



Ridley Corporation

27th Annual General Meeting

21st November 2014



CEO Presentation

Annual General Meeting

21 November 2014

1. **Ridley Business**
2. **Ridley Strategy**
3. **Last twelve months highlights**
4. **Next twelve months focus**
5. **Ridley AgriProducts Outlook**
6. **Moolap**
7. **Dry Creek – expression of interest**
8. **Conclusions**

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

Ridley AgriProducts

- ❑ Realise incremental value from existing assets, recent investments and acquisitions
- ❑ Undertake modernisation program for improved efficiency and with new volumes secured
- ❑ Continue to pursue internal and external growth opportunities
- ❑ Invest in applied R&D (e.g. Novacq, high protein concentrates)
- ❑ Progress up the value chain

Land

Extract shareholder value from surplus landholdings:

- ❑ Dry Creek salt field closure and redevelopment approvals
- ❑ Moolap land tenure and development approvals for urban renewal
- ❑ Lara and Dandenong actively marketed for sale

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

Ridley's six pillar strategy for execution:

- Safety
- Our people
- Customer focus
- Operational excellence
- Growth and asset renewal
- Community / Sustainability

- ❑ **Continued improvements in safety** - long term downward trend maintained towards zero injury target
- ❑ **Record result from core business** - EBIT increase from \$28.1m to \$40.1m
- ❑ **Dairy and Aquafeed performance** - stronger than expected recovery
- ❑ **Resilient rendering** - full twelve months of Laverton operation and robust performance in the face of overseas market closure and domestic price softness following NSW Avian Influenza outbreak
- ❑ **Long term poultry contract** - continuing growth in poultry sector plus agreement to supply additional volume to existing customer who then closed its own feedmill
- ❑ **Moolap Development partner** - Sanctuary Living chosen as development partner after extensive selection process & Ridley now in exclusive negotiations with Government to secure land tenure at Moolap
- ❑ **Sales of surplus property** - cash proceeds of c.\$4.5m & net profit >\$2.5m

- ❑ **Safety** - continuing journey to improve safety at Ridley
- ❑ **Strategic site acquisition** - with Government grant funding now in place, secure the volume, freight, and development approvals required for the new poultry and pig feedmill at NE Geelong
- ❑ **Value extraction** - execute the Cherry Lane rendering & Terang dairy storage & blending strategies to uplift margins & improve service offering
- ❑ **Mill modernisation** - continue to explore new feedmill opportunities by securing new volume and freight savings commitments
- ❑ **Moolap** - conclude exclusive land acquisition negotiations with Vic Govt and accelerate the development approvals process
- ❑ **Dry Creek** - evaluate the Expression of Interest (EoI) process outcomes to identify opportunities to generate shareholder value

An increase in meat consumption of **16%** by 2022 across key Asian export markets of China, Japan, Korea, Indonesia, Malaysia, Philippines, Thailand and Vietnam [#]

Challenges:

- ❖ Rising production costs
- ❖ Market access
- ❖ Logistics & infrastructure
- ❖ Regulatory pressures
- ❖ Capital constraints
- ❖ Innovation & development

Solutions:

- ❖ Free Trade Agreements
- ❖ Competiveness (e.g. energy, red tape)
- ❖ Infrastructure
- ❖ “Brand Australia” (quality & safety)

Australian population could be **~30 million by 2030**, an increase of 27% on current 23.4 million [^]

Solutions:

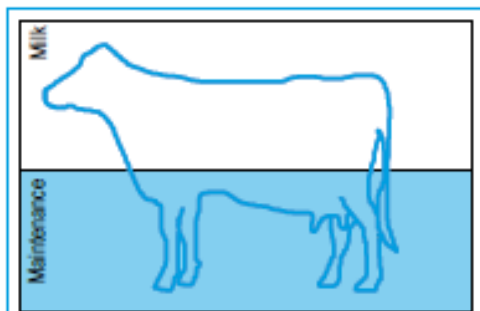
- ❖ Increased production through yield gain

[#] Source: OECD FAO
Agricultural Outlook 2013-22

[^] Source: UN World Population
Prospects, 2012 Revision

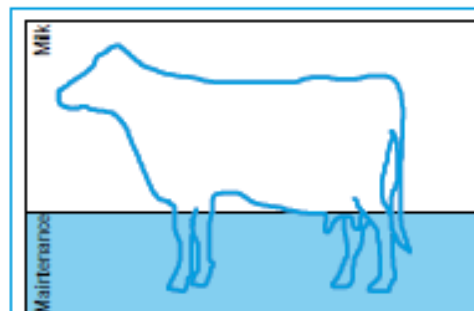
Australia has a clear opportunity to lift its milk production:

- ❖ targeted programs of supplementary feeding
- ❖ no increase in herd numbers or land mass
- ❖ input cost increases offset by higher milk litres and farmer profits



5000-litre cow

A cow producing 5,000 litres of milk per year uses half its feed for basic maintenance and half for milk production.



