RIDLEY CORPORATION
2012 RESULTS PRESENTATION

RIDLEY

RIDLEY AGRIPRODUCTS
High Performance Animal Nutrition.

Cheetham Salt
Pure Australian

RIDLEY STRONG FINISH TO YEAR

RIDLEY

- **$19.3 million NPAT -** strong finish to the year, particularly in poultry and rendering
- **Strong cash conversion -** operating cash flow of $51.9m after maintenance capex (FY11: $36.7m)
- **Final Dividend -** 3.75c per share, fully franked for 2012 return of 7.50c per share
- **Operations -** Cheetham result affected by higher salt and supply chain costs and Agriproducts impacted by lower biomass and feed volumes in the Aqua-feed sector
- **Property -** Wacol and Corowa sites sold, Dandenong and Bowen sites held for sale, whilst progress made at Lara and Moolap
- **Divestment -** pursuing opportunities to realise value through divestment of Cheetham Salt business

FINANCIAL HIGHLIGHTS

RIDLEY

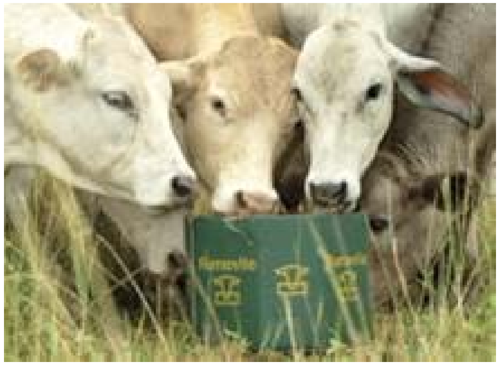
Consolidated result - in $m	FY12	FY11	FY10
Sales Revenue	734.7	723.7	728.0
EBIT - AgriProducts	27.2	24.9	29.0
EBIT - Cheetham	11.1	14.2	16.8
Salt Joint Venture NPAT	6.8	7.0	7.2
Corporate Costs	(7.9)	(6.2)	(6.8)
Divestment preparation costs	(1.5)	-	-
Result from Operations	35.7	39.9	46.2
Net Finance Expense	(9.3)	(9.7)	(8.1)
Tax Expense	(7.1)	(0.9)	(9.0)
Net profit	19.3	29.3	29.1

- Group NPAT of $19.3m
- AgriProducts result of $27.2m, up $2.3m, with a full year Camilleri contribution
- Cheetham impacted by higher salt production & supply chain costs
- Highly reliable joint venture earnings and cash streams
- Corporate costs up due to share-based payment costs, and $1.5m of (non-deductible) Cheetham divestment preparatory costs
- Net interest down by $0.4m reflecting full year of Camilleri acquisition debt offset by lower interest rates
- Tax expense returned to historical levels after prior period once off adjustments

RIDLEY AGRIPRODUCTS RESULTS PRESENTATION

RIDLEY AGRIPRODUCTS
High Performance Animal Nutrition.

INTRODUCTION	AGRIPRODUCTS	CHEETHAM	FINANCIALS	OUTLOOK



HIGHLIGHTS

- **Overhead restructure -** $1.0m of costs incurred in FY12 to deliver annualised savings of $1.8m
- **Sale of Corowa mill and Wacol site -** generated small profits, $7.9m proceeds, and liberated working capital
- **Purchase of LNT and Monds & Affleck businesses -** entry into Tasmanian dairy and packaged markets
- **Construction of new Pakenham mill -** utilising the infrastructure on the existing site
- **Aqua-feeds -** volumes and margins adversely affected by (i) reduction in salmon sector biomass and oversupply of industry production capacity, and (ii) import competition and lower domestic prawn production
- **Supplements -** business restructured during the year through acquisition of LNT in Townsville and closure and sale of Wacol site near Brisbane
- **Additives business divested -** sale of the underperforming CCD additives
- **Rendering -** a consistent outperformer since acquisition

SECTOR ANALYSIS

RIDLEY AGRIPRODUCTS
High Performance Animal Nutrition.

