

RIDLEY CORPORATION LIMITED

INVESTOR PRESENTATION – HALF YEAR TO 31 DECEMBER 2015



RIDLEY

- ✓ Third successive record core business result of \$27.7m.
- ✓ Generating business case returns on Terang and Cherry Lane blending and storage facility investments.
- ✓ New feedmill approvals secured and construction commenced at NE Geelong.
- ✓ Site for domestic production of Novacq selected. #
- ✓ Low entry cost investment in Thailand feedmill identified. #
- ✓ Divestment of Dry Creek and Dandenong achieved.
- ✓ Dry Creek costs to cease from 31 March 2016.

Formal execution post balance date on 22 and 28 January 2016 respectively

FINANCIAL HIGHLIGHTS



Consolidated result - in AUD\$million (\$m)	1H FY16	1H FY15	FY15	FY14
EBIT - AgriProducts	27.7	25.6	50.4	40.1
Property costs -				
Dry Creek	(3.5)	(1.6)	(3.6)	(2.9)
Other	(1.3)	(1.2)	(2.7)	(2.2)
Land sale profits	2.2	-	-	2.5
Corporate Costs	(4.7)	(4.3)	(8.9)	(8.6)
Pre-tax Operating & property result	20.4	18.5	35.2	28.9

- ❑ **AgriProducts half year result of \$27.7m, up \$2.1m on same period prior year (8%).**
- ❑ **Dry Creek Property costs - see Slide 5; all costs to cease from 31 March 2016 date for Completion of divestment.**
- ❑ **Other Property costs - reflect lower activity at Nelson Cove pending Government review of Corio Bay peninsula, offset by provisions for closure of Ridley property group by 1 July 2016.**
- ❑ **A pre-tax land sale profit of \$2.2m was recorded on the 30 November 2015 sale of the Dandenong site.**
- ❑ **\$1.9m increase (10%) in pre-tax operating & property result.**

The Directors believe that the presentation of the unaudited non-IFRS financial information on slides 3, 4, 5, 21, 22 and 23 is useful for shareholders as it reflects the significant movements in operations and cash flows of the business.

FINANCIAL HIGHLIGHTS



Consolidated result - in \$m	1H FY16	1H FY15	FY15	FY14
Operating result	20.4	18.5	35.2	28.9
Net Finance Expense	(2.7)	(2.8)	(5.0)	(5.4)
Tax Expense (exc Dry Creek)	(4.6)	(4.6)	(9.3) #	(4.4)
Net operating profit before non-recurring items	13.1	11.1	20.9	19.1
Tax payable on Dry Creek divestment	(2.8)	-	-	-
Other non-recurring costs (post tax)	-	-	0.3 #	(1.5)
Net profit	10.3	11.1	21.2	17.6

FY15 full year Other non-recurring costs comprise:

- (i) \$1.5m unrealised foreign exchange gain, plus
- (ii) Write back of \$1.9m stamp duty over-provision & carbon tax refund, less
- (iii) \$1.4m & \$1.1m impairment of Dry Creek & Investment in Bluewave assets respectively less \$0.6m tax effect for \$0.3m net gain. Statutory P&L for FY15 tax comprises \$9.3m plus \$0.6m of non-recurring items = \$9.9m

- ❑ **Net finance and tax expense (exc Dry Creek) – each consistent with prior year.**
- ❑ **\$13.1m post-tax operating result before non-recurring items, up \$2.0m (18%) on same period last year.**
- ❑ **\$2.8m tax payable on sale of Dry Creek:**
 - **Under tax law, calculated at contract Execution not transaction Completion.**
 - **All brought forward tax losses fully utilised.**
 - **Difference between accounting and tax due to salt field asset, where depreciation was historically claimed for tax but not booked for accounting.**
- ❑ **Net profit after tax of \$10.3m, down \$0.8m (7%) on same period last year but after bringing to account Dry Creek transaction and closure costs. No further Dry Creek activity from 1 April 2016.**

- Zero Dry Creek costs in FY17 and thereafter!

Consolidated result - in AUD\$m	FY17 forecast	2H FY16 forecast	1H FY16	1H FY15	FY15	FY14
Property costs - Dry Creek	-	< \$1.0	(3.5)	(1.6)	(3.6)	(2.9)

Dry Creek incremental costs for 1H FY16 reflect:

- \$800k of redundancy costs for all staff, including those being released at 31 March 2016 date scheduled for divestment Completion.
- \$415k of environmental studies required to effect the sale transaction.
- \$243k of sale-related legal costs.

Dry Creek outlook:

- Only mandatory site maintenance activity in Q3 FY16 with reduced staffing following c.50% workforce reduction from 1 Dec 2015.
- Forecast Q3 FY16 costs not exceeding \$1m.
- Zero Q4 FY16 costs following 31 March 2016 Completion of divestment.

AGRIPRODUCTS

- ❑ **EBIT result for agribusiness of \$27.7m** - up \$2.1m (8%) on same period last year with no normalising adjustments.
- ❑ **Poultry** - reliable year on year performance, with slight increases in volume from return to traditional broiler lifecycles and small margin improvement generated from mill operating efficiencies.
- ❑ **Aqua-feeds** - last year's strong performance maintained despite lower salmon and prawn feed requirements from major customers.
- ❑ **Dairy** - further earnings growth has been achieved on lower sales volumes; new blending facility in Terang reaching its capex hurdle targets.
- ❑ **Rendering** - reduction in availability of raw materials for processing has impacted earnings but been partly offset by traded volumes and new Cherry Lane blending operation.
- ❑ **Packaged Products & Supplements** - continued uplift in earnings from improvements in all aspects of service delivery, plus record half year for Supplements business on back of dry season blocks and loose mix sales.

