

# RIDLEY CORPORATION

## 2013 RESULTS PRESENTATION



**RIDLEY**

**AGRIPRODUCTS**

**PROPERTY**

**FINANCIALS**

**OUTLOOK**



# RIDLEY - YEAR OF RESTRUCTURE



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AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

- ❑ **Year of restructure** - non-recurring events and transactions overlaying solid operating result for continuing operations
- ❑ **Capital Return** - 7.5c per share, approved by shareholders on 24 June 2013, paid on 5 July 2013; no final dividend for FY13
- ❑ **Operations** - AgriProducts second highest EBIT on record of \$28.1 million, boosted by second half contribution from new rendering business & despite challenging issues in Dairy, Packaged Products and Rendering
- ❑ **Acquisition** - acquisition on 31 Dec 2012 of Victoria's largest rendering business to complement NSW poultry and fish operation
- ❑ **Divestment** - divestment of Cheetham Salt business concluded on 28 February 2013
- ❑ **Gearing reduction** - application of sale proceeds to business acquisition and debt retirement

# SAFETY



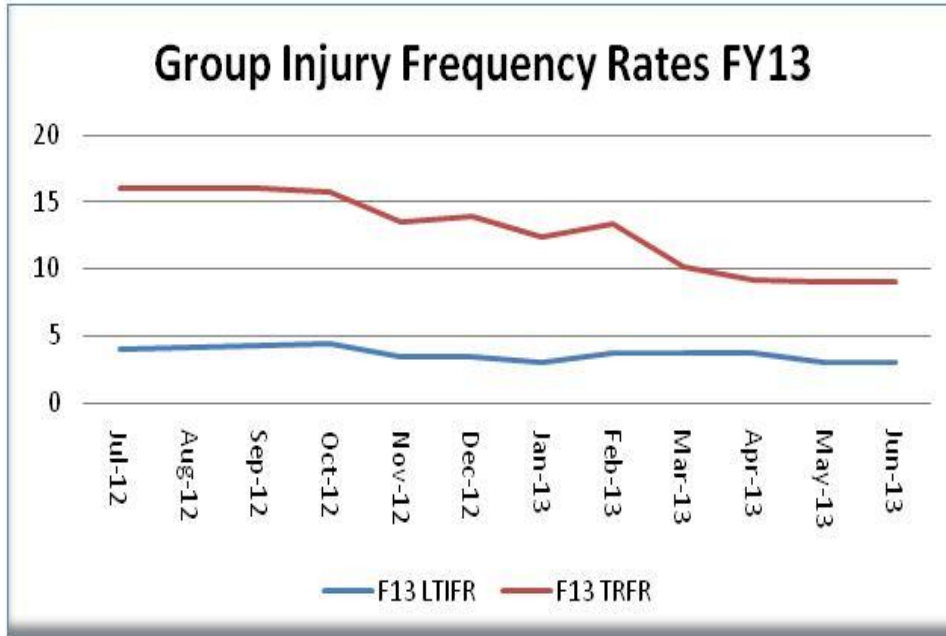
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AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK



## Lead Indicators:

**LTIFR: Lost Time Injury Frequency Rate** – number of injuries incurring lost time per million hours worked

**TRFR: Number of medical treatment injuries not resulting in lost time plus number of lost time injuries, per million hours worked**

- **Embed proactive behaviours**
- **Develop and implement a safety management system**
- **Find engineering solutions for physical safety hazards**
- ❑ **LTIFR of 3.65, an 18% improvement in rate of incidents incurring lost time from prior year 4.46**
- ❑ **TRFR down to 8.2 from prior year 16.8, a 51% improvement**
- ❑ **100% completion rate for Good Manufacturing Practice audits**
- ❑ **96% closure rate for priority action items, up from 86% in prior year**
- ❑ **94% completion of safety training, up from prior year 80%**
- ❑ **Sustained focus on continuous safety improvement**

# FINANCIAL HIGHLIGHTS



**RIDLEY**

**AGRIPRODUCTS**

**PROPERTY**

**FINANCIALS**

**OUTLOOK**

<b>Consolidated result - in \$m</b>	<b>FY13</b>	<b>FY12 ^</b>	<b>FY11</b>
<b>EBIT - AgriProducts</b>	<b>28.1</b>	<b>27.2</b>	<b>24.9</b>
<b>Salt (FY11 inc Cheetham Salt)</b>	<b>3.4</b>	<b>3.4</b>	<b>21.2</b>
<b>Property</b>	<b>(1.9)</b>	<b>(0.7)</b>	<b>(0.7)</b>
<b>Corporate costs</b>	<b>(5.7)</b>	<b>(6.7)</b>	<b>(5.5)</b>
<b>Result from Operations before Other costs &amp; Disc Ops</b>	<b>23.9</b>	<b>23.2</b>	<b>39.9</b>
<b>Net Finance Expense</b>	<b>(7.7)</b>	<b>(9.3)</b>	<b>(9.7)</b>
<b>Tax Expense</b>	<b>(4.3)</b>	<b>(6.1)</b>	<b>(0.9)</b>
<b>Net profit from continuing operations before Other costs</b>	<b>11.9</b>	<b>7.8</b>	<b>29.3</b>
<b>Other costs, post tax (Slide 5)</b>	<b>(28.5)</b>	<b>(0.4)</b>	<b>-</b>
<b>Discontinued Operation (Slide 6)</b>	<b>(5.1)</b>	<b>11.9</b>	<b>-</b>
<b>Net (loss)/profit for year</b>	<b>(21.7)</b>	<b>19.3</b>	<b>29.3</b>

