

PRESENTATION TO PAC PARTNERS

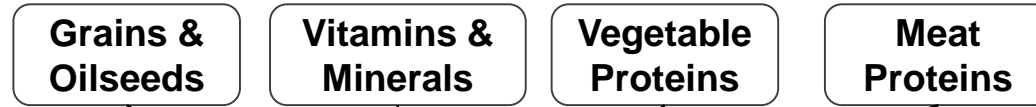
Agribusiness & Food Conference

Tuesday 19 April 2016





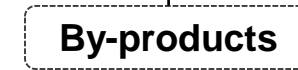
- Innovation in diets and raw materials (e.g. *Novacq*, *almonds*)



- 17 feedmills
- 1.75 million tonnes of stockfeed



- 2 rendering plants
- Poultry, red meat & fish by-products



Dairy

Layers

Companion Animals

By-products

RIDLEY OVERVIEW OF CONFERENCE THEME: *'HOW TO MAKE YOUR OWN LUCK?'*

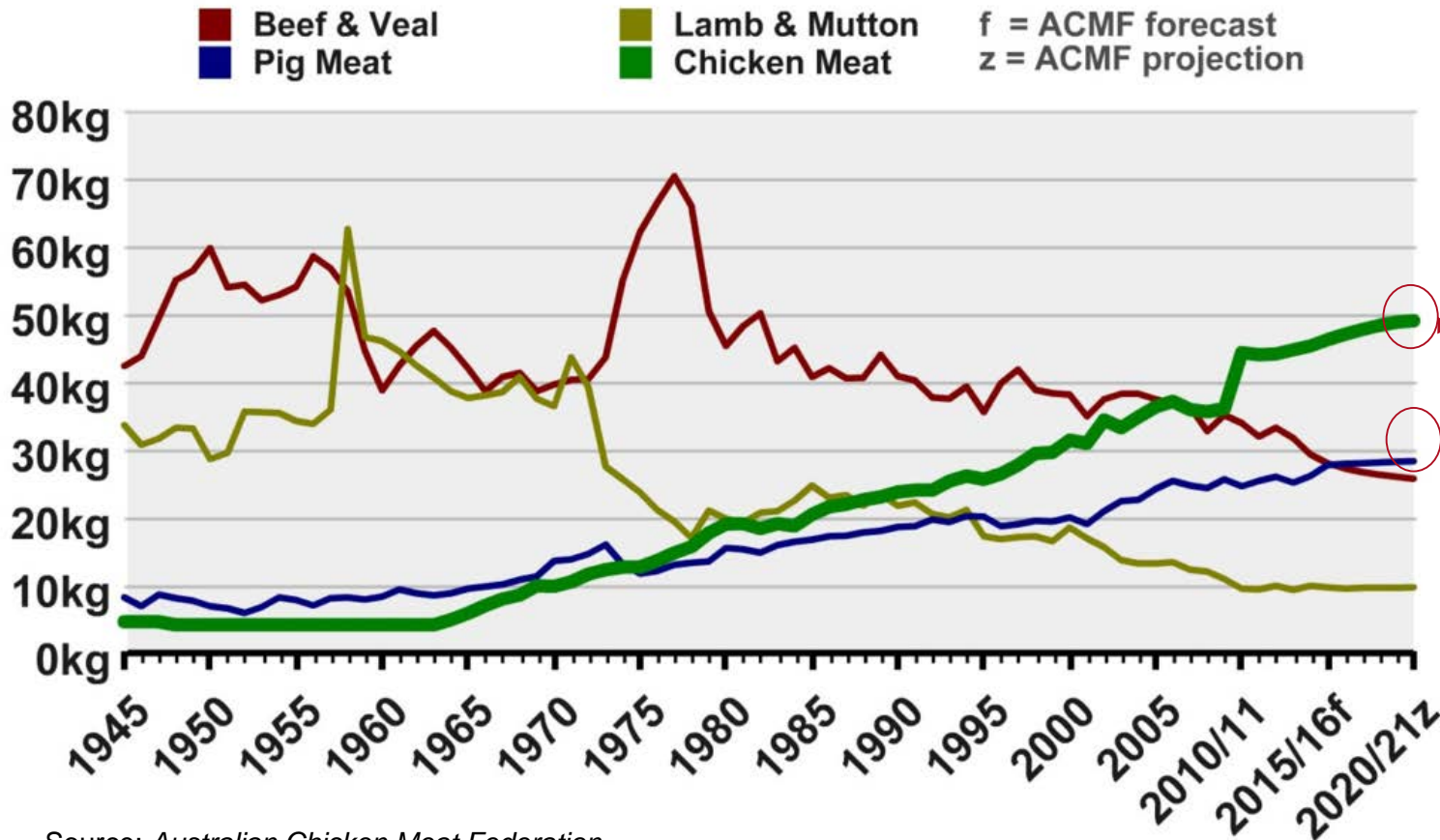


- At a macro level, Ridley agrees with the premise behind the question, i.e. success or “luck” is typically the result of **good research, planning, and hard work**, not just a happy ending from a fortuitous combination of circumstances ...
- Specifically, Ridley believes that businesses can make their own luck through:
 - **Research** – know your customer, their markets and what drives their profitability
 - **Value Proposition** – understand what Value Proposition you can deliver to your customer in their respective markets
 - **Planning** – build your organisation around your Value Proposition and play to your strengths
 - **Measuring** – understand your source of earnings and ability to enhance ROFE
