



NEW FEEDMILL FACILITATES RATIONALISATION IN VICTORIA

Melbourne, Australia, 29 June 2020: Ridley Corporation Limited (**Ridley**) (**ASX:RIC**) announces the successful commissioning of its new feedmill at Wellsford, Bendigo which facilitates the foreshadowed rationalisation of its operations in Central/Northern Victoria.

The construction and commissioning of Ridley's new state of the art poultry and pig feedmill located at Wellsford, Bendigo has been completed on budget and commissioned as scheduled in this fourth financial quarter. All production has been successfully transitioned from the former Bendigo feedmill to Wellsford, resulting in the cessation of operations at, and closure of, the old site. The site will be secured from a safety perspective and the remediation, demolition and redevelopment approval activities commenced and fully accounted for in the 2020 financial year to prepare the site for divestment.

With a 350,000 tonne annual capacity, the new feedmill at Wellsford can absorb not only the production capacity of the old Bendigo feedmill but also that of the existing Mooroopna feedmill. Mooroopna production and customers will be transitioned to the new Wellsford site during the next six to nine months. Once this program has been successfully concluded, the Mooroopna site will be closed, made safe, and prepared for divestment. After consolidating the volumes from both the Bendigo and Mooroopna feedmills into the new Wellsford feedmill, there will still be an additional 70,000 tonnes of feed production capacity at Wellsford, located in this key farming region extending through Central and Northern Victoria.

Preliminary estimates of \$6.0 million for the aggregate costs of closure, site security and remediation of the Bendigo and Mooroopna feedmills as forecast in November 2019 will be finalised in the coming month, and brought to account in the operating result for the current financial year ended 30 June 2020. The majority of these costs relate to asset impairments and write downs which are non-cash in nature.

Ridley Chief Executive Officer and Managing Director Mr Quinton Hildebrand commented "Having invested just over \$47 million in the new Wellsford facility, it is important that we take full commercial advantage of its superior efficiency and product quality. Unfortunately that means the closure of our Mooroopna feedmill, and we will be working closely with our customers over the coming months to ensure they benefit from a seamless transition to the Wellsford supply arrangements."

Mr Hildebrand concluded "The commissioning of the Wellsford feedmill and rationalisation of our operations in this region concludes our committed portfolio modernisation program. Our focus for the year ahead will be to improve utilisation across our asset portfolio and to generate the increase in earnings and cash flows from the investments in the four plants at Pakenham, Lara, Westbury and Wellsford that we have constructed in the last eight years."

For further information please contact:

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