7.5Ha of prawn ponds in Yamba, NSW secured[#] for Novacq™ production

- ❑ **Location** - the site is ideally located to produce Novacq™ and is adjacent to the Tru-Blu Prawn farm.
- ❑ **Strategy** - facilitates the scale up to production of commercial quantities of Novacq™ for domestic requirements and overseas trials.
- ❑ **Formal agreements** - 2 year committed lease @ \$150k p.a. over 7 prawn ponds with 2 x four year options for Ridley to extend, and with Ridley first right of refusal to purchase.
- ❑ **Capital outlay** - up to \$1.7 million committed to conduct Stage 1 earthworks and pond linings for initial 4 ponds, & to install post-harvesting processing systems (filtration, drying, packing etc), construct silo and shed storage facilities, and upgrade existing infrastructure. Uncommitted Stage 2 works will replicate pond reconfiguration with many Stage 1 synergies.
- ❑ **Benefits of Novacq™** - inclusion of Novacq™ in prawn diets increases food intake and digestion, thereby accelerating growth rates and improving resistance to viral and bacterial attacks. Highly significant environmental benefit in reducing reliance on increasingly scarce fishery stocks to provide protein source from fish meal.

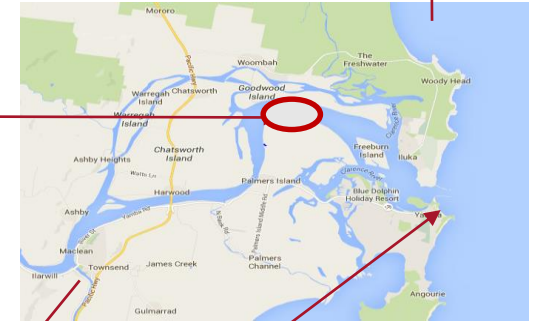
[#] refer ASX release on 22 January 2016.

STRATEGIC DOMESTIC SITE SECURED (2)



315km to Aquafeed site at Narangba

Byron Bay
Ballina



Grafton

Yamba township

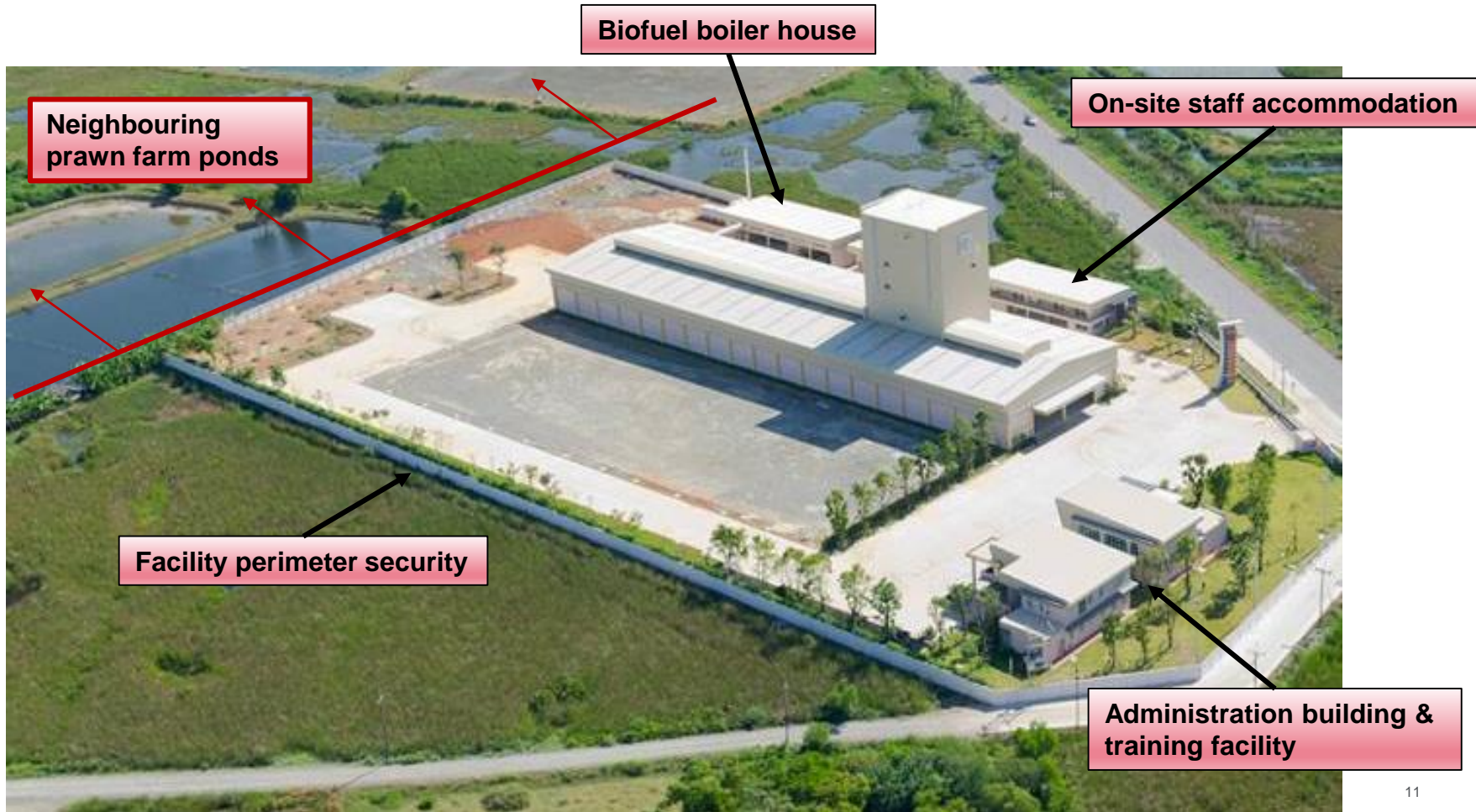
Coffs Harbour

49% interest in Thailand feedmill acquired for AUD\$1.1 million[#]

