Ridley Corporation

Energy, Chemicals and Agriculture Conference

11 March 2011

Ridley Corporation

Ridley Corporation Limited (RIC) is:

- Australia's largest processor of stockfeed products – now including rendering after the recent acquisition of Camilleri Stockfeeds (Ridley AgriProducts)
- Australia's largest producer and refiner of salt products (Cheetham Salt)

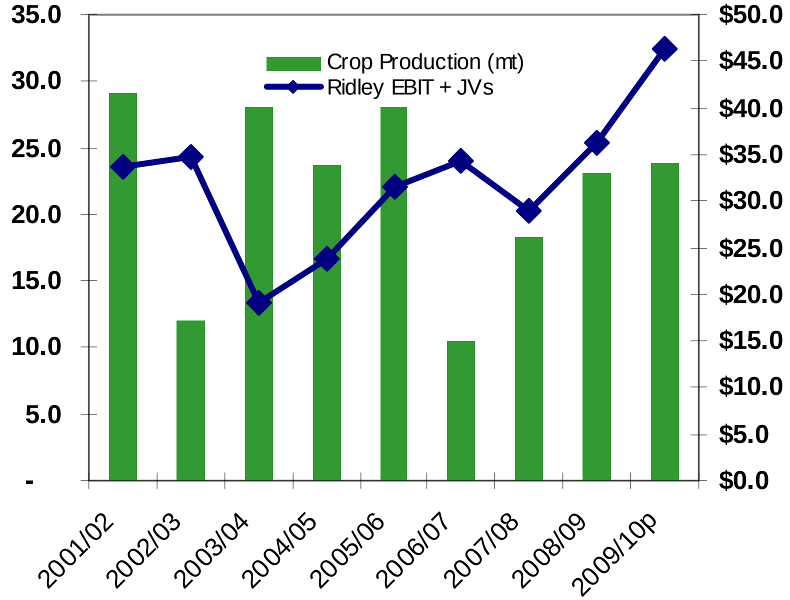
In addition Ridley is pursuing the development of land surplus to its requirements

An Agribusiness like no other

- Ridley's performance is most linked to salt and the intensive industries of poultry, aquafeeds, dairy and pork for which intensive feeding is critical to success
- Performance not linked to the size of the grain crop and so earnings less volatile
- Performance not linked to grain prices (apart from impacts on working capital)
- Ridley is a volume and margin business - sales dollars are linked to grain prices but profitability is not (or at least not very much)
- Ridley's business is supported by customer contracts (c.60%)
- Ridley converts a high proportion of its EBITDA to cash - particularly as compared to other Agricultural companies with which it is typically compared
- Any earnings based multiples approach to valuing Ridley will therefore undervalue it as compared its typical peer group unless cashflow is considered
- BUT…is exposed to the positive macro economic factors impacting Agribusinesses

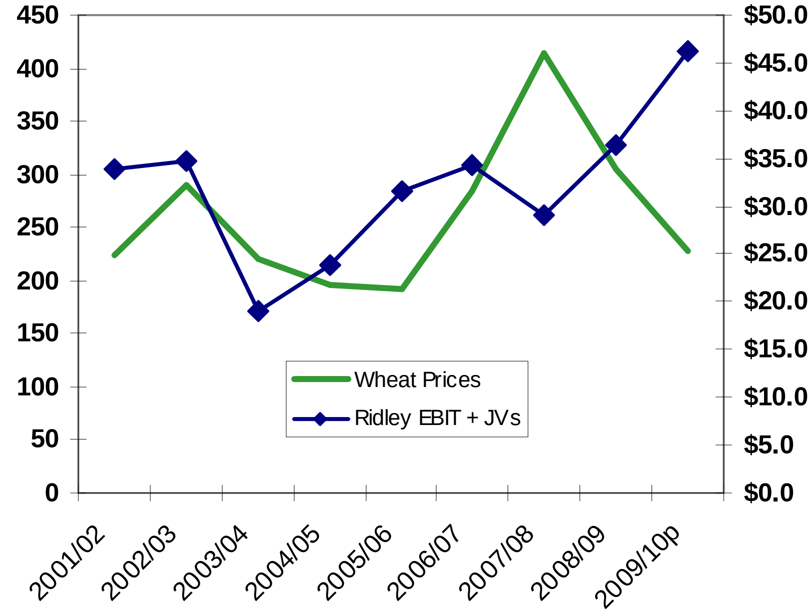
Low Correlation to Crop Prodn and Prices

Low Correlation between Ridley EBIT* and Crop Production



*Ridley EBIT includes Salt JV NPAT and normalises overheads at $7.5m pre 2008 to remove the impact of Ridley Inc