Sector	FY12 (kt)	FY11 * (kt)	FY10* (kt)	Outlook
Poultry	933	900	764	
Aqua-feed	47	50	47	
Packaged	85	84	90	
Dairy	260	236	215	
Pig	197	224	325	
Supplements	22	22	30	
Beef & Sheep	26	24	35	
Animal meals	34	-	-	
Other	46	53	64	
Total Tonnes	1,650	1,593	1,570	

*Prior years exclude any rendering tonnage

- **Poultry: 4% growth reflects market growth of chicken and other white meat consumption**
- **Aqua-feed: lower biomass and feed volumes in all three sectors of salmon, prawn and kingfish**
- **Packaged Products: stable volumes and margins through margin and supply chain management despite pasture abundance**
- **Dairy: 10% improvement in Dairy volumes reflecting sector strength and continuing firm milk pricing**
- **Pig: stabilised pig sector following prior year loss of major customer**
- **Supplements: losses incurred on consistent volumes, necessitating business restructure to generate sustainable earnings**
- **Beef & Sheep: small sectors for Ridley**
- **Animal meals: current capacity constraints to be alleviated through capex expansion**

FINANCIAL SUMMARY

Agriproducts ($m)	FY12	FY11
Sales ($)	**637.4**	**616.4**
EBIT	**27.2**	**24.9**
+ Depreciation & amortisation (**DA**)	8.5	8.6
EBITDA	**35.7**	**33.5**
Net Working Capital Change	11.6	-
Operating Cash flow (1)	**47.3**	**33.5**
Maintenance Capex	(6.5)	(5.4)
Operating Cash flow (2)	**40.8**	**28.1**
Development Capex	(9.6)	(2.2)
ERP Capex	-	(0.7)
Net Operating Cash flow pre interest, tax & acquisitions	**31.2**	**25.2**
Operating cash flow (2) : EBITDA	114%	84%
Working Capital	27.8	39.4
Funds Employed	164.3	167.4
Annualised ROFE (EBIT/Funds employed)	**16.6%**	**14.9%**

- **EBIT result of $27.2m -** uplifted by full year Camilleri earnings offset by reduction in Aqua-feeds
- **Working capital -** $11.6m of working capital released and applied against debt
- **Maintenance Capex** -$6.5m maintained within DA of $8.5m
- **Operating cash flow (2) -** up $12.7m to $40.8m
- **Development Capex -** $9.6m includes $8m of new Pakenham mill, to commission in FY13
- **Operating cash flow to EBITDA – increase to** 114% reflects strong cash conversion and reduction in working capital
- **High ROFE maintained –** up 1.7% to 16.6%

Net operating cash flows exclude asset sales & purchases

The Directors believe that the presentation of the non-IFRS financial cash flow s, sourced from the audited accounts but not subject to separate review or audit, as presented on slides 7, 11, 12, 15 & 18 is useful for the users of this document as it reflects the significant cash flows of the business.

CHEETHAM SALT RESULTS PRESENTATION

Cheetham Salt
Pure Australian

HIGHLIGHTS

Cheetham Salt
Pure Australian

- EBIT result of $11.1m, down $2.6m on corresponding period (exc JVs).
- Factors affecting FY12 operating result:
  - Higher salt costs from harvest delays and yield reductions from prior year weather events
  - Bajool refinery - factors adversely impacting efficiency and down time were identified & Bajool Improvement Plan developed, including capex project to replace bagger heads and palletisers
  - Supply chain and warehousing costs higher due to unseasonally cool start to swimming pool season on eastern seaboard
  - Improved earnings from Indonesia and Japan
- Joint Ventures continued solid performance:
  - $6.8m share of NPAT fully repatriated by way of cash dividends
  - $9.7m of EBIT and $10.7m EBITDA
- Strong growth opportunities in Indonesia actively pursued

SECTOR ANALYSIS

Sector	FY12 (kt)	FY11 (kt)	Out-look
Soda Ash	541	529	↑
Chemical	156	132	↓
Food	92	93	—
Pool	70	79	↑
Hide	43	49	—
Stockfeed	31	30	↑
Export	141	89	—
Indonesia	84	91	↑
Other	36	46	—
Total Tonnes (kt)	1,194	1,138	

