

RIDLEY CORPORATION LIMITED

INVESTOR PRESENTATION – 2017 FINANCIAL YEAR



RIDLEY

- ✓ Resilient operating result of \$45.8m EBIT in light of Dairy, Aquafeed and energy headwinds.
- ✓ World class pig and poultry mill commissioned at Lara, Victoria.
- ✓ Worldwide licence secured for Novacq™ for all non-crustacean & non-human species, with previously unlicensed crustacean markets also secured.
- ✓ Minimum five year strategic alliance formed with CSIRO for further Novacq™ development.
- ✓ Long term lease secured at Chanthaburi, Thailand for overseas production of Novacq™.
- ✓ Commercial dispute settlement reached with Huon for full net debt recovery.
- ✓ Commitment to aquafeed restructure comprising new Tasmanian aquafeed mill, divestment of interest in CME, and major capital works at Narangba.
- ✓ Completion of Wasleys feedmill rebuild from fire devastation.
- ✓ Increase in final dividend from 2.50 to 2.75cps, 100% franked.

Consolidated result - in AUD\$million (\$m)	FY17	FY16	FY15	FY14
EBIT – Ridley operations before non- recurring items	45.8	53.7	50.4	40.1
Property costs	(1.0)	(2.0)	(2.7)	(2.2)
Corporate Costs	(9.9)	(9.6)	(8.9)	(8.6)
Pre-tax Operating & property result	34.9	42.1	38.8	29.3

- ❑ Full year Ridley operating result of \$45.8m achieved in difficult trading conditions in key sectors of Dairy and Aquafeed.
- ❑ Last three year Ridley operating, non-recurring, EBIT average of \$50.0m.
- ❑ Property - FY17 excludes Dry Creek divested in FY16.
- ❑ Corporate costs - similar to prior year despite a \$0.7m increase in legal fees to recover Huon debt (up from prior year's \$0.4m).
- ❑ Pre-tax operating & property result of \$34.9m.

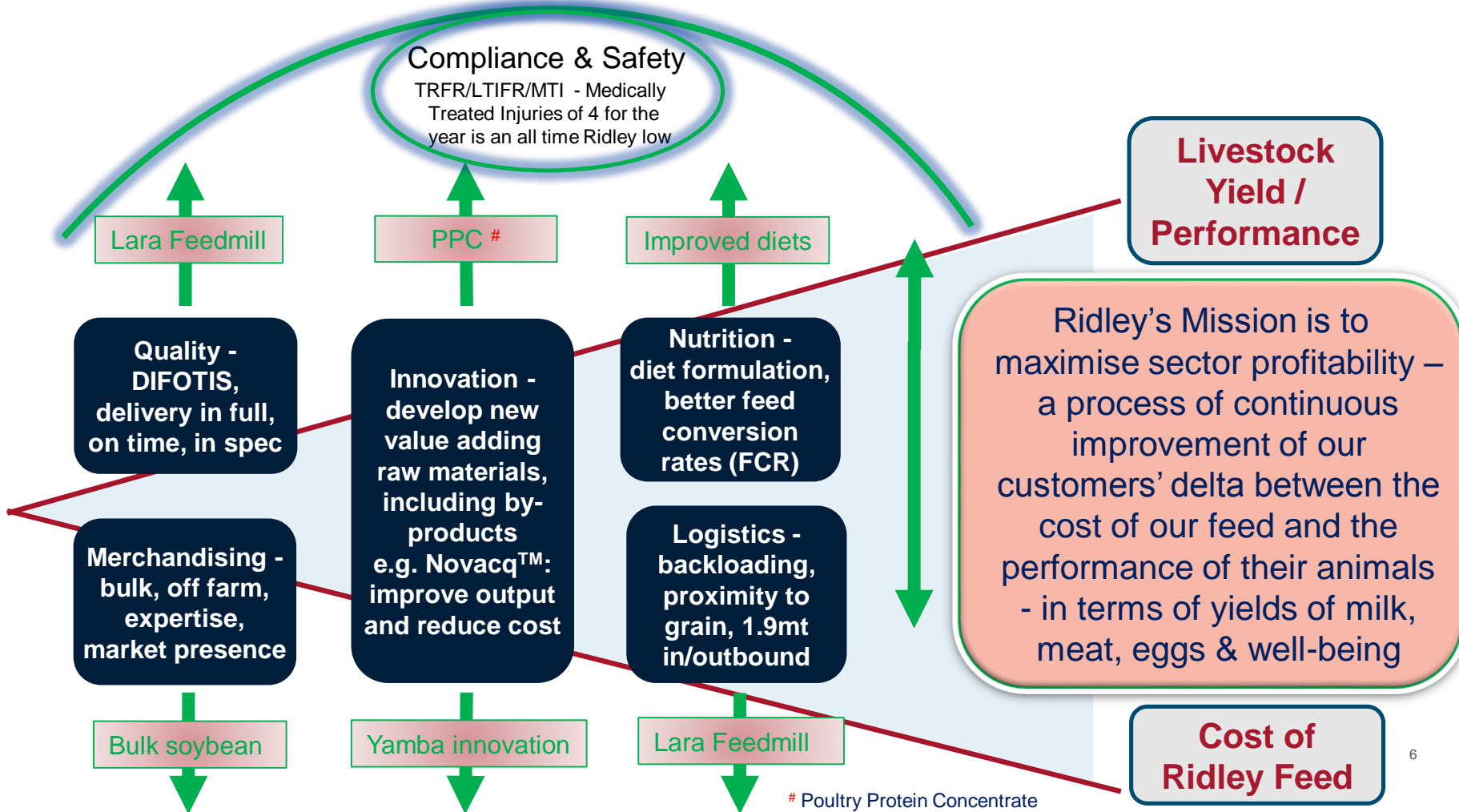
The Directors believe that the presentation of the unaudited non-IFRS financial information on slides 3, 4, 16 and 17 is useful for shareholders as it reflects the significant movements in operations and cash flows of the business.

