

# RIDLEY CORPORATION LIMITED

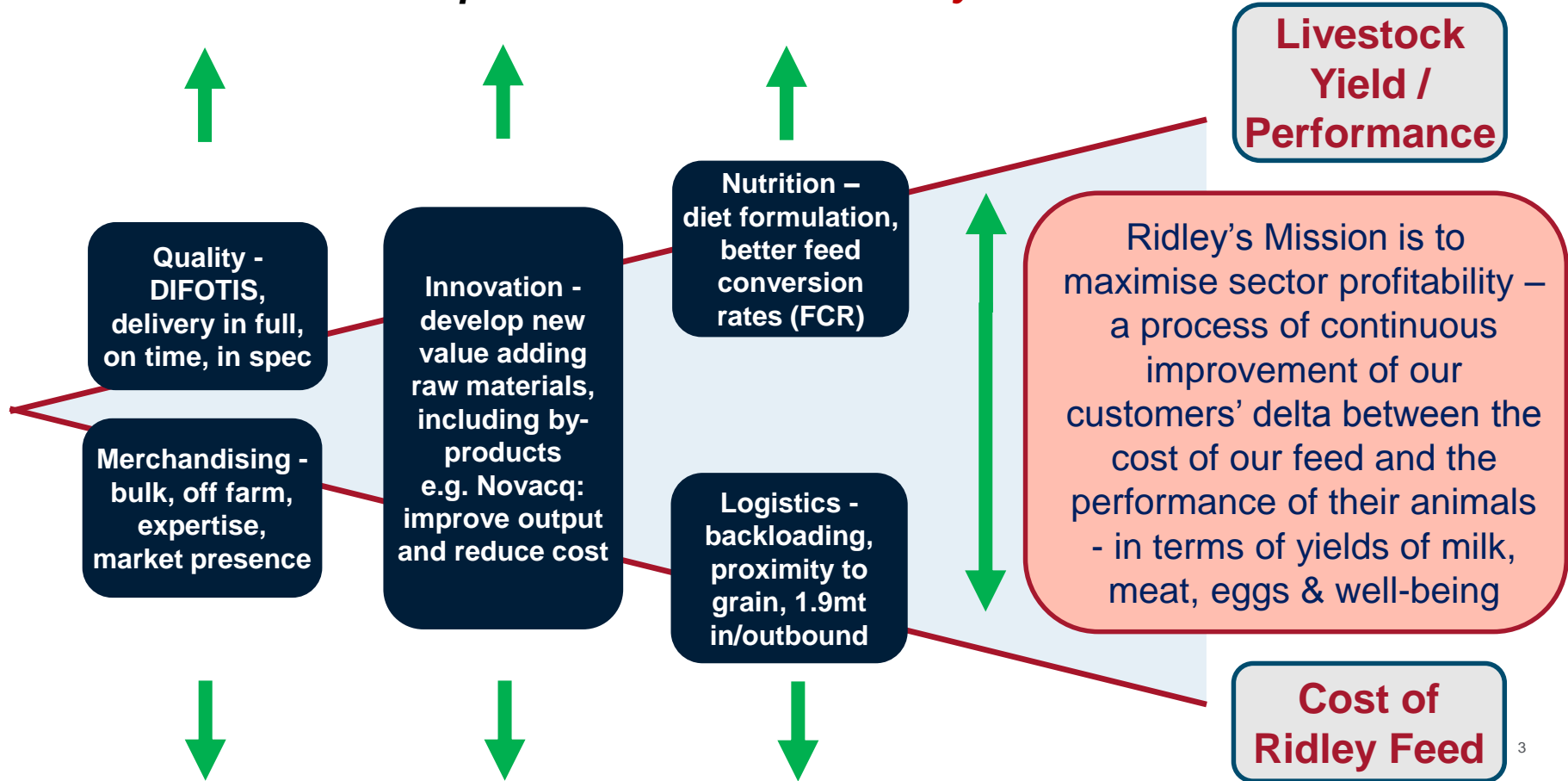
MANAGING DIRECTOR ADDRESS  
2015 ANNUAL GENERAL MEETING



# RIDLEY

1. RIDLEY BUSINESS
2. RIDLEY STRATEGY
3. LAST TWELVE MONTHS HIGHLIGHTS
4. NEXT TWELVE MONTHS FOCUS
5. NE GEELONG FEEDMILL
6. DRY CREEK
7. NELSON COVE
8. CONCLUSIONS

