RIDLEY CORPORATION LIMITED

ANNUAL GENERAL MEETING 22 NOVEMBER 2010

MANAGING DIRECTOR'S ADDRESS

Thankyou John.

Introduction

Having divested, mothballed, restructured or closed our non-performing sectors, and having simplified and de-risked the business last year, 2010 was a year in which we had to drive home the benefits of these initiatives. I was therefore delighted to report an after tax profit for the year of $29.1 million; a clean and transparent result where the financial consequences of all events that occurred during the year, both favourable and unfavourable, were reported simply as operational outcomes.

The volatility and cash drain associated with the North American Ridley Inc operations were forever removed with its sale in 2009, and this enabled management to focus in 2010 on the continued growth of its predominantly domestic stockfeed and salt businesses.

Total shareholder returns

Behind me on the screen is a chart comparing the movement in Ridley total shareholder returns against the ASX Top 200 Index and also the Small Ords index from 6 May 2008, being the day prior to the announcement of the outcomes of our watershed 2008 strategic review. The chart clearly shows the market's favourable response to the initiatives executed in pursuit of that strategy since that date.

Financial highlights

I view the reported level of 2010 earnings as the mid-point for a new base level of earnings, and one which we firmly believe we can ratchet further upwards in the execution of our strategic plan.

As the Chairman has already highlighted, in 2010, Agriproducts delivered a second successive record result of $29.0 million, despite the severe downturn in the Dairy sector which prevailed throughout the year which I shall refer to shortly.

Cheetham Salt generated earnings of $24.0 million, including $7.2 million of after tax earnings from its joint ventures. This represents a return to historical operating levels and Cheetham is 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.

Property

In addition to growing the core businesses, we continued to execute our 2008 strategic objective to unlock the value of surplus land. Shareholders need to be aware that the processes for extracting the optimum values from the redevelopment opportunities are time consuming, and often contain complex issues to resolve with a number of interdependencies and involving a number of different parties. Consequently, the execution of this strategic plan objective should be viewed as a medium to long term upside which we believe is not currently reflected in the Company's share price.

The sale of the Cheetham Salt former head office at Corio for proceeds of $2.5 million and a nominal profit on sale as announced in August 2009 was the first significant disposal of surplus assets under the strategy announced in the prior year.

Approximately $1 million of costs associated with property development have been reported within the 2010 operating result and are incorporated within the 2011 Ridley operational budget. These costs cover all activities associated with the ongoing investigations and pursuit of opportunities for redevelopment or sale of Ridley's surplus property holdings, many of which benefit from proximity to major urban centres, coastal areas, and from being located within areas earmarked for future urban expansion by Government.

Lara

Cheetham Salt's 912 hectare former salt field at Lara, located adjacent to Avalon Airport just outside Geelong in Victoria, has many significant strategic possibilities for redevelopment. The airport has been proposed for expansion as Melbourne's second international airport, and is located within a future employment hub nominated by the Victorian Government to manage the growth for Melbourne and its surrounding regions. A number of desktop planning and technical investigations have been completed for the Lara site which indicate that a large portion of the land may have redevelopment potential, and the successful incorporation of the Lara site within any regional plan will help substantiate further investigation and investment into redevelopment options for the site.

We recently announced the deferral of the redevelopment of the Dry Creek site due to the inability to service the existing contractual brine supply arrangements with Penrice other than through the current Dry Creek salt production capacity. The conclusion of the feasibility study did, however, confirm the unencumbered commercial viability for the Dry Creek redevelopment, and the validation of the current carrying value of the asset should it be reclassified from a "value in use" asset to an asset "held for development."

Safety

One disappointing aspect of performance for the 2010 year was our inability to reach our safety targets, although we still achieved further reductions in lost time injury rates compared to prior years. The Ridley Board and management team remains 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. Even more emphasis is being placed on workplace safety in the 2011 year, including increasing the safety related proportion of at-risk remuneration for managers throughout the organisation from the Managing Director down.

Ridley Agriproducts Growth Prospects

I mentioned earlier the impact of the Dairy sector on Ridley Agriproducts' performance for the year. The progressive decline in the Dairy industry throughout the 2009 calendar year was a significant influence on the 2010 annual result in an otherwise "unexceptional" operating environment.

Calendar year 2010 saw the stabilization, followed by the emergence of a slow but steady recovery in the Dairy sector, however as highlighted by the Chairman, the 2010 result was still $7.0 million below the EBIT for 2009.

The Dairy shortfall has been more than compensated by 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.

For an investment of only $1.2 million, in 2009 Ridley acquired control over a new aqua-feed facility at Inverell, which provides an effective doubling of capacity and removes the production constraints that had previously been restricting expansion in the Aqua-feed business.