Consolidated result - in \$m	FY17	FY16	FY15	FY14
Operating result	34.9	42.1	38.8	29.3
Net Finance Expense	(5.0)	(5.4)	(5.0)	(5.4)
Tax Expense	(7.3)	(12.6)	(9.7)	(4.4)
Net operating profit before non-recurring items	22.6	24.1	24.1	19.1
Discontinued Dry Creek Operation - post tax	-	0.4	(4.6)	(2.9)
Other non-recurring items - post tax	3.2	3.1	1.7	1.0
Net profit	25.8	27.6	21.2	17.6

- ❑ Net finance expense - consistent with prior year.
- ❑ \$5.3m decrease in tax payable reflects prima facie tax on lower operating result and prior year overprovision, with higher level of ongoing R&D Tax concession claims.
- ❑ Other non-recurring items comprise:
 - \$0.7m pre-tax profit on disposal of Joint Venture interest in CME
 - \$3.6m of Wasleys bushfire insurance claim proceeds expended on capital replenishment
 - (\$1.1m) of combined tax effect on the above
- ❑ Net profit for the year of \$25.8m, despite headwinds in two major operating sectors.

OPERATIONS

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



Compliance & Safety

TRFR/LTIFR/MTI - Medically Treated Injuries of 4 for the year is an all time Ridley low

Lara Feedmill

PPC #

Improved diets

Livestock Yield / Performance

Quality - DIFOTIS, delivery in full, on time, in spec

Innovation - develop new value adding raw materials, including by-products e.g. Novacq™: improve output and reduce cost

Nutrition - diet formulation, better feed conversion rates (FCR)

Logistics - backloading, proximity to grain, 1.9mt in/outbound

Ridley's Mission is to maximise sector profitability – a process of continuous improvement of our customers' delta between the cost of our feed and the performance of their animals - in terms of yields of milk, meat, eggs & well-being

Merchandising - bulk, off farm, expertise, market presence

Bulk soybean

Yamba innovation

Lara Feedmill

Cost of Ridley Feed

Poultry Protein Concentrate

- ❑ **EBIT result for agribusiness of \$45.8m** - down on prior year's record \$53.7m but positive performance given Dairy and Aquafeed sector headwinds and no dry season for Supplements blocks.
- ❑ **Poultry** - sales volumes grew 111kt (10.6%) for the year to 1,155kt on the back of continuing population & white meat consumption growth, to reach 60% of total Ridley sales volumes for the first time.
- ❑ **Aquafeed** - solid performance on kingfish, barramundi and prawn volumes, despite outbreak of White Spot Disease in Logan River region. Cessation of Huon trading activity has impacted salmon volumes, the replacement of which is a longer term prospect. Ridley has affirmed its support to Tasmanian salmon industry growth through its commitment to a new feedmill in Tasmania. The Novacq™ novel prawn feed ingredient project is still in development phase with no profit and loss impact for the year.
- ❑ **Dairy** - a positive result given the depressed industry sentiment at the start of the year but well short of last year's record sector earnings. The year finished positively, with the prospect of improved milk prices and rebuilding of dairy herds.
- ❑ **Rendering** - competition to secure red meat raw material has been intense due to the low level of abattoir throughput, thereby raising offal prices and squeezing margins. White meat and fish raw material volumes have been maintained to generate an overall slight earnings improvement across both Rendering sites.
- ❑ **Packaged Products** - continued upward trend in earnings arising from improvements in all aspects of customer value & service delivery.
- ❑ **Supplements** - highlighted separately this year due to the absence of a northern Australia dry season which decimated the demand for dry season supplementary blocks.
- ❑ **Energy** - significant increases in energy costs have been experienced across all sites and partially absorbed in FY17, with further rises predicted for the years ahead.

SECTOR VOLUME HISTORY



Sector	FY17 (kt)	FY16 (kt)	FY15 (kt)	FY14 (kt)	FY13 (kt)	FY12 (kt)	FY11 (kt)	FY10 (kt)	Long term Outlook
Poultry	1,155	1,044	1,013	1,019	872	933	900	764	↑
Aqua-feed	35	54	65	50	42	47	50	47	↑
Packaged	75	78	83	90	90	85	84	90	→
Dairy	226	284	291	275	251	260	236	215	↑
Pig	193	177	168	178	184	197	224	325	↑
Supplements	11	20	15	21	22	22	22	30	→
Beef & Sheep	32	41	36	58	46	26	24	35	→
Rendering	159	193	184	171	93	34	9	-	↑
Other	46	44	47	32	35	46	44	64	→
Total Tonnes	1,932	1,935	1,902	1,894	1,635	1,650	1,593	1,570	

NOVACQ™

- ❑ **Yamba** - positive progress made during the year on all aspects of production, harvesting, drying and dewatering to increase yield and reduce cost. Production tonnes from the site have been used in trial diets and exported to Thailand for inclusion in trial diets under local conditions.

- ❑ **Licence** - existing licence with CSIRO extended during the year to secure:
 - ✓ worldwide rights for all non-human and non-crustacean species applications; and
 - ✓ rest of world application for crustacean (excluding China and Vietnam already licensed).