Low Correlation between Ridley EBIT* and Wheat Prices



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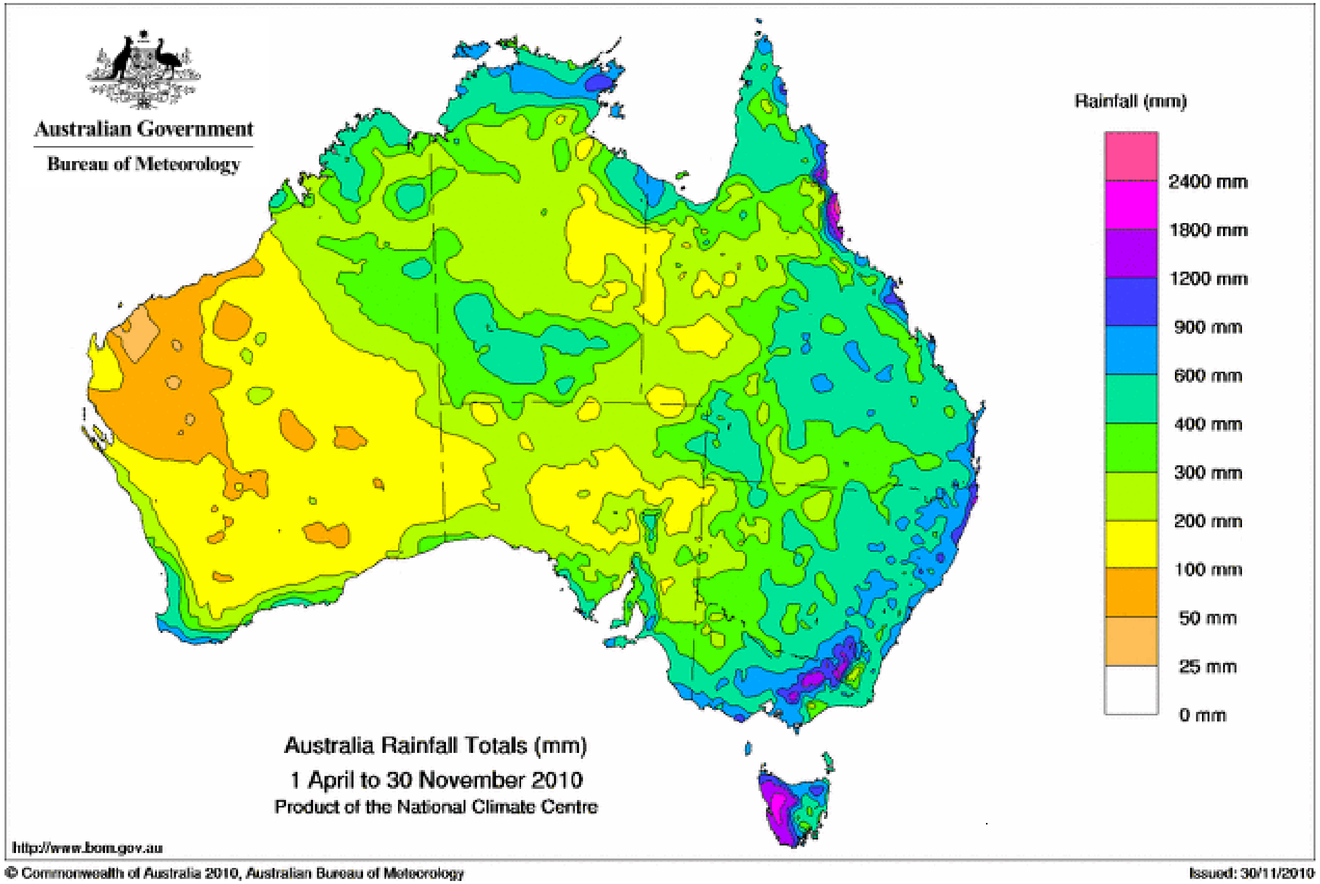
Ridley Resilient

- Sustained periods of rainfall in dry season led to highest levels recorded on east coast for up to 50 years prior to onset of widespread flooding around half year end
- Abundance of natural pasture for dairy, beef and sheep sectors
- Less reliance placed on supplementary feeding



Ridley Resilient

- **Period of severe adverse weather conditions -** sustained periods of widespread and unseasonally high rainfall
- **Stress testing of businesses -** wet weather contingency plans actioned
- **$1.0 million uplift in NPAT -** lower operating result boosted by lower tax and with strong underlying cash generation preserved
- **Robust operations** - affected in the half year by the severe adverse weather patterns but resilient overall and within the tolerance for earnings deviation arising from extraneous factors
- **Ridley AgriProducts $12.8m first half result -**
  - Supplements down by $1.0 million with abundance of pasture
  - FY11 expensing of costs that were capitalised on ERP in FY10
  - Other sectors stable with slow but steady dairy sector recovery
- **Cheetham result of $11.3m including JV's –**
  - Queensland weather events causing stock losses, production disruption, and lower stockfeed volumes
  - Reduction in soda ash volumes and JV profits
- **Unlocking of further growth potential remains the key focus**

Productivity Improvements

Agriproducts at $20.63 v's $14.04 in FY08 – but targeting >$23.31

Agriproducts	FY08	FY09	FY10	1H FY10	1H FY11
Tonnes (kt)	1,610	1,573	1,570	790	829
EBITDA	22.6	31.1	36.6	17.4	17.1
EBITDA/Tonne	$14.04	$19.77	$23.31	$22.03	$20.63

Cheetham at $18.07 v's $14.64 in FY09 despite significant adverse weather

Cheetham	FY08	FY09	FY10	1H FY10	1H FY11
Tonnes (kt)	1,221	1,202	1,272	633	592
EBITDA (excl JVs)	22.1	17.6	21.3	11.6	10.7
EBITDA/Tonne	$18.10	$14.64	$16.75	$18.33	$18.07

