

STRATEGIC INITIATIVES

Melbourne, Australia 24 August 2011: Ridley (ASX: RIC) announced the strategic priorities for the next phase of its growth path to deliver shareholder value.

Ridley Managing Director Mr John Murray said “The world is facing a future that will challenge its ability to produce a safe and reliable food supply to feed its growing population. Ridley is strongly positioned to take advantage of this trend, and we are working towards a strategy that links ingredients to feed and ultimately food supply to meet the growing demand for food security.”

As a result, the strategic priorities for Ridley going forward will focus on the following four key initiatives:

- Agribusiness consolidation;
- Asian expansion;
- Feedstock operational improvement; and
- Property redevelopment.

Agribusiness consolidation

Ridley is a key producer and processor of agricultural related products that form part of the global food supply chain. Both salt and animal feed products are vital ingredients in a wide range of food products for daily human and livestock consumption, mainly in Australia. Ridley intends to participate in the consolidation that is occurring within Australian agribusiness, including the active pursuit of other synergistic businesses in this sector.

During 2011, Ridley acquired the niche poultry and fish rendering business Camilleri Stockfeeds Pty Ltd (**Camilleri**), its first acquisition for several years and signalling a new growth phase in its business.

Managing Director John Murray commented “We will continue to seek to acquire operations complementary to our traditional business and also businesses like Camilleri that broaden our scope in the provision of nutrient solutions.”

Asian expansion

Mr Murray continued “In addition to domestic activities, having now spent three years developing a strong base in Australia, we will explore further expansion in Asia. We already have a small but profitable salt business in Indonesia, which processes imported raw salt through a brand new refinery for sale to local industry. Indonesia in particular provides strong growth opportunities for Ridley in both salt and animal nutrition.”

Proximity to Australia, population growth in terms of both numbers and increasing per capita wealth, and an existing trading history, combine to make Indonesia a compelling location for overseas expansion. Ridley’s existing Indonesian business is locally managed, has strong relationships with Indonesian businesses and Government departments, and thereby provides a stable platform upon which to launch an expansion programme into Asia.

Discussions with the Indonesian Government and feasibility studies have commenced for Ridley to establish a commercial scale salt field in Indonesia with similar attributes to Australian salt fields, and which will significantly reduce that country’s reliance on large volumes of imported

salt. Should this project proceed, it will fundamentally change the nature of Cheetham Salt's business in Indonesia and provide an opportunity for significant long term growth in that region.

Feedstock operational improvement

Having completed the implementation of the new ERP system at all sites, the Ridley Agriproducts management team has been charged with the responsibility of uplifting overall operational performance through delivery of cost savings, mill efficiencies and restructure.

A program of mill replacement, and a strategic review of the long term viability of the Supplements business, are the first two execution stages in this process.

Wherever possible, the new mills will be substantially funded by land sales of old mill sites. The first example of this initiative will be the construction of a new, state of the art, low cost ruminant mill adjacent to our existing mill at Pakenham. Subject to receipt of approvals, it is expected that this project will commence shortly and be completed in August 2012. Following the successful commissioning of the new Pakenham plant, the Dandenong facility will be closed, which will facilitate the sale of this 1.3 hectare property which is now zoned, and is also ideally located, for high density residential use.

Mr Murray stated "It is expected that the outcome of these actions will produce a more reliable and profitable business, with a commensurately lower cost base and capable of generating sustainable earnings."

Property redevelopment

Mr Murray added "Whilst the Dry Creek property development remains on hold we will seek to expedite our land sales potential in Victoria and Queensland. We will continue to examine a range of long term opportunities at the Lara salt field site located near the city of Geelong in Victoria. We have also engaged consultants to undertake preliminary investigations into the feasibility of developing the Moolap salt field which is also located near Geelong. Although the direction for each project has yet to be determined, with a combined carrying value for both sites of only \$3.5 million and salt production requirements covered by other salt producing sites, the Board is confident that these two projects provide significant long term upside for Ridley shareholders."

Summary

Ridley Chair Mr John Spark concluded "Three years ago we took a decision to rationalise the company, consolidate our core operations, and focus on profitable, organic growth. I am confident that by embarking on this new program of initiatives, Ridley will be develop into a more profitable and prominent business than it is today, and to that end, the Board remains focussed on optimising the business and structure of Ridley to maximise shareholder value."