

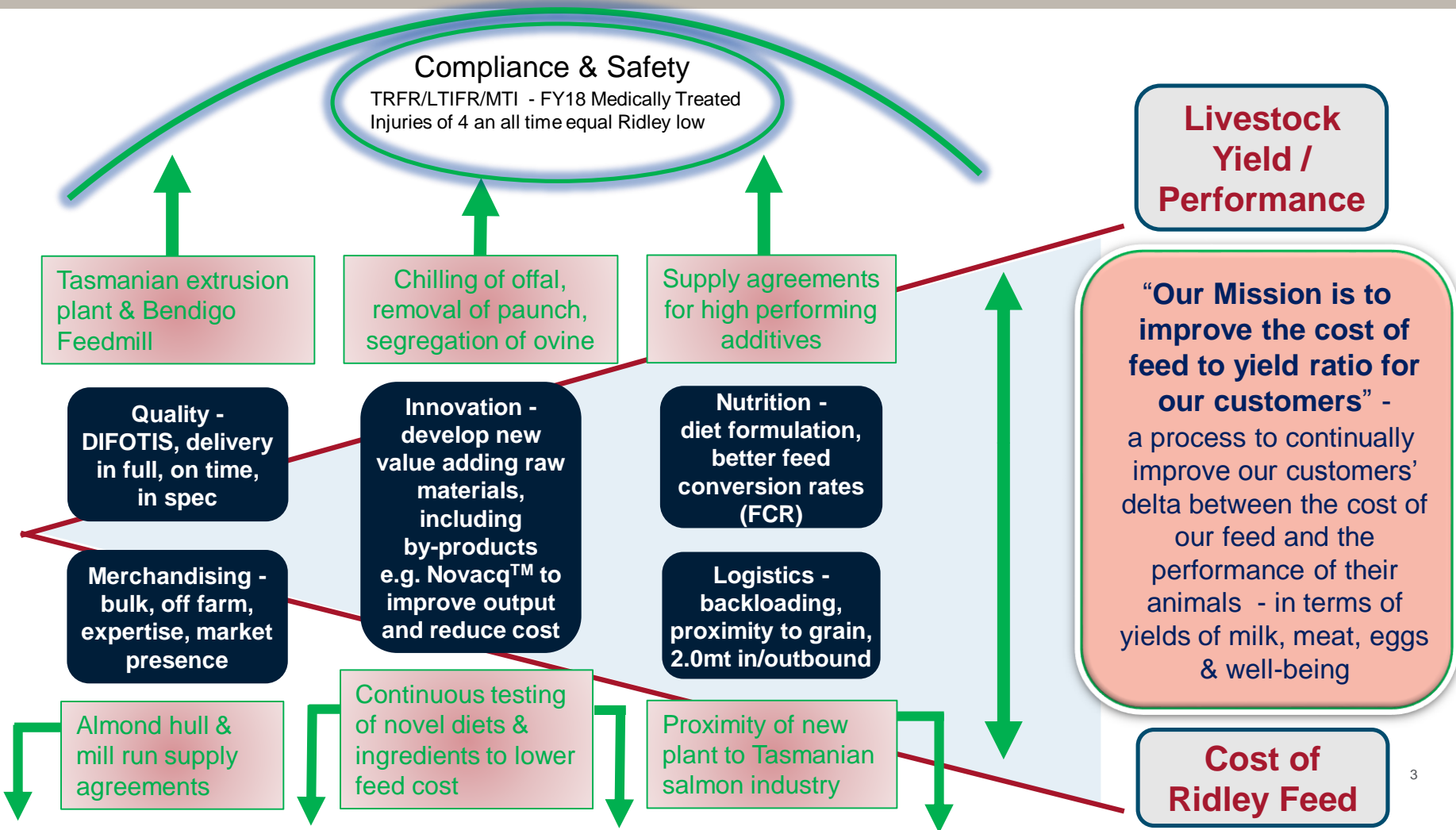
RIDLEY CORPORATION LIMITED

MANAGING DIRECTOR ADDRESS
2018 ANNUAL GENERAL MEETING

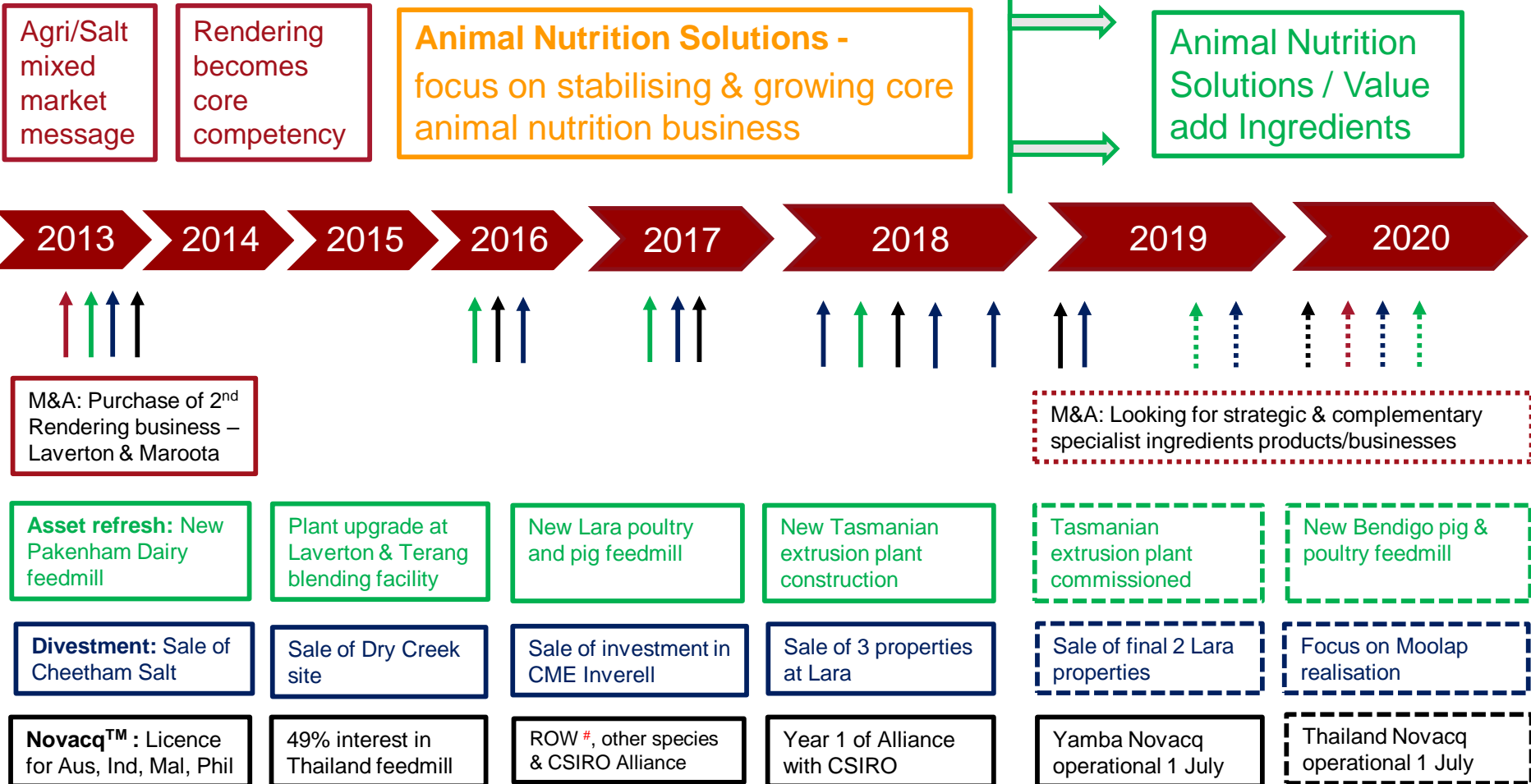


RIDLEY

1. RIDLEY MISSION & JOURNEY
2. FY18
3. OUTLOOK & STRATEGY



RIDLEY JOURNEY



Excludes China and Vietnam already licensed

- ❑ **EBIT result for agribusiness of \$43.3m before non-recurring items** - Dairy, Poultry, Beef and Sheep, Supplements and Laverton Rendering all enjoyed growth in a year impacted by the loss of Maroota's largest supplier of poultry raw material and by inventory legacy issues arising from the termination of supply to Huon in the prior year. These two adverse events are covered in the following slide.
- ❑ **Poultry** - reliable year on year performance for broiler and layer, with further volume increases reflective of increasing bird numbers and consumer demand.
- ❑ **Pig** - the industry is currently suffering from an oversupply which is causing price weakness and widespread financial distress for farmers, the knock on effect for Ridley being a contraction of pig volume by 8,000 tonnes (kt).
- ❑ **Ruminant** - Dairy has been the real success story for the year with good growth and solid margins, boosted by opportunistic beef and sheep volumes in drought affected areas of the country. Farmer confidence and forecast milk prices have generally been positive.
