



Ridley Corporation

**BBY 2011 Agriculture, Clean  
Technology & Energy  
Conference  
18-19 October 2011**





# Ridley Corporation

Ridley Corporation Limited (RIC) is an ASX listed processor of agricultural products. Ridley comprises:



- ❑ **Ridley Agriproducts Pty Ltd** – Australia's largest animal feed supplier, including to the poultry, dairy, fish, pig, cattle, sheep, horse and petfood sectors
- ❑ **Cheetham Salt Ltd** - Australia's largest producer and refiner of salt products for the soda ash, chlor-alkali, food, swimming pool, stockfeed and hide sectors
- ❑ **Non-operating assets** – significant landholdings surplus to requirements provide the opportunity for uplift in shareholder value



# Ridley reported profits

Profit & Loss	FY08	FY09	FY10	FY11
AgriProducts EBIT	15.0	24.4	29.0	24.9
Cheetham Salt EBIT (before JV's)	17.9	12.9	16.8	14.2
Salt JV's NPAT	6.9	7.1	7.2	7.0 @
Corporate Costs	(7.6)	(6.8)	(6.8)	(6.2)
<b>Result from Operations</b>	<b>32.2</b>	<b>37.6</b>	<b>46.2</b>	<b>39.9</b>
Net Finance Expense	(14.7)	(12.4)	(8.1)	(9.7)
Tax Exp. excl sig. items	(1.6)	(4.9)	(9.0)	(0.9) #
<b>Net profit pre sig. items</b>	<b>15.9</b>	<b>20.3</b>	<b>29.1</b>	<b>29.3</b>
Significant items	(10.4)	(7.4)	-	-
<b>Net profit after sig. items</b>	<b>20.7</b>	<b>12.9</b>	<b>29.1</b>	<b>29.3</b>
Avg Shares (million)	295.9	303.1	307.8	307.8
<b>EPS (cps)</b>	<b>1.9</b>	<b>4.3</b>	<b>9.5</b>	<b>9.5</b>

@ Ridley required to report JV earnings as NPAT

□ Sale of Ridley Inc. occurred in 2009

□ Transparency of results since 2009, the last year of Significant Items

# Prior year tax amendments have reduced effective tax rate on FY11

□ Full financial details provided by way of Appendix.



# Ridley resilient in FY11



Australian Government  
Bureau of Meteorology

## 2010 Australian Climate Highlights

### Northern Australia

- Wettest dry season (May-Oct) on record for top half of continent

### NT

- Wettest year on record with 927mm rain

### Southwest WA

- Driest year on record with 392mm rain

### SA

- 3<sup>rd</sup> wettest year on record with 362mm rain

### Australia

- Third wettest year on record with 690mm rain
- 10 years ending 2010 warmest decade on record
- Sea surface temperatures 0.54° C above average and warmest on record
- Sea surface temperatures warmest decade on record by 0.15° C
- Wettest spring on record for NSW, QLD and NT



### Northern Tropics

- Spring 2010 has the warmest sea surface temperatures on record

### QLD

- Wettest year on record with 1110mm rain
- Major flooding in southern & inland areas

### Murray-Darling Basin

- Wettest year on record
- Water storages up to 80% from 27% one year ago

### NSW

- 3<sup>rd</sup> wettest year on record with 805mm rain
- Major flooding in inland areas

### VIC

- Major flooding in northern area
- 5<sup>th</sup> wettest year on record with 858mm rain

### TAS

- Near average rainfall



# AgriProducts



## BARASTOC

*Pellets, meals, concentrates and premixes for dairy cattle, pigs, poultry, horses, laboratory animals and lifestyle pets at all stages of life.*

*Specialised diets, supplementary feeds and concentrates formulated to*



*meet the nutritional requirements of lambs, ewes, rams and beef cattle.*



*Extruded and steam pelleted products and expert advice for aquaculture including barramundi, mulloway, prawns, salmon, silver perch and other native species as well as trout and yellowtail kingfish.*



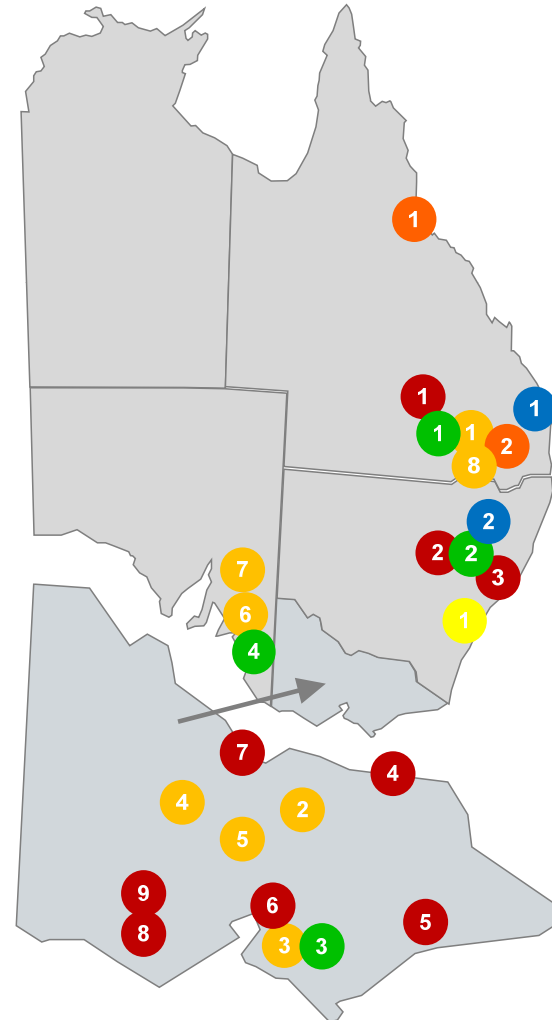
*A range of products, advice and services that reflects our concern not just for our customer but for our customers cows.*



