

RIDLEY CORPORATION LIMITED

INVESTOR PRESENTATION

2014 FINANCIAL YEAR



**Australia's leading producer of premium quality,
high performance animal nutrition solutions**

FINANCIAL HIGHLIGHTS



RIDLEY

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

Consolidated result - in \$m	FY14	FY13	FY12	FY11
EBIT - AgriProducts	40.1	28.1	27.2	24.9
Property costs - Dry Creek	(0.4)	3.4	3.4	3.4
Other	(2.2)	(1.9)	(0.7)	(0.7)
Corporate Costs	(8.6)	(5.7)	(6.7)	(5.5)
Operating result	28.9	23.9	23.2	22.1

- ❑ AgriProducts result of \$40.1m, up \$12.0m on prior year and including a full 12 months of Laverton rendering
- ❑ Multi-year investment in nutritional support paying off
- ❑ Focus on delivering customer value proposition
- ❑ Dry Creek Property costs offset by land sales (Prior year earnings from servicing Penrice supply contract)
- ❑ Other Property costs reflect higher redevelopment activity in SA and Vic
- ❑ Corporate costs increase reflects FY13 allocation to Cheetham Salt sale transaction

The Directors believe that the presentation of the unaudited non-IFRS financial information on slides 2, 3, 17 and 18 is useful for shareholders as it reflects the significant movements in operations and cash flows of the business.

FINANCIAL HIGHLIGHTS



RIDLEY	AGRIPRODUCTS	PROPERTY	FINANCIALS	OUTLOOK
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Consolidated result - in \$m	FY14	FY13	FY12	FY11
Operating result	28.9	23.9	23.2	22.1
Net Finance Expense	(5.4)	(7.7)	(9.3)	(9.7)
Tax Expense	(4.4)	(4.3)	(6.1)	(0.9)
Net operating profit before non-recurring items	19.1	11.9	7.8	11.5
Transaction, other non- recurring costs	(1.5)	(28.5)	(0.4)	-
Cheetham Salt	-	(5.1)	11.9	17.8
Net profit / (loss)	17.6	(21.7)	19.3	29.3

- ❑ Net profit after tax of \$17.6m for restructured business with low gearing and capacity for growth
- ❑ Net finance expenses reflects lower gearing after prior year acquisition then debt retirement
- ❑ Tax expense reflects utilisation of capital losses on surplus property sales
- ❑ Net operating profit before non-recurring items of 19.1m, up 60% from \$11.9m
- ❑ Non-recurring costs comprise write off of Penrice debt (\$1.0m) and prior period acquisition costs (\$0.5m)

- ❑ **Corporate costs** - \$8.6m of head office costs reflects the change in business model and increased investment in project management and IT systems to extract incremental value from operations
- ❑ **Finance costs** - reflect lower levels of debt (proceeds of Cheetham Salt sale applied to debt in March 2013) and continuing low interest rates following mid-year refinancing for a five year term
- ❑ **Tax** - \$4.4m of tax expense for current year net of \$1.0m prior year overprovision and \$0.9m R&D Tax Incentive (NB: \$2.4m of pre-tax profits on land sales sheltered by brought forward capital losses)
- ❑ **Non-recurring costs** - \$1.0m of write-off of prior year Penrice debt, plus \$0.5m of costs in respect of prior year transactions brought to account in FY14

FINANCIAL HIGHLIGHTS



RIDLEY

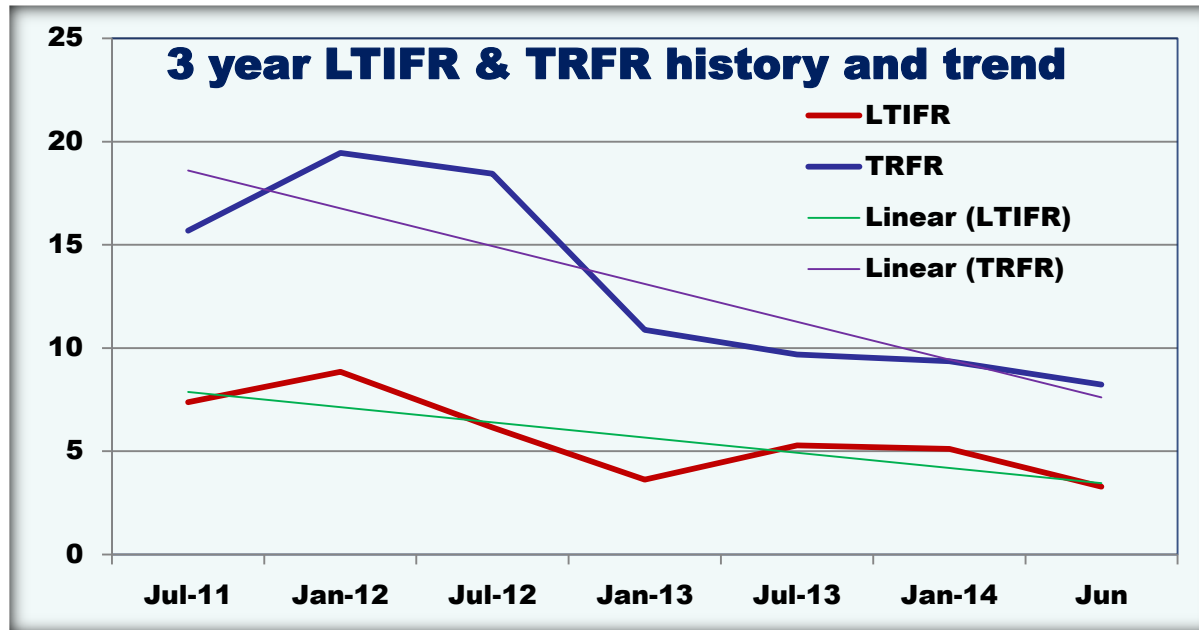
AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