- ❑ **\$23.9m EBIT before non-recurring items and Discontinued Operation**
- ❑ **AgriProducts result of \$28.1m, up \$0.9m with a six month contribution from new rendering business**
- ❑ **Salt comprises Dry Creek for FY13 & restated FY12 (^ Cheetham Salt reported as Discontinued Operation)**
- ❑ **Corporate costs down due to cost classification as transaction related within “Other” & “Discontinued Operation”**
- ❑ **Net interest down by \$1.6m reflecting 28 Feb 2013 net sale proceeds and interest rate reductions**
- ❑ **Tax expense of \$4.3m for continuing operations before non-recurring items**

The Directors believe that the presentation of the non-IFRS income and cash flow measures as set out above, sourced from the audited accounts but not subject to separate review or audit, and as presented on slides 4, 12, 20, 21, 23 & 33 is useful for the users of this document as it reflects the significant key performance measures of the business.

# OTHER COSTS – Non-recurring



RIDLEY

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

Items in \$m	FY13
<b>Acquisition costs</b> - costs incurred to acquire Laverton rendering business, including \$2.4m of stamp duty	<b>3.2</b>
<b>Goodwill</b> - write off of goodwill associated with 2005 acquisition of Dry Creek operation	<b>5.0</b>
<b>Impairment</b> - write down of Dry Creek salt field to reflect termination of salt supply and reclassification to investment property	<b>14.7</b>
<b>Inventory</b> - write down of Dry Creek inventory to net realisable value under three year contract for sale	<b>10.4</b>
<b>Plant and equipment</b> - write off of obsolete Dry Creek assets following cessation of salt production on 30 June 2013	<b>3.9</b>
<b>Total Other costs, non-recurring before tax</b>	<b>37.2</b>
<b>Tax benefit of Other costs</b>	<b>(8.7)</b>
<b>Total Other costs, non-recurring after tax</b>	<b>28.5</b>

**Cash impact** - all non-cash items except for \$3.2m Acquisition costs

# DISCONTINUED OPERATION



**RIDLEY**

**AGRIPRODUCTS**

**PROPERTY**

**FINANCIALS**

**OUTLOOK**

<b>Items in \$m</b>	<b>FY13</b>
<b>Post-tax profit from eight months of Cheetham Salt operations</b>	<b>7.0</b>
<b>Transaction related expenses, including costs to transfer Lara, Moolap, Bowen and Dry Creek to Ridley ownership</b>	<b>(9.5)</b>
<b>Foreign currency translation reserve transferred from Ridley consolidated group on sale</b>	<b>(1.7)</b>
<b>Prima facie accounting loss on disposal - being \$150m proceeds less net assets at disposal of \$150.9m (Capital loss of \$7.1m not booked)</b>	<b>(0.9)</b>
<b>Total after tax profit and loss impact from Cheetham Salt discontinued operation</b>	<b>(5.1)</b>
<b>Balance of Asset Revaluation Reserve balance realised and transferred to Retained Profits</b>	<b>7.5</b>



# COMPENSATION - FOR EARLY TERMINATION OF SALT SUPPLY AGREEMENT



**RIDLEY**

**AGRIPRODUCTS**

**PROPERTY**

**FINANCIALS**

**OUTLOOK**

- Contract for package of compensation for early termination executed with Penrice on 28 June 2013 but remains subject to receipt of final bank approval
- Dry Creek salt operation ceased on 30 June 2013
- Dry Creek site closure and redevelopment process already commenced
- Ridley to receive annualised cash benefit of \$500k from Penrice for ten years from 1 July 2013
- Ridley has ten year option over 4.5mt of zero cost land fill at Penrice's Angaston mine in SA, with additional profit share rights for landfill to meet major project construction requirements
- Ridley has five year option to acquire 16.1m Penrice shares (15% of 30 June 2013 Penrice issued capital) at exercise price of 7c per share