*Cobber Dog Foods range includes Working Dog for those with high activity levels, Country Dog for non-working dogs, and Puppy.*



*Rendered poultry and fish products for the petfood and aquaculture sectors.*



### Ridley Assets

- Monogastric Mills
  1. Toowoomba
  2. Mooroopna
  3. Pakenham
  4. St Arnaud
  5. Bendigo
  6. Murray Bridge
  7. Wasleys
  8. Clifton
- Ruminant Mills
  1. Dalby
  2. Tamworth
  3. Taree
  4. Corowa
  5. Maffra
  6. Dandenong
  7. Gunbower
  8. Terang
  9. Noorat
- Packaged Mills
  1. Toowoomba
  2. Tamworth
  3. Pakenham
  4. Murray Bridge
- Aqua-Feed Mills
  1. Narangba
  2. Inverell
- Supplements Plants
  1. Townsville
  2. Wacol
- Rendering Plant
  1. Camilleri Stockfeeds



# AgriProducts market segments

Sector (kt)	FY08	FY09	FY10	FY11
Poultry	640	708	764	900
Aqua-feed	29	37	47	50
Packaged	114	106	90	84
Dairy	314	282	215	236
Pig	371	330	325	224
Supplements	22	19	30	22
Beef & Sheep	78	42	35	24
Other	42	49	64	53
<b>Total Tonnes</b>	<b>1,610</b>	<b>1,573</b>	<b>1,570</b>	<b>1,593</b>

## 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

- ❑ **Barastoc Poultry:** long term customer contracts with major clients such as Baiada, Inghams, Lalonica, Hazeldene and Luv-a-Duck supported by market growth of chicken consumption and growth in niche turkey and duck sectors
- ❑ **Ridley Aqua-feed:** a market leader in all major fin fish and prawn species in Australia.
- ❑ **Packaged Products:** *Barastoc* branded bagged poultry, dairy and horse feed and *Cobber* branded dog feeds
- ❑ **Ridley Dairy-Feeds:** predominantly focussed in the growing Victorian dairy industry
- ❑ **Pig:** stabilised pig numbers
- ❑ **Supplements:** *Rumevite* branded block and loose lick ruminant supplements business
- ❑ **Beef & Sheep:** a relatively small part of the overall portfolio for which demand spikes in dry years
- ❑ **Camilleri Stockfeeds:** poultry and fish rendering business





# AgriProducts Financial Summary

AgriProducts (\$m)	FY10	FY11
<b>Sales (\$)</b>	<b>620.0</b>	<b>616.4</b>
<b>EBIT #</b>	<b>29.0</b>	<b>24.9</b>
Add back dep'n & amort'n	7.6	8.6
<b>EBITDA</b>	<b>36.6</b>	<b>33.5</b>
Net Working Capital Change *	(2.5)	-
<b>Operating Cash flow (1)</b>	<b>34.1</b>	<b>33.5</b>
Maintenance Capex	(2.6)	(5.4)
<b>Operating Cash flow (2)</b>	<b>31.5</b>	<b>28.1</b>
Development Capex	(3.5)	(2.2)
ERP Capex	(5.5)	(0.7)
Asset Sales Proceeds	0.5	5.0
<b>Net Cash flow pre interest &amp; tax</b>	<b>23.0</b>	<b>30.2</b>
Operating cash flow (2) : EBITDA	86%	84%
Working Capital #	32.5	39.4
Funds Employed #	135.7	167.4
<b>Annualised ROFE (EBIT/Funds Employed)</b>	<b>21.4%</b>	<b>14.9%</b>

- ❑ EBIT result of \$24.9m, affected by adverse weather conditions with estimated impact of \$3m in Dairy, \$2m in Supplements, and \$6.6m in total
- ❑ Result includes \$2.6m 4 month EBIT contribution from Camilleri
- ❑ No year-on-year movement in working capital (Camilleri excluded)
- ❑ Total capex of \$8.3m maintained within depreciation of \$8.6m
- ❑ \$5.0m asset sale proceeds from sale of 50% share of non-core liquid feeds business
- ❑ Continued high cash conversion with Operating cash flow (2) : EBITDA of 84% (FY10: 86%)
- ❑ High ROFE maintained of 14.9% despite Camilleri contribution for only 4 months (16.2% normalised to exclude Camilleri)

