and the Board considers that given the size of the Board it is more appropriate that this Committee ordinarily comprise of two, rather than three, Non-Executive Directors. To transition for the retirement of Dr Keniry at the 2010 AGM, for part of the year the Committee comprised of three members.

Board responsibilities

The Chairman is responsible for leading the Board, ensuring all Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives.

The Board is responsible for the overall governance of the Company, including setting the strategic direction, establishing goals for management and monitoring the achievement of these goals. Directors are accountable to shareholders for the Company's performance.

The management of the business is delegated to the Managing Director and Chief Executive Officer (in this statement, referred to hereafter as Managing Director), as designated by

the Board, which has defined the limits of management responsibility. The Board is responsible for appointing and reviewing the performance of the Managing Director.

The Board has established an Audit Committee, a Remuneration and Nomination Committee and a Scientific and Operational Risk Committee to assist in the execution of its responsibilities. The roles of all Board Committees are documented in Committee charters which are reviewed and approved by the Board of Directors annually. The Board has also established a framework for the management of the Company including a business risk management process and the establishment of appropriate ethical standards and internal controls.

The Board and Committee charters are available on the Company's website at www.ridley.com.au

Composition of the Board

The names, profiles, qualifications and experience of the Directors in office at the date of this statement are set out on pages 26 and 27.

The composition of the Board is determined using the following principles:

- The Board should comprise Directors with a broad range of expertise both nationally and internationally.
- The Board should comprise a minimum of six Directors. This number may be increased where it is felt that additional expertise is required in specific areas.
- The Chairman of the Board will be an independent Non-Executive Director.
- The Board will comprise a majority of independent Non-Executive Directors. Currently, there are two non-independent Directors, the Managing Director and Dr Gary Weiss, who is deemed to be non-independent by virtue of his nomination by an entity holding a voting interest in the Company in excess of 5%.

Remuneration of Directors

Non-Executive Directors' fees are determined by the full Board within the aggregate of \$700,000 approved by the shareholders at the AGM in 2003. Non-Executive Directors are not entitled to participate in the Company's equity participation schemes outlined in the Remuneration Report, including share options or performance rights, nor do they receive incentive payments. In accordance with current corporate governance guidance, the Directors' retirement scheme was terminated at the October 2003 AGM. Directors' accrued entitlements at that date will be paid when they retire.

Details of the remuneration of Directors during the year are set out in the Remuneration Report.

Board meetings

Board and Committee agendas are structured throughout the year to review Company strategy and to give the Board a detailed overview of the performance and significant issues confronting each business unit and to identify major risk elements. The number of meetings held and the attendance details are set out in the Directors' Report (page 41).

Directors receive detailed financial and operational reports from senior management during the year and management is available to discuss the reports and business issues with the Board. The Board also visits and holds some meetings at the Company's principal operating sites.

Independent professional advice

Each Director has the right to seek independent professional advice relating to their duties and obligations as Directors at the Company's expense. However, prior approval of the Chairman is required, which is not unreasonably withheld.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for

ensuring compliance with procedures and applicable statutes and regulations. To enable the Board to function effectively, all Directors have full and timely access to information that is relevant to the proper discharge of their duties. This includes information such as corporate announcements, investor communications and other developments which may affect the Company and its operations. This also includes access to management where required.

The Company Secretary is responsible for development of Director training. All new Directors, where relevant, are appropriately inducted into the Company, which includes briefings on fiduciary and statutory responsibilities as well as orientation in respect of the Company's operations.

Remuneration and Nomination Committee

The role of the Remuneration and Nomination Committee is to review and make recommendations to the Board on remuneration packages and policies applicable to the Managing Director, senior executives and Directors themselves. This role also includes responsibility for the Ridley Corporation Long Term Incentive Plan, Ridley Employee Share Scheme and incentive performance packages.

The Committee is also responsible for evaluating the Board's performance: reviewing the size and composition of the Board, assessing the necessary and desirable competencies of Directors, reviewing Board succession plans, senior management succession plans and candidates to fill vacancies, and make recommendations to the Board for approval.

The full Board is responsible for reviewing the performance of the Chairman.

The Remuneration and Nomination Committee meets at least twice a year and as required.

All members of the Committee must be Independent Non-Executive Directors.

The members of the Remuneration and Nomination Committee during the year were:

- JS Keniry, Independent Chairman;
- RJ Lee, Independent Director; and
- JM Spark, Independent Director, from 27 April 2010.

Details of the Remuneration and Nomination Committee members' experience and technical expertise are set out in the Directors' biographies on pages 26 and 27.

Audit Committee

Board policy states that all members of the Audit Committee must be Independent Non-Executive Directors. The role of the Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company and to review the performance and work of the auditors.

The Committee makes recommendations to the Board on the appointment of the external auditors. The Committee approves the remuneration of KPMG, the Company's external auditor and Deloitte, the Company's internal auditor, and carries out an annual review of their work and performance.

It is good corporate governance to review the external audit appointment on a regular basis. Last year the Company issued a Request for Proposal (RFP) for the provision of external audit services for Ridley Corporation Limited and its controlled entities. The RFP process was transparent and extensive, and the Company invited all major Chartered Accounting firms to submit a proposal. After presentations from each of the invited firms and conclusion of the assessment process, and upon receipt of a Board resolution and shareholder approval at the 2009 Annual General Meeting (AGM), KPMG were appointed as the Company's auditor. It is envisaged that this appointment be similarly reviewed in the future.

Details of the amounts paid for audit and other services are set out in Note 21 of the Financial Report. The Committee meets with the external auditor at least four times a year to discuss matters relevant to its terms of engagement and review any significant disagreements between management and the auditor. In addition, the Committee meets with the auditor without the presence of management.

The Committee reviews the level of non-audit services provided by the external auditor and ensures it does not adversely impact on the auditor's independence. The auditor also provides the Committee with written confirmation of its professional independence. The audit partner or senior representative also attends all AGMs and is available to answer any relevant shareholder questions. The Company requires the audit partner to be changed at least every five years.

The Committee is responsible for the independent whistleblower service that is available to all Australian employees.

The Committee is responsible for the internal audit program of the Company, which is totally independent of the external audit function, though it is designed to complement it. The Committee sets and agrees the internal audit program, receives and reviews all internal audit reports and meets with the internal auditor at least four times a year. It is also good corporate governance to review the internal audit appointment on a regular basis, and following an extensive review by the Audit Committee, Deloitte were appointed as the Company's internal auditors with effect from 1 July 2009.

The Committee also gives the Board additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial statements.

The members of the Audit Committee during the year were:

- PM Mann, Independent Director – Chairman;
- RJ Lee, Independent Director; and
- JM Spark, Independent Director.

Details of the Audit Committee members' experience and technical expertise are set out in the Directors' biographies on pages 26 and 27.

Scientific and Operational Risk Committee

This Committee was formerly known as the Risk Review Committee. The Committee changed its name to the Scientific and Operational Risk Committee (SORC) to acknowledge its science, research and development and opportunities focus, whilst keeping the Committee's essential risk management functions intact. This Committee addresses an important focus for the Company in areas such as the national greenhouse and energy as well as carbon pollution reduction scheme reporting environments which provide an opportunity to explore energy efficiencies.

The SORC was formed to undertake an ongoing, high level and wide ranging review of the major risk factors facing Ridley as a business and to ensure that responsibility for addressing and mitigating the potential impact of such risks was appropriately assigned and actioned. This Committee is comprised of three Directors. This Committee's charter requires that at least two Committee members must be Independent Non-Executive Directors.

The Committee meets quarterly and as required.

The key responsibilities of the SORC are to:

- ensure major business risks are identified and managed appropriately;
- oversee the research, development and innovation activities conducted by Ridley;
- review and recommend for approval the annual risk management plan; and
- enhance the understanding and management of risk in Ridley.

The members of the SORC during the year were:

- AL Vizard, Independent Director – Chairman;
- J Murray, Managing Director;
- JS Keniry, Independent Director; and
- RJ van Barneveld, Independent Director from 21 June 2010.

Details of the SORC members' experience and technical expertise are set out in the Directors' biographies on pages 26 and 27.

Risk management

The Company has in place a number of arrangements intended to identify and manage areas of significant business risk. These include the maintenance of Board Committees, detailed and regular budgetary, financial and management reporting, established organisational structures, procedures, manuals and policies, audits (including internal and external, environmental and safety) comprehensive insurance programs and the retention of specialised staff and external advisors. The Company also has in place detailed policies and review processes covering commodities hedging, interest rate risk management and foreign exchange.

The environment

The Company aims to ensure that the highest standard of environmental care is achieved and has in place various policies and procedures to ensure the Company is aware of and is in compliance with all relevant environmental legislation. More information on this is contained in the Company's 'Safety and Environment Report' on pages 24 and 25.

Directors' indemnity

The Company has entered into a Deed of Indemnity, Insurance and Access with all Directors of Ridley Corporation Limited and with all executives appointed as Directors of controlled entities. The Company also has in place a Directors' and Officers' Liability insurance policy, covering all Directors and officers of the Company.

The liabilities insured against include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and officers while working in such capacity for the Company.

Ethical standards

In pursuance of the promotion of high standards of corporate governance, the Company has adopted various internal standards and policies, which include additional disclosure of interests by Directors and guidelines relating to the dealing in securities by Directors and managers. The Company also has in place a Code of Conduct for Directors and employees. A copy is available on the Ridley website at www.ridley.com.au

The Code of Conduct reflects the standards of behaviour and professionalism required to maintain confidence in the Company's integrity.

The Code of Conduct requires the disclosure of conflicts of interest and, if possible, their elimination. If this is not possible, Directors are required to abstain from participation in and not be present during any discussion or decision making process in relation to the subject matter of the conflict. Each Director is personally responsible for the full and proper disclosure to the Board of all related party transactions.

Securities trading

Directors and officers are only permitted to buy and sell Ridley securities when not in possession of price sensitive information and in the one month commencing two days after:

- the AGM;
- the announcement of the full year results; and
- the announcement of the half year results.

A copy of the securities trading policy is available on the Ridley website at www.ridley.com.au

Hedging of Ridley securities

Directors and senior executives are not permitted to hedge their exposure to Ridley securities.

Margin lending

Directors and senior executives are not permitted to use Ridley securities as collateral in any financial transaction, including margin loan arrangements.

Continuous disclosure and shareholder communication

Ridley makes timely and balanced disclosures of all material matters regarding the Company. All ASX releases are posted on the Company's website at www.ridley.com.au as soon as it has been disclosed to the ASX. Presentation material used in analysts' briefings is contemporaneously released to the ASX and posted on the Company's website.

Continuous disclosure is a standing agenda item for all Board meetings.

Corporate reporting

The Managing Director and the Chief Financial Officer provide the Board with an Integrity of the Financial Accounts Declaration in accordance with the Best Practice Recommendations of Principles 4 and 7 of the ASX Corporate Governance Guidelines as follows:

- that the Company's financial reports are complete and present a true and fair view in all material respects of the financial position and performance of the Company and consolidated entity and are in accordance with relevant accounting standards;
- that the above statement is founded on a sound system of risk management and internal compliance and controls designed to provide reasonable assurance and which, in all material respects, implements the applicable policies adopted by the Board; and
- that the risk management and internal compliance and control systems of the Company relating to financial reporting objectives are operating efficiently and effectively in all material respects.

Compliance with Ridley's financial risk management and internal control systems is tested on an ongoing basis by a formalised internal audit program, overseen by the Audit Committee, and supported by reviews of divisional compliance performed by Corporate Office staff. Divisional management also attest to such compliance.

Equal opportunity employer

The Company aims to provide a work environment in which employees feel that they are a valued member of the organisation, that they are treated fairly and with respect, and are given recognition for their contribution to the Company's success. The Company is committed to ensuring that all employees enjoy equal employment opportunity (EEO), which means that employees are treated fairly and equally when employment decisions are made, that unlawful discrimination does not take place, and that each employee enjoys a harassment free work environment

The Company supports and promotes the principle of equal opportunity for women in the workplace. In accordance with Commonwealth laws, the Company has in place a program which is aimed at identifying and removing barriers to employment and promotion opportunities for women in the workplace.

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Remuneration Report

The Directors of Ridley Corporation Limited (Ridley or the Company) present the Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001 for the Company and the Group, being the Company and its subsidiaries, and the Group's interest in equity accounted investments, for the financial year ended 30 June 2010. This report forms part of the Directors' Report for the year ended 30 June 2010.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (the Committee), consisting of up to three independent Non-Executive Directors, advises the Ridley Board of Directors (the Board) on remuneration policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other senior executives and Non-Executive Directors. The Committee is also responsible for evaluating the Board's performance, reviewing Board size and composition and setting the criteria for membership and candidates to fill vacancies.

Executive remuneration and other terms of employment are reviewed annually by the Committee, having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice.

Remuneration of Directors and executives

Principles used to determine the nature and amount of remuneration

Remuneration packages are set at levels that are intended to attract and retain Directors and executives capable of directing and managing the Group's diverse operations and achieving the Group's strategic objectives.

Executive remuneration is structured to align reward with the achievement of annual objectives, successful business strategy implementation and shareholder returns. The remuneration strategy is to offer a base total employment package that can attract talented people, to provide short term performance incentives to encourage exemplary performance, and to provide long term incentives to foster loyalty and staff retention.

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current year. Since 2004, the Group's profit from ordinary activities after income tax and significant items has fluctuated significantly. The sale of Ridley Inc in the 2009 financial year facilitated the retirement of significant debt and also reduced the Group's exposure to the fluctuations in the US markets. Since 2002, when the current remuneration structure was fully implemented, incentive payments have fluctuated in line with business performance.

Non-Executive Directors

Directors' fees

Directors' fees were last reviewed with effect from 1 November 2003. The Chair of the Audit Committee and Non-Executive Directors who sit on more than one committee receive additional fees.

Non-Executive Directors' fees are determined within an aggregate Non-Executive Directors' fee pool limit, which is periodically recommended to shareholders for approval. The maximum currently stands at \$700,000 as approved at the 2003 Annual General Meeting.

Retirement allowances for Directors

At the 2003 Annual General Meeting, shareholders approved the termination of the retirement allowance scheme. Directors' accrued entitlements at 31 October 2003 were frozen and will be paid when they retire.

Executives

The executive pay and reward framework has three components:

- base pay and benefits;
- short term incentives; and
- long term incentives.

The combination of these comprises the executive's total remuneration.

Base pay and benefits

Executives receive a total employment cost package which may be delivered as a mix of cash and, at the executive's discretion, certain prescribed non-financial benefits, including superannuation.

External consultants provide analysis and advice to ensure base pay and benefits are set to reflect the market rate for a comparable role. An executive's pay may also be reviewed on promotion.

Remuneration Report continued

Ridley Corporation Limited and its controlled entities participate in a number of superannuation funds in Australia. The funds provide benefits either on a defined benefit or defined contribution basis for employees or their dependants on retirement, resignation, total and permanent disability, death and, in some cases, on temporary disablement.

Short term incentives

Executives are eligible for short term incentive (STI) payments based on two components, being the financial performance of the Group and the overall performance of the individual as measured against key performance indicators (KPIs). The STI is payable in cash after the release of the full year financial results.

Each year, appropriate KPIs are set to align the STI plan with the priorities of the Group through a process which includes setting stretch target and minimum performance levels required to trigger payment of an STI.

The Group financial performance component of the STI is assessed against profit targets (and potentially other financial measures) set at the commencement of the financial year. Profit, as measured by earnings before interest and tax, was selected as the most appropriate widespread performance measure for the financial performance component of the STI, as it is considered to be the primary key indicator of success of the Group over the short term.