- Ridley concedes that variances in earnings in agribusiness are often driven by elements outside Management’s control (e.g. weather)...
- ... in this context Ridley is an attractive proposition as a manufacturing business exposed to agriculture

MARKETS & CUSTOMERS

Meat consumption trends in Australia

Meat Consumption kg per capita in Australia



Ridley has built leading positions in **poultry** and **pig** feed, which represent the 2 fastest growing meats in terms of domestic consumption

Exports to Asia and growth of seafood/aquaculture

Huge Dairy Export Opportunity for Australia...

Dairy Consumption China (litres billion)

2013

2030

45.9

74.7

Dairy Imports China (litres billion)

2013

2030

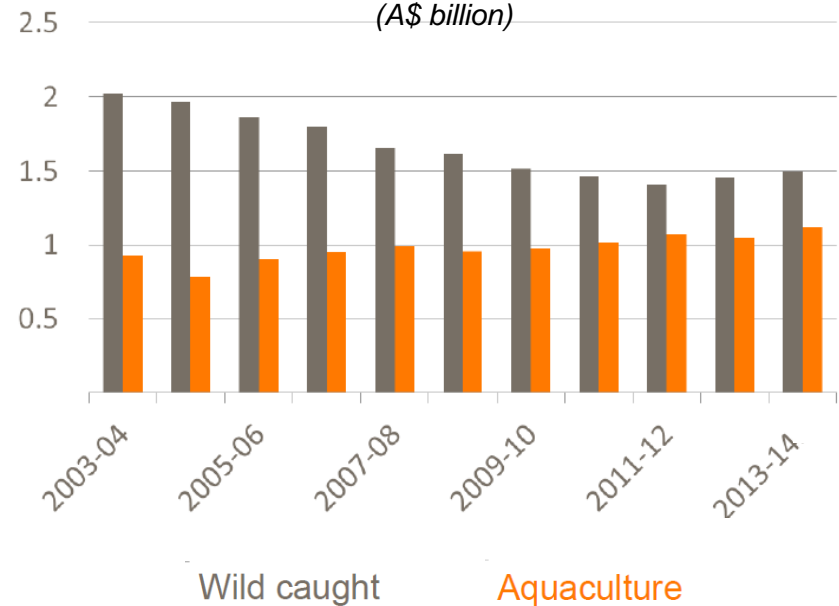
9.4

16.3

Source: OECD, ANZ

Australian Aquaculture has a big future...

Value of Australian fisheries production (A\$ billion)



Source: ABARES Fisheries & Aquaculture, 2015

- *Ridley has chosen to consolidate its position in profitable industries that are forecast to grow...*

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
Beef	Medium/High	Medium	Global
Supplements	Medium	Medium	Local