# CORPORATE SNAPSHOT



**RIDLEY**

**AGRIPRODUCTS**

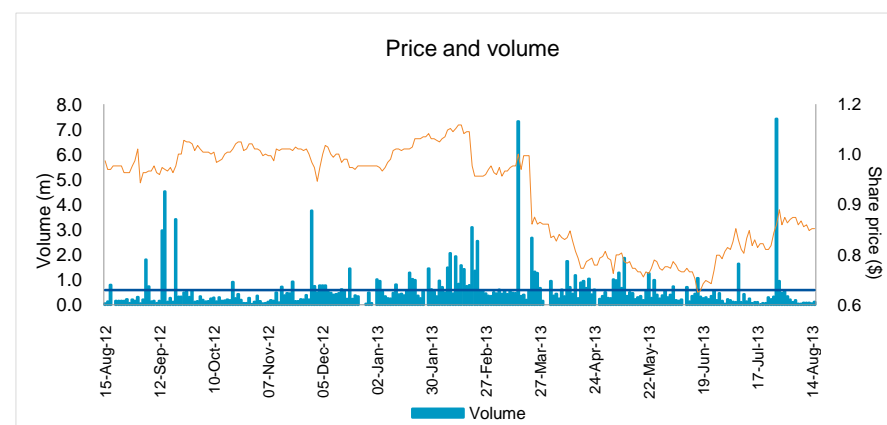
**PROPERTY**

**FINANCIALS**

**OUTLOOK**

## Corporate focus: Australia's leading producer of Premium Quality High Performance Animal Nutrition Solutions

ASX	RIC (at 15/8/13)
Share price	\$0.83
Shares on issue	307.8m
Market cap.	\$255.5m
52 week range	73c – 122.5c
Number of shareholders	7,398
Top 20 shareholders	214.5m, 69.7%
<b>Substantial shareholders:</b>	
- Insitor Holdings LLC – <b>new to register during the year</b>	19.7%
- AMP	10.8%
- Lazard	9.0%
- Maple Brown Abbott	5.5%
- DFA Group	5.2%



### Board of Directors:

- John Spark - Chair & Non-Executive Director (**NED**)
- Tim Hart - Managing Director & CEO (**MD**)
- Associate Professor Andrew Vizard - NED
- Patria Mann - NED
- Professor Robert van Barneveld - NED
- Dr Gary Weiss - NED
- Ejnar Knudsen - NED



# RIDLEY AGRIPRODUCTS RESULTS PRESENTATION



RIDLEY

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK



# HIGHLIGHTS



## RIDLEY

## AGRIPRODUCTS

## PROPERTY

## FINANCIALS

## OUTLOOK

- ❑ **Purchase of BPL rendering business** - entry into Victorian market and mammalian rendering to complement the existing business at Maroota, NSW
- ❑ **Construction of new Pakenham mill** - commissioned in December 2012 and delivering against capex approval hurdles in fourth quarter
- ❑ **Dairy** - reached cyclical lows during the year but encouraging signs for sustained recovery; Ridley well positioned for Gippsland with new mill
- ❑ **Dandenong mill** - volumes transferred to Pakenham mid year, mill demolished and site marketed for sale
- ❑ **Aqua-feeds** - improved result following internal restructure facilitated through lifting of dog food production ban at Inverell
- ❑ **Supplements** - business generated positive earnings following prior year restructure and centralisation of operations in Townsville
- ❑ **Rendering** - NSW business a very consistent performer and Laverton business delivering against acquisition hurdles, both despite closure of poultry meal export markets mid-year

# SECTOR ANALYSIS

RIDLEY	AGRIPRODUCTS	PROPERTY	FINANCIALS	OUTLOOK
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Sector	FY13 (kt)	FY12 (kt)	Outlook
Poultry	872	933	↑
Aqua-feed	42	47	—
Packaged	90	85	↑
Dairy	251	260	↑
Pig	184	197	—
Supplements	22	22	—
Beef & Sheep	46	26	↓
Animal meals	191	34	↑
Other	35	46	—
<b>Total Tonnes</b>	<b>1,733</b>	<b>1,650</b>	

- ❑ **Poultry:** Outlook remains positive for white meat consumption despite some volume switching in FY13
- ❑ **Aqua-feed:** volumes stabilised and operations reconfigured to lower outlook for feed volumes in salmon and prawn
- ❑ **Packaged Products:** stable volumes but margin impacted by rise in raw material prices in first half sustained through second half year
- ❑ **Dairy:** in cyclical lows during FY13 with improved outlook on back of successive rises in milk price on second half
- ❑ **Pig:** relatively stable sector in earnings and outlook
- ❑ **Supplements:** operations consolidated into Northern Queensland with outlook for sustainable earnings
- ❑ **Beef & Sheep:** increase in FY13 reflects lack of pasture in second half year
- ❑ **Animal meals:** increase reflects annualised contribution from CSF Proteins Melbourne