- ❑ **EBIT result for agribusiness of \$40.1m** - up \$12.0m with full year contribution from Laverton rendering business (FY13: 6 months)
- ❑ **Poultry** – long-term take or pay contract boosted volume and plant utilisation in a sector of sustainable, compounding growth
- ❑ **Aqua-feeds** - benefiting from restructure of production and supply chain, new overseas salmon volumes, and growth in non-salmon volumes (prawn, kingfish, barramundi)
- ❑ **Dairy** - positive recovery from prior year cyclical low, with successive milk price rises and easing of exchange rate improving the milk price:feed cost ratio and uplifting farmer confidence and cash flows
- ❑ **Rendering** - operations were resilient in the face of overseas market closure and domestic price softness following Avian Influenza outbreak
- ❑ **Pig, Packaged Products, Supplements** - performance consistent with prior year and each sector the current focus for strategic review



Injury Frequency Rates:

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
- Continual reinforcement of safety message
- Maintain robust safety management system
- Develop engineering solutions for physical safety hazards
- Long term, cultural journey to remove injury from the Ridley workplace

- Second successive year of:**
- ✓ >98% completion for Good Manufacturing Practice (GMP) audits
 - ✓ >97% closure rate for priority action items
 - ✓ 94% completion of safety training

Details

- ❑ **Strategic parcel of land acquired on 7 August 2014**
- ❑ **5.3 hectares on north east outskirts of Geelong (“NE Geelong”)**
- ❑ **Logistics** - frontage to the Princes Highway, providing easy access to:
 - ✓ Highways to key grain growing regions of the Wimmera, Western Districts and the Mallee
 - ✓ Golden Plains Food Production Precinct (Lethbridge) <40km
 - ✓ Laverton ~40km (meat meal source)
 - ✓ Port of Geelong ~15km & Port of Melbourne ~60km
- ❑ **Site Infrastructure** - 15x silos providing ~21,000 tonne of grain storage and major utilities already in place
- ❑ **Leaseback** - long term leaseback of silos to the vendor
- ❑ **Raw materials** - ideally located to receive grain from western district grain belt and generate sustainable freight advantage

Location

- ❑ **Strategy** - first step in mill modernisation and expansion program announced last year
- ❑ **Customer Focus** - anticipates long-term (pig & poultry – “monogastric”) customer growth and feed requirement west of Melbourne
- ❑ **Location** - the site is ideally located to service a broad region targeted for significant growth in livestock production (poultry eggs and meat, pig)
- ❑ **Feedmill** - construction of feedmill subject to Government support, customer commitment and subsequent planning approvals
- ❑ **Raw Materials** - site already a major destination for Victorian grain growers (site currently operated by Riordan Grains who will remain on site as a tenant). Large adjacent shed leased by Viterra is Victoria’s largest soybean meal store
- ❑ **Manufacturing Footprint** - completes Ridley’s monogastric presence in Victoria (Pakenham in SE; St Arnaud, Bendigo & Mooroopna to the North)
- ❑ **Government support** - outcome of grant application expected by end Sept
- ❑ **Jobs** - timely boost for Geelong region

Strategic site acquisition



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AGRIPRODUCTS

PROPERTY

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OUTLOOK

Location



Strategic site acquisition



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AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK

Aerial view



PROPERTY – DRY CREEK



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AGRIPRODUCTS

PROPERTY

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OUTLOOK

- ❑ **Salt production** - salt operating segment ceased on 1 July 2013 & all FY14 Dry Creek activity reported in Property segment
- ❑ **Earnings** - \$0.4m current period net loss (after land sales) incurred to maintain the site pending closure and rehabilitation plan approval (FY13 earnings of \$3.4m in servicing Penrice supply agreement)
- ❑ **Site closure** - continuing to work through the complex & lengthy site closure PROCESS (STAG oversight, DMITRE approval, EPA discharge licence, Fisheries Mgt Act exemption, extensive Acid Sulphate Soils (ASS) drilling program & EPBC Act compliance)
- ❑ **Land sales** - sales of land north of the former salt field sold for net cash proceeds of \$2.4 million
- ❑ **Redevelopment** - preparatory activities for long term site redevelopment continue in parallel with site closure planning
- ❑ **Expression of Interest** - market testing to be conducted in FY15 to identify any early realisation opportunities for shareholder value