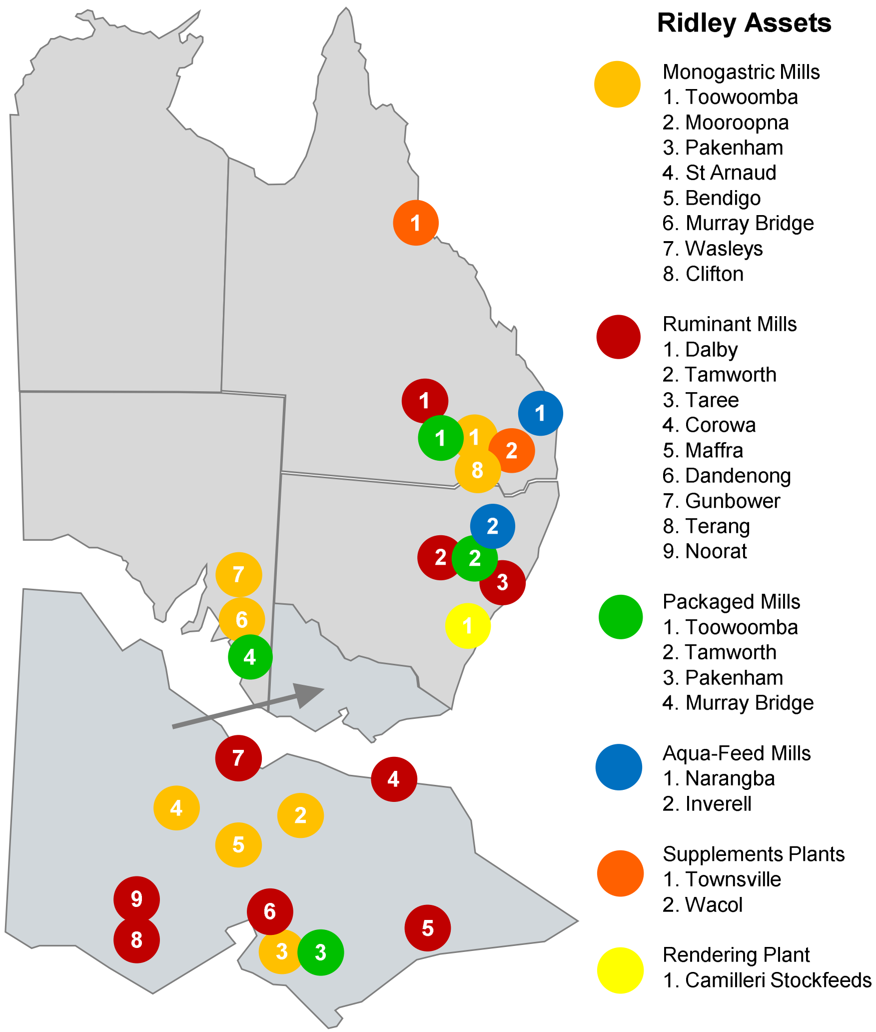
Agriproducts Overview

Market

- ~12mt of animal feed consumed annually in Australia
- ~6mt freely traded and the other 50% owned by integrators, feedlots etc
- Ridley has ~1.5mt (25%) of the freely traded market and ~12.5% of the total market
- Sale of 50% share in Champion Liquid Feeds
- Acquisition of Camilleri Stockfeeds

Ridley Brands

- Ridley
- Barastoc
- Ridley Aqua-Feed
- Ridley Dairy-Feed
- Rumevite
- Cobber
- Camilleri Stockfeeds



Segment Summary

Sector	1H FY10 (kt)	1H FY11 (kt)
Poultry	371	459
Aqua-feed	24	25
Packaged	48	42
Dairy	110	125
Pig	163	122
Supplements	21	13
Beef & Sheep	19	12
Other	34	31
Total Tonnes	790	829

- Poultry: 24% growth from ramp up of long term customer contracts, market growth of chicken consumption and growth in niche turkey and duck sectors
- Aqua-feed: prior year sales growth and market penetration maintained with Ridley Aqua-feed looking to expand into new markets and secure new customers
- Packaged Products: volumes down primarily due to pasture availability and slower than anticipated dairy sector recovery but earnings maintained through tight margin management
- Dairy: 14% improvement in Dairy volumes and margins as the sector recovers on the back of firmer milk prices and pasture availability
- Pig: continued producer profitability and stabilised pig numbers have maintained volumes except for loss of major customer as previously reported.
- Supplements: increased market share recorded in a shrunken seasonal market due to widespread pasture availability.
- Beef & Sheep: small sectors for Ridley but both affected by pasture abundance.

RIDLEY

Camilleri Stockfeeds

- Acquisition completed 1 March 2011
- CSF represents an ideal bolt on for Ridley:
  - Manageable size ($25-$35m) and wholly debt fundable
  - EPS accretive (at least 5%) with robust reliable earnings and opportunities for growth
  - Strong cash conversion
  - Synergies with our Ridley Aqua-Feed business
  - Good fit with Ridley's core competencies & value chain
  - Diversifies risk in a sector not exposed to seasonal conditions
- Similar EBIT to Aqua-feeds & Packaged Products with proven track record of earnings and cash conversion over 30 years
- A necessary industry expected to grow in line with food consumption and population growth trends
- Key management personnel retained within the business

Camilleri Stockfeeds

- Poultry and fish only – low exposure to weather and seasonal fluctuation
- Significant blending capacity
- Export licences and only holder of EU licence, AQIS accredited for importing
- Important supplier of protein to animal feed industry and key input into pet industry
- Scalable
- Strong environmental credentials and safety focus
- Reputation for quality and innovation, long term relationships
- Single site, Sydney basin, compact business to integrate