# FINANCIAL SUMMARY



RIDLEY	AGRIPRODUCTS	PROPERTY	FINANCIALS	OUTLOOK
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Agriproducts (\$m)	FY13	FY12
Sales (\$)	706.3	626.0
EBIT (Earnings Before Interest & Tax)	28.1	27.2
+ Depreciation & amortisation (DA)	12.9	8.5
EBITDA	41.0	35.7
Net Working Capital Change	13.6	11.6
Operating Cash flow	54.6	47.3
Maintenance Capex	(7.6)	(6.5)
Operating Cash flow (1)	47.0	40.8
Development Capex	(7.8)	(9.6)
Net Operating Cash flow pre interest, tax & acquisitions	39.2	31.2
Operating cash flow (2) : EBITDA	105%	114%
Working Capital	14.2	27.8
Funds Employed	212.5	164.3
Annualised ROFE (EBIT/Funds employed)	13.2%	16.6%

- ❑ **EBIT result of \$28.1m** - uplifted by six months earnings from new rendering business
- ❑ **Working capital** - \$13.6m of working capital released and applied against debt despite rendering business acq'n
- ❑ **Maintenance Capex** - \$7.6m held within increased DA of \$12.9m reflecting mid year completion of new Pakenham mill
- ❑ **Operating cash flow (1)** - up \$6.2m to \$47.0m (post maintenance capex)
- ❑ **Development Capex** - \$7.8m includes \$5.6m of new Pakenham mill
- ❑ **Operating cash flow to EBITDA** - 105% reflects strong cash conversion and reduction in working capital
- ❑ **High ROFE maintained** -13.2%, reduced by six months earnings on rendering assets acquired



# PROPERTY



# SURPLUS PROPERTY



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AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

- ❑ **Major coastal sites at Lara and Moolap (on Corio Bay near Geelong, Victoria)**
  - Discussions with relevant State and Federal Government departments are underway
  - Environmental Effects Statement and rezoning process will commence upon receipt of positive outcome from these discussions
- ❑ **Dry Creek** - initial discussions with the South Australian Government and Urban Renewal Authority have commenced to explore development opportunities for the site as a result of recent Penrice announcements
- ❑ **Dandenong** - available for sale with \$0.7m cost base
- ❑ **Bowen** - \$1.7m cost base, available for sale, redevelopment or alternative uses are being concurrently explored
- ❑ **Dry Creek Northern leases** - nominal book value and immediately available for sale



# LARA & MOOLAP



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AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

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

AVALON AIRSTRIP AIRPORT

Melbourne  
~60km

LARA SITE

CORIO BAY

PORT OF GEELONG



GEELONG

MOOLAP SITE

MOOLAP SITE

- Moolap Land swap discussions with Govt to consolidate Ridley holdings
- Ridley to manage rezoning of land
- Select preferred partner for land development



# DRY CREEK



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AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

- ❑ Excluded from Cheetham Salt sale and ownership retained by Ridley
- ❑ 316.1 Ha in prime location with proximity to Adelaide CBD, included within SA Government's 30 Year Plan
- ❑ >4,800 Ha of coastal strip further north available for sale
- ❑ Salt production ceased on 30 June 2013 and site closure plan activated
- ❑ Redevelopment into a residential community financially viable
- ❑ Potential to create significant long term shareholder value

**Ridley confident of revaluation upside on re-zoning**



# DRY CREEK



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AGRIPRODUCTS

PROPERTY

FINANCIALS

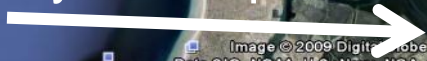
OUTLOOK

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Former salt condensing ponds being the dark land masses extending north west up the coast line

Development of the Dry Creek site is consistent with Government's 30 year plan for Adelaide. Ridley is working with all stakeholders to establish a pathway to address the outstanding issues and facilitate a development of the site in the long term.

Primary potential property development area



# CONSOLIDATED FINANCIALS



# BALANCE SHEET



INTRODUCTION

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

Balance Sheet in \$m	FY13	FY12
Total Current Assets	170.3	176.8
Total Current Liabilities	165.4	106.3
Current borrowings #	-	40.7
Net Current Assets	4.9	29.8
Property, plant & equipment (P,P&E) & Investment properties	156.5	221.9 *
Equity accounted investments	2.2	52.5
Intangibles	78.0	44.8
Inventories & Deferred tax asset	3.7	3.6
Total Non Current Assets	240.4	322.8 *
Borrowings - non-current	34.8	64.7
Deferred Tax Liabilities (FY13: Asset)	-	7.5 *
Provisions	2.9	2.0
Net Total Other Liabilities	37.7	74.2 *
Net Assets	207.6	278.4 *

- ❑ Balance Sheet movements between years reflect rendering business acquisition and salt business divestment
- ❑ FY13 current liabilities includes accrual for \$23.1m shareholder-approved capital return paid in July 2013.
- ❑ L&B change of accounting policy reduced the carrying value by \$17.2m & \$3.7m P&E write off at Dry Creek
- ❑ FY13 Equity accounted investments excludes Cheetham Salt JV's (FY12: \$50.2m)
- ❑ Movement in intangibles includes acq'n of rendering business (\$40.0m) & Dry Creek goodwill write off (\$5.0m)
- ❑ FY12 non-current inventories comprised Dry Creek salt field bed of \$3.5m written off in FY13
- # \$40.7m prior year classification as current due to timing of draw down on extended facility

