



**Melbourne, Australia 22 October 2010: Ridley (ASX:RIC)** today announces the viability and deferral of the redevelopment of the Dry Creek salt fields into a residential community.

In 2008 Ridley Corporation and Delfin Lend Lease entered into a Heads of Agreement to facilitate investigation into the feasibility of redeveloping the Dry Creek salt fields in Adelaide into a master planned residential mixed-use community.

The investigations and subsequent feasibility analysis indicate that redevelopment of the site is financially viable, potentially providing a community with up to 10,000 dwellings, a mixed-use town centre, recreational lake with marina facilities and dedicated wetland conservation areas. The potential value derived from a redevelopment of this kind would create significant long-term shareholder value, and is at least equal to the current carrying value of the Dry Creek site in its current use as a fully operational salt field.

While redevelopment of the site is viable, the Dry Creek salt fields currently operate under a long term Supply Agreement between Cheetham Salt and Penrice Soda Holdings. After evaluating all conceivable alternative sources of salt supply, including the relocation of the existing salt fields, the Board has concluded that the redevelopment is not feasible at the present time.

Consequently, Ridley has determined not to proceed into the next stage of redevelopment investigations and has advised Delfin Lend Lease accordingly. Ridley remains confident, however, that redevelopment of the land will occur at an appropriate time, and that the Dry Creek land will continue to represent a significant strategic opportunity for redevelopment given its proximity to Adelaide and inclusion within the State Government's 30 Year Plan. Ridley will continue to monitor this opportunity with a view to maximising shareholder value for the long term.