We also signed new Aqua-feed and poultry contracts during 2010 which underpin performance for a number of years to come in these sectors and which further reduces Ridley's exposure to the drought cycles of the past and increases our feature of differentiation from other companies in the agribusiness sector.

The centralisation of Sales, Procurement, Supply Chain, Nutrition, Engineering and Manufacturing functions reaped the anticipated rewards in 2010, not only in terms of improved operational efficiency, communication and cost control, but also particularly in the purchase of raw materials, where commodity prices generally fell for much of the year and where overly long positions would have exposed Ridley to significant unfavourable price risk.

The breadth of coverage of our mills in the southern and eastern states, together with the re-opening of the Clifton mill to accommodate additional volumes from the new Inghams contract signed during the year, provides us with a clear competitive advantage and positions us well to take advantage of the expected industry consolidation opportunities over the next year or so. Whilst we have not been successful in shaking any of these opportunities loose in the 2010 year, we will continue to proactively pursue opportunities that make good business sense from a reliability, cash flow generation and conversion, and synergistic perspective. Given our strong organic growth profile we will remain highly disciplined with acquisitions, ensuring that our strict hurdle rates are achievable prior to moving forward.

Cheetham Salt Growth Prospects

In 2010 Cheetham Salt 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 were experienced in the second half of the 2010 financial year. As a consequence, the budgeted freight cost savings from not having to ship salt to Queensland from the southern states were not delivered. We expect the consolidation of the Cheetham Salt refinery operations in Australia from five facilities down to three to deliver significantly lower manufacturing and logistics costs in 2011, and reduced ongoing maintenance and capital requirements thereafter.

The Port Alma salt field was reopened after five years of hibernation and will produce high quality salt suitable for either refining or bulk despatch for the Queensland markets.

The construction of a new state of the art refinery near to a major port and the Indonesian capital of Jakarta enables Cheetham to refine low cost imported bulk salt into premium grade solar salt for the West Java industrial market.

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 Olga which passed through the reopened Port Alma salt field, Bajool and Bowen sites in January 2010. I am pleased to report that the initiatives proved to be highly effective and that salt losses were effectively minimised.

Cash flow

In 2010, Ridley continued to demonstrate a high conversion of its operating result to cash, and paid out over $21 million in cash dividends for the year. $17.5 million of the $23.4 million total capital expenditure incurred during the year was profit improving in nature. Having completed most of the internal development projects, we expect to be able to manage our capital expenditure over the next two to three years within the existing level of depreciation and amortisation, and this should liberate a further $10 million of unallocated cash flow compared to 2010.

During the 2010 year, $5.5 million was incurred in implementing the new ERP for the Agriproducts business, and we successfully went live on the new system in the fourth quarter for the first mill site. We have since transferred a further eight sites onto the new platform and plan to have completed the implementation close to the end of the 2011 financial year.

Further organic growth forecast within the Ridley internal three year strategic plan is expected to deliver strong cash conversion available for expansion opportunities, debt retirement, capital restructure, increased returns to shareholders, or any combination as may be approved by the Board.

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.

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.

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.

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 and the myriad of other strategic initiatives. Yet again, our people have risen to the challenges and performed admirably, and on behalf of the Board, management and shareholders, I thank all Ridley 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 end of this 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.

I am pleased to confirm both that my tenure as Managing Director of Ridley has just been contractually extended for a four year period concluding on 18 November 2014, and that John Spark has been elected by the Board to be the new Chair of Ridley effective from the end of this meeting. John Spark has provided a positive contribution to all Board discussions since his appointment in January 2008 and I look forward to working closely with John and the rest of the Board over the coming years as we continue the journey of improving the wealth of Ridley shareholders.

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 also completed in 2010 are expected to deliver bottom line improvements 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, whilst the new Inverell facility and plant efficiency improvements at the Narangba facility provide Ridley Aqua-feed with a solid platform for expansion.

We have put plans in place to ensure that we recover the majority of last year's Dairy volume and margin during 2011 and 2012, and the early signs for 2011 are that the recovery is proceeding on the back of firming milk prices but being constrained somewhat by well above average levels of pasture growth due to the exceptional rainfall experienced this year, particularly in Victoria.

Despite a poor start to the season in 2011 as a result of the consistent level of winter rainfall in Queensland which has generated unseasonally rich pasture, Ridley is confident that Supplements can achieve sustainable long term profitability.

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.

Our results for the first quarter of 2011 have been somewhat subdued, mainly as a result of the well above average rainfall that has fallen across eastern Australia this spring. That said, we are still confident that the 2010 earnings remain as a mid-point of a sustainable base to grow from and, despite this slower than expected start, that 2011 will show improvement on the 2010 year.

Closing images

In accordance with our usual practice, we will provide formal 2011 guidance together with our half year results in February next 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 both a safe haven of the sector and capable of growth in future profits, dividend streams and shareholder value.