“Our Mission is to improve the **cost of feed to yield ratio** for our customers”



**“Our Mission is to improve the *cost of feed to yield ratio* for our customers”**

**Our 6 Strategic Platforms enable us to deliver on our Mission**



Execution of our Mission will enable us to achieve our Vision to be:

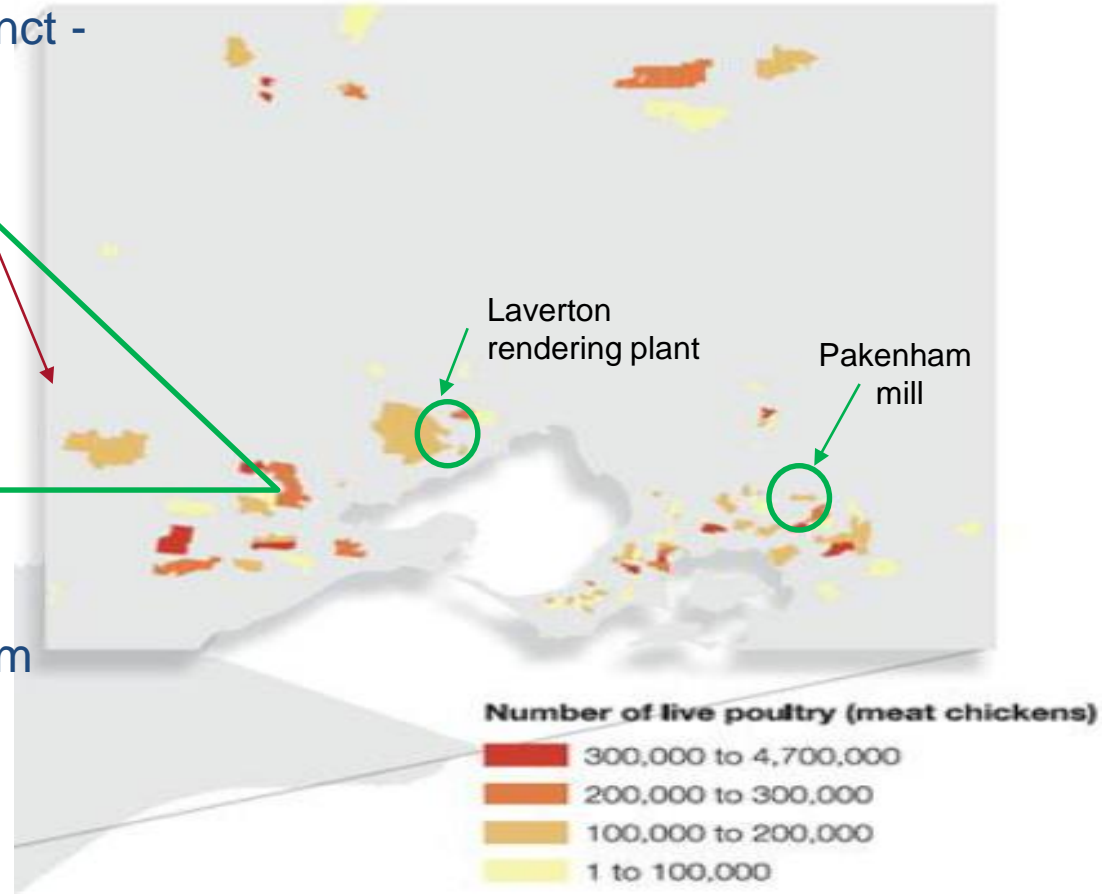
**Australia's leading producer of premium quality, high performance animal nutrition solutions**

