



**Melbourne, Australia, 21 January 2011: Ridley (ASX:RIC)** today announces it has agreed to acquire Camilleri Stockfeeds Pty Ltd (**Camilleri**), a poultry and fish rendering business, as part of Ridley's growth strategy to acquire businesses highly compatible with its core agribusiness activities, with proven track records, good management and with strong conversion of earnings to cash.

Whilst the terms and conditions of the transaction are confidential, the agreed acquisition will be funded through existing Ridley banking facilities. The acquisition is subject to a number of conditions to completion, which Ridley is confident will be able to be satisfied, and the acquisition finalised on or around the end of February 2011.

Camilleri is a private company involved in poultry and fish rendering, a process which converts raw animal tissue into various protein, fat, and mineral products comprising rich granular-type meals and liquid fats with specific nutritional components that are used in the production of pet food, animal and aquaculture stockfeed. Poultry and fish meals and oils are also traded by the business.

Ridley CEO John Murray commented "In our investor presentations for over twelve months now we have stated our intent to identify and secure earnings accretive "bolt-on" type business acquisitions which complement our agribusiness operations. I am delighted to be able to announce that with our first such transaction, we have secured a business with strong historical earnings, a sound safety and environmental profile, and a reputation for quality and excellence in all facets of its operations. Key to our decision making was the ability to secure the ongoing involvement of Camilleri Managing Director Mr Kevin Pratt."

Mr Murray continued "The Camilleri business met all of our acquisition criteria in that it has consistently delivered strong earnings performance and is synergistic with our agribusiness operations, and in particular Ridley Aqua-Feed. The business has a strong safety and quality focus, has proven to be highly innovative in its service and product offerings, gives Ridley a presence in the Sydney basin, and provides Ridley's expert Nutrition team with exciting opportunities to develop new and improved nutritional solutions for our clients."

## **Rendering Industry Overview**

One-third to one-half of each animal produced for meat, milk, egg and fibre food products is not consumed by humans, and the global rendering industry has consequently been a key component to sustainable agriculture for decades.

Otherwise surplus raw materials are subjected to rendering processes which result in many useful and valuable products, including meat and bone meal, poultry meal, hydrolysed feather meal, blood meal, fish meal and animal fats. The most important and valuable use for these by-products is as feed ingredients for livestock, poultry, aquaculture and companion animals.

Without the continuing efforts of the rendering industry, the accumulation of unprocessed animal by-products would impede the meat industries and pose a serious potential hazard to animal and human health. By processing the low economic value organic matter from the meat processing, food processing, and food service industries and by reducing the amount of wastes deposited in landfills and discharged to municipal wastewater treatment facilities, the rendering industry has a positive social role in sustainable agriculture.

### **Camilleri Stockfeeds Background**

Camilleri is a private company established in 1977 on a fully owned, 65 acre site at Maroota, New South Wales, approximately 65 kms northwest of the Sydney CBD in the Shire of Hornsby. The business operates from the spacious sole location which has a significant storage capacity of approximately 10,000 tonnes and onsite rendering, blending and bagging facilities. The location is well connected with the M2 and from there, all other major road networks in the Sydney metropolitan area.

The business has been profitable since commencement of business 33 years ago and has maintained high quality standards and an accommodation of customers' needs that have combined to deliver steady growth over this time and an annual turnover consistently in excess of \$30 million.

Camilleri has developed and maintained practice standards enviable in the industry. In accordance with a strong focus on the environment, plant at Maroota has been installed which produces BIO gas for use in the rendering process, thereby reducing costs and carbon output. The Camilleri rendering business uses only poultry and fish inputs, and its plant is designed to separate raw material handling from the process and storage areas.

Camilleri Managing Director Kevin Pratt added "I am looking forward to my ongoing involvement with Ridley, whose Aqua-Feed division has recently become the leading customer for our fish meal and oil products. Whilst the Camilleri rendering and trading operations will outwardly remain unchanged, I expect that the combination of Ridley's internal nutrition and dietary expertise with our capacity to blend and individually tailor our rendered products to meet customer requirements will deliver significant synergies and innovative product solutions."

John Murray concluded "Ridley has an excellent debt servicing capacity, low gearing ratio, and a positive cash flow conversion forecast for the remainder of the 2011 financial year. With the additional cash generating capacity provided by Camilleri and adequate headroom in our banking facility, we are comfortable to fund the acquisition entirely with debt. We are delighted that Mr Pratt has agreed to remain with the company to help ensure that the combination of our two businesses contributes positively to the future growth of Ridley."