- ❑ **Location** - the feedmill site is ideally located in the prawn growing region of Chanthaburi, Thailand, adjacent to the Sureerath Prawn Farm (SPF) owned and operated by the co-owners of the feedmill.
- ❑ **Strategy** - Ridley to operate the feedmill to exclusively supply the SPF and make inroads into the local prawn feed markets with a locally produced full service offering, ultimately with inclusion of Novacq™ in the diets.
- ❑ **Formal agreements** - following extensive financial, tax and legal due diligence conducted by local experts, a suite of contracts has been executed, addressing appropriate governance arrangements for shareholder rights and responsibilities and to govern the operation of the feedmill.
- ❑ **Operations** – whilst Thai law restricts overseas interest to 49%, a joint approval process has been achieved for key decision making.
- ❑ **Mill capacity** - the current mill capacity is 30kt per annum, with the infrastructure in place to expand to 55kt for a modest capital outlay.
- ❑ **Novacq™** - whilst not formally covered within the documentation, the opportunity exists to subsequently expand Ridley activity to include commercial scale production of Novacq™ for inclusion in the locally produced and marketed diets.

[#] refer ASX release on 28 January 2016.

STRATEGIC OFFSHORE SITE SECURED (2)



The feedmill at
Chanthaburi



Adjacent Sureerath
Prawn Farm

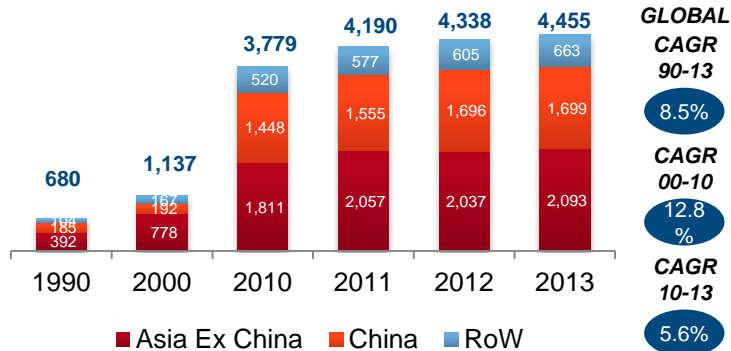
- ✓ Existing 30kt capacity with infrastructure in place to expand to 55kt.
- ✓ Full extrusion plant.
- ✓ Modern design.
- ✓ Less than five years old.
- ✓ Immaculate condition.
- ✓ Located in prime prawn-growing region.
- ✓ Thailand is the world's 2nd largest prawn growing country.

GLOBAL PRAWN (SHRIMP) PRODUCTION



The opportunity in Asia is substantial and growing fast

Global shrimp production growth (kt)

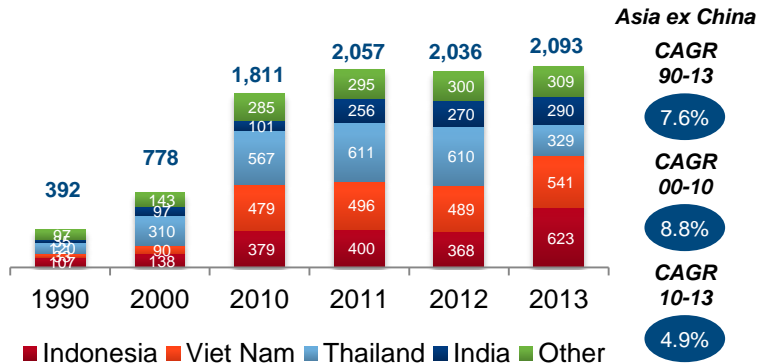


Insights

Asia accounts for 85% of global shrimp production

- China the largest producer with 38% of global production and 45% of Asian production.
- Ecuador produces about half of the RoW production.
- Rapid growth in shrimp production occurred from 2000-2010 with a CAGR of 12.8% (Note: China's CAGR was 22.4%).
- However from 2010-2013, the global CAGR in production has been a more modest 5.6%.

Asia ex China shrimp production growth (kt)



Insights

Indonesia, Viet Nam, Thailand & India account for 85% of shrimp production in Asia, excluding China

- Shrimp production rates have been growing at a high rate.
- Indonesia and Viet Nam have seen the highest production growth rates of 12.3% and 14.8% respectively from 2000-2013.
- However from 2010-2013, the CAGR for:
 - Asia ex China has been a more modest 4.9%;
 - Indonesia has grown at 18%, offset by a decline in Thailand;
 - Production in Thailand has reduced by nearly 50% having been adversely affected by Early Mortality Syndrome (EMS) but is expected to recover over the coming years; and
 - India has grown at a staggering 42% from a low base.