- ❑ **Major coastal sites at Moolap (near Geelong):**
 - Proposal submitted to State Government to secure land tenure and rezoning approvals
 - Environmental Effects Statement commenced in 2H FY14
 - Development partner with strong track record in Victoria (Sandhurst and Sanctuary Lakes developments) announced in June 2014
 - Anticipated 3-5 year horizon for release of land value from Moolap

- ❑ **Lara** - Currently running Expressions of Interest (Eoi) process for parcels of the Lara site to explore the opportunity for short term value realisation

- ❑ **Dandenong** - site recently tenanted to cover holding costs and marketing campaign continues

- ❑ **Bowen and Dalby sites** - sold for proceeds of c.\$1.8m, thereby removing site management costs for both sites and obligation to rehabilitate Bowen

MOOLAP - CONCEPT LAYOUT



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OUTLOOK

Sanctuary Living selected as development partner with vision to revitalise Moolap and Geelong



SALT MARSH CONSERVATION



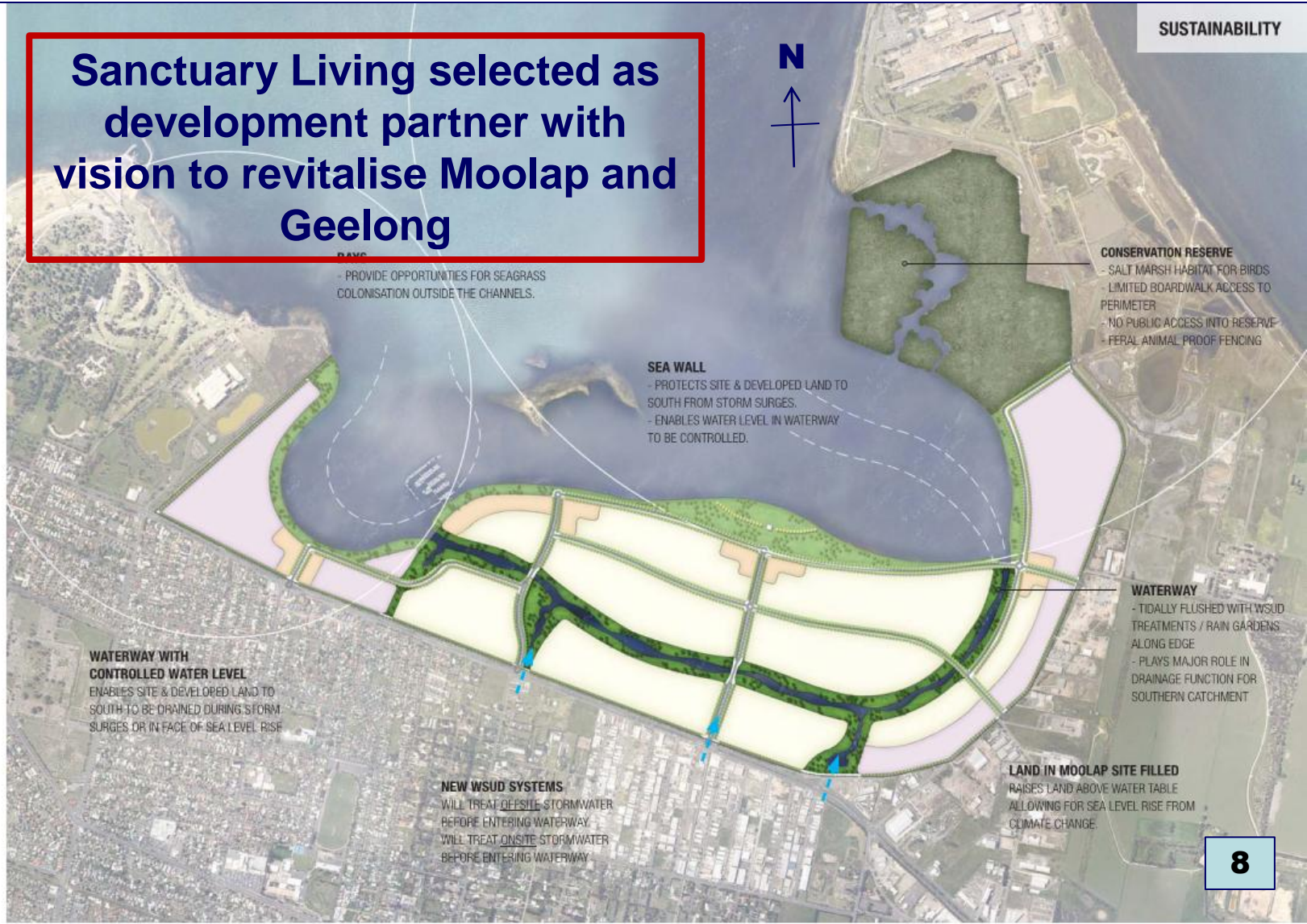
RAIN GARDENS



WATER TANKS



WSD SWALE



CONSOLIDATED FINANCIALS



BALANCE SHEET - ASSETS



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OUTLOOK

Balance Sheet - in \$m	June 2014	June 2013
Assets held for sale	1.4	0.7
Other Current Assets	180.1	169.6
Property, plant & equipment (P,P&E)	118.6	118.0
Investment property	37.2	38.4
Investments	3.3	2.2
Intangibles	80.5	78.0
Non-current inventories	0.1	0.4
Deferred tax asset	1.9	3.3
Total Assets	423.1	410.6