\* Restated due to change in accounting policy



# CASH FLOW



INTRODUCTION

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

Cash flow in \$m	FY13	FY12
EBITDA (inc JV NPAT's)	39.2	50.1
Movement in working capital	26.4	14.8
Maintenance capex	(11.3)	(13.0)
Operating cash flow	54.3	51.9
Development capex	(10.9)	(10.6)
Net cash dividends	(11.4)	(22.9)
Net proceeds from sale of assets	144.6	7.9
Cash assets divested with Cheetham Salt	(5.1)	-
Net finance expense	(8.0)	(8.9)
Net tax payments	(0.3)	(4.9)
Acquisitions	(80.7)	(6.9)
Other net cash outflows	(1.7)	(1.7)
Cash inflow for the period	80.8	3.9
Opening net debt as at 1 July	98.2	102.1
Closing net debt as at 30 June	17.4	98.2

- ❑ Strong EBITDA performance of \$38.0 reflects 8 months of Cheetham Salt and 6 months of new rendering business
- ❑ Positive \$26.4m movement in working capital has generated cash to facilitate debt reduction
- ❑ \$10.9m of Development Capex inc \$5.6m for new Pakenham mill
- ❑ Cash dividends comprise 2012 final cash dividend of 3.75cps less employee share scheme loans
- ❑ Net proceeds from asset sales comprise \$150m Cheetham Salt divestment less transaction costs
- ❑ Acquisitions include Laverton rendering business and tuna meal import business, inclusive of working capital



# WORKING CAPITAL



INTRODUCTION

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

Working Capital in \$m	FY13	FY12
Cash <sup>^</sup>	16.9	7.2
Trade Debtors	83.1	80.9
Other Debtors and prepayments	8.8	3.4
Inventory	60.4	79.7
Assets held for sale <sup>^</sup>	0.7	4.0
Tax receivable <sup>^</sup>	0.4	1.6
<b>Total Current Assets</b>	<b>170.3</b>	<b>176.8</b>
Trade Creditors	129.5	95.3
Capital return <sup>^</sup>	23.1	-
Provisions	12.8	10.0
Tax Liabilities <sup>^</sup>	-	1.0
<b>Total Current Liabilities</b>	<b>165.4</b>	<b>106.3</b>
<sup>^</sup> Add /less: Cash, Assets held for sale, Tax and Capital Return	5.1	(11.8)
<b>Balance of Working Capital</b>	<b>10.0</b>	<b>58.8</b>

- ❑ Working capital movements between years reflect rendering acquisition and salt divestment
- ❑ Increase in cash purely timing of receipts and bank borrowings
- ❑ Other debtors and Trade creditors include equal and offsetting \$7.7m for Bajool insurance claim
- ❑ Inventory reduction reflects \$10.4m of Dry Creek inventory write off
- ❑ Assets held for sale comprises only Dandenong property for FY13
- ❑ Increase in creditors also reflects increased usage of 180 day trade payables facility

# CAPITAL EXPENDITURE



**INTRODUCTION**

**AGRIPRODUCTS**

**PROPERTY**

**FINANCIALS**

**OUTLOOK**

Items in \$m	Agri	Salt	Corp	FY13	FY12
Other	2.2	3.1	-	5.3	2.6
New Pakenham Mill	5.6	-	-	5.6	8.0
Total Devt Capex	7.8	3.1	-	10.9	10.6
Maintenance Capex	7.6	2.8	-	10.4	12.0
Corporate	-	-	0.9	0.9	1.0
Total Capex	15.4	5.9	0.9	22.2	23.6
Depreciation & amortisation	12.9	3.8	1.1	17.8	14.4

- ❑ Salt column reflects 8 months of Cheetham Salt activity prior to 28 February 2013 sale
- ❑ New Pakenham mill was commissioned in Dec 2012
- ❑ Achieved stated objective to keep maintenance capex in close proximity to sum of depreciation and amortisation (DA)
- ❑ Operational maintenance Capex of \$10.4m for FY13 compares favourably to \$12.0m in FY12

# FINANCIAL RATIOS



INTRODUCTION

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

Financial KPI's	FY13	FY12
Net Debt - in \$m	17.9	98.2
Equity - in \$m	207.6	278.4
Gearing (Net Debt / Equity)	8.6%	35.3%
EBIT* - in \$m	23.9	38.6
EBITDA* - in \$m	37.9	54.2
Net Debt / EBITDA*	0.47x	1.81x
EBIT* / Net Interest - (Slide 4)	3.10x	4.15x
Operating cash flow - (Slide 20)	\$54.3m	\$51.9m
Operating cash flow / EBITDA*	143%	96%
Funds employed - in \$m	221.7	388.0
ROFE (EBIT* / Funds employed)	10.8%	9.9%
Earnings per share	(7.0c)	6.3c

