Ridley Corporation Limited

Appendix 4D Half year report

ABN 33 006 708 765

Results for announcement to the market

Reporting period:	Half year ended 31 December 2014
Previous corresponding period:	Half year ended 31 December 2013
Release date:	17 February 2015

				$A'000
Revenue from ordinary activities	up	5%	to	465,012
Profit from ordinary activities after tax attributable to members	up	12%	to	11,056
Net profit for the period attributable to members	up	12%	to	11,056

Dividends	Amount per security		Franked amount per security	
	Current period	Previous corresponding period	Current period	Previous corresponding period
Interim dividend	1.5¢	*	100%	*

* A 50% franked interim dividend of 1.5 cents per share was paid on 30 April 2014 from retained profits as at 31 March 2014.

Record date for determining entitlements to the interim dividend	5.00pm on Thursday 23 April 2015

31 December	2014	2013
Net tangible asset backing per ordinary share	0.47	0.44

Brief Explanation

See pages 2 to 6.

17 February 2015

RIDLEY REPORTS $11.1 MILLION HALF YEAR RESULT

Ridley today announced a consolidated after tax profit for the half year to 31 December 2014 of $11.1 million, up $1.2 million (12%) on the prior result of $9.9 million.

The consolidated net profit before tax for the current period of $15.7 million is $4.6 million (41%) up on the prior period equivalent of $11.2 million.

EBIT from the Ridley AgriProducts core business operations of $25.6 million is $4.9 million (24%) ahead of last year's equivalent result of $20.7 million and reflects a positive and improved performance from most of the company's main operating sectors.

Control over Corporate and Property Realisation costs has been maintained in the period, which remain at similar levels to the prior period, noting an increase in Moolap development approval activity and that there has been no offsetting property sales revenues in the half year.

The underlying determinants of the operating result and the financial impacts of the non-operational adjustments are explained within the following summary.

PROFIT AND LOSS SUMMARY

Earnings from operations before finance income and expense and tax expense (**EBIT**):	**Dec 2014 in $m**	**Dec 2013 in $m**	**Movement in $m**
Ridley AgriProducts	25.6	20.7	4.9
Corporate	(4.3)	(4.3)	-
Property Realisation - Dry Creek (net)	(1.6)	(1.8)	0.2
- Other	(1.2)	(0.6)	(0.6)
EBIT from operations	**18.5**	**14.0**	**4.5**
Net finance costs	(2.8)	(2.8)	-
Income tax expense	(4.6)	(1.3) #	(3.3)
Reported net profit for period	**11.1**	**9.9**	**1.2**
Earnings per share (cents & six months only):			
(i) from operations	3.6	3.2	0.4
(ii) reported	3.6	3.2	0.4

The prior period tax expense was favourably impacted by a $1.9 million adjustment from the finalisation of the Cheetham Salt sale transaction tax balances.

The Directors believe that the presentation of the unaudited non-IFRS profit and loss summary above and cash flow on page 5 is useful for users as it reflects the underlying profits and cash flows of the business.

Ridley AgriProducts

The Ridley AgriProducts business generated EBIT of $25.6 million for the six months (2014: $20.7 million), an improvement of $4.9 million (24%).

The prior year recovery in the Dairy sector has been sustained in the current year, with further growth in volumes recorded for the period. Slight reductions in margin have been offset by improved utilisations and cost control to deliver an improved result and positive outlook for the second half year.

Compared to the prior period equivalent, overall poultry broiler (meat) volumes are behind last year due to improved feed conversion rates and a reduction of bird numbers and bird lifespan in the fourth quarter. Margins and costs have been maintained and the long term growth prospects for the poultry industry remain positive.

Raw material intake volumes at both rendering sites continue to be at high levels and have more than offset the reduction in meat and bone meal and tallow market pricing compared to the prior year. Several smaller but strategically significant capital projects undertaken in the last twelve months are delivering increased processing capacity at Maroota and improved plant reliability at Laverton, all of which have contributed to an improved rendering operating result for the half year and a positive outlook for the second half year.