The personal KPI component of the STI is earned based on an assessment of each executive's performance against their individual KPIs for the year.

For the year ended 30 June 2010, the KPIs were based on Group or individual business unit financial performance and personal objectives. The KPIs required performance in improving safety throughout the Group, reducing operating costs and achieving specific targets in relation to returns on assets as well as other key strategic non-financial measures.

Following the end of the financial year, financial results and each executive's performance against KPIs have been reviewed to determine STI payments for each executive.

Long term incentives

In the year ended 30 June 2010, executives' and employees' long term incentives were provided by way of participation in the Ridley Corporation Long term Incentive Plan, Ridley Employee Share Scheme and one-off retention plans. These long term incentive programs align the interests of executives more closely with those of Ridley shareholders and reward sustained superior performance.

Directors and senior executives are not permitted to enter into any transaction that is designed or intended to hedge their exposure to Ridley securities.

Current long term incentive plans

Ridley Corporation Long Term Incentive Plan (LTIP)

The purpose of the LTIP is to provide long term rewards that are linked to shareholder returns. This plan was introduced in October 2006 and replaced the Ridley Corporation Incentive Option Plan.

Under the LTIP, selected executives and the Managing Director may be offered a number of performance rights (Right). Each Right provides the entitlement to acquire one Ridley share at nil cost.

Rights vest subject to Total Shareholder Return (TSR) performance relative to the companies ranked from 101 to 300 in the ASX/S&P 300 as defined at the date of grant. TSR was selected as the performance measure for the LTIP due to its alignment with the value created for shareholders. Performance is measured over the three-year period from the date of grant. 50% of the Rights vest if Ridley ranks at the 51st percentile, and 100% vest if Ridley ranks at the 75th percentile or above. There is straight line vesting of the balance from 50% to 100% between the 51st percentile and 75th percentile. The TSR of Ridley and the comparator companies is measured at the end of the performance period by an independent third party which submits results to the Remuneration and Nomination Committee for determination of vesting. To the extent that the performance criteria are met, the Rights are automatically exercised to acquire shares. If the performance criteria are not satisfied, the Rights lapse.

If Ridley is subject to a change of control during the vesting period, the Rights may vest to participants at that time, subject to performance testing and the discretion of the Board.

If a participant ceases employment prior to the end of the vesting period due to retirement, redundancy, permanent disability or death, any unvested Rights may vest to participants, subject to performance testing and the discretion of the Board. If a participant ceases employment prior to the end of the vesting period due to resignation, dismissal or any other reason that makes the participant no longer eligible for the plan under the rules of the plan, any unvested Rights will lapse.

The shares to satisfy awards under the plan may be newly issued or purchased on-market.

During the year ended 30 June 2010, 375,000 (2009: 750,000) Rights were issued under the plan.

The following table provides a summary of Ridley TSR performance for each tranche of Rights on issue at year end measured against the median and average percentage rankings amongst competitors and using 30 June 2010 as the hypothetical end date. TSR calculations use a 30 day average period rather than a single day start date for the commencement of each vesting period. The number of comparison companies reflects the loss of companies from the 101 to 300 range of the index, for example due to takeover or de-listing.

Start Date	TSR Ridley	Median TSR Comparison	Average TSR Comparison	Comparison Count	Number of Rights on Issue	Hypothetically Vested at 30 June 2010
31 Oct 2007	19.6%	-51.0%	-43.1%	173	712,000	712,000
07 Apr 2008	20.0%	-37.3%	-25.6%	182	45,000	45,000
5 May 2008	25.6%	-40.6%	-28.9%	182	168,000	168,000
5 Dec 2008	53.0%	30.5%	61.1%	183	375,000	273,438
14 Apr 2009	83.2%	40.6%	54.0%	188	225,000	214,219
5 Dec 2009	10.5%	-14.1%	-15.6%	191	375,000	375,000

Ridley Employee Share Scheme

Under the Ridley Employee Share Scheme (Scheme), shares are offered to all permanent Australian employees with a minimum of 12 months' service, at a discount of up to 50%, financed by an interest-free loan secured against the shares. The maximum discount per employee is limited to \$1,000 annually in accordance with current Australian taxation legislation. Dividends on the Scheme shares are applied against any loan balance until such balance is fully extinguished. The amount of the discount and number of shares allocated is at the discretion of the Directors. The purpose of the Scheme is to align employee and shareholder interests. 615,384 (2009: 978,436) shares were issued under the Scheme during the year. The total market value of the shares issued which were purchased on-market was \$731,000 (2009: \$685,000).

Legacy plans

Ridley Corporation Incentive Option Plan

This plan was replaced by the Ridley Corporation Long term Incentive Plan in October 2006 and all outstanding options issued under the plan were cancelled in the year ended 30 June 2009.

Directors and key management personnel

The following persons were the Directors and executives with the greatest authority for the strategic direction and management of the Group (key management personnel or KMP) during the current financial year and include the five highest paid executives within the Group and the Company:

Name	Position	Appointed/Resigned
Directors		
JS Keniry	Chairman	
JM Spark	Deputy Chairman from 21 June 2010	
RJ Lee	Deputy Chairman until 21 June 2010	
J Murray	Managing Director and Chief Executive Officer – Ridley	
PM Mann	Director	
AL Vizard	Director	
RJ van Barneveld	Director	(Appointed 21 June 2010)
GH Weiss	Director	(Appointed 21 June 2010)
Executives		
AM Boyd	Chief Financial Officer and Company Secretary – Ridley	
PJ Weaver	Chief Executive Officer – Ridley AgriProducts	
AL Speed	Chief Executive Officer – Cheetham Salt	
C Klem	Strategy and Corporate Development – Ridley	
AM Mooney	Group General Manager – Commercial – Ridley	
RN Lyons	General Manager Corporate Development – Ridley AgriProducts	
S Butler	Property Development Manager – Ridley	
WH Fell	General Manager – Sales and Marketing – Ridley AgriProducts	(Resigned 4 March 2010)
GP Watts	General Manager Finance – Ridley	(Resigned 24 August 2009)

Remuneration Report continued

Details of remuneration

Details of the remuneration of each Director of Ridley Corporation Limited, each of the KMP of the Group and the five most highly remunerated senior executives of the Company and the Group during the financial year are set out below. In accordance with the requirements of Section 300A of the Corporations Act 2001 and Regulation 2M.3.03, the remuneration disclosures for financial years 2010 and 2009 only include remuneration relating to the portion of the relevant periods that each individual was considered a KMP.

All values are in A\$ unless otherwise stated.

2010 Name	Short Term Benefits			Post- Employment Benefits	Other	Share- Based Payments	Total \$	% ⁵
	Directors' Fees and Cash Salary \$	STI \$	Other Benefits \$	Super- annuation \$	Termination \$	Performance Rights/ Options \$		
Directors								
JS Keniry – Chairman	160,550	-	-	14,450	-	-	175,000	-
RJ Lee ⁶	106,422	-	-	9,578	-	-	116,000	-
J Murray – Managing Director [^]	585,500	349,525	-	50,000	-	94,067	1,079,092	9%
PM Mann	77,064	-	-	6,936	-	-	84,000	-
JM Spark ⁶	68,545	-	-	6,289	-	-	74,834	-
AL Vizard	67,890	-	-	6,110	-	-	74,000	-
RJ van Barneveld ¹	2,277	-	-	207	-	-	2,484	-
GH Weiss ^{1, 2}	2,027	-	-	-	-	-	2,027	-
Total Directors	1,070,275	349,525	-	93,570	-	94,067	1,607,437	
Executives								
AM Boyd [^]	328,500	142,800	-	25,000	-	26,250	522,550	5%
PJ Weaver	287,879	119,880	7,336	29,118	-	30,579	474,792	6%
AL Speed	300,539	70,125	-	14,461	-	30,579	415,704	7%
CW Klem [^]	229,544	66,300	-	22,955	-	996	319,795	0%
AM Mooney [^]	214,647	59,989	16,701	21,153	-	30,579	343,069	9%
RN Lyons	222,700	66,406	-	50,000	-	30,579	369,685	8%
S Butler [^]	166,789	44,982	-	15,010	-	996	227,777	0%
WH Fell ³	187,007	-	-	18,701	2,967	-	208,675	-
GP Watts ⁴	39,195	-	-	8,333	218,649	-	266,177	-
Total executives	1,976,800	570,482	24,037	204,731	221,616	150,558	3,148,224	
Total	3,047,075	920,007	24,037	298,301	221,616	244,625	4,755,661	

1. Appointed 21 June 2010.

2. Director Fee paid to GPG Services Pty Ltd.

3. Resigned 4 March 2010.

4. Resigned 24 August 2009. Termination payment represents balance not recorded in 2009.

5. Percentage remuneration consisting of performance rights/options

6. Mr Lee was Deputy Chairman up to 21 June 2010 and Mr Spark appointed as Deputy Chairman from 21 June 2010.

[^] Highest paid executives in Ridley Corporation as required by the Corporations Act.

The salary package may be allocated at the executive's discretion to cash, superannuation (subject to legislative limits), motor vehicle and certain other benefits.

During the year ended 30 June 2010, 375,000 (2009: 750,000) Rights were issued of which 300,000 (2009: 600,000) were granted as remuneration to KMP.

2009 Name	Short Term Benefits			Post-Employment Benefits		Other	Share-Based Payments	Performance Rights/Options	Total	% ⁵
	Directors Fees and Cash Salary	STI	Retention Payments	Other Benefits	Super-annuation					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Directors										
JS Keniry – Chairman	143,453	-	-	-	12,964	-	-	156,417	-	
RJ Lee – Deputy Chairman	107,903	-	-	-	9,764	-	-	117,667	-	
J Murray – Managing Director [^]	521,260	310,000	-	-	98,740	-	94,067	1,024,067	9%	
PM Mann	77,037	-	-	-	6,963	-	-	84,000	-	
JM Spark	69,371	-	-	-	6,296	-	-	75,667	-	
I Wilton ¹	160,744	-	57,935	-	75,000	243,510	157,469	694,658	23%	
AL Vizard	67,890	-	-	-	6,110	-	-	74,000	-	
Total Directors	1,147,658	310,000	57,935	-	215,837	243,510	251,536	2,226,476		
Executives										
AM Boyd ^{2 ^}	38,973	-	-	-	7,393	-	6,563	52,929	12%	
WH Fell ³	68,182	-	-	-	6,818	-	-	75,000	-	
RE Frost ⁴	92,902	35,373	-	11,218	14,919	-	-	154,412	-	
MJ Hudspith ⁴	90,005	35,373	-	10,046	2,282	-	-	137,706	-	
CW Klem [^]	195,550	-	-	999	17,600	-	-	214,149	-	
RN Lyons	184,412	74,115	-	999	70,212	-	18,354	348,092	5%	
MS Mitchell ⁴	84,020	35,373	-	11,125	9,686	-	-	140,204	-	
AM Mooney [^]	195,128	56,250	-	999	16,184	-	18,354	286,915	6%	
AL Speed	260,010	60,000	-	-	13,745	-	18,354	352,109	5%	
SJ VanRoekel ⁴	124,363	35,373	-	8,234	3,656	-	-	171,626	-	
GP Watts [^]	181,015	86,976	-	999	100,000	314,745	31,625	715,360	4%	
PJ Weaver	257,172	85,950	-	999	32,228	-	18,354	394,703	5%	
Total executives	1,771,732	504,783	-	45,618	294,723	314,745	111,604	3,043,206		
Total	2,919,391	814,783	57,935	45,618	510,560	558,255	363,140	5,269,682		

1. Resigned as Director 3 November 2008 and ceased employment at 31 March 2009. In light of the historical Canadian legal claims, the Board determined that there was a heightened need for consistency and continuity of senior management. To facilitate his retention, Finance Director Mr Ian Wilton was entitled to receive two payments equal to 50% of base pay. The first payment was made on 1 June 2007 and the second payment was due to be paid on 1 June 2009. However, the Finance Director ceased employment on 31 March 2009, and was paid \$243,510.

2. Commenced employment 14 April 2009.

3. Commenced employment 1 April 2009.

4. Ceased as key management personnel on disposal of Ridley Inc on 5 November 2008.

5. Percentage remuneration consisting of performance rights/options.

[^] Highest paid executives in Ridley Corporation as required by the Corporations Act.

Service agreements

Remuneration and other terms of employment for the Managing Director are formalised in a service agreement which includes provision of performance related bonuses and other benefits, and participation, when eligible, in the Ridley Corporation Long Term Incentive Plan. Other major provisions of the agreement relating to remuneration are set out below.

J Murray, Managing Director, Ridley Corporation Limited:

- term of agreement – three years ending May 2011;
- base remuneration, inclusive of superannuation, of \$653,930 to be reviewed annually by the Remuneration and Nomination Committee, with base salary increasing by the greater of the percentage increase in CPI and the amount agreed as a result of any independent review commissioned at the discretion of the Board;
- payment of termination benefit on early termination by the employer, other than for cause, is capped at \$620,000; and
- performance incentive payments up to 100% of base salary based on the achievement of certain agreed KPIs as approved by the Board.

Other senior executives have individual contracts of employment but with no fixed term of employment.

Remuneration Report continued

Notice periods

The notice period for terminating employment of key management personnel ranges from three months to six months for executives and twelve months for the Managing Director.

For each STI and grant of options and performance rights included in the above tables, the percentage of the available STI or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria, are set out below.

Name	STI Payment	
	Paid %	Forfeited %
J Murray	55.0%	45.0%
AM Boyd	40.0%	10.0%
S Butler	24.5%	5.5%
WH Fell ¹	-	-
RN Lyons	24.1%	5.9%
AL Speed	21.3%	28.7%
AM Mooney	23.5%	6.5%
CW Klem	26.0%	4.0%
GP Watts ²	-	-
PJ Weaver ³	32.4%	7.6%

1. Ceased employment on 4 March 2010.

2. Ceased employment on 24 August 2009.

3. STI component of remuneration package was re-set for the 2010 financial year at 40% following promotion to CEO of Ridley AgriProducts effective from 1 April 2010. The STI component of total employment package increased from 30% to 50% for the 2011 year and thereafter.

Share-based compensation – Rights

The terms and conditions of each grant of Rights during the year to Directors, key management personnel and senior staff in this financial year are as follows:

Grant Date	Expiry/ Exercisable Date	Number	Value Per Right at Grant Date
5 Dec 2009	5 Dec 2012	375,000	\$0.52

Equity instrument disclosures relating to Directors and executives

Performance rights provided as remuneration

Details of Rights over ordinary shares in the Company provided as remuneration to the Managing Director of Ridley Corporation Limited and each of the other key management personnel of the Group are set out below. When exercisable, each performance right is convertible into one ordinary share of Ridley Corporation Limited. Non-Executive Directors do not participate in the LTIP and are therefore ineligible to receive Rights.

Recipients of Performance Rights	Balance at 1 July 2009	Granted ¹	Exercised/ Vested	Lapsed/ Forfeited	Balance at 30 June 2010	Exercise Date	Value Per Share at Date of Exercise
Directors							
J Murray	550,000	-	-	-	550,000	-	-
Key management personnel							
AM Boyd	225,000	-	-	-	225,000	-	-
RN Lyons	150,000	75,000	-	-	225,000	-	-
AM Mooney	150,000	75,000	-	-	225,000	-	-
AL Speed	150,000	75,000	-	-	225,000	-	-
PJ Weaver	150,000	75,000	-	-	225,000	-	-
GP Watts	150,000	-	(75,000)	(75,000)	-	24 Aug 2009	\$1.14
Total issued to Directors and key management personnel	1,525,000	300,000	(75,000)	(75,000)	1,675,000	-	-

1. Performance rights granted on 5 December 2009.

Directors' Report

For the year ended 30 June 2010

The Directors of Ridley Corporation Limited (the Company) present their report for the Group (the Group), being the Company and its subsidiaries, and the Group's interest in equity accounted investments at the end of, or during, the financial year ended 30 June 2010.