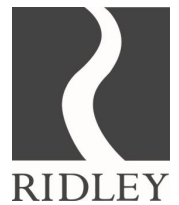
- ❑ Gearing reduction - application of sale proceeds to business acquisition and debt retirement
  - ❑ Strong debt servicing capacity, reducing Net debt : EBITDA ratio from >2x to less than 0.5x
  - ❑ High 127% conversion of earnings to cash, boosted by reduction in working capital
  - ❑ ROFE returned to double figures following Cheetham Salt disposal
- \* FY13: EBIT & EBITDA FY13 excludes Cheetham Salt, and comprises (Slide 4) AgriProducts, Salt (retained Dry Creek operation), Property & Corp
- FY12: As reported last year restated only for accounting policy change.

# OUTLOOK



- **Business Focus** - being Australia's leading producer of Premium Quality High Performance Animal Nutrition Solutions
- **Strategy** - six platforms for delivery:
  - Safety
  - Our People
  - Customer Focus
  - Operational Excellence
  - Community and Sustainability
  - Growth and Asset upgrades
- **Property realisation** - value generation from surplus properties with appropriate corporate governance structure in place

# OUTLOOK - RISKS



INTRODUCTION

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

- ❑ **Cyclical fluctuations** - diversified portfolio spreads the individual sector risk
- ❑ **Influence of domestic harvest** - management of raw material price fluctuations through procurement practices and customer ownership of raw materials
- ❑ **Influence of natural pasture on supplementary feed decision making** - improved yields and livestock health from supplementary feeding
- ❑ **Impact on domestic & export markets in the event of disease outbreak** - mill segregation & geographic profile across Eastern states
- ❑ **Customer concentration** - long term contracts in place mitigate exposure to regional consolidation



## Business growth activity:

- ❑ **New Pakenham mill** - full year of operation in the Gippsland and Tasmanian markets with delivery of production cost savings to assist Dairy sector recovery
- ❑ **Rendering capacity expansion** - new volumes to secure in NSW to utilise increased production capacity & capex program for Vic to improve efficiency and increase capacity
- ❑ **Feed ingredient businesses** - continue to seek recycling-style businesses to secure strategic feed ingredients
- ❑ **Bolt-on opportunities** - always on the look out for businesses with strong fundamentals and strategic fit
- ❑ **Innovation and efficiency** - continue with strategy to deliver innovation, cost savings, mill efficiencies and restructure to uplift stockfeed operational performance