- ❑ **Assets held for sale at 30 June of \$1.4m** - former mills at Dalby and Dandenong; Dalby sale settled on 11 August 2014
- ❑ **Other current assets** - includes increases in cash \$2.3m, inventory \$4.1m, and debtors \$4.5m
- ❑ **Increase in Intangibles** - largely reflects acquisition of long term take or pay contract \$4.5m offset by amortisation charge
- ❑ **P,P&E** – \$2.3m of development capex activity; maintenance capex of \$11.4m in close proximity to DA

BALANCE SHEET - LIABILITIES



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AGRIPRODUCTS

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OUTLOOK

Balance Sheet - in \$m	June 2014	June 2013
Current payables	129.4	152.6
Current provisions	13.1	12.7
Current tax and other liabilities	4.2	0.1
Non-current borrowings	55.6	34.8
Non-current Provisions	1.0	2.9
Total Liabilities	203.3	203.1
Net Assets	219.8	207.5

- ❑ **Payables** - decrease reflects \$23.1m capital return paid in July 2013 & fully accrued last year
- ❑ **Tax** - tax payable on current year profits compared to prior year net tax receivable balance
- ❑ **Borrowings** - increase in non-current borrowings reflects payment of capital return within facility rolled over for 5 years
- ❑ **Equity** - no changes in equity in either year
- ❑ **Dividend** - interim dividend of 1.5cps (50% franked) paid in April 2014; final dividend to consider for October 2014

CASH FLOW



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OUTLOOK

Consolidated Cash flow in \$m	FY14	FY13
Consolidated EBITDA	41.0	39.2
Movement in working capital	(5.5)	26.4
Maintenance capex	(11.4)	(11.3)
Operating cash flow	24.1	54.3
Development capex	(2.3)	(10.9)
Net capital return/cash dividends	(27.7)	(11.4)
Net proceeds from sale of assets	1.4	139.5
Acquisitions	(6.6)	(80.7)
Net finance expense	(4.8)	(8.0)
Net tax refund/(payments)	1.6	(0.3)
Other net cash outflows	(4.2)	(2.1)
Cash (out) / in flow for the period	(18.5)	80.4
Opening net debt as at 1 July	(17.8)	(98.2)
Closing net debt	(36.3)	(17.8)

- ❑ Strong EBITDA performance of core business (FY13 includes 8 months of Cheetham Salt)
- ❑ Negative movement in working capital reflects increased sales and operating activity
- ❑ Capital return of 7.5 cps paid in July 2013 and interim dividend of 1.5 cps paid in April 2014
- ❑ Net proceeds from asset sales exclude \$2.7m unbanked at year end
- ❑ Net finance outlay reflects lower debt levels following March 2013 debt reduction
- ❑ Acquisitions include long term take or pay contract (\$4.5m) & performance payment for prior year Bartlett Grain acquisition (\$0.4m)

FINANCIAL SUMMARY



RIDLEY	AGRIPRODUCTS	PROPERTY	FINANCIALS	OUTLOOK
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Consolidated excluding Property & Salt segments in \$m	FY14	FY13	FY12	FY11	FY10
RAP EBIT	40.1	28.1	27.2	24.9	29.0
Corp EBIT	(8.6)	(5.7)	(6.7)	(5.5)	(6.8)
RAP + Corp EBIT (excl. Cheetham Salt & Property)	31.5	22.4	20.5	19.4	22.2
Consolidated Funds Employed	258.5	221.8	400.6	402.5	368.3
Less: Cheetham Salt Funds Employed	-	-	(239.6)	(239.2)	(237.8)
Less: Assets held for sale	(1.4)	(0.7)	(4.0)	-	-
Investment properties	(37.2)	(38.4)	-	-	-
Continuing Funds Employed (FE) (excl. Property)	219.9	182.7	157.0	163.3	130.5
Annualised ROFE (EBIT: average FE)	15.6%	13.2%	12.8%	13.2%	17.0%

15.6% FY14 ROFE on Ridley operations (excl. Property)

OUTLOOK - DIVIDENDS



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OUTLOOK

- ❑ **Final dividend** - Ridley Board will consider final dividend in October 2014 based on retained profits, forecast earnings, cash flow conversion, availability of franking credits, and capital requirements at that time

- ❑ **Interim** - Ridley Board paid a 50% franked 1.5 cents per share interim dividend on 30 April 2014 from retained profits as at 31 March 2014