\* Excluding Camilleri opening acquisition balances # Includes Camilleri



# Cheetham Assets



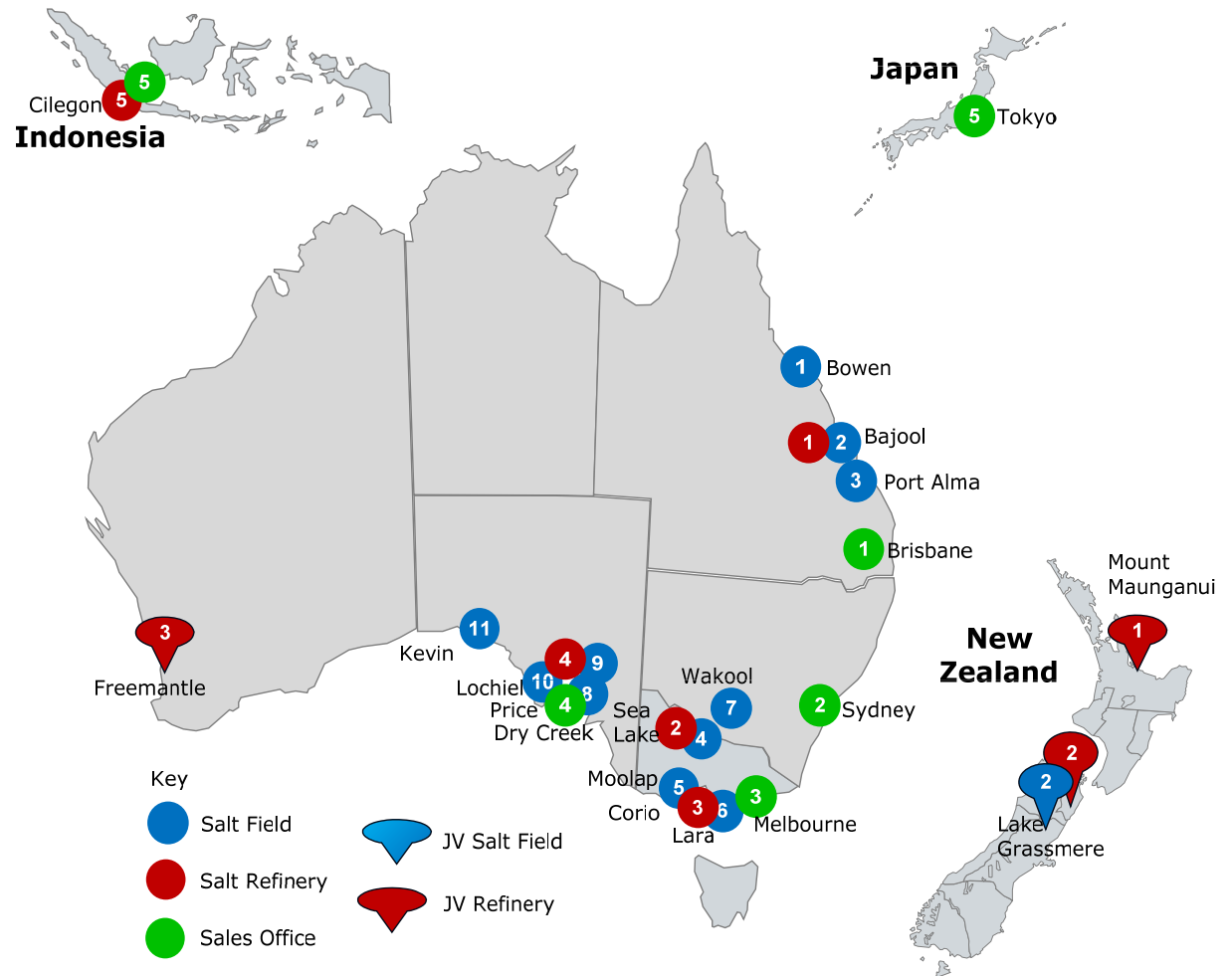
# Cheetham Salt

## 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







# Cheetham



# Cheetham Salt



Mermaid is the core Cheetham solar salt brand. Products include cooking salt, iodized salt, manufacturing salt, rock and flake salt as well as products for textile and laundry detergent applications.



Mermaid Finest is the premier quality salt for use in pools. A totally natural product obtained by solar evaporation, Mermaid Finest helps to provide crystal clear water free of algae and bacteria.

## Diamond

The Diamond brand is focused on value-added salts for cattle and sheep hide processing. There is also a core swimming pool product



Crown offers a premium selection of products, specifically developed for high end dairy and water softening applications. Crown Pure Dried Vacuum and Pharmaceutical salt originates from Dominion Salt, our JV in NZ.



Sunray Swimming Pool Salt is a well known, high volume product within major hardware and department stores



Unicorn is a preferred choice for pool filter media. There are also Unicorn branded magnesium brines for dust suppression



The R.A.M. (Right Animal Mix) range of stock and feed grade salts are suitable for the beef, dairy, pig, poultry, horse, sheep, pet food and aquaculture industries.



For over 100 years, the SAXA brand has been the icon of retail salt in Australia. The brand is owned by Salpak, the joint venture between Cerebos and Cheetham Salt Limited.



# Cheetham market segments

Sector (kt)	FY08	FY09	FY10	FY11
Soda Ash	574	581	567	529
Chemical	172	143	165	132
Food	96	94	94	93
Pool	58	63	64	79
Hide	70	69	57	56
Stockfeed	39	39	41	30
Export	117	118	121	89
Indonesia	68	70	70	91
Other	27	25	93	39
<b>Total Tonnes</b>	<b>1,221</b>	<b>1,202</b>	<b>1,272</b>	<b>1,138</b>

- ❑ **Soda Ash:** performance linked to the demand from Penrice and in turn the derived demand from glass manufacturers in Australia
- ❑ **Chemical:** performance linked to Chlor-alkali production which is predominantly used for water treatment
- ❑ **Food:** demand is fairly stable having regard to population increases offset by some reduction in salt intake
- ❑ **Pool:** consumer preferences for salt over chlorine pools influencing demand as does the climate, with demand high in rainy periods
- ❑ **Hide:** performance linked to slaughter numbers
- ❑ **Stockfeed:** performance linked to the demand for supplementary feeding of livestock
- ❑ **Export:** mostly go to New Zealand JVs and Japan
- ❑ **Indonesia:** new plant completed in FY10 and has been performing well



