



RIDLEY SELLS DRY CREEK

Melbourne, Australia, 6 November 2015:

Ridley Corporation Limited (**Ridley**) (**ASX: RIC**) today is pleased to announce the sale of Ridley Dry Creek Pty Ltd following an extensive and competitive sale process conducted over the last nine months.

The purchaser is an entity associated with Adelaide Resource Recovery (**ARR**), a South Australian company committed to the comprehensive recycling of construction and demolition materials into valuable resources. ARR is located on a 120 hectare site adjacent to the Dry Creek site and sells a range of recycled materials to building and civil operations throughout South Australia.

Whilst many of the terms and conditions of the binding and definitive Share Sale Agreement (**SSA**) shall remain confidential, Ridley is able to advise that 100% of the share capital of the legal entity has been sold for gross proceeds of \$35 million. The proceeds are receivable \$7 million upon execution of the SSA, \$12 million on Completion, with the balance of \$16 million receivable in tranches up to 31 December 2017, or earlier by mutual agreement. The outstanding receivable balance beyond Completion is secured by a first-ranking general security interest over Ridley Dry Creek Pty Ltd, the entity being sold. The sale is scheduled to complete on or before 31 March 2016 and is not subject to due diligence or satisfaction of any other non-routine condition precedent.

Having conducted a sale process which enabled interested third parties to bid for one or more of four sections into which the total site was dissected, a thorough evaluation of all offers received has been conducted to assemble the most compelling value proposition for Ridley shareholders. The offer from ARR to acquire all four sections of the site through the acquisition of the legal entity was the most beneficial for Ridley shareholders. It was the stand out offer in respect of all the major evaluation criteria of value and timeliness for receipt of proceeds, simplicity of corporate and land structuring (for both freehold and leased areas), expediency of the due diligence and contractual negotiation processes, and ability to satisfy any conditions precedent.

Ridley Chief Executive Officer Tim Hart stated "We believe this is an excellent result for both parties, and for Ridley, will generate \$19 million as at the date of Completion, with further tranches of cash proceeds to assist the funding of our new feedmill opportunities. The sale also closes off the Dry Creek legacy costs in our profit and loss in the current financial year. For the purchaser, the opportunity has been secured to develop a swathe of coastline close to the heart of Adelaide and leave a meaningful legacy for the city and for the state of South Australia."

The accounting standard requirement to present value proceeds receivable beyond twelve months from a transaction reduces the accounting of gross proceeds by \$1.6 million, an amount set aside as a provision to be released progressively to the profit and loss account as interest income over the period to 31 December 2017. The carrying value of the Ridley Dry Creek assets was impaired down to the \$33.4 million net present value of the transaction proceeds as at 30 June 2015 to generate a zero sum gain or loss on the transaction, subject to adjustments for working capital and leave entitlements and before transaction costs. The taxable values of the assets are significantly lower than the book value, which is a result of the Dry Creek salt field assets being depreciated for tax purposes while they were operating as a salt field. Consequently, a taxable profit on the transaction is expected to be generated, against which the available brought forward capital losses will be fully utilised, leaving a residual amount of tax payable, the quantum of which will be determined in the months ahead.

For further Ridley information please contact:

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