1. Directors

The following persons were Directors of Ridley Corporation Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

JS Keniry
 RJ Lee
 PM Mann
 J Murray
 JM Spark
 AL Vizard
 RJ van Barneveld (appointed 21 June 2010)
 GH Weiss (appointed 21 June 2010)

2. Principal activities

The principal continuing activities of the Group during the year were the production and marketing of stockfeed and animal feed supplements and the production of crude salt, salt refining and marketing.

3. Results

	2010	2009
	\$'000	\$'000
Profit from continuing operations before income tax	38,078	16,081
Income tax expense	(8,985)	(3,172)
Operating profit from continuing operations	29,093	12,909
Loss from discontinued operations, net of tax	-	(52,442)
Net profit/(loss) attributable to members of Ridley Corporation Limited	29,093	(39,533)

4. Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities in the annual report.

5. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

6. Likely developments

The Group will continue to endeavour to increase the profitability and market share of its major business sectors during the next financial year. Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

7. Dividends

Dividends paid to members during the financial year were as follows:

	2010	2009
	\$'000	\$'000
Final dividend for the year ended 30 June 2009 of 3.5 cents (2009: 3.5 cents) per share paid on 16 October 2009	10,773	10,471
Interim dividend for the year ended 30 June 2010 of 3.5 cents (2009: 3.5 cents) per share paid on 31 March 2010	10,773	10,604
	21,546	21,075

In addition to the above, Directors have declared a final dividend of 3.75 cents per share (unfranked) totalling \$11,543,140 to be paid on 30 September 2010.

Directors' Report continued

For the year ended 30 June 2010

8. Environmental regulation

The Group is subject to environmental regulation in respect of its manufacturing activities. Management ensures that any registrations, licences or permits required for the Group's operations are obtained and observed.

Ridley has environmental and risk management reporting processes that provide senior management and the Directors with monthly reports on environmental matters, including rectification actions for any issues as discovered. In accordance with its environmental procedures, the Group monitors environmental compliance of all of its operations on an ongoing basis.

The Directors are not aware of any environmental matters likely to have a material financial impact.

Greenhouse gas and energy data reporting requirements

The Group is subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

The Energy Efficiency Opportunities Act 2006 requires the Group to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the Group intends to take as a result.

The National Greenhouse and Energy Reporting Act 2007 requires the Group to report its annual greenhouse gas emissions and energy use in 2011. The Group registered in August 2009 and is further developing systems and processes for the collection and calculation of the data required to fulfil reporting requirements.

9. Directors' and executives' remuneration

Refer to the Remuneration Report.

10. Share options and performance rights

Unissued ordinary shares of Ridley Corporation Limited and controlled entities under options and performance rights at the date of this report are as follows:

	Number	Expiry Date
Ridley Corporation Long Term Incentive Plan (performance rights)	1,900,000	Various
Ridley Employee Share Scheme (options)*	3,257,705	Various

*The share grant and supporting loan together in substance comprise a share option.

No holder has any right under the plans to participate in any other share issue of the Company or of any other entity. The entity will issue shares when the options and performance rights are exercised. Further details are provided in note 24 in the Financial Report and the Remuneration Report.

The names of all persons who currently hold options granted under the option plans are entered in the register kept by the Company, pursuant to section 215 of the Corporations Act 2001. The register is available for inspection at the Company's registered office.

11. Information on Directors

Particulars of shares and options held by Directors in the Company together with a profile of the Directors are set out in the Board of Directors section in the annual report and note 23 in the Financial Report.

12. Meetings of Directors

The number of Directors' meetings and meetings of committees of Directors held during the financial year and the number of meetings attended by each Director are shown following.

	Board		Audit Committee		Remuneration and Nomination Committee		Scientific and Operational Risk Committee	
	H	A	H	A	H	A	H	A
Directors								
JS Keniry	13	13	-	-	7	7	4	4
RJ Lee	13	13	4	4	7	7	-	-
PM Mann	13	13	4	4	-	-	-	-
J Murray	13	13	-	-	-	-	4	3
JM Spark	13	13	4	4	2 ¹	2	-	-
AL Vizard	13	13	-	-	-	-	4	4
RJ van Barneveld	1	1	-	-	-	-	1	1
GH Weiss	1	1	-	-	-	-	-	-

H Number of meetings held during period of office.

A Number of meetings attended.

1. Appointed to Remuneration and Nomination Committee on 27 April 2010.

13. Company Secretary

The Company Secretary during the year was Mr Alan Boyd who was appointed on 27 July 2009. Mr Boyd is the Group's Chief Financial Officer and is a Fellow of the Chartered Institute of Company Secretaries and a member of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants in Australia.

14. Post balance date events

No matters or circumstances have arisen since 30 June 2010 that have significantly affected, or may significantly affect:

- (i) the Group's operations in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the Group's state of affairs in future financial years.

15. Insurance

Regulation 113 of the Company's Constitution indemnifies officers to the extent now permitted by law.

A Deed of Indemnity (Deed) was approved by shareholders at the 1998 Annual General Meeting. Subsequent to this approval, the Company has entered into the Deed, updated to reflect changes in the Corporations Act, with all the Directors and secretary of the Company and the Directors of all the subsidiaries.

The Deed requires the Company to maintain insurance to cover the Directors in relation to liabilities incurred while acting as a Director of the Company or a subsidiary and to costs involved in defending proceedings.

During the year the Company paid a premium in respect of such insurance covering the Directors and secretaries of the Company and its Australian-based controlled entities, and the general managers of each division of the Group.

16. Non-audit services

The Company may decide to employ the auditor (KPMG) on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board has considered the non-audit services and, in accordance with the advice received from the Audit Committee, is satisfied that the provision is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 43.

Directors' Report continued

For the year ended 30 June 2010

16. Non-audit services continued

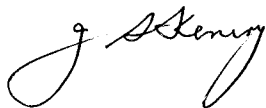
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	\$
Tax advice	12,710
Other services	22,000
Total	34,710


17. Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission relating to the 'rounding off' of amounts in the Directors' report and financial statements. Amounts in the Directors' report and the consolidated financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order or in certain cases to the nearest dollar.

Signed in Melbourne 24 August 2010 in accordance with a resolution of the Directors.



JS Keniry
Director



PM Mann
Director

Auditor's Independence Declaration



Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To: the Directors of Ridley Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit;
and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten version of the KPMG logo, with the letters 'KPMG' in a stylized, cursive script.

KPMG

A handwritten signature in black ink, which appears to read 'Paul J McDonald'.

Paul J McDonald
Partner

Melbourne
24 August 2010

Consolidated Income Statement

For the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Revenue from continuing operations	2	727,968	818,362
Cost of sales		(649,194)	(741,333)
Gross profit		78,774	77,029
Finance income		158	939
Other income	3	1,102	1,515
Expenses from continuing operations			
Selling and distribution		(12,777)	(16,031)
General and administrative		(28,116)	(31,952)
Finance costs	4	(8,314)	(13,367)
Impairment of assets and restructure costs	5	-	(9,113)
Share of net profits from equity accounted investments	34	7,251	7,061
Profit from continuing operations before income tax expense		38,078	16,081
Income tax expense	7	(8,985)	(3,172)
Profit from continuing operations after income tax expense		29,093	12,909
Loss, net of income tax, from discontinued operations	6	-	(52,442)
Net profit/(loss) after tax attributable to members of Ridley Corporation Limited		29,093	(39,533)
Earnings per share			
Basic earnings per share	30	9.5¢	(13.0¢)
Diluted earnings per share	30	9.5¢	(13.0¢)
Continuing operations			
Earnings per share	30	9.5¢	4.3¢
Diluted earnings per share	30	9.5¢	4.3¢

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Net profit/(loss) after tax attributable to members of Ridley Corporation Limited		29,093	(39,533)
Other comprehensive income			
Loss on revaluation/impairment of land and buildings	17	-	(25,172)
Income tax		-	7,552
Actuarial gain/(loss) on defined benefit superannuation	25	(140)	(1,147)
Income tax		42	344
Changes in the fair value of cash flow hedges	17	2,026	(4,339)
Income tax		(608)	1,291
Exchange differences on translation of foreign operations	17	(57)	57,344
Other comprehensive income for the year, net of tax		1,263	35,873
Total comprehensive income for the year		30,356	(3,660)
Total comprehensive income for the year is attributable to:			
Ridley Corporation Limited		30,356	(21,226)
Non-controlling interest		-	17,566
		30,356	(3,660)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 June 2010

	Note	2010 \$'000	2009 \$'000
Current assets			
Cash and cash equivalents		7,006	280
Receivables	9	82,031	92,273
Inventories	10	90,549	79,218
Tax receivable	13	-	1,830
Total current assets		179,586	173,601
Non-current assets			
Investments accounted for using the equity method	34	50,324	46,334
Property, plant and equipment	11	225,179	224,792
Intangible assets	12	29,211	23,894
Total non-current assets		304,714	295,020
Total assets		484,300	468,621
Current liabilities			
Payables	14	96,166	97,137
Borrowings	29	2,064	1,969
Tax liabilities	13	7,329	7,216
Provisions	15	10,558	11,523
Derivative financial instruments	18	1,236	3,262
Total current liabilities		117,353	121,107
Non-current liabilities			
Borrowings	29	76,924	67,445
Deferred tax liabilities	13	3,868	2,309
Provisions	15	907	1,487
Retirement benefit obligations	25	91	62
Total non-current liabilities		81,790	71,303
Total liabilities		199,143	192,410
Net assets		285,157	276,211
Equity			
Share capital	16	237,531	237,531
Reserves	17	35,937	33,160
Retained profits	17	11,689	5,520
Total equity		285,157	276,211

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2010

	Share Capital	Revaluation Reserve	Share Based Payment Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
	Note 16 \$'000	Note 17 \$'000	Note 17 \$'000	Note 17 \$'000	Note 17 \$'000	Note 17 \$'000	\$'000
Balance at 1 July 2009	237,531	35,983	(386)	(2,283)	(154)	5,520	276,211
Profit for the year	-	-	-	-	-	29,093	29,093
Other comprehensive income							
Actuarial gain/(loss) on defined benefit superannuation, net of tax	-	-	-	-	-	(98)	(98)
Transfer within equity	-	1,280	-	-	-	(1,280)	-
Changes in the fair value of cash flow hedges, net of tax	-	-	-	1,418	-	-	1,418
Exchange differences on translation of foreign operations	-	-	-	-	(57)	-	(57)
Total other comprehensive income for the year	-	1,280	-	1,418	(57)	(1,378)	1,263
Total comprehensive income for the year	-	1,280	-	1,418	(57)	27,715	30,356
Transactions with owners recorded directly in equity							
Dividends paid	-	-	-	-	-	(21,546)	(21,546)
Share based payment transactions	-	-	136	-	-	-	136
Balance at 30 June 2010	237,531	37,263	(250)	(865)	(211)	11,689	285,157

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2009

	Share Capital	Revaluation Reserve	Share Based Payment Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Capital Reserve	Retained Earnings	Total
	Note 16 \$'000	Note 17 \$'000	Note 17 \$'000	Note 17 \$'000	Note 17 \$'000	Note 17 \$'000	Note 17 \$'000	\$'000
Balance at 1 July 2008	230,358	54,405	(1,031)	765	(30,531)	28,487	37,642	320,095
Loss for the year	-	-	-	-	-	-	(39,533)	(39,533)
Other comprehensive income								
Loss on revaluation/impairment of land and buildings, net of tax	-	(17,620)	-	-	-	-	-	(17,620)
Actuarial gain/(loss) on defined benefit superannuation, net of tax	-	-	-	-	-	-	(803)	(803)
Changes in the fair value of cash flow hedges, net of tax	-	-	-	(3,048)	-	-	-	(3,048)
Exchange differences on translation of foreign operations	-	-	-	-	57,344	-	-	57,344
Total other comprehensive income for the year	-	(17,620)	-	(3,048)	57,344	-	(803)	35,873
Total comprehensive income for the year	-	(17,620)	-	(3,048)	57,344	-	(40,336)	(3,660)
Transactions with owners recorded directly in equity								
Dividends paid	-	-	-	-	-	-	(21,075)	(21,075)
Dividend Reinvestment Plan	7,173	-	-	-	-	-	-	7,173
Share based payment transactions	-	-	645	-	-	-	-	645
Disposal of subsidiary	-	(802)	-	-	(26,967)	(28,487)	29,289	(26,967)
Balance at 30 June 2009	237,531	35,983	(386)	(2,283)	(154)	-	5,520	276,211

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Cash flows from operating activities			
Receipts from customers		803,445	921,629
Payments to suppliers and employees		(754,941)	(864,433)
Dividends received		5,421	7,598
Interest received		158	939
Other revenue received		817	874
Interest and other costs of finance paid		(8,722)	(14,135)
Income taxes (paid)/refunded		(6,752)	494
Net cash inflow/(outflow) from operating activities	27	39,426	52,966
Cash flows from investing activities			
Net proceeds from sale of controlled entities	6	-	91,602
Payments for property, plant and equipment		(17,172)	(14,218)
Payments for intangibles		(4,950)	(5,094)
Proceeds from sale of non-current assets		3,010	2,916
Acquisition of investment in associate		(1,274)	-
Net cash inflow/(outflow) from investing activities		(20,386)	75,206
Cash flows from financing activities			
Shares based payment transactions		(821)	(685)
Proceeds from borrowings		9,861	164,000
Repayment of borrowings		-	(279,300)
Dividends paid		(21,354)	(13,743)
Net cash inflow/(outflow) from financing activities		(12,314)	(129,728)
Net increase/(decrease) in cash held		6,726	(1,556)
Cash at the beginning of the financial year		280	1,836
Cash at the end of the financial year		7,006	280
Non-cash financing and investing activities	28		

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1. Summary of significant accounting policies

Ridley Corporation Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements as at and for the year ended 30 June 2010 comprise Ridley Corporation Limited, the 'parent entity', its subsidiaries and the Group's interest in equity accounted investments. Ridley Corporation Limited and its subsidiaries together are referred to in this Financial Report as 'the Group'.

The Financial Report was authorised for issue by the Directors on 24 August 2010.

The principal accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Certain comparative amounts have been reclassified to conform with the current year's presentation.

Basis of preparation

Statement of compliance

These consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) (including Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) and Interpretations adopted by the International Accounting Standards Board (IASB).

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet:

- derivative instruments at fair value through profit or loss; and
- land and buildings and salt fields, which are measured at fair value.

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the consolidated financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimated impairment of goodwill and other non-current assets

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy for intangible assets. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). The recoverable amounts of cash generating units have been determined by value in use calculations.

(ii) Defined benefit superannuation

The Group has obligations for defined benefit superannuation. The value of the obligations is based on independent actuarial valuations.

(iii) Land and buildings and salt field valuations

Land and buildings are measured at fair value which is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers.

Salt fields are valued on a value in use basis by external independent valuers. The salt field valuations require the use of key assumptions, being the future cash flows, discount rates and growth rates.

Basis of consolidation

Business combinations (change in accounting policy)

The Group has adopted revised AASB 3 *Business Combinations* (2008) and amended AASB 127 *Consolidated and Separate Financial Statements* (2008) for business combinations occurring in the financial year started 1 July 2009. All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. The change in accounting policy is applied prospectively and had no impact in the current or previous financial year.

