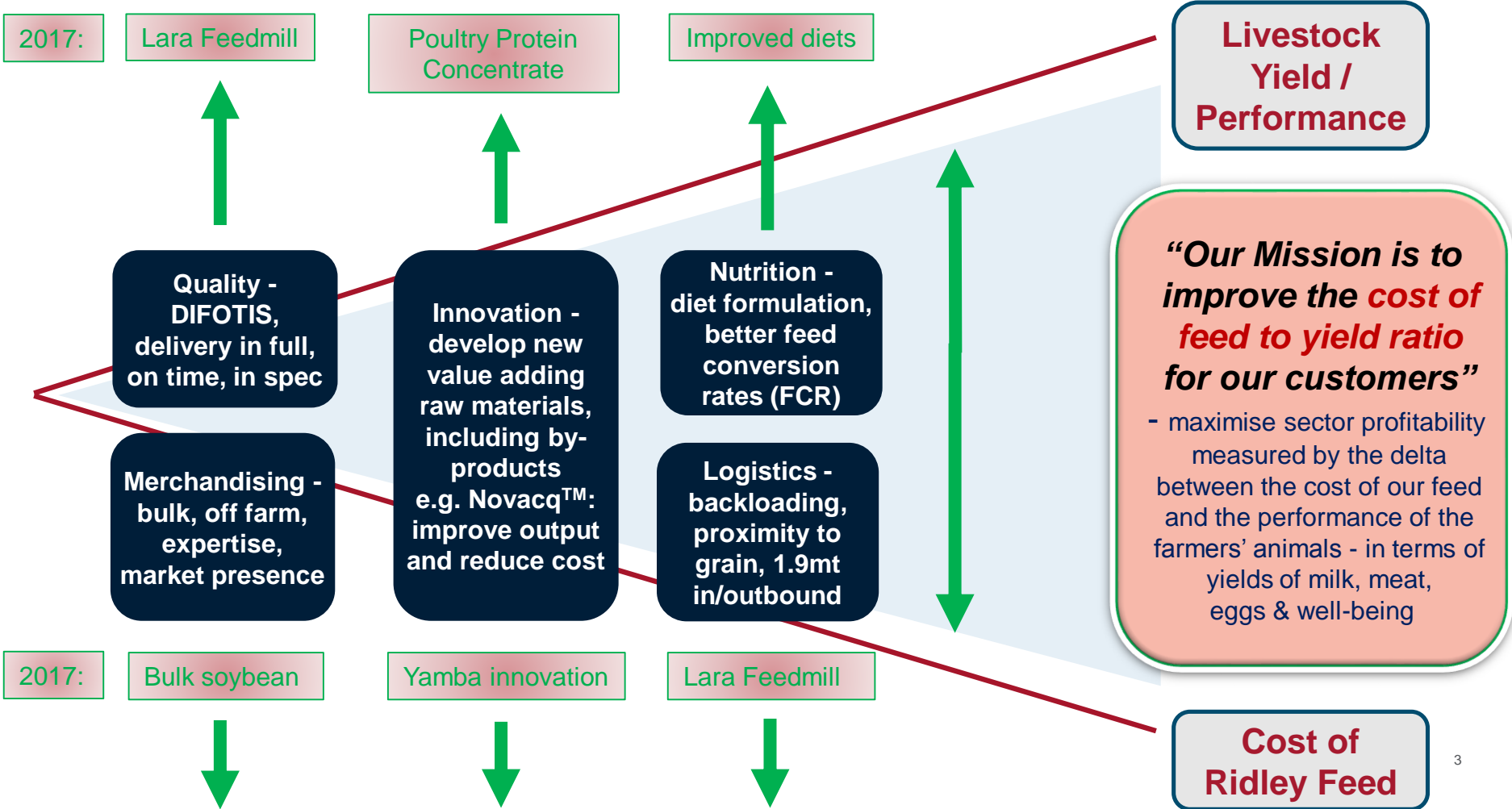


# RIDLEY CORPORATION LIMITED

MANAGING DIRECTOR ADDRESS  
2017 ANNUAL GENERAL MEETING



1. RIDLEY BUSINESS
2. RIDLEY JOURNEY
3. LAST 12 MONTHS - ANIMAL NUTRITION SOLUTIONS
4. LAST 12 MONTHS - NOVEL FEED INGREDIENT NOVACQ™
5. NEXT 12 MONTHS - ANIMAL NUTRITION SOLUTIONS
6. CENTRAL VICTORIAN & TASMANIAN FEEDMILLS
7. NOVACQ™ PROJECT STAGE GATE STATUS
8. NEXT 12 MONTHS - NOVEL FEED INGREDIENT NOVACQ™
9. CONCLUSIONS