- ❑ **Safety** - long term downward trend maintained towards zero injury target
- ❑ **Core business** - second successive record result with EBIT increase from \$28.1m to \$40.1m to \$50.4m over the last two years
- ❑ **Poultry** - continuing industry growth and >50% of total Ridley volumes
- ❑ **Aquafeeds** - improved performance across all sectors, comprising salmon, prawn, barramundi and kingfish
- ❑ **Dairy** - continuing performance improvement, with new blending and storage facility at Terang feedmill commissioned and fully operational
- ❑ **Rendering** - Laverton plant performance improvements and new blending operation commenced at Cherry Lane
- ❑ **Packaged Products** - margin management delivered earnings growth with rationalisation of product range
- ❑ **Dry Creek** - recent announcement of divestment to settle by the end of March 2016 and terminate legacy costs
- ❑ **Dandenong** - sale of former feedmill at Dandenong settles on 30 November 2015

- ❑ **Safety** - continue our journey to improve safety at Ridley
- ❑ **Organic growth** - extract further earnings uplifts from existing assets & recent devt capex through process of continuous improvement
- ❑ **Construction** - commence new feedmill construction announced for strategic site at North East Geelong
- ❑ **New feedmills** - Continue to pursue other opportunities through incremental volume and/or savings in logistics
- ❑ **Novacq** - secure site for domestic commercial scale-up of Novacq production
- ❑ **Innovation** - move up the value chain with innovative raw materials
- ❑ **Nelson Cove** - work collaboratively with state govt and development partner to secure development approvals for Nelson Cove project
- ❑ **Asset sales** - complete divestments of Dry Creek and Dandenong

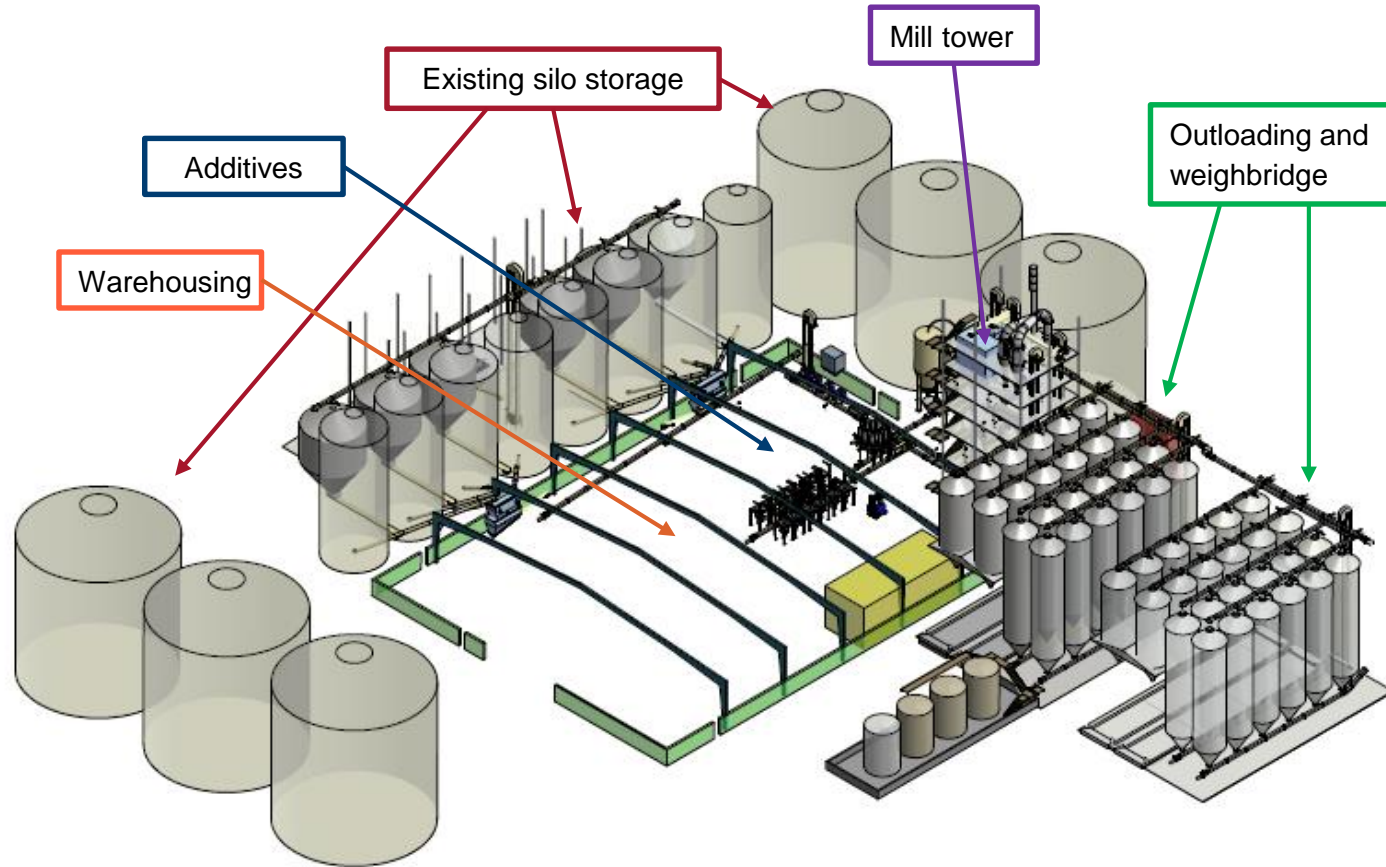
Poultry and pig feedmill servicing Geelong and western Victoria, including Golden Plains Shire Food Production Precinct - 4,000Ha available for intensive farming and livestock production