OUTLOOK - OPERATIONS



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AGRIPRODUCTS

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OUTLOOK

- ❑ **Poultry** - positive outlook based on compounding year on year growth in poultry demand
- ❑ **Dairy** - FY14 recovery to continue through FY15 with current milk pricing and outlook for grain prices set to maintain positive milk:feed ratio and positive farmer confidence
- ❑ **Customer Value Propositions** - tailored to individual customers based on feedback survey data to enhance Ridley service performance
- ❑ **Laverton** - new Cherry Lane facility provides storage and product blending enhancement option for rendering operation
- ❑ **Packaged Products** - price increases held and key account management, marketing and conference strategies to be revamped in FY15

- ❑ **Strategic land acquisition** - continue discussions with Government, key customers and suppliers to optimise development opportunity at new site acquired post year end on north east outskirts of Geelong
- ❑ **Western VIC** - consolidate Noorat operations into Terang in Western VIC and construct new blending shed to expand dairy offering
- ❑ **Cherry Lane** - extract value from new blending and storage facility 3km from the Laverton rendering site
- ❑ **Aquafeed** - improve site storage capacity and product handling efficiency through lease of new facility being constructed at Aquafeed's Narangba site
- ❑ **New feedmills** - continue discussions to secure additional volume and/or freight savings required for new mill projects to achieve project hurdle rates
- ❑ **Customer Value Proposition (CVP)** - work closely with key customers to ensure Ridley has the capacity to meet their expansion requirements and deliver a compelling customer value proposition

- **Rendering** - focus on moving up the value chain:
 - Secure adjacent land and restructure Laverton site traffic management
 - Commence plant investigations to extract high protein concentrates from fish offal - \$1m investment in FY14 to acquire exclusive licence for territory of Australasia, Melanesia and Polynesia #

- **R&D initiatives** - new products and diet research in progress looking to provide competitive advantage:
 - Working on high value, novel raw material inputs
 - Ongoing salmon and prawn pond research for new diets
 - Novacq trials in collaboration with CSIRO have demonstrated strong prawn growth enhancement rates - challenge now to scale up to commercial production capability and extract value from the exclusive licence in the territory (Australia, Indonesia, Philippines and Malaysia)

excludes Indonesia and Hawaii

- Complete Expressions of Interest to test the market appetite to acquire Lara and Dry Creek sites**
- Secure the land tenure required for Moolap development and work with partner and regulatory bodies towards formal rezoning event at Moolap**
- Secure approval for Dry Creek site closure plan and commence formal implementation**
- Sell Dandenong site** (the associated sub-lease will provide cash flow to a purchaser during development approvals process)
- Sale of Dalby site completed on 11 August 2014**

OUTLOOK - REGIONAL GROWTH



RIDLEY

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OUTLOOK

- Dairy
 - Beef
 - Animal meals and fats
 - High-performance raw materials
- ... all forecast to have strong export growth

- In 2012-13, Australian farms produced:-
- \$13.2 bn of livestock (for meat)
 - \$6.9 bn of livestock products (wool, dairy etc)
 - \$2.3 bn of fish and other marine produce

Export Demand



growth in future production will be driven by...

Domestic Demand

- Population of ~30m by 2030, with greater demand for:-
- Chicken – affordable source of protein, compounding growth at 3% p.a.
 - Eggs – 45% increase in eggs laid in 2013 vs 2003 (AECL)
 - Fish – consumption up 25% by 2022 (OECD FAO)
 - Dairy – population growth plus increasing preference for dairy products

... but forecast growth in livestock production can only occur with equivalent growth in the supporting stockfeed industry

OUTLOOK – RIDLEY INVESTMENT



RIDLEY	AGRIPRODUCTS	PROPERTY	FINANCIALS	OUTLOOK
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Species	Ridley Position in Sector	Sector Growth Potential	Local or Global?*
Aqua	Strong (#2)	High	Salmon – Local Prawn – Global
Dairy	Strong (#1)	High	Global
Poultry - Broiler	Strong (#1)	Medium	Local
Poultry - Layer	Medium	High	Local
Rendering	Strong (#1)	High	Global
Packaged	Medium	Medium	Local
Pig	Medium	Medium	Local
Supplements	Medium	Medium	Local

Ridley well positioned in key growth sectors

Attractive blend of local and global markets

Strong overseas relationships & quality reputation

Pig growth opportunities under strategic review

* defined as the destination market for the majority of the associated end product

- ❑ **Ridley well positioned for long term growth in the agribusiness feed sector:**
 - strong balance sheet
 - bank facility rolled over for a further five years
 - long term history of cash conversion
 - independent of harvest volumes
 - paucity of Australian listed agribusinesses
 - Board-approved strategy of business optimisation and mill modernisation within strict performance hurdles
- ❑ **Potential to create significant Ridley shareholder value from the redevelopment of surplus land holdings in VIC and longer term in SA**