# BUSINESS GROWTH



INTRODUCTION

AGRIPRODUCTS

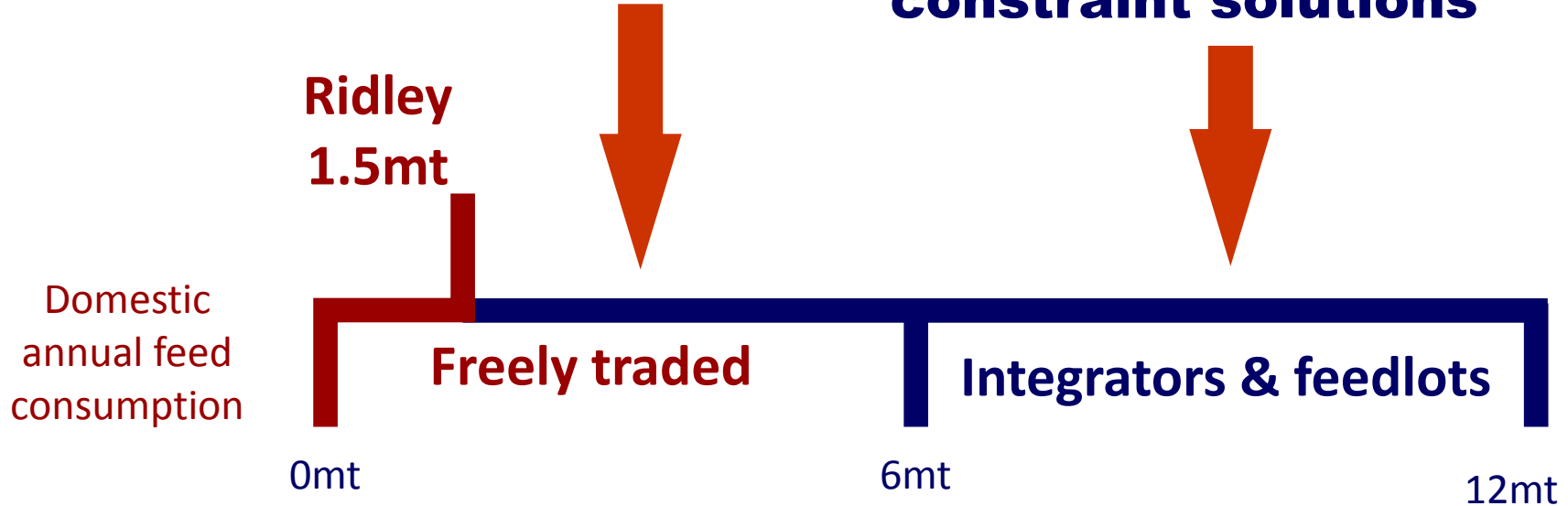
PROPERTY

FINANCIALS

OUTLOOK

**Capture market share - superior product & service offering**

**Long term, cost effective, surety of quality supply to provide customer expansion and capital constraint solutions**



# INVESTMENT SUMMARY



INTRODUCTION

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

## Australia's leading producer of Premium Quality High Performance Animal Nutrition Solutions

- ❑ Organic growth through rising populations, land constraints, demand for protein and heightened concerns for food security #
- ❑ Further sector consolidation opportunities
- ❑ Risk mitigation through sector diversification
- ❑ Significant value generation opportunities through rezoning/redevelopment of strategic land bank
- ❑ Strong cash generation capability

# UN Food & Agriculture Organisation, Sept 2009 2050 world growth estimates suggest 70% inc in world food production, inc in meat production by 200mt to 470mt, and cereals by 1bt to 3.1bt.



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# APPENDICES



# FIVE YEAR SECTOR HISTORY



**RIDLEY      AGRIPRODUCTS      PROPERTY      FINANCIALS      OUTLOOK**

Sector	FY13 (kt)	FY12 (kt)	FY11 (kt)	FY10 (kt)	FY09 (kt)	Outlook
Poultry	872	933	900	764	746	↑
Aqua-feed	42	47	50	47	37	—
Packaged	90	85	84	90	98 #	↑
Dairy	251	260	236	215	293	↑
Pig	184	197	224	325	332	—
Supplements	22	22	22	30	24	—
Beef & Sheep	46	26	24	35	48	↓
Animal meals	191	34	9	-	-	↑
Other	35	46	44	64	- #	—
<b>Total Tonnes</b>	<b>1,733</b>	<b>1,650</b>	<b>1,593</b>	<b>1,570</b>	<b>1,573</b>	

# Split between Packaged Products and Other not available for FY09



# FIVE YEAR FINANCIAL SUMMARY



**INTRODUCTION**

**AGRIPRODUCTS**

**PROPERTY**

**FINANCIALS**

**OUTLOOK**

<b>Agriproducts (\$m)</b>	<b>FY13</b>	<b>FY12</b>	<b>FY11</b>	<b>FY10</b>	<b>FY09</b>
Sales (\$)	706	626	616	620	717
EBIT	28.1	27.2	24.9	29.0	24.4
Depreciation & Amortisation (DA)	12.9	8.5	8.6	7.6	6.7
EBITDA	41.0	35.7	33.5	36.6	31.1
Net Working Capital Change	13.6	11.6	-	(2.5)	23.3
Operating Cash flow	54.6	47.3	33.5	34.1	54.4
Maintenance Capex	(7.6)	(6.5)	(5.4)	(2.6)	(6.1)
Operating Cash flow	47.0	40.8	28.1	31.5	48.3
Development Capex	(7.8)	(9.6)	(2.9)	(8.5)	(3.8)
Net Cash flow pre int, tax, M&A #	39.2	31.2	25.2	23.0	44.5
Operating Cash flow : EBITDA	105%	114%	84%	63%	143%
Working Capital	14.2	27.8	39.4	32.5	30.0
Funds Employed (FY13 includes \$77m BPL acq'n on 31 Dec 2012)	212.5	164.3	167.4	135.7	129.9
Annualised ROFE	13.2%	16.6%	14.9%	21.4%	18.8%