- ✓ 5.3Ha site with 21,000t of existing silo storage plus infrastructure
- ✓ located in key growth area with proximity to major grain growing region
- ✓ freight advantage to customers currently serviced from Pakenham feedmill
- ✓ ~40km from meat meal supplied by Laverton rendering plant
- ✓ Close to Port of Geelong



# NE GEELONG FEEDMILL - DESIGN

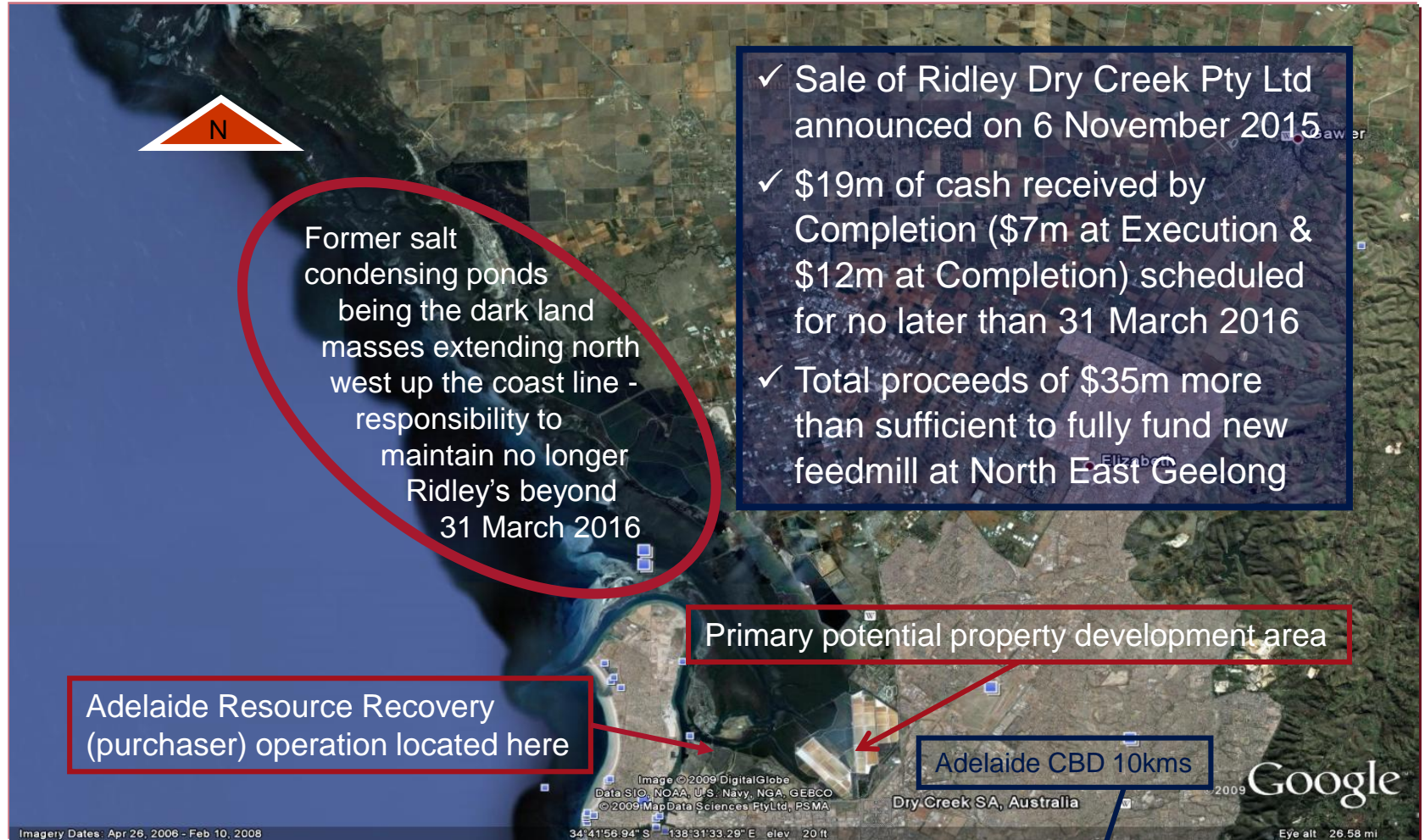
- ✓ Energy efficient global best practice technology
- ✓ Single tower, modular style for greater flexibility
- ✓ c.20 operational and support roles
- ✓ \$800k of support from GRIIF # funding
- ✓ Annual capacity >200,000t
- ✓ Incorporates all existing silos and infrastructure