# Cheetham Financial Summary

Cheetham (A\$m)	FY10	FY11
<b>Sales (\$)</b>	<b>107.9</b>	<b>107.3</b>
<b>EBIT (excl. JV NPAT)</b>	<b>16.8</b>	<b>14.2</b>
Depreciation	4.5	5.6
<b>EBITDA (excl. JVs)</b>	<b>21.3</b>	<b>19.8</b>
Net Working Capital Change	0.2	(0.7)
<b>Operating Cash flow (1)</b>	<b>21.5</b>	<b>19.1</b>
Maintenance Capex	(3.3)	(4.3)
<b>Operating Cash flow (2)</b>	<b>18.2</b>	<b>14.8</b>
Development Capex	(7.3)	(0.5)
Asset Sales	2.5	-
<b>Net Cash flow excl. JV's</b>	<b>13.4</b>	<b>14.3</b>
Joint Venture Dividends	5.4	4.9
<b>Net Cash flow pre interest &amp; tax</b>	<b>18.8</b>	<b>19.2</b>
Operating cash flow (2) : EBITDA	85%	75%
Working Capital (excl. JVs)	35.1	35.8
Funds Employed (excl. JVs)	188.2	187.5
<b>Annualised ROFE - EBIT/Funds employed excluding JVs</b>	<b>8.9%</b>	<b>7.6%</b>

- ❑ Sales revenue maintained despite 10.5% volume decrease
- ❑ EBIT result before JV's of \$14.2m, down \$2.6m on FY10
- ❑ Higher depreciation and \$6.8m reduction in development capex reflect completion of refinery rationalisation strategy
- ❑ Tight control over working capital such that operating cash flow of \$19.1m achieved before maintenance capex
- ❑ JV dividends withheld to finalise Dominion Salt NZ expansion
- ❑ High cash conversion generated with Operating Cash flow (2) excl. JVs : EBITDA of 75% (2010: 85%)
- ❑ FY11 net cash flow higher given capex movements between periods



# Cheetham Joint Ventures

Cheetham Joint Ventures (JVs) in A\$m	FY10	FY11
<b>EBITDA</b>	<b>11.1</b>	<b>11.1</b>
Depreciation and amortisation	(0.6)	(0.8)
<b>EBIT</b>	<b>10.5</b>	<b>10.3</b>
Interest and Tax	(3.3)	(3.3)
<b>NPAT equity accounted in Income Statement</b>	<b>7.2</b>	<b>7.0</b>
Investment in JVs	48.2	50.2
<b>Annualised ROFE - EBIT/Funds employed of JVs</b>	<b>21.8%</b>	<b>20.5%</b>
<b>Total Cheetham EBIT</b>	<b>27.3</b>	<b>24.5</b>
Total Funds Employed	236.4	237.8
<b>Annualised ROFE - EBIT/Funds employed of Cheetham inc JVs</b>	<b>11.5%</b>	<b>10.3%</b>

- ❑ JVs disclosed in Income Statement as equity accounted NPAT of \$7.0m
- ❑ Income Statement conceals JV tax, interest and dep'n
- ❑ Aggregate of JV dep'n and amort'n charges is \$0.8m
- ❑ Interest and tax for the year of \$3.3m
- ❑ Strong return on JV funds employed of 20.5%
- ❑ When added to Cheetham wholly owned operations, 10.3% ROFE recorded



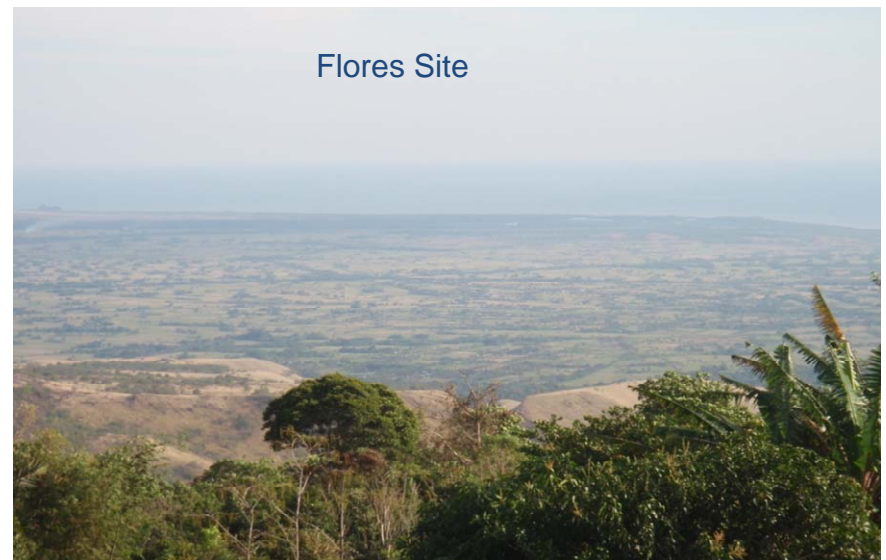
# Cheetham in Indonesia

- ❑ 1996 - Cheetham Salt establishes Jakarta office
- ❑ 1997 - Discussion with PT Garam commence
- ❑ 1998 - Field study undertaken with salt field improvement opportunities identified
- ❑ 1998 – wholly owned subsidiary established
- ❑ 2000 - Construction of first Cilegon refinery begins
- ❑ 2001 - PT Cheetham Garam begins trading – with 45kt annual refining capacity
- ❑ 2004 - Capacity expansion to 65kt p.a.
- ❑ 2006 - MOU signed with Government to develop pilot salt field project and agreement to purchase farmer salt
- ❑ 2009 & 2010 - New refinery constructed
- ❑ 2010 - MOU signed for Flores salt field feasibility with potential production of 150kt per annum

New Cilegon Refinery



Flores Site







# Property Strategy

- ❑ The property strategy is to unlock the potential value of significant parcels of land close to urban centres and surplus to operating requirements
- ❑ **Key sites held by Cheetham:**
  - **Dry Creek** salt fields a potentially major development in 5+ years. This field has been nominated as a “key urban expansion” site in the State Government 30 year plan for Greater Adelaide. The site area is 980ha of which Ridley owns 316ha with the balance (664Ha) owned by the South Australian Government’s Land Management Corporation (**LMC**)
  - **Moolap and Lara** salt fields near Geelong also offer significant potential
- ❑ Preliminary feasibility studies based on draft master plans are encouraging