10,000-litre cow

A cow producing 10,000 litres only uses a third of its feed for maintenance, leaving two thirds for milk, making it more efficient.

Australia lagging behind in milk production in average annualised litres per cow:

Aus c. 5,525

UK 7,000+

US 8,000+

Australian tendency to focus on cash outlay instead of farmer profit

Moolap - Imagine....

A fully integrated, master planned, waterfront community within 3kms from Geelong will:

- ✓ create thousands of jobs for decades
- ✓ stimulate capital investment in new businesses
- ✓ have extensive wetlands, open space and recreational land
- ✓ inject significant economic activity in the region



Moolap - Imagine....

Ridley is now partnered with Sanctuary Living with the current focus to:

- ✓ secure the balance of the land through the exclusive negotiation process
- ✓ conduct the engineering studies to confirm project feasibility
- ✓ proceed with Environmental Effects Statement and other impact studies



Dry Creek – Expressions of interest



- ❑ Currently seeking expressions of interest to acquire one or more of the 4 sections of the residual Dry Creek site in SA.
- ❑ Opens up opportunities for horticulture, aquaculture, carbon capture, spoil disposal, salt production, tourism and leisure, and urban development
- ❑ Ridley to evaluate responses and pursue opportunities which optimise shareholder value



- Further organic growth targeted in core Ridley agrifeed businesses
- First quarter results and the markets generally consistent with expectations in all key sectors
- A number of smaller scale local projects in progress to ratchet earnings e.g. Cherry Lane, Terang, Laverton
- New feedmill project commitments and costings being driven hard to achieve hurdle rates of return
- Strategic bolt on acquisition opportunities under constant review but hard to shake loose
- Property asset initiatives being actively pursued but patience & diligence still required



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"That the Remuneration Report for the year ended 30 June 2014 be adopted."

RESOLUTION 2

INSTRUCTION	NUMBER	PERCENTAGE OF PROXIES LODGED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	190,325,202	96.49%	61.82%
AGAINST	3,591,845	1.82%	1.17%
OPEN - USABLE	1,437,602	0.73%	0.47%
ABSTAIN	1,593,211	0.81%	0.52%
EXCLUDED AND UNUSABLE	292,900	0.15%	0.10%
TOTAL	197,240,760	100.00%	64.08%

ORDINARY ITEM OF BUSINESS # 3(i)



"That John Spark, a Director retiring from office by rotation in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."

RESOLUTION 3.1

INSTRUCTION	NUMBER	PERCENTAGE OF PROXIES LODGED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	193,492,248	98.11%	62.86%
AGAINST	1,604,839	0.81%	0.52%
OPEN - USABLE	1,527,891	0.77%	0.50%
ABSTAIN	615,782	0.31%	0.20%
EXCLUDED AND UNUSABLE	-	-	-
TOTAL	197,240,760	100.00%	64.08%

ORDINARY ITEM OF BUSINESS # 3(ii)



"That Patria Mann, a Director retiring from office by rotation in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."

RESOLUTION 3.2

INSTRUCTION	NUMBER	PERCENTAGE OF PROXIES LODGED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	193,355,321	98.03%	62.82%
AGAINST	1,842,943	0.93%	0.60%
OPEN - USABLE	1,451,714	0.74%	0.47%
ABSTAIN	590,782	0.30%	0.19%
EXCLUDED AND UNUSABLE	-	-	-
TOTAL	197,240,760	100.00%	64.08%

ORDINARY ITEM OF BUSINESS # 4



"That the Company approves, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 600,000 performance rights under the Ridley Corporation Limited Long Term Incentive Plan to the Company's Managing Director, Mr Tim Hart, on the terms set out in the Explanatory Memorandum."

RESOLUTION 4

INSTRUCTION	NUMBER	PERCENTAGE OF PROXIES LODGED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	190,884,713	96.78%	62.01%
AGAINST	4,595,391	2.33%	1.49%
OPEN - USABLE	1,437,553	0.73%	0.48%
ABSTAIN	323,103	0.16%	0.10%
EXCLUDED AND UNUSABLE	-	-	-
TOTAL	197,240,760	100.00%	64.08%



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