Source: FAOSTAT

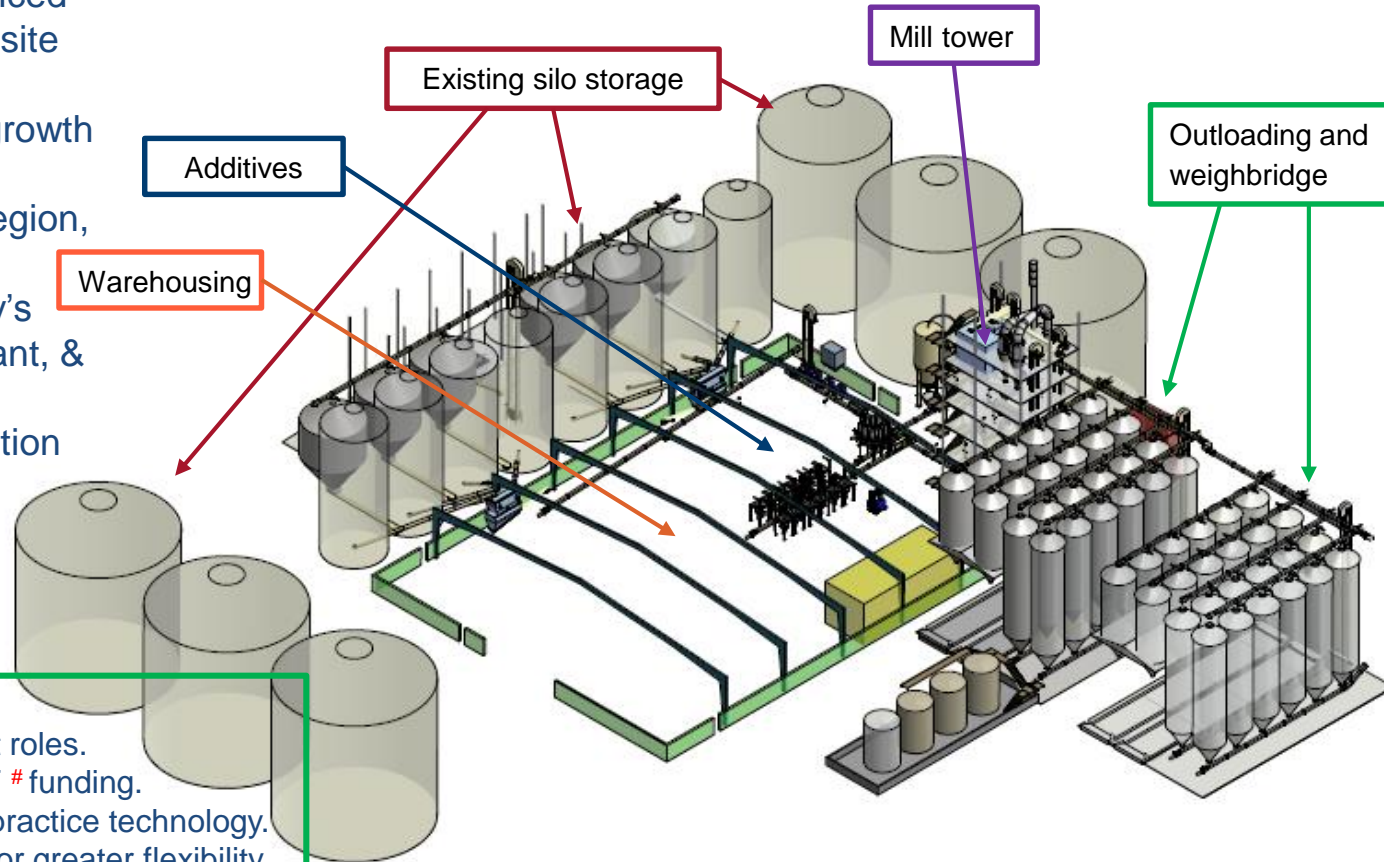
NE GEELONG FEEDMILL



Construction has commenced at the 5.3Ha NE Geelong site for a new poultry and pig feedmill located in a key growth area with proximity to:

- (i) major grain growing region,
- (ii) Port of Geelong,
- (iii) meat meal from Ridley's Laverton rendering plant, &
- (iv) Golden Plains Shire 4,000Ha Food Production Precinct.

Targeting Q3 FY17 commissioning date.



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

PROPERTY

- ❑ **Site sold** - sale of Ridley Dry Creek Pty Ltd announced on 6 November 2015, scheduled for Completion on 31 March 2016.
- ❑ **Sale details** - 100% of the share capital sold for \$35m, receivable \$7m on contract Execution, \$12m at Completion, & the \$16m balance receivable in tranches up to 31 December 2017, secured by a first ranking general security interest over the entity.
- ❑ **Profit impact - transaction:**
 - (i) **Accounting** - the assets were written down to the expected \$33.4m net present value of sale proceeds as at 30 June 2015 to generate a break even result before transaction costs and tax.
 - (ii) **Tax** - with a tax written down value of the Dry Creek saltfield assets well below the accounting value, tax payable of \$2.8m on the capital gain has been calculated # & brought to account in the half year result after utilisation of all brought forward tax losses.
- ❑ **Profit impact - ongoing:** all costs associated with Dry Creek cease for Ridley as at the 31 March 2016 date of Completion. Costs for Q3 FY16 expected to be less than \$1m.

The tax liability is crystallised at the date of contract Execution not Completion of the transaction.

- ✓ 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.
- ✓ Redundancy and transaction costs brought to account in half year result; Q3 costs <\$1m.



❑ Major coastal site at Nelson Cove (near Geelong):

- Refining of plans to develop c.500 hectares of low lying land subject to securing land tenure and rezoning approvals.
- Ridley in unique position to add value to former salt field site and bring substantial commercial benefits and jobs for Geelong city and region.
- Government termination of Market Led Proposal process in order to conduct strategic land use assessment of the greater Corio Bay peninsula.
- Ridley and partner now focussing efforts on how the master plan can complement the Government's vision for the region and fast track the development initiatives.
- Anticipated 3-5 year horizon for release of land value from former salt field at Nelson Cove (Moolap).

❑ **Lara** - two blocks remain available for sale which are sub-leased to be cost neutral; balance of the site earmarked for reconfiguration to become an ideal habitat for a migratory bird sanctuary, and offered as part of the Nelson Cove development project.

❑ **Dandenong** - sale completed on 30 November 2015, generating net proceeds of c.\$2.8m and pre-tax profit on sale of c.\$2.2m. Tax gain covered by brought forward losses.

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 with the Govt to assist in its strategic review. Rate of spend to significantly reduce in 2H FY16 awaiting outcome of the Govt's Corio Bay peninsula review. Approval outcome expectation pushed out to 2-3 years.