- ❑ **Aquafeeds** - peak period salmon volumes were affected by an influx of warm water in Tasmania while prawn and other fin fish volumes were consistent with the prior year. A number of significant Huon inventory legacy issues arose from the ageing of unsold finished goods and unused raw materials.
- ❑ **Rendering** - a combination of improved plant performance and higher Laverton red meat raw material input volumes contributed to positive earnings growth for the site, while the significant reduction in poultry raw material input at Maroota materially impacted its full year contribution.
- ❑ **Packaged Products** - margins were squeezed by the lag in passing through raw material price rises during the year, however aggregate sales volumes rose for the first time in several years to vindicate the marketing and refresh strategies.
- ❑ **Supplements** - the return to a more traditional dry season in northern Australia positively impacted Dry Season block sales and restored the business unit to profitability.
- ❑ **Energy** - the Energy Buyers Group in Victoria had a positive impact on pricing for group participants in the year, however the Australian manufacturing industry will continue to be challenged by continuing increases in the price of energy.

- ✓ Ongoing process of continuous improvement to further improve yield and drive down the cost of production. Increase in power supply has facilitated uplift in aeration and consequently yield.
- ✓ Dewatering and drying solution achieved, equipment purchased and installed at Yamba.
- ✓ Use of Yamba Novacq™ by three major domestic prawn farmers for 2017/18 growing season on profit share arrangement. Two of the farmers have committed to scale up their Novacq™-inclusive ponds for the FY19 season, while the third is uncommitted pending the sale of their business.



Yamba aerial of 2 active ponds plus overflow pond

- ✓ 37% improvement in survival rates achieved in Mackay farm trials.



Harvested Novacq™ to be dewatered and dried



After drying/processing "pure" Novacq™

After drying

After grinding



Prawn feed with Novacq™ included

✓ **Ten year lease** - 14 former prawn ponds now converted and local production of Novacq™ has commenced at Chanthaburi, with infrastructure established (power, concrete pad, site office, storage silos, access road, water intake, etc.).



Lay out of existing 14 ponds



Power, storage silos, site office



Test cages, feedmill in background



Test cages with underwater aeration.

✓ **Pond testing** - dedicated pond established with 48 cages and IBC's for internal testing of new diets, Novacq™ inclusion rates, variations in protein content, salinity, etc.