Agri/Salt mixed market message

Integration of Rendering businesses

**Animal Nutrition Solutions**

Stabilise & grow core animal nutrition business

Animal Nutrition Solutions / Value add Ingredients

Growth of Packaged Products as key BU in FMCG sector

Applied R&D project to commercialise Novacq™

2011

2012

2013

2014

2015

2016

2017

2018

2019

M&A: Purchase of Rendering business at Maroota, NSW

M&A: Purchase of Victorian Rendering business at Laverton

Asset refresh: New Pakenham Dairy feedmill

Divestment: Sale of Cheetham Salt

Novacq™ technical evaluation by RIC

Novacq™ Licence for Aus, Indo, Mal, Phil

Asset refresh: Plant upgrade at Laverton & blending facility

Divestment: Sale of Dry Creek site

49% interest in Thailand feedmill

Asset refresh: New Lara poultry and pig feedmill

Divestment: Sale of CME investment

ROW, other species & CSIRO Alliance

Asset refresh: New Tasmanian aquafeed mill

Asset refresh: New Bendigo pig & poultry feedmill

- ❑ **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.

# LAST 12 MONTHS - NOVEL FEED INGREDIENT NOVACQ™ (1)

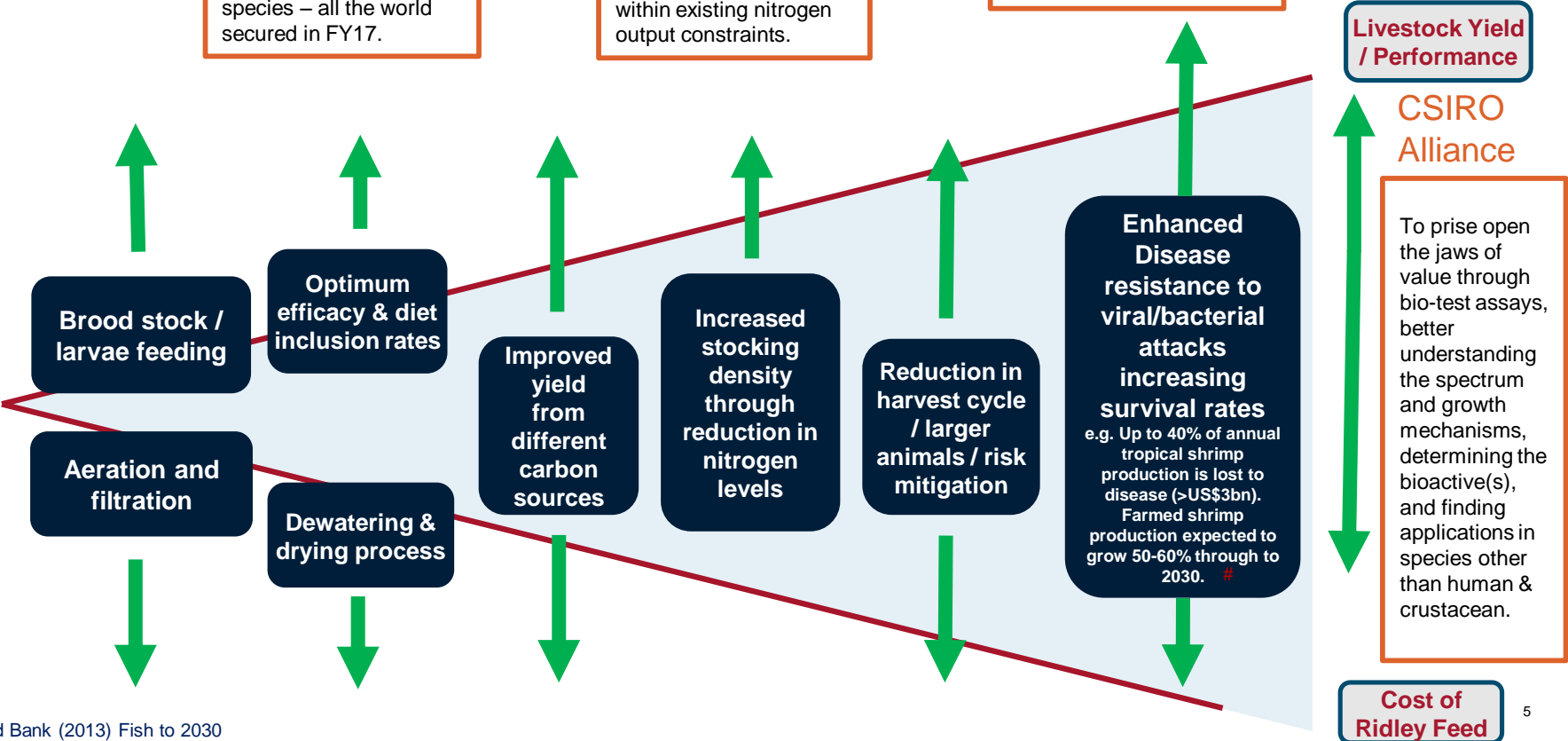


## CSIRO Licence

Crustacean – All the world secured in FY17 except for China and Vietnam.  
For all other non-human species – all the world secured in FY17.

Replacement of fish meal protein source with Novacq™ reduces nitrogen output, enabling higher stocking densities within existing nitrogen output constraints.

37% improvement in prawn survival rates achieved in Mackay trials with Novacq™ diets compared to control ponds.