- ❑ **CSIRO research alliance** - five year alliance executed to collaboratively research other applications beyond crustacean. Terms include:
 - ✓ \$1m per annum Ridley cash contribution dedicated for research, with Ridley option to extend up to 5 years.
 - ✓ Management Committee of equal representation to approve and manage the annual research program, with initial focus on:
 - ✓ establishing rapid bio-test assays to demonstrate Novacq™ activity;
 - ✓ understanding the spectrum of the activity and mechanisms for prawn growth;
 - ✓ determining the bioactive(s) within Novacq™; and
 - ✓ developing characterisation profile to identify those species most likely to generate positive impact from Novacq™ inclusion.

- ❑ **Ten year lease** - 14 former prawn ponds now lined and pond sets being introduced to commence local production of Novacq™ at Chanthaburi, with infrastructure established (power, concrete pad, site office, storage silos, access road, water intake, etc.).



Lay out of 14 ponds



Power, storage silos, site office



Trial cages, feedmill in background



Trial cages with underwater aeration.

- ❑ **Pond trials** - 48 cage pond trial commenced after balance date with results expected in Q2 FY18.

- ❑ **Blending plants** - the approval process is well advanced to facilitate the construction and operation of two local blending plants in which to blend the raw Novacq™ with other key raw materials and sell as a Coca Cola style premix product to other prawn feed manufacturers.

Trial feed delivery



Salinity testing in pallecons



Water testing

CONSOLIDATED FINANCIALS

BALANCE SHEET - ASSETS



Balance Sheet - in \$m	June 2017	June 2016	June 2015	June 2014
Cash & equivalents	16.5	28.5	35.0	19.2
Inventory	83.7	87.7	81.7	64.5
Receivables	117.5	112.3	101.0	96.4
Other	0.4	-	34.1	1.4
Total Current Assets	218.1	228.5	251.8	181.5
P,P&E	182.8	160.2	139.5	118.6
Investment property	3.2	3.1	3.2	37.2
Investments	1.3	3.7	2.3	3.3
Intangibles	79.3	76.4	78.2	80.5
Non-current receivable	0.9	5.5	-	-
Other non-current assets - deferred tax	5.0	7.4	1.5	2.0
Total Assets	490.6	484.8	476.5	423.1

- ❑ **Cash and cash equivalents** - the closing balance is a function of timing of receipts/ payments and draw down/repayment of bank funding.
- ❑ **Inventory** - task force in place to progressively reduce inventory holdings.
- ❑ **Receivables** - includes \$17.7m owing from Huon (received in full on 20 July 2017) less \$1.0m provision for non-recovery (paid in full on 20 July 2017).
- ❑ **P,P&E** - movement comprises completion of Lara feedmill plus several profit maintaining and improvement projects, including Narangba, Yamba and completion of the rebuild at Wasleys.
- ❑ **Investments** - movement reflects divestment of 25% JV interest in CME.
- ❑ **Intangibles** - reflects the capitalisation of non-P,P&E activity at Yamba and Chanthaburi offset by amortisation.
- ❑ **Non-current receivable** - prior year NPV of final Dry Creek deferred consideration moved from non-current to current.

BALANCE SHEET - LIABILITIES



Balance Sheet - in \$m	June 2017	June 2016	June 2015	June 2014
Current payables	148.6	145.9	158.7	129.4
Current provisions	13.5	12.9	12.7	13.1
Current tax liabilities	-	8.3	7.1	4.2
Non-current borrowings	68.1	69.4	67.7	55.6
Non-current Provisions	0.6	0.5	0.5	1.0
Total Liabilities	230.8	237.0	246.7	203.3
Net Assets	259.8	247.8	229.8	219.8

- ❑ **Payables** - reflects timing of creditor payments within agreed terms.
- ❑ **Tax** - tax payable on current year profits covered by instalment payments based on low 24.7% effective tax rate on continuing operations.
- ❑ **Borrowings** - movement reflects \$2.6m increase in working capital from timing differences; (net debt calculated after offsetting \$16.5m of cash at period end).
- ❑ **Equity** - no changes in equity in any of the last four years.
- ❑ **Dividend** - interim dividend of 1.5cps paid on 1 May 2017 plus increase in final dividend from 2.50 to 2.75cps to be paid on 31 October 2017, each franked to 100%.

CASH FLOW



Consolidated Cash flow - in \$m	FY17	FY16	FY15	FY14
Consolidated group EBITDA	54.4	61.1	51.0	41.0
Movement in working capital	(2.6)	(19.3)	7.0	(5.5)
Maintenance capex	(14.2)	(14.9)	(12.8)	(11.4)
Operating cash flow	37.6	26.9	45.2	24.1
Development capex	(19.6)	(19.3)	(20.6)	(2.3)
Payment for Intangibles	(3.6)	(0.7)	(0.4)	(5.2)
Net capital return / cash dividends	(12.2)	(10.6)	(10.6)	(27.7)
Net proceeds from sale of assets	13.5	22.0	3.5	1.4
Investments / Business acquisitions	-	(1.3)	-	(6.6)
Net finance expense	(5.5)	(5.4)	(4.9)	(4.8)
Net tax (payments)/refund	(14.7)	(13.9)	(4.3)	1.6
Other net cash outflows	(6.0)	(6.0)	(4.3)	1.0
Cash in/(out) flow for the year	(10.5)	(8.3)	3.6	(18.5)
Opening net debt as at 1 July	(41.0)	(32.7)	(36.3)	(17.8)
Closing net debt	(51.5)	(41.0)	(32.7)	(36.3)

- ❑ Consolidated group EBITDA of \$54.4m, with operating cash flow up \$10.7m to \$37.6m.
- ❑ \$2.6m increase in working capital, with \$9.9m increase in receivables (excluding \$9.5m Dry Creek), \$4.0m decrease in inventory, & \$3.3m increase in payables/provisions.
- ❑ \$19.6m Development capex includes \$7.7m to complete Lara Feedmill construction, & \$3.0m each to complete Wasleys rebuild, at Yamba and Thailand.
- ❑ 2.5cps final 2016 and 1.5cps interim 2017 cash dividends paid, fully franked.
- ❑ \$10m of deferred Dry Creek sale proceeds received, \$2.8m from divestment of interest in CME, & \$0.7m from sale of Noorat storage facility.
- ❑ 2017 tax instalment payments have effectively paid lower FY17 tax liability reflective of actual earnings and prior year overprovision.