Trial feed delivery



Salinity testing in IBC's



Water testing

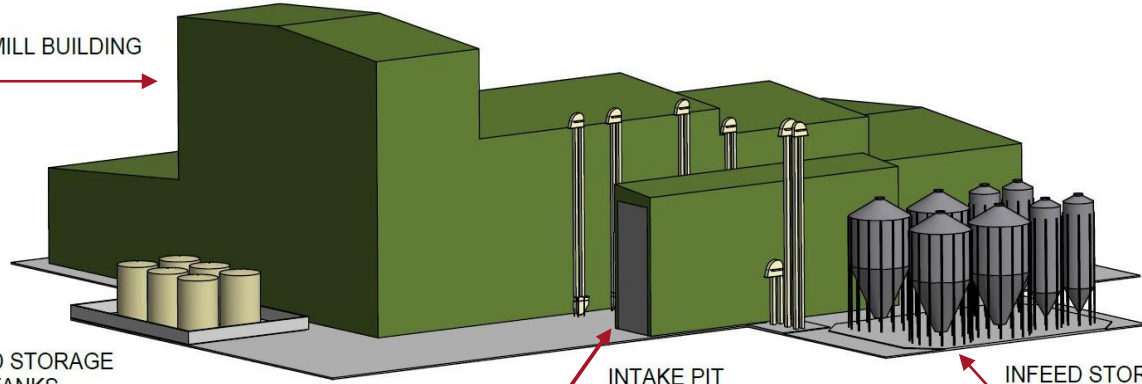


- ❑ **Poultry and Pig** - core business poultry volumes remain strong and we are working to mitigate the loss of Ingham volume from mid-October 2018 with other incremental volume. Industry growth will be supported by the new 350kt capacity feedmill in Central Victoria. The Pig industry is bracing itself for a tough period as it adjusts back to a sustainable supply and demand equilibrium, however this is expected to provide consolidation opportunities and longer term growth opportunities. We are closely monitoring the impact of overseas outbreaks of African Swine Fever.
- ❑ **Ruminant** - the outlook for the Dairy sector remains positive, with milk price confidence and stability being progressively restored and despite increasing raw material prices. With no end to the regional drought conditions predicted for the foreseeable future, beef and sheep volumes are expected to remain at historically high levels in FY19.
- ❑ **Aquafeed** - the test extruder line and plant upgrades will facilitate a focus on quality and innovation in the year ahead, together with the trials to be conducted with Tassal. Planning for the transfer of feed volumes and rationalisation to a two site operation will be important to facilitate a seamless transition when the new extrusion plant in Tasmania is commissioned around the end of FY19.
- ❑ **Rendering** - the outlook for Laverton is positive, with a focus on plant efficiency and segregation of higher value raw material intake for the coming year. The extent of the earnings recovery at Maroota will be strongly influenced by the success of the new projects to render whole mackerel and whole birds and to stabilise raw material in order to extend the reach of the raw material supply chain. We are making progress on developing innovative solutions for each project.
- ❑ **Packaged Products** - a new range of products and shift in sales mix, improved store coverage and presence, a focus on Equine markets, where sales volumes have been eroded in recent years, and on the positive exposure for Canine, are expected to be the key drivers to growth in FY19.
- ❑ **Supplements** - profitability is currently highly dependent on a traditional pattern of wet and dry seasons in northern Australia. Innovation is critical to develop new value adding products - such as pig and chicken blocks - to reduce this dependency, improve plant efficiency and optimise earnings.
- ❑ **Energy** - the continuing rises in energy costs provide a challenge to the international competitiveness of Australian manufacturing, and Ridley is no exception in having to combat these energy price rises with operating efficiencies.

EXTRUSION PLANT AT WESTBURY, TASMANIA



MILL BUILDING

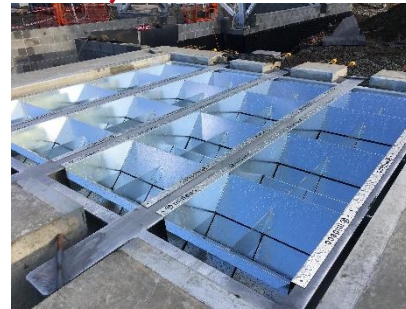


LIQUID STORAGE TANKS

INTAKE PIT BUILDING

INFEED STORAGE SILOS

- ✓ Spare capacity to target new and returning customers & industry growth.
- ✓ Salmon production to transfer to Tasmania - improved supply chain, lead times, diet testing capability & customer collaboration.
- ✓ Extrusion capacity for Petfood & Aquafeed.
- ✓ 50,000t annual capacity on 5 day shift structure.
- ✓ Total capital outlay of c.\$50m supported by existing supply contracts and FY17 restructure of aqua-feed operations.
- ✓ Targeted commissioning in Q4 FY19.





- ✓ New poultry and pig feed mill announced in September 2017.
- ✓ Site identified with land acquisition and development approvals in final stages.
- ✓ 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.

❑ **Novacq™ Australia**

- ✓ First year of commercial operation commenced on 1 July 2018, one year ahead of original 5 year timeline;
- ✓ Implement dewatering & drying process using the preferred technology solution;
- ✓ Establish pricing model for 2018/19 Australian growing season and beyond; &
- ✓ Continue to experiment with diet formulation to improve bioactive content and pond yield and Novacq™ inclusion rates.

❑ **Novacq™ Thailand**

- ✓ Secure additional ponds for Phase 2 expansion of production capacity from current 14 ponds;
- ✓ Install and implement dewatering and drying equipment;
- ✓ Commence sales to local and overseas customers of Novacq™-inclusive trial feed; &
- ✓ Prepare for anticipated 1 July 2019 commercial go-live.

❑ **Thailand feedmill**

- ✓ Implement strategy to secure local & export sales of prawn & fin fish feed.

❑ **CSIRO alliance and licence**

- ✓ Continue with Work Package 1 to establish bioassays to test the extent of bioactivity & understand spectrum of activity and mechanisms for prawn growth;
- ✓ Conduct initial series of poultry and pig trials; &
- ✓ Select overseas country for Novacq™ production and establish a presence in that country.