# World Bank (2013) Fish to 2030



- ❑ **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

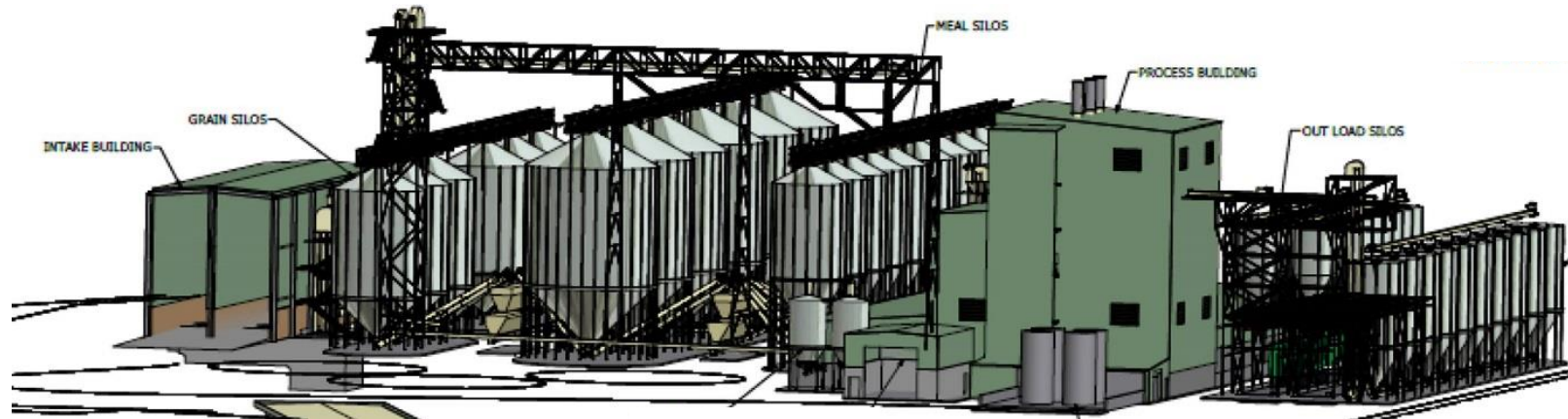


Water testing

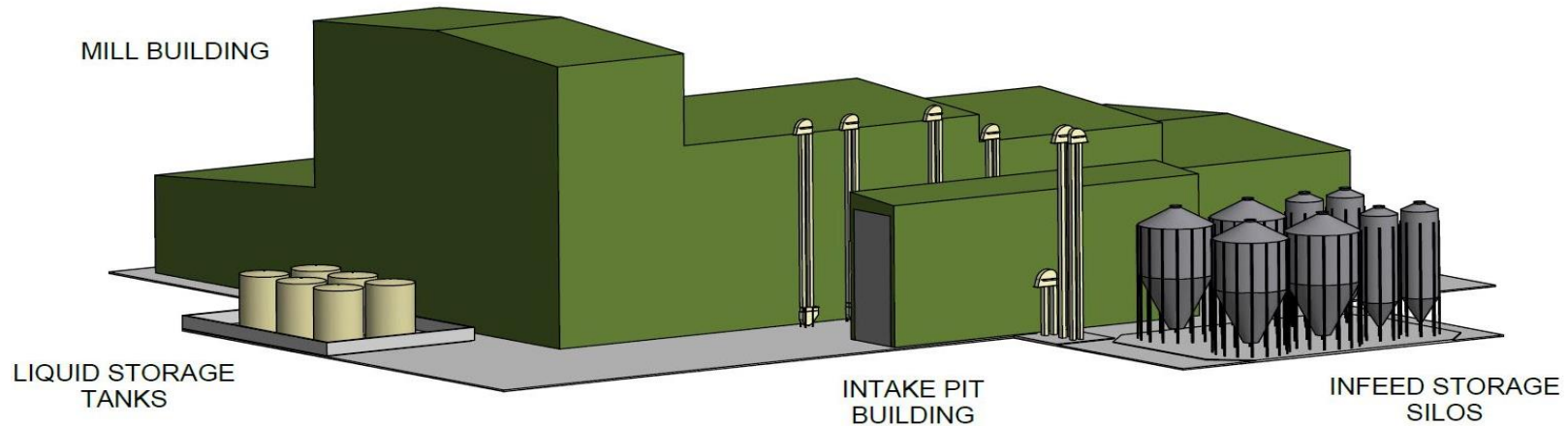


- ❑ **Poultry and Pig** - a full year of operation of the new Lara feedmill to contribute positively to poultry and pig performance in FY18 through operational efficiencies and winning new business, with continued support provided to accommodate industry growth based on consumer demand for healthy, value for money meat protein sources. Construction of new Central Victorian feedmill to commence in second half year, almost double the scale of the Lara feedmill.
- ❑ **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. 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. Reduced intake volumes from major poultry supplier to Maroota is a concern.
- ❑ **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.





- ✓ New poultry and pig feed mill announced in September 2017, with land acquisition in progress
- ✓ Underpinned by 10 year supply agreement with Hazeldene's Chickens, with capacity to facilitate retirement of existing Bendigo mill and accommodate regional growth
- ✓ At >350,000t capacity, significantly the largest feedmill in the Ridley portfolio, using state of the art technology and mill design
- ✓ Total capital outlay of \$45-50m with focus on efficiency and low energy footprint



- ✓ New aqua-feed mill announced in January 2017, with land acquisition completed in October 2017
- ✓ Development approval process well advanced
- ✓ Spare capacity to target new and returning customers & industry growth
- ✓ Salmon production to transfer to Tasmania - improved supply chain, lead times, collaboration and diet testing capability
- ✓ 50,000t annual capacity on 5 day shift structure with on site bulk storage