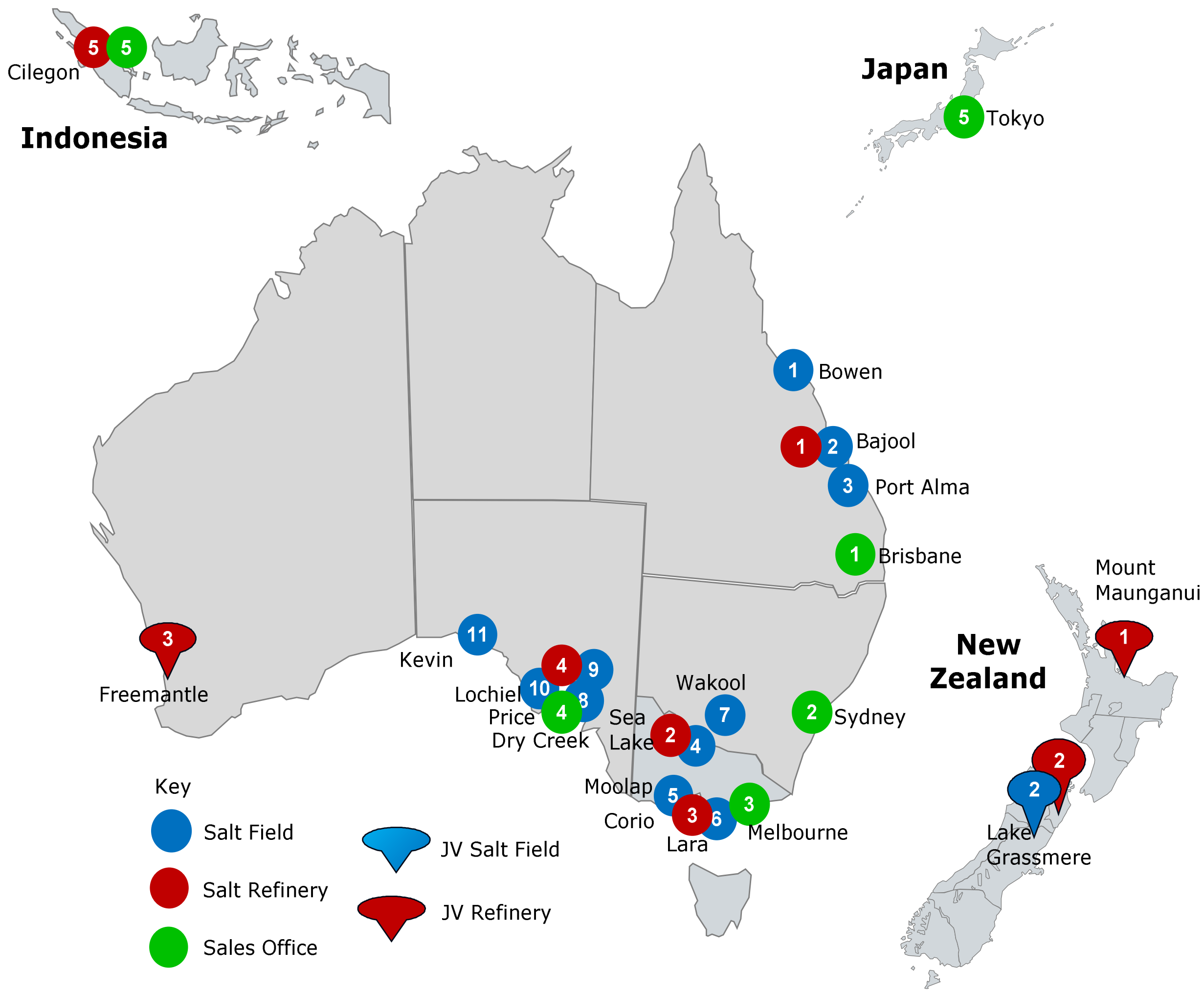
Cheetham Salt Overview

Cheetham owns:

- ❑11 solar salt fields with combined production capacity of ~1.4mt
- ❑5 refineries (one in Indonesia) including a flake salt plant
- ❑~70% domestic market share

Joint Venture interests:

- ❑Salpak: JV with Cerebos in Australian retail salt (major brand Saxa)
- ❑Western Salt Refinery: JV with WA Salt in a refinery business
- ❑Dominion: JV with Cerebos in a solar salt field and 2 vacuum and solar salt refineries in NZ
- ❑Cerebos-Skellerup: JV with Cerebos in NZ retail salt



Segment Summary

Sector	1H FY10	1H FY11
Soda Ash	290k	260k
Chemical	90k	83k
Food	50k	48k
Pool	38k	43k
Hide	30k	30k
Stockfeed	26k	16k
Export	63k	56k
Indonesia	33k	45k
Other	13k	11k
Total Tonnes (kt)	**633k**	**592k**

- **Soda Ash volumes down due to lower offtake by Penrice**
- **Chemical FY10 comparative included the one off sale of low grade, prior year harvest stac.**
- **Food reflects slight reduction in retail volumes**
- **Pool volumes increased by 13% due to weather conditions consistent with re-chlorination of pools in Qld and NSW**
- **Hide volumes steady year on year**
- **Weather in Qld severely affected stockfeed demand**
- **Export of crude salt to Dominion down 7.4kt although export volumes to Japan have increased by 0.8kt**
- **Indonesia volumes have increased by 36%. Full impact of new refinery being realised**

Conclusions and Outlook

- Half year result - weather impacted, delayed the returns to come from capital projects, but delivered strong operational cash flows despite sharp and sustained rises in grain prices
- Impacts of recent and widespread flooding still to be fully assessed
- Second half raw material prices likely to remain high despite availability of weather damaged grain
- New banking facility to start to deliver finance cost savings by year end
- Maintain focus on internal costs and efficiency - further prior year tax benefit to finalise
- Growth in Dairy, Packaged Products, Aqua-feed and Poultry sectors anticipated to continue