The year to date Aqua-Feed performance has been pleasing, with margins maintained and volume growth recorded for all species.

Packaged Products price increases across the product range have delivered margin improvements at the expense of a modest reduction in sales volumes, for a net earnings uplift compared to the prior year. Margin management and brand awareness strategies will be maintained throughout the second half year.

The Supplements business has achieved a margin uplift and has rectified the plant reliability issues experienced in the comparative period, but is currently performing under expectation due to a decline in national herd numbers and reduction in demand for wet season blocks. The second half focus is on a strategic pricing and marketing strategy for blocks and loose mix products.

Corporate costs and Property Realisation

Corporate costs of $4.3 million and the Property realisation costs for Dry Creek of $1.6 million are generally consistent with the prior year comparatives. The Other Property realisation costs increased to $1.2 million reflects a significantly increased level of activity at Moolap with the conduct of a number of engineering feasibility studies.

The next stages of the recently concluded Expression of Interest process for third parties to submit offers to acquire one or more of the four sections of the Dry Creek site will be progressed during the second half year and any opportunities to optimise value for shareholders will be fully evaluated by management. The market will be informed accordingly at the conclusion of the process.

Finance costs

Consolidated net interest and financing costs for the period were $2.8 million, consistent with the prior period based on similar debt levels and no movements in the RBA interest rate during the period.

Tax expense

The current period tax expense of $4.6 million reflects an underlying effective tax rate of 29% which is indicative of the future anticipated effective tax rate for Ridley absent any material transactions or impairments of a tax sensitive nature. The prior period tax expense incorporated a positive $1.9m offset from the finalisation of the tax implications associated with the Cheetham Salt divestment.

BALANCE SHEET

The balance of Receivables has increased $14.8 million which reflects both an increase in quarterly sales volume and the usual half year increase associated with payments over the Christmas period. Days sales outstanding for trade debtors has been maintained below 37 days.

Much of the $12.9 million increase in Inventories comprises increased holdings and prices for animal and fish meals, with concerns over shortfalls against the South American wild caught anchovy quota creating market uncertainty and sharp price rises during the period.

The $10.1 million increase in Property, plant and equipment primarily reflects $16.9 million of capital expenditure offset by depreciation and amortisation of $5.8 million. The disposal of the former feedmill at Dalby and transfer of software to Intangibles comprise the balance of the movement for the period.

The increase in Borrowings and Payables is the outworking of the increase in overall trading activity, including some defensive positions taken on animal and fish meals.

CASH FLOWS

Operating cash flow for the period has been affected by the increase in working capital of $12.9 million, whilst the reduction in cash balance is a function of the 31 December period close off and timing of the application of funds to debt and creditors. The net drawdown of borrowings reflects the high level of Development capital expenditure in the period, net tax payments of $4.3 million, and the $6.1 million outlay for the final dividend paid in October 2014.

Net proceeds from the sales of land include $2.7 million from the 30 June 2014 sale of parcels of land north of the former Dry Creek salt operation which was received on 1 July 2014 and $0.8 million from the August 2014 sale of the former feedmill at Dalby in Queensland.

Maintenance capital expenditure is consistent with prior periods and contained within the $7.5 million of aggregate depreciation and amortisation. Major items of Development capital expenditure for the period comprise the strategic land parcel near Geelong, the acquisition of plant at the new Cherry Lane rendering blending facility and a capital project in progress to construct additional blending and storage capacity at the Terang mill in Western Victoria.

The following cash flow summary with a prior period comparison has not been subject to review or audit. The Directors believe that the presentation of this non-IFRS financial cash flow is useful for the shareholders as it reflects the significant cash flows of the business.