**Australia's leading producer of premium quality,
high performance animal nutrition solutions**

CONTACT DETAILS



RIDLEY

AGRIPRODUCTS

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OUTLOOK

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APPENDICES



CORPORATE SNAPSHOT



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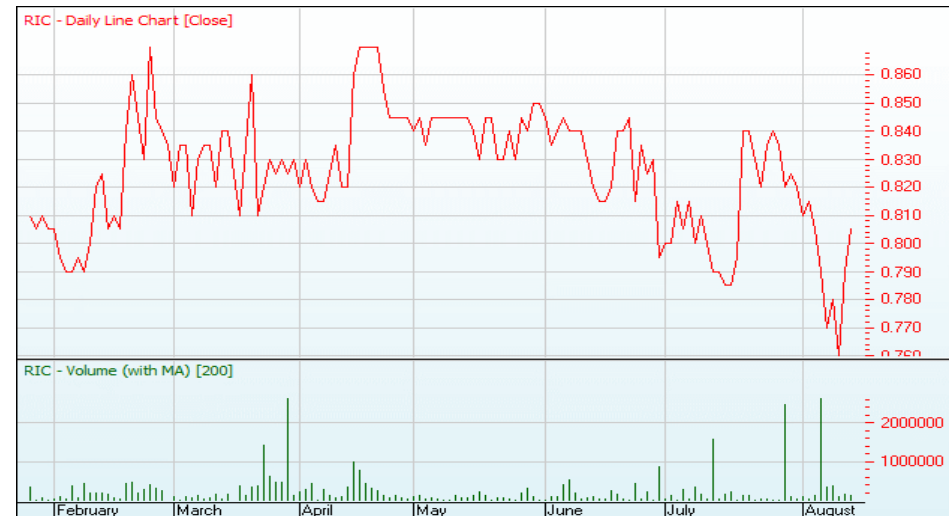
OUTLOOK

Corporate focus: Australia's leading supplier of premium quality, high performance animal nutrition solutions

ASX – as at 15 August 2014	RIC
Share price	\$0.82
Shares on issue	307.8m
Market cap.	\$252m
52 week range	\$0.715 – \$0.945
Number of shareholders	7,371
Top 20 shareholders	70%

Substantial shareholders:

-Insitor Holdings (AGR Partners)	19.7%
- Lazard	9.9%
- AMP	9.9%
- Maple Brown Abbott	5.5%
- DFA Group	5.2%



Board of Directors:

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

SECTOR HISTORY



RIDLEY AGRIPRODUCTS PROPERTY FINANCIALS OUTLOOK

Sector	FY14 (kt)	FY13 (kt)	FY12 (kt)	FY11 (kt)	FY10 (kt)	Outlook
Poultry	1,019	872	933	900	764	↑
Aqua-feed	50	42	47	50	47	—
Packaged	90	90	85	84	90	—
Dairy	275	251	260	236	215	↑
Pig	178	184	197	224	325	↑
Supplements	21	22	22	22	30	—
Beef & Sheep	58	46	26	24	35	—
Rendering	171	93	34	9	-	↑
Other	32	35	46	44	64	—
Total Tonnes	1,894	1,635	1,650	1,593	1,570	

BRANDS & CUSTOMERS



RIDLEY	AGRIPRODUCTS	PROPERTY	FINANCIALS	OUTLOOK
Brand	Overview	Customers / market position		
	Barastoc offers a range of pellets, meals, concentrates and premixes specifically formulated to meet the nutritional requirements of dairy cattle, pigs, poultry, horses, laboratory animals and lifestyle pets at all stages of life.	Bulk customers range from the small independents to the largest poultry integrators in Australia. Also available in bagged form as packaged product.		
	Cobber offers a range of dog foods that are complete and nutritionally balanced and free from artificial colours and flavours.	High energy working dog product sold through rural retail outlets AIRR, Ruralco, Landmark and Elders.		
	Rumevite offers a range of complete feeds, supplements and concentrates designed to meet the nutritional requirements of all classes of sheep and beef cattle.	Northern Australia-focused supplementary minerals and nutrients distributed through direct accounts and rural retail outlets.		
	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.	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.		
	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.	Fragmented customer base with family owned farms accounting for >80% of feed sold, and >1,000 active accounts. Largest customers George Weston Foods and James & Son are feed resellers for 11% of Ridley volume.		
	Ridley's rendering division processes meat, poultry and fish by products into animal protein meals and oils. Products include meat and bone meal, poultry meal, feather meal, blood meal, tallow, poultry oil and fish meal. Products are produced at two plants in Sydney and Melbourne and are branded under the names of Camilleri, CSF Proteins and Bartlett. Raw material is sourced from poultry processors, deboners and fish markets.	Products are sold into domestic & overseas aquafeed, petfood and stockfeed markets. Ridley's comparative advantage is in being able to leverage its nutritional expertise to supply customers with products that support the best health and performance of farmed animals, fish, pets and biofuels.		
	Primo Aquaculture supplies live and formulated feeds as well as a key range of equipment to the commercial aquaculture industry, aquarium, aquaponics and other hobbyist growers. The range includes general feeds, artemia, health products and equipment from around the world as well as formulated hatchery feeds for all species of fish and prawns.	Complementary to aquafeed business in providing a starter feed to complete the product range. Customer base extends to specialist and hobby interests serviced through online website ordering		

LOCATIONS & SECTORS



RIDLEY

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Ridley locations and sectors

From field to food

Ridley is a proud partner of Australian agriculture, driving productivity and performance in response to the needs of an ever-growing population and the welfare of our agricultural community.