Conclusions and Outlook

- Integrate Camilleri acquisition to ensure EPS accretive in first 12 months
- Maintain strong cash conversion and recent dividend streams
- Manage capital expenditure within depreciation and amortisation levels
- Continue focus on effective management of working capital
- Position the business to generate the benefits from ERP implementation in FY12
- Closely monitor all related activity to take full advantage of property redevelopment opportunities that may emerge sooner than anticipated
- With headroom in the facility limits and debt servicing capacity, continue the disciplined approach to source further “bolt-on” acquisitions in AgriProducts
- Provide full year guidance based on Q3 actuals and Q4 outlook

Why invest in Ridley

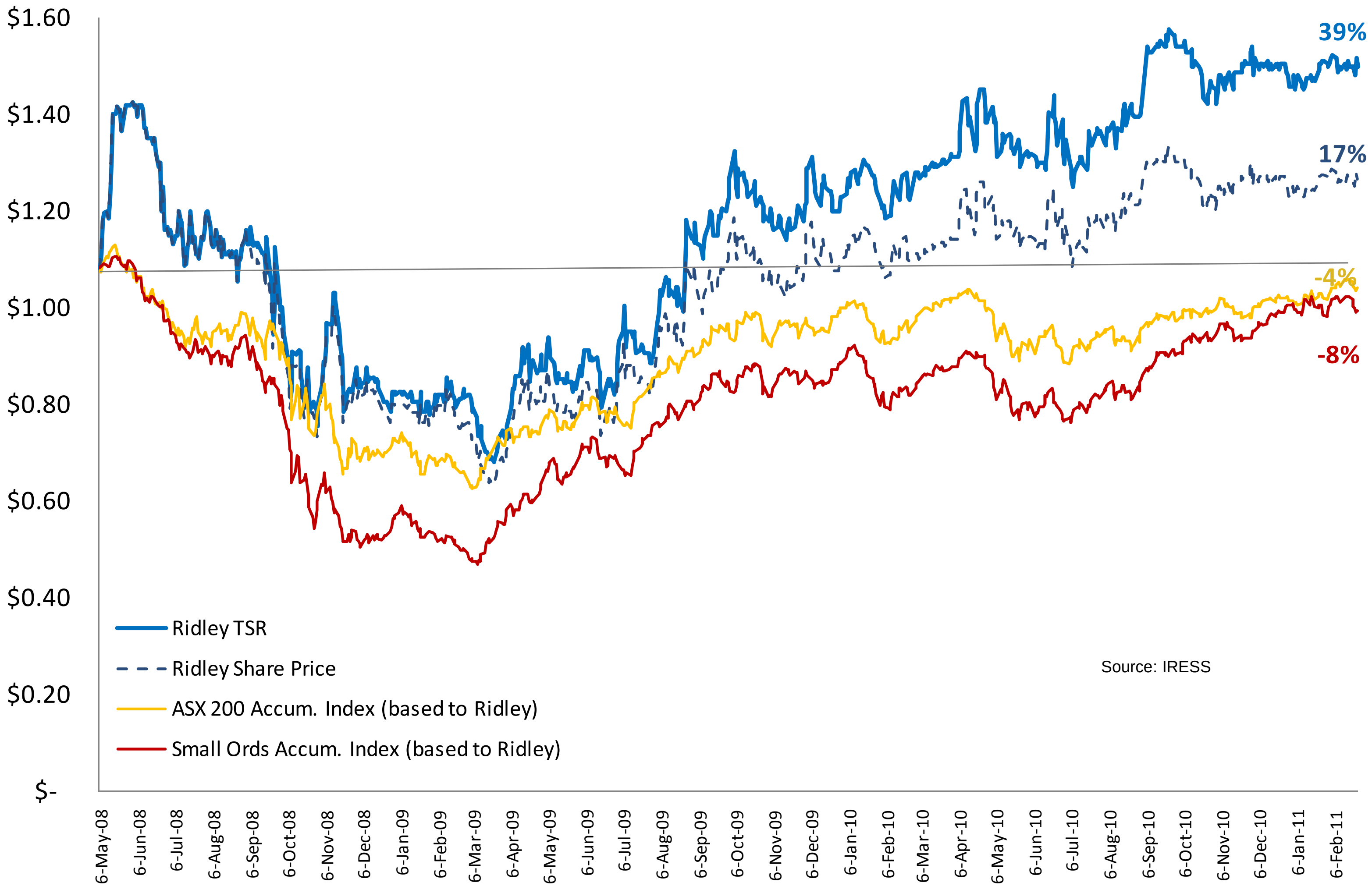
- Lowly geared at ~33% after Camilleri acquisition, with the facility and debt servicing capability to be proactive and opportunistic
- Strong conversion of operating result to cash
- Market leader in salt business domestically and in New Zealand with high barriers to entry
- Leading domestic purchaser of freely traded grain with a national footprint
- Recent doubling of production capacity to service high growth aquaculture industry
- Agri-sector price volatility mitigated by pass through arrangements to lower Ridley’s value at risk