- Soda Ash - major customer had a slightly improved year, but below historical levels
- Chemical reflects one more chlor-alkali bulk shipment compared to last year (& next year's forecast)
- Food reflects continuing salt reduction focus offset by population growth
- Pool volumes down to historical levels after prior year peak due to widespread flooding
- Hide volumes reflecting slaughter numbers at cyclical lows
- Stockfeed sales reflect continuing pasture abundance, with positive outlook upon return to more traditional seasonal patterns
- Export reflects two extra shipments to New Zealand
- Indonesia - reflects higher value product mix within existing importation licence constraint
- Prior year Other sales include non-recurring volumes

FINANCIAL SUMMARY

Cheetham Salt
Pure Australian

Cheetham (A$m)	FY12	FY11
Sales ($)	**108.7**	**107.3**
EBIT (excl. JV NPAT)	**11.1**	**14.2**
Depreciation & amortisation	5.2	5.6
EBITDA (excl. JVs)	**16.3**	**19.8**
Net Working Capital Change	0.7	(0.7)
Operating Cash flow (1)	**17.0**	**19.1**
Maintenance Capex	(5.5)	(4.3)
Operating Cash flow (2)	**11.5**	**14.8**
Development Capex	(1.0)	(0.5)
Net Cash flow excl. JV's	**10.5**	**14.3**
Joint Venture Dividends	6.8	4.9
Net Cash flow pre interest & tax	**17.3**	**19.2**
Operating cash flow (2) : EBITDA	71%	75%
Working Capital (**excl. JVs**)	35.1	35.8
Funds Employed (**excl. JVs**)	187.9	187.5
Annualised ROFE - EBIT/Funds employed excluding JVs	**5.9%**	**7.6%**

- **EBIT result before JV's of $11.1m -** down $3.1m on FY11 due to high salt and supply chain costs
- **Working capital -** continues to be tightly managed within inventory stockholding policy
- **Maintenance Capex** - $5.5m staying in close proximity to DA of $5.2m
- **Operating cash flow (2) -** strong conversion from underlying earnings
- **Development Capex -** reflect completion of major refinery consolidation and upgrade program
- **Operating Cash flow (2) to EBITDA -** slight fall from 75% to 71%
- **ROFE -** fall to 5.9% reflects higher salt costs expected to normalise in coming years back to historical levels

JOINT VENTURES

Cheetham Salt Pure Australian

Cheetham Joint Ventures (JVs) in A$m	FY12	FY11
EBITDA	**10.9**	**11.1**
Depreciation and amortisation	(1.2)	(0.8)
EBIT	**9.7**	**10.3**
Interest and Tax	(2.9)	(3.3)
NPAT equity accounted in Income Statement	**6.8**	**7.0**
Investment in JVs	50.2	50.2
Annualised ROFE - EBIT/Funds employed of JVs	**19.3%**	**20.5%**
Total Cheetham EBIT (inc JVs)	**20.8**	**24.5**
Total funds employed (inc JVs)	**238.1**	**237.8**
Annualised ROFE - EBIT/Funds employed of Cheetham (inc JVs)	**8.7%**	**10.3%**

- **JVs disclosed in Income Statement as equity accounted NPAT of $6.8m, 100% repatriated by way of dividends**
- **Income Statement conceals JV tax, interest and dep'n**
- **Aggregate of JV dep'n and amort'n charges is $1.2m. (FY11: $0.8m)**
- **Interest and tax for the year of $2.9m. (FY11: $3.3m)**
- **Strong return on JV funds employed of 19.3%**
- **8.7% ROFE after gross up of JVs**

CONSOLIDATED FINANCIALS

BALANCE SHEET

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INTRODUCTION | AGRIPRODUCTS | CHEETHAM | FINANCIALS | OUTLOOK

Balance Sheet in $m	FY12	FY11
Total Current Assets	176.8	193.7
Total Current Liabilities	106.3	108.5
Current borrowings *	40.7	1.9
Net Current Assets	29.8	83.3
Property, plant & equipment (P,P&E)	239.0	233.4
Equity accounted investments	52.5	52.5
Intangibles	44.8	44.4
Inventories	3.6	-
Total Non Current Assets	339.9	330.3
Borrowings - non-current	64.7	113.5
Deferred Tax Liabilities	12.5	7.8
Provisions	2.0	1.3
Total Other Liabilities	79.2	122.6
Net Assets	290.5	291.0