Business unit	Structure
Monogastric	Pellet, 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, horse and lifestyle animal feed
Aqua Feeds	Extruded and steam pelleted products and advice for all major fin-fish and prawns
Supplements	Block and loose lick ruminant supplements
Rendering	Rendered poultry, red meat and fish products for the pet food and aquaculture sectors



Business unit			
Monogastric		Packaged	
1	Toowoomba	1	Toowoomba
2	Mooroopna	2	Tamworth
3	Pakenham	3	Pakenham
4	Murray Bridge	4	Murray Bridge
5	Bendigo	5	Inverell
6	St Arnaud	Aqua Feeds	
7	Wasleys	1	Narangba
8	Clifton	Supplements	
Ruminant		1	Townsville
		Rendering	
1	Taree		
2	Tamworth	1	Maroota
3	Pakenham	2	Laverton
4	Maffra		
5	Gunbower		
6	Terang		
7	Noorat		

- ❑ Key component of sustainable agriculture
- ❑ One third to one half of every animal produced in Australia for meat, milk, egg & fibre food products is not consumed by humans
- ❑ Process by which low economic value matter from meat & food processing is transformed through a rendering process (cooking) into valuable products
- ❑ Rendered products - include meat and bone, poultry, hydrolysed feather, blood and fish meal and animal fats and oils
- ❑ Product use - feed ingredients for livestock, poultry, aquaculture and companion animals
- ❑ Environmental benefits through reduction in landfill, animal by-product biohazard and wastewater management

GROWTH OPPORTUNITIES



RIDLEY

AGRIPRODUCTS

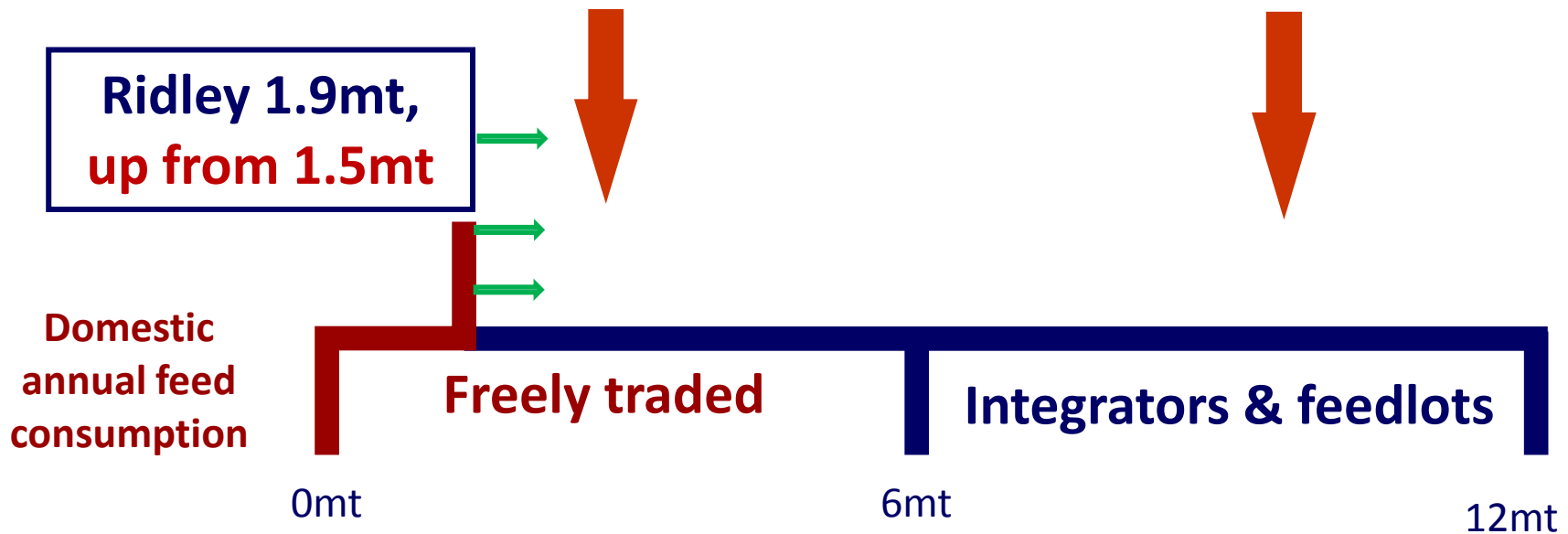
PROPERTY

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OUTLOOK

Capture market share with customer value proposition & innovative protein sources to extend the superior product, safety & service offering

Long term, cost effective, surety of highest quality supply to provide solutions for customer expansion and capital constraints



- ❑ 316.1 Ha in prime location with proximity to Adelaide CBD, included within SA Government's 30 Year Plan
- ❑ Lease surrender achieved in the year which enabled sale on 30 June 2014 of coastal strip north of the former saltfield
- ❑ Delays experienced to date in securing approval for site closure plan (referred to as PEPR)
- ❑ Redevelopment into a residential community expected to be financially viable
- ❑ Potential to create significant long term Ridley shareholder value and major project for SA