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

CONSOLIDATED FINANCIALS

BALANCE SHEET - ASSETS

Balance Sheet - in \$m	Dec 2015	June 2015	June 2014	June 2013
Assets held for sale	33.5	34.1	1.4	0.7
Other Current Assets	247.8	217.7	180.1	169.6
Property, plant & equipment (P,P&E)	141.5	139.5	118.6	118.0
Investment property	3.1	3.2	37.2	38.4
Investments	2.3	2.3	3.3	2.2
Intangibles	77.4	78.2	80.5	78.0
Non-current inventories	-	-	0.1	0.4
Deferred tax asset	1.5	1.5	1.9	3.3
Total Assets	507.1	476.5	423.1	410.6

- ❑ **Assets held for sale / Investment property** - comprises Dry Creek site; movement reflects Dandenong sale on 30 Nov 2015.
- ❑ **Other current assets** - includes increases in cash \$3.9m, inventory \$11.4m (longer positions on scarce raw materials including imported fish meal, animal meals, and bulk shipments of soybean meal), and debtors \$14.8m (Days Sales Outstanding maintained at 36 days).
- ❑ **P,P&E** - \$3.7m of development capex, \$6.0m of maintenance capex, offset by DA of \$6.2m & impairment of \$1.0m.
- ❑ **Investments** - no movement since 2015 impairment of investment in Bluewave, all rights preserved.
- ❑ **Intangibles** - additions of \$0.5m offset by DA of \$1.3m.

BALANCE SHEET - LIABILITIES



Balance Sheet - in \$m	Dec 2015	June 2015	June 2014	June 2013
Current payables	156.0	158.7	129.4	152.6
Current provisions	13.1	12.7	13.1	12.7
Current tax liabilities	4.9	7.1	4.2	0.1
Non-current borrowings	97.7	67.7	55.6	34.8
Non-current Provisions	0.5	0.5	1.0	2.9
Total Liabilities	272.2	246.7	203.3	203.1
Net Assets	234.9	229.8	219.8	207.5

- ❑ **Payables** - \$2.7m reduction reflects lower drawdown of trade payables facility & timing of payments within trading terms.
- ❑ **Tax** - tax payable on current year profits compared, inflated by \$2.8m payable on Dry Creek divestment.
- ❑ **Borrowings** - movement reflects increase in working capital from timing differences; net debt calculated after offsetting \$38.9m of cash on hand at period end.
- ❑ **Equity** - no changes in equity in either period.
- ❑ **Dividend** - final dividend of 2cps paid on 30 October 2015 plus interim dividend of 1.5cps to be paid on 29 April 2016, each franked to 100%.

CASH FLOW



Consolidated Cash flow - in \$m	1H FY16	1H FY15	FY15	FY14
Consolidated EBITDA	27.9	26.0	51.0	41.0
Movement in working capital	(35.6)	(12.9)	7.0	(5.5)
Maintenance capex	(5.5)	(5.0)	(12.8)	(11.4)
Operating cash flow	(13.2)	8.1	45.2	24.1
Development capex	(3.7)	(11.2)	(20.6)	(2.3)
Net capital return/cash dividends	(6.1)	(6.1)	(10.6)	(27.7)
Payments for Intangibles	(0.5)	(0.7)	(0.4)	(5.2)
Net proceeds from sale of assets	9.9	3.5	3.5	1.4
Business acquisitions	-	-	-	(1.4)
Net finance expense	(2.8)	(2.7)	(4.9)	(4.8)
Net tax (payments)/refund	(9.6)	(4.3)	(6.6)	1.6
Other net cash outflows	(0.2)	(3.9)	(2.0)	(4.2)
Cash in/(out) flow for the year	(26.2)	(17.3)	3.6	(18.5)
Opening net debt as at 1 July	(32.7)	(36.3)	(36.3)	(17.8)
Closing net debt	(58.9)	(53.6)	(32.7)	(36.3)

- ❑ Strong core business performance, EBITDA of \$27.9m, up \$1.9m (7%).
- ❑ \$35.6m increase in working capital temporarily impacting cash flow performance for the half year. Reflects timing of receipts/payments straddling half year end plus conscious long inventory positions to secure scarce/price sensitive raw materials.
- ❑ \$3.7m Development capex includes start of construction of NE Geelong feedmill.
- ❑ 2.0cps final cash dividends paid.
- ❑ \$7.0m deposit received on Dry Creek sale plus \$2.9m of net proceeds on sale of Dandenong.
- ❑ Tax payments are in line with earnings uplift.

OUTLOOK

- ❑ **Poultry** - keeping the internal focus on extracting operational efficiencies and servicing major customer growth expected for both broiler (meat) and layer (egg) based on consumer demand for healthy, value for money meat protein source.
- ❑ **Pig** - leveraging the technical expertise to support the sales team to turn new contacts into customers.
- ❑ **Dairy** - Terang storage and mash production facility continuing to gain momentum in Western Victorian dairy heartland, with overall farmer sentiment remaining cautiously positive and seeking clarity on the milk price before firming up their herd strategies for the coming season.
- ❑ **Aqua-feed** - looking to maintain the margin and production efficiencies which delivered a positive first half result given the prospect of continuing volume weakness.
- ❑ **Laverton** - executing the plant improvement plans and upgrades to generate the returns to compensate for tightening supply of red meat raw material in the second half year and to minimise production of low grade tallow.
- ❑ **Packaged Products** - running a number of brand refresh campaigns to consolidate sales volumes and build a platform for future growth.