Cash flows for the six months in $m **(Group including discontinued operations)**	**Half year ended**	
	31 Dec 2014	**31 Dec 2013**
EBIT from operations (2013: before transaction costs)	18.5	14.2
Depreciation and amortisation	7.5	6.8
EBITDA from operations	**26.0**	**21.0**
Movement in working capital	(12.9)	(19.5)
Maintenance capital expenditure	(5.7)	(5.3)
Operating cash flow	**7.4**	**(3.8)**
Development capital expenditure	(11.2)	(0.4)
Capital return	-	(23.1)
Dividends paid	(6.1)	-
Net finance expense	(2.7)	(2.7)
Net tax payments	(4.3)	(0.6)
2013 Acquisition of intangible, Bartlett contingent consideration, & transaction costs)	-	(5.4)
Proceeds from sale of land	3.5	-
Share-based payments	(0.1)	(1.1)
Movement in other balance sheet items	(3.8)	2.1
Cash flow for the period	**(17.3)**	**(35.0)**
Opening net debt balance at 1 July	(36.3)	(17.9)
Closing net debt balance at 31 December	**(53.6)**	**(52.9)**

DIVIDEND AND CAPITAL MANAGEMENT

A final dividend for the 2014 financial year of 2 cents per share, fully franked, was paid to shareholders on 31 October 2014.

The current intention of the Ridley Board continues to be to only pay dividends from retained profits and that dividend payments will be determined by the forecast earnings and cash flow conversion of the business, plus the capital growth opportunities at the time of dividend contemplation.

The Ridley Board has approved a fully franked interim dividend of 1.5 cents per share payable on 30 April 2015.

MANAGING DIRECTOR REVIEW

Managing Director, Mr Tim Hart, commented on the half year performance "The most pleasing aspect of the half year result is the strong across the board performance in each of our key sectors. Our efforts to consolidate improvements and effectively manage the risks which can cause fluctuations in earnings have been rewarded in the period. Absent any acquisitions or unusual seasonal factors, the uplift in core business earnings from $20.7 million to $25.6 million has been driven from performance improvement in the core business. Although the first half year is traditionally stronger than the second half year, we are cautiously optimistic about maintaining the year on year improvement for the second half of this year."

"During the period we acquired land with existing grain storage and infrastructure at North East Geelong, and secured Government funding up to $800,000 to develop the site as a new poultry and pig mill servicing the Geelong and Western Districts region of Victoria. We are working hard to secure the combination of additional volume and freight savings required for the new feed mill project to meet our commercial hurdle rates."

"Internally, we have been working hard to restructure and reposition the business for the future. We have sought extensive feedback on what is important to our customers and stakeholders and on our performance against their key performance measures and expectations. We are using this information to implement an enhanced customer value proposition to improve our service delivery to existing customers and to target and convert new customers. We continue to add the skills needed to grow the business throughout the next decade and we are actively investing in the expertise required to give us a sustainable and compelling service offering."

"In order to remain a critical provider in the production of livestock, we need to fully understand and communicate our role in the long term and sustainable provision of protein to a growing world population. We are looking to consolidate our position domestically and pursue appropriate opportunities where we can add value and we have a long term strategic plan approved by the Board to grow and modernise the business."

OUTLOOK

Commenting on the outlook, Mr Hart said "In addition to the focus on growing our core business, our small but dedicated Property team is making inroads into the realisation of value from our surplus property holdings, and is working diligently with our development partner to secure the rezoning and other approvals necessary to facilitate the development of the Moolap site near Geelong into a master planned community. The Dry Creek expression of interest process will gather momentum during the second half year with due diligence conducted and binding offers being sought, and we hope to have some clarity on the outcomes towards the end of the financial year."

Mr Hart concluded "Our core business is internationally recognised as being a leading producer of premium quality, high performance animal nutrition solutions and we are well advanced with our plans to modernise and consolidate our activities for future growth. In addition to organic growth, we will continue to explore acquisition opportunities in the right space and at the right price to deliver long term value for Ridley shareholders."

For further information please contact:

Tim Hart
Chief Executive Officer
Ridley Corporation Limited

+61 (03) 8624 6529

RIDLEY CORPORATION LIMITED

Directors' Report for the half year ended 31 December 2014

The Directors present their report on the consolidated entity consisting of Ridley Corporation Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2014.

Directors

The Directors of Ridley Corporation Limited at any time during or since the end of the half year and up to the date of this report are as follows:

J M Spark
T J Hart
A L Vizard
P M Mann
R J van Barneveld
G H Weiss
E Knudsen

Review of Operations

The review of operations is set out on pages 2 to 6.

Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is on page 8.

Signed at Melbourne on 17 February 2015 in accordance with a resolution of the Directors.

J M Spark
CHAIRMAN

T J Hart
MANAGING DIRECTOR

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Ridley Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the interim period ended 31 December 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

BW Szentirmay
Partner

Melbourne

17 February 2015

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CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Note	December 2014 $'000	December 2013 $'000
Revenue		465,012	442,567
Cost of sales		(426,259)	(410,722)
Gross profit		38,753	31,845
Finance income		162	44
Other income	2	2,129	1,681
Expenses:			
Selling and distribution		(5,990)	(4,878)
General and administrative		(16,427)	(14,512)
Finance costs	3	(3,007)	(2,883)
Business restructuring		-	(174)
Share of net profit of equity accounted investments	8	58	15
Profit before income tax		15,678	11,138
Income tax expense		(4,622)	(1,245)
Net profit after tax attributable to members of Ridley Corporation Limited		11,056	9,893
Other comprehensive income		-	-
Total comprehensive income for the period		11,056	9,893
Total comprehensive income for the period attributable to members of Ridley Corporation Limited		11,056	9,893
Earnings per share		**Cents**	**Cents**
Basic earnings per share		3.6	3.2
Diluted earnings per share		3.6	3.2

The above consolidated condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	December 2014 $'000	June 2014 $'000
Current assets			
Cash and cash equivalents		11,028	19,241
Receivables		111,235	96,371
Inventories		77,493	64,539
Assets held for sale	4	-	1,370
Total current assets		199,756	181,521
Non-current assets			
Investments accounted for using the equity method		2,275	2,217
Available for sale financial asset		1,084	1,084
Investment properties		39,634	37,177
Property, plant and equipment		128,709	118,602
Intangible assets		79,242	80,491
Deferred tax asset		1,000	1,879
Inventories		-	120
Total non-current assets		251,944	241,570
Total assets		451,700	423,091
Current liabilities			
Payables		143,069	129,417
Tax liabilities		3,686	4,233
Provisions		14,436	13,134
Total current liabilities		161,191	146,784
Non-current liabilities			
Borrowings		64,644	55,584
Provisions		442	949
Total non-current liabilities		65,086	56,533
Total liabilities		226,277	203,317
Net assets		225,423	219,774
Equity			
Share capital		214,445	214,445
Reserves		1,124	375
Retained earnings		9,854	4,954
Total equity		225,423	219,774

The above consolidated condensed balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Share Capital	Share Based Payment Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2014	**214,445**	**375**	**4,954**	**219,774**
Profit for the period	-	-	11,056	11,056
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**11,056**	**11,056**
Transactions with owners recorded directly in equity				
Dividends paid	-	-	(6,156)	(6,156)
Share based payment transactions	-	749	-	749
Total transactions with owners recorded directly in equity	**-**	**749**	**(6,156)**	**(5,407)**
Balance at 31 December 2014	**214,445**	**1,124**	**9,854**	**225,423**

The above consolidated condensed statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Share Capital	Share Based Payment Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2013	**214,445**	**1,487**	**(8,379)**	**207,553**
Profit for the period	-	-	9,893	9,893
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**9,893**	**9,893**
Transactions with owners recorded directly in equity				
Share based payment transactions	-	185	-	185
Total transactions with owners recorded directly in equity	**-**	**185**	**-**	**185**
Balance at 31 December 2013	**214,445**	**1,672**	**1,514**	**217,631**