## Some key points about Ridley

- ❑ Ridley is diversified across salt and the intensive industries of poultry, aquafeed, dairy and pork, for all of which high performance feeding is critical to success
- ❑ Unique agrisector position with relatively low exposure to all but extreme climatic conditions
- ❑ Performance not linked to the size of the grain crop and so earnings less volatile
- ❑ Performance not linked to grain prices other than through working capital impacts
- ❑ Agriproducts is largely a volume and margin business – pass through of grain prices
- ❑ Cheetham Salt has irreplaceable salt field assets and owns large parcels of land with significant property redevelopment potential
- ❑ Ridley's business is supported by customer contracts (c.60%)
- ❑ Ridley converts a high proportion of its EBITDA to cash - particularly when compared to other Agricultural companies against which it is typically benchmarked
- ❑ Ridley is exposed to the positive macro economic factors impacting agribusinesses, including increasing population and demand for protein, more intensive agri-food requirements given limits to arable land and increasing food safety requirements



# Strategic Priorities FY12

## **Strategic priorities announced in August 2011:**

- 1. Agribusiness consolidation**
- 2. Asian expansion**
- 3. Feedstock operational improvement**
- 4. Property redevelopment**



# Agribusiness Consolidation

## Against a backdrop of:

- ❑ **Playing a vital role in the global food supply chain**
- ❑ **Providing key inputs for food products for human and livestock consumption**
- ❑ **Agribusiness industry consolidation occurring with loss of domestic ownership**

## Objectives to:

- ❑ **Continue to pursue bolt-on opportunities with the right fundamentals**
- ❑ **Actively participate in sector consolidation by securing long term supply chain or otherwise complementary businesses**
- ❑ **Maintain the discipline on acquisition metrics**
- ❑ **Broaden the scope of providing nutrient solutions**



# Asian Expansion

## Against a backdrop of:

- Existing salt refinery and business in Indonesia, locally staffed
- Large, growing, and increasingly middle class population in closest proximity to Australia
- Strong existing relationships with local business and Government bodies
- Huge reliance on imported salt and other raw materials

## Objectives to:

- Expand into Asia through preferred entry point of Indonesia
- Establish commercial scale production salt field in partnership with Indonesian Government and with Australian salt quality attributes
- Exponentially change long term salt growth opportunity
- Secure stockfeed partnering opportunities to position for future increase in demand for protein



# Feedstock Operational Improvement

**Against a backdrop of:**

- ❑ Implementation of ERP system over the last 18 months**
- ❑ Improved performance over the last three years but further gains achievable**
- ❑ Program of mill and operations rationalisation in 2008/2009**

**Objectives to:**

- ❑ Uplift operational performance to new levels, through:**
  - Mill efficiency and restructure, commencing with a new low cost, state of the art, ruminant mill at Pakenham by August 2012**
  - Consolidation of Supplements business**
- ❑ New mills to be financed wherever possible by asset sales**



# Property Redevelopment

**Against a backdrop of:**

- Dry Creek redevelopment deferral**
- Another harvest loss at Bowen due to weather**
- Completion of Cheetham refinery upgrade program**