- ❑ **NE Geelong feedmill** - construct the new poultry and pig feedmill on the 5.3Ha site acquired on the North East outskirts of Geelong, to commence operations in the first quarter of calendar 2017.
- ❑ **New 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.
- ❑ **Aquafeed** - consolidate the Narangba operations by relocating office and storage facilities to the new on-site Robart Court purpose-built premises by 31 March 2016.
- ❑ **Rendering** - continue to implement cost saving initiatives and evaluate product specifications, applications and new plant opportunities to extract high protein concentrates from fish offal.
- ❑ **R&D initiatives** - develop both newly-acquired sites: Yamba to service domestic scale up of Novacq™ production to commercial volumes, and Chantaburi feedmill (i) for penetration of offshore Thailand prawn market with Novacq™ inclusion in diets, and (ii) to test Novacq™ with the aim of establishing an integrated on-farm solution with a local Thailand Novacq™ production site.

- ❑ **Dry Creek** - minimise third quarter holding costs and transition to Completion on 31 March 2016 to terminate all site based activity forever.
- ❑ **Moolap** - (i) continue dialogue with Victorian State Government to assist in its review of the Corio Bay peninsula, and (ii) amend the current master plan concept for Nelson Cove as may be required to conform with the review outcomes when published in order to expedite the project to development approval stage.
- ❑ **Lara** - continue to patiently explore divestment opportunities, whilst concurrently preparing the southernmost section for creation of a migratory bird sanctuary as an environmental offset for the Nelson Cove development.
- ❑ **Property Development team** - with the surplus land portfolio either successfully divested, partnered (Nelson Cove) or packaged ready for sale (Lara), the internal Ridley team will be progressively disbanded during the second half year. Residual responsibilities will be transitioned to the Corporate team within Ridley, supported by our development partner, and when required, by external advisers. Ongoing annualised surplus property management costs are expected to be less than \$1 million in future years.

CONTACT DETAILS

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APPENDICES



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

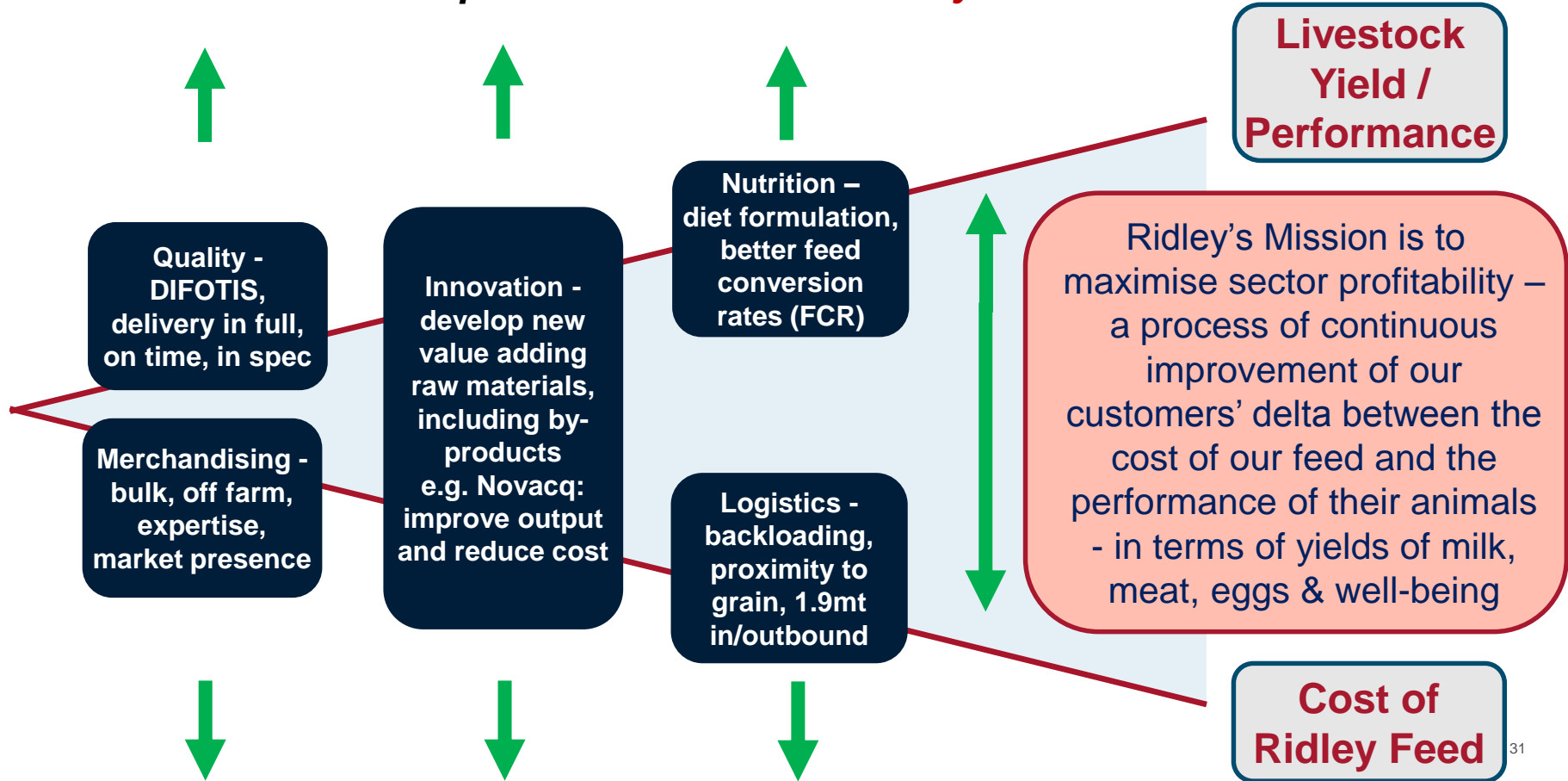
Our 6 Strategic Platforms enable us to deliver on our Mission