The above consolidated condensed statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	December 2014 $'000	December 2013 $'000
Cash flows from operating activities		
Receipts from customers	482,092	461,167
Payments to suppliers and employees	(474,100)	(459,379)
Other revenue received	1,311	1,681
Net interest and other finance costs paid	(2,747)	(2,665)
Income taxes paid	(4,291)	(600)
Net cash inflow from operating activities	2,265	204
Cash flows from investing activities		
Payments for property, plant and equipment	(16,189)	(5,689)
Payments for intangible assets	(678)	(4,871)
Proceeds from sale of land	3,472	-
Acquisition of business operations	-	(350)
Net cash (outflow) from investing activities	(13,395)	(10,910)
Cash flows from financing activities		
Share based payment transactions	(60)	(1,144)
Proceeds from borrowings	9,060	34,645
Dividends paid	(6,083)	-
Capital return	-	(23,086)
Net cash inflow from financing activities	2,917	10,415
Net increase / (decrease) in cash held	(8,213)	(291)
Cash at the beginning of the financial year	19,241	16,936
Cash at the end of the half year	11,028	16,645

The above consolidated condensed statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the half year ended 31 December 2014

Note 1 – Basis of preparation of interim financial report

These condensed consolidated interim financial statements as at and for the six months ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, International Financial Reporting Standard IAS 34 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Ridley Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. Certain comparative amounts have been reclassified to conform with the current interim financial report presentation.

These interim financial statements were approved by the Board of Directors on 17 February 2015.

The principal accounting policies adopted in the preparation of these interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2014, except for any impact of the revised standards and interpretations described below.

New accounting standards and interpretations

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half year. New and revised standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2014-1 Amendments to Australian Accounting Standards: Part A (2010-2012) Cycle and 2011-13 Cycle and Part C Materiality.
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Liabilities.

The application of the new and revised standards has had no material impact on the disclosures or on the amounts recognised in the consolidated interim financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements, estimates and assumptions made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated statements as at and for the year ended 30 June 2014.

Notes to the financial statements
For the half year ended 31 December 2014

	CONSOLIDATED	
	December	December
	2014	2013
Note 2 – Other income	**$'000**	$'000
Business services	**460**	779
Profits from sales of residual property site assets	**442**	331
Rent received	**311**	12
Foreign exchange gain	**601**	77
Insurance proceeds	**-**	361
Other	**315**	121
	2,129	1,681
Note 3 – Expenses		
Depreciation and amortisation	**7,495**	6,768
Finance costs:		
Interest expense	**2,948**	2,616
Amortisation of borrowing costs	**59**	267
	3,007	2,883

Note 4 – Assets held for sale

At 30 June 2014, the Group had classified $1.37 million of assets as being held for sale which related to the proposed sale of the Ridley AgriProducts sites at Dalby and Dandenong. This disclosure was consistent with the Group's commitment to sell these sites and the marketing campaigns in progress at that time.

The sale of the feed mill at Dalby in Queensland concluded on 11 August 2014. Whilst the Dandenong site remains for sale, it is no longer considered highly probable that the site will be sold in the short term and therefore the Dandenong site has been reclassified at 31 December 2014 as a non-current Investment Property.

	CONSOLIDATED	
	December	June
	2014	2014
	$'000	$'000
Assets held for sale	**-**	1,370

Notes to the financial statements
For the half year ended 31 December 2014

Note 5 - Dividends

Dividends paid during the half year:

Half year ended 31 December 2014	**$'000**
Final dividend in respect of the 2014 financial year	
Paid on 31 October 2014 of 2.0 cents, fully franked per share	**6,156**

Half year ended 31 December 2013
There were no dividends paid during the prior half year.

Dividends not recognised at half year end
In addition to the above dividends, since half year end, the directors have approved a fully franked interim dividend of 1.5 cents per fully paid share payable on 30 April 2015.

The aggregate amount of the proposed dividend expected to be paid out of retained profits at 31 December, but not recognised as a liability at half year end:	**4,617**

No foreign conduit income is attributed to the dividend.

Note 6 – Contingent liabilities

Salt field damage subject to Insurance
At 30 June 2014, an insurance receivable of $2,679,000 was included in current receivables and the corresponding amount owing to CKLS in current payables relating to the Queensland Flood Insurance Claim Agreement that was entered into between Ridley and CK Life Sciences Int'l., (Holdings) Inc. (CKLS), the purchaser of Cheetham Salt, whereby Ridley indemnified CKLS for the estimated cost of up to $7,734,000 to repair damage to its Queensland salt fields caused by severe flooding. During the half year, the remediation works and the claim concluded, progress insurance payments have been received by Ridley and reimbursement payments made by Ridley to CKLS through Cheetham Salt.
No other significant changes have occurred in contingent liabilities since the last annual reporting date.