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Measuring goodwill

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Transaction costs that the Group incurs in connection with a business combination, such as legal, due diligence and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are all those entities, including special purpose entities, over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries is shown separately in the consolidated income statements and balance sheet respectively.

Associates and joint venture entities

Associates and joint venture entities are those entities over which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed when the Group holds between 20% and 50% of the voting rights. Investments in associates and joint venture entities are in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates and joint venture entities includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' and joint venture entities' post acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable reduce the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates and joint venture entities are eliminated to the extent of the Group's interests in the associates and joint venture entities. Accounting policies of associates and joint venture entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint venture operations

A joint venture operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. The proportionate interests in the assets, liabilities, income and expenses of the joint operation have been incorporated within the financial statements under the appropriate headings.

Note 1. Summary of significant accounting policies continued

Notes to the Financial Statements continued

Segmental reporting

As of 1 July 2009, the Group determines and presents operating segments based on information that internally is provided to the CEO, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with AASB 114 *Segment Reporting*. The adoption of AASB 8 has not resulted in any changes in disclosure of segment information in the current or previous financial year.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. Since 1 July 2004, the Group's date of transition to AASBs, such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the income statement as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

Property, plant and equipment

Land and buildings and salt fields are measured at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. All other property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings and salt fields are credited, net of tax, to the revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land and salt fields are not depreciated. Depreciation of other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings – 13 to 40 years
- Plant and equipment – 2 to 30 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets and financial assets. A disposal group as a whole is measured at the lower of its carrying amount and its fair value less cost to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Current assets, deferred tax assets and liabilities, employee benefits and financial instruments within a disposal group are measured in accordance with the relevant accounting standards.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to the Financial Statements continued

Note 1. Summary of significant accounting policies continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation

Ridley Corporation Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2003.

On adoption of tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Ridley Corporation Limited. The agreement provides for the allocation of income tax liabilities between the entities should Ridley Corporation Limited default on its payment obligations. At balance date the possibility of default is considered to be remote.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Ridley Corporation Limited for any current tax payable assumed and are compensated by Ridley Corporation Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Ridley Corporation Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. Amounts payable and receivable between Ridley Corporation Limited and the wholly-owned entities are settled through the intercompany accounts.

Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

Derivative financial instruments, including hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement unless the derivative is designated as a hedging instrument, in an effective cash flow hedge, where the gain or loss is deferred within equity until the underlying hedged item affects the income statement.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedges

The Group enters into interest rate swaps to mitigate the risk associated with changes in the value of future cash flows in relation to variable rate debt due to fluctuations in the interest rate. The effective portion of changes in the fair value of the interest rate swaps that are designated and qualify as cash flow hedges are recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expenses.

Amounts accumulated in equity are recycled in the income statement within finance costs in the periods when the hedged item will affect the income statement.

When a hedging instrument expires or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the income statement.

Certain derivative instruments, including foreign exchange contracts and interest rate swaps, may not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement within other income or other expenses.

Finance costs

Finance costs include interest, unwinding of the effect of discounting on provisions, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings, including lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets, being assets which normally take more than 12 months from commencement of activities necessary to prepare for their intended use or sale to the time when substantially all such activities are complete. Where funds are borrowed specifically for the production of a qualifying asset, the interest on those funds is capitalised, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average interest rate.

Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates, accounted for using the equity method. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Note 1. Summary of significant accounting policies continued

(ii) Trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impaired losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks and licences over their estimated useful lives, being up to 15 years.

(iii) Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impaired losses. The cost of system development including purchased software is capitalised and amortised over the estimated useful life, being three to eight years. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Employee benefits

(i) Defined benefit superannuation funds

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. A liability or asset in respect of defined benefit superannuation funds is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the fund's or plan's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the funds or plans to the reporting date, calculated by independent actuaries. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to retained earnings via the statement of other comprehensive income.

Past service costs are recognised immediately in profit or loss, unless the changes are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period. Future taxes, such as taxes on investment income and employer contributions, are taken into account in the actuarial assumptions used to determine the relevant components of the employer's defined benefit liability or asset.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(iii) Share based payments

Share based compensation benefits are provided to employees via incentive plans described in note 24.

Ridley Corporation Long Term Incentive Plan

The fair value of performance rights granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the vesting period during which the employees become unconditionally entitled to the performance rights.

The fair value at grant date is independently determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non tradeable nature of the

performance rights, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the performance rights.

Ridley Employee Share Scheme

Shares issued to employees under the Ridley Employee Share Scheme vest immediately on grant date. Employees can elect to receive an interest free loan to fund the purchase of the shares. The shares issued are accounted for as 'in-substance' options which vest immediately. The fair value of these 'in-substance' options is recognised as an employee benefit expense with a corresponding increase in equity. The fair value at grant date is independently determined using a binomial option pricing model.

(iv) Wages and salaries, bonuses, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, bonuses, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date, are recognised in accruals and provisions for employee entitlements in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(v) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (iv) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(vi) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in both employee benefit liabilities and costs.

Research and development expenditure

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated depreciation and accumulated impairment losses as part of property, plant and equipment.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are determined on the first in, first out and weighted average cost methods. Costs included in inventories consist of materials, labour and manufacturing overheads which are related to the purchase and production of inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Revenue recognition

Revenue from the sale of goods in the course of ordinary business is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid. Sales revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer.

The Group recognises revenue when pervasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Interest income is recognised using the effective interest rate method.

Dividend income is recognised as revenue when the right to receive payment is established.

Notes to the Financial Statements continued

Note 1. Summary of significant accounting policies continued

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An impairment allowance for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables and where suitable insurance arrangements or collateral do not cover any uncollected amounts.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate, and is recognised in the income statement.

The amount of the impairment loss is recognised in the income statement. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the income statement.

Leased assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits to ownership of leased non-current assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the lower of the fair value of the leased property and the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and finance costs. The lease asset is amortised over the shorter of the term of the lease and the life of the asset.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current receivable or payable in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions in determining fair values is disclosed in the notes specific to that asset or liability.

Land and buildings and salt fields

An external, independent valuation company, having appropriate recognised professional qualifications, values the Group's land and buildings and salt fields at least every three years. The fair values are based on fair market value based on existing use.

Salt fields fair value is the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and seller acting at arm's length.

Derivative financial instruments

The fair value of forward exchange contracts is estimated using listed market prices if available. If a listed market price is not available then the fair value is estimated by discounting the contractual cash flows at their forward price and deducting the current spot rate.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated cash flows based on the terms and maturity of each contract and using market interest rates for similar instruments at the measurement date.

Non-derivative financial assets and liabilities

The net fair value of cash and non interest bearing monetary financial assets and liabilities of the Group approximates their carrying amounts.

Presentation of financial statements

The Group applies revised AASB 101 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

New accounting standards and interpretations

The following standards, amendments and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this Financial Report.

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess its full impact.

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards

In December 2009, the Australian Accounting Standards Board (AASB) issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Group will need to disclose any transactions between its subsidiaries and its associates. The amendments are not expected to have a significant impact on the financial statements.

AASB 2009-5 Further improvements to Australian Accounting Standards arising from the Annual Improvements Project, AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project and AASB 2010-4 Further amendments to Australian Accounting Standards Arising from the Annual Improvements Project

Affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, become mandatory in future reporting periods and are not expected to have a significant impact on the financial statements.

Notes to the Financial Statements continued

Note 1. Summary of significant accounting policies continued

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-Settled Share based Payment Transactions [AASB 2]

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services regardless of which entity in the Group settles the transaction or whether the transaction is settled in shares or cash. They also clarify how the Group share-based payment arrangement should be measured, that is, whether it is measured as an equity-settled or a cash-settled transaction. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement

The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The Group does not make any such prepayments. The amendment is therefore not expected to have any impact on the financial statements. The Group intends to apply the amendment from 1 July 2011.

IFRIC 19 Extinguishing financial liabilities with equity instruments

Clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The Group will apply the interpretation from 1 July 2010. It is not expected to have any impact on the financial statements since it is only retrospectively applied from the beginning of the earliest period presented (1 July 2009) and the Group has not entered into any debt for equity swaps since that date.

	2010	2009
	\$'000	\$'000
Note 2. Revenue		
Revenue from continuing operations		
Sale of goods	727,968	818,362

Note 3. Other income

Other income from continuing operations		
Profit on sale of property, plant and equipment	-	88
Foreign exchange gains – net	104	553
Rent received	91	136
Other	907	738
	1,102	1,515

Note 4. Expenses

Profit from continuing operations before income tax is arrived at after charging the following items:

Depreciation and amortisation		
Buildings	849	1,052
Plant and equipment	10,366	9,671
Software	1,036	362
	12,251	11,085
Finance costs		
Interest expense	8,599	13,037
Amortisation of borrowing costs	219	330
Capitalisation of borrowing costs	(504)	-
	8,314	13,367
Bad and doubtful debt expense – net	354	1,559
Employee benefits expense	63,343	76,624
Operating lease expense	4,887	3,771
Loss on disposal of property, plant and equipment	215	69

	2010 \$'000	2009 \$'000
Note 5. Items of material income and expense		
Continuing operations		
Impairment of assets and restructure (pre-tax):		
Corporate restructuring costs	-	1,185
Impairment of assets – Supplements business	-	7,789
	-	8,974
Takeover defence costs (pre-tax)	-	139
Tax losses written off (included in tax expense)	-	696

Note 6. Discontinued operation

(a) Description of prior year discontinued operation

There were no significant discontinued operations in the current financial year. In the prior financial year, Ridley Inc was reported as a discontinued operation. Ridley announced its intention to sell its interest in its 69% owned Canadian subsidiary Ridley Inc on 7 May 2008 and initiated an active program to identify a buyer. Ridley Inc was sold on 5 November 2008.

(b) Income statement and cash flow for discontinued operation

The financial performance and cash flow information presented are for the period 1 July 2008 to 5 November 2008.

	2009 \$'000
Results of discontinued operation	
Sales revenue	267,740
Cost of sales	229,834
Gross profit	37,906
Other revenues from discontinued operations	282
Other income	170
Expenses	
Selling and distribution	(12,459)
General and administrative	(12,445)
Finance costs	(1,702)
Other	(1,431)
Profit from discontinued operation before income tax expense	10,321
Income tax expense	(3,987)
Profit from discontinued operation after income tax expense	6,334
Non-controlling interest of discontinued operation	(2,131)
Loss on sale after income tax (refer (e))	(66,047)
Foreign currency translation reserve taken to income statement	9,402
Loss from discontinued operation after tax	(52,442)
(c) Cash flows from discontinued operation	
Net cash (outflow)/inflow from ordinary activities	(33,698)
Net cash inflow/(outflow) from investing activities*	95,693
Net cash inflow/(outflow) from financing activities	26,866
Net cash inflow	88,861

*Includes cash consideration received of \$91,602,000.

Notes to the Financial Statements continued

2009
\$'000

Note 6. Discontinued operation continued

(d) Effect of disposal on the financial position of the Group

The carrying amounts of assets and liabilities as at the date of sale (5 November 2008) were:

Assets

Cash and cash equivalents	-
Receivables	67,146
Inventories	102,160
Property, plant and equipment	158,960
Intangible assets	54,207
Other assets	479
	382,952

Liabilities

Payables	58,495
Derivative financial instruments	179
Borrowings	63,077
Provisions	1,360
Deferred tax liabilities	28,407
Retirement benefit obligations	13,009
	164,527

Net assets

	218,425
Non-controlling interest	(68,700)

Carrying amount of net assets sold

	149,725
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(e) Net cash consideration received	91,602
Less carrying amount of net assets sold	(149,725)
Loss on sale before income tax	(58,123)
Income tax expense	(7,924)
Loss on sale after income tax	(66,047)

2010 2009
\$'000 \$'000

Note 7. Income tax expense

(a) Income tax expense

Current tax	7,908	13,297
Deferred tax	993	1,493
Under/(over) provided in prior years	84	293
Aggregate income tax expense	8,985	15,083

Income tax expense is attributable to:

Profit from continuing operations	8,985	3,172
Profit from discontinued operations	-	11,911
	8,985	15,083

Deferred income tax expense included in income tax expense comprises:

Decrease/(increase) in deferred tax assets (note 13)	620	539
Increase/(decrease) in deferred tax liabilities (note 13)	373	954
	993	1,493

	2010 \$'000	2009 \$'000
(b) Reconciliation of income tax expense and pre-tax accounting profit		
Profit from continuing operations before income tax expense	38,078	16,081
Loss from discontinuing operations before income tax expense	-	(38,400)
Profit/(loss) before income tax expense	38,078	(22,319)
Income tax using the Group's tax rate of 30%	11,423	(6,696)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share of net profit of equity accounted investments	(2,176)	(2,118)
Share based payments	88	125
Non-deductible expenses	101	79
Under/(over) provision in prior year	84	293
Tax losses written off	-	735
Disposal of subsidiary	-	23,431
Research and development allowance	(150)	(300)
Other	(385)	(466)
Income tax expense	8,985	15,083
(c) Income tax recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or (credited) to equity	566	(9,187)

Note 8. Dividends

Dividends paid during the year

Final dividend paid on 16 October 2009 (2009: 14 October 2008)		
Unfranked – 3.5 cents (2009: 3.5 cents unfranked) per share	10,773	10,471
Interim dividend paid on 31 March 2010 (2009: 31 March 2009)		
Unfranked – 3.5 cents (2009: 3.5 cents unfranked) per share	10,773	10,604
Total dividends	21,546	21,075
Paid in cash		
Satisfied by issue of shares under the Dividend Reinvestment Plan	-	7,173
Non-cash dividends paid on employee in-substance options	192	159
	21,546	21,075

Dividends not recognised at year end

In addition to the above dividends, since year end the Directors have approved payment of a final dividend of 3.75 cents, unfranked (2009: 3.5 cents unfranked) per fully paid share payable on 30 September 2010 (2009: 16 October 2009). The aggregate amount of the proposed dividend expected to be paid out of retained profits at 30 June 2010, but not recognised as a liability at year end:		
	11,543	10,774

The estimated amount that could be distributed as dividends and be franked at 30% out of existing franking credits and out of franking credits arising from the payment of income tax provided for in the financial statements and from dividends receivable after deducting franking credits applicable to proposed dividends at balance date:

Nil	Nil
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Notes to the Financial Statements continued

	2010 \$'000	2009 \$'000
Note 9. Receivables		
Current		
Trade debtors	78,332	89,486
Less: Allowance for doubtful debts ^(a)	(601)	(1,165)
	77,731	88,321
Prepayments	3,795	2,061
Other debtors	505	1,891
	82,031	92,273

(a) Movements in the allowance for doubtful debts are as follows:

At 1 July	1,165	1,160
Provision for impairment recognised during the year	-	1,559
Receivables written off during the year	(354)	(1,554)
Reversal of provision to profit and loss	(210)	-
At 30 June	601	1,165

The allowance for doubtful debts is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. In determining the recoverability of the receivables, the Group considers any material changes in the credit quality of the receivable on an ongoing basis. Debts that are known to be uncollectible are written off. The allowance for doubtful debts and the receivables written off are included in 'general and administrative' expense in the income statement and a doubtful debts allowance is created to the extent the uncollected receivables are not covered by collateral and/or credit insurance.

As at 30 June 2010, the nominal value of trade receivables impaired is \$2,746,000 (2009: \$2,157,000). There is adequate provision against these receivables to the extent they are not covered by collateral and/or credit insurance.

Based on historic default rates, the Group believes that, apart from those trade receivables impaired, no further impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days, as receivables relate to customers that have a good payment record with the Group.