- Working capital movements & P,P&E additions discussed on separate slides
- $4.4m of land & buildings revaluation (pre-tax), capex of $23.6m, and $5.2m carrying value disposed with the sale of the Wacol and Corowa properties
- Investments static given resumption of 100% JV NPAT dividend payout
- Non-current inventories comprises layer of protective salt retained on Dry Creek salt field bed

* $40.7m classified as current due to draw down profile, although total non-current debt facility more than sufficient to cover total borrowings

CASH FLOW

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Cash flow in $m	FY12	FY11
EBITDA (inc JV NPAT's)	50.1	54.1
Movement in working capital	14.8	(7.7)
Maintenance capex	(13.0)	(9.7)
Operating cash flow	51.9	36.7
Development capex	(10.6)	(3.4)
Net cash dividends	(22.9)	(22.9)
Net proceeds sale of assets	7.9	4.5
Net finance expense	(8.9)	(9.1)
Net tax payments	(4.9)	(4.1)
Acquisitions	(6.9)	(32.7)
Other net cash (out)/inflows	(1.7)	0.9
Cash flow for the period	3.9	(30.1)
Opening net debt as at 1 July	102.1	72.0
Closing net debt as at 30 June	98.2	102.1

- Strong EBITDA performance of $50.1m inc $6.8m JV NPAT dividends received
- Positive $14.8m movement in working capital has generated cash to facilitate debt reduction
- $10.6m of Development Capex inc $8.0m for new Pakenham mill
- Cash dividends comprise annual cash dividend of 7.5cps less employee share scheme loans
- CCD Additives, Corowa and Wacol sale proceeds of $7.9m
- Acquisitions include LNT and Monds and Affleck businesses for $3.9m, inclusive of working capital, plus final $3.0m of deferred consideration from prior year Camilleri acquisition

WORKING CAPITAL

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Working Capital in $m	FY12	FY11
Cash	7.2	13.2
Trade Debtors	80.9	85.9
Other Debtors and prepayments	3.4	3.1
Inventory	79.7	91.5
Assets held for sale	4.0	-
Tax receivable	1.6	-
Total Current Assets	176.8	193.7
Trade Creditors	95.2	92.7
Provisions	10.0	14.3
Tax Liabilities	1.0	1.6
Total Current Liabilities	106.2	109.4
Working Capital (excl. Cash, Tax, Borrowings, Held for sale)	58.8	73.5
Net Movement in Working Capital	(14.8)	7.7

- Decrease in working capital of $14.8m (2011: increase $7.7m)
- Decrease in trade debtors of $5.0m through continued focus on credit limit management , timely debt collection, & bad debt minimisation
- Inventory decrease of $11.8m excludes $3.6m of Dry Creek salt floor inventory classified as non-current
- Assets held for sale comprise Dandenong feedmill and Bowen former salt fields
- Increase in creditors reflects resumption of 180 day trade payables facility with new service provider

CAPITAL EXPENDITURE

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INTRODUCTION | AGRIPRODUCTS | CHEETHAM | FINANCIALS | OUTLOOK

Items in $m	Agri	Salt	FY12	FY11
Other	1.6	1.0	2.6	3.4
New Pakenham Mill	8.0	-	8.0	-
Total Devt Capex	9.6	1.0	10.6	3.4
Maintenance Capex	6.5	5.5	12.0	9.7
Corporate	-	-	1.0	-
Total Capex	16.1	6.5	23.6	13.1
Depreciation and amortisation	8.5	5.2	14.4 #	14.2

- New Pakenham mill construction well advanced at year end, with commissioning targeted by end of 1H FY13
- Achieved stated objective to keep maintenance capex in close proximity to sum of depreciation and amortisation (DA)
- Operational maintenance Capex of $12.0m for FY12 compares to $9.7m in FY11
- Information Services projects captured in Corporate in FY12