Note 7 – Segment reporting

Operating Segments
The Group has two reportable segments, as described below, which are the Group's strategic business units. The Group has identified its operating segments based on internal reports that are reviewed and used by the Chief Executive Officer (the Chief Operating Decision Maker) in assessing performance and in determining the allocation of resources. The operating segments identified by management are consistent with the manner in which products are sold or how future economic benefits will be realised. Discrete financial information about each of these operating businesses is reported to the Chief Executive Officer and his management team on at least a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

AgriProducts	Australia's leading supplier of premium quality, high performance animal nutrition solutions.
Property	Realisation of opportunities in respect of surplus property assets and sales of residual property site assets.

Notes to the financial statements
For the half year ended 31 December 2014

Note 7 – Segment reporting (continued)

The basis of inter-segmental transfers is market pricing.

31 December 2014	AGRIPRODUCTS	PROPERTY	UNALLOCATED	TOTAL
$'000				
Sales - external	465,012	-	-	**465,012**
Total sales revenue	**465,012**	**-**	**-**	**465,012**
Share of net profit/(loss) of equity accounted investments	58	-	-	**58**
Interest expense	-	-	(3,007)	**(3,007)**
Reportable segment profit before income tax	**25,569**	**(2,671)**	**(7,220)**	**15,678**
Segment assets	398,009	39,644	14,047	**451,700**
Segment liabilities	151,005	3,927	71,345	**226,277**

31 December 2013	AGRIPRODUCTS	PROPERTY	UNALLOCATED	TOTAL
$'000				
Sales - external	442,567	-	-	**442,567**
Total sales revenue	**442,567**	**-**	**-**	**442,567**
Share of net profit/(loss) of equity accounted investments	15	-	-	**15**
Interest expense	-	-	(2,883)	**(2,883)**
Reportable segment profit before income tax	**20,700**	**(2,487)**	**(7,075)**	**11,138**
Segment assets	360,300	40,351	29,637	**430,288**
Segment liabilities	127,761	4,983	79,913	**212,657**

Notes to the financial statements
For the half year ended 31 December 2014

Note 8 – Investments accounted for using the equity method

Name of Company	Principal Activity	Country of Incorporation	Ownership Interest %		Contribution to Net Profit $'000	
Associates:			**2014**	2013	**2014**	2013
Consolidated Manufacturing Enterprise Pty Ltd and Swanbrook Road Holding Trust	Feed production	Australia	**25**	25	**58**	15
Jointly controlled entities:						
Ridley Bluewave Pty Ltd	Animal protein production	Australia	**50**	-	-	-
Nelson Landholdings Pty Ltd as Trustee for Nelson Landholdings Trust	Property	Australia	**50**	-	-	-
Investments accounted for using the equity method					**58**	15

Investments in associates and jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting.

Note 9 – Events occurring after the balance sheet date

No other matters or circumstances have arisen since 31 December 2014 that have significantly affected, or may significantly affect:

(i) the consolidated entity's operations in future financial periods; or
(ii) the results of those operations in future financial periods; or
(iii) the consolidated entity's state of affairs in future financial periods.

Directors' Declaration

In the opinion of the Directors of Ridley Corporation Limited:

a. the financial statements and notes set out on pages 9 to 18 are in accordance with the Corporations Act 2001 including:

   i. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

   ii. giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the six month period ended on that date; and

b. there are reasonable grounds to believe that Ridley Corporation Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

J M Spark
CHAIRMAN

T J Hart
MANAGING DIRECTOR

Melbourne
17 February 2015

Independent auditor's review report to the members of Ridley Corporation Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Ridley Corporation Limited (the company), which comprises the consolidated condensed balance sheet as at 31 December 2014, consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the interim period ended on that date, notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Ridley Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Ridley Corporation Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the interim period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

BW Szentirmay
Partner

Melbourne

17 February 2015

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