Why invest in Ridley

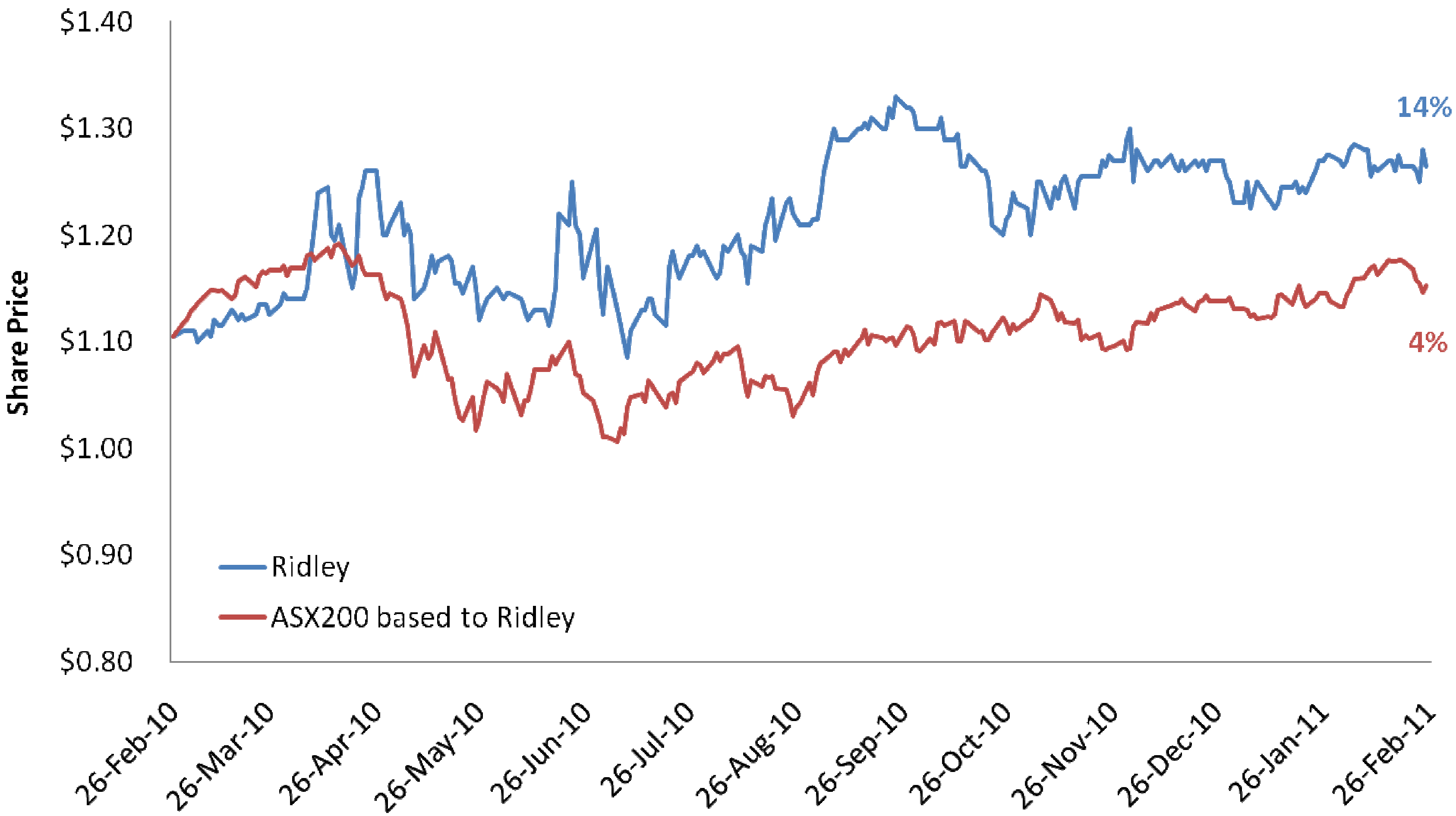
- Agri-sector stock but focused on diversified intensive feed solutions driven by Australian domestic food consumption
- High natural risk mitigation through broad sector and geographic diversification
- Less reliant on climate than other Agri-sector businesses
- Low volatility underpinned by reliable, stable salt earnings
- Significant land value not reflected in current valuations
- Reliable 6+% dividend stream at current trading levels with future growth forecast in real terms
- Near term organic growth locked in for both businesses + Camilleri