Ridley is well positioned in the key growth sectors

Attractive blend of local and global markets

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

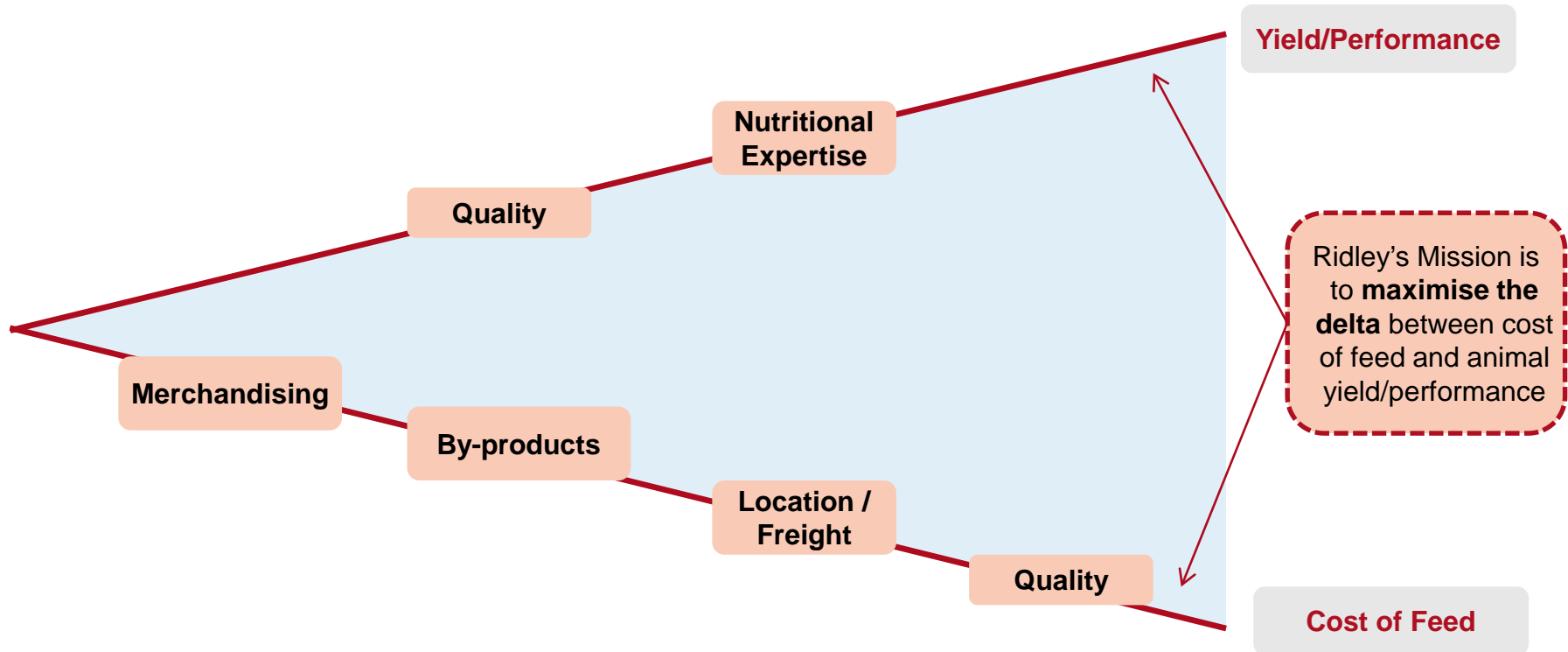
VALUE PROPOSITION

WHAT IS RIDLEY'S VALUE PROPOSITION?

HOW DOES IT CONFER A COMPETITIVE ADVANTAGE?