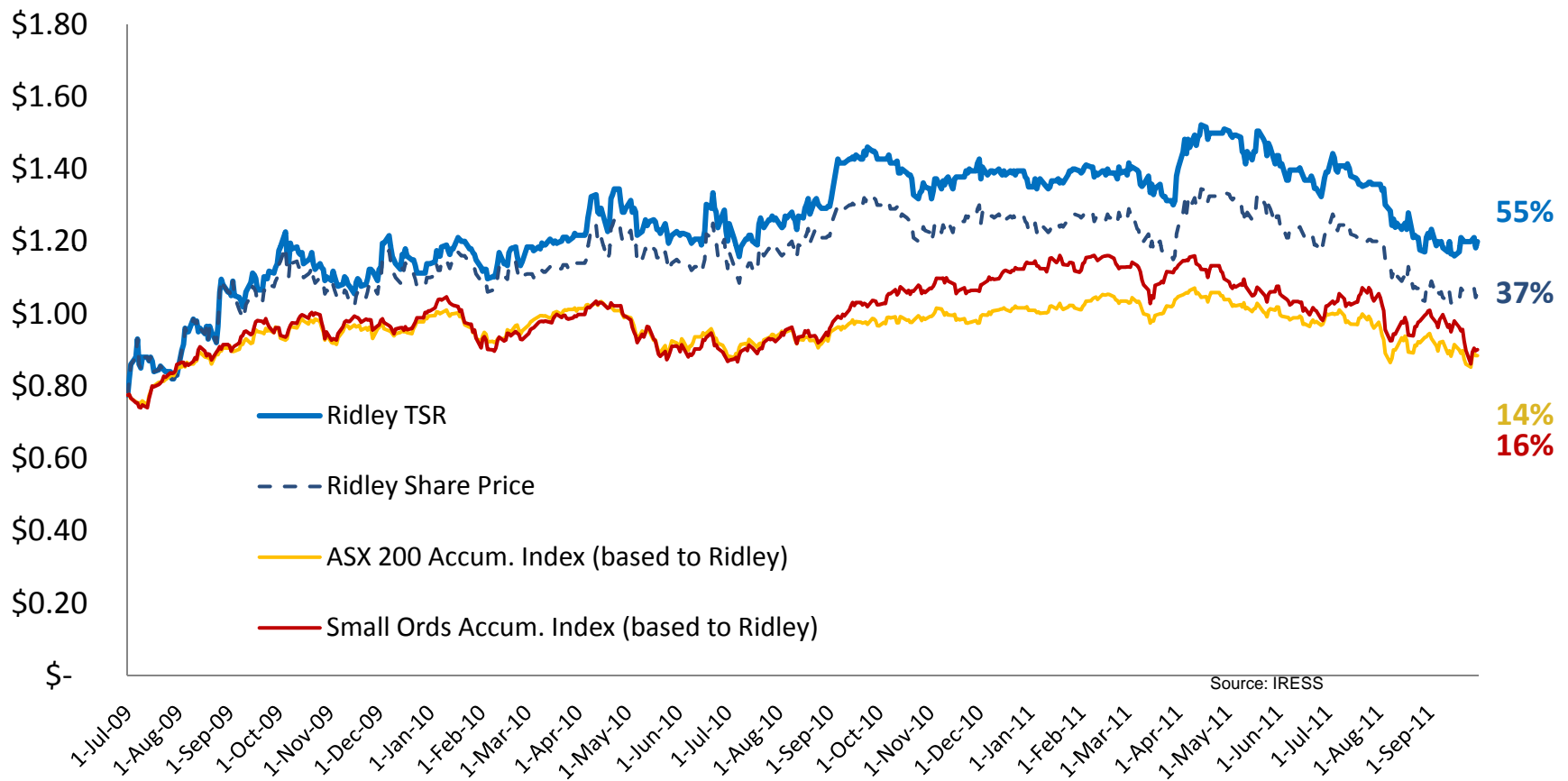
**Objectives to:**

- Undertake feasibility studies for Lara and Moolap salt fields which are no longer required for salt production**
- Engage with local and State Government on commercial prospects in Victoria**
- Review long term future for Bowen salt field**
- Close the Dandenong mill and prepare for sale**



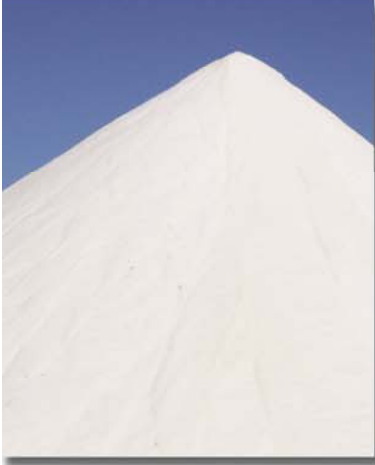


# Total Shareholder Return - from 1 July 2009





Ridley  
Corporation



A compelling  
proposition





# Ridley Corporation

## Appendix - Financials

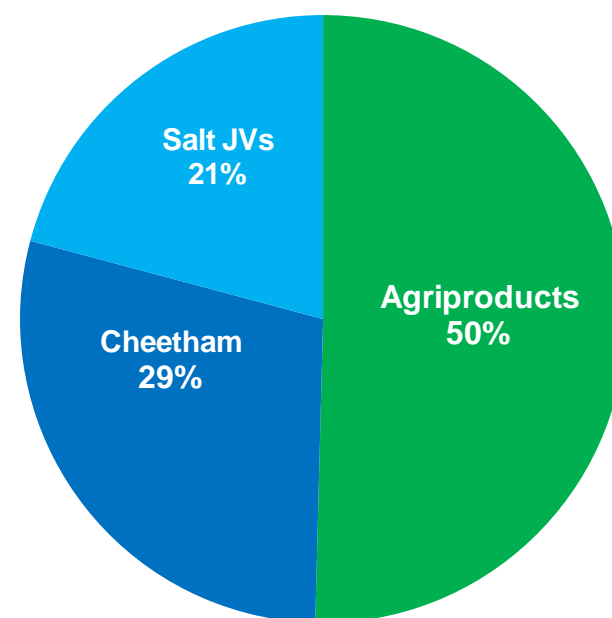




# Summary of Earnings - gross up of Joint Venture NPAT to EBIT

Profit & Loss	FY08	FY09	FY10	FY11
AgriProducts EBIT	15.0	24.4	29.0	24.9
Cheetham Salt EBIT (before JV's)	17.9	12.9	16.8	14.2
Salt JV's EBIT	10.3	10.1	10.5	10.3
Property Development Costs	-	(0.3)	(0.6)	(0.5)
Corporate Costs	(7.6)	(6.4)	(6.2)	(5.7)
<b>EBIT</b>	<b>35.6</b>	<b>40.7</b>	<b>49.5</b>	<b>43.2</b>
Net Finance Expense	(14.7)	(12.4)	(8.1)	(9.7)
Tax Exp. excl sig. items	(1.6)	(4.9)	(9.0)	(0.9)
Share of JV interest and tax	(3.3)	(3.1)	(3.3)	(3.3)
<b>Net profit pre sig. items</b>	<b>15.9</b>	<b>20.3</b>	<b>29.1</b>	<b>29.3</b>
Significant items	(10.4)	(7.4)	-	-
<b>Net profit after sig. items</b>	<b>20.7</b>	<b>12.9</b>	<b>29.1</b>	<b>29.3</b>
Avg Shares (million)	295.9	303.1	307.8	307.8
<b>EPS (cps)</b>	<b>1.9</b>	<b>4.3</b>	<b>9.5</b>	<b>9.5</b>