- ✓ FY16 the last year of legacy costs (\$3.5m in FY15; \$2.8m in FY14 before land sales)
- ✓ 30+kms of coastline to maintain under myriad of strict regulations – passes with sale
- ✓ Carrying value reflects NPV of sale proceeds – break even pre-tax sale result





Former salt condensing ponds being the dark land masses extending north west up the coast line - responsibility to maintain no longer Ridley's beyond 31 March 2016

- ✓ Sale of Ridley Dry Creek Pty Ltd announced on 6 November 2015
- ✓ \$19m of cash received by Completion (\$7m at Execution & \$12m at Completion) scheduled for no later than 31 March 2016
- ✓ Total proceeds of \$35m more than sufficient to fully fund new feedmill at North East Geelong

Primary potential property development area

Adelaide Resource Recovery (purchaser) operation located here

Adelaide CBD 10kms

**Solution for flood prone neighbouring residential areas**

**2,000 construction and permanent jobs for the region**

**1,100+ acres of bird sanctuary preserved forever**



**Ridley working collaboratively with the Govt to assist in its strategic review**

**State government strategic review of Corio Bay peninsula**

**Lara migratory bird sanctuary**

**One of Australia's largest outdoor sporting precincts – all privately funded**

**Land set aside for community - schools, parks, retail, bike trails, recreation, etc.**

**New public beaches, marinas & waterfront for lifestyle & tourism**

- ❑ **Operations** - positive outlook for all sectors:
  - ✓ compounding year on year growth in demand for poultry products
  - ✓ rejuvenation of eggs as a protein source
  - ✓ technical expertise now in place to aggressively target new pig volume
  - ✓ full year of operation for new Terang storage and mash production facility, plus continued positive outlook for milk and grain pricing relativities
  - ✓ entire year of full strength Aquafeed Technical team plus new site configuration and on-site storage
  - ✓ fully established Cherry Lane storage and product blending facility, plus investment in new Laverton boilers and waste treatment plant
  - ✓ repackaging and store presence of packaged products to be revamped to increase brand awareness and loyalty
- ❑ **Innovation** - continued investment in Novacq & other novel raw materials to improve conversion and reduce cost
- ❑ **Feedmills** - continue discussions to secure additional volume and/or freight savings required for several new mill project opportunities to achieve project hurdle rates and secure Board approval

# CONTACT DETAILS

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