(b) As at 30 June 2010, trade receivables of \$7,727,000 (2009: \$16,645,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2010 \$'000	2009 \$'000
Past due by 0-30 days	3,944	13,009
Past due by 30-60 days	435	2,172
Past due by 60-90 days	1,643	686
Past due by 90 days +	1,705	778
	7,727	16,645

Note 10. Inventories

Current

Raw materials and stores		
- at cost	51,563	42,517
Work in progress		
- at cost	14,792	11,575
- at net realisable value	1,836	3,860
Finished goods		
- at cost	22,358	21,256
- at net realisable value	-	10
	90,549	79,218

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2010 amounted to \$nil (2009: \$341,000). The expense has been included in 'cost of sales' in the income statement.

	2010 \$'000	2009 \$'000
Note 11. Property, plant and equipment		
Non-current		
Land and buildings		
At fair value	52,342	56,320
Less: Accumulated depreciation	(883)	(2,021)
Total land and buildings	51,459	54,299
Salt fields		
Total salt fields at fair value	98,936	98,765
Plant and equipment		
At cost	171,442	155,602
Under construction	9,189	14,366
Total cost	180,631	169,968
Less: Accumulated depreciation	(105,847)	(98,240)
Total plant and equipment	74,784	71,728
Total property, plant and equipment	225,179	224,792

Basis of valuation

The basis of valuation of land and buildings and salt fields is fair market value based on existing use. The valuations made by the Directors are based on the last independent valuation at 30 June 2009 carried out by qualified valuers in Australia. The cost value of land and buildings was \$22.5 million and salt fields was \$72.9 million, all of which are held at fair value.

Current year additions made to land and buildings and salt fields are at cost, which is deemed an appropriate measure of fair value.

Impairment loss

There is no impairment loss in the current financial year. During the year ended 30 June 2009, the Group recorded an impairment loss related to the Ridley AgriProducts' Supplements business. Given the ongoing losses being made by the Ridley AgriProducts' Supplements business, the fixed assets were written down to the market value of the land and buildings. An impairment write down of \$7.8 million before tax (\$5.7 million net of tax) was recognised in the income statement, which included a write down of goodwill of \$0.9 million (refer note 12) and \$0.4 million was reversed against a previous revaluation in the asset revaluation reserve relating to the relevant assets. The market value of the assets was determined by an independent valuer as their fair values less cost to sell, based on an active market.

Capitalisation of borrowing costs

As a result of the change in accounting policy with respect to the treatment of borrowing costs, at 30 June 2010 capitalised borrowing costs related to the construction of property, plant and equipment amounted to \$243,000 and the development of software in intangible assets amounted to \$261,000, with a capitalisation rate of 7%.

Notes to the Financial Statements continued

Note 11. Property, plant and equipment continued

	Land and Buildings \$'000	Plant and Equipment \$'000	Salt Fields \$'000	Total \$'000
Year ended 30 June 2009				
At 1 July 2008				
Cost or fair value	67,145	180,995	112,509	360,649
Accumulated depreciation	(3,862)	(100,062)	-	(103,924)
Carrying amount at 1 July 2008	63,283	80,933	112,509	256,725
Additions	3,416	8,775	2,027	14,218
Disposals	(1,171)	(2,337)	-	(3,508)
Revaluation	(1,959)	-	(22,766)	(24,725)
Impairment loss*	(1,428)	(5,856)	-	(7,284)
Foreign currency exchange differences	-	89	-	89
Transfers	(6,790)	(205)	6,995	-
Depreciation	(1,052)	(9,671)	-	(10,723)
Carrying amount at 30 June 2009	54,299	71,728	98,765	224,792
* An impairment charge of \$447,000 was charged directly to the revaluation reserve.				
Year ended 30 June 2010				
Cost or fair value	56,320	169,968	98,765	325,053
Accumulated depreciation	(2,021)	(98,240)	-	(100,261)
Carrying amount at 1 July 2009	54,299	71,728	98,765	224,792
Additions	-	17,001	171	17,172
Disposals	(2,642)	(583)	-	(3,225)
Transfer to intangibles	-	(1,417)	-	(1,417)
Transfer to investments in associates	-	(868)	-	(868)
Foreign currency exchange differences	-	(60)	-	(60)
Transfers	651	(651)	-	-
Depreciation	(849)	(10,366)	-	(11,215)
Carrying amount at 30 June 2010	51,459	74,784	98,936	225,179
At 30 June 2010				
Cost or fair value	52,342	180,631	98,936	331,909
Accumulated depreciation	(883)	(105,847)	-	(106,730)
Carrying amount at 30 June 2010	51,459	74,784	98,936	225,179

Note 12. Intangible assets

	Software \$'000	Goodwill \$'000	Patents, Trademarks and Other Rights \$'000	Total \$'000
Year ended 30 June 2009				
Carrying amount at 1 July 2008	4,198	15,915	2	20,115
Additions	5,094	-	-	5,094
Impairment loss (note 11)	-	(953)	-	(953)
Amortisation charge	(360)	-	(2)	(362)
Closing balance at 30 June 2009	8,932	14,962	-	23,894
At 30 June 2009				
Cost	12,230	15,915	-	28,145
Accumulated amortisation/(impairment losses)	(3,298)	(953)	-	(4,251)
Carrying amount at 30 June 2009	8,932	14,962	-	23,894

	Software \$'000	Goodwill \$'000	Patents, Trademarks and Other Rights \$'000	Total \$'000
Year ended 30 June 2010				
Carrying amount at 1 July 2009	8,932	14,962	-	23,894
Additions	4,950	-	-	4,950
Transfer from property, plant and equipment	1,417	-	-	1,417
Amortisation charge	(1,036)	-	-	(1,036)
Disposals	(14)	-	-	(14)
Closing balance at 30 June 2010	14,249	14,962	-	29,211
At 30 June 2010				
Cost	18,583	15,915	-	34,498
Accumulated amortisation/(impairment losses)	(4,334)	(953)	-	(5,287)
Carrying amount at 30 June 2010	14,249	14,962	-	29,211

The amortisation charge is included in general and administrative costs and the prior year impairment loss is included in impairment and restructuring costs in the income statement.

Impairment testing for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment level summary is presented below:

	Salt \$'000	AgriProducts \$'000	Total \$'000
2010	5,017	9,945	14,962
2009	5,017	9,945	14,962

The recoverable amount of a CGU is based on value-in-use calculations. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

- (i) Cash flow forecasts are based on three year business plans presented to the Board, plus a terminal value.
- (ii) Forecast growth rates are based on management's expectations of future performances. The growth rates applied to cash flows were 3% (2009: 0% – 2%). A growth rate of 3% is applied to the terminal value.
- (iii) Discount rates used are the weighted average cost of capital (pre-tax) for the Group, risk adjusted where applicable for each business segment and country. The pre-tax discount rates applied to cash flows were 15.1% – 15.5% (2009: 14.5% – 16.7%).

These assumptions have been used for the analysis in each CGU of goodwill within the business segment of continuing operations.

Notes to the Financial Statements continued

	2010 \$'000	2009 \$'000
Note 13. Tax assets and liabilities		
Current		
Tax receivable	-	1,830
Tax liability	7,329	7,216
Non-current		
Deferred tax liability	3,868	2,309
Movement in deferred tax liability:		
Balance at 1 July	2,309	9,919
Credited/(charged) to the income statement (note 7)	993	1,493
Credited/(charged) to comprehensive income	566	(1,112)
Credited/(charged) to equity	-	(7,991)
Balance at 30 June	3,868	2,309

The amount of unused tax losses for which no deferred tax asset is recognised in the balance sheet is \$2,142,000 (2009: \$2,095,000). These tax losses relate to the Group's Japanese operations. These tax losses are deductible from taxable income for seven years post loss incurred with the last of these tax losses to expire on 30 June 2016.

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Consolidated						
Intangibles	284	286	-	-	284	286
Doubtful debts	209	418	-	-	209	418
Property, plant and equipment	-	-	(10,173)	(9,779)	(10,173)	(9,779)
Employee entitlements	4,234	4,515	-	-	4,234	4,515
Retirement benefit obligations	27	-	-	(21)	27	(21)
Cash flow hedges	371	978	-	-	371	978
Provisions	630	313	-	-	630	313
Other	550	981	-	-	550	981
Tax assets/(liabilities)	6,305	7,491	(10,173)	(9,800)	(3,868)	(2,309)

	Balance 1 July 2008 \$'000	Recognised in Profit or Loss \$'000	Recognised in Other Comprehensive Income \$'000	Balance 30 June 2009 \$'000	Recognised in Profit or Loss \$'000	Recognised in Other Comprehensive Income \$'000	Balance 30 June 2010 \$'000
Consolidated							
Intangibles	-	150	134	284	-	-	284
Doubtful debts	345	73	-	418	(209)	-	209
Property, plant and equipment	(16,177)	(1,020)	7,418	(9,779)	(394)	-	(10,173)
Employee entitlements	4,523	(8)	-	4,515	(281)	-	4,234
Retirement benefit obligations	(272)	(53)	344	19	(33)	42	28
Cash flow hedges	(328)	15	1,291	978	-	(608)	370
Provisions	1,191	(611)	-	580	50	-	630
Other	361	315	-	676	(126)	-	550
Tax losses	438	(438)	-	-	-	-	-
Tax asset/(liability)	(9,919)	(1,577)	9,187	(2,309)	(993)	(566)	(3,868)

	2010 \$'000	2009 \$'000
Note 14. Payables		
Current		
Trade creditors and accruals	96,166	97,137
Note 15. Provisions		
Current		
Employee entitlements	10,558	10,817
Rationalisation	-	706
	10,558	11,523
Non-current		
Employee entitlements	907	1,487
Rationalisation		
Balance at 1 July	706	2,140
Provision used during the period	(706)	(1,434)
Balance at 30 June	-	706

Rationalisation provision

During the year ended 30 June 2009, the Ridley Corporation head office moved from Sydney to Melbourne, and the Group recognised a provision of \$544,000 for expected employee termination benefits. Estimated costs were based on the terms of the relevant contracts. The restructuring was completed during the year ended 30 June 2010.

During the year ended 30 June 2009, a provision of \$162,000 was made to cover costs related to restructuring part of a salt manufacturing site. Estimated restructuring costs mainly include employee termination benefits and are based on a detailed plan agreed between management and employee representatives. The restructuring was completed during the year ended 30 June 2010.

	Parent Entity	
	2010 \$'000	2009 \$'000
Note 16. Share capital		
Fully paid up capital: 307,817,071 ordinary shares with no par value (2009: 307,817,071)	237,531	237,531

(a) Movements in ordinary share capital

Date	Details	Number of Shares	Issue Price \$/Share	\$'000
June 2008	Balance at 1 July 2008	299,169,723		230,358
October 2008	Dividend Reinvestment Plan	3,810,729	1.0103	3,850
March 2009	Dividend Reinvestment Plan	4,836,619	0.6871	3,323
June 2009	Balance at 30 June 2009	307,817,071		237,531
June 2010	Balance at 30 June 2010	307,817,071		237,531

(b) Ordinary shares

Ordinary shares entitle the holder to receive dividends and the proceeds on winding up the interest in proportion to the number of shares held. On a show of hands, every shareholder present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Dividend Reinvestment Plan

The Company established a Dividend Reinvestment Plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares, however the Directors suspended the Dividend Reinvestment Plan on 25 August 2009 until further notice in accordance with the Plan rules.

Notes to the Financial Statements continued

Note 16. Share capital continued

(d) Capital risk management

The Group manages capital to ensure it maintains optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the optimal cost of capital available to the Group.

The Group reviews and where appropriate adjusts the capital structure to take advantage of favourable costs of capital or high returns on assets. The Group may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital through the gearing ratio (net debt/total equity). The gearing ratios as at 30 June are as follows:

	2010 \$'000	2009 \$'000
Gross debt	78,988	69,414
Less: cash	(7,006)	(280)
Net debt	71,982	69,134
Total equity	285,157	276,211
Gearing ratio	25.2%	25.0%

Note 17. Reserves and retained profits

(a) Reserves

Revaluation reserve	37,263	35,983
Share-based payments reserve	(250)	(386)
Capital reserve	-	-
Cash flow hedge reserve	(865)	(2,283)
Foreign currency translation reserve	(211)	(154)
	35,937	33,160

Movements:

Revaluation reserve

Balance at 1 July	35,983	54,405
Impairment	-	(447)
Deferred tax on impairment	-	134
Revaluation	-	(24,725)
Deferred tax on revaluation	-	7,418
Transfer from retained earnings	1,280	-
Disposal of subsidiary, transfer to retained earnings	-	(802)
Balance at 30 June	37,263	35,983

Share-based payments reserve

Balance at 1 July	(386)	(1,031)
Options and performance rights expense	658	748
Share-based payment transactions	(522)	(103)
Balance at 30 June	(250)	(386)

Capital reserve

Balance at 1 July	-	28,487
Disposal of subsidiary, transfer to retained earnings	-	(28,487)
Balance at 30 June	-	-

Cash flow hedge reserve

Balance at 1 July	(2,283)	765
Changes in fair value of cash flow hedges	2,026	(4,302)
Transfer to net profit	-	(37)
Deferred tax	(608)	1,291
Balance at 30 June	(865)	(2,283)

	2010 \$'000	2009 \$'000
Foreign currency translation reserve		
Balance at 1 July	(154)	(30,531)
Currency translation differences arising during the year	(57)	39,779
Transfer to income statement due to disposal of subsidiary	-	(9,402)
Balance at 30 June	(211)	(154)

(b) Retained profits

Balance at 1 July	5,520	37,642
Actuarial losses on defined benefit superannuation – net of tax	(98)	(803)
Net profit/(loss) for the year	29,093	(39,533)
Dividends paid	(21,546)	(21,075)
Transfer to revaluation reserve	(1,280)	-
Transfer on disposal of subsidiary	-	29,289
Balance at 30 June	11,689	5,520

(c) Nature and purpose of reserves

(i) *Revaluation reserve*

The revaluation reserve is used to record increments and decrements on the revaluation of certain non-current assets.

(ii) *Share-based payments reserve*

The share-based payments reserve is used to recognise the fair value of performance rights and shares under the employee share scheme which have been issued but not exercised.

(iii) *Capital reserve*

The reserve represented the excess over book value of the parent entity's interest in the net assets of Ridley Inc after it was floated on the Toronto Stock Exchange in 1997. This balance was disposed of in 2009 as part of the sale of Ridley Inc.

(iv) *Cash flow hedge reserve*

The cash flow hedge reserve is used to record gains and losses on hedging instruments that are recognised directly in equity. Amounts are recognised in the income statement when the associated hedge transaction affects the income statement.

(v) *Foreign currency translation reserve*

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the income statement when the net investment is disposed of.

	2010 \$'000	2009 \$'000
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Note 18. Financial risk management

Derivative financial instruments

Current

Interest rate swaps – cash flow hedge liability at fair value	1,236	3,262
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Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency, fair value interest rate and price), credit, liquidity and cash flow interest rate risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as foreign exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the Board of Directors. Management evaluates and hedges financial risks where appropriate. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks and investing excess liquidity.

Notes to the Financial Statements continued

Note 18. Financial risk management continued

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the relevant entity's functional currency. The Group is exposed to foreign exchange risk through its operations in Indonesia and Japan and the purchase and sale of goods in foreign currencies.

Forward contracts are used to manage foreign exchange risk. Management is responsible for managing exposures in each foreign currency by using external forward currency contracts. Where possible, borrowings are made in the currencies in which the assets are held in order to reduce foreign currency translation risk.

The Group predominantly does not qualify for hedge accounting on the forward foreign currency contracts. In 2009, the parent entity qualified for hedge accounting on the Canadian tax liability related to the sale of Ridley Inc.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the balance sheet by the related amount deferred in equity.

