



**Melbourne, Australia, 23 December 2011: Ridley (ASX: RIC)** today announces the sale of its Wacol, Queensland site for \$5.5 million.

The sale agreement is scheduled for settlement on 31 March 2012, or earlier by mutual agreement. The sale is an action emanating from the review of the Supplements business which concluded that Ridley needed to consolidate its supplementary feeding block operations into the Townsville area of northern Queensland and exit its southern Queensland operations located at the Wacol site near Brisbane.

At the Ridley Annual General Meeting in November 2011, shareholders were advised that as part of this consolidation into Townsville, Ridley had recently acquired the business of Townsville-based competitor LNT, with the intention to concentrate the service offering on the higher volume, more reliable northern Queensland market.

The management of an orderly wind down and closure of the Supplements site at Wacol has commenced and is expected to be concluded by the end of March 2012. After a number of successive loss-making years, the Wacol site was impaired down to land value in the 2009 financial year. A small profit on sale is expected to be recorded for the half year after deduction of appropriate relocation and transaction costs. Working capital in the vicinity of \$3 million will be liberated in the second half year after settlement of all Wacol working capital.

It is expected that the outcome of the collective actions will contribute to the creation of a more reliable and profitable Supplements business, with a commensurately lower cost base, and capable of generating sustainable earnings.

Ridley Managing Director John Murray commented "Our Supplements business team has worked extremely hard over the last three years to turn this business around. Following a loss of \$5.1 million in the 2008 financial year, market share has been captured and the existing cost structure optimised. However after recording a small profit in 2010, the fall in demand due to the sensitivity of this part of our business to weather events resulted in losses again being incurred in 2011."

Mr Murray added "Our detailed operational review concluded that we had to change the Supplements business model in order to create a critical mass in the strongest and most reliable regional market. The combination of relocation north to the Townsville area, the additional volumes provided through the acquisition of LNT, and the cost savings and synergies from the integration of the two businesses into a single site, will enable us to take full advantage of the next supplementary block season with a business more capable of generating long term sustainable returns for Ridley shareholders."

For further information, please contact:

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