DA includes $0.7m Corporate depreciation

FINANCIAL RATIOS

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Financial KPI's	FY12	FY11
Net Debt - in $m	98.2	102.1
Equity - in $m	290.5	291.0
Gearing (Net Debt / Equity)	33.8%	35.1%
EBIT* - in $m	38.6	43.2
EBITDA* - in $m	54.2	58.2
Net Debt / EBITDA*	1.81x	1.75x
EBIT* / Net Interest	4.15x	4.45x
Operating cash flow – EBITDA +or - w.cap movement - maintenance capex	$51.9m	$36.7m
Operating cash flow / EBITDA*	96%	63%
Funds employed	$400.6m	$402.5m
ROFE (annualised EBIT/ Funds employed)	9.6%	10.7%
Earnings per share	6.3c	9.5c

- **Slight reduction in gearing through $3.9m reduction in net debt down to $98.2m**
- **Strong debt servicing capacity net debt to EBITDA being less than 2 times and EBIT covering the net interest charge by more than 4 times**
- **High 96% conversion of earnings to cash, boosted by $14.8m reduction in working capital**
- **ROFE slipped just under double figures pending normalisation of Cheetham salt costs over the next two years**

* **EBIT and EBITDA include Cheetham JV contributions grossed up from reported NPAT**

OUTLOOK

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- **Cheetham Salt divestment update**
- **Property realisation -** value generation from surplus properties
- **Feed business -** improve operational performance
- **Cheetham Salt -** reduction in salt and freight costs through return to normal harvest cycles
- **Business growth -** expanding Ridley's role in feed ingredient production

CHEETHAM SALT DIVESTMENT

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Cheetham Salt divestment:

- **Stage 2 has commenced**
- **Select parties undertaking due diligence**
- **No decision until binding offers received**
- **To proceed to sale execution will require an offer that recognises the strong fundamentals of the Cheetham business**

PROPERTY REALISATION

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Objective to generate shareholder value through realisation of opportunities for surplus properties

- **Dandenong mill held for sale -** potential residential development opportunity in heart of fast growing region
- **Former salt field at Bowen held for sale -** coastal frontage in Whitsundays for the 34 hectare site adjacent to township and airport
- **Lara -** 912 hectare former salt field site with high potential for industrial or airport-related uses
- **Moolap -** 475 hectare coastal frontage site, which is part owned, part leased, north facing and less than 3km from Geelong CBD