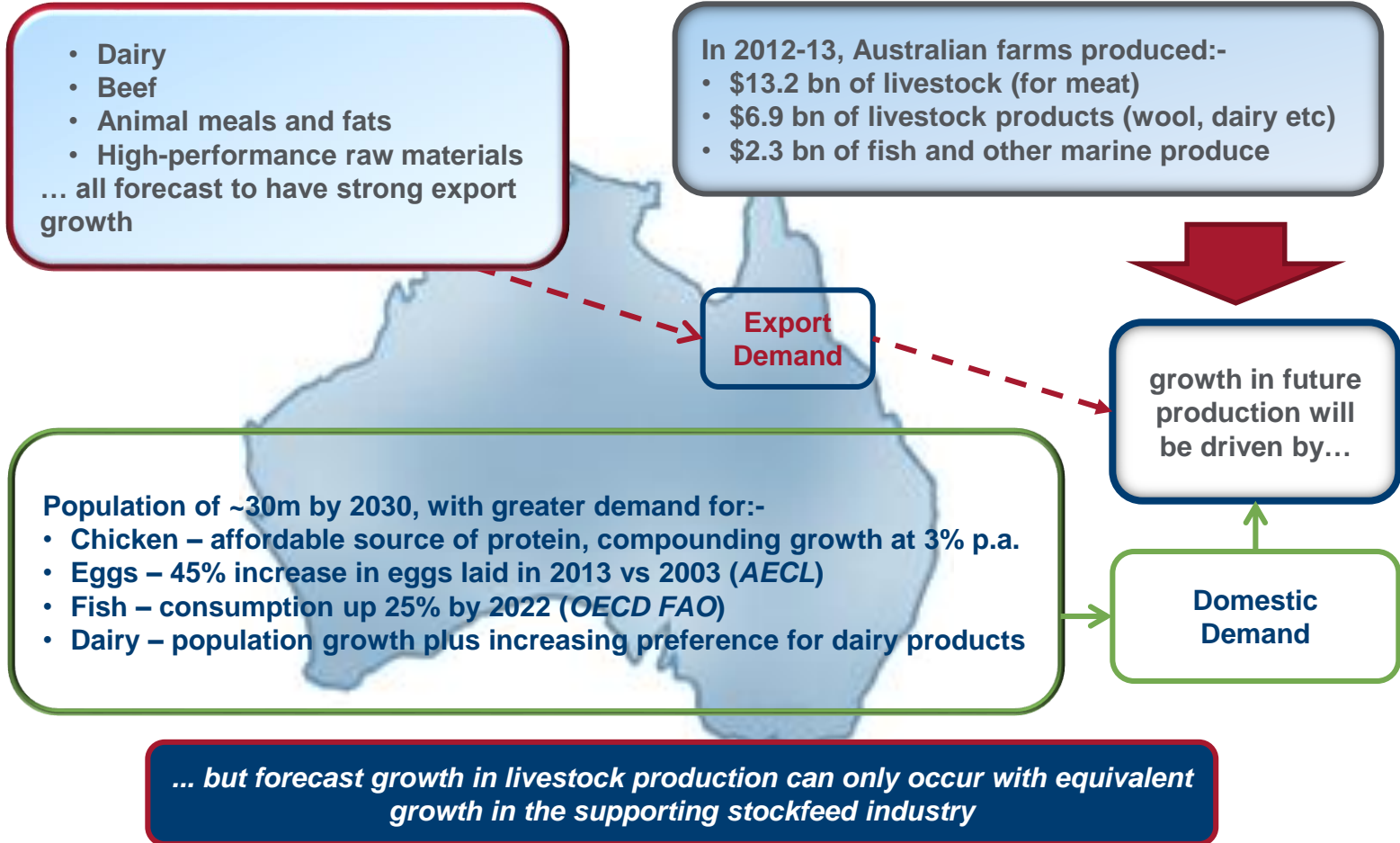


Execution of our Mission will enable us to achieve our Vision to be:

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

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





- ❑ **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
 - 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.**

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

OUTLOOK – RIDLEY INVESTMENT



Ridley well positioned in key growth sectors

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

Attractive blend of local and global markets

Strong overseas relationships & quality reputation

Pig growth opportunities following strategic review

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

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

ASX – as at 15 February 2016 **RIC**

Share price	\$1.35
Shares on issue	307.8m
Market cap.	\$415,5m
52 week range	\$0.98 - \$1.68
Number of shareholders	7,432
Top 20 shareholders	73.34%

Substantial shareholders:

- AGR Partners	19.7%
- Lazard Asset Management	5.6%
- Dimensional Fund Advisors Group	5.2%
- AMP Limited	5.0%



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








SECTOR HISTORY



Sector	1H FY16 (kt)	FY15 (kt)	FY14 (kt)	FY13 (kt)	FY12 (kt)	FY11 (kt)	FY10 (kt)	Outlook
Poultry	520	1,013	1,019	872	933	900	764	↑
Aqua-feed	30	65	50	42	47	50	47	↑
Packaged	39	83	90	90	85	84	90	→
Dairy	151	291	275	251	260	236	215	↑
Pig	84	168	178	184	197	224	325	↑
Supplements	15	15	21	22	22	22	30	→
Beef & Sheep	17	36	58	46	26	24	35	→
Rendering	100	184	171	93	34	9	-	↑
Other	21	47	32	35	46	44	64	→
Total Tonnes	977	1,902	1,894	1,635	1,650	1,593	1,570	

BRANDS AND CUSTOMERS



Brand	Overview	Customers / market position
	<p>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.</p>	<p>Bulk customers range from the small independents to the largest poultry integrators in Australia. Also available in bagged form as packaged product.</p>
	<p>Cobber offers a range of dog foods that are complete and nutritionally balanced and free from artificial colours and flavours.</p>	<p>High energy working dog product sold through rural retail outlets AIRR, Ruralco, Landmark and Elders.</p>
	<p>Rumevite offers a range of complete feeds, supplements and concentrates designed to meet the nutritional requirements of all classes of sheep and beef cattle.</p>	<p>Northern Australia-focused supplementary minerals and nutrients distributed through direct accounts and rural retail outlets.</p>
	<p>Ridley Aqua-Feed offer a complete range of quality extruded and steam pelleted products for aquaculture including barramundi, mullocky, prawns, salmon, silver perch and other native species as well as trout and yellowtail kingfish.</p>	<p>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.</p>
	<p>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.</p>	<p>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.</p>
	<p>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 distributed under the names of Camilleri, CSF Proteins and Bartlett. Raw material is sourced from poultry processors, deboners and fish markets.</p>	<p>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.</p>
	<p>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.</p>	<p>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</p>

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.