Total Shareholder Return

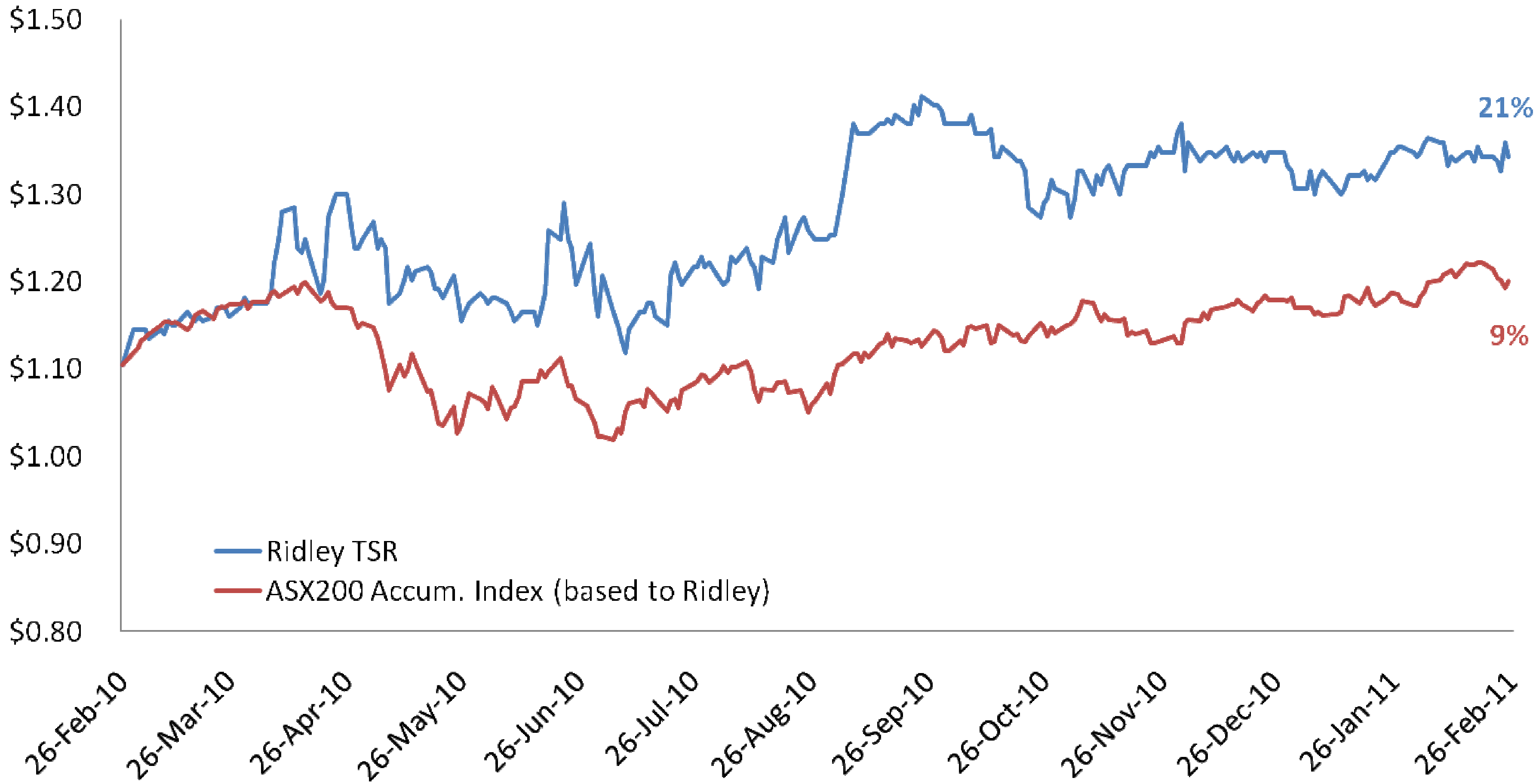
From 6 May 2008 (day prior to announcement of outcomes of strategic review)



Share Price Performance – Last 12 Months



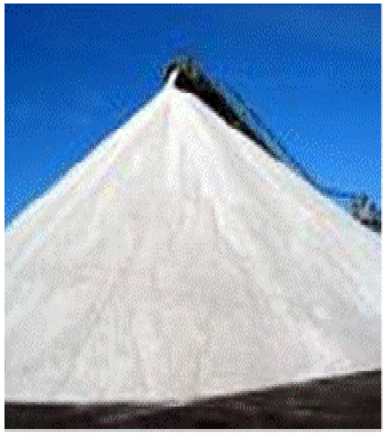
Total Shareholder Return – Last 12 months



Ridley Corporation

We feed the food that ends up on your plate

Premium Solar Salt



Ridley transformed and now a compelling proposition

Appendices

1. **Profit and Loss Half Year Results**
2. **Cashflow Half Year Results**
3. **Financial Ratios Half Year Results**
4. **Division Highlights**
5. **Camilleri Diagrams**

Financial Highlights

Consolidated result	1H FY10	1H FY11
Sales Revenue	381.8	373.6
EBIT - AgriProducts	14.1	12.8
EBIT - Cheetham	9.5	7.8
Salt Joint Ventures	3.8	3.5
Corporate Costs	(3.6)	(3.5)
Result from Operations	**23.8**	**20.6**
Net Finance Expense	(3.9)	(4.6)
Tax Exp. excl sig. items	(5.0)	(0.1)
Net Profit	**14.9**	**15.9**

- **Group NPAT of $15.9m, up $1.0m or 6% on 1H FY10**
- **EBIT result for AgriProducts of $12.8m includes $0.4m contribution from liquid feeds business up to and including its sale**
- **Cheetham impacted by severe weather events**
- **Highly reliable earnings and cash streams from joint ventures, slightly down on budget and last year**
- **Corporate costs in line with budget**
- **Net interest up by $0.7m due to accelerated amortisation on capitalised borrowing costs**
- **Low tax expense largely due to 2010 R&D tax concession claim for ERP**

Cashflow

Consolidated	1H FY10	1H FY11
EBITDA (inc JV NPAT's)	29.3	27.8
Movement in working capital	(3.5)	(5.8)
Other net cash outflows *	(1.5)	(6.9)
Capital expenditure	(15.0)	(5.9)
Proceeds from sale of assets	2.9	5.1
Net finance expense	(3.5)	(4.5)
Net tax payments	(0.3)	(3.1)
Cash flow for the period	**8.4**	**6.7**
Net cash dividends	(9.8)	(10.5)
Settlement of prior year Canadian tax liability	(7.9)	-
Opening net debt as at 1 July	**(69.1)**	**(72.0)**
Draw down of debt	(9.3)	(3.8)
Closing net debt as at 31 Dec	**(78.4)**	**(75.8)**

- **Strong EBITDA performance despite severity of adverse weather conditions**
- **Inventory increase of $9.6m following rises in grain prices.**
- **Capex of $5.9m less than depreciation of $7.2m.**
- **Non-core liquid feeds business sold for proceeds of $5.0m**
- **Net finance cost increased in line with interest rates and timing of loan maturity to change to new bank facility**
- **Tax paid for FY11 prior to finalisation of tax estimates and ERP tax concession**
- **Final dividend paid increased from 3.5c to 3.75c per share**
- **Canadian tax liability relating to sale of Ridley Inc settled in August 2009**