DRY CREEK



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AGRIPRODUCTS

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OUTLOOK

N

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



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Google

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Dry Creek SA, Australia

34°41'56.94" S 138°31'33.29" E elev 20 ft

Eye alt 26.58 mi

Imagery Dates: Apr 26, 2006 - Feb 10, 2008

LARA & MOOLAP



RIDLEY

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

- Continuing Moolap land tenure discussions with Govt to consolidate Ridley holdings
- Ridley and development partner working together to achieve rezoning event

MOOLAP



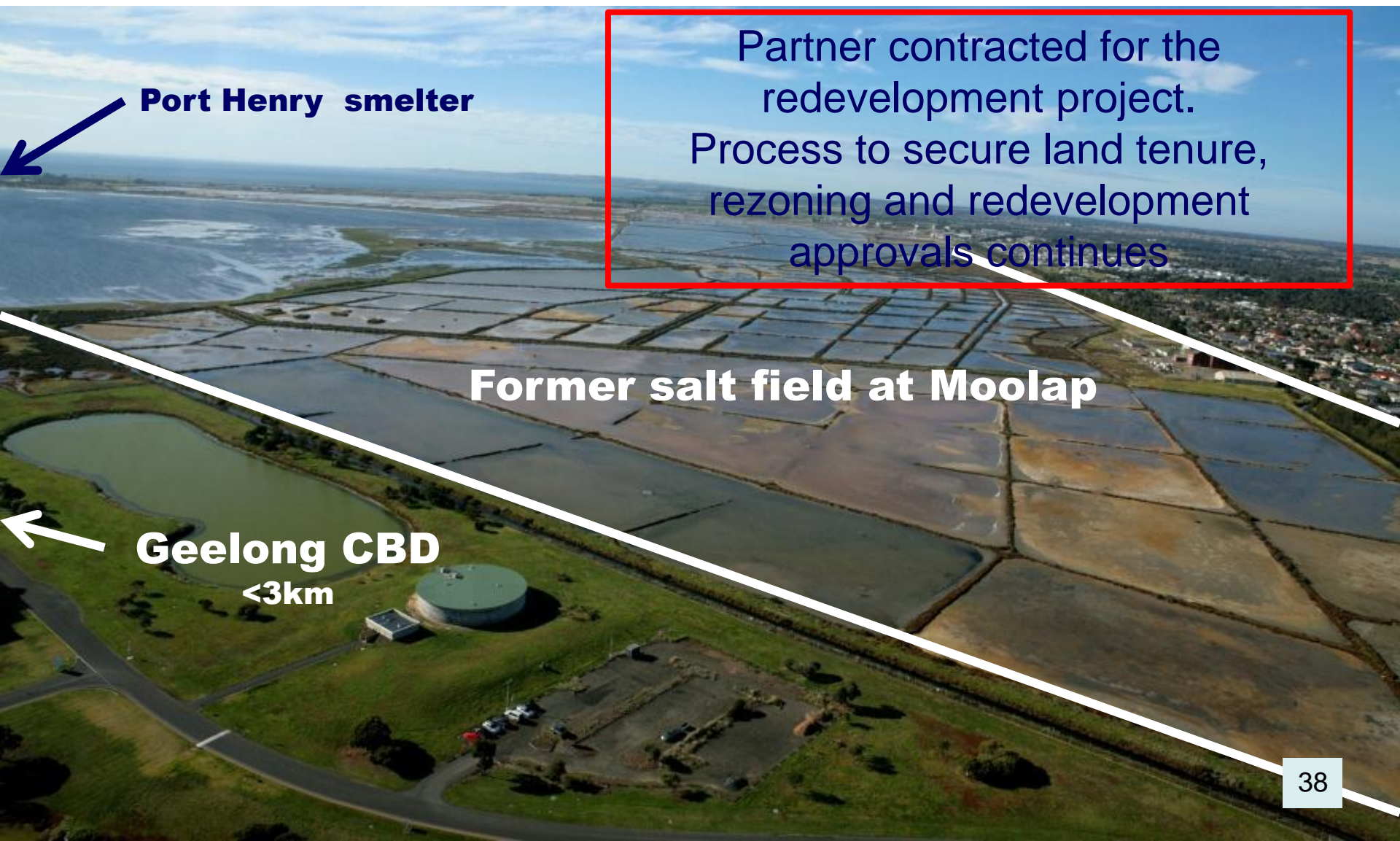
INTRODUCTION

AGRIPRODUCTS

PROPERTY

FINANCIALS

OUTLOOK



Port Henry smelter

Partner contracted for the redevelopment project. Process to secure land tenure, rezoning and redevelopment approvals continues

Former salt field at Moolap

Geelong CBD
<3km

OUTLOOK - RISKS



RIDLEY

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 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

- ❑ 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

Australia's leading supplier of premium quality, high performance animal nutrition solutions

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