5 YEAR FINANCIAL SUMMARY



Consolidated results - in \$m	FY17	FY16	FY15	FY14	FY13
Consolidated group EBITDA	54.4	61.1	51.0	41.0	37.9
Add back: Property	1.0	2.0	2.7	2.2	1.9
Non-recurring items (inc Dry Creek FY13-16)	(4.3)	(4.0)	2.7	1.9	(3.4)
Core business EBITDA	51.1	59.1	56.4	45.1	36.4
Depreciation & Amortisation	15.2	15.0	14.9	13.6	14.0
Core business EBIT (i.e. Operations + Head office exc Property)	35.9	44.1	41.5	31.5	22.4
Comprising: Operating EBIT (before non-recurring items)	45.8	53.7	50.4	40.1	28.1
Corporate EBIT	(9.9)	(9.6)	(8.9)	(8.6)	(5.7)
Consolidated Funds Employed	305.9	289.7	268.2	258.5	221.8
Less: FY16 Lara feedmill under construction (FY15 and prior: Assets held for sale)	-	(12.2)	(34.1)	(1.4)	(0.7)
Less: Investment properties	(3.2)	(3.1)	(3.1)	(37.2)	(38.4)
Funds Employed (FE) (excl. Property)	302.7	274.4	231.0	219.9	182.7
Annualised ROFE (EBIT: average FE)	12.4%	17.5%	18.4%	15.6%	13.2%

PROPERTY

- ❑ **Surplus property holding costs** - reduced down to c.\$1.0m p.a. for former salt field sites at Lara and Moolap.
- ❑ **Lara** - subdivision of site approved to facilitate small plot sales, with new land titles expected to be issued post balance date.
- ❑ **Moolap** - release of Victorian State Government's "MOOLAP coastal strategic framework PLAN" (**MCSFP**) was delayed to April 2017 and no formal acknowledgement of Nelson Cove development proposal.
- ❑ **MCSFP** - Ridley's "Saltworks and Wetlands Precinct" designated for "Environmental/tourism investigation" for Ridley-owned land and "Environmental with complementary tourism" for Ridley-leased Crown land.
- ❑ **Moolap** - future currently uncertain with feedback awaited following submission of a development concept on Ridley-owned land only.
- ❑ **Dry Creek** - \$10.0m of deferred sale proceeds received in FY17 with final \$6.0m due by 31 December 2017.

OUTLOOK

- ❑ **Poultry and Pig** - a full year of operation of the new Lara feedmill to contribute positively to poultry and pig performance in FY18 through operational efficiencies and winning new business, with continued support provided to accommodate industry growth based on consumer demand for healthy, value for money meat protein sources.
- ❑ **Dairy** - farmer sentiment more positive than last year with stronger milk price forecast and return to conventional milk pricing models, herd rebuilding, on farm forage and continuing low grain prices.
- ❑ **Aqua-feed** - rebuilding of salmon business supported by installation of second extruder test line and Narangba plant upgrades in first half year, with construction of new feedmill in Tasmania to commence after securing the development approvals. Positive outlook for kingfish, barramundi and prawn, with Novacq™ development work building positively towards commercial launch.
- ❑ **Rendering** - rebuilding of red meat raw material supply is a 12-18 month prospect, while white meat and fish raw material supply is expected to be sustained. The introduction of new higher specification products such as Poultry Protein Concentrate (**PPC**), now being produced at our Maroota site, is expected to deliver value add and improved margins.
- ❑ **Packaged Products** - after four successive years of earnings growth on declining sales volumes, the focus can shift to consolidation and rebuilding sales volumes on key products following successful implementation of brand refresh campaigns and new distributor agreements.
- ❑ **Supplements** - a return to traditional wet and dry seasons in northern Australia and growth in demand for magnesium capsules is expected to return this sector to profitability in FY18.
- ❑ **Energy** - the ability for the energy market to provide reasonably priced contracts to run energy-intensive plant will influence bottom line earnings in FY18.

- ❑ **NE Geelong feedmill** - Commercial Feed team to implement plan to secure new poultry and pig volume based on unrivalled customer value proposition for the region and world class facility.
- ❑ **New feedmills** - currently awaiting the requisite development approvals for the new Tasmanian aquafeed mill to commence construction and concurrently conducting feasibility studies for new Central Victorian feedmill to be concluded by the end of Q2 of FY18.
- ❑ **Innovation** - continue to pursue opportunities to introduce novel feed ingredients, such as PPC, through a process of innovation e.g. by developing new processes to extract higher value products from the existing raw material supply, and securing the accreditations and introducing product segregation in order to access higher value export and niche markets.
- ❑ **Novacq™** - conduct extensive feed trials for Novacq™ domestically at Yamba and overseas at Chanthaburi, commence production of Novacq™ in Thailand, and improve the production, harvesting, dewatering, drying and bagging processes through continuous improvement and innovation to improve output rates and drive down the costs of production.
- ❑ **Thailand feedmill** - establish a customer base in Chanthaburi and other prawn growing regions of Thailand using Ridley diets and feed produced locally at the JV interest feedmill.
- ❑ **CSIRO alliance** - effectively manage the activities conducted to generate the maximum return in pursuit of the agreed objectives, namely to maximise the development of new Novacq™ applications.