- ✓ Total capital outlay of \$45-50m supported by existing supply contracts and FY17 restructure of aqua-feed operations

On 1 July 2014, Ridley embarked on a 5 year Operational R&D Plan to commercialise Novacq™. Below illustrates the 3 phase approach and status:

Phase	Focus	Period	Status	Comment
1	Reduce cost of Novacq™ production	2.5 years	Step change, ready for commercialisation	Cost down will remain a continued focus
2	Demonstrate product efficacy	10 months	Substantiated. Australian and Thailand commercial trial results released	If we choose to, any further trails will be done on a profit share model with select customers
3	Commercialisation	8 months	In process	Targeting 1 July 2018

We have successfully reduced the Operational R&D Plan from 5 years to 4 years, with targeted commercialisation date being 1 July 2018

## ❑ **Novacq™ Australia**

- ✓ optimise dewatering and drying process using preferred technology solution
- ✓ increase power supply to improve aeration and optimise pond yield
- ✓ establish pricing model for 2017 Australian growing season
- ✓ continue to improve diet to determine ideal ingredient mix and Novacq™ inclusion rates

## ❑ **Novacq™ Thailand**

- ✓ utilise existing 14 ponds for local production of Novacq™ at targeted yields
- ✓ secure 36 additional ponds for Phase 2 expansion of production capacity
- ✓ obtain Board of Investment approvals to acquire land and commence construction of on-site blending facility
- ✓ identify target customers and develop sales pricing and strategy

## ❑ **Thailand feedmill**

- ✓ develop engineering plan to install new pellet press at JV feedmill to increase capacity to 55kt
- ✓ pursue opportunities for local and export sales of prawn and fin fish sales

## ❑ **CSIRO alliance**

- ✓ establish bioassays to test extent of bioactivity
- ✓ Understand spectrum of activity and mechanisms for prawn growth