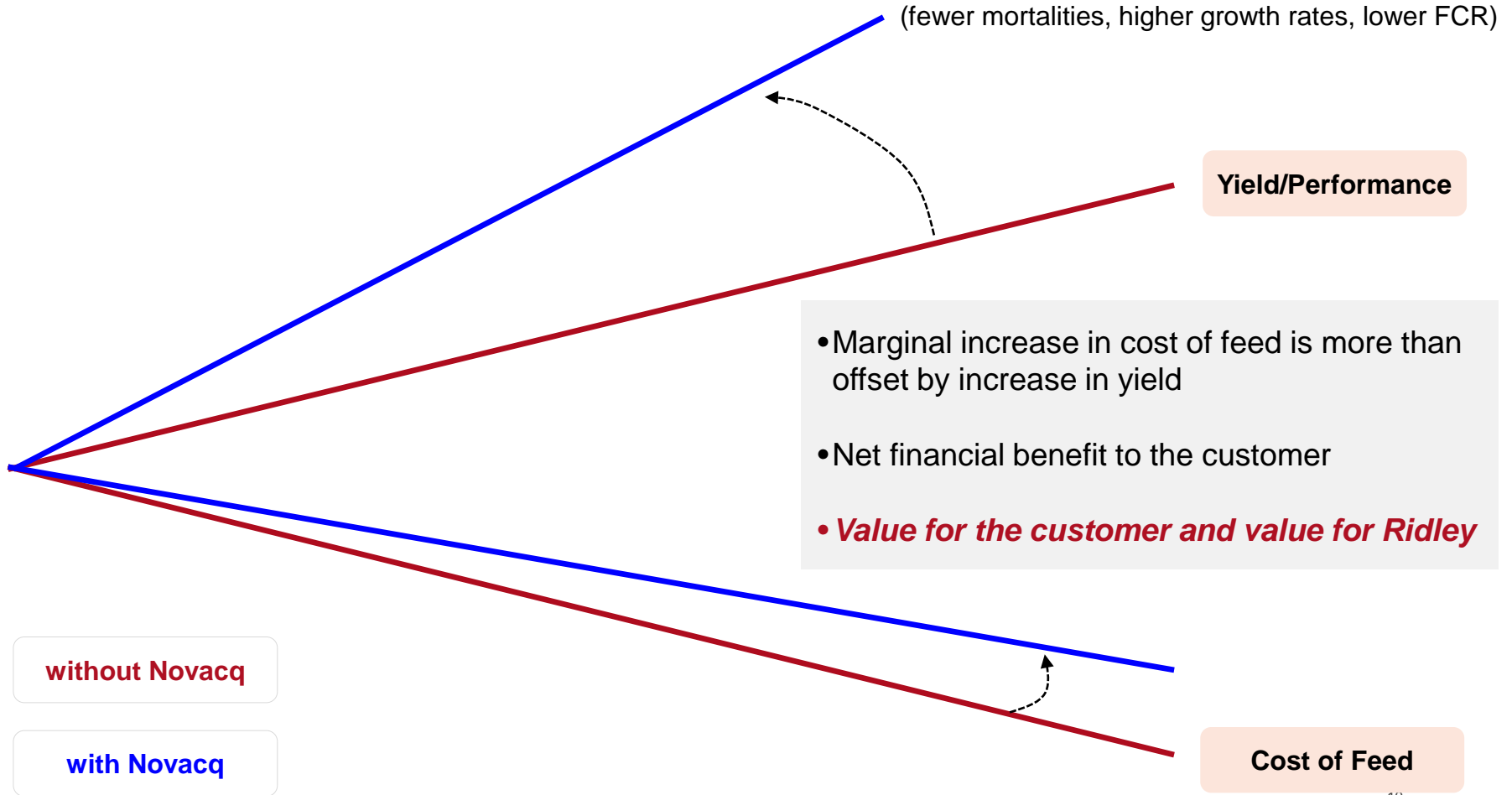


“Our Mission is to improve the **cost of feed to yield ratio** for our customers”