Forward exchange contracts

Forward foreign exchange contracts have been entered into in order to fix the cost of purchases and sales denominated in foreign currencies. The Group classifies forward foreign exchange contracts as financial assets and liabilities and measures them at fair value.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2010		2009		
	USD \$'000	JPY \$'000	USD \$'000	JPY \$'000	CAD \$'000
Forward exchange contracts					
Buy foreign currency	1,292	-	457	-	7,216
Sell foreign currency	10	773	1,538	58	-

At 30 June 2010, a liability of \$8,868 (2009: liability \$718,500) has been recognised by the Group for the fair value of forward foreign exchange contracts. The terms of the contracts are for less than one year.

Foreign currency sensitivity

The sensitivity of the Group's financial assets and financial liabilities to foreign currency risk exposures in existence at the balance sheet date is insignificant.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's main interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group policy is to ensure the interest cover ratio does not fall below the ratio limit set by the Group's financial risk management policy.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long term borrowings at floating rates and swaps them into fixed rates.

Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The settlement dates coincide with the date on which interest is payable on the underlying debt. The contracts are settled on a net basis.

At balance date, bank borrowings of the Group incur an average variable interest rate of 6.72% (2009: 5.11%).

Swaps currently in place cover approximately 67% (2009: 88%) of the loan principal outstanding and are timed to expire when the interest is payable on the outstanding debt. The average fixed interest rate on the swaps, including margins, is 7.23% (2009: 8.94%). The fair value of interest rate swaps stated as a net liability at 30 June 2010 for the Group was \$1,236,000 (2009: \$3,262,000).

Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity.

	2010		2009	
	Interest Rate	Balance in \$'000	Interest Rate	Balance in \$'000
Assets				
Cash	-	7,006	-	280
Liabilities				
Bank loans	6.72%	75,000	5.11%	68,000
Interest rate swaps (principal notional amounts)	7.23%	(50,000)	8.94%	(60,000)
Net exposure to variable rates		25,000		8,000
Overdraft and other loans	4.25%	4,323	8.84%	1,414

Interest rate sensitivity

A change in 100 basis points in interest rates at the reporting date would have increased or decreased the Group's profit or loss by \$175,000 and the Group's equity by \$756,000.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group has no significant concentrations of credit risk that are not covered by collateral and/or credit insurance. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Group holds collateral and/or credit insurance over certain trade receivables.

Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

The maximum exposure to credit risk at the reporting date was:

	2010 \$'000	2009 \$'000
Trade receivables	78,332	89,486
Other receivables	505	1,891
Cash and cash equivalents	7,006	280
	85,843	91,657

Further credit risk disclosures on trade receivables are disclosed in note 9.

Notes to the Financial Statements continued

Note 18. Financial risk management continued

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The ultimate responsibility for liquidity risk management rests with the Board which has established an appropriate risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group's Corporate Treasury Function manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Details of finance facilities are set out in note 29.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying Amount \$'000	Less than One Year \$'000	One to Two Years \$'000	Two to Three Years \$'000	Total Contractual Cash Flows \$'000
2010					
Non-derivative financial liabilities					
Trade and other payables	96,166	96,166	-	-	96,166
Secured bank loans	78,988	1,989	82,528	-	84,517
	175,154	98,155	82,528	-	180,683
Derivative financial liabilities					
Interest rate swaps	1,236	1,236	-	-	1,236
Forward exchange contracts	9	2,034	-	-	2,034
	176,399	101,425	82,528	-	183,953
2009					
Non-derivative financial liabilities					
Trade and other payables	97,137	97,137	-	-	97,137
Secured bank loans	69,414	7,522	5,396	70,698	83,616
	166,551	104,659	5,396	70,698	180,753
Derivative financial liabilities					
Interest rate swaps	3,262	3,262	-	-	3,262
Forward exchange contracts	719	9,270	-	-	9,270
	170,532	117,191	5,396	70,698	193,285

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(d) Fair values

Fair values versus carrying amounts

The fair value of financial assets and liabilities is equal to their carrying amount.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been identified as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2010				
Financial liabilities measured at fair value				
Interest rate swaps	-	1,236	-	1,236
Forward exchange contract	-	9	-	9
	-	1,245	-	1,245
2009				
Financial liabilities measured at fair value				
Interest rate swaps	-	3,262	-	3,262
Forward exchange contracts	-	719	-	719
	-	3,981	-	3,981

During the reporting period ending 30 June 2010, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

	2010 \$'000	2009 \$'000
Note 19. Commitments for expenditure		
Capital expenditure contracted for plant and equipment not later than one year	2,075	2,596
Commitments for non-cancellable operating leases:		
Due within one year	6,738	4,244
Due within one to two years	4,632	3,228
Due within two to five years	6,021	4,134
Due after five years	7,679	3,858
	25,070	15,464

The Group has leases for land, buildings and equipment under operating leases.

Note 20. Contingent liabilities

Guarantees

The Group is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance obligations. These guarantees and letters of credit only give rise to a liability where the entity concerned fails to perform its contractual obligations.

Bank guarantees	1,048	999
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The guarantees are secured by a fixed and floating charge over certain assets of the Group.

A controlled entity guarantees 50% of an associate's bank debt to a maximum of \$372,000 (2009: \$372,000).

Litigation

At the time of preparing this Financial Report, some companies included in the Group are parties to pending legal proceedings, the outcome of which is not known. The entities are defending, or prosecuting, these proceedings as they are entitled to. The Directors have assessed the impact on the Group from the individual actions to be immaterial. No material losses are anticipated in respect of any of the above contingent liabilities.

There were no other material contingent liabilities in existence at balance date.

Notes to the Financial Statements continued

	2010*	2009#
	\$	\$
Note 21 – Remuneration of auditors		
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
(a) Auditors of the Company – Australia		
Audit and other assurance services		
Audit and review of financial reports	414,739	645,000
Other assurance services	20,000	143,000
Other services	2,000	-
Taxation services		
Taxation compliance	-	52,028
Other advice	12,710	3,000
Total remuneration for taxation services	12,710	55,028
Total remuneration for auditors of the Company	449,449	843,028
(b) Related practices of auditors of the Company – Australia		
Audit and other assurance services		
Audit and review of financial reports	-	118,572
Taxation services		
Taxation compliance	-	6,241
Total remuneration for related practices of auditors of the Company	-	124,813
(c) Other auditors – non-Australian audit firms		
Audit and review of financial reports	4,706	8,486
Total remuneration of auditors	454,155	976,327

* KPMG were appointed auditors of the Group for the financial year ending 30 June 2010.

PricewaterhouseCoopers were the auditors of the Group for the financial year ending 30 June 2009.

Note 22. Related party disclosures

Investments

Information relating to investments accounted for using the equity method is set out in note 34. Information relating to the Group's interest in a joint venture operation is set out in note 35.

Transactions with associated entities are on normal commercial terms and conditions in the ordinary course of business, unless terms and conditions are covered by shareholder agreements.

Other related parties

Contributions to superannuation funds on behalf of employees are disclosed in note 25.

Transactions with related parties

	2010	2009
	\$'000	\$'000
Transactions with related parties were as follows:		
Dividend revenue		
- associates	3,059	2,823
- jointly controlled operations and entities	2,362	4,238
Management fees		
- jointly controlled operations and entities	130	106
Sales of products		
- associates	10,081	8,406
- jointly controlled operations and entities	4,863	3,009
Purchases of products		
- jointly controlled operations and entities	2,354	2,324

	2010 \$'000	2009 \$'000
Outstanding balances with related parties were as follows:		
Current receivables		
- associates	874	203
Current receivables		
- jointly controlled operations and entities	1	1,898

Outstanding balances are unsecured and repayable in cash.

	2010 \$	2009 \$
Note 23. Key management personnel disclosures		
Key management personnel compensation		
Short term employee benefits	3,967,082	3,792,109
Post-employment benefits	298,301	510,560
Termination benefits	221,616	558,255
Share-based payments	244,625	363,140
Other	24,037	45,618
	4,755,661	5,269,682

Shareholdings

The numbers of shares in the parent entity held during the financial year by each Director of Ridley Corporation Limited and each of the key management personnel of the Group who hold shares, including their personally-related entities, are set out below:

Number of shares held in Ridley Corporation Limited at 30 June 2010

	Balance at the Start of the Year*	Acquired/(Disposed) During the Year [^]	Balance at the End of the Year
JS Keniry	763,759	1,560	765,319
RJ Lee	169,366	100,000	269,366
PM Mann	42,825	13,800	56,625
J Murray	113,252	108,772	222,024
JM Spark	132,000	144,000	276,000
AL Vizard	38,658	8,000	46,658
RJ van Barneveld	-	-	-
GH Weiss	-	-	-
Total Directors	1,259,860	376,132	1,635,992
AM Boyd	20,000	-	20,000
S Butler	-	1,628	1,628
WH Fell [#]	-	-	-
CW Klem	46,238	1,628	47,866
RN Lyons	18,264	1,628	19,892
AM Mooney	4,749	1,628	6,377
AL Speed	-	1,628	1,628
GP Watts [#]	92,785	(92,785)	-
PJ Weaver	4,749	1,628	6,377
Total executives	186,785	(83,017)	103,768
Total key management personnel	1,446,645	293,115	1,739,760

* Or commencement of employment if not employed throughout the financial year.

[#] At the date of resignation from the Company.

[^] There were no sales of Ridley securities by key management personnel during the financial year.

Notes to the Financial Statements continued

Note 23. Key management personnel disclosures continued

Number of shares held in Ridley Corporation Limited at 30 June 2009

	Balance at the Start of the Year*	Acquired/(Disposed) During the Year [^]	Balance at the End of the Year
JS Keniry	633,187	130,572	763,759
RJ Lee	69,366	100,000	169,366
PM Mann	20,000	22,825	42,825
J Murray	37,252	76,000	113,252
JM Spark	82,000	50,000	132,000
AL Vizard	28,158	10,500	38,658
I Wilton [#]	230,403	(230,403)	-
Total Directors	1,100,366	159,494	1,259,860
AM Boyd	20,000	-	20,000
WH Fell	-	-	-
CW Klem	41,486	4,752	46,238
RN Lyons	15,308	2,956	18,264
AM Mooney	1,793	2,956	4,749
AL Speed	-	-	-
GP Watts	83,780	9,005	92,785
PJ Weaver	1,793	2,956	4,749
Total executives	164,160	22,625	186,785
Total key management personnel	1,264,526	182,119	1,446,645

* Or commencement of employment if not employed throughout the financial year.

[#] At the date ceased to be a Director on 3 November 2008 and to be key management personnel on 31 March 2009.

[^] There were no sales of Ridley securities by key management personnel during the financial year.

Performance rights granted and vested during the financial year ended 30 June 2010

	Number of Performance Rights Granted During the Year	Number of Performance Rights Vested During the Year
Key management personnel of the Group		
RN Lyons	75,000	-
AM Mooney	75,000	-
AL Speed	75,000	-
PJ Weaver	75,000	-
GP Watts	-	75,000
Total	300,000	75,000

Note 24. Share-based payments

Share-based payment arrangements

Ridley Corporation Long Term Incentive Plan

The purpose of the Ridley Corporation Long Term Incentive Plan is to provide long term rewards that are linked to shareholder returns. This plan was introduced in October 2006 and replaced the Ridley Corporation Incentive Option Plan. Under the Ridley Corporation Long Term Incentive Plan, selected executives and the Managing Director may be offered a number of performance rights (Right). Each Right provides the entitlement to acquire one Ridley share at nil cost.

Ridley Corporation Incentive Option Plan

The plan was replaced by the Ridley Corporation Long Term Incentive Plan in October 2006.

Ridley Employee Share Scheme

At the 1999 Annual General Meeting, shareholders approved the introduction of the Ridley Employee Share Scheme. Under the scheme, shares are offered to all permanent Australian employees with a minimum of 12 months' service, at a discount of up to 50%, financed by an interest-free loan secured against the shares. The maximum discount per employee is limited to \$1,000 annually in accordance with relevant Australian taxation legislation. Dividends on the shares are allocated against the loan. The amount of the discount and number of shares allocated is at the discretion of the Directors. The purpose of the scheme is to align employee and shareholder interests. The share grant and supporting loan together in substance comprise a share option.

(i) Ridley Corporation Long Term Incentive Plan

The model inputs for the performance rights granted during the reporting period included:

Grant date	5 December 2009
Expiry date	5 December 2012
Share price at grant date	\$1.155
Expected price volatility of the Company's shares	28%
Expected dividend yield	6.19%
Risk free interest rate	4.8%

The expected price volatility is based on the historic volatility (based on the remaining life of the performance rights), adjusted for any expected changes to future volatility due to publicly available information.

Details of performance rights outstanding under the plan at balance date are as follows:

30 June 2010

Grant Date	Expiry Date	Balance at Start of the Year	Granted During the Year	Cancelled During the Year	Exercised During the Year	Balance at End of the Year
31 October 2007	31 October 2010	787,000	-	-	(75,000)	712,000
7 April 2008	7 April 2011	45,000	-	-	-	45,000
5 May 2008	5 May 2011	168,000	-	-	-	168,000
5 December 2008	5 December 2011	450,000	-	(75,000)	-	375,000
14 April 2009	14 April 2012	225,000	-	-	-	225,000
5 December 2009	5 December 2012	-	375,000	-	-	375,000
		1,675,000	375,000	(75,000)	(75,000)	1,900,000

30 June 2009

31 October 2007	31 October 2010	1,319,000	-	(150,000)	(382,000)	787,000
7 April 2008	7 April 2011	45,000	-	-	-	45,000
5 May 2008	5 May 2011	268,000	-	(100,000)	-	168,000
5 December 2008	5 December 2011	-	525,000	(75,000)	-	450,000
14 April 2009	14 April 2012	-	225,000	-	-	225,000
		1,632,000	750,000	(325,000)	(382,000)	1,675,000

(ii) Ridley Corporation Incentive Option Plan

30 June 2010

No options were outstanding during the year ended 30 June 2010. All outstanding options were cancelled in the year ended 30 June 2009.

30 June 2009

Grant Date	Expiry Date	Exercise Price	Balance at Start of the Year	Granted During the Year	Exercised During the Year	Cancelled During the Year	Balance at End of the Year	Exercisable at End of the Year
12 January 2004	12 January 2010	\$1.36	533,331	-	-	(533,331)	-	-
12 January 2004	12 January 2010	\$1.42	533,333	-	-	(533,333)	-	-
12 January 2004	12 January 2010	\$1.50	533,336	-	-	(533,336)	-	-
			1,600,000	-	-	(1,600,000)	-	-

Weighted average exercise price		\$1.43	-	-	\$1.43	-	-
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Notes to the Financial Statements continued

Note 24. Share based payments continued

(iii) Ridley Employee Share Scheme

The grant date fair value of the share options granted through the employee share scheme was measured based on the binomial model. The model inputs for the employee share scheme's shares granted during the reporting period included:

Grant date	30 April 2010
Restricted life	Three years
Fair value at grant date	\$0.612
Expected price volatility of the Company's shares	27%
Expected dividend yield	6.16%
Risk free interest rate	5.5%

30 June 2010

Grant Date	Date Shares Become Unrestricted	Weighted Average Exercise Price	Number of Shares				
			Balance at Start of the Year	Granted During the Year	Exercised During the Year	Balance at End of the Year	Exercisable at End of the Year
29 January 2002	29 January 2005	\$0.82	99,000	-	(14,000)	85,000	85,000
28 January 2003	28 January 2006	\$0.74	199,800	-	(29,700)	170,100	170,100
13 February 2004	13 February 2007	\$0.63	259,940	-	(31,700)	228,240	228,240
5 April 2005	5 April 2008	\$0.77	261,000	-	(39,150)	221,850	221,850
10 April 2006	10 April 2009	\$0.66	313,812	-	(43,964)	269,848	269,848
13 April 2007	13 April 2010	\$0.57	392,257	-	(43,975)	348,282	348,282
11 April 2008	11 April 2011	\$0.56	525,349	-	(57,376)	467,973	-
3 April 2009	3 April 2012	\$0.34	966,612	-	(112,328)	854,284	-
30 April 2010	30 April 2013	\$0.61	-	615,384	(3,256)	612,128	-
			3,017,770	615,384	(375,449)	3,257,705	1,323,320
Weighted average exercise price			\$0.55	\$0.61	\$0.56	\$0.56	\$0.67

The options outstanding have a weighted average contractual life of three years (2009: three years).