Contribution to Earnings



Details provided to show gross up of JV earnings from NPAT to EBIT



# Summary of Earnings - normalised for Camilleri Stockfeeds acquisition

Profit & Loss	FY10	FY11	FY10(n)	FY11(n)
AgriProducts EBIT	29.0	24.9	36.0	29.3
Cheetham Salt EBIT (before JV's)	16.8	14.2	16.8	14.2
Salt JV's EBIT	10.5	10.3	10.5	10.3
Property Development Costs	(0.6)	(0.5)	(0.6)	(0.5)
Corporate Costs	(6.2)	(5.7)	(6.2)	(5.7)
<b>EBIT</b>	<b>49.5</b>	<b>43.2</b>	<b>56.5</b>	<b>47.6</b>
Net Finance Expense	(8.1)	(9.7)	(11.1)	(11.7)
Tax Exp. excl sig. items	(9.0)	(0.9)	(10.2)	(7.7)
Share of JV interest and tax	(3.3)	(3.3)	(3.3)	(3.3)
<b>Net profit</b>	<b>29.1</b>	<b>29.3</b>	<b>31.9</b>	<b>24.9</b>
Avg Shares (million)	307.8	307.8	307.8	307.8
<b>EPS (cps)</b>	<b>9.5</b>	<b>9.5</b>	<b>10.4</b>	<b>8.1</b>

(n) – normalised for 12 months of Camilleri to include \$7.0m of EBIT, effective tax rate of 30%, and annual finance expense borrowing costs of \$3.0m. Camilleri acquired on 1 March 2011.



# Segment Earnings - normalised for Camilleri & gross up of Joint Venture NPAT to EBIT

	Segment	FY10	FY11	FY10(n)	FY11(n)
EBIT	AgriProducts	29.0	24.9	36.0	29.3
	Cheetham Salt (before JV's)	16.8	14.2	16.8	14.2
	Salt JV's s	10.5	10.3	10.5	10.3
	Property Development Costs	(0.6)	(0.5)	(0.6)	(0.5)
	Corporate Costs	(6.2)	(5.7)	(6.2)	(5.7)
	<b>Total</b>	<b>49.5</b>	<b>43.2</b>	<b>56.5</b>	<b>47.6</b>
DA	<b>Depreciation and Amortisation</b>	<b>12.3</b>	<b>14.2</b>	<b>13.1</b>	<b>15.0</b>
	<b>JV Depreciation and Amortisation</b>	<b>0.6</b>	<b>0.8</b>	<b>0.6</b>	<b>0.8</b>
EBITDA	AgriProducts	36.6	33.5	44.6	38.6
	Cheetham Salt (before JVs)	21.3	19.9	21.3	19.9
	Salt JVs	11.1	11.1	11.1	11.1
	Property Development Costs	(0.6)	(0.5)	(0.6)	(0.5)
	Corporate Costs	(6.2)	(5.7)	(6.2)	(5.7)
	<b>Total</b>	<b>62.4</b>	<b>58.2</b>	<b>70.2</b>	<b>63.4</b>

(n) – normalised for 12 months of Camilleri to include \$7.0m of EBIT, effective tax rate of 30%, and annual finance expense borrowing costs of \$3.0m. Camilleri acquired on 1 March 2011.





# Balance Sheets

Balance Sheet – in \$m	FY08	FY09	FY10	FY11
Total Current Assets	207.2	173.6	179.6	193.7
Total Current Liabilities	120.2	121.1	117.1	109.4
<b>Net Current Assets</b>	<b>87.0</b>	<b>52.5</b>	<b>62.5</b>	<b>84.3</b>
Property, plant & equipment	256.7	224.8	225.2	233.4
Investments	44.2	44.2	50.3	52.5
Intangibles and Other	21.5	23.9	29.2	44.4
<b>Total Non Current Assets</b>	<b>322.4</b>	<b>295.0</b>	<b>304.7</b>	<b>330.3</b>
Borrowings	182.9	67.4	77.1	114.4
Deferred Tax Liabilities	10.4	2.3	3.9	7.8
Provisions	1.7	1.6	1.0	1.3
<b>Total Non Current Liabilities</b>	<b>195.0</b>	<b>71.3</b>	<b>82.0</b>	<b>123.6</b>
Total Assets	529.6	468.6	484.3	524.0
Total Liabilities	315.2	192.4	199.1	233.0
<b>Net Assets</b>	<b>214.4*</b>	<b>276.2</b>	<b>285.2</b>	<b>291.0</b>

\* Excluding \$155.1m in net assets associated with Ridley Inc which was divested in November 2008



# Capital Expenditure

Items in \$m	Agri FY11	Salt FY11	Total FY11	FY10
Bajool & Indonesian Refineries	-	-	-	6.9
Other	2.2	0.5	2.7	3.9
ERP	0.7	-	0.7	5.5
<b>Total Development Capex</b>	<b>2.9</b>	<b>0.5</b>	<b>3.4</b>	<b>16.3</b>
Maintenance Capex	5.4	4.3	9.7	5.9
Inverell investment	-	-	-	1.2
<b>Total Capex</b>	<b>8.3</b>	<b>4.8</b>	<b>13.1</b>	<b>23.4</b>
Depreciation and amortisation	8.6	5.6	14.2	12.3

- ❑ Completion of Cheetham refinery rationalisation strategy in prior year
- ❑ Except for \$0.7m in FY11, ERP capitalisation largely concluded in FY10. Implementation costs of \$0.8m expensed and incremental \$1.5m of amortisation charged in FY11
- ❑ Stated objective of maintaining capex within sum of depreciation and amortisation achieved for FY11 and targeted for FY12 subject to profit enhancement opportunities
- ❑ Maintenance Capex of \$9.7m for FY11 compares to \$5.9m in FY10