LARA & MOOLAP

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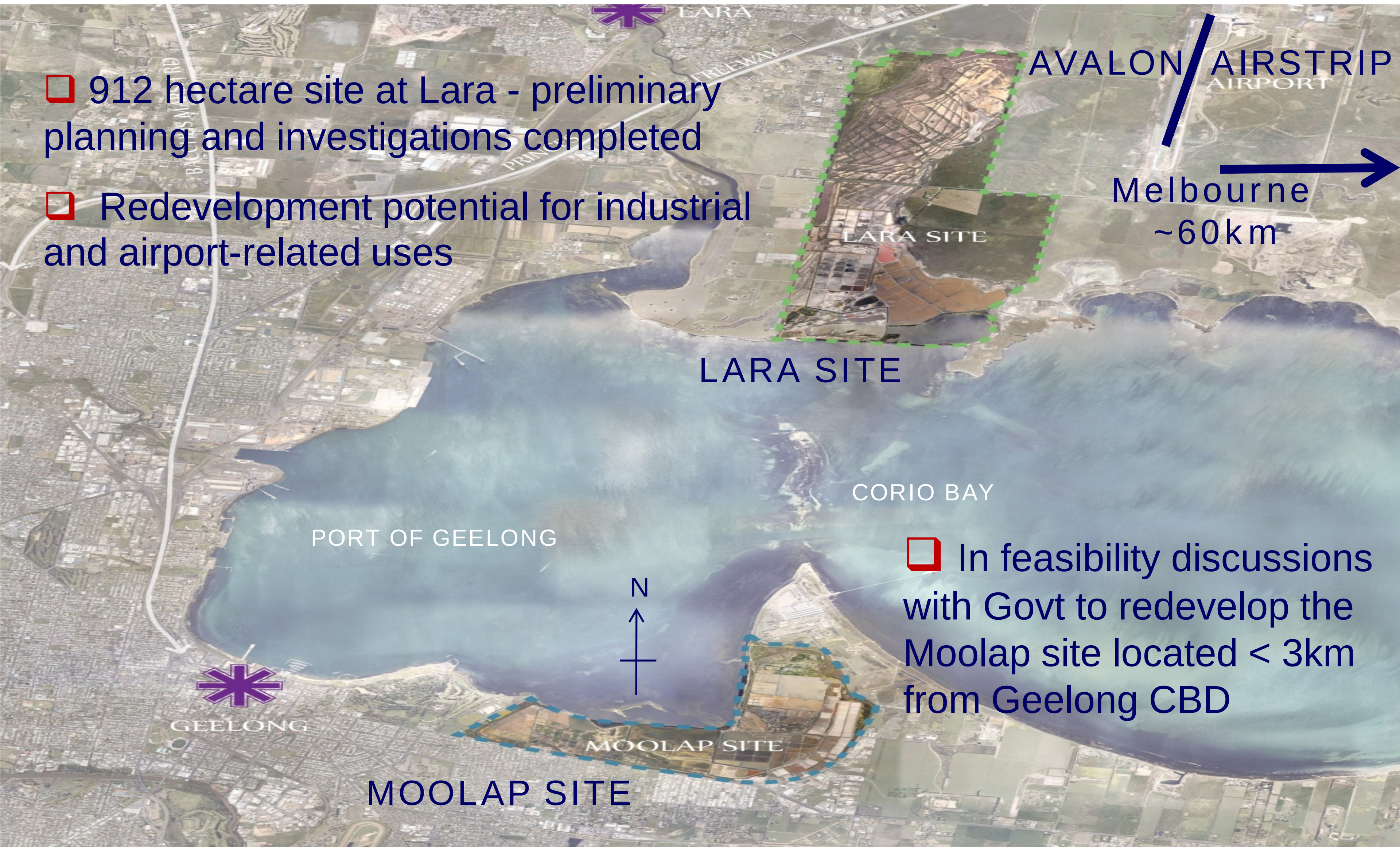
- 912 hectare site at Lara - preliminary planning and investigations completed
- Redevelopment potential for industrial and airport-related uses

- In feasibility discussions with Govt to redevelop the Moolap site located < 3km from Geelong CBD



FEED BUSINESS

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Improving performance of feed business:

- **Supplements restructure -** closure and sale of Wacol operation & site, acquisition of LNT, consolidation to Townsville, full year round product offering
- **Monds & Affleck acquisition -** entry into Tasmanian markets, manufacture by Ridley of Monds range, and distribution of products through national supply network
- **New Pakenham mill -** to commence operation mid year & deliver significant production cost savings
- **Management restructure -** incurred $1.0m restructure costs in FY12 to deliver $1.8m annual savings, with more overhead reductions targeted for FY13

Improving performance of salt business:

- **Salt cost reduction -** current unusually high salt costs to average down through progressive sales and return to more traditional harvest cycles, supported by above-expectation results of recent harvests
- **Bajool operational improvement plan –** implementation of improvement plan to eliminate the causes of refinery down time, reduce labour costs and improve product mix
- **Supply chain cost savings -** return to sustainable self sufficiency in local salt production by Queensland salt fields to significantly reduce domestic freight and warehouse stockpiling costs
- **Indonesian growth -** significant opportunities beyond optimisation of existing refinery, including prospects of new 170kt p.a. salt field at Flores

Business growth activity:

- **Rendering capacity expansion -** major capital project underway at Camilleri to increase production capacity
- **Acquisition of tuna meal supply stream -** recent purchase of Pacific Island business to augment poultry and fish rendering volumes
- **Feed ingredient businesses -** Ridley continues to seek other ‘Camilleri-style’ businesses to secure strategic feed ingredients
- **Bolt-on opportunities -** always on the look out for businesses with strong fundamentals and strategic fit

CONCLUSION

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- **Aim is to continually and actively enhance the business to maximise long term shareholder value**
- **Improvement in results for FY13**
- **Expect to provide trading update with release of half year results**

Ridley Corporation

A compelling proposition