30 June 2009

Grant Date	Date Shares Become Unrestricted	Weighted Average Exercise Price	Number of Shares				
			Balance at Start of the Year	Granted During the Year	Exercised During the Year	Balance at End of the Year	Exercisable at End of the Year
17 Apr 2000	17 Apr 2003	\$0.47	129,000	-	(129,000)	-	-
29 January 2002	29 January 2005	\$0.82	127,000	-	(28,000)	99,000	99,000
28 January 2003	28 January 2006	\$0.74	263,250	-	(63,450)	199,800	199,800
13 February 2004	13 February 2007	\$0.63	339,190	-	(79,250)	259,940	259,940
5 April 2005	5 April 2008	\$0.77	343,215	-	(82,215)	261,000	261,000
10 April 2006	10 April 2009	\$0.66	421,448	-	(107,636)	313,812	313,812
13 April 2007	13 April 2010	\$0.57	483,725	-	(91,468)	392,257	-
11 April 2008	11 April 2011	\$0.56	647,273	-	(121,924)	525,349	-
3 April 2009	3 April 2012	\$0.34	-	978,436	(11,824)	966,612	-
			2,754,101	978,436	(714,767)	3,017,770	1,133,552
Weighted average exercise price			\$0.64	\$0.34	\$0.61	\$0.55	\$0.71

	2010 \$'000	2009 \$'000
Share based payment expense		
Shares issued under employee share scheme	377	386
Performance rights issued under Long Term Incentive Plan	281	362
Total share based payment expense	658	748

Note 25. Retirement benefit obligations

Superannuation funds

Ridley Corporation Limited and its controlled entities participate in a number of superannuation funds in Australia. The funds provide benefits either on a defined benefit or defined contribution basis for employees or their dependents on retirement, resignation, total and permanent disability, death and, in some cases, on temporary disablement.

The members and the Group make contributions as specified in the rules of the respective plans.

Group contributions in terms of awards and agreements are legally enforceable and, in addition, contributions for all employees have to be made at minimum levels for the Group to comply with its obligations. Other contributions are in the main not legally enforceable, with the right to terminate, reduce or suspend these contributions upon giving written notice to the trustees.

Defined contribution plans

Benefits are based on an accumulation of defined contributions. The Group sponsors the Ridley Superannuation Plan – Australia.

The amount of contribution expense recognised in the income statement is \$5,753,000 (2009: \$6,039,000).

Defined benefit plans

The level of contributions to the defined benefit plan in the future will continue to be reviewed on the advice of each fund's actuary from time to time and at the time of the triennial or annual valuations. The basis of contributions to the various plans is determined as a percentage of members' salaries or as required by the actuarial valuation.

The following notes (a) to (f) set out details in respect of the defined benefit section only:

(a) Balance sheet amounts relating to defined benefit retirement benefit obligations

The amounts recognised in the balance sheet are determined as follows:

	2010 \$'000	2009 \$'000
Present value of benefit obligation	2,979	3,865
Fair value of the benefit plan assets	(2,888)	(3,803)
Net retirement benefit obligation liability/(asset)	91	62

The Group has no legal obligation to settle these liabilities with immediate or additional one off contributions.

(b) Categories of defined benefit plan assets

The major categories of plan assets are as follows:

	2010 %	2009 %
Cash	8	11
Equity instruments	59	59
Debt instruments	12	10
Property	10	12
Other	11	8

Notes to the Financial Statements continued

Note 25. Retirement benefit obligations continued

	2010 \$'000	2009 \$'000
(c) Reconciliations		
Reconciliation of the present value of the defined benefit obligations		
Balance at the beginning of the year	3,865	4,158
Current service cost	98	80
Interest cost	178	239
Actuarial (gains)/losses	148	(279)
Benefits, expenses and insurance premiums paid	(1,373)	(417)
Contributions by plan participants	63	84
Balance at the end of the year	2,979	3,865
Reconciliation of the fair value of plan assets		
Balance at the beginning of the year	3,803	5,063
Expected return on plan assets	234	326
Actuarial gains/(losses)	8	(1,426)
Employer contributions	153	173
Contributions by plan participants	63	84
Benefits, expenses and insurance premiums paid	(1,373)	(417)
Balance at the end of the year	2,888	3,803
The amounts recognised in the income statement are as follows:		
Expense recognised in profit or loss		
Current service cost	98	80
Interest cost	178	239
Expected return on plan assets	(234)	(326)
Total included in employee benefits expense/(benefit)	42	(7)
Actual return on plan assets	242	(1,100)
Actuarial (gains) and losses recognised in other comprehensive income		
Cumulative amount at 1 July	1,341	194
Recognised during the period	140	1,147
Cumulative amount at 30 June	1,481	1,341

(d) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	2010 %	2009 %
Discount rate	4.70	5.20
Future salary increases	4.00	4.00
Expected return on plan assets	6.80	6.75

The expected rate of return on plan assets has been based on historical and future expectations of returns for each of the major categories of asset as well as the expected and actual allocation of plan assets to these major categories.

(e) Employer contributions

Employer contributions to the plan are based on recommendations by the plan's actuaries. Full actuarial assessments are made at no more than three yearly intervals, and the last full assessment was made as at 1 July 2008, with an updated valuation at 30 June 2010.

The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. To achieve this objective, the actuaries have adopted a method of funding benefits known as the aggregate funding method. This funding method seeks to have benefits funded by means of a total contribution which is expected to be a constant percentage of members' salaries over their working life times.

Using the funding method described above and particular actuarial assumptions as to the plan's future experience, the actuaries recommended in the actuarial review as at 1 July 2008, updated to reflect 30 June 2010 valuations, the payment of employer contributions to the fund of 7.6% of salaries for employees who are members of the defined benefit section. These contribution rates have been adopted by the Group from 30 June 2010 and represent a decrease of 2.4% of salaries in the Group's contributions from that previously used. Total employer contributions expected to be paid by Group companies for the year ending 30 June 2011 are \$181,000. Economic assumptions used by the actuary to make the funding recommendations were a long term investment earning rate, salary increases together with an age related promotional scale and an inflation rate.

(f) Historic summary

	2010 \$'000	2009 \$'000	2008 \$'000	2007 \$'000	2006 \$'000
Present value of defined benefit obligation	2,979	3,865	4,158	5,591	5,021
Fair value of plan assets	(2,888)	(3,803)	(5,063)	(5,663)	(5,156)
(Surplus)/deficit	91	62	(905)	(72)	(135)
Experience adjustments arising on plan liabilities	87	(285)	(1,108)	1,050	369
Experience adjustments arising on plan assets	(8)	1,426	416	(815)	(384)

Note 26. Segment information

Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The Group has identified its operating segments based on internal reports that are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The operating segments identified by management is consistent with the manner in which products are sold. Discrete financial information about each of these operating businesses is reported to the Chief Executive Officer and his management team on at least a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

AgriProducts

Produces and markets stock and poultry feeds, aqua-feeds, vitamins, mineral supplements and rural merchandise.

Salt

Produces, refines and markets salt and has investments in associated companies.

The basis of inter-segmental transfers is market pricing. Results are calculated on a before net borrowing costs and tax expense basis. Segment assets exclude deferred tax assets and cash, which have been included as unallocated assets. Comparative segment information has been represented in conformity with the requirement of AASB 8 *Operating Segments*.

Geographical segments

The Group predominantly operates in Australasia.

Notes to the Financial Statements continued

Note 26. Segment information continued

2010

Business Segments	Salt \$'000	AgriProducts \$'000	Unallocated \$'000	Consolidated Total \$'000
Sales – external	107,945	620,023	-	727,968
Sales – internal	3,517	-	(3,517)	-
Total sales revenue	111,462	620,023	(3,517)	727,968
Other revenue	709	393	-	1,102
Total revenue	112,171	620,416	(3,517)	729,070
Share of profit of associates	7,251	-	-	7,251
Depreciation and amortisation expense	(4,561)	(7,605)	(85)	(12,251)
Interest income	-	-	158	158
Interest expense	-	-	(8,314)	(8,314)
Reportable segment profit before income tax	24,020	28,973	(14,914)	38,079
Segment assets	200,562	225,876	7,539	433,976
Investment in associates	48,164	2,160	-	50,324
Total assets	248,726	228,036	7,539	484,300
Segment liabilities	12,332	92,363	94,448	199,143
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	10,580	12,768	48	23,396

2009

Business Segments	Salt \$'000	AgriProducts \$'000	Unallocated \$'000	Discontinued Operations	Consolidated Total \$'000
Sales – external	101,473	716,889	-	267,740	1,086,102
Sales – internal	2,896	-	(2,896)	-	-
Total sales revenue	104,369	716,889	(2,896)	267,740	1,086,102
Other revenue	368	1,147	-	249	1,764
Total revenue	104,737	718,036	(2,896)	267,989	1,087,866
Share of profit of associates	7,061	-	-	-	7,061
Depreciation and amortisation expense	4,680	6,682	54	-	11,416
Interest income	-	-	939	-	939
Interest expense	-	-	(13,367)	(1,499)	(14,866)
Reportable segment profit before income tax	19,988	16,623	(8,102)	10,321	26,402
Segment assets	199,310	222,557	2,521	-	424,388
Investment in associates	44,233	-	-	-	44,233
Total assets	243,543	222,557	2,521	-	468,621
Segment liabilities	12,698	93,488	86,224	-	192,410
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	9,388	9,883	40	-	19,311

	2010	2009
	\$'000	\$'000

Note 27. Notes to Statements of Cash Flows

Reconciliation of net cash inflow from operating activities to profit after income tax

Profit/(loss) for the year	29,093	(39,533)
Depreciation and amortisation	12,251	11,416
Net (profit)/loss on sale of non-current assets	215	(19)
Dividends in excess of equity profits	(1,830)	-
Non-cash share-based payments	658	748
Non-cash finance expenses	408	-
Doubtful debts	(564)	-
Foreign exchange gains	(104)	(553)
Other non-cash movements	(599)	(345)
Loss on disposal of discontinued operation	-	52,442
Significant items (asset impairments)	-	7,789

Change in operating assets and liabilities, net of effects from purchase and sale of controlled entities and businesses:

Decrease/(increase) in trade debtors	10,590	13,924
Decrease/(increase) in inventories	(11,331)	9,990
Decrease/(increase) in other debtors and prepayments	(348)	6,900
Increase/(decrease) in trade creditors	(970)	(7,380)
Increase/(decrease) in provisions	(1,545)	(2,727)
Increase/(decrease) in income tax liability	1,943	7,924
Increase/(decrease) in deferred income tax liability	1,559	(7,610)
Net cash inflow from operating activities	39,426	52,966

Note 28. Non-cash financing and investing activities

During the year, there were no dividends satisfied by the issue of shares under the Dividend Reinvestment Plan (DRP). In the prior year, there were 8,647,348 shares issued under the DRP for \$7,173,000.

During the year, \$868,000 of property, plant and equipment was contributed to the purchase of the 25% investment in Consolidated Manufacturing Enterprise Pty Ltd and Swanbrook Road Holding Trust.

	2010	2009
	\$'000	\$'000

Note 29. Finance facilities

Borrowings

Current

Secured

Bank overdraft and loans	2,064	1,462
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Unsecured

Other loans	-	507
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	2,064	1,969
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Non-current

Secured

Bank loans ^{(a)(b)}	76,924	67,445
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(a) Cash and bank overdrafts are netted where the bank accounts are with the same financial institution and where right of set off exists. Bank overdrafts and loans are secured by a fixed and floating charge over assets of the Group.

(b) These loans are subject to bank covenants based on financial ratios of the Group. As at 30 June 2010, the Group was in compliance with these covenants.

Notes to the Financial Statements continued

Note 29. Finance facilities continued

Long term loan facilities

Cash advance finance facility

The Group has an Australian dollar \$150 million cash advance facility which expires in December 2011. The key covenant ratios under the facility are interest cover, debt cover, gearing and consolidated net worth. The facility is secured by fixed and floating charges over Group assets.

United States dollar facility

The Group has a US\$2,100,000 term loan facility for three years expiring in December 2012. At 30 June 2010, US\$1,925,000 (2009: Nil) was utilised.

Short term credit facilities

Australian dollar facility

The Group has a \$6,500,000 (2009: \$6,500,000) net overdraft facility, which is due for annual renewal on 31 December 2010. At 30 June 2010 and 2009 it was unutilised.

United States dollar facility

The Group has a US\$1,500,000 (2009: US\$2,200,000) revolving credit facility which expires on 31 January 2011. At 30 June 2010, US\$1,450,000 (2009: US\$1,170,000) was utilised.

The Group has a US\$500,000 revolving loan facility which expires on 31 January 2011. At 30 June 2010, US\$300,000 (2009: US\$70,000) was utilised.

Commodity stock acquisition facility

Ridley AgriProducts Pty Ltd has a \$5,000,000 (2009: \$20,000,000) commodity stock acquisition facility expiring 21 December 2010. The amount utilised at 30 June 2010 was nil (2009: \$6,100,000 utilised, unsecured balance).

Trade payable facility

The trade payable facility is an unsecured funding arrangement for the purposes of funding trade related payments associated with the importation of various raw materials. Trade bills of exchange are paid by the facility direct to the importer and the Group pays the facility on 180 day terms. It has a facility limit of \$19,000,000. The amount utilised at 30 June 2010 was \$18,502,987 (2009: \$14,177,887 utilised).

Total facilities available to the Group

AUD	2010		2009	
	Limits \$'000	Utilised \$'000	Limits \$'000	Utilised \$'000
Australian dollars	156,500	69,564	156,500	68,000
United States dollars	4,811	4,323	2,707	1,439
	161,311	73,887	159,207	69,439

	2010 Cents	2009 Cents
Note 30. Earnings per share		
Basic earnings per share from continuing operations	9.5	4.3
Basic earnings per share from discontinued operations	-	(17.5)
Basic earnings per share	9.5	(13.0)
Diluted earnings per share from continuing operations	9.5	4.3
Diluted earnings per share from discontinued operations	-	(17.5)
Diluted earnings per share	9.5	(13.0)

	2010		2009	
	Earnings Per Share		Earnings Per Share	
	Basic \$'000	Diluted \$'000	Basic \$'000	Diluted \$'000
Profit from continuing operations after income tax	29,093	29,093	12,909	12,909
Loss from discontinued operations	-	-	(52,442)	(52,442)
Earnings used in calculating earnings per share	29,093	29,093	(39,533)	(39,533)

Weighted average number of shares	Basic		Diluted	
	Basic	Diluted	Basic	Diluted
Weighted average number of shares used in calculating basic and diluted earnings per share	307,817,071	307,817,071	303,079,617	303,079,617

Options

Options granted to employees under the former Ridley Corporation Long Term Incentive Plan were considered to be potential ordinary shares and were considered in the 2009 determination of diluted earnings per share and have now expired. Performance rights of 1,900,000 (2009: 1,675,000) have been excluded from the determination of diluted earnings per share calculation as their effect would have been anti-dilutive. Details relating to the options and performance rights are set out in note 24.