# M&A: Merger, acquisition or disposal costs

# LOCATIONS & SECTORS

**INTRODUCTION**

**AGRIPRODUCTS**

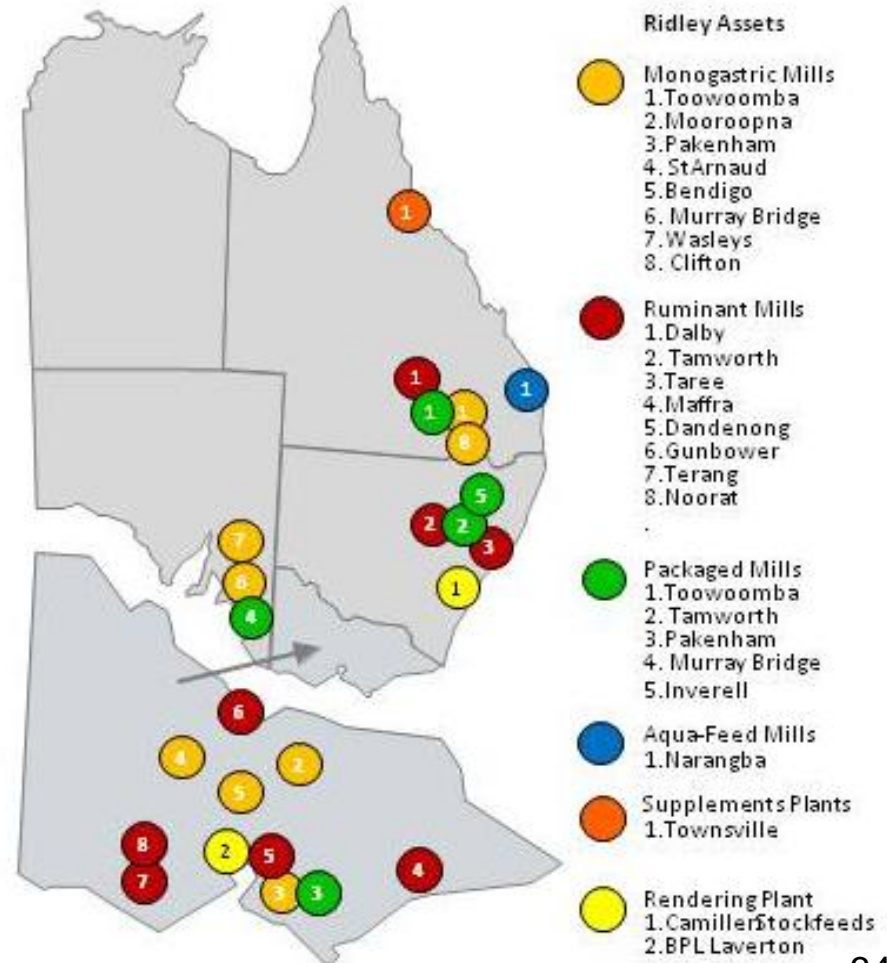
**PROPERTY**

**FINANCIALS**

**OUTLOOK**

Operationally, the business is structured to support its six key market sectors:

- Monogastric** Pellets, meals, concentrates and premixes for poultry and pigs.
- Ruminant** Pellets, meals, concentrates and premixes for dairy cattle, beef cattle, lambs, ewes and rams.
- Packaged Products** Bagged poultry, dairy, dog and horse feed.
- Aqua Feeds** Extruded and steam pelleted products and advice for all major fin-fish and prawns.
- Supplements** Block and loose lick ruminant supplements business.
- Rendering** Rendered poultry and fish animal meal products for the petfood and aquaculture sectors.



# BRANDS & CUSTOMERS








## INTRODUCTION

## AGRIPRODUCTS

## PROPERTY

## FINANCIALS

## OUTLOOK

Brand	Overview	Customers / market position
	<p>Barastoc offers a range of pellets, meals, concentrates and pre-mixes specifically formulated to meet the nutritional requirements of dairy cattle, pigs, poultry, horses, laboratory animals and lifestyle pets at all stages of life.</p>	<p>Bulk customers range from the small independents to the largest poultry integrators in Australia. Also available in bagged form as packaged product.</p>
	<p>Cobber offer a range of dog foods that are complete and nutritionally balanced and free from artificial colours and flavours.</p>	<p>High energy working dog product sold through rural retail outlets AIRR, Ruralco, Landmark and Elders.</p>
	<p>Rumevite offers a range of complete feeds, supplements and concentrates designed to meet the nutritional requirements of all classes of sheep and beef cattle.</p>	<p>Northern Australia-focused supplementary minerals and nutrients distributed through the rural retail outlets.</p>
	<p>Ridley Aqua-Feed offer a complete range of quality extruded and steam pelleted products for aquaculture including barramundi, mulloway, prawns, salmon, silver perch and other native species as well as trout and yellowtail kingfish.</p>	<p>Majority of Australian aquafeed services salmon, with bulk of Ridley volume sold to Huon and Petuna in Tasmania. Prawn and barramundi off the Queensland coast.</p>
	<p>Ridley Dairy Feed offers a diverse range of feeds including pellets, meals, concentrates and supplements specifically designed to meet the nutritional requirements of dairy cattle at all stages of growth, pregnancy and lactation. Each product, available in bulk or packaged solutions, is carefully formulated to be fed with available forages and other feeds to provide a balanced ration to ensure optimum health and performance of calves, heifers and cows.</p>	<p>Fragmented customer base with family owned farms accounting for &gt;80% of feed sold, and &gt;1,000 active accounts. Largest customers George Weston Foods and James &amp; Son are feed resellers for 11% of Ridley volume.</p>
	<p>Acquired by Ridley AgriProducts in October 2011, LNT offers a block supplement range targeted at beef cattle graziers across Northern Australia. The range is focussed on wet season and dry season pasture supplementation and is trusted by end users as result of many decades of feeding success.</p>	<p>Strong brand recognition in Northern Australia and complementary to Ridley product offering. Similar customer base and distribution channel to Rumevite.</p>