- ❑ **Poultry** - newly appointed General Manager to lead Commercial Feed team to execute plan to secure new poultry and pig volume (i) based on customer value proposition from Lara feedmill and (ii) to replace Ingham volume expected to be withdrawn in October 2018.
- ❑ **New extrusion plant and feedmill** - commission the new Tasmanian extrusion plant & be well advanced in construction of new Central Victorian poultry & pig feedmill by FY19 year end.
- ❑ **Innovation** - continue to pursue opportunities to introduce novel and value-adding feed ingredients through a process of innovation and/or acquisition.
- ❑ **Novacq™** - conclude the project to explore options to accelerate the growth of Novacq™, including the option of third party investment.
- ❑ **Thailand feedmill** - given the disease challenges currently facing the local region's prawn farmers, increase the focus on establishing a network of domestic fin fish, and overseas prawn and fin fish markets using Ridley diets and feed produced locally in Chanthaburi.
- ❑ **CSIRO alliance** - the focus needs to remain on reaching a satisfactory conclusion to the first work package which forms the basis for identification of the relevant characteristics and the selection process for targeting Novacq™ applications in other species.

RIDLEY 2018 AGM

PROXY VOTING TOTALS

"That the Remuneration Report for the year ended 30 June 2018 be adopted"

RESOLUTION 2

INSTRUCTION	NUMBER	PERCENTAGE OF VALID SECURITIES VOTED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	185,799,757	97.34	60.36
AGAINST	3,001,705	1.57	0.98
OPEN - USABLE	2,078,390	1.09	0.68
TOTAL	190,879,852	100	62.02
ABSTAIN	2,382,759	N/A	0.77
EXCLUDED AND UNUSABLE	2,663,694	N/A	0.87

"That Dr Gary Weiss, 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

INSTRUCTION	NUMBER	PERCENTAGE OF VALID SECURITIES VOTED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	152,650,973	84.94	49.59
AGAINST	24,989,915	13.91	8.12
OPEN - USABLE	2,068,590	1.15	0.67
TOTAL	179,709,478	100	58.38
ABSTAIN	16,216,827	N/A	5.27
EXCLUDED AND UNUSABLE	Nil	N/A	N/A

ORDINARY 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 to the Company's Managing Director, Mr Tim Hart, on the terms set out in the Explanatory Memorandum"

RESOLUTION 4

INSTRUCTION	NUMBER	PERCENTAGE OF VALID SECURITIES VOTED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	186,590,520	96.94	60.62
AGAINST	3,923,991	2.04	1.27
OPEN - USABLE	1,966,807	1.02	0.64
TOTAL	192,481,318	100	62.53
ABSTAIN	1,866,762	N/A	0.61
EXCLUDED AND UNUSABLE	1,578,225	N/A	0.51

ORDINARY ITEM OF BUSINESS # 5



"That the Company approves, for the purposes of ASX Listing Rule 7.2, Exception 9 and for all other purposes, the issue of performance rights under the Ridley Corporation Limited Long Term Incentive Plan as described in the Explanatory Memorandum."

RESOLUTION 5

INSTRUCTION	NUMBER	PERCENTAGE OF VALID SECURITIES VOTED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	186,333,002	96.94	60.53
AGAINST	3,821,018	1.99	1.24
OPEN - USABLE	2,047,279	1.07	0.67
TOTAL	192,201,299	100	62.44
ABSTAIN	2,146,781	N/A	0.70
EXCLUDED AND UNUSABLE	1,578,225	N/A	0.51

SPECIAL ITEM OF BUSINESS # 6



"That, for the purposes of sections 648G and 136(2) of the Corporations Act and for all other purposes, the Company modify its Constitution by inserting the proportional takeover approval provisions set out in the Explanatory Memorandum with effect from the date of the Meeting for a period of three years."

RESOLUTION 6

INSTRUCTION	NUMBER	PERCENTAGE OF VALID SECURITIES VOTED	PERCENTAGE OF ALL ISSUED SECURITIES
FOR	190,905,677	98.51	62.02
AGAINST	716,203	0.37	0.23
OPEN - USABLE	2,155,194	1.12	0.70
TOTAL	193,777,074	100	62.95
ABSTAIN	2,149,231	N/A	0.70
EXCLUDED AND UNUSABLE	N/A	N/A	N/A

CONTACT DETAILS

Tim Hart

Managing Director and Chief Executive Officer

Email: Tim.Hart@ridley.com.au

Tel: +61 3 8624 6500

Fax: +61 3 8624 6414

Mobile: + 61 404 480 542

Ridley Corporation Limited

ABN 33 006 708 765

Level 4, 565 Bourke Street

Melbourne, VIC. 3000

Australia

www.ridley.com.au