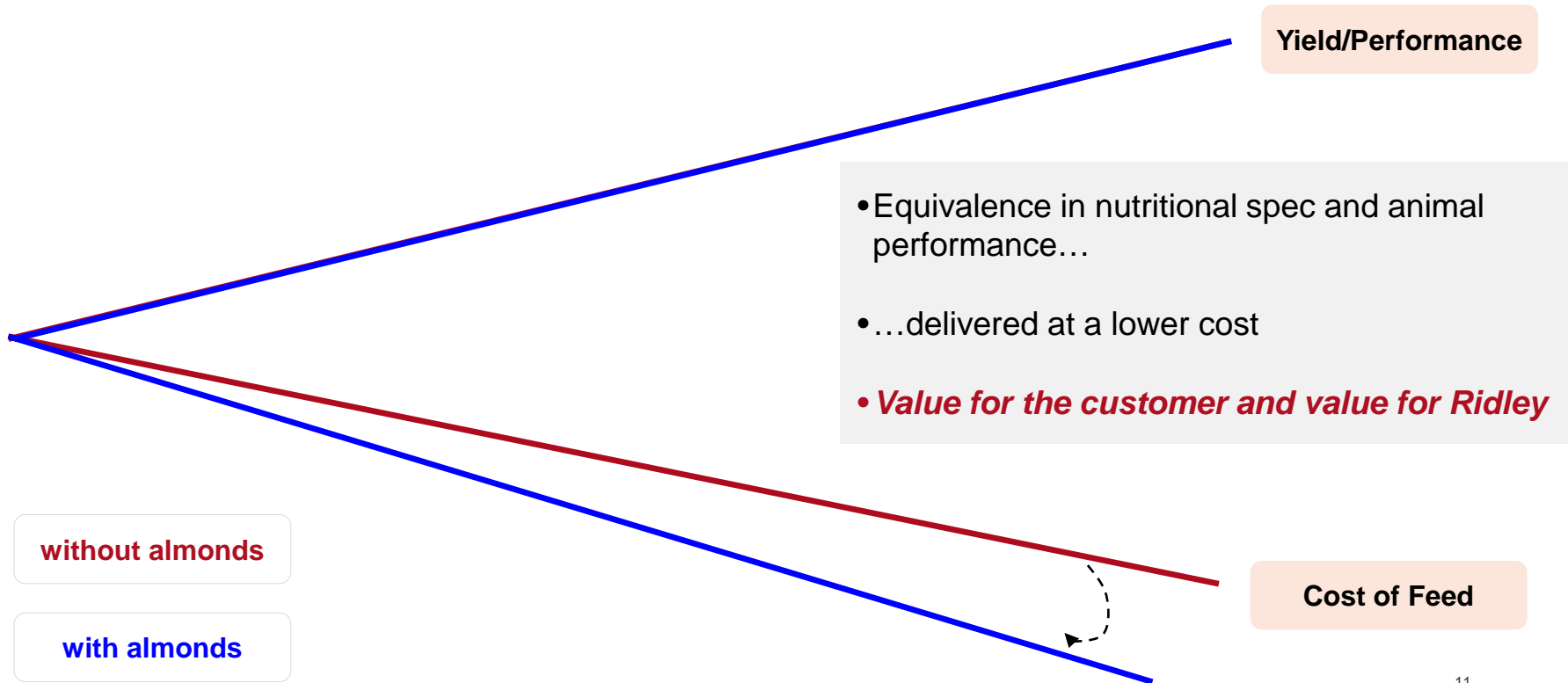


EXAMPLE#1 – NOVACQ

DELTA BETWEEN COST AND YIELD IS KEY



EXAMPLE#2 – ALMOND HULLS IN DAIRY FEED INNOVATION IN DIET TO MAINTAIN YIELD AND REDUCE COST



WHAT REPRESENTS VALUE FOR CUSTOMERS?



Factor	Description
FCR / 'Feed Conversion Ratio'	<ul style="list-style-type: none">• kg's of feed required to grow 1kg of meat
Growth Rates	<ul style="list-style-type: none">• time for animal to reach harvest weight
Quality	<ul style="list-style-type: none">• consistent animal performance
Raw Material supply	<ul style="list-style-type: none">• certain sectors have scarce and volatile raw material sources e.g. aquaculture faced with declining wild catch fish stocks jeopardising the (hitherto traditional) inclusion of fishmeal in diets
Consumer demands	<ul style="list-style-type: none">• growing public interest in animal welfare and sustainability

Ridley Value
Excellence in nutrition and animal development
Quality & consistent product delivered on time
Innovation in diets to move away from scarce raws and replace with sustainable alternatives
Innovation in diets & product to give customer a marketing solution