CONTACT DETAILS

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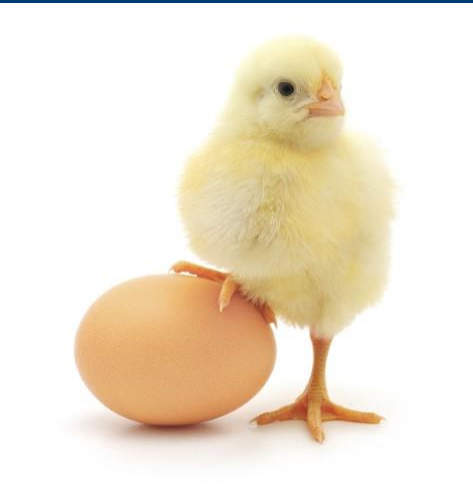
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APPENDICES



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

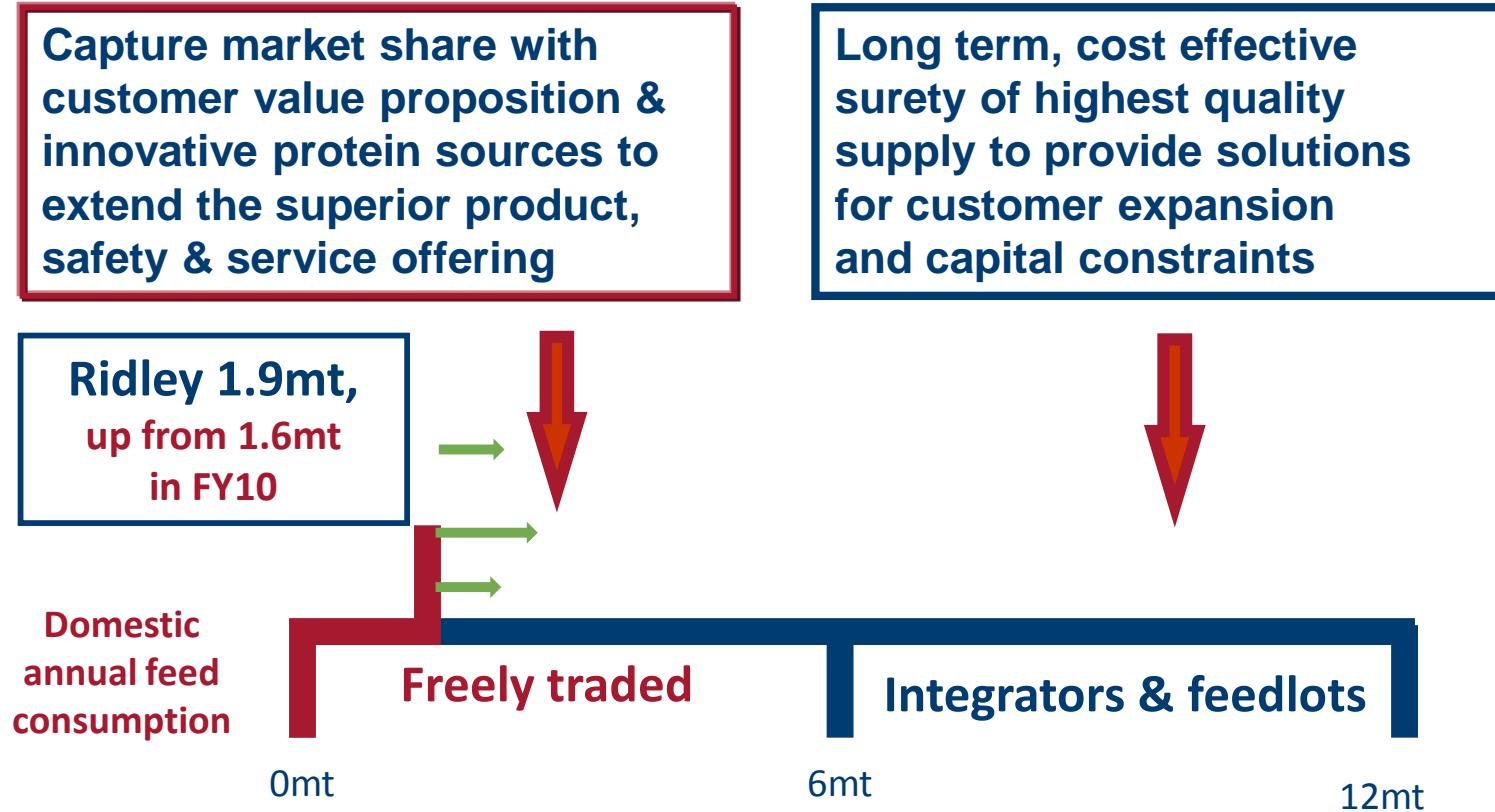
Our 6 Strategic Platforms enable us to deliver on our Mission



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



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 in Tasmania and New Zealand. 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>

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

ASX – as at close of business on 22 August 2017 - RIC

Share price \$1.49

Shares on issue 307.8m

Market cap. \$458.6m

52 week range \$1.16 - \$1.62

Number of shareholders 6,982

Top 20 shareholders 75.61%

Substantial shareholders:

- AGR Partners 19.7%

- Lazard 14.9%

- Dimensional Fund Advisors Group 5.2%



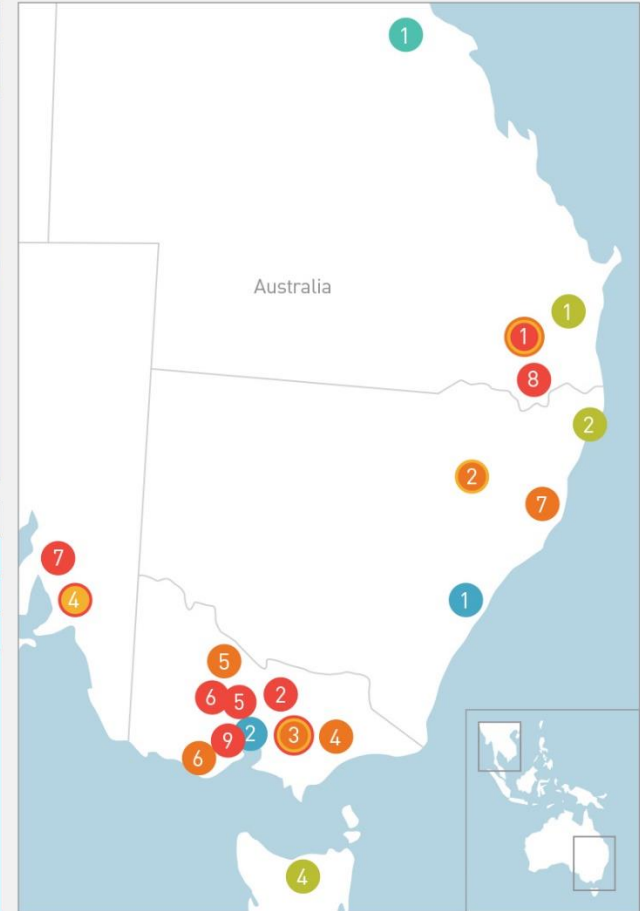
Board of Directors:

- Dr Gary Weiss – Non-Executive Director (NED), Chair
- Tim Hart – CEO/MD
- Patria Mann - NED
- Professor Robert van Barneveld - NED
- Ejnar Knudsen – NED
- David Lord - NED

LOCATIONS AND SECTORS

RIDLEY LOCATIONS AND SECTORS

Business Unit	Structure
Monogastric	Pellet, meals, concentrates and premixes for poultry and pigs
Ruminant	Pellets, meals, blends, concentrates and premixes for dairy cattle, beef cattle and sheep
Packaged Products	Bagged poultry, dairy, dog, horse and lifestyle animal feed
Aquafeeds	Extruded and steam pelleted products for all major fin-fish and prawns, and novel feed ingredients
Supplements	Block and loose lick supplements
Rendering	Rendered poultry, red meat and fish products for the pet food, stock feed and aquaculture sectors



		Business Unit					
		Monogastric	Ruminant	Packaged	Aquafeeds	Supplements	Rendering
Ridley Assets	1	Toowoomba	1 Toowoomba	1 Toowoomba	1 Narangba	1 Townsville	1 Maroota
	2	Mooroopna	2 Tamworth	2 Tamworth	2 Yamba – Novacq production site		2 Laverton
	3	Pakenham	3 Pakenham	3 Pakenham	3 Chanthaburi – 49% interest		
	4	Murray Bridge	4 Maffra	4 Murray Bridge			
	5	Bendigo	5 Gunbower	4 Westbury (intention to build)			
	6	St Arnaud	6 Terang				
	7	Wasleys	7 Taree				
	8	Clifton					
	9	Lara					

NELSON COVE COASTAL SOLUTION CONCEPT



Solution for flood prone neighbouring residential areas

2,000 construction and permanent jobs for the region

1,100+ acres of bird sanctuary preserved forever

Low lying shoreline subject to inundation, sea level rise, and stormwater

Solution provided in Ridley concept plan, with bunding protection and creation of public beachfront



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

- ❑ Lab-based trials over the past 4 years in both Australia and Thailand, consistently demonstrated Biomass improvements of 40% or more.
- ❑ Trials also exhibit improvements in animal well-being via enhanced resistance to viral/bacterial attacks, and thereby increasing survival rates and the value of Novacq™.
- ❑ What does it do?
 - ✓ Novacq™ acts as a 100% natural metabolic stimulant that **increases food intake** and permits the animal to **utilize the feed more efficiently**.
 - ✓ Because of this, the **animal will grow faster** & provide a shorter culture cycle, using less feed to grow a bigger shrimp. It **improves Feed Conversion Ratio**, saving money as the feed cost is the major farming operational cost.
 - ✓ Novacq™ also appears to **improve disease resistance**.
 - ✓ Novacq™ can be used to **help replace fishery resources in shrimp diets** - important for consumers, retailers and sustainability.
 - ✓ Novacq™ can **reduce diet protein levels without performance loss** - important to help control nutrient levels in ponds and effluent discharge to the environment.
- ❑ Project status
 - Over half way through a five year applied R&D program to commercialise Novacq™ in Australian and overseas licensed territories.



Harvested Novacq™ to be dewatered and dried



After drying



After grinding

After drying/processing "pure" Novacq™



Prawn feed with Novacq™ included

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

- ❑ **Strategy** - facilitates the scale up to production of commercial feed quantities of Novacq™ for domestic requirements and overseas trials.
- ✓ Ponds have been lined, silos have been erected and bunded, and site secured.
- ✓ Equipment has been developed for continuous cycle of production and harvest, with ongoing refinements to further improve efficiency and drive down the cost of production.
- ✓ Product is being produced from the site to be used in domestic and overseas feed trials.
- ✓ Ongoing refinement of dewatering, drying and bagging process.