## Cash flow – Receipts and Payments

Cash flow	FY08	FY09	FY10	FY11
Receipts	902.4	922.5	804.3	812.9
Payments	(894.5)	(864.4)	(754.9)	(769.6)
Salt Joint Venture distributions	7.4	7.6	5.4	5.4
Net interest paid	(14.1)	(13.2)	(8.6)	(9.1)
Tax payments received / (made)	(2.1)	0.5	(6.8)	(4.1)
<b>Cash flow from Operations</b>	<b>(0.9)</b>	<b>53.0</b>	<b>39.4</b>	<b>35.5</b>
Capital Expenditure	(23.0)	(19.3)	(23.4)	(13.1)
Proceeds from asset sales	0.3	2.9	3.0	4.5
<b>Net Cash flow before Dividends</b>	<b>(23.6)</b>	<b>36.6</b>	<b>19.0</b>	<b>26.9</b>
Dividends paid	(12.5)	(13.7)	(21.4)	(22.9)
On-market share purchases	(0.6)	(0.7)	(0.8)	(1.7)
<b>Net Cash flow before debt</b>	<b>(36.7)</b>	<b>22.2</b>	<b>(3.2)</b>	<b>2.3</b>
Net proceeds from sale of Ridley Inc	-	91.6	-	-
Acquisition of Camilleri Stockfeeds	-	-	-	(32.7)
Net proceeds/(repayment) of borrowings	34.6	(115.3)	9.9	36.6
<b>Net Cash flow</b>	<b>(2.1)</b>	<b>(1.5)</b>	<b>6.7</b>	<b>6.2</b>



# Cash flow – from EBITDA

Cash flow in \$m	FY10	FY11
EBITDA - Agriproducts	36.6	33.5
EBITDA – Cheetham before salt JVs	21.3	19.9
Salt Joint Venture NPAT	7.2	7.0
Corporate Costs	(6.7)	(6.2)
<b>EBITDA (inc JV NPAT's)</b>	<b>58.5</b>	<b>54.2</b>
Movement in working capital	(3.1)	(7.7)
Other net cash outflows	(6.5)	(4.2)
Net finance expense	(8.6)	(9.1)
Net tax payments	(6.8)	(4.1)
<b>Operating Cash flow</b>	<b>33.5</b>	<b>29.1</b>
Capital expenditure	(23.4)	(13.1)
Net proceeds sale of assets	3.0	4.5
<b>Cash flow before Dividends</b>	<b>13.1</b>	<b>20.5</b>
Net cash dividends	(16.0)	(17.9)
<b>Cash flow before acquisition</b>	<b>(2.9)</b>	<b>2.6</b>

Cash flow in \$m	FY10	FY11
<b>Cash flow before acquisition</b>	<b>(2.9)</b>	<b>2.6</b>
Camilleri acquisition	-	(32.7)
<b>Net Cash flow</b>	<b>(2.9)</b>	<b>(30.1)</b>
<b>Opening net debt as at 1 July</b>	<b>69.1</b>	<b>72.0</b>
Draw down of debt	(2.9)	30.1
<b>Closing net debt as at 30 June</b>	<b>72.0</b>	<b>102.1</b>



# Financial Ratios

Financial	FY09	FY10	FY11
Cash	0.3	7.0	13.2
Current Borrowings	(2.0)	(2.1)	(1.9)
Non Current Borrowings	(67.4)	(76.9)	(113.4)
<b>Net Debt</b>	<b>69.1</b>	<b>72.0</b>	<b>102.1</b>
Equity	276.2	285.2	291.0
<b>Gearing (Net Debt / Equity)</b>	<b>25.0%</b>	<b>25.2%</b>	<b>35.1%</b>
<b>EBITDA*</b>	52.4	62.4	58.2
<b>EBIT*</b>	40.7	49.5	43.2
<b>Net Interest*</b>	(12.5)	(8.4)	(9.9)
<b>NPAT* (pre sig items)</b>	20.3	29.1	29.3
<b>Operating Cash flow</b>	53.0	39.4	35.5
<b>Net Debt / EBITDA</b>	1.32x	1.15x	1.75x
<b>EBIT / Net Interest</b>	3.26x	5.89x	4.36x
<b>Operating Cash flow / EBITDA</b>	101%	63%	61%
<b>ROE*</b>	9.4%	10.4%	10.2%
<b>EPS*</b>	9.3c	9.5c	9.5c

\* Includes JV EBIT, EBITDA and Interest and is normalised to exclude impairment and restructuring costs in 2009



# Segment Summary

Segment	Financial	FY08	FY09	FY10	FY11
	Tonnes (kt)	1,610	1,573	1,570	1,593
	EBIT	15.0	24.4	29.0	24.9
	Depreciation	7.6	6.5	7.6	8.6
	EBITDA	22.6	30.9	36.6	33.5
	EBITDA / tonne	\$14.04	\$19.64	\$23.31	\$21.03
	Funds Employed	156.8	129.9	135.7	167.4
	ROFE	9.6%	18.8%	21.4%	14.9%
	Tonnes (kt)	1,221	1,202	1,272	1,138
	Revenue	95.3	101.5	107.9	107.3
	EBIT	17.9	12.9	16.8	14.2
	Depreciation	4.2	4.7	4.6	5.7
	EBITDA	22.1	17.6	21.3	19.9
	EBITDA / tonne	\$18.10	\$14.64	\$16.75	\$17.49
	Funds Employed	205.3	187.2	188.2	187.5
ROFE	8.7%	6.9%	8.9%	7.6%	
<b>Cheetham Salt Joint Ventures</b>	Profit from Associates	6.9	7.1	7.2	7.0
	Tax	3.1	3.0	3.1	3.1
	Share of Profit before tax	10.0	10.1	10.3	10.1
	Interest	0.0	0.1	0.2	0.2
	EBIT	10.3	10.2	10.5	10.3
	Depreciation	0.5	0.5	0.6	0.8
	EBITDA	10.8	10.7	11.1	11.1
	Funds Invested	44.2	44.2	48.2	50.2
Return on Investment	15.6%	16.1%	14.9%	13.9%	
<b>Corporate</b>	Corporate Costs impacting EBIT	7.6	6.4	6.2	5.7
	Property Development Costs	0.0	0.3	0.6	0.5