Note 31. Investment in controlled entities

The ultimate parent entity within the Group is Ridley Corporation Limited.

Name of Entity	Country of Incorporation	Class of Shares	Ownership Interest	
			2010	2009
Ridley AgriProducts Pty Ltd and its controlled entities	Australia	Ordinary	100%	100%
AgriProducts Pty Ltd	Australia	Ordinary	100%	100%
Farmstock Pty Limited and its controlled entity	Australia	Ordinary	100%	100%
Farmstock Milling Pty Ltd	Australia	Ordinary	100%	100%
Noske Flour Mills Pty Ltd	Australia	Ordinary	100%	100%
Ridley Australia Pty Ltd	Australia	Ordinary	100%	100%
Ridley AgriProducts (Aust.) Pty Ltd	Australia	Ordinary	100%	100%
Ridley Liquids JV Pty Limited	Australia	Ordinary	100%	100%
Ridley AgriProducts (NZ) Pty Ltd	New Zealand	Ordinary	100%	100%
Barastoc Stockfeeds Pty Ltd and its controlled entities	Australia	Ordinary	100%	100%
Fosforlic Feed Supplements Pty Ltd	Australia	Ordinary	100%	100%
Rumevite Pty Ltd	Australia	Ordinary	100%	100%
Cheetham Salt Limited and its controlled entities	Australia	Ordinary	100%	100%
CSL (No.3) Pty Limited	Australia	Ordinary	100%	100%
Salt Australia Pty Ltd	Australia	Ordinary	100%	100%
Ocsalt Pty Ltd	Australia	Ordinary	100%	100%
Queensland Salt Pty Ltd	Australia	Ordinary	100%	100%
PT Cheetham Garam and its controlled entity	Indonesia	Ordinary	100%	100%
PT Cheetham International Trading	Indonesia	Ordinary	100%	100%
Sea Lake Salt Pty Ltd	Australia	Ordinary	100%	100%
Mastersalt Pty Ltd	Australia	Ordinary	100%	100%
Cheetham (Dry Creek) Pty Ltd	Australia	Ordinary	100%	100%
Diamond Salt Pty Limited	Australia	Ordinary	100%	100%
RCL Investments Pty Limited*	Australia	Ordinary	100%	100%
RCL Retirement Pty Limited	Australia	Ordinary	100%	100%
Ridley Research & Development Corporation Pty Limited*	Australia	Ordinary	100%	100%
RCL Nominees Pty Ltd*	Australia	Ordinary	100%	100%
Ridley M I Pty Limited*	Australia	Ordinary	100%	100%

* Non-trading company which is in the process of being de-registered.

Notes to the Financial Statements continued

Note 32. Parent entity

As at, and throughout, the financial year ending 30 June 2010, the parent company of the Group was Ridley Corporation Limited.

	2010 \$'000	2009 \$'000
Result of the parent entity		
Profit for the period	15,356	14,352
Total comprehensive income for the period	1,320	(3,851)
Financial position of the parent entity at year end		
Current assets	5,126	7,016
Total assets	347,701	349,575
Current liabilities	4,173	14,157
Total liabilities	85,187	82,039
Total equity of the parent entity comprising of:		
Share capital	237,531	237,531
Share based payment reserve	(249)	(386)
Cash flow hedge reserve	(865)	(2,283)
Retained earnings	26,097	32,674
Total equity	262,514	267,536
GST liabilities of other entities within the GST group	531	96
Tax liabilities of other entities within the tax consolidated group	12	4

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in Note 33.

Note 33. Deed of Cross Guarantee

Ridley Corporation Limited, Ridley AgriProducts Pty Ltd, Cheetham Salt Limited and Cheetham (Dry Creek) Pty Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others.

(a) Consolidated income statement and a summary of movements in consolidated retained profits

The above companies represent a Closed Group for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Ridley Corporation Limited, they also represent the Extended Closed Group. Set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the year ended 30 June 2010 of the Closed Group consisting of Ridley Corporation Limited, Ridley AgriProducts Pty Ltd, Cheetham Salt Limited and Cheetham (Dry Creek) Pty Ltd.

	2010 \$'000	2009 \$'000
Sales revenue from continuing operations	709,521	801,602
Cost of sales	(634,765)	(726,607)
Gross profit	74,756	74,995
Other income	3,265	9,997
Expenses from continuing operations		
Selling and distribution	(12,109)	(14,694)
General and administrative	(24,884)	(30,997)
Finance costs	(8,141)	(13,235)
Significant items	-	(8,332)
Profit from continuing operations before income tax expense	32,887	17,734
Income tax expense	(8,525)	(2,764)
Profit from continuing operations after income tax expense	24,362	14,970

	2010 \$'000	2009 \$'000
Summary of movements in retained profits		
Balance at 1 July	11,614	5,239
Actuarial gains/(losses) on defined superannuation benefit – net of tax	(98)	(803)
Profit for the year	24,362	14,970
Transfer on disposal of asset – net of tax	-	13,283
Dividends provided for or paid	(21,546)	(21,075)
Transfer to asset revaluation reserve	(1,280)	-
Transfers from entities outside Deed of Cross Guarantee group	5,276	-
Balance at 30 June	18,328	11,614
 (b) Balance sheet		
Current assets		
Cash and cash equivalents	5,475	13
Receivables	80,463	88,615
Inventories	88,362	76,292
Total current assets	174,300	164,920
Non-current assets		
Receivables	825	10,415
Property, plant and equipment	199,646	200,166
Intangible assets	29,192	20,512
Other non-current assets	68,691	80,944
Total non-current assets	298,354	312,037
Total assets	472,654	476,957
Current liabilities		
Payables	83,526	98,247
Provisions	10,559	11,523
Tax liabilities	6,258	5,386
Derivative financial instruments	1,236	-
Borrowings	-	895
Total current liabilities	101,579	116,051
Non-current liabilities		
Borrowings	74,665	67,445
Deferred tax liabilities	7,129	3,739
Provisions	907	1,549
Retirement benefit obligations	91	-
Total non-current liabilities	82,792	72,733
Total liabilities	184,371	188,784
Net assets	288,283	288,173
Equity		
Share capital	237,531	237,531
Reserves	32,424	39,028
Retained profits	18,328	11,614
Total equity	288,283	288,173

Notes to the Financial Statements continued

Note 34. Investments accounted for using the equity method

Name of Company	Principal Activity	Country of Incorporation	Ownership Interest		Carrying Amount	
			2010	2009	2010 \$'000	2009 \$'000
Jointly Controlled Entities						
Western Salt Refinery Pty Ltd	Salt production and distribution	Australia	50%	50%	1,481	1,504
Dominion Salt Limited and Dominion Salt (N.I.) Limited	Salt production and distribution	New Zealand	50%	50%	30,182	28,257
Associates						
Salpak Pty Ltd*	Salt marketing	Australia	56%	56%	14,195	14,173
Cerebos-Skellerup Limited	Salt marketing	New Zealand	49%	49%	2,306	2,400
Consolidated Manufacturing Enterprise Pty Ltd and Swanbrook Road Holding Trust	Aqua-feed production	Australia	25%	-	2,160	-
Investments accounted for using the equity method					50,324	46,334

Investments in associates and jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the respective parent entity. The balance date of Salpak Pty Ltd and Cerebos-Skellerup Limited is 30 September, and 30 June for Western Salt Refinery Pty Ltd, Dominion Salt Limited, Dominion Salt (N.I.) Limited, Consolidated Manufacturing Enterprise Pty Ltd and Swanbrook Road Holding Trust. Financial reports prepared as at 30 June are used for equity accounting purposes.

*The Group owns 56% of total shares of Salpak Pty Ltd however only a 49% interest in total voting shares.

	2010 \$'000	2009 \$'000
Carrying amount at the beginning of the financial year	46,334	46,334
Share of associates acquired during the year	2,160	-
Share of operating profits after income tax	7,251	7,061
Dividends received/receivable	(5,421)	(7,061)
Carrying amount at the end of the financial year	50,324	46,334
Share of operating profits before income tax	10,342	10,117
Share of income tax expense	(3,091)	(3,056)
Share of operating profits after income tax	7,251	7,061
Less: Dividends payable/paid	(5,421)	(7,061)
	1,830	-
Share of contingent liabilities	15	13
Summarised financial information of equity accounted investees, not adjusted for the percentage ownership held by the Group:		
Current assets	16,953	18,529
Non-current assets	22,234	14,295
Total assets	39,187	32,824
Current liabilities	14,689	11,176
Non-current liabilities	107	1,291
Total liabilities	14,796	12,467
Net assets	24,391	20,357
Revenue	68,330	62,797
Net profit	13,950	13,513

There are no material reserves of the associated companies.

Note 35. Interest in joint venture operation

Joint venture operation

Ridley Liquids JV Pty Ltd has a 50% participating interest in Champion Liquid Feeds Joint Venture. This joint venture produces and markets stockfeed. The Group is entitled to 50% of the output of the joint venture.

Summarised financial information for the joint venture operation, not adjusted for the percentage ownership held by the Group, is provided in the following table.

	2010	2009
	\$'000	\$'000
Current assets	5,580	5,478
Non-current assets	5,742	6,428
Total assets	11,322	11,906
Current liabilities	2,142	2,464
Total liabilities	2,142	2,464
Net assets	9,180	9,442
Revenue	18,805	16,307
Expenses	(19,067)	(16,819)
Net loss	(262)	(512)

The Group's share of capital commitments is nil (2009: nil).

Note 36. Events occurring after the balance sheet date

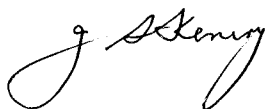
No other matters of circumstances have arisen since 30 June 2010 that have significantly affected, or may significantly affect:

- (i) the Group's operations in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the Group's state of affairs in future financial years.

Directors' Declaration

1. In the opinion of the Directors of Ridley Corporation Limited (the "Company"):
 - (a) The consolidated financial statements and notes set out on pages 44 to 91 and the Remuneration Report are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2010 and its performance for the financial year ended on that date.
 - (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.
2. In the opinion of the Directors, as at the date of this declaration, there are reasonable grounds to believe the members of the Extended Closed Group identified in note 33 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee, between the Company and those group entities pursuant to ASIC Class Order 98/1418.
3. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2010.
4. The financial statements also comply with International Financial Reporting Standards as disclosed in note 1.

This declaration is made in accordance with a resolution of the Directors.



JS Keniry
Director



PM Mann
Director

Melbourne
24 August 2010

Independent Auditor's Report



Independent auditor's report to the members of Ridley Corporation Limited

Report on the Financial Report

We have audited the accompanying Financial Report of the Group comprising Ridley Corporation Limited (the Company) and the entities it controlled at the year's end or from time to time during the financial year, which comprises the balance sheet as at 30 June 2010, and income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 36 and the Directors' Declaration.

Directors' responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the 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 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. In note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the Financial Report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

We performed the procedures to assess whether in all material respects the Financial Report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

- (a) the Financial Report of the Group is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the Financial Report also complies with International Financial Reporting Standards as disclosed in note 1.

Independent Auditor's Report continued



Report on the Remuneration Report

We have audited the Remuneration Report for the year ended 30 June 2010. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Ridley Corporation Limited for the year ended 30 June 2010, complies with Section 300A of the Corporations Act 2001.

A handwritten signature of Paul J McDonald in black ink, appearing as 'Paul J McDonald'.

KPMG

A handwritten signature of Paul J McDonald in black ink, appearing as 'Paul J McDonald'.

Paul J McDonald
Partner

Melbourne
24 August 2010

Shareholder Information

As at 27 August 2010

	Number of Holders	Number of Securities	% Held by 20 Largest Holders
Holdings of Securities – Ordinary Shares			
Each fully paid	7,370	307,817,071	75.37

Number Held	Number of Ordinary Holders	Number of Ordinary Shares
Distribution of Holdings – Ordinary Shares		
1 to 1,000*	1,253	529,639
1,001 to 5,000	2,733	8,198,987
5,001 to 10,000	1,476	11,188,532
10,001 to 100,000	1,819	43,363,847
100,001 and over	89	244,536,066

*There are 653 holders of less than a marketable parcel of shares.

20 Largest Fully Paid Shareholders	Number of Ordinary Holders	% of Fully Paid Ordinary Shares
McNeil Nominees Pty Limited	43,177,114	14.03
National Nominees Limited	42,108,005	13.68
RBC Dexia Investor Services Australia Nominees Pty Ltd (BKCUST A/C)	23,073,770	7.50
HSBC Custody Nominees (Australia) Limited	19,220,729	6.24
GPG Nominees Pty Ltd	18,071,797	5.87
RBC Dexia Investor Services Australia Nominees Pty Ltd	17,738,825	5.76
Citicorp Nominees Pty Limited	17,177,892	5.58
JP Morgan Nominees Aust Ltd	15,937,773	5.18
Heytesbury Pty Ltd	15,251,181	4.95
Taverners N Pty Ltd	7,641,511	2.48
Sandhurst Trustees Ltd <SISF A/C>	2,570,000	0.83
Cogent Nominees Pty Limited	1,877,405	0.61
Cogent Nominees Pty Limited (SMP Accounts)	1,773,146	0.58
Citicorp Nominees Pty Limited (CFSIL Cwlt Aust Shs 14 A/C)	1,770,990	0.58
JDV Limited <ENT Investment Fund A/C>	1,200,000	0.39
Lawn Views Pty Ltd	800,000	0.26
Queensland Investment Corporation	779,489	0.25
IWPE Nominees Pty Limited <MZL Opportunity Fund A/C>	718,388	0.23
Gwynvill Trading Pty Ltd	600,000	0.19
Lakelands Investments Pty Ltd	560,121	0.18
	232,048,136	75.37

Substantial Shareholders	% Holding
Guinness Peat Group plc and its subsidiaries	19.90%
Lazard Asset Management	13.47%
Investors Mutual Limited	9.44%
National Australia Bank Limited and its subsidiaries	7.24%
Maple Brown Abbott	6.29%
Dimensional Fund Advisors Group	5.18%

Directors' holdings

On 27 August 2010, the Directors of Ridley Corporation Limited had an interest in the following shares and performance rights of the Company.

Shareholder Information continued

As at 27 August 2010

	Fully Paid Ordinary Shares	Ridley Performance Rights
JS Keniry	765,319	-
J Murray	217,471	550,000
JM Spark	276,000	-
RJ Lee	269,366	-
PM Mann	56,625	-
AL Vizard	46,658	-
RJ van Barneveld	-	-
GH Weiss	-	-

Voting rights

As at 27 August 2010, the number of holders of fully paid ordinary shares with full voting rights was 7,370. On a show of hands, every person who is a member or a representative of a member has one vote. On a poll, each shareholder is entitled to one vote for each fully paid share held. A shareholder may appoint a maximum of two proxies to represent them at general meetings.

Corporate Directory

Ridley Corporation Limited

ABN 33 006 708 765

Corporate office and registered office

Level 4, 565 Bourke Street
Melbourne Victoria 3000 Australia

Telephone 03 8624 6500

Facsimile 03 8624 6505

Email secretary@ridley.com.au

Ridley AgriProducts Pty Limited

ABN 94 006 544 145

Head office

Level 4, 565 Bourke Street
Melbourne Victoria 3000 Australia

Telephone 03 8624 6500

Facsimile 03 8624 6505

Cheetham Salt Limited

ABN 81 006 926 487

Head office

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Melbourne Victoria 3000 Australia

Telephone 03 8624 6500

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