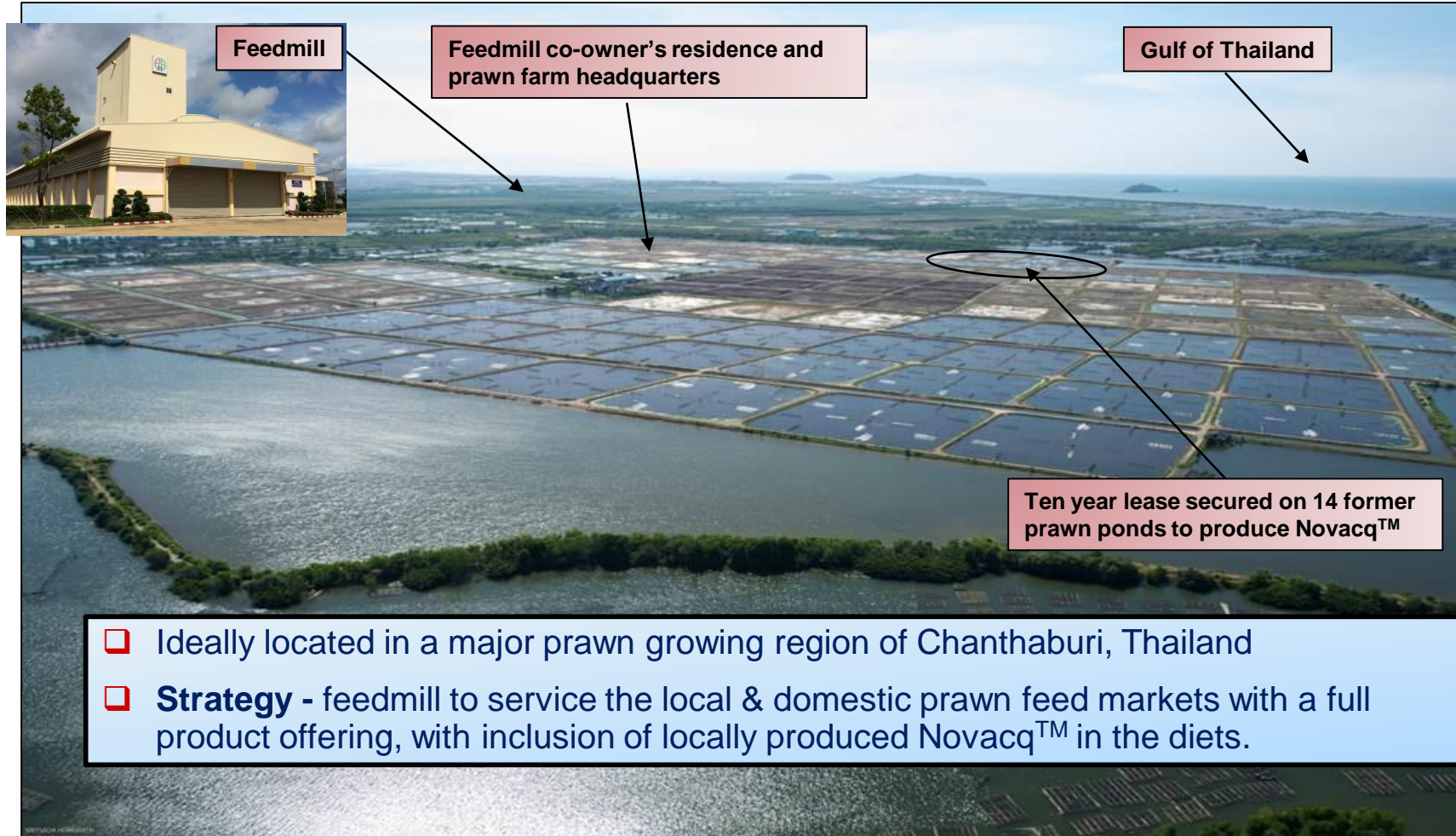


CHANTHABURI FEEDMILL (1)



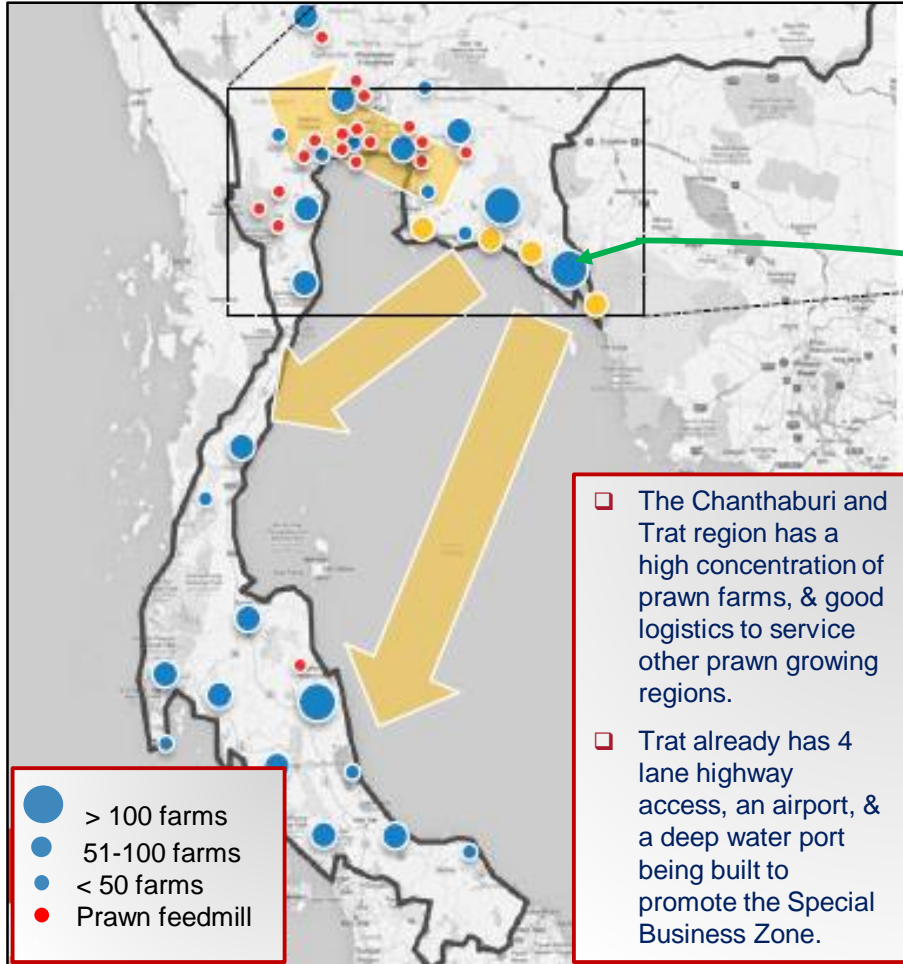
- ✓ 49% interest acquired in FY16 to jointly operate with co-owner using Ridley diets, knowhow & nutrition.
- ✓ Existing 30kt capacity with infrastructure in place to expand to 55kt.
- ✓ Full extrusion plant, unique to Thailand feedmillers.
- ✓ Modern design, with high safety standards.
- ✓ Less than seven years old & in immaculate condition.
- ✓ Located 4 hours south east of Bangkok in prime prawn-growing region of the world's 2nd largest prawn growing capacity country.



