FULL YEAR EARNINGS GUIDANCE FOR RIDLEY

Melbourne Australia, 22 May 2012: Ridley (**ASX: RIC**) today provides guidance on the result expectations for the 2012 financial year.

Ridley expects it's after tax earnings for the year ended 30 June 2012 to be in the range of $17 million to $19 million[1] having regard to the return to Ridley's historical effective tax rate as previously announced. Profit before interest and income tax is expected to be between $33 million and $35 million, compared to the $40 million reported last year.

We have previously referred to risks to profit in 2012 arising from high salt production and supply chain costs in Cheetham Salt and unfavourable trading conditions for Agriproducts emanating from the events of 2011. Ridley Agriproducts trading conditions in the second half of this financial year have remained subdued, particularly impacting sales and margins of aquafeed products. Abundant pasture conditions following the second year of record rainfall continue to restrain our recovery in the Dairy sector and in a number of our peri-urban categories such as horse feed.

Currently significantly higher salt costs and supply chain costs are being incurred in the Cheetham Salt business, particularly in Queensland, as a result of last year's record floods.

Following the announcement on 22 February 2012 that the Ridley Board had resolved to pursue opportunities for a sale, joint venture or demerger transaction in relation to Cheetham Salt to unlock underlying asset value, extensive preparation work has been undertaken in consideration of the transaction opportunities, incurring one-off costs of $1.3 million which impacts this year's result.

During the second half year, Ridley has restructured its Agriproducts business and incurred $1.0 million of restructuring costs. The leaner business structure will deliver annualised cost savings in the vicinity of $1.8 million effective from 1 July 2012.

Managing Director John Murray commented "Financial year 2012 has been a challenging one, not only as a result of the softer trading conditions but also given the one-off costs preparing for a transaction for Cheetham Salt. During this period Ridley has received various inbound expressions of interest regarding Cheetham Salt, and the Ridley Board and its advisers continue to assess all options available to unlock the underlying value of the Cheetham Salt business."

Mr Murray continued "Looking forward to next year we expect an improvement in our Ridley Agriproducts operating results. A turnaround of the Supplements business is anticipated following the closure of Wacol and acquisition of the LNT business, and we should also benefit from six months of operations from the new Pakenham ruminant mill and a full year's impact from the Monds & Affleck acquisition. In addition to the overhead cost savings, we expect a substantial reduction of salt costs and supply chain costs which will uplift the Cheetham Salt results."

[1] Note – forward-looking statements are not a guarantee of future performance and involve known and unknown risks, many of which are outside the control of Ridley.

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