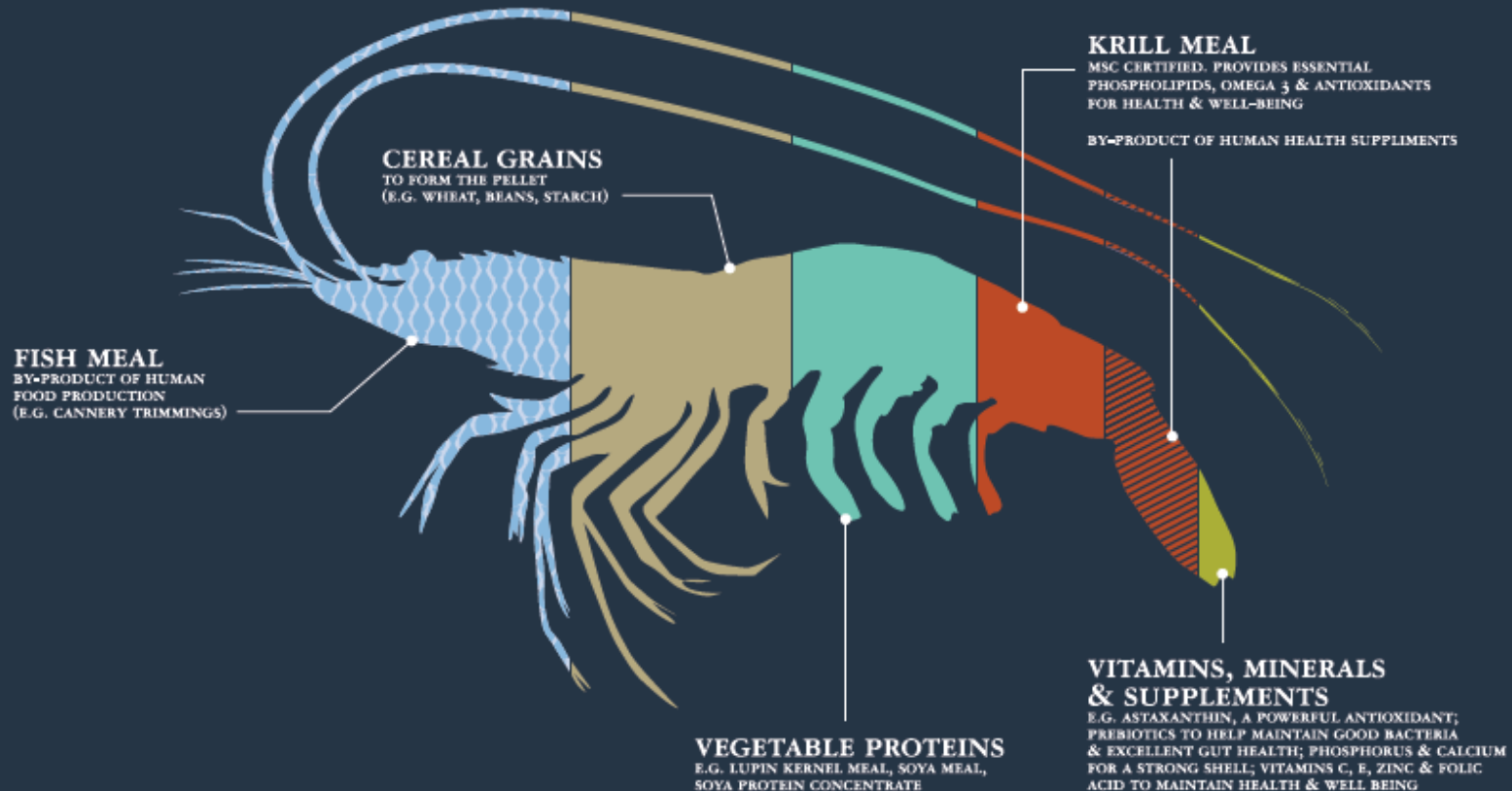
e.g. prawn "No Catch" diet, illustrated over page

"NO-CATCH" PRAWN DIET /

FISHMEAL-FREE DIET WITH EQUIVALENT HIGH PERFORMANCE



WHAT WE PUT IN OUR PERFORM PLUS NOCATCH™ FEED FOR PRAWNS.



PLANNING & RISK MITIGATION

- Ridley is investing to protect those assets which enable and enhance its Value Proposition:

Asset	Investment
<p>Nutritional Expertise</p>	<ul style="list-style-type: none"> Continued innovation in diets to stay ahead of the curve New focus on high-quality, value-adding raw materials
<p>Infrastructure</p>	<ul style="list-style-type: none"> New dairy mill in Gippsland (VIC) in 2013 New pig & poultry mill currently being built near Geelong (VIC) Other new projects currently under consideration
<p>Systems</p>	<ul style="list-style-type: none"> Upgrade to ERP

- Whilst many sub-sectors of agriculture / primary production can be materially impacted by non-controllables such as weather events, Ridley's exposure is mitigated by the following factors:
 - **strong customer diversification** across most major species, now including rendering
 - **geographical spread** across all eastern states
 - majority of animals fed are **housed** and fed a **single source of feed**
 - **commodity price risk** is not a 100% exposure
 - scale and market presence – recent fire event in SA demonstrates tremendous **strength in depth** to deliver a net-zero impact outcome from a potentially serious situation