* **Sum of all other cash flows**

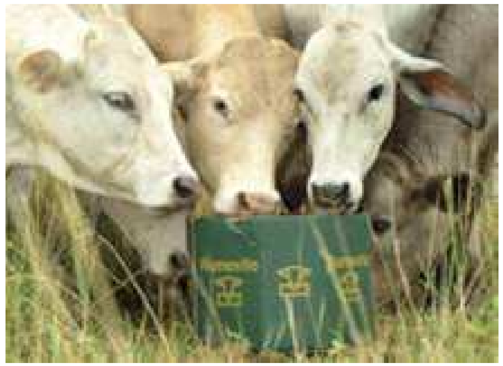
Financial Ratios

Consolidated result	1H FY10	1H FY11
Net Debt	78.4	75.8
Equity	281.5	288.9
Total Assets	486.5	493.4
Gearing (Net Debt / Equity)	**27.9%**	**26.2%**
EBIT*	23.8	20.6
EBITDA*	29.3	27.8
Net Debt / EBITDA*	2.7	2.7
EBIT* / Net Interest	6.1x	4.5x
Operating cash flow / EBITDA*	45%	34%
ROE (annualised EBIT*/ Funds employed inc JV's)	13.0%	11.0%
EPS (cps)	**4.9c**	**5.2c**

- **Gearing stable reduced to 26.2% pre- Camilleri acquisition (33.5% post) with strong debt servicing capacity**
- **ROE maintained in double figures for the third successive period at 11.0%**
- **EPS growth is up 6% to 5.2 cents per share**
- **Term loan facilities renegotiated before half year end to 29 December 2014**

*** Includes NPAT from JV's so understated by impact of interest, tax (& DA as applicable) on JV results**

Ridley Agriproducts



Agriproducts Highlights

- **EBIT result of $12.8m -** temporary deviation from longer term growth path but highly resilient result in stressful period for the business
- **Aqua-feeds -** insulated from on-land adverse weather events
- **Packaged Products –** earnings stable despite pasture availability - new product offerings, channel relationships, and product differentiation
- **Pig and Poultry -** Loss of pig volume more than covered by poultry growth but minimal earnings impact due to shift in margin mix
- **Dairy sector -** positive earnings recorded for the half year but full recovery still 18 months away – new product offering in Gippsland
- **Supplements result down $1.0m on prior year** - despite increase in market share and adoption of cost minimisation strategies
- **Expensing of ERP costs** – incremental operating costs of $0.5m and amortisation of $0.8m charged in period not in prior period result
- **Non-core liquids business divested** - two months of operations and sale transaction contributed $0.4m to the half year.
- **Camilleri Stockfeeds** - synergies in raw material supply and aquafeed

RIDLEY

Cheetham Salt

Cheetham Salt
Pure Australian

Premium Solar Salt

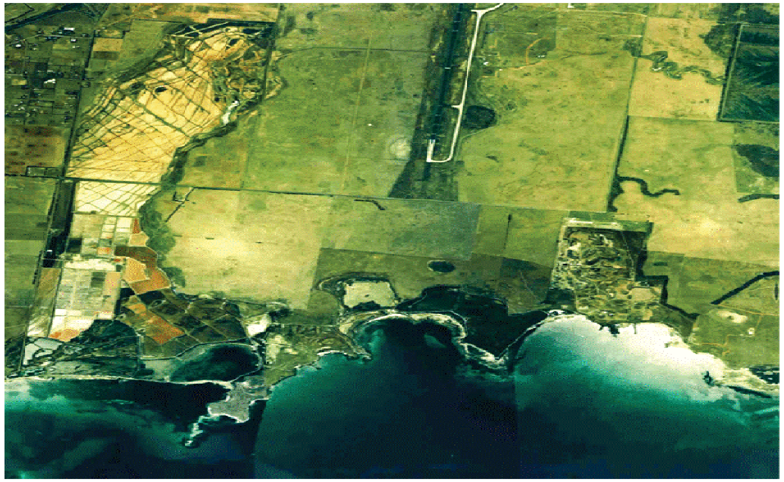
Cheetham Highlights

- EBIT result of $11.3m, down $2.0m on corresponding period
- $2.0m adverse impact of severe weather events:
  - 36% volume fall in stockfeed sector
  - delays in reaching nameplate production capacity
  - loss of harvested salt from the bank at Bajool
  - harvest deferral at Bowen
- Cost savings of $0.6m realised compared to prior period freight and start up costs
- 10% fall in soda ash volume
- Joint Ventures continued solid performance. Cash dividends again withheld to conclude NZ expansion.
- Strong volume growth in Indonesia through new refinery offset by provision raised for contested tax assessment
- Focussing on realising full cost savings from new refinery at Bajool, including supply chain efficiency improvements

Property

LARA

- 912ha site at Lara adjacent to Avalon airport, Vic
- Medium term 1-3 years
- Land available now



DRY CREEK

- Project on hold
- 316ha located 12kms from Adelaide CBD
- Redevelopment not feasible at the present time due to current contractual commitments to Penrice

Camilleri Stockfeeds

Camilleri Stockfeeds Pty Ltd ('CSF') is both a renderer of poultry bones, blood, feathers, offal and fish offal and a trader of protein and oil based products for the aquaculture, pet, poultry, and stockfeed industries

Camilleri Stockfeeds – Sydney basin

Proximity to Sydney + yet
distanced from urban growth corridors