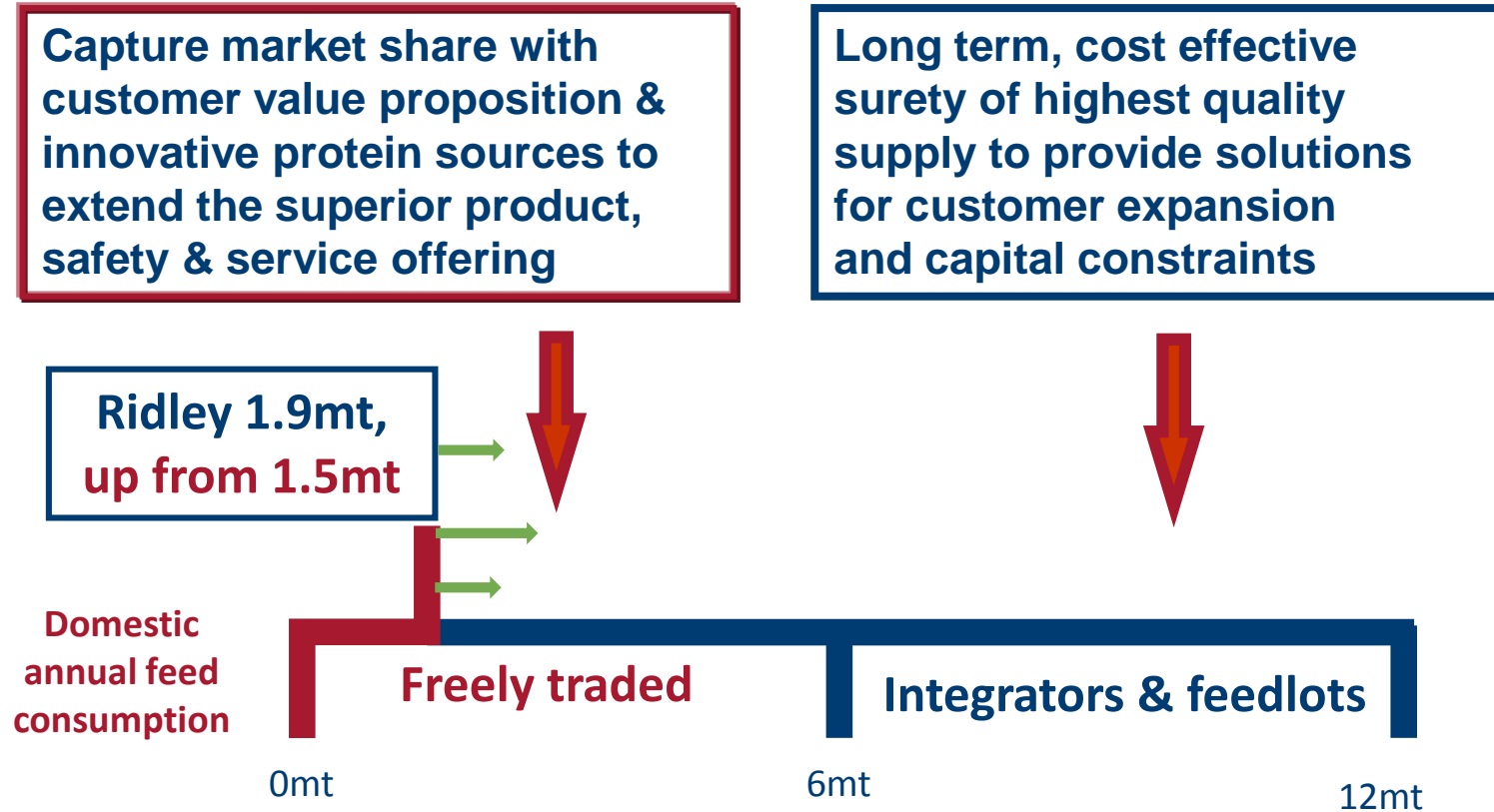
Business unit	Structure
Monogastric	Pellet, meals, concentrates and premixes for poultry and pigs
Ruminant	Pellets, meals, concentrates and premixes for dairy cattle, beef cattle, lambs, ewes and rams
Packaged Products	Bagged poultry, dairy, dog, horse and lifestyle animal feed
Aqua Feeds	Extruded and 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		
Ridley Assets	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
		1 Townsville
	Ruminant	Rendering
1 Taree	1 Maroota	
2 Tamworth	2 Laverton	
3 Pakenham		
4 Maffra		
5 Gunbower		
6 Terang		
7 Noorat	Closed	

- ❑ 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



LARA AND MOOLAP



- ❑ 912 hectare site at Lara – part available for environmental offset as migratory bird sanctuary
- ❑ Balance of Lara site earmarked for potential redevelopment for industrial and airport-related uses

- ❑ Working with Government on its review of the Corio Bay peninsula
- ❑ Ridley and development partner working together to secure tenure and achieve rezoning event

- ❑ **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.

- ❑ 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.