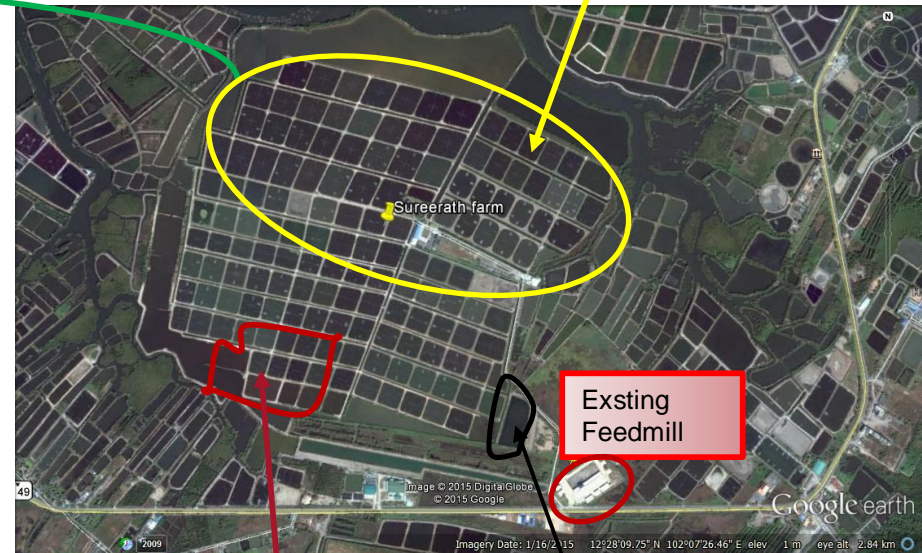


- ❑ Ideally located in a major prawn growing region of Chanthaburi, Thailand
- ❑ **Strategy** - feedmill to service the local & domestic prawn feed markets with a full product offering, with inclusion of locally produced Novacq™ in the diets.

CHANTHABURI AND TRAT REGION



Capacity to expand Novacq™ production by securing other ponds within the current farm



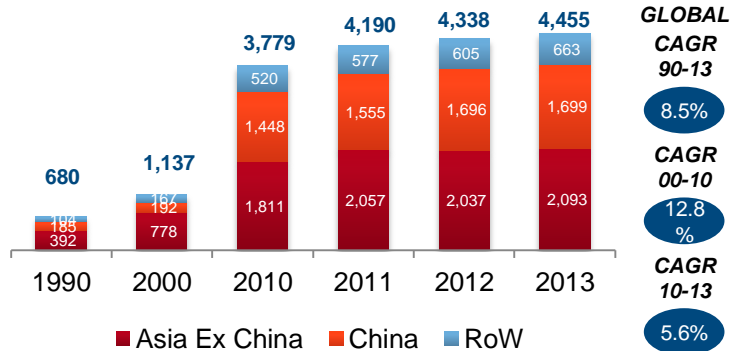
Existing Feedmill

Long term lease secured for 14 ponds within Sureerath Prawn Farm of feedmill co-owner.

Site identified for processing facility

The opportunity in Asia is substantial and growing fast

Global shrimp production growth (kt)

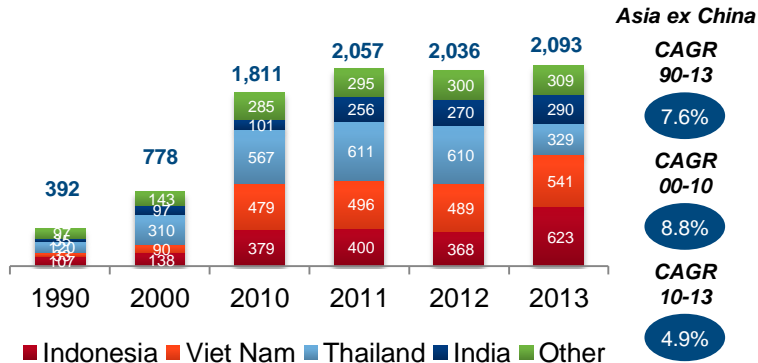


Insights

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 Rest of the World (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