- ❑ **Animal nutrition solutions - long term positive outlook for all sectors:**
  - ✓ Compounding year on year growth in demand for poultry products, broiler and layer.
  - ✓ Aggressively targeting new pig volume, aided by new state of the art Lara feedmill.
  - ✓ Increasing demand from China and Asia for Australian dairy products, subject to fluctuating economic cycles around a positive long term trend path.
  - ✓ Investment in Aquafeed plant, technology and technical team to participate in strong growth predicted for sustainable Aquaculture.
  - ✓ Red meat raw material supply for rendering will increase with overall livestock production, with investment in new technologies and plant to keep Ridley competitive.
  - ✓ Repackaging, store presence, brand awareness and promotions for trimmed range of packaged products to service the juvenile and companion animal markets.
- ❑ **Novel feed ingredient Novacq™** - we are entering an exciting period with Novacq™ in its final year of the applied R&D program, with commencement of commercial operation targeted for 1 July 2018.
- ❑ **Innovation** - continued investment in development of novel raw materials and animal feed ingredients like Novacq™ to improve conversion, reduce cost, and open up new markets and business segment.
- ❑ **Feedmills** - continue discussions to secure additional volume and/or freight savings required for new feedmill project opportunities.

# **RIDLEY 2017 AGM**

# **PROXY VOTING TOTALS**



*"That the Remuneration Report for the year ended 30 June 2017 be adopted"*

## RESOLUTION 2

<b>INSTRUCTION</b>	<b>NUMBER</b>	<b>PERCENTAGE OF VALID SECURITIES VOTED</b>	<b>PERCENTAGE OF ALL ISSUED SECURITIES</b>
FOR	205,428,745	98.23	66.74
AGAINST	1,805,473	0.87	0.59
OPEN - USABLE	1,870,616	0.9	0.61
ABSTAIN	659,032	N/A	0.21
EXCLUDED AND UNUSABLE	2,180,246	N/A	0.71
<b>TOTAL</b>	<b>211,944,112</b>	<b>100.0</b>	<b>68.86</b>

# ORDINARY ITEM OF BUSINESS # 3(i)



*"That Patria Mann, a Director retiring from office by rotation in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."*

## RESOLUTION 3.(i)

<b>INSTRUCTION</b>	<b>NUMBER</b>	<b>PERCENTAGE OF VALID SECURITIES VOTED</b>	<b>PERCENTAGE OF ALL ISSUED SECURITIES</b>
FOR	209,028,944	98.74	67.91
AGAINST	678,059	0.32	0.22
OPEN - USABLE	2,002,116	0.94	0.65
ABSTAIN	234,993	N / A	0.08
EXCLUDED AND UNUSABLE	-	N / A	-
<b>TOTAL</b>	<b>211,944,112</b>	<b>100.0</b>	<b>68.86</b>

## ORDINARY ITEM OF BUSINESS # 3(ii)



*"That Rob van Barneveld, a Director retiring from office by rotation in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."*

### RESOLUTION 3.(ii)

<b>INSTRUCTION</b>	<b>NUMBER</b>	<b>PERCENTAGE OF VALID SECURITIES VOTED</b>	<b>PERCENTAGE OF ALL ISSUED SECURITIES</b>
FOR	209,210,010	98.81	67.97
AGAINST	580,552	0.27	0.19
OPEN - USABLE	1,932,751	0.92	0.63
ABSTAIN	220,799	N / A	0.07
EXCLUDED AND UNUSABLE	-	N / A	-
<b>TOTAL</b>	<b>211,944,112</b>	<b>100.0</b>	<b>68.86</b>

# SPECIAL ITEM OF BUSINESS # 4



*"That the Company approves, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 600,000 Rights under the Ridley Corporation Limited Long Term Incentive Plan (LTIP) to the Company's Managing Director, Mr Tim Hart, on the terms set out in the Explanatory Memorandum"*

## RESOLUTION 4

<b>INSTRUCTION</b>	<b>NUMBER</b>	<b>PERCENTAGE OF VALID SECURITIES VOTED</b>	<b>PERCENTAGE OF ALL ISSUED SECURITIES</b>
FOR	205,426,944	97.62	66.74
AGAINST	3,246,726	1.54	1.05
OPEN - USABLE	1,785,893	0.84	0.59
ABSTAIN	254,303	N / A	0.08
EXCLUDED AND UNUSABLE	1,230,246	N / A	0.40
<b>TOTAL</b>	<b>211,944,112</b>	<b>100.0</b>	<b>